



**THE ROLE OF SOCIAL RELATIONSHIPS IN THE SETTING UP AND  
MANAGEMENT OF SMALL TOURISM BUSINESSES IN TWO  
PORTUGUESE RURAL AREAS**

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## ABSTRACT

The successful setting up and management of micro and small businesses, and tourism related businesses in particular, is dependent on a range of situational and contextual factors (Gartner 1988, 1989; Reynolds 1991; Watson et al. 1998; Jack and Anderson 2002). When very small and micro businesses are considered, the owner's social and economic contexts are strongly inter-related, and to interpret economic action, one needs to take into account the social context where it takes place (Granovetter 1985; Aldrich and Zimmer 1986; Curran et al. 1993; Greenbank 2001; Jack and Anderson 2002).

In remote rural areas, particularly in peripheral locations, tourism businesses have been widely promoted and relied upon as a means of addressing the social and economic challenges they are going through (Sharpley 2002; Shaw and Williams 2002; Getz et al. 2004). But tourism businesses have to face the typical weakness of small firms, combined with the constraining characteristics of peripheral destinations (Dahles 1997; Morrison 1998a; Morrison and Thomas 1999; Irvine and Anderson 2004; Getz and Carlsen 2005). The supporting resources base for firm setting up is considered to be much smaller and much harder to access (Smallbone et al. 1993; Stearns et al. 1995; Patterson and Anderson 2003; Skuras et al. 2003). In such circumstances, the owners' social personal networks play very important roles, either in the provision of immediate support, or by giving access to contacts and to resources outside the local area (Jack and Anderson 2002).

But social networks can either facilitate or inhibit venture development (Casrud and Johnson 1989). Particularly with micro and/or family owned businesses, the two sub-systems are so strongly embedded, that any family issue is likely to influence the business and vice-versa, both in a positive as well as in a negative way (Stafford et al. 1999; Danes 2006). Social networks are acknowledged as important sources of strength, synergies and resources to businesses (e.g. Lynch; 2000; Habbershon et al. 2003; Buhalis and Peters 2006; Sharma 2008; Tinsley and Lynch 2008), but can also lead to dysfunctional consequences, and conflict between both systems may arise (Danes 2006; Werberl and Danes 2010).

Therefore, this research aims at contributing to an under researched topic: the understanding of the role and importance of social relationships, in the small business setting up and management context. Theories of social networks, social capital and social support were considered as providing an appropriate conceptual framework. To accomplish the proposed goals and objectives a sequential, multi-methods approach was adopted, because the topic of social support, and mostly social hindrance, were under-conceptualized in the small businesses context. The first stages of qualitative data collection (interviews and subsequent group discussion) informed the structure and content of a questionnaire to be used in the main stage of quantitative data collection. The quantitative research was conducted in the Alto Alentejo and Oeste regions (Portugal), with 180, face-to-face completed questionnaires, based on a stratified random selection of tourism business owners. Data collected has enabled the identification of who within business owners' personal network has affected their business initiative, how and with what

outcomes, at different moments in time. Helpful and unhelpful behaviours, both from family and people within the personal circle have been identified and submitted to uni and multi analysis. The underlying types of social support and social hindrance were identified.

At the theoretical level, this research has demonstrated the benefits of combining theories of social network and social capital, traditionally widely used in small business research, with theory of social support. A richer understanding of the role of social relationships in the business' context was achieved. This research has also contributed to the conceptualization of negative social interactions, and the term social hindrance is suggested, as opposed to social support. The multi-dimensionality and multiplexity of both constructs has been demonstrated.

At the practical level, the findings indicate that social relationships, notably from family and friends, play an important role in the setting up and management of small tourism businesses, namely through the provision of emotional support, informational support and practical aid and assistance. The results demonstrate that there is, indeed, a positive relationship between social support and business performance, whilst negative social interactions, conceptualized as social hindrance, are less likely to affect business performance and success than expected. However, caution is suggested regarding the findings relating to negative social interaction considering the positive association between social desirability and reporting of social hindering behaviours. The study discusses not only the theoretical implications but also the practical ones, namely in the development of policies that aim at facilitating the setting up and management of small tourism businesses in rural areas. Future areas of research are suggested, both with regard to exploring in further detail the data collected and in terms of new and enhanced research approaches.

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## LIST OF ABBREVIATIONS

AICEP	Trade & Investment Agency of Portugal
AMO	Associação de Municípios do Oeste
EC	European Commission
EFA	Exploratory Factor Analysis
FA	Factor Analysis
CFA	Confirmatory Factor Analysis
FLM	Fundação Luís Molina
INE	Instituto nacional de Estatística (National Statistics Institute)
INSI	Inventory of Negative Social Interactions
JDI	Job Descriptive Index
KMO	Kaiser-Meier-Olkin
NUTs	Nomenclature of Territorial Units for Statistics
OECD	Organisation for Economic Co-operation and Development
OPTOUR	Opportunities for and barriers to tourism-led integrated rural development in rural regions of selected Member States
PA	Parallel Analysis
PCA	Principal Component Analysis
SME	Small and Medium Enterprises
SMTE	Small and Medium Tourism Enterprises
SD	Social Desirability
MC-SDS	Marlowne-Crowne Social Desirability Scale
TENSE	Test of Negative Social Exchanges
WFC-FWC	Work Family Conflict - Family Work Conflict
WTO	World Tourism Organisation

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# CHAPTER 1 INTRODUCTION

## 1.1 INTRODUCTION

*No man is an island entire of itself; every man is a piece of the continent, a part of the main. (Donne 1623)*

The transcription above is a metaphorical phrase from John Donne's work "Devotions upon Emergent Occasions", and has inspired the aim and scope of this thesis. It basically states that as humans we cannot exist in isolation and, in every situation, individuals are embedded in networks of social relationships and it is through networks that social endorsement and acceptance occurs. As suggested by Gartner (1985), even economic action is strongly embedded in, and influenced by, the social environment. Successful businesses are believed to be run by individuals who unite the right motivation and human capital, but are also embedded in personal networks of social relationships which create incentives and give access to the necessary resources (moral and material) to the accomplishment of their goals as business owners.

Small business and entrepreneurship related research has acknowledged the importance of the environmental context in which business founders and managers exist, and that economic behaviour is embedded in networks of interpersonal relations (Granovetter 1985; Aldrich and Zimmer 1986; Birley et al. 1991; Anderson and Miller 2003; Jack et al. 2008). As Johannisson and Monsted (1997, p. 115) stated, starting an enterprising venture "means merging a person's private and professional life trajectories." Many researchers began explicitly to investigate the social context in which the businesses and the firms are embedded and have, as a result, provided evidence that how individuals perceive and pursue business opportunities is strongly influenced by their social background and social interaction (e.g. Anderson and Miller 2003; Jack et al. 2008).

One of the underlying assumptions that make it so relevant to understand the role of social relationships in the business context is the acknowledgement that “through the personal network, the owner-manager of a new venture gathers access to critical resources, which for a variety of reasons, new firms do not possess internally” (Ostgaard and Birley 1994, p. 300). Recent theoretical models of venture setting up posit that the successful founding of a business venture is a process resulting from different combinations of the individual’s traits and situational conditions, placing particular emphasis on social embeddedness. Small businesses have to face the liabilities of smallness and, in the case of start-ups, the liabilities of newness (Carson et al. 1995; Stokes 1998; Agarwal et al. 2002; Beaver 2002; Lechner and Dowling 2003). Social networks thus become a key component of enterprising behaviour research, and their contribution to successful outcomes is widely acknowledged in the literature where they are often conceptualised as business founders’ social capital (Ostgaard and Birley 1994; Burt 1997a; Uzzi 1997; Nahapiet and Ghoshal 1998; Jenssen and Greve 2002; Davidsson and Honig 2003; Ruef et al. 2003; Anderson et al. 2005; Jack et al. 2008).

However, there is little knowledge about the specific ways, and about who, within social networks, can be of value to business owners, as well as the respective consequences to the business. As Fischer (1982, p. 3) acknowledged, enthusiasts of studying the role of social, or personal relations in an individual’s life “have overstated the supportiveness of networks”. The consequences of embeddedness in social networks are double-edged because social relations help sustain people’s lives, both materially and morally, but they can “often cause loss and anguish, too” (Fischer 1982, p. 3). Although there are acknowledgements about the possible negative effects of social relationships and embeddedness on economic activity (e.g. Portes and Sensenbrenner 1993, Portes and Landolt 1996), little attention has been dedicated to the subject, because research has favoured the positive perspective of embeddedness. By considering both positive and negative aspects this research seeks to address this imbalance.

Although Tourism is considered an important, and sometimes vital, economic alternative to rural economic restructuring, there is little knowledge about the process of tourism development in Portugal, particularly from the businesses perspective. Some investigations have been conducted (e.g. Kastenholz 2002, 2004; Costa 2005) but there is still a gap of knowledge about the conditions that are affecting the establishment and managing of tourism businesses, in rural areas in particular. Most works about entrepreneurship and business establishment have a broader scope rather than tourism. Therefore tourism related businesses in rural areas seem to be a field of research in need of a more focused and detailed approach, namely with regard to the analysis of social networks and their contribution to business setting up and survival. The literature review has demonstrated that contributions with regard to this are not readily identifiable; therefore this research aims at building upon this knowledge gap.

Next, in this introductory chapter, the context of the research and the theoretical framework adopted are presented and the aim and consequent objectives are proposed. The structure of the thesis is also outlined.

## **1.2 THE CONTEXT OF THE RESEARCH**

This research has focused on the role of social relationships in the setting up and management of small and micro tourism businesses. Based on a previous research experience 10 years ago (OPTOUR 2003), the researcher gained the perception that social relationships could be a determinant of small and micro tourism businesses setting up and management in rural areas. When interviewing tourism business owners, in several rural areas of Portugal, people within the owners' personal set of social relationships were often acknowledged as being of significance, in different ways, to their business initiative. This perception has led to further search for information, through a systematic literature review and, ultimately, has set the grounds of this thesis. The preliminary literature review has confirmed that the tourism sector is widely acknowledged as being mainly about small, micro businesses. In rural areas in particular, most businesses are family owned and strongly dependent on their social context. Given their small size,

tourism related SMEs are mainly under the control of the owners (Shaw and Williams 1987; Morrison et al. 1999; Morrison 2000). This highlights the role and importance of the owner-manager's personal characteristics and social context, in which he/she is embedded, in particular the family system (Getz and Carlsen 2005).

Although tourism is considered as a low entry barrier sector, SMTEs face the same problems and constraints as any other SME, especially when associated to peripheral rural areas. Additionally, tourism businesses often have to face seasonality of demand, and difficulties with hiring/maintaining qualified staff. SMTE owners have to work harder, often relying on family members to work on the business, sometimes informally, without paid wages or salary (Getz et al. 2004; Morrison and Teixeira 2004). It is not surprising therefore, that performance and success is acknowledged as very much dependent on the personal commitment of the owner and on his/her personal and social context, as evidenced in small businesses literature in terms of the social embeddedness perspective. The starting point of this research was, therefore, the adoption of the social embeddedness perspective. The following step was to identify the adequate theoretical framework.

### **1.2.1 THEORETHICAL FRAMEWORK ADOPTED**

The continuing process of literature review, conducted at an early stage of the research process, established that a bridge between the Theory of Social Networks, the Theory of Social Support and the Theory of Social Capital was necessary. The three bodies of literature, which are strongly inter-related, provide the framework and theoretical contexts for a more comprehensive understanding of the research problem. Networks are currently one of the most widely researched and popularised topics within small business research. Many studies show associations between networking activity and several business dimensions such as opportunity recognition, setting up, survival, and growth (e.g. Bruderl and Preisendorfer 1998; Chell and Baines 2000, Huggins 2000; O'Donnell et al. 2001; Anderson and Miller 2003; Hoang and Antoncic 2003; Jack et al. 2008; Jack 2010). It is widely

acknowledged in the literature that networks facilitate the discovery of opportunities as well as the identification, collection and allocation of scarce resources (Ostgaard and Birley 1994; Burt 1997a; Uzzi 1997; Nahapiet and Ghoshal 1998; Jenssen and Greve 2002; Davidson and Honig 2003; Ruef et al. 2003; Anderson et al. 2005; Jack et al. 2008). Small businesses face the liabilities of smallness and newness, the last being particularly relevant at the start-up stage. Given the lack of necessary capital or legitimacy to exchange using traditional market transactions, the emergent small firm is dependent upon its external network to provide resources and capabilities that are not available otherwise (Hite and Hesterly 2001).

The set of relationships implicit in a business owner's social network can be either formally established or maintained or a result of informal, personal related sets of relationships (family and friends) (Dodd and Patra 2002). The flow of resources within the owners' personal network, and its use on behalf of business goal attainment, has been dealt with by many scholars as social capital (e.g. Burt 1992; 1997a, 1997b; Nahapiet and Ghoshal 1998; Portes 1998; Schuller et al. 2000; Adler and Kwon 2002). Social capital theory refers primarily to resources (tangible or intangible) accessed through social networks, focusing on the instrumental utility of such resources on behalf of business goal attainment (e.g. Burt 1992; 1997a, 1997b; Nahapiet and Ghoshal 1998; Portes 1998; Schuller et al. 2000; Lin 2001; Adler and Kwon 2002). Social capital is widely acknowledged as being inherent in the structure of peoples' social relationships (Portes 1998; Lin 1999, 2001; Renzulli et al. 2000; Adler and Kwon 2002; Robison et al. 2003). The central proposition of social capital research is that social relationships (social networks) constitute sources of valuable resources. However, in business related literature, social networks have also been dealt with as structures from which the business owner can get resources and support (e.g. Gottlieb 1981; Knipscheer and Antonucci 1990; Walker et al. 1993; Neergaard et al. 2005; Renzulli and Aldrich 2005). If we consider that the result of networking is support given and receiving, social support theory may be helpful when trying to understand how the social capital acquired through social networks influences small businesses. This research

seeks to integrate the theory of social networks, the theory of social capital and the theory of social support in the analysis of business setting up and management.

References to social networks as sources of social support to the business owners are very scant though, and are limited to the concept of support being provided by social networks (e.g. Nelson 1989; Walker et al. 1993; Bruderl and Preisendorfer 1998; Renzulli and Aldrich 2005). Early research conceptualized social support as a generalized resource available from an individual's network of friends and acquaintances (the social network) that helped the individual to deal with everyday problems or more serious crises (Fischer 1982). Like social network research, social support theory has historically been considered within a structural perspective and has concentrated on exploring the size, density and frequency of network interactions, all of which can be put into operation in quantitative terms. More recently, social support theory argues that it may not only be the structural dimensions of a network, but also the type of support (content) provided by network ties and the context or interactions by which such support is acquired, which influences individual action and behaviour. Social support researchers have also widely and long demonstrated agreement about social support being a multidimensional, multiplex construct (e.g. House 1981; Norbeck et al. 1981; Barrera 1986; Cooke et al. 1988; Vaux, 1988; Wellman and Wortley 1990; McIntosh 1991; Walker et al. 1993; Corcoran et al. 1998; Canthy-Mitchell and Zimet, 2000; Agneessens et al. 2006). Any individual is likely to be linked to several and diverse role relationships, which are potential sources of different types of support.

On the other hand, and although social networks are acknowledged as providing opportunities and constraints on behaviour (Katz 1966; Wellman 1981; Portes 1998; Borgatti and Foster 2003), because relationships naturally involve costs as well as benefits (Rook 1984), research has tended to miss out the negative effects of social interactions. A diversity of designations associated with negative social interactions has been identified, reflecting its poor conceptualization, as opposed to social support. Nonetheless, it is evident in the literature that whatever designation adopted, the construct that encompasses negative social relationships is likely to be

multidimensional, and the same social relationships can be characterized both by antagonism and support. Different types of positive and negative behaviours are likely to be performed, at different times towards someone, by the same person (Abbey et al. 1985). The classical supportive networks (family, friends and other significant people) can also be stressful, irritating, annoying, or over involved (DiMatteo and Hays 1981; Rook 1984; Pagel et al. 1987; Power et al. 1988, Martire 2002; Reynolds and Perrin 2004) and even represent focuses of friction and conflict (Fischer 1982; Gillespie et al. 1985). Moreover, because friends and family are particularly expected to be supportive when they are not expectations are violated, increasing emotional distress (Newsom et al 2003). Therefore, as suggested by Rook (1990) any research project needs to identify the specificities of the underlying subject, both with regard to measures of positive and negative behaviours and respective outcomes. The conceptual framework, summarizing the theoretical propositions described above is presented in Section 5.2.2 of Chapter 5 (methodology).

### **1.2.2 SOCIAL RELATIONSHIPS AND SMTEs**

Very few tourism related studies have adopted the social embeddedness perspective, especially when considered as relating to the set of social relationships of the owner-managers (family, friends, and other acquaintances). Research provides scant contributions to the understanding of Small and Micro Tourism Enterprises' (SMTEs) social embeddedness beyond the inter-firm networks, and existing examples deal mostly with analysis of aspects related to family involvement in family businesses (e.g. Getz et al. 2004; Lee-Ross and Lashley 2009). Some studies have identified personal networks as the mechanism for social relationships to give access to relevant resources, working as determinants of success of micro, family businesses (e.g. Lynch 2000; Tinsley and Lynch 2008). It is particularly evident in the literature that family plays a vital role in the setting up and management of SMTEs in general and, of family owned and run SMTEs in particular. The family is acknowledged as the social context in which SMTE's owner-managers are naturally embedded and as strongly affecting business start-up and performance, namely in gaining access to customers, suppliers and employees.

(e.g. Morrison et al. 1999; Getz and Carlsen 2005; Getz and Petersen 2005; Buhalis and Peters 2006; Lee-Ross and Lashley 2009). Being built on personal acquaintance grounds, these relationships may result in favourable terms and conditions and support being provided at difficult times (Buhalis and Peters 2006).

However, few studies have considered the negative effects of social relationships, and therefore the overall outcomes of personal networks upon the businesses. Social networks are acknowledged in tourism related literature as likely to act as obstacles to business and be a strategic disadvantage (e.g. Buhalis and Peters 2006; Getz et al. 2004; Morrison and Teixeira 2004; Lee-Ross and Lashley 2009). If we consider that tourism businesses are subject to demands such as long working days; irregular work/income (seasonality); week-ends and holidays dedicated to work instead of family/leisure, family-work and work-family conflict could be anticipated to take place, translated into negative/hindering behaviours (Getz and Nilsson 2004; Getz et al. 2004). The nature and pressures of running tourism businesses are likely to put considerable strains on families, and disrupt the personal and social life and well being of business owners (Anderson et al. 2002; Getz and Nilsson 2004; Getz et al. 2004; Morrison and Teixeira 2004), and subsequently hinder venture performance (Lee-Ross and Lashley 2009). However, what has not been identified in tourism related literature so far is a systematic analysis of the role of the owner's personal social relationships in the business context. Although studies do exist that highlight the importance of the family to enterprise setting up and development, there is little knowledge about the nature and frequency of provision of informal supportive behaviours, and how these contribute to the business performance and success. Moreover, there is no research dealing with the provision of negative/hindering behaviours, and how these affect the business context.

The contributions summarised above suggest that research, with a sociological perspective, and an emphasis on personal networks, should be conducted in a more systematic way. As suggested by several authors, more attention should be devoted to the role of personal networks in the process of business setting up, both positively and negatively (e.g. Kopelman et al. 1983; O'Donnell et al. 2001;

Aldrich and Cliff 2003; Thomas et al. 2011). Existing contributions seem limited in scope, favouring the positive perspective, and not providing a broad understanding of the ways personal networks can be determinants of success (e.g. which behaviours, from whom, with what consequences to businesses). Therefore the main focus of this research is to build upon and expand knowledge with regard to the aforementioned research gaps, and overcome the methodological limitations of previous studies, namely: to assess positive and negative social interactions at the same time with comparable measures; to contribute to the measurement of negative interactions, which varied considerably across studies and about which little is known; to conclude whether positive or negative interactions have a more important impact overall. These aim, and the associated objectives, are outlined in greater detail in the next section.

### **1.3 AIM AND OBJECTIVES**

Given the underlying rationale, the aim of this research is, therefore to understand the role of the owner's social relationships in the setting up and management of small tourism business in rural areas. The operational objectives are twofold:

At theoretical level

- The development of a comprehensive conceptual framework for the analysis of the role of social relationships in the setting up and management of small tourism businesses, integrating the Theory of Social Networks, the Theory of Social Capital, and the Theory of Social Support;
- To provide a clearer understanding of social capital theory, and its application to small business research;
- To contribute to the development of measures of social support and social hindrance, operationalised through helpful and unhelpful

behaviours, from owners' personal networks, and respective consequences to the businesses.

At practical level

- Clarify and strengthen the understanding of the influences of social relationships in the process of small business establishment and management;
- To identify specific helpful behaviours and unhelpful behaviours that significantly affect the business and the people within personal networks (e.g. family, friends, colleague, acquaintance) who are responsible for such behaviours;
- To understand the consequences of helpful and unhelpful behaviours upon the business
- To identify the existence and meaning of linkages between helpful and unhelpful behaviours, operationalised through measures of social support and social hindrance, and business success at different stages (e.g. start-up and maturity);
- To identify differences between specific groups of respondents (e.g. Oeste versus Alto Alentejo) with regard to the aforementioned objectives (types of behaviours, people responsible for them, and consequences to business);

## **1.4 THE RESEARCH DESIGN**

Once the research aim and objectives have been outlined, the choice of the research design and methods of data collection were considered. This research has adopted a sequential multi-method design (Creswell et al. 2004; Petter and Gallivan 2004; Teddlie and Tashakkori 2006), because the topic of social support,

and mostly social hindrance, were under-conceptualized in the small business context. Two stages are distinguished: an exploratory qualitative stage (through structured interviews and discussion group); and a deductive quantitative stage, through structured questionnaire. The results of the qualitative methods have informed the construction of the questionnaire used in the main stage of quantitative data collection.

#### **1.4.1 RATIONALE FOR METHODS ADOPTED**

Within this research in particular, the rationale for adopting more than one method of data collection is developmental, because the results of one method help in the development of the primary, dominant study (Greene et al. 1989; Petter and Gallivan 2004; Teddlie and Tashakkori 2006; Creswell 2007). This is the case of research that aims at conducting a quantitative, survey based approach, whose main research topic is under-conceptualized. In such situations, in addition to literature review, one or more exploratory qualitative data collection methods are implemented, whose outcomes inform the research questions and quantitative data collection instrument (questionnaire). Creswell et al. (2004) called this example of multi- method research as Instrument Design Model.

#### **1.4.2 DATA COLLECTION**

This research sought to demonstrate the nature and importance of social relationships in owners' personal networks to the setting up of the business, and its management. The role of social relationships has been operationalized through measures of social support (helpful behaviours) and social hindrance (unhelpful behaviours). The research findings are based on self-report data, obtained through assisted completion of a structured questionnaire. The questionnaire design made use of both free recall and recognition techniques. The use of free-recall relates to the use of open-ended questions, whereas recognition relates to the use of likert-type scales. In addition to being asked to describe, in their own words, examples of situations where their social relationships have affected their business (free recall),

respondents were also asked to identify to what extent they have experienced specific behaviours and its consequences to business (recognition).

This research's target population was owners of tourism businesses in two different Portuguese rural areas: the Alto Alentejo and Oeste regions. Considering there are different categories, or strata of businesses within the tourism sector, and that each category presents different characteristics, stratified random sampling was used to ensure that each significant dimension of the population was represented in the sample (Sekaran 2003; Bryman 2004; Sarantakos 2005).

### **1.4.3 DATA ANALYSIS**

This research has adopted an analytical approach and quantitative analysis to generate descriptive and inferential information, and to uncover potential differences between the independent variables, as well as potential relationships between variables. Univariate analysis (mean, median and frequency) was used to provide descriptive information. Additionally bivariate analysis has been used, mainly to test the null research hypothesis that there were no differences between the two groups that formed the independent variable: the two selected regions of Alto Alentejo and Oeste. For the inferential analyses of categorical data Chi-square test was used, and for the ordinal data, Mann-Whitney and Kruskal-Wallis tests were used. Non-parametric tests were regarded as more appropriate than the parametric versions (T-test and Anova), because they are less sensitive to the number of cases, much of the data was ordinal, and because most of data did not meet the normality of distribution requirement.

Multivariate analysis was also used within this research, namely exploratory factor analytic techniques (principal component analysis), to understand the structure of supportive (helpful) behaviours, and hindering (unhelpful) behaviours, and to identify the underlying subscales, and correlation analysis to identify associations between different independent variables.

## 1.5 STRUCTURE OF THE THESIS

This Thesis is organised into 10 chapters including this one. The content of the remaining chapters is briefly described below

The three chapters that follow this introductory chapter (Chapters 2, 3 and 4) critically review the literature and explain the main theories and concepts that have informed this research. **Chapter 2** reviews the literature with regard to small and micro businesses. Particular emphasis is placed on the factors affecting, and on the determinants of, successful business setting up and management. Models that aim at identifying the key factors affecting small businesses' start-up processes and determinants of successful survival, proposed by key researchers, are critically reviewed. Particular emphasis is placed upon selected contextual factors: namely path to ownership, individual level determinants, environmental level determinants, and business level determinants.

In **Chapter 3** the rationale for adopting the social embeddedness perspective is explained, and a bridge is established between the Theory of Social Networks, the Theory of Social Capital, and the Theory of Social Support. The underpinnings of each theoretical framework, and the implications for small business development, are described. An attempt is made to make explicit the inter-relationship between them. Within this chapter, particular emphasis is placed on the contributions that help to understand the role of social relationships in the businesses context.

**Chapter 4** outlines the main research contributions with regard to the factors affecting the setting up and management of small and micro Tourism businesses in particular reported in academic literature. Special emphasis is placed on the role of personal networks and social relationships, and their implications for business performance and success in rural areas.

Based on the literature review and on the outlined research questions, the methodological design was defined, providing the framework for the collection and analysis of data (Bryman 2004). **Chapter 5** describes the conceptual

framework derived from the literature review and explains the methodology adopted and the steps and actions undertaken in order to meet the identified goals and objectives. The rationale for a sequential, multi-methods approach is provided. Throughout the whole chapter the emphasis is placed on the theoretical and methodological underpinnings that framed and have set conditions with regard to the research process, and the data collection.

**Chapter 6** is the first of 3 chapters dedicated to presenting the findings. It provides analyses of both owner related and environment related factors that might affect business setting up and management and the role of social relationships in those processes. Special emphasis is placed on the perceptions of the owners about the role of their personal networks in the setting up and management of their businesses, as well as their expectations for the future. All information described in this chapter is based on respondent's free elicitation (free recall). Behaviours that significantly affected the business or are expected to affect the business (helpful and unhelpful), the people who are responsible for them, and how have those behaviours affected the business are described. The way respondents became owners of a business and their level of embeddedness in the local community are examples of the owner related information also covered.

**Chapter 7** aims at describing the owner's perceptions of specific behaviours by family and people within the personal circle towards himself/herself or towards the business, as well as about specified consequences attributed to those behaviours. The data described in this chapter has been collected based on recognition (closed questions with predefined likert-type scales), as opposed to data presented in Chapter 6, which was based on free recall (open-ended questions).

**Chapter 8** aims at providing detailed information with regard to the interrelationship between the owner's personal networks and business success. Additionally, this chapter presents the main aspects related to Principal Component Analysis (PCA) of helpful and unhelpful behaviours from family and from people within personal circle. Based on PCA the types and levels of social support and social hindrance are described. Information about owners perceived level of

success, both according to their own perception (free recall), and according to specified measures (recognition) is also presented. Based on these two sets of results, the association between levels of success (based on satisfaction with business ownership scale) and levels of social support and social hindrance is analysed. An additional set of results is described, referring to the owners' perceptions of the role of their personal network in the success of their business.

**Chapter 9** discusses and evaluates the theoretical, methodological and analytical approaches adopted as well as the research findings, in relation to the literature.

Finally, **Chapter 10** sets out the main conclusions and discusses the main implications arising from this research, both for theory and practice. This chapter also provides an indication of future research.

Additionally to these, the present report also includes the references list and appendices.

## **CHAPTER 2      THE SETTING UP AND MANAGEMENT OF SMALL AND MICRO BUSINESSES**

### **2.1    INTRODUCTION**

In spite of the assumption that in advanced economies, large formalized organizations will prevail (Granovetter 1985), there is evidence that small firms play a significant role in the economy, even in most advanced societies (Reynolds 1991; Storey 2000; Deakins et al. 1997; Gavron et al. 1998; Fielden et al. 2000; Beaver 2002; Gartner and Birley 2002; Shaw and Williams 2002; Sutaria and Hicks 2004). Research has demonstrated that, both in the USA and in Europe, a substantial percentage of adults seize an enterprising opportunity sometime during their working life, and the majority of these end-up participating in a new firm start-up (Reynolds 1991; Bates 1995; van Steel and Carree 2004). This rise of small business ownership in developed countries is described in the literature as being associated with structural changes in society and economy, namely with rises in unemployment and moves to self-employment (Gavron et al. 1998; van Steel and Carree 2004); increased awareness of environmental and life-style issues (Reynolds 1991; Gartner and Shane 1995; Stokes 1998; Thornton 1999; Irwin 2000; Timmons and Spinelli 2003). Small firms play also an important role in the moves from scale economies and traditional manufacturing industries towards services and technological advances, being more flexible, whilst remaining profitable (Reynolds 1991; Gavron et al. 1998; Stokes 1998; van Steel and Carree 2004).

The setting-up of a small business is bounded by a range of factors, some of which might even work as barriers to success, particularly at the start-up stage (Carson et al. 1995; Stokes 1998; Agarwal et al. 2002; Beaver 2002; Lechner and Dowling 2003). This chapter aims at reviewing the literature with regard to small and micro businesses. Particular emphasis is placed on the factors affecting, and on determinants of, successful setting up and management. Firstly the definition,

scope and interpretation of the term small and/or micro business is addressed (Section 2.2). Secondly, models that aim at identifying the key factors affecting small business start-up processes, and the determinants of successful survival, that have been proposed by key researchers, are critically reviewed (Section 2.3). In Sections 2.4, 2.5, 2.6 and 2.7 particular emphasis is placed upon selected contextual factors, namely path to ownership, individual level determinants (e.g. motivational and personal characteristics), environmental level determinants (geographic/physical environment and social environment), and business level determinants (such as industry type and business stage). Section 2.8 reviews the literature with regard to the criteria and measures of small business success. The final Section (2.9), the conclusion, summarizes the main findings of the chapter

## **2.2 DEFINITION OF SMALL BUSINESS**

There is no single, uniformly accepted, concept of a small firm. Definitions vary enormously between sectors and between countries. Atkins and Lowe (1997) identified forty different definitions in the literature, just in relation to the OECD countries. The term SME (small and medium sized enterprise) has been widely used for describing enterprises of both categories, small and medium sized, alongside terms such as micro-enterprise and self-employed or sole proprietor (Fuller 2003). Most definitions emphasize objective measures of size such as number of employees, sales turnover, profitability or net worth (Storey 2000). When examined at a sectoral level though, these indicators mean that in some sectors all firms may be regarded as small, while in other sectors there are possibly no firms that are small (Storey 2000). To overcome some of these problems the European Commission (EC) has disaggregated the term SME into three components, medium, small and micro enterprise. The Commission Recommendation of 6 May 2003 (2003/361/EC) establishes a new definition, which aims mainly at avoiding arbitrary distinctions. To be recognised as an SME, a business must comply with employee number requirements and either the balance sheet total or the turnover requirements as follows (Table 2.1).

**Table 2.1: Distinction between micro, small and medium enterprise**

Type of business	Requirements	
	Employees	Threshold
Micro or very small enterprises	Fewer than ten occupied persons	Two million for the turnover and the balance-sheet total will be introduced
Small enterprises	Between 10 and 49 occupied persons	Turnover and the balance sheet total will be raised to 10 million
Medium-sized enterprises	Between 50 and 249 occupied persons	Turnover will raised to 50 million and the threshold for the balance sheet total of 43 million

Source: European Commission 2003 [EU Official Journal L 124 of 20/05/2003].

In spite of the interest and validity of such common definition, Storey (2000) suggests that in adopting employment size bands and turnover, too much is ascribed to the small business sector. Based on such assumptions, small firm definitions need to incorporate the specific nature and context of each industrial sector (Beaver 2002) and researchers are likely to have to use their own definitions of small enterprises, which are appropriate to their particular target group (Storey 2000).

In the literature, there is also some overlap between discussions of small business ventures and of entrepreneurship (e.g. Hisrich and Drnovsek 2002), but some distinctive features are acknowledged. Entrepreneurship is mostly associated with the pursuit of an entrepreneurial opportunity, which may include the setting-up of an innovative business, which is associated with the founder's characteristics, namely risk taking propensity, desire to achieve economic gains and willingness to grow (Carland et al. 1984; Keats and Bracker 1988; Baron 1998; Stokes 1998). As opposed to entrepreneurs, business owners are considered, in this strand of literature, as not innovating or seeking out change in a continuous or purposeful way (Busenitz and Barney 1997). Small businesses are considered as founded on existing ideas and practices (Stokes 1998), in an industry or sector the founder (business owner) already knows well, demonstrating risk aversion (Carland et al. 1984; Stokes 1998). There is however an opposing perspective, arguing that in times where innovation in its pure sense, on products or service development,

although not impossible, is scarce, entrepreneurship's most frequent expression is firm setting up or business foundation (Gavron et al. 1998; Reynolds 1991; Thornton 1999; Timmons and Spinelli 2003).

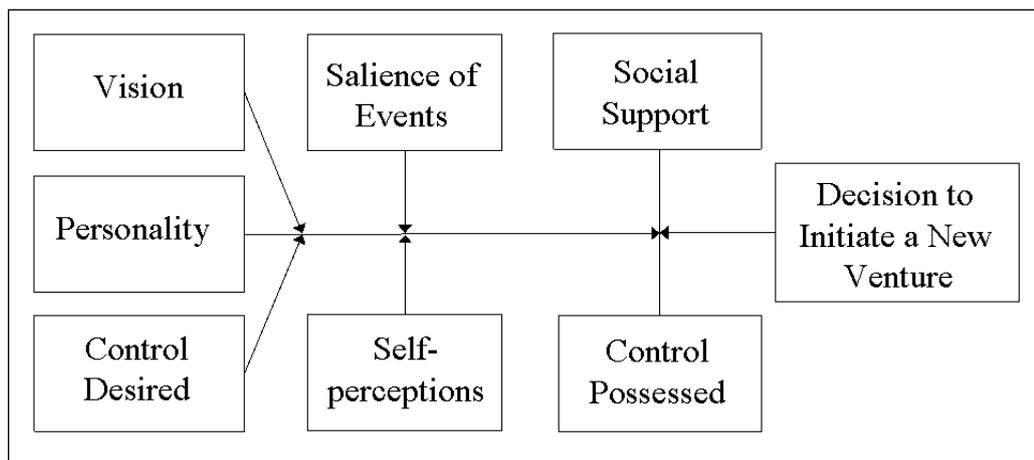
The separation between these two perspectives is not always evident in the literature, with researchers using both concepts interchangeably (e.g. Mazzarol et al. 1999; Sexton and Landstrom 2000), making even more difficult a clear distinction between entrepreneurship and small business related research streams. However, a deeper and more detailed analysis of this subject is beyond the scope of this research, and small business and entrepreneurship literature is dealt as a whole, without delving into entrepreneurship related considerations. The target population of this research is therefore individuals who own a small tourism business in selected Portuguese rural areas.

### **2.3 THE SETTING UP AND MANAGEMENT OF SMALL BUSINESSES**

The literature dealing with the factors that affect the setting up and development of a new firm tend to distinguish mainly between individual, environmental and business related factors. Some researchers attempted to identify the individual characteristics, such as personality traits, that explain why some people engage in self-employment and business ventures and others do not (e.g. Chell et al. 1991; Kets de Vrie 1996; Blanchflower and Oswald 1998; Simon et al. 1999; Baron 1998, 2003). But several studies, adopting a more holistic approach, provide evidence that it is the interaction between situational factors and the personal characteristics of the founder that shape the setting up and development of any organisation (e.g. Kimberly 1980; Gartner 1985; Bird 1988; Greenberger and Sexton 1988; Reynolds 1991; Reynolds and Miller 1992; Gartner and Shane 1995; Watson et al. 1998; Mazzarol et al. 1999; Thornton 1999). A critical review of four selected models/frameworks proposed by key researchers follows.

The first models proposed focused on the founder, translating an entrepreneurship related view of business setting up within which the individual (entrepreneur) is considered as central to the process (Mazzarol et al. 1999). Some scholars have questioned this perspective, and have put forward other models that include an attempt to organize the many situational factors that, in addition to the founder, can affect business setting up. An example of the first attempts to develop more inclusive frameworks for new venture setting ups is Greenberger and Sexton's (1988) model. Although the authors argue their model aims at presenting the situational factors which, in addition to the individual characteristics, determine venture setting up, its focus is still very much on the founder, as illustrated in Figure 2.1.

**Figure 2.1: Greenberger and Sexton's model of new venture foundation**



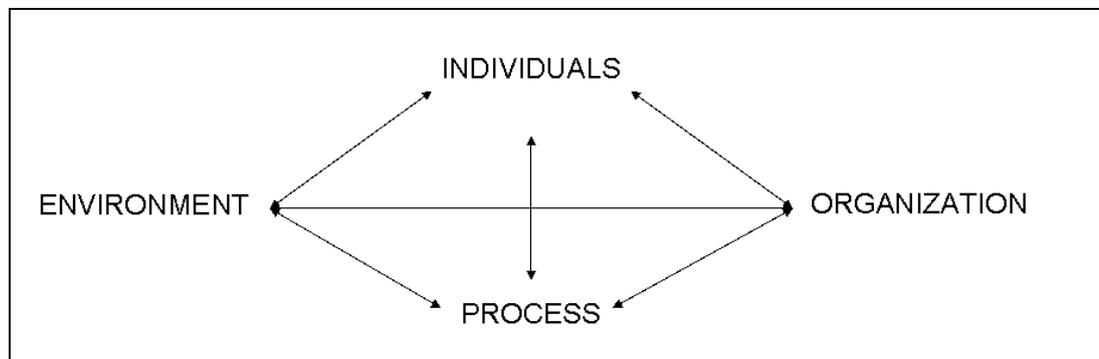
Source: Greenberger and Sexton (1988, p. 5)

The authors identify the situational factors, external to the individual, that are expected to influence the individual's decisions, namely salient events (events perceived by the individual as important and affecting him/her with regard to the business). Greenberger and Sexton (1988) model is the first making explicit reference to social support, although conceptualized in a much stricter sense than the concept of social support presented later in Chapter 3 (Section 3.3). The authors conceptualize social support as other people's moral incentives and expression of trust, and acknowledge the role of social support as a moderator factor in the decision to initiate a venture. The support of others for the new

venture demonstrates to the individual that his or her ideas and projects are credible, giving incentive to move forward (Greenberger and Sexton 1988).

Although earlier in time than Greenberger and Sexton's (1988) model, Gartner (1985) developed a more comprehensive framework for describing new venture setting up (Figure 2.2), integrating four major dimensions: the characteristics of the founder, the organization that is created, the environment surrounding the new venture, and the process by which the new venture is started.

**Figure 2.2: Gartner's framework of new venture foundation**

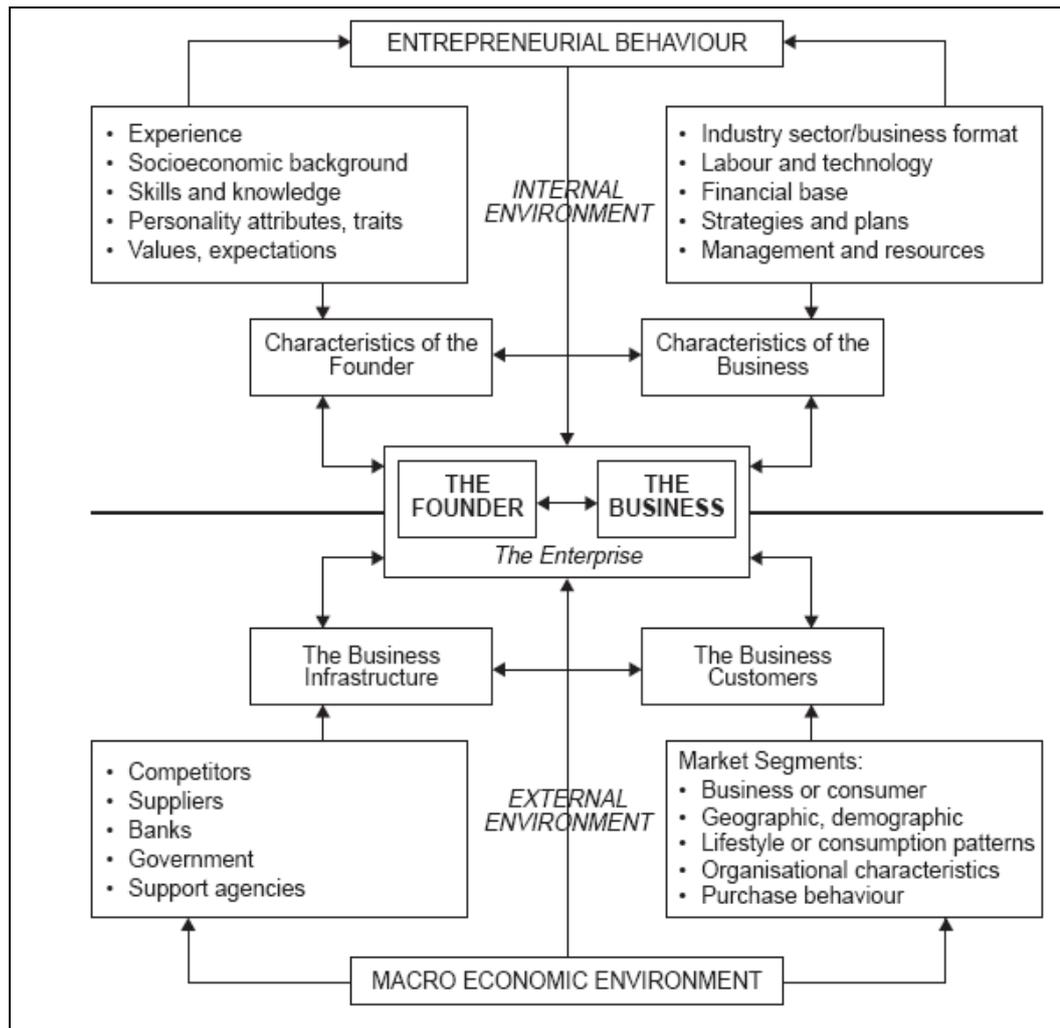


Source: Gartner (1985, p. 698)

As pertaining to the individual's dimension, the author identifies psychological characteristics associated with enterprising behaviour (e.g. the need for achievement, risk taking) as well as some socio demographics such as age and education, experience and family background. The environment is described as an outside set of fixed conditions that are imposed on the new venture and to which the organization has to adapt. The set of conditions are mainly related to the availability of resources and markets that fulfil the venture setting up needs at different times within the setting up and management process, namely institutional environment and regulations. Gartner's framework is also based on the assumption that an organisation's characteristics, such as sector (e.g. retail, manufacturing, services) and size (e.g. small vs. large), as well as its strategy with regard to production and markets, are all variables that have a significant impact on the setting up process. The fourth dimension, the process is therefore the resulting combinations of different individuals, organizations and environmental contexts.

The third selected model is from Watson et al. (1998) who also proposed an analytical framework that identifies the personal, business and environmental characteristics that should be considered when analysing the performance of small businesses, rather than just its foundation as the two previous models did (Figure 2.3).

**Figure 2.3: Watson et al.'s small business framework**



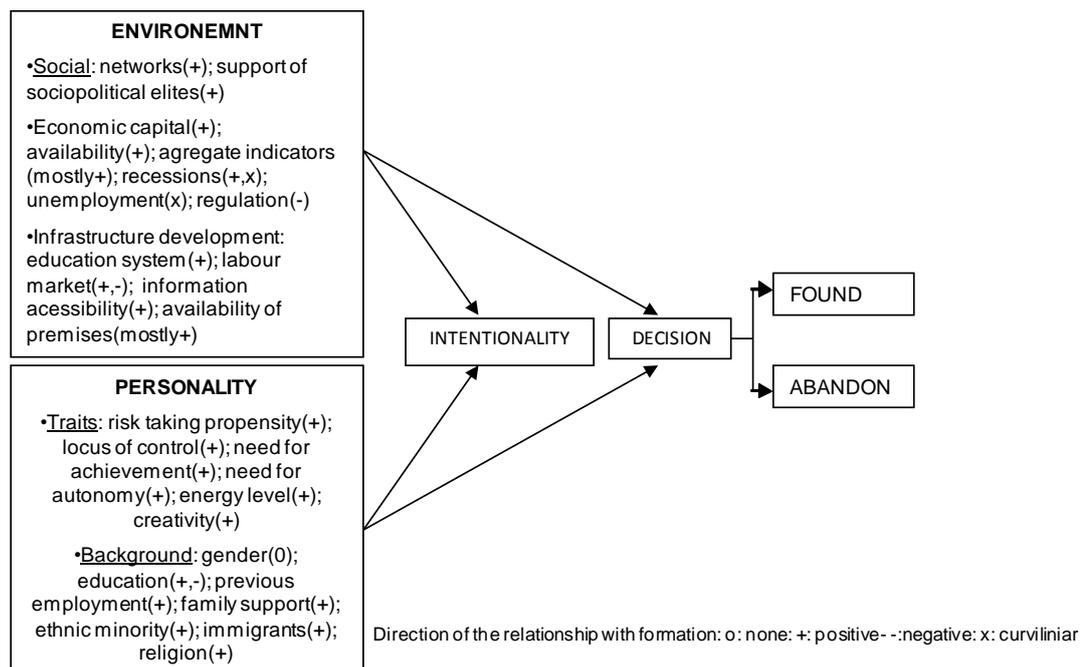
Source: Watson et al. (1998, p. 219)

Watson et al.'s (1998) framework considers the reality of any enterprise as resulting from the interaction of two major sets of factors: the internal and external environments, and its respective sub-sets of variables. The internal environment is about the founder (and their personal characteristics, experience, and background), and the business itself (and its characteristics with regard to sector, size, strategies

and resources). The external environment includes equally two sub-sets of variables: the institutional/organisational context (as competitors, suppliers and facilitating agencies, both private and public); and the subset of conditions related to the target market (e.g. businesses or consumers, purchase motivations and behaviours). Watson et al. (1998) posit that as in large businesses, the characteristics of the business, the business infrastructure and the particular customer markets served are important variables affecting small business performance.

The fourth model is from Mazzarol et al. (1999), and proposes a framework of organisation formation, informed by previous contributions (e.g. Gartner's work, described above), that assumes decision of an individual to found a business as being based on a combination of both personal and contextual factors.

**Figure 2.4: Mazzarol et al.'s framework of small business foundation**



Source: Mazzarol et al. (1999, p. 52)

Mazzarol et al.'s (1999) model identifies two sets of factors, like Watson et al. (1998), although organised in a slightly different way. It proposes personal factors and environmental factors, and a set of variables within each factor. It also

provides an indication of the direction of the relationship between each variable and business formation (none, positive, negative or curvilinear as described in Figure 2.4). Within personal factors a distinction is made between personality-related variables and the background of the founder, namely family support, which is, according to the authors, positively associated with the decision to setting up the business. Within the environmentally related factors, several variables are allocated to four sub-classes of factors: social, economic, political and infrastructures. Also worthy of mention is the fact that social networks are identified within social environment related variables, and are positively associated with the decision to setting up the business, just as support from the family is. The model proposes support from the family as being a personality related variable, and social networks as an environment related variable. This perspective is in contradiction with social networks literature though, as will be demonstrated later in Chapter 3, Section 3.2. According to social network theory, the family (and support provided) is part of the individual's personal network, together with friends, acquaintances and colleagues. The resources embedded in and derived from the individual's networks are a feature of the network and not of the individual itself. Therefore it is suggested that in future model development, social networks and support derived from their members should be considered as social environment related variables.

In spite of the acknowledged differences the four proposed models/frameworks, particularly the last three, posit that the successful founding of a business venture is a process, rather than just a decision, and result from different combinations of the traits of individuals and environmental/situational conditions. The businesses are at the core of the process, not the individual, who is seen as a variable amongst the factors affecting the whole process. Three of the proposed models have confined themselves to the identification and examination of factors/determinants of small business setting up, namely in the decision-making process to setting up (Gartner 1985; Greenberger and Sexton 1988; Mazzarol 1999) and of its performance. On the other hand, Watson et al.'s (1998) model places the focus on business performance, at a *post* start-up moment. Although the model acknowledges the existence of different processes of business foundation, there is no distinction as to which factors are more relevant according to the path to

ownership, or according to each stage of the life of the business. The path to ownership and business stage are considered as factors significantly affecting business formation and performance, as described in Sections 2.4 and 2.8 respectively. Although both Gartner (1985) and Watson et al. (1998) acknowledge the business as an important component of the proposed models, only Gartner acknowledges that there are industry and/or sector specificities, which will greatly determine the whole process of business setting up.

In addition to the more broad models identified above, Greenbank's (2001) propositions related to micro-businesses are considered to be relevant for the purpose of this research. Greenbank (2001) posits that when very small and micro businesses are considered, the lack of separation between ownership and management and control are more evident, and the role of the individual (owner-manager) is re-enforced when aiming at explaining business start-up and management. According to Greenbank (2001) the social and economic contexts of the owner are strongly inter-related.

*The social context relates to the fact that individuals operate within a social structure that has influenced them both in the past and in their current situation. Therefore, factors such as education, employment, family, membership of organisations (...), networks of friends and associates – all influence micro-business owner-managers (Greenbank 2001, p. 120).*

Overall, the models described above have contributed to the generation of the main belief underlying this research: that the owner's personal network (social relationships) is of significance to the business context. It can be deduced from the proposed models that the owners' personal network may have direct effects by providing specific resources, namely moral support for their project, but also contributing to personality building and life experience, which will have indirect effects on the business. In the aforementioned models, the proposed direction of the relationships between social networks and social support and the business outcomes is only positive though, an assumption that is questioned by this research. As described in the introductory chapter, it is believed that personal network behaviours can also be detrimental (undermining or conflicting) with negative consequences to the business context. Therefore, it is expected that this

research will contribute to clarifying the role and importance of personal networks in the small business context and that contribution will help to inform future conceptual frameworks. The following sections will review further the analyses of some of the contextual factors considered to significantly affect small businesses, and likely to affect and be affected by the owner's social relationships, namely: path to business ownership, individual related factors (often considered in the literature as human capital), environmental related factors, and business related factors.

## **2.4 PATH TO OWNERSHIP**

In some of the reviewed literature the path to business ownership is acknowledged as a main determinant of business setting up and management (e.g. Watson et al. 1998; Cooper and Dunkelberg 1986). The path to ownership is about the way people become owners of a business, which can be summarised as: family firm takeovers (e.g. inheritance); outside firm takeovers (e.g. purchase); new venture start-ups; and being brought into business ownership (e.g. invited to join partnership) (Cooper and Dunkelberg 1986; Kolvereid and Isaksen 2006; Parker and van Praag 2012). Entering into business ownership (either start-up or take over/join an existing firm) can also be considered as an individual's reaction to two broad sets of influences: pull and push (Cooper and Dunkelberg 1986; Stokes 1998; Watson et al. 1998). Pull influences include the desire for independence, the desire to exploit an opportunity, the turning of a hobby or previous work experience into a business, or financial incentives (Stokes 1998). Push influences, or displacements, include previous organization failure, being made redundant or concluding that the organization or one's career is not going well. All these situations are strongly associated with self-employment and can play a prominent role in business setting up (Cooper and Dunkelberg 1986; Watson et al. 1998).

Watson et al. (1998) suggest that the relative attractiveness of self employment and setting up small firms increases as it becomes difficult to find employment (push factor). But other researchers (e.g. Hughes 2003, Henley 2005) argue that small and micro business owners often start their self-employed venture, the underlying

motivation being to be your own boss, or professionally independent (pull factors). For instance Henley (2005) has found evidence that the vast majority of individuals have been ‘pulled’ into self-employment by a desire for independence. Limited economic opportunities and barriers in the labour market were important for only a minority of the self-employed. Therefore, although a large proportion of new business founders start their business as self-employed, sole-traders, and sometimes as a part-time operation (Kolvereid and Isaksen 2006), successful initiatives often lead to small and medium sized business setting up (Henley 2005).

What seems evident though, is that different entry modes into business represent different phenomena, with implications at many levels (Kolvereid and Isaksen 2006). According to each entry mode there are, presumably, different resource needs, and the role of social relationships in the resource acquisition process will also differ. Starting a business requires the initiative to create something where nothing had existed before and involves investment and resources, whereas purchasing a business involves risk-taking and requires initiative in finding and negotiating the purchase of a suitable business. Depending on the extent to which the purchaser plans changes or desires growth, in the purchase there may be little need for the bringing together of resources as compared to start-ups (Cooper and Dunkelberg 1986). Less is also required in the task of bringing resources together, and less personal risk-taking as well, if one gets into business ownership through inheritance or through being promoted or brought in by other owners (Cooper and Dunkelberg 1986). This research will look at the existence of differences in the role of social relationships according to different paths to business ownership.

## **2.5 THE FAMILY BUSINESS**

One specific way of entry into business ownership described above is the inheritance of a family business, which might apply to a significant part of existing small and micro businesses. Even though individuals who take over the family firm/business are likely to be bounded by circumstances that are common to any small or micro business, much has been ascribed in the literature as being particular to family business owners, and respective heirs. Although the research

objectives of this research are not confined to family businesses, considering that small or micro tourism businesses are often acknowledged as family owned and run (as described in greater detail in Chapter 4), both the concept of family business, and a brief analysis of its most relevant characteristics are provided next.

Although there is no single, commonly accepted definition for a family business, there appears to be total agreement that a business owned and managed by a nuclear family is a family business (e.g. Sharma et al. 1997, Sharma 2004; Werbel and Daines 2010). Chua et al. (1999) argue that the theoretical essence of a family business lies in the vision of its dominant family members, and on the fact of the business being used for the betterment of the family, potentially over more than one generation. Family business literature illustrates that family firms are embedded in social structures that differ substantially from those of non-family firms (Steier et al. 2009). Whereas Littunen (2000, p. 67) states that, “in a typical family enterprise, ownership, management and family are united in a single entity”, Daines (2006) argues that in family businesses, two subsystems can be identified (business and family), although overlapping and interacting, and often inextricably linked. The family and the business are so strongly embedded, that any family issue is likely to influence the business and vice-versa, both in a positive as well as in a negative way (Stafford et al. 1999; Danes 2006).

Family firm’s actors are embedded in multiple social systems, including both personal and professional roles and family rules (Chua et al. 1999; Steier et al. 2009). These social structures are acknowledged as important sources of strength, synergies and resources (e.g. Habbershon et al. 2003, Sharma 2008), but can also lead to dysfunctional consequences (e.g. Werbel and Daines 2010), although there is a tendency in research to focus on the positive aspects. Starting a business is likely to create financial constraints on the family, and is also likely to significantly alter family processes, and conflict between both systems may arise (Daines 2006; Werberl and Danes 2010). Moreover, Westhead and Cowling (1998) posit that family owned businesses are particularly frequent in services activities, considered as business activities that have low entry barriers, with low capital requirements (both financial and human capital). Low entry barriers, family owned services are

also frequently associated to tourism related businesses in rural areas (hotels and catering services) (as will be described later in Chapter 4). As will be noted below, particular emphasis is placed in the discussion of the results, on the role of the family in the setting up and management of small businesses, both within and beyond the framework of family businesses.

## **2.6 INDIVIDUAL LEVEL DETERMINANTS**

Even in more holistic approaches, such as the models described above (previous section), the setting up and management of any small or micro business is largely dependent on individual related factors. Any business venture is only possible because an individual, or a team, has decided to, and took the steps necessary for bringing the idea into existence. Personality traits are, possibly, one of the most studied individual related characteristics, particularly within entrepreneurship research, as a determinant of enterprising behaviour. The underlying belief is that the personality of the owners “is integrated with their businesses as a reflexive identity” (Fuller 2003, p. 312). Although relevant as the subject might be, it is not an objective of this research to consider at an individual’s personality traits, but rather at the role of the owner’s social relationships in their business setting up. Other individual level determinants, identified in the literature as “push” factors, considered to have a strong relationship with the business owner’s personal network, namely motivations and a set of other personal characteristics (education, experience and family background), often designated as human capital, are described in further detail in the following sections. The set of individual level determinants described next were selected because they are considered as interrelated with social relationships and with its role in the setting up and management of small businesses.

### **2.6.1 MOTIVATIONS FOR GETTING INTO BUSINESS OWNERSHIP**

The motivation for start up is likely to have implications for the sort of support required by the founders, namely from their personal network, and may also have implications on their ultimate success or failure as business owners (Watson et al.

1998). It is acknowledged in the literature that the successful business setting up and performance reflect, to a great extent, the personal accomplishment of the entrepreneur. The reasons (motivations) that individuals give for getting, or not, into business, are regarded as greatly influencing both the start-up of the new business and also its characteristics, survival, and performance (e.g. Dubini 1988; Birley and Westhead 1994a; Kuratko et al. 1997; Stokes 1998; Carter et al. 2003). Examples of how the type of incentive that people experience to start a business influences its success were described in the previous section regarding path to ownership. van Praag's (2003) proposition that people who are pushed into business ownership, as a consequence of unemployment, are less likely to stay in business is such an example. Most research identifying motivations for business ownership, has focused upon start-ups rather than including motivations for business ownership that result from taking over established businesses, either through purchase or inheritance, or from joining a business venture in existence. Table 2.2 summarizes some of the contributions identified in the literature with regard to motivations to entering business ownership.

**Table 2.2: Motivations for business start-up or ownership**

<b>Author(s)</b>	<b>Motivations for business start-up/ownership</b>
Dubini (1988)	<ul style="list-style-type: none"> <li>- Thirst for achievement, sense of independence and autonomy;</li> <li>- Dissatisfaction with present working conditions;</li> <li>- Following of family tradition and role models.</li> </ul>
Birley and Westhead (1994)	<ul style="list-style-type: none"> <li>- Need for approval,</li> <li>- Need for independence,</li> <li>- Need for personal development,</li> <li>- Welfare considerations (contributing-to-the-community)</li> <li>- Perceived instrumentality of wealth</li> <li>- Tax reduction</li> <li>- Following role models.</li> </ul>
Kuratko et al. (1997)	<ul style="list-style-type: none"> <li>- Extrinsic rewards (like increase income and personal wealth)</li> <li>- Maintaining/acquiring professional independence/autonomy</li> <li>- Intrinsic rewards like public recognition and personal fulfilment;</li> <li>- Ensuring family's wealth and security.</li> </ul>
Watson et al. (1998)	<ul style="list-style-type: none"> <li>- Entrepreneurial orientation;</li> <li>- Personal-opportunistic;</li> <li>- Market-opportunistic;</li> <li>- Financial needs</li> </ul>

Source: author

It can be concluded, from Table 2.2 that starting and running a business is a complex process that involves a variety of motivations and stimuli. Evidence is also found in the literature that these various motives are likely to be simultaneous rather than mutually exclusive (Woo et al. 1991) and not necessarily pecuniary (McMahon and Stanger 1995). The drive to be independent and have one's own business is some of the dominant reasons leading to venture initiation. Although financial success (both at personal or family level) is included in the motivational lists, intrinsic rewards like personal achievement are most evident.

Making the decision, and actually entering the process of starting up or taking control over a business, results from the interaction between the individual and his socio-economic environment (Greenbank 2001). Personal networks of family, friends, mentors, and previous work colleagues play a key role in the evaluation of choices available, and in the move to business ownership (Gibb and Ritchie 1982; Cooper and Dunkelberg 1986; Dubini 1988; Birley and Westhead 1994; Greenbank 2001). Gibb and Ritchie (1982, p.27) claim that “variables such as class structure, family origin, education, career history and experience, present lifestyles and attachments”, not only have marked impacts on their own in explaining why some individuals are most likely to establish new businesses, but they also have an influence on the underlying specific motivations. Some of these variables are grouped in the literature, under the designation of human capital, and the relevant findings in relation to those are reviewed below.

## **2.6.2 HUMAN CAPITAL**

Some contributions to the understanding of small business setting up and success can be found in the Theory of Human Capital, which maintains that the knowledge acquired through formal education, professional experience and/or practical learning, on the job or in specific training courses, provides individuals with increases in their cognitive abilities, leading to more productive and efficient potential activity (e.g. Lerner and Haber 2000; Shane and Venkataraman 2000; Davidsson and Honig 2003; Parker and van Praag 2012). Parker and van Praag (2012) distinguish between ‘formal’ and ‘informal’ human capital. Formal human

capital is transferred by participation in formal institutions, such as schools providing education and firms providing work experience. Informal human capital on the other hand is the set of skills and knowledge transferred through informal institutions, such as the family and friends.

Although other aspects can be found in the literature in relation to the concept of human capital, for instance age or managerial skills (e.g. Bosma et al. 2004; Ucbasaran et al. 2007), the review of the role of human capital for business setting up and management is restricted to a selection of variables: education, former work experience and family background. These variables are considered to have greater implications for the understanding of the role of social relationships in the business context, because all refer to situations of socialisation, providing the individual opportunities to build their personal network (i.e. family, friends, colleagues and co-workers), and through them acquire the necessary resources.

#### **2.6.2.1 Education**

There is evidence that formal education is positively associated with successful business setting up and management, particularly in the start-up processes (Bruderl et al 1992; van Praag 2003; Parker and van Praag 2012, Ucbasaran et al. 2007). Formal education, particularly to degree level is associated with general and specific skills and with the knowledge needed to run businesses (Henley 2005, Parker and van Praag 2010). It is argued that education at degree level improves a person's ability to search and process large amounts of information leading to a greater ability to identify and successfully exploit business opportunities (Ucbasaran et al. 2007). Education has also been identified as positively associated with network size and diversity, enabling the owner to accumulate contacts with people important to their ventures (Loscocco et al. 2009).

#### **2.6.2.2 Former work experience**

Many founders establish their businesses based on their prior work experience in the same or similar industry (Cooper and Dunkelberg 1986; Reynolds and Miller

1992; Stearns et al. 1995). Former work experience is believed to enable business founders/owners to better understand business opportunities and how enterprises function in practice, namely selling, negotiating, leading, planning, decision-making, problem solving, organizing and communicating (Ucbasaran et al. 2007; Parker and van Praag 2012). Former experience of the owner in the same industry of the current business is also associated with performance measures namely sales and profits (Cooper and Dunkelberg 1984; van Praag 2003; Bosma et al. 2004) and so is expertise in the same occupational field (van Praag 2003). In the same way as with education, a specific advantage of an owner's past work experience is the chance to accumulate knowledge and contacts that enables him/her to build larger, more diverse networks that can best serve his/her venture's interests and needs (Loscocco et al. 2009).

### **2.6.2.3 Family background**

In Section 2.5 the importance of the family background within the theory of family businesses has already been acknowledged as it provides opportunities for entry into business ownership in special conditions, namely through inheritance. Additionally, research also suggests that one of the most salient factors for entry into a self-employment/business ownership process remains the parental role model, or contact with the experience of relatives or friends in starting their own business (e.g. Cooper and Dunkelberg 1986; Katz 1993; Mathews and Moser 1996; Anderson and Miller 2003; Olson et al. 2003). The parental background of the small business owners is also significantly associated with success. According to Henley (2005), successful venture founders are more likely to have had self-employed parents. A family tradition of business ownership and early socialisation with self-employed parents exposes individuals to 'role models' and to the experience, and related knowledge, of owning and managing a business, which will facilitate participation in an entrepreneurial endeavour later in life (Anderson and Miller 2003) and to some extent will distinguish them from other business owners (Cooper and Dunkelberg 1986; Henley 2005).

In either the situation of starting-up own business or of taking over the family business, owners from families with experience as business owners are endowed with valuable networks of resource providers (Parker and van Praag 2012). In such cases, it is indubitable that owners' personal network of social relationships, namely the family, will play a significant role in their business ownership experience, both in the setting up and management. The role of the family will be dealt in further detail in Section 2.7.1, with regard to social embeddedness, as well as in Chapter 3.

## **2.7 ENVIRONMENTALLY RELATED DETERMINANTS OF SMALL BUSINESS**

Although individual attitudes and personal traits of the owner are key determinants for the successful start-up and running of a business, his/her attitudes are stimulated, and the business venture influenced, by the interaction of many factors. The influence of environmental or contextual factors on the way an individual behaves as potential/actual business owner is widely acknowledged (Gartner 1989; Reynolds 1991; Watson et al. 1998; Mazzarol et al. 1999; Thornton 1999; Irwin 2000; Jack and Anderson 2002). The process of setting up a business implies many resources (e.g. physical, informational financial), quite unlikely to be in the possession of any one individual (owner). Most will need to find adequate support from external sources or entities, both at the individual level and organizational level. In some circumstances, as in the case of less developed/rural areas, where resources are scarce, environmental factors can negatively influence the development of new firms and act as barriers that the founders of these firms have to face.

Although the list of environmental related factors is much longer, as illustrated by the conceptual frameworks described in Section 2.3, for the purpose of this research two of these contextual factors were considered as particularly relevant: social embeddedness and geographic location. The main contributions identified in

the literature in relation to these two factors are reviewed within Sections 2.7.1 and 2.7.2 respectively.

### **2.7.1 SOCIAL EMBEDDEDNESS**

There is evidence in the literature, and in the proposed theoretical frameworks described above (Section 2.3), that recent approaches have focused on the societal or contextual factors that affect the emergence of small businesses (e.g. Gartner 1985; Aldrich and Zimmer 1986; Szarka 1990; Reynolds 1991, 2011; Irwin 2000; Jack and Anderson 2002). These factors are often conceptualized in the literature as a business's social embeddedness. Businesses' social embeddedness has its root in broader theoretical frameworks that explain the theory of action in which it is claimed that an individual's actions are constrained by social structure and rules (e.g. Katz 1966; Fischer 1982; Giddens 1984). Social structure can be interpreted as the network of existing social relations, linking the individual to broad social systems (Katz 1966), and it is through personal connections that society is structured and the individual integrated into society (Fischer 1982).

Social theory, namely Giddens' theory of structuration is acknowledged by small business researchers (e.g. Jack and Anderson 2002) as providing an adequate theoretical framework to understand how social networks (structure) affect and determine the actions of business owners (agency), particularly in terms of resources availability or constraint. Giddens's (1984) describes social reality as systems of relations between actors (individuals or collectivities), and the rules and resources that bound those relations as structures. In the same way, Fischer (1982) and Katz (1966), consider an individual's behaviours (agency) to be, simultaneously, constrained by, and contributing to, the building of social systems (structures). The analysis of any social phenomena, economic included, should, therefore, look at networks as agency and structure, meaning, the social context that influences, and is influenced by, individual's actions and goal attainment. Based on these assumptions, Granovetter (1985) has formalized the embeddedness perspective of economic activity, by stating that economic behaviour is so constrained by ongoing social relations that to construe them as independent is a

misunderstanding. Social science and small businesses literature have then emphasized network analysis as an adequate approach to social embeddedness, and providing useful analytical tools to explore relational ties and its effects on the small businesses context.

However, a more detailed analysis of the literature has demonstrated that the social embeddedness perspective is not only about relational ties. Although relational ties are often seen as the major issue, social embeddedness also posits that individuals gain advantages by integration in social contexts. The resources socially embedded and available through an owner's social relationships with other people (networks), enables and maximizes economic performance, a feature that has been associated in small business literature with social capital (e.g. Honig 1998; Maskell 2000; Renzulli et al. 2000; Anderson and Miller 2003; Davidsson and Honig 2003; Westlund and Bolton 2003; Liao and Welsch 2005; Neergard et al. 2005; Jansen et al. 2011). A distinct body of literature has been identified providing the grounds for the Theory of Social Capital. Moreover, when very small and micro businesses are considered, explicit networking activities are less likely to happen (Curran et al. 1993). In such situations the Theory of Social Support contributes to the understanding of the role of informal social relationships between business owners and the people within their personal circle. Theory of Social Support contends that individuals, including business owners, are perceived as benefiting from having access to a social support system. This perspective is identified both in social theorists' contributions (e.g. Fischer 1982; House 1987) and in small business and network related research (e.g. Neergard et al. 2005; Renzulli and Aldrich 2005; Klyver 2011).

Therefore, in order to effectively understand the role of business owners' social relationships in the business context within the social embeddedness perspective, a bridge between the Theory of Social Networks, the Theory of Social Capital and the Theory of Social Support was established. The three bodies of literature, strongly inter-related, provide the framework and theoretical contexts for a more comprehensive understanding of the research problem. The main underpinnings of

each theoretical framework, and implications to small business development, are described in Chapter 3.

## **2.7.2 GEOGRAPHIC LOCATION**

Small businesses literature has emphasised that location is of great significance in explaining the success of firms (e.g. Burrows and Curran 1989; Storey 1994; Keeble and Tyler 1995; Storey and Wynarczyk 1996; Ritsila 1999; Smallbone et al. 1999; Patterson and Anderson 2003). The ease of obtaining the resources necessary to create a business, namely physical components (property real estate, equipment, raw materials), and access to markets, determines the strategic direction and geographic location of any business initiative (Katz and Gartner 1988). Locales where resources are less abundant and diverse require of new firms bigger efforts in order to get access to the necessary conditions and successfully setting up (Stearns et al. 1995). Anderson (2000) acknowledges the tradition of contrasting urban with rural settings with regard to conditions for business setting up (e.g. Curran and Storey 1998). Urban areas are often associated with more and better conditions, whereas rural areas are more subject to debate.

### **2.7.2.1 Types of rural areas**

The literature distinguishes between types of rural areas, with different approaches and theoretical contexts resulting in different classifications (Labrianidis 2004). A common theme is evident though in most studies: the contrast between peri-urban zones and the remote or peripheral areas. An intermediate or transitional region, displaying some of the trends, potential and problems of both the core area and the peripheral zone, generally separates these two spatial extremes (Copus and Cabtree 1996). The work of Ballas et al. (2003) is an example of such approach. They have built a typology of rural areas in Europe, on the basis of their peripherality and rurality and according to European NUTs3. They have identified 3 different types of rural areas: peripheral, semi peripheral and accessible. Although they did not use the word remote, the characteristics of peripheral areas are similar to those identified as being remote by other authors (Keeble and Tyler 1995; North and

Smallbone 1996, 2000, 2004; Patterson and Anderson 2003). The terminology commonly used is therefore of remote and accessible, remote areas being considered as the ones with relatively sparse population and relative remoteness from major urban areas whereas accessible are rural locations closer to the major cities (e.g. Smallbone et al. 1993; Keeble and Tyler 1995; Copus and Cabtree 1996; Skuras et al. 2003). Accessible rural areas are intermediate or transitional regions between urban and peripheral regions, displaying some of the trends, potentialities and problems of both spatial extremes (Copus and Cabtree 1996).

### **2.7.2.2 Rural areas and the setting up of businesses**

Accessible rural locations, characterised by relative proximity to the markets and a diversified economic base, are economically more developed (Stathopoulou et al. 2004; Terluin 2003) whereas rural areas of the periphery, including mountainous and less favoured areas, still characterised by depopulation, infrastructure inadequacies and high dependence on farming with fragile socio-economic fabrics are revealing more difficulty in economic restructuring (OECD 1996; Assembly of European Regions 2004; Stathopoulou et al. 2004). As remote rural regions will most probably suffer from lower density, and more dispersed distribution of the business population (Smallbone et al. 1993; Labrianidis 2004), the setting up of competitive small and medium enterprises, is less likely to happen, particularly on a local basis (Stockdale et al. 2000).

Stearns et al. (1995) acknowledge that, although the survival chances of new firms are best understood by examining the interaction effects between location, industry, and strategy, in general, new firms in urban and accessible locations have greater chances for survival than new firms in remote rural locations. Additionally it has been suggested by several researchers that in remote rural areas the supporting resource base for firm set up is considered to be much smaller and much harder to access the relevant resources (Keeble 1997, Smallbone et al. 1993; Stearns et al. 1995; Patterson and Anderson 2003; Skuras et al. 2003). However, social changes and the resulting economic changes can transform peripheral weaknesses such as isolation into core business assets (Anderson 2000) oriented

towards market niches (Keeble et al. 1992). For instance Keeble et al. (1992) and Keeble and Tyler (1995) demonstrate that environmental quality is a major attraction, and is a key factor in new small firm formation in remote rural areas, attracting mainly craft based, resource or tourist related businesses, that are often not growth or profit oriented. Many times rural businesses are run by incomers, able to transform natural and cultural values into commercially viable businesses (Keeble 1992; Keeble and Tyler 1995; Anderson 2000). These incomers “appear to have developed new experiential modes of earning a country living” (Anderson 2000, p. 97). To incomers, a rural location provides advantages rather than disadvantages (Littunen 2000; Jack and Anderson 2002). For example, Paniagua (2002) demonstrates a stronger presence of urban-rural migrants in rural tourism activities in Spain, compared to other activities included in rural development programmes.

This process of commodification of rural areas corresponds to what Marsden et al. (1990) have named as the *rural restructuring*, in which tourism plays an important role. Rural tourism has widely been promoted, and relied on, as a means of addressing the social and economic challenges facing peripheral rural areas, primarily those associated with the decline of traditional agrarian industries (Shaw and Williams 1987, 2002; Wanhill 1993; WTO, 1997; Getz and Carlsen 2000; Paniagua 2002; Sharpley 2002; Garrod et al. 2006). The process of Tourism development in rural areas will be further described in Chapter 4.

### **2.7.2.3 Rural areas and the social embeddedness of small businesses**

Based on a review of small business literature it emerges that very few studies have considered the social aspects of setting up and managing businesses in rural areas. Some researchers (e.g. Jack and Anderson 2002; Zontanos and Anderson 2004) acknowledged that in rural areas, particularly in peripheral locations, it may be harder to access relevant organisational networks. In such conditions, the owners’ personal networks play very important roles, either in the provision of immediate support, or by giving access to contacts and to resources outside the local area. Therefore, in rural areas in general, and in remote rural areas in

particular, social environment related factors are of paramount significance for business success. The embeddedness of business owners in local social systems is particularly relevant to gain access to local contacts (people and information), which helps to overcome difficulties caused by peripherality, and contributes to enhance business performance. Social networks, and particularly personal networks, are expected to minimize the effects of lack of organizational resources. Within this study it is considered of relevance to place the focus on the role of owner's personal set of social relationships (personal network). One of the reasons for using rurality as a context for the research of personal networks is that "social processes are easier to observe and social influence is likely to be more transparent" (Jack and Anderson 2002, p. 472).

## **2.8 BUSINESS RELATED FACTORS**

This research has focused on small tourism businesses, because size is considered as a business related aspect with strong influence on the setting up and management processes. But size is not the only relevant business related aspect. As Burrows and Curran (1989, p. 530) acknowledge "other factors such as economic sector (...) are likely to be just as crucial in determining whatever it is that is being investigated". Therefore, in addition to the individual level determinants, and environmental level determinants reviewed in previous sections, a third set of factors has been retrieved from the analysis of the literature, the business related factors. Two factors were identified as being of particular significance for the understanding of the role of social relationships in the processes of small business setting up and management: business stage and business sector.

Naturally, when reference is made to businesses' "setting up" and "management", two different realities are implicit, corresponding to two different moments in the life of a business. In the literature, such circumstances are associated with the business stages concept, or the business life-cycle. Related approaches and contributions are summarized in Section 2.8.1. Moreover, and considering the aim of this research as being to understand the role of social relationships in the setting up and management of small tourism businesses in rural areas, tourism businesses

are considered as a specific context, within small businesses. The tourism sector, like any other sector or industry, is likely to be bound by sectoral specificities, which have to be taken into account in any research. Industry specific, or sector specific, determinants are briefly described in Section 2.8.2.

### **2.8.1 THE STAGE OF THE BUSINESS**

In addition to what has been described as determinants of small business setting up and management, research has shown that organizational attributes change over the different stages of a firm's existence and that different resources, and management practices are needed at different stages, or phases (Kazanjian 1988; Koberg et al. 1996). In organizational research, changes in structure or process are often studied over different periods of time, from birth to maturity (Katz and Gartner 1988). Organizational setting up is a process that begins with the inception of an idea, enters a planning phase, proceeds to implementation and culminates with the institutionalization of organizational structures and processes (Van de Ven 1980).

The concept of life-cycle is often identified in the literature (e.g. Greiner 1972; Kimberly 1979; Kimberly and Miles 1980; Quinn and Cameron 1983) to explain how organizations move through different stages of development. Whereas the validity of using a biological analogy in organizational theory has been debated (e.g. Penrose 1952, Dodge et al. 1994), its use is widely verified in empirical studies (Katz and Gartner 1988; Kazanjian 1988; Koberg et al. 1991; Lechner and Dowling 2003; Van de Ven and Poole 2005). For instance Kazanjian (1988, p. 262) proposed a four stage model for explaining the life of firms, each stage having different problems, and being associated with different support needs. Although it may be seen as context specific (technology-based new ventures), the interest of this research lies in the fact that it supports the conceptual argument that stages are not tight, but are instead somewhat fluid, with problems and stage characteristics overlapping in adjacent stages. In the small business related literature, the stages approach and life-cycle models are also widely used (e.g. Dodge et al. 1994) particularly with regard to social networks (e.g. Greve 1995; Hite and Hesterly 2001; O'Donnell et al. 2001; Greve and Salaff 2003; Lechner and Dowling 2003; Hite 2005; Parkhe et

al. 2006; Jack et al. 2008). Many researchers have utilized a staged model to conceptualize the development of entrepreneurial networks and their contribution to business performance, a theme that is further developed in Chapter 3, Section 3.2.4.3.

The number of stages, or phases proposed in the literature varies a lot, and although similarities exist, as described by Quinn and Cameron (1983), it is difficult to apply a universal model to all types of organizations (Dodge et al. 1994). It is of common acceptance though, that birth and early development and maturity are two completely distinct stages of any organization. In order to understand organizational success, it is necessary to understand both the conditions surrounding initial development as well as the implications for its success in later stages (Kimberly 1980; Agarwal et al. 2002). This research adopts a stages approach to the role of social relationships in the setting up and management of small businesses, making the distinction between early stages and later development and management (present moment and near future). As described in Chapter 5, the questionnaire underlying this research includes questions about the role of personal networks in the setting up/taking control over the business, in the management of the business in the present, and in the next 3 years.

## **2.8.2 THE BUSINESS SECTOR**

As acknowledged earlier, the economic sector does have a great influence on organizational research (Burrows and Curran 1989). Many studies aiming at identifying SME's behaviours, performance, and success factors, often make the distinction between different types of firms/businesses. Some studies distinguish between four types of businesses: manufacturing, retail, service, and wholesale (e.g. Gartner 1985). Others studies retain only 3 of those types: retail, services and manufactures (e. g. Chandler and Hanks 1998; Gadenne 1998). But, often, only two differentiating categories are identified in the literature: manufacturing and services (e.g. Phillips and Kirchhoff 1989; Bruderl et al. 1992; Birley and Westhead 1994; Keeble and Tyler 1995; Atkins and Lowe 1997; Keeble 1997; Freel and Robson 2004; Wicklund and Shepherd 2005). As Phillips and Kirchhoff

(1989) state, no study of business performance or survival would be complete without contrasting manufacturing with services. Based on the fact that the differences between both sectors are so evident, and with regard to so many aspects, Atkins and Lowe (1997) take this differentiation even further suggesting that manufacturing and services require different definitions of small firms. Some of these differences are summarized next, illustrating why research needs to be industry and sector specific.

Within the context of this research the concept of services is based on Burrows and Curran's (1989, p. 533) perspective of services industries, constituted by businesses whose final "product" is, in some sense, "non-material". According to Burrows and Curran (1989) services enterprises should be viewed as distinct forms of business, with specificities with regard to financing, organisation, management, and patterns of linkages with the wider environment. Business ownership rates are much higher in the service sector when compared to the manufacturing sector (van Steel and Carree 2004), and services firms seem to have fewer employees than manufacturing (Atkins and Lowe 1997). Within services, self-employed people, who employ no others, are also very common (Burrows and Curran 1989). Different scales suggest differences in organizational dynamics and performance, making difficult cross-industries comparison with regard to measuring performance based on traditional objective/economic indicators.

Social embeddedness is, within this research, a particularly relevant example of industry specific contextual determinants, often mentioned in the literature, which opposes the service sector to manufacturing (e.g. Bryson et al. 1993; Dean et al. 1997; Johannisson and Monsted 1997). Both service and manufacturing sectors seem to exhibit differing behaviours and perceptions on networking. Overall, manufacturing companies perceive fewer benefits, therefore perceive more inhibiting factors, and participate less in business networking than services (Dean et al. 1997). On the other hand services businesses, not only are much more dependent than manufacturing on interpersonal contacts (Gadenne 1998) but also rely more on, and take advantages from, social networks (e.g. Bryson et al. 1993; Johannisson and Monsted 1997).

Because performance measures and determinants of success seem to vary considerably between broad industrial categories such as manufacturing and services, and within those two categories from one sector to another (Birley and Westhead 1990; Burrows and Curran 1989; Thomas 2000; Thomas et al. 2011), this research has focused particularly on tourism. Although the fact of tourism being an industry *per se* has been debated (e.g. Roehl 1998; Smith 1998), it is of common acceptance that it is part of the service-based sector (Debbage and Daniels 1998; Thomas 2000; Pender 2005), with predominance of small and micro businesses. As for any other service based sector business, the setting up and management of tourism businesses requires specific resources, and much emphasis is placed on interpersonal relationships and social networks for resource acquisition in the literature. This makes Tourism a distinct analytical category within small businesses (e.g. Debbage and Daniels 1998; Thomas 2000; Pender 2005; Thomas et al. 2011). The focus on a particular sector, in a specific environment is also in accordance with recent suggestions from prominent scholars in Tourism (e.g. Morrison and Teixeira 2004; Morrison et al. 2010; Thomas et al. 2011). Thomas et al. (2011) have recently argued that research on small and micro enterprises must recognise spatial and sectoral variation, whereas according to Morrison and Teixeira (2004, p. 166) there are benefits of researching beyond the general to the particular, and of using “an industry sectoral focus within a specific type of location.” Such an approach

*“has the potential to induct theory, policy and practice from an enriched understanding and knowledge of the social and economic processes and actions that evolve within the small business’s personal, organizational and sectoral contexts” (Morrison and Teixeira 2004, p. 166).*

Based on these ideas, this research has focused on small and micro tourism businesses in selected rural areas of Portugal. The conditions identified in the literature that bound the setting up and management of tourism businesses in general, and in rural areas in particular are presented in Chapter 4.

## **2.9 MEASURES OF BUSINESS PERFORMANCE AND SUCCESS**

It has been widely suggested in the literature that owners of small-businesses have a diverse set of business goals, many of which are non-economic, relating, for example, to job satisfaction and control (Greenbank 2001). Although the perception of success is strongly associated with goals and motivations, to empirically test the contribution of social relationships in the success of the business, it needs to be clearly defined and suitably measured as well (Witt 2004). The measurement of success, or effectiveness in business setting up and development, has no unique definition or measure. It is generally agreed that success is a multi-dimensional concept, but there is little consensus about what its components are, and how it should be measured (Kimberly 1980; van Praag 2003). Different approaches can be identified in the literature with regard to this, ranging from classical perspectives, arguing for the adoption of hard, financial criteria, to new perspectives, arguing for the need of adopting subjective, individual related criteria. Main contributions with regard to both perspectives are reviewed below.

### **2.9.1 CLASSICAL PERSPECTIVES OF BUSINESS SUCCESS**

The literature is sometimes vague about the meaning/concept of success, either in literature related to small businesses or to entrepreneurship which makes it more difficult to identify the appropriate measures (Dickison and Ferguson 1984; Baron and Markman 2000, 2003). Traditional measures of business success have been associated to small business performance, either employee numbers or financial outcomes such as profit, turnover or return on investment (Ibrahim and Goodwin 1987; d'Amboise and Muldowney 1988; Witt 2004), sales growth, profitability or cash flow (Jennings and Beaver 1997; Owens 2003) being many times implicit/supposed to the need/willingness of business owners to grow. “There are very different possibilities, but a common problem of all objective measures is that they depend on the founders’ intentions and aspirations” (Witt 2004, p. 398). Growth is pointed out, amongst other characteristics, as a distinguishing feature

between entrepreneurial venture and small business setting up. “Entrepreneurial venture can be distinguished from the small business by its innovation, growth potential and strategic objectives” (Wickham 1998, p. 20). Businesses classified under the SME or micro enterprises criteria may be small because they are in an early stage of growth, or the owner-manager may actually wish to limit the size of the business. It will depend upon his/her perception of what is small enough to be controlled and big enough to give a reasonable income (Wickham 1998). The size of a business can also be determined by its nature and the industry sector (Stokes 1998; Wickham 1998).

In the small business sector, the criterion for measuring success may not necessarily be related to growth, but the robustness to ride out periods of economic instability (Glancey et al. 1998). Although some authors (e.g. Ibrahim and Goodwin 1987) posit that sales, profit and business age are key indicators of small/micro business success and overall performance, other authors (e.g. Casrud et al. 1987; Watson and Everett 1988; Pennings et al. 1998; Witt 2004) have introduced duration in business (for a specific period of time) as opposed to business dissolution or failure (bankruptcy or discontinuance for any reason) as indicator of success. Survival is one criterion that most researchers agree is necessary, although, according to some, not sufficient condition for success (Kimberly 1980; Watson and Everett 1993; Headd 2003; van Praag 2003). To consider the duration in business, as an indicator of success, the reasons for firm dissolution need to be understood first, and only compulsory exits should be associated with lack of success (Head 2003; van Praag 2003). Firms choosing to close could have been financially successful but closed for other reasons (sale of the firm; decision of owner to accept employment opportunity; or the like) (Watson and Everett 1993).

### **2.9.2 SUBJECTIVE MEASURES OF BUSINESS SUCCESS**

The debate about small business performance has therefore, moved towards the need to include other subjective empirical measures of individual, person-oriented drivers of success (Jennings and Beaver 1997; van Praag 2003; Walker and Brown

2004). One of the main pitfalls of previous research is that the unit of analysis should be the individual, not the venture. Using financial criteria does not take into account owners' motivational factors and intangible goals (Jennings and Beaver 1997; Kuratko et al. 1997). The success of a firm (and consequently its failure) is acknowledged as a complex, dynamic and problematic process dependent on criteria other than economic benefits. Although "hard", financial, criteria, have been given most attention in the literature, because they are easier to understand, both financial (sales, number of employees or the balance sheet total), and non-financial criteria (personal satisfaction and achievement, pride in the job and a flexible lifestyle) should be used to judge small business success (Walker and Brown 2004; Witt 2004). The analysis of success needs to recognise that the owner's perspective of success will depend on his/her own motivations and reasons for starting-up and stay in business. Non-financial measures of success include autonomy, job satisfaction or the ability to balance work and family responsibilities. Personal factors such as age and also business characteristics influence perceptions on the importance of these factors, but provided that a given level of financial security is established, or when the small business owner does not require the business to be the primary source of income, non-financial criteria are generally valued higher than wealth setting up (Walker and Brown 2004).

Literature analysis of non-financial measures, historically associated with lifestyle businesses, often make reference to job satisfaction, or work satisfaction, as an affective measurement criterion that is not necessarily a substitute for but complementary to financial goals (Walker and Brown 2004). "Job satisfaction are feelings or affective responses to facets of the [work] situation" (Smith et al. 1969, p. 6). Extensively used in organizational and sociological research in relation to employees' satisfaction in specific sectors (e.g. Lam et al. 2001), and often in association with life satisfaction (e.g. Keon and McDonald 1982; Rode 2004), job satisfaction has been acknowledged as an adequate measure to assess (small) business owner's perception of success (e.g. Naughton 1987; Cooper and Artz 1995; Walker and Brown 2004).

Job satisfaction has been measured in several ways, ranging from single item measures (e.g. “Overall, how satisfied are you with your present job”, Bradley and Roberts 2004, p. 44), to general multi-item measures (e.g. Cooper and Artz 1995), to multifaceted multi-item measures (e.g. Stanton et al. 2001). The first contemporary measure of job satisfaction (a 4 item measure of general job satisfaction) was developed and published by Hoppock in 1935 (Stanton et al. 2001). Since then, several models/measures have been developed and used over time by organizational behaviour researchers to assess both general job satisfaction (Hackman and Oldham 1976; Kopelman et al. 1983; McDonald and McIntyre 1997) and specific facets of job satisfaction (Smith et al. 1969; Hackman and Oldham 1975). Facet scales are used to differentiate different aspects of job satisfaction whilst general scales are used to estimate the respondent’s general overall feelings about the job (Ironson et al. 1989).

The Job Descriptive Index (JDI), developed by Smith et al. (1969) is one of the most popular and widely used measures (e.g. Yeager 1981; Parasuraman and Alutto 1984). It provides five subscales that measure different facets of job satisfaction, with 72 items in total. Although the JDI has more recently been subjected to a revision and a shortened version with 25 items was developed (Stanton et al. 2001), its length may still be seen as a limitation. On the other hand, although attractive, given its brevity, single, facet free measures, reflecting general opinions about work may lack reliability (Netemeyer et al. 1996). It is suggested in the literature that researchers need to identify and include scales that are valid and reliable but, simultaneously, short and easily administered (Macdonald and MacIntyre 1997). Within this research business performance is measured according to owner’s perception of success, both through open questions and closed, scale type questions, based on the JDI. Details are provided in Chapter 5 (Section 5.5.7).

## **2.10 CONCLUSIONS**

This chapter reviews the literature with regard to small and micro businesses, with particular emphasis on the factors affecting, and on determinants of, successful

setting up and management. Models and frameworks of small business setting up proposed in the literature have been described, and a tendency to distinguish mainly between individual, environmental and business related factors has been detected. A synthesis of aspects related to each set of factors has been described. It can be concluded though, from recent approaches, that a focus on the societal factors has gained acceptance. In such approaches, individual behaviour is seen as constrained by ongoing social relations, and to interpret economic action, one needs to take into account the social context where it takes place. These assumptions are often conceptualized in the literature as the social embeddedness perspective. According to the social embeddedness perspective, personal networks of family, friends, mentors, and previous work colleagues, play a key role in the evaluation of choices available, and in the move to business ownership. With very small and micro businesses, the prevailing perspective is that the owner's social context influence is even of a greater extent. Because most micro businesses are family owned, the two subsystems (family and business), are so strongly embedded, that any family issue is likely to influence the business and vice-versa, both in a positive as well as in a negative way.

Different approaches have been identified in the literature with regard to small business performance and success measurement, from classical perspectives, arguing for the adoption of hard financial criteria, to new perspectives, arguing for the need of adopting subjective, individual related criteria. In rural areas in general, and in remote rural areas in particular, social embeddedness (social networks, and particularly personal networks) helps to overcome difficulties caused by peripherality, and contributes to enhancing business performance. Personal networks are considered to play very important roles, either in the provision of immediate support, or giving access to contacts and to resources outside the local area. Therefore, in this study, in which the focus is on tourism businesses in rural areas, it is considered of relevance to place the emphasis on the role of owner's personal set of social relationships (personal network). It is also suggested in this chapter that the businesses embeddedness perspective is best understood in relation to three, strongly interrelated, theoretical frameworks: social networks, social

support and social capital. The application of these to the understanding of small business development, are described in the next chapter (Chapter 3).

## CHAPTER 3 THE SOCIAL EMBEDDEDNESS PERSPECTIVE OF SMALL BUSINESSES

### 3.1 INTRODUCTION

*What is it about social relationships that functions as factory that puts things into motion? (Robison et al. 2003, p.5)*

Businesses, particularly small and micro ones, are regarded as dynamic social units, as suggested by the literature review described in Chapter 2. The increasing perception of the role of the external environment in the success and performance of firms gave rise to the social embeddedness perspective (Granovetter 2000). Embeddedness is a process of becoming part of the structure. When applied to the business context, the embeddedness perspective acknowledges that a business relates to its environment through networks of well established relationships, and it is through networks that social endorsement and acceptance occurs. As Casrud and Johnson (1989) state, the development of new ventures is embedded in, and dependent on, a complex set of social networks that either facilitate or inhibit venture development.

As explained in Chapter 2, Section 2.7.1, social embeddedness means more than simply developing social networks. Therefore, in order to, effectively, understand the role of business owners' social relationships in the business context, this research adopts the social embeddedness perspective and establishes a bridge between the Theory of Social Networks, the Theory of Social Capital, and the Theory of Social Support. The three bodies of literature are here considered as inter-related, although to different degrees, to each other, and to provide an adequate framework and theoretical contexts, for a more comprehensive understanding of the research problem. The underpinnings of each theoretical framework, and the implications for small business development, are described below. Within each section an attempt is made to present the literature review and the main contributions separately. However, because theories are so inter-related, it

is at times challenging to disentangle them. Moreover, because there are no clear-cut boundaries between them, some cross-references, both with regard to the concepts as well as to the authors, will be noted along the different sections.

This chapter includes six sections. The next three sections (3.2, 3.3, and 3.4) review the literature with regard to Theories of Social Networks, Social Capital, and Social Support. The last section (3.5) summarizes the chapter's main outcomes. At all times, within this chapter, particular emphasis is placed upon the contributions that help to understand the role of social relationships in the businesses context.

## **3.2 THEORY OF SOCIAL NETWORKS**

*...no part of anyone's life can be properly analysed without seeing how it is fundamentally embedded in networks of social relations. (Granovetter 1990, p. 15)*

The social network conception of social relationships is inherent in the Theory of Social Structure, an overall system comprising a network or patterns of relations (Scott 2000). Social networks analyses stress the relationships among social entities and the patterns and implications of these relationships (Burt 2000; Nahapiet and Ghoshal 1998; Portes 1998; Schuller et al. 2000). This is particularly evident in the work of Katz (1966) and Fischer (1982) who have contributed significantly to the discussion of how the different dimensions of an individual's personal experience is closely bound up with larger scale aspects of social structure. These authors have long used network concepts as descriptions of social structures, whose differences were associated to social behaviours and led to the concept of social networks (Marsden and Campbell 1984).

### **3.2.1 CONCEPT OF SOCIAL NETWORK**

The concept of social network has become established in the social sciences and in social anthropology and sociological studies in particular, developing "(...) from a sensitizing metaphor into a comprehensive paradigm" (Wellman 1981, p. 171).

These studies view networks “as existing socially, not structurally, as the network of relationships which stands, conceptually, between individuals, families, groups and organisations and the total environment” (Shaw 1997, p. 9). Therefore, it is argued that the network perspective can be applied to a wide range of contexts and different level of aggregation: the individual actors, dyads, triads, subgroups or groups (Wasserman and Faust 1994). Early conceptions viewed social networks as open, dynamic social structures, composed of a set of interconnected persons or groups - nodes - linked by a set of social relationships – ties – which connect the individuals or groups (Cooke et al.1988). In social network analysis the emphasis is placed upon relational ties among actors, which can be any relationship existing between units, e.g. kinship, material transactions, flow of resources or support (Wasserman and Faust 1994).

Social relationships have been analysed within the social network approach according to many perspectives. The different perspectives adopted by network analysts have often intersected with one another, sometimes fusing and sometimes diverging (Scott 2006). Although some authors in network analysis distinguish its structure, composition and component relationships (e.g. Vaux 1988) most studies can be organized into two distinctive perspectives: the structural perspective (often mixing structure and composition features) and the content perspective (also referred as component perspective). According to Burt (2000) within the structural perspective the networks can be described as a “conduit” (as the access to people with specific resources, creating a correlation between players); and within the content perspective networks can be described as a form of social capital. Burt’s work (1992; 1997; 2000) is consistent in considering that lines, structure and content, are essential to a general definition of social capital, because social capital is at once the structure of contacts in a network and resources they each hold (the relationship between networks and the Theory of Social Capital is discussed in Section 3.3.)

### 3.2.2 STRUCTURAL PERSPECTIVE OF SOCIAL NETWORKS

Studies that follow the structural perspective contend that social network analysis is an orientation towards the social world, appropriate for relational data (contacts, ties and connections) whereby the relations are treated as expressing the linkages which run between agents (Scott 2006). This follows House's (1987) earlier suggestion that the term social network was most often and appropriately used to refer to the structures existing among a set of relationships. Some of the most important, and frequently assessed, structural features include size (the number of individuals included in the network) and density (the interconnectedness of individuals in the network) (e.g. Gottlieb 1981; Wasserman and Faust 1994; Scott 2006; Carrington et al. 2005). In addition to these basic, but important features, in some studies, the structure of the network is assessed by specifying the various characteristics of the network members. Such characteristics include primary level characteristics (age, gender, relationship such as spouse or friend) and also more complex compositional characteristics such as homogeneity between network members, the proportion of family members against others non kin elements, and multiplexity (number of role relationships shared by network members) (Vaux 1988; Knipscheer and Antonucci 1990; Wasserman and Faust 1994).

According to Wasserman and Faust (1994) assessment of network structure and composition contains variables concerning ties between actors but may also contain information about the characteristics of the actors, which can lead to very complicated data sets that can be approached only with sophisticated graph theoretic, algebraic, and or statistical methods. Considering its objectives, this research will not delve into the structural perspective of networks. Details concerning theoretical and practical implications of social network structure and composition are limited to the aspects considered as relevant within its aim and operational objectives, namely type of networks (whole or personal) the role relationships within personal networks (family members – kin – and other non-kin relationships), and strength of ties.

### **3.2.2.1 Type of network: whole networks vs. personal networks**

Social network research can be organised into studies that focus on the whole network, all ties of a certain sort among all members of a population, and studies that focus on personal networks, network of ties, defined from the standpoint of a focal individual (Wellman 1981; Wasserman and Faust 1994; Carrington et al. 2005). Of particular interest to this research is the personal network from a focal individual (business owner) perspective.

Although the broadest definition of the personal network would include all those with whom a person interacts on an informal basis, social network studies tend to focus on a smaller percentage of active ties (Walker et al. 1993). According to Fischer (1982) only the people that we are directly involved with constitute our personal social networks. The author describes three ways of interpreting involved with: in the formal sense, when there are socially recognized roles with reciprocal rights and duties (e.g. mother, sister, neighbour, employee); in the sentimental sense, when a person cares about the others and feels close to them; and thirdly, in the interaction and exchange sense, referring to people with whom one shares activities, and who provide material and emotional assistance or both.

### **3.2.2.2 Role relationships within personal networks**

Fischer (1982) distinguishes two types of role relationships within an individual's personal network: kin and non-kin. According to this author, kinship is a major distinction among social relations with significant implications in role differentiation. Ties with non-kin are usually maintained for sociability and casual assistance but people commonly turn to relatives for costly and critical help. Kinship is defined by genealogical, consanguine relations, and by marriage, the affinal relations, whereas non-kin can vary, being the most common varieties neighbours, co-workers, fellow members of organizations and friends. Many studies have focused on the role of kin and the importance of kinship in personal networks, both in the social networks literature (e.g. Granovetter 1973, 1985) and social support literature (as will be described later in Section 3.4). Wellman and

Wortley (1990) have also distinguished two types of people within an individual's personal network, but from a different perspective: the intimate network members, those people with whom the individual feels closest to, and significant network members, who are non-intimates but with whom the individual is in touch and considers to be significant in his life. This perspective relates to the strength of ties between individuals, a distinctive feature of social networks identified in many references (e.g. Granovetter 1973, Burt 1992). Within this research, the emphasis is placed upon the kin-non kin distinction between network members.

### **3.2.2.3 Strength of ties between ego and individuals in the network**

Granovetter (1973) has proposed a model that helps understand individual's linkages and its implications to network analysis: the strength of an interpersonal tie. A tie is weak, strong or absent, depending on the "... (probably linear) combination of the amount of time, the emotional intensity, the intimacy (mutual confiding), and the reciprocal services, which characterize the tie" (Granovetter 1973, p. 1361). According to Granovetter's model, strong tie network contacts are those people with whom the individual has a close personal relationship, and with whom he/she interacts quite frequently, often friends or family, and provide very high quality resources, especially information which is often not commercially available. On the other hand, weak ties are loose relationships, more distant emotionally and may be activated only infrequently. They are more likely to be defined as acquaintances, friends of friends, or professional associates, and are also indispensable to business opportunities discovery and exploitation (Granovetter 1973). The naturally prevailing proposition would be that the stronger the tie the more likely it is to be supportive, and the more assistance, especially information (which is often not commercially available and that is very focused on the specific need of the individual) (Marsden and Campbell 1984). However, because family and friends tend to move in the same circles as the individual, these resources may not offer many opportunities beyond the individual's own scope, that is, they may not be adequately diverse in nature (Granovetter 1973; Burt 1992).

These findings underlie the strength of weak ties proposition, stressing the benefits of weak ties as being that they relate to a greater number and variety of social circles and as a result they provide access to diverse and heterogeneous sources of resources (Welman 1981; Burt 1997). Burt (1992) has built on this idea introducing the Theory of Structural Holes, according to which, weak ties act as bridges across social structural holes, giving access to contacts and resources not available within dense, but homophile networks of strong ties (Burt 1992; 1997; 2000). There is however the alternative stance that may be labelled the strength of strong ties, particularly noteworthy in the study of immigrant and ethnic entrepreneurship, in which networks with a large number of family members and close friends, and the social capital that flows through them are consistently identified as a key resource for the setting up of small businesses (Portes and Sensenbrenner 1993). Other authors support the stance that there is benefit in having the two network strategies (embeddedness or closure in strong ties networks, and weak ties bridging between structural holes) with regard to firm's environment (as described in further detail in Section 3.4, with regard to theory of social capital).

### **3.2.3 CONTENT PERSPECTIVE OF SOCIAL NETWORKS**

Studies adopting the content perspective of networks deal mainly with the content and nature of interactions in relationships between a focal individual and members of his social network (Vaux 1988). Although social networks are acknowledged by many authors as providing opportunities and constraints on behaviour (Katz 1966; Wellman 1981; Portes 1998; Borgatti and Foster 2003), research on social networks has focused attention on how the composition and configuration of ties affected the flow of resources to the focal individual (Wellman 1981), favouring the supportive perspective of social relationships. In business related literature, social networks have mostly been dealt with as structures from which the business owner can get resources and support (e.g. Gottlieb 1981; Knipscheer and Antonucci 1990; Walker et al. 1993; Neergard et al. 2005). The flow of resources within social network, and its use on behalf of business goal attainment, has been dealt with by many scholars as social capital, with explicit references in the

literature to networks and social capital as two interrelated constructs (e.g. Burt 1992; 1997a, 1997b; Nahapiet and Ghoshal 1998; Portes 1998; Schuller et al. 2000; Adler and Kwon 2002). The theory of social capital and its relationship with social networks is reviewed in Section 3.3.

The flow of resources, referring to the various forms of aid and assistance supplied by the network of family members, friends, neighbours, and other acquaintances, has been considered in sociology and psychology literature as social support. References to social networks as sources of social support to the business owners are very scant though, and limited to references to the concept of support, as being provided by social networks (e.g. Walker et al. 1993; Bruderl and Preisendorfer 1998; Renzulli and Aldrich 2005). Although strongly interrelated with the Theory of Social Networks, within the content perspective, the Theory of Social Capital and Theory of Social Support are reviewed next in Section 3.3 and 3.4 respectively. The remainder of this section is dedicated to the analysis of contributions identified in the small business literature, about social networks and their role in the business setting up and management process.

#### **3.2.4 SOCIAL NETWORKS AND SMALL BUSINESSES**

Networks are currently one of the most widely researched and popularised topics within small business (and entrepreneurship) studies, and research shows strong associations between networking activity and several business dimensions, as opportunity recognition, setting up, survival, and growth (e.g. Bruderl and Preisendorfer 1998; Chell and Baines 2000, Huggins 2000; O'Donnell et al. 2001; Anderson and Miller 2003; Hoang and Antoncic 2003; Jack et al. 2008; Jack 2010). According to Shaw (1997, 2006) of particular interest in network research are the ways in which networks can contribute to the start-up and continued development of small firms. It is widely acknowledged in the literature that networks facilitate the discovery of opportunities as well as the identification, collection and allocation of scarce resources (Ostgaard and Birley 1996; Burt 1997a; Uzzi 1997; Nahapiet and Ghoshal 1998; Jenssen and Greve 2002; Davidson and Honig 2003; Ruef et al. 2003; Anderson et al. 2005; Jack et al. 2008). Small

businesses have always to face the liabilities of smallness, which, at the start-up stages add to the liabilities of newness. Given the lack of necessary capital or legitimacy to exchange using traditional market transactions, the emergent small firm is dependent upon its external network to provide resources and capabilities that are not available otherwise (Hite and Hesterly 2001).

The set of relationships implicit in a business owner's social network can be either formally established and maintained with specific interests in mind (business related set of relationships and associations) or they are also often a result of informal, personal related set of relationships (family and friends) (Dodd and Patra 2002). Regardless of whether networks are formal or informal, there is evidence in the literature (e.g. Nelson 1989; Dubini and Aldrich 1991; Shaw 1997) that business owner's deliberately create, develop and maintain relationships with those who offer the greatest potential for helping them realizing their personal and organizational goals. Dubini and Aldrich (1991) posit that business founders develop and maintain networking activities with their direct ties (transforming them into strong ties), in order to increase their span of action. There is evidence about the existence of a relationship between the way the owner-manager conducts his or her networking activities and the firm's strategy (Ostgaard and Birley 1994; Westlund and Nilsson 2005), as well as between the business owners' networks and the firm's development stage (Hite and Hesterly 2001; Lechner and Dowling 2003; Lechner et al. 2006).

According to Ostgaard and Birley (1994) just as owner-managers can be grouped into strategic clusters, which follow multiple patterns of strategic behaviour, they also differ, in a logical manner, in the development, maintenance and use of their social networks. Equally, Lechner and Dowling (2003) realized that firm networks change from stage to stage, both in terms of the quantity of participating actors (with firms in later stages of development having more relations than firms in earlier stages), and in terms of the type of network (different types of network, or type of network participants are more important for firms in some stages than in others).

### 3.2.4.1 Types of networks

In one of the first attempts to understand the role of networks and the local environment on venture creation Birley (1985) has distinguished between formal networks (banks, accountants, lawyers) and informal networks (family, friends, business contacts). Since then, within the small business literature, the term network has been loosely applied to describe a variety of situations including collaborative relationships with competitors and suppliers, membership of formal network organizations, and the personal contact networks of owners. In search for a clearer conceptualization and application of network theory, Szarka (1990) identified three types of networks designed to cover both the economic and social determinants of small business networks: the exchange network, the communication network, and the social network. In Szarka's (1990) work the exchange network is defined as the companies and organisations with which the small firm has commercial transactions; the communication network, as the collection of those organisations and individuals, such as consultants and advisors, local and central government agents, with which the small firm has mainly information flows; and the social network, which he also terms as personal network, is formed by the family, friends and acquaintances of the small firm's owner, and sometimes of its employees.

The concept of personal network introduced by Szarka (1990) emphasises the owner's primary relationships, present in many other studies, although with slightly different meanings (e.g. Dubini and Aldrich 1991; Ostgaard and Birley 1996; Premaratne 2001). For example Dubini and Aldrich (1991) argue for the existence of two types of network in a given business context: personal networks and extended networks. For these authors, the personal networks consist of all persons with whom the business owner has direct relations, meets on a face-to-face basis and from whom he/she obtains services, advice and moral support; and extended networks consist of all the relations between owners, managers, and employees, and between firms. On the other hand, Premaratne (2001) distinguishes between social (personal) networks and organizational networks. Like Szarka (1990), Premaratne uses the term personal network, to refer to owner's social

networks of relatives, friends, and acquaintances; whereas organizational networks includes supporting organizations and agencies as banks, government agencies, and non-government organizations and other enterprises, both large and small.

Extensive work has been undertaken in relation to organizational networks, namely the links between firms (inter-firm networks), with an array of studies and approaches made available (e.g. Borgatti and Foster 2003; Witt et al. 2008; Jack 2010). The central reason explaining the economic importance of inter-firm networks is associated with developments in efficiency and effectiveness. Links with competitors, or other important actors, allows firms to specialise in those components in which they have competitive advantage, to lower costs through shared assets, and to share risks (Szarka 1990; Shutjens and Stam 2003). The links to other firms are particularly relevant in the developmental stages (at start-up or at later growth phases), enabling companies to establish/grow without having to integrate costly activities (Lechner and Dowling 2003). When very small businesses, or micro businesses are considered though, business life and social life are strongly intertwined (Johannisson and Monsted 1997; Dodd and Patra 2002), and the firm is often viewed as part of the family, or as “personal property”, with relatively fluid boundaries between family, work and social environment (Loscocco et al. 2009). Personal and organizational networks often seem to converge, and are strongly determined by the owner’s personal set of relationships (Szarka 1990; Dubini and Aldrich 1991; Lechner and Dowling 2003) and networking is guided by the individual’s emotions and personal values (Johannisson and Monsted 1997). The business founders often bring their personal social networks to the firm as their most valuable asset to provide resources necessary for successful emergence and continuance (Hite and Hesterly 2001).

In summary, and combining most designations adopted, two main streams of research can be identified within the small businesses literature: formal organisational networks (mainly inter-firm networks), and informal personal networks. Although inter-organisational networks are undoubtedly relevant to organisational theory, a detailed analysis of the subject seems beyond the scope of

this research. Therefore, within the next sections, the emphasis is placed on informal, personal networks.

### **3.2.4.2 Personal networks and small businesses**

Personal (informal) networks are acknowledged as significant to small businesses in many ways, providing access to significant resources on its own, and providing conditions (access to people and information) that sustain also inter-firm or organizational networks (Szarka 1990; O'Donnell et al. 2001; Shutjens and Stam 2003). Some researchers even argue that firm's networks always have as starting point informal social networks, often related to owner's personal set of relationships (e.g. Butler and Hansen 1991; Hite and Hesterly 2001; Hite 2005). Social networks, particularly informal social networks, were found to strongly influence inter-firm co-operation in marketing, particularly in peripheral rural communities (Felzensztein et al. 2010).

As resource acquisition mechanisms personal networks give access to important resources, mostly non-material supporting services, information and moral support, which are in most times gratis or at low cost, but also money (direct or indirect), otherwise unavailable (Birley 1985; Dubini and Aldrich 1991; Ostgaard and Birley 1994; Premaratne 2001; Witt 2004; Witt et al. 2008). The set of relationships owners have built through their previous working experience, formal education, and family background as business owners, may determine the owner's initial endowment with resources, and will strongly affect the founders' networking activities and the types and amount of resources they are able to access (Birley 1985; Witt et al. 2008). Information and advice, related to legal, financial, marketing and staffing issues, are identified by several studies (e.g. Birley 1985; Dubini and Aldrich 1991; Ostgaard and Birley 1994; Premaratne 2001; Shaw 2006) as significant resources obtained through personal networks, namely friends and relatives. Informal sources of info and advice provide small firms with a higher and more stable flow of information (Premaratne 2001). The advantages of informal sources of support are particularly relevant in competitive, low trust

business environments where small firms may be reluctant to collaborate with competitors (Shaw 2006).

Some researchers (e.g. Birley et al. 1991; Ostgaard and Birley 1996; Shaw 2006; Bratkovic et al. 2009) identified strong ties, namely relatives, as the most likely contacts and, overall, more relevant for small and micro businesses than weak ties. Personal network members are also identified as multiplex (Schutjens and Stam 2003; Anderson et al. 2005; Neergard et al. 2005; Shaw 2006) meaning the same members can provide different resources, like valuable information and advice but also expressions of friendship or affection, and emotional support. Contextual specificities are acknowledged though, in the literature, as the boundaries of the nature and importance of personal networks to the business owner. Such specificities refer to some of the aspects identified earlier in Chapter 2 as important contextual factors affecting small business's performance: business life-stage, geographical location, and industry type. Contributions identified in the literature with regard to these specificities are described next.

### **3.2.5 CONTEXTUAL SPECIFICITIES OF PERSONAL NETWORKS**

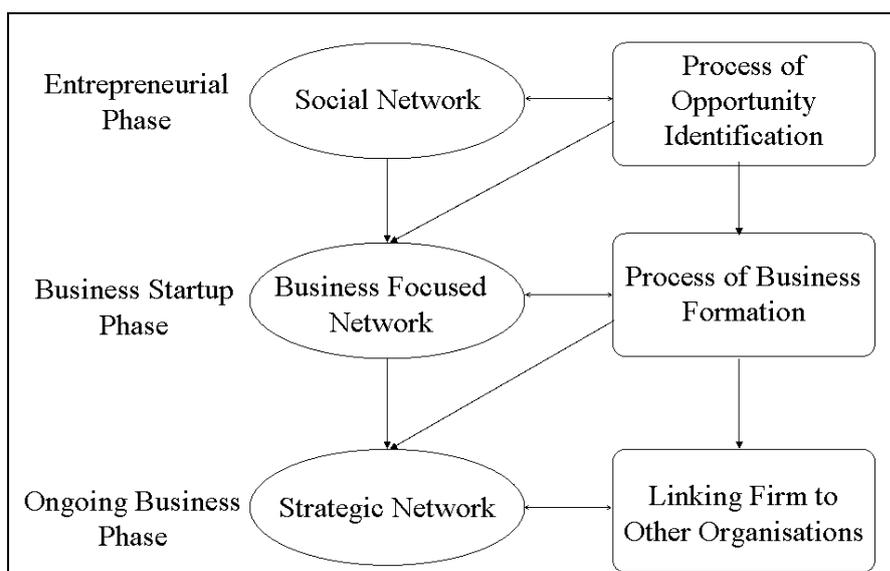
Although agreement exists about the importance of networks to the small businesses context, there are opposing views in relation to what type of network with what characteristics are more advantageous, with opposing perspectives being found in the literature. According to Hite and Hesterly (2001) the existence of such opposing views reflects the fact that research has mostly examined networks at a single, static moment in their life span. As described earlier in Chapter 2, the setting up and management of (small) businesses are complex, context-specific, dynamic processes, which evolve through progressive stages, with specific strategic issues (e.g. goals, resource needs and resource acquisition challenges). Attempts to understand its determinants', including social networks, require dynamic approaches that take into account contextual specificities as well (O'Donnell et al. 2001; Hoang and Antoncic 2003).

### 3.2.5.1 Evolutionary perspective of networks

Network related research adopting a dynamic, process-driven perspective, has demonstrated that networking is a generically dynamic phenomenon, and that firms' networks are determined by, and evolve in order to adapt to, the firm's/owner's resource needs and challenges (Butler and Hansen 1991; Greve 1995; Uzzi 1996; Hite and Hesterly 2001; Blundel 2002; Premaratne 2002; Greve and Sallaf 2003; Lechner and Dowling 2003; Shutjens and Stam 2003; Jack et al. 2008). Blundel (2002, p. 25) referred to the "episodic nature" of networks, to describe a central aspect of networks: the evolution over time. This evolutionary perspective is acknowledged as providing good explanations for networking and practices involved (Jack et al. 2008).

As an example of the numerous models identified in the literature, Butler and Hansen's (1991) evolutionary model, is described next. The model presents networks as developing gradually, and as strongly influenced by the nature of the business founder's social context. Three phases are identified, corresponding to three stages of firm development: the pre-start-up phase, the business start-up phase, and the ongoing business phase (Figure 3.1).

**Figure 3.1: Model of entrepreneurial networking evolution**



Source: Butler and Hansen (1991, p.3)

According to the proposed model, and concurring with other researchers (Birley et al. 1991; Hite and Hesterly 2001; Lechner and Dowling 2003), when firms emerge their networks consist mainly of informal networks of friends, family members and social contacts and as firms move into the early growth stage, their networks evolve, adding new contacts, according to the firm's resources needs and strategic orientations. During the pre-start and start-up phase, the social network will be of greater significance but the needs of the business are likely to require links to other individuals and organizations, giving rise to a hybrid, and more focused network. As the business evolves, and when owner's interests are more growth and profit oriented, the model supposes the need for more strategic networks, with links to competitors and suppliers aiming at reducing the firm's risk of failure and "provide advantages not obtained as an isolate entity" (Butler and Hansen 1991, p. 4).

In spite of its worthiness, and as Shutjens and Stam (2003, p. 118) argue, the models and theories that aim to explain network evolution "are ideal types, and in practice some stages are never reached, or are left out, or appear simultaneously". The network's evolution is dependent on a series of business and owner related contextual factors, such as the type of business strategic orientation, the path to business ownership, and the owners' conditions at start-up phase (e.g. human capital and motivations). Of relevance for this research is the fact that most models and studies analysed identify informal network of friends, family members and social contacts as the most relevant social contacts when firms emerge and that many of the firm's later social relations were based on the pre-existing social relations of the business founder. Social contacts and business contacts are intertwined in different moments of the business (Birley et al. 1991; Greve and Salaff 2003; Lechner and Dowling 2003; Shutjens and Stam 2003). Subscribing Lechner and Dowling's words, it seems that "without social relationships the firms would not have been able to establish any business network" (Lechner and Dowling 2003, p. 11).

### **3.2.5.2 Networks as industry specific**

Another aspect that emerges from small businesses research is that networks are industry specific, namely with regard to network composition (Shutjens and Stam 2003). Social relationships seem to be more important resource acquisition mechanisms to firms in the service sector than to firms in the manufacturing industry (Johannisson and Monsted 1996). Additionally, different regional contexts are also considered to affect network types. In rural areas it may be harder to access relevant organizational or inter-firm networks, particularly in peripheral locations (Jack and Anderson 2002; Johannisson et al. 2002). Therefore, business owners located in rural areas tend to benefit from a greater embeddedness in the locale, with personal, informal networks playing an important role in the resource acquisition process (Jack and Anderson 2002), and in the building of inter-firm cooperation initiatives (Felzensztein et al. 2010). These findings are of particular interest for this research, considering the target population is tourism small businesses in rural areas.

### **3.2.5.3 Networks as culture specific**

The role of personal networks and their utilisation by business owners in the setting up and management of their ventures is also gaining evidence as a culture-specific phenomenon (Dodd and Patra 2002) with specificities even within the same country (Witt et al. 2008). Staber and Aldrich (1995, p. 443) found broad similarities exhibited across international samples, suggesting that “at least some aspects of business networking are generic, and that owners approach some tasks in similar ways in different environments.” However, some authors position themselves in the opposed perspective (e.g. Birley et al. 1991; Curran et al. 1993) arguing that the network developed by each entrepreneur is actually unique to that individual, and it is reasonable to hypothesize that business owners in different countries may exhibit different networking styles. Curran et al. (1993, p. 77) have even argued that “networks are best seen as primarily cultural phenomena, that is as sets of meanings, norms and expectations usually linked with behavioural correlates of various kinds”.

### **3.3 THEORY OF SOCIAL CAPITAL**

As acknowledged earlier in this chapter's introduction, the flow of resources within social network, and its use on behalf of business goal attainment, has been dealt by many scholars as social capital (e.g. Burt 1992; 1997a, 1997b; Nahapiet and Ghoshal 1998; Portes 1998; Schuller et al. 2000; Adler and Kwon 2002). The theory of social capital and its relationship with social networks is reviewed next.

#### **3.3.1 SOCIAL RELATIONSHIPS AS CAPITAL**

Social capital is widely acknowledged as being inherent in the structure of people's social relationships (Portes 1998; Lin 1999, 2001; Renzulli et al. 2000; Adler and Kwon 2002; Robison et al. 2003). The central proposition of social capital research is that social relationships (social networks) constitute sources of valuable resources. Given its intangible character how can social relationships qualify as a form of capital? Answering this question is likely to be the best starting point to the understanding of theory of social capital, and of its use within this research. Although it has been questioned many times (e.g. Fine and Green 2000; Pawar 2006) there is an expanding list of studies showing that social relationships have many capital-like properties (Adler and Kwon 2002; Robison et al. 2002; Westlund and Bolton 2003, Savage and Kanazawa 2004). Pawar (2006, p. 211) strongly questions the use of the phrase "social capital", which is considered as "discomforting, confusing and misleading", suggesting it does not fit the phenomenon it tries to explain. The author suggests the use of "alternatives that change the capital orientation to human orientation" (p. 222). Suggestions include its constituent's phrases like trust or networks, or its manifestations like social capacity, social networks or informal networks.

Robison et al. (2003) argue that the use of the term capital may be questioned mainly because sociologists and economists typically use the term in slightly different ways. The economic perspective considers the term capital to imply a deliberate sacrifice in the present for future benefits, and capital in any form qualifies as capital only if it makes humans more productive when they use it in

combination with other forms of capital. On the other hand sociologists may refer to social capital as “bad” or “good” depending on whether it is useful to humans in a given context. Robinson et al. (2003) have particularly defended the social capital paradigm by pointing out that when defined as sympathy, it has many important capital-like properties including: transformation capacity, durability, flexibility, substitutability, opportunities for decay, reliability, ability to create other capital forms, and investment opportunities.

In the same way Adler and Kwon (2002, p. 21) have identified “the more widely shared and the less widely shared” characteristics of social capital with other forms of capital. Like all other forms of capital, social capital is a long-lived asset into which other resources can be invested, with the expectation of future benefits; is both appropriable and convertible; and it can either be a substitute for or can complement other resources. Unlike other forms of capital, social capital needs maintenance. Some forms of social capital are “collective goods” that are not private to those who benefit from them (unlike human capital), being located not in the actors but in their relations with other actors. Westlund and Bolton (2003) have also analysed the extent to which social capital can be compared with other forms of capital and thus be analysed in the same way in respect to the business context or in relation to entrepreneurship. They concluded that in certain respects social capital has characteristics in common with traditional capital forms, namely being the result of investment, being a sunk cost that can become obsolete, that depletes if not maintained and that consists of advantage. On the other hand they have also noted a number of important dissimilarities with other forms of capital: the fact that social capital can both be a product of intentional investment and an unintended by-product of other activities, that accumulation of social capital does not necessarily involve deliberate sacrifices for future benefits, and that social capital cannot be individually possessed.

It is implicit in the above perspectives that sometimes the use of the term is metaphorical. Nonetheless metaphorical uses are very widespread and seem to be of common acceptance (Adler and Kwon 2002) although the way the capital metaphor is conceptualized will impact on its empirical measurement (Robinson et

al. 2003). This research is in line with recent perspectives (e.g. Savage and Kanazawa 2004) which consider capital as any commodity that helps individuals achieve their goals, namely commodities that exist in social relationships between business owners and their personal network that helps them to achieve their business related goals. Literature related to Theory of Social Capital, and its contributions to the understanding of the role of social relationships in the businesses context is reviewed within next sections.

### **3.3.2 CONCEPT OF SOCIAL CAPITAL**

Social capital is widely acknowledged and perceived as inherent in people's relations with others but its multifaceted nature has resulted in a vast array of definitions and, sometimes opposing, approaches (Flap 2004). This research has adopted the definition proposed by Nahapiet and Ghoshal (1998), because it is considered as synthesising much of previous work's reflections about social capital. Social capital is therefore "the sum of the actual and potential resources embedded within, available through, and derived from, the network of relationships possessed by an individual" (Nahapiet and Ghoshal 1998, p. 243).

Social capital theory refers primarily to resources (tangible or intangible) accessed in social networks, focusing on the instrumental utility of such resources (Lin 2001). Social capital has been used to elucidate a wide range of social phenomena, with researchers increasingly focusing attention on the role of social capital as an influence not only on the development of human capital but on the economic performance of firms and businesses (e.g. Uzzi 1997; Honig 1998; Nahapiet and Ghoshal 1998; Davidsson and Honig 2003; Westlund and Nilsson 2005), and geographic regions and nations (Woolcock 1998; Fedderke et al. 1999; Paxton 1999; Beugelsdijk and Schaik 2005; Cooke et al. 2005), just to name a few.

Pierre Bourdieu, Coleman and Robert Putnam are recognised by several authors (e.g. Portes 1998; Baron et al. 2000; Schuller et al. 2000; Glover and Hemingway 2005) as the scholars whose work has contributed most directly to the recent explosion of interest in the concept. Although Putnam is the author whose work is

currently most cited across a wider range than any other, recent work and interest in the concept of social capital reveals a strong influence of earlier work from Bourdieu (Schuller et al. 2000). Bourdieu's analysis is considered in current literature (e.g. Portes 1998; Schuller et al. 2000) as the most theoretically refined among those that introduced the term social capital in contemporary sociological discourse focusing on the benefits to individuals by social integration. In essence, Bourdieu (1986) establishes culture as a dynamic and creative, but also a structured phenomenon, providing a systematic contemporary analysis of social capital.

According to Portes (1998), and despite its current popularity, the term social capital does not embody any idea really new to sociologists. Involvement and participation in groups has long been considered to have positive consequences for the individual and the community where he belongs. Portes (1998) places the roots of social capital in classic sociology, particularly Durkheim's theory of social integration and the sanctioning capacity of group rituals (e.g., reciprocity exchanges) and Marx's analysis of emergent class-consciousness (e.g., bounded solidarity). According to Portes the novelty and heuristic power of social capital comes from two sources. First the concept focuses attention on the positive consequences of sociability while putting aside its less attractive features (it will be demonstrated this is not completely true, with evidence of the negative consequences being identified in the literature in Section 3.3.5.2 ahead). Second, it places those positive consequences in the framework of a broader discussion of capital and calls attention to how such non-monetary forms can be important sources of power and influence, like other resources, namely financial.

### **3.3.3 NATURE AND LEVELS OF SOCIAL CAPITAL**

It seems evident that networks are the most evident expression of social capital, particularly at the individual level (Burt 2000; Lillbacka 2000; Lin 1999, 2001; van der Gaag and Snijders 2005; van Emmerick 2006; Schuller et al. 2000; Uzzi 1999 to name a few). But two main distinctions are identified in the literature, as setting conditions with regard to the characteristics and features of social capital:

collective versus individual level, and the structuralist versus connectionist approaches.

### **3.3.3.1 Collective versus individual level social capital**

As a concept social capital was initially conceived at the collective level. Community studies gained evidence within social capital related literature (e.g. Portes and Sensenbrenner 1993; Portes 1998; Paxton 1999), highlighting the central importance of the networks of strong crosscutting personal relationships developed over time that provide the basis for trust, cooperation and collective action in such communities (Nahapiet and Ghoshal 1998). However, during recent years, the concept of social capital has become one of the most popular exports from sociological theory, and it is being applied to many events and in many different contexts (Portes 1998; Adler and Kwon 2002), at the collective level as well as at the individual level (Lin 2001; Davidsson and Honig 2003; van der Gaag and Snijders 2004). The division between the collective and individual level is evident in two distinct strands of related literature. Some authors (e.g. Coleman 1990; Putnam 1995; Paxton 1999) elaborated theories specifically at the macro level, where social capital is seen as a collectively produced and owned entity, from which the whole community may benefit, and is often taken to be represented by norms, trust, and social cohesion. Other scholars (e.g. Flap 1999, 2004; Lin 1999, 2001) focused on social capital as an additional pool of resources for the individual, under which the focus is on individual access and use of resources which are embedded in social networks, which are the most evident expression of social capital (Burt 2000; Lillbacka 2000; Lin 1999, 2001; van der Gaag and Snijders 2005; van Emmerick 2006; Schuller et al. 2000; Uzzi 1999)

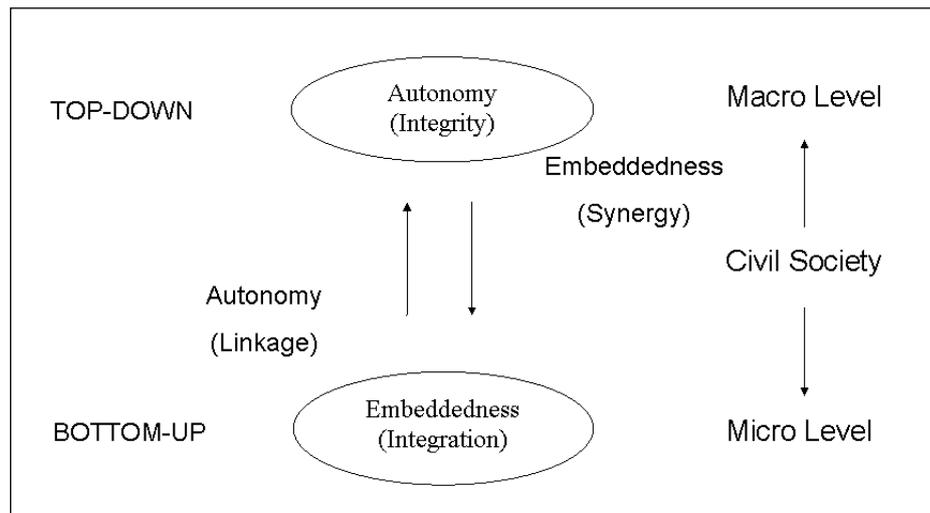
Some researchers have acknowledged that if social capital is to be fully understood and measured, both levels of analysis should be considered. In some situations, although social capital is perceived as inherent in communities, its effects are perceived as affecting simultaneously collective and individual goal attainment (e.g. Portes and Sensenbrenner 1993; Woolcock 1998). In other situations, although social capital is defined at the individual level, it is recognized as strongly

linked to macro-level (community related) aspects (e.g. Van der Gaag and Snijders 2004). An example of such an approach is Portes and Sensenbrenner's (1993, p. 1323) proposition of social capital, with regard to the economic context, as “those expectations for action within a collectivity that affect the economic goals and goal-seeking individual behaviour of its members, even if these expectations are not oriented toward the economic sphere.”

### **3.3.3.2 Structuralist versus connectionist approaches**

Regardless of the perspectives being at the collective or the individual level, some social capital theorists (e.g. Borgatti and Foster 2003; Flap 2004) have emphasized the existence of structuralist conceptions of social capital as opposed to connectionist conceptions. According to (Flap 2004) there are two prevailing views within the structuralist perspective of social capital. One view is based on Coleman (1988, 1990) who defined social capital as an aspect of social structure. Coleman stressed that a cohesive, all connected network, is a resource to its members, in the sense it facilitates certain actions of individuals within the structure and promotes the willingness to cooperate with and provide help to others. The other view is mostly based on Burt's work (1990, 1992), which stresses that an individual has a comparative advantage in competitive situations of being autonomous (Theory of Structural Holes). Being autonomous means the people within the social network have little or any ties at all between them, causing a minimum of redundancy of relationships (Flap 2004). Woolcock (1998) contends that these two points of view relate to two key concepts: embeddedness and autonomy. Embeddedness at the micro level refers to intra-community ties between a focal individual and the other elements, and autonomy refers to participation in extra-community networks (Figure 3.2).

According to Woolcok (1998) these two master-concepts have two dimensions each (Figure 3.2). Embeddedness involves integration (access to community benefits without costs) but also synergy (good links through networks to local bodies). Autonomy involves integrity (alternative, e.g. professional networks) but also linkage (to networks outside the community).

**Figure 3.2: Characteristics and levels of social capital**

Source: Woolcock (1998, p. 165)

In subsequent approaches embeddedness and autonomy have often been referred to as bonding and bridging social capital respectively and many works have drawn upon this approach and used this terminology (e.g. Woolcock and Narayan 2000; Cooke et al. 2005; Salvato and Melin 2008).

As described in Chapter 2 (Section 2.7.1) the embeddedness approach has prevailed for a long time, based on seminal contributions from Granovetter (1985), and Coleman (1990), but further developments from other scholars like Portes (1998) and Burt (1992), to name a few, have put in evidence that both autonomy and embeddedness are necessary conditions for the effectiveness in the acquisition of social capital. Embeddedness (bonding social capital) is a necessary but insufficient condition for long-term development, and autonomous social relations (bridging social capital) are also required, complementing the benefits and offsetting the costs of embeddedness. The theoretical framework for costs of social integration, often considered under different terminology (e.g. negative effects or downside of social capital) will be analyzed later in this Chapter (Section 3.3.5.2).

The connectionist stream of social capital literature has been strongly influenced and informed by the work of Lin (1999, 2001) but also by other prominent scholars in the field (e.g. Snijders 1999; Flap 2004; van der Gaag and Snijders 2004). In this

approach the focus is on the resources embedded in one's social network, and on how the access to, and use of, such resources benefits the individual's actions (Lin 2001; Borgatti and Foster 2003). This conception of social relationships is also implicit in the Theory of Social Networks and Theory of Social Support (as is also acknowledged by Borgatti and Foster 2003). This has greatly determined the interrelatedness, and use of the three theories, as already stated before. Within the connectionist approach several theoretical propositions can be distinguished, many of which arise from the principle that the success of action is positively associated with social capital. As stated by Lin (2001, p. 60) "More and better social capital leads to more successful action". This leads to the question of how to access (good) social capital. According to Lin (1999) to possess social capital a person must be related to others and it is those others, not the self, who are the sources of social capital, and the actual sources of advantage. The next section will present a selection of propositions with regard to sources of social capital.

### **3.3.4 SOURCES OF SOCIAL CAPITAL**

Social capital involves a social relationship of a provider (source) and a recipient. Social capital sources lie in the social structure within which the individual is located, and different sources provide capital with different intensities, different degrees of durability, and different effects. Depending if the approach adopted is at the collective level or at the individual level, the source (provider) of social capital, may be (1) an individual; (2) all members of a group acting individually on the basis of social custom and not necessarily aware that others are doing the same; or (3) it may be generated explicitly by the conscious interaction of people in an organization. Likewise, the recipient may be (1) an individual; (2) all or some members of a categorical group; or (3) some categorical group may be ultimately the recipient (Robinson et al. 2003).

It has been demonstrated in previous sections and in accordance with the literature that social capital is often associated with, derived from, or operationalized through the identification of networks and network relationships (e.g. Lin 1999, 2001; Uzzi 1999; Lillbacka 2000; Schuller et al. 2000; Greve and Salaff 2003; van

der Gaag and Snijders 2005; van Emmerick 2006). Most literature (e.g. Wellman and Wortley 1990; Burt 1992, 1997, 2000; Lin 1999) draws upon Granovetter's (1973) distinction of strong ties and weak ties as expressions of the social relationships between elements in a given network and access to social capital. These concepts have been described earlier in Section 3.2.2.3 – concerning the strength of ties between individuals according to network related theory. Three main propositions are identified with regard to the strength of ties, concerning sources and access to social capital (Lin 2001), the strength of strong ties proposition as opposing to the strength of weak tie proposition, and the contingency approach, arguing for the complementarities of both weak and strong ties.

An additional set of literature (Portes 1998; Adler and Kwon 2002; Robinson et al. 2003) was identified as providing information that could be interpreted as an alternative conceptualization with regard to the context in which social capital is best accessed. These authors consistently advocate that for anyone having access to social capital, people within his/her network need to be motivated to help. Based on their contributions, this research advocates the existence of a fourth proposition in relation to sources and access of social capital, the motivation proposition, described below in Section 3.4.2.4.

#### **3.3.4.1 The Strength of Strong Tie proposition**

According to Lin (1999, 2001) the principle underneath this proposition is straightforward: the stronger the tie, the more likely accessed social capital will positively affect the individual's goal attainment and success. This principle has received substantial support in social capital related literature (e.g. Coleman 1990; Portes and Sensenbrenner 1993; Portes 1998; Jack 2005) The underlying assumption is that stronger ties based on sentiment, trust, and sharing of resources, are instrumental for business activity, providing knowledge and information and also helping to maintain, extend and enhance business personal reputation (Lin 2001; Jack 2005). In the social capital literature, as in social networks literature (Section 3.2) and social support literature (Section 3.3), the distinction between kin

and non-kin elements within personal/social network is evident, and often implicit in analysis about the strength of ties. Kin are the role relationships most often associated to strong ties, as sources of social capital (e.g. Lin 2001). For instance Lin (2001) suggests that, although depending on the cultural context (country, race) and social groups (e.g. male and female) there is evidence of the overall importance of kin elements as part of an individual's network in the access to resources (capital).

#### **3.3.4.2 The Strength of Weak Tie proposition**

Lin (2001) describes the underlying principle of the strength of weak tie proposition as the weaker the tie, the more likely the ego will have access to better social capital for instrumental action, which is consistent with the homophily principle. Individuals embedded in a social circle tend to have characteristics of the same kind as those of the circle's other members. Therefore, weaker ties, characterized by less intimacy, less intensity, less frequent contact, should be associated with dissimilar resources, allowing access to wider resource heterogeneity (Granovetter 1973; Burt 1992; Lin 2001). Burt's (1992, 1997) theory of Structural Holes (described in Section 3.2.2.3 in relation to social networks) has an explicit connotation to the theory of social capital and to the strength of weak ties proposition in particular. Non kin (sometimes friends but mainly friends of friends or acquaintances) are those elements, within a person's network, often associated with weak ties.

#### **3.3.4.3 The contingency approach proposition**

Additionally, some researchers argue for the need for both strong ties and weak ties within the social network for social capital to be accessed and effectively contribute to a firm's development and growth (e.g. Pirolo and Presutti 2010). Strong or weak ties are not necessarily seen as conflicting, but rather as playing different roles in firm's performance (Pirolo and Presutti 2010). As firms dynamically evolve in their "life cycle" they normally are in need of new and additional resources to support development, which may cause a shift in the

configuration of the social capital to reinforce their different targets of performance (Lechner et al. 2006). Consequently, strong or weak ties are not always positive for the firm's goal attainment, but their importance could depend on both the kind of target performance and the stage of the business life cycle.

#### **3.3.4.4 The motivation proposition**

Portes (1998) has introduced the perspective that social capital is only activated in the presence of motivation of others to make resources available, transforming social relationship into social capital. He also introduces the perspective of the norm of reciprocity. According to him, donors provide privileged access to resources in the expectation that they will be fully repaid in the future. Adler and Kwon (2002), drawing upon Portes' perspective, have identified three necessary elements for social capital to be activated: the opportunity, motivation and ability. The lack of any of these will undermine social capital generation. "A prospective donor without network ties to the recipients, without the motivation to contribute, or without the requisite ability would not be a source of social capital" (p.27). These authors do not acknowledge the norm of reciprocity though. Similarly, Robinson et al. (2003) argue that economists have primarily focused on the motive for individual utility maximization. But if people trust each other, honour obligations, follow norms, and befriend others only to maximize their own utility, then these things are just additional commodities to be exchanged. Therefore other motives such as sympathy and caring must be acknowledged, since sympathy sets in motion "one-way movements of goods which are not necessarily calculated with the expectation of a return" (Robinson et al. 2003, p. 5).

#### **3.3.5 EFFECTS (RETURNS) OF SOCIAL CAPITAL**

The effects, or returns of social capital, are about the functions social relationships serve. Contrary to what has been identified in some of the literature, there is no good or bad social capital. It is rather the effects of social relationships that can be classified as being positive (which can therefore be considered as social capital) or negative (which are considered in social support literature as social "negativity",

social hindrance, or social undermining, just to name a few). In the next sections contributions within social capital related literature are reviewed with regard to general effects/returns of social capital, separating the main contributions concerning the positive effects of social relationships/networks (Section 3.3.5.1), from those concerning the negative effects of social relationships/networks (Section 3.3.5.2). Particular emphasis is placed on the specific effects of social capital within the business context. As far as negative effects of social relationships are concerned, the terminology (e.g. negative social capital, negative effects of social capital, or downside of social capital) identified in social capital related literature, although questioned, is kept to maintain consistency with original references.

### **3.3.5.1 Social capital as positive effects of social relationships**

The prevalent perspective in social capital theory and related literature is about social capital and the positive effects of social relationships. Social capital is considered as something that can enhance production or economic performance (Woolcock 1998). The effects or returns of social interaction are dealt with as functions of social capital (e.g. Portes 1998; Lin 1999, 2001). Portes (1998) identifies three basic functions of social capital, applicable in a variety of contexts: a) as a source of social control; b) as a source of family support; c) as a source of benefits through extra familial networks. The last function is considered by Portes as the most common one, being often invoked as an explanation of access to, and mobility within employment, and entrepreneurial/business success. According to Lin (1999) the positive effects that result from an individual's relationship with others can be summarised as obtaining or maintaining resources, being in a purposive or formal way, or as the result of informal contacts and giving. The interrelation between the theory of social capital and the theory of social support becomes at this stage more evident. As described in Section 3.3, the theory of social support deals with the positive effects of social relationships, namely support giving, in diverse contexts.

In organizational literature, social capital is often described as either tangible or intangible resources, available or acquired through social networks (social relationships), which are of value to business owners in goal achieving at different levels, namely during the start-up process (Uzzi 1997, 1999; Honig 1998; Nahapiet and Goshal 1998; Renzulli et al. 2000; Davidsson and Honig 2003; Greve and Salaff 2003; Westlund and Bolton 2003; Neergaard et al. 2005; Jansen et al. 2011), and enhancing small business performance (Bosma et al. 2004). Many of the references about the effects of social capital within the business context come from the network strand of literature (described in Section 3.2.4). Empirical studies have demonstrated a positive statistical relationship between business performance (survival and growth) and social capital, particularly through networking activity (Aldrich and Zimmer 1986; Birley et al. 1991; Dubini and Aldrich 1991, Bryson et al. 1993; Ostgaard and Birley 1994; Brüderl and Preisendörf 1998; Chell and Baines 2000; Bosma et al. 2004; Cooke et al. 2005, Westlund and Nilsson 2005; Ucbasaran et al. 2007). Research at the inter-firm level suggests that embedding economic exchanges in social attachments can both create unique value and motivate exchange partners to share the value for their mutual benefit. Embedded ties promote these outcomes through the transfer of private resources and self-enforcing governance (Portes and Sensenbrenner 1993; Uzzi 1996, 1997 1999).

At the personal level, research has demonstrated that social capital plays an important role among practicing business owners and entrepreneurs (Honig 1998; Bosma et al. 2002; Davisson and Honig 2003). According to several researchers (e.g. Nahapiet and Goshal 1998; Davidsson and Honig 2003) there is evidence that social capital is positively related to human capital and both, in conjunction, contribute to business ventures success. The fundamental proposition is that human capital, and its contribution to the business, is highly dependent on the existence of a relevant social structure. Network ties (social capital) provide business owners' access to resources, particularly to information and knowledge, the essence of human/intellectual capital (Nahapiet and Ghoshal 1998). In this sense, successful ventures, particularly small and micro ones, are to a great extent dependent on owner's ability to create and exploit social capital.

As far as financial capital is concerned, Westlund and Bolton (2003) argue that social capital not only has a role in financing the new firm, but also in the continuing operations in its early life. In the same way Uzzi (1997, 1999) argues that firms are more likely to secure loans and receive lower interest rates if they are tied to their lenders through embedded ties and if their networks of bank ties have a mix of embedded ties and arm's-length ties (loose weak ties).

### **3.3.5.2 Negative effects of social relationships**

Although the most common idea is that social capital (as the result of social interrelationships), like other forms of capital, should always have a positive influence upon the business' owner, and upon the business context, that is not the case. Several authors have identified inhibitions to businesses as a result of individual's (business owner's) social involvement with others (e.g. Coleman 1988, 1990; Portes 1998; Woolcock 1998; Westlund and Bolton 1998; Portes and Sensenbrenner 1996; Chell and Baines 2000). Granovetter (1985, p. 491) has pointed out that social relations may "provide occasion and means for malfeasance and conflict, on a scale larger than in their absence". This perspective is also found in social capital literature (e.g. Coleman 1988; Woolcock 1998; Woolcock and Narayan 2003; van der Gaag and Snijders 2004). For instance, Coleman (1990) acknowledges that any given form of social capital that is useful for facilitating certain actions might be useless or harmful for others; and Woolcock (1998) specifies that social capital (interpreted as individual's embeddedness in social structures – networks) can simultaneously enhance, maintain, or destroy physical and human capital. According to Woolcock and Narayan (2000) personal social networks are unquestionably valuable to business owners, but "...these same ties can place considerable noneconomic claims on members' sense of obligation and commitment, with negative economic consequences" (p. 231). This is in line with Chell and Baines (2000) and van der Gaag and Snijders (2004) who acknowledge that social capital is about helpful behaviours from network members, but these behaviours can simultaneously be inconvenient, unnecessary, or restrictive of individual's action.

Some of the less desirable effects or the “downside” of social capital are identified by Portes (1998) and his colleagues (Portes and Sensenbrenner 1993; Portes and Landolt 1996) and can be summarized as: exclusion of outsiders; excessive claims of group membership; and the restriction of individual autonomy. These studies suggest that the same strong ties that bring benefits to individuals or members of a group or community, commonly enable it to bar others from access, and group or community closure may, under certain circumstances, prevent the success of initiative by their members. This is particularly evident in ethnic, or minority entrepreneurship related literature. Entry into a given community gives the new arrival access to financial and personal support so that a small business can be started. The solidarity that promotes businesses setting up may also restrict an individuals’ freedom, particularly concerning extra-community contacts (Portes and Sensenbrenner, 1993; Portes and Landolt, 1996) when in need of resources not available locally (either information or material related) (Woolcok, 1998).

Burt (1992, 1997) in his Structural Holes Theory (described in Section 3.2.2.3) argues that the real benefits from social capital stem from the brokerage opportunities created by disperse ties (giving rise to structural holes), moderating the potential negative effects of network closure. Gargiulo and Benassi’s (2000, p. 193) also highlight the benefits of such a “trade-off between the enabling and constraining effects of network structures.”

It is evident in some of the social capital literature that any particular form of social relationships will have simultaneously benefits and disadvantages. However, the perspectives that conceive social capital and its effects as negative, regardless the designation adopted need to be contested. The proposition that should be adopted instead is that social relationships can give rise to positive and/or negative behaviours, not positive or negative social capital. Social capital is therefore conceptualized as inherent in, and, as a result of positive social relationships. The next section will present the theoretical underpinnings of Theory of Social Support, and will also seek to demonstrate its appropriateness in the operationalisation of this research, aiming at understanding the significance of business owners’ personal network in the setting up and management of the business.

### **3.4 THEORY OF SOCIAL SUPPORT**

*Social support is provided by other people and arises within the context of social relationships (Hirsch 1981, p. 151)*

As stated before in Chapter 2, Section 2.6.1, and in this chapter's introduction, the Theory of Social Support is strongly interrelated with Theory of Social Network and Theory of Social Capital. Ties with friends and relatives provide social support that makes up much of the social capital people use to deal with daily life, seize opportunities and reduce uncertainties (Wellman and Wortley 1990). Social support theory argues that it is not only the structural dimensions of a network, but also the type of support (contents) provided by network ties and the context or interactions by which such support is acquired which influences individual action and behaviour (Neergaard et al. 2005). Adopting a social network analysis though is believed to make research into social support more powerful (Wellman 1981) and the two complementary theories are believed to contribute to the understanding of how business' owners support and acquire resources through their social networks (social capital), and how these influence their business experience.

Although interest in the impact of social relations on psychological well-being has a long history (e.g. Caplan 1974, 1976; Gottlieb 1981; House 1987), in recent years research has focused upon supportive social relations and their impacts on a wide variety of life events (mostly stressful ones), giving rise to a body of literature dedicated to theory and practice of social support. The aim of this section is therefore to review the main underpinnings of Theory of Social Support and demonstrate how it contributes to the theoretical framework of this research, and how it relates to its aim and objectives.

#### **3.4.1 THE CONCEPT OF SOCIAL SUPPORT**

It is widely acknowledged that “most people develop and maintain a sense of well-being by involving themselves in a range of relationships in their lives that in total satisfy specific needs” (Caplan 1974, p. 5). Although social relationships and interactions

between people result in many diverse forms and outcomes research has favoured the positive effects which have been the main focus of theory of social support. Early research conceptualized the results of social interactions as informal, spontaneous helping behaviours (Gottlieb 1978) or informal support (House 1981; Beggs et al. 1996). The term informal is used by these authors, because social support is considered to be provided as a result of more or less spontaneous helping behaviours as opposed to formal, professional care givers like physicians or other supportive organisations. Barrera (1981) acknowledged that the meaning of social support has been popularized to denote the various forms of aid and assistance supplied by family members, friends and neighbours, and other informal helpers “who are thought to have a major impact on the psychological well being in particular for people coping with stressful/straining situations” (Barrera et al. 1981, p. 435).

The existence and importance of informal, helpful relationships, was considered by Caplan (1974, 1976) as a natural support system that delivers services. Caplan (1974) uses the term system to emphasize that its meaning is beyond fortuitous relationships. “Support system implies an enduring pattern of continuous or intermittent ties that play a significant part in maintaining the psychological and physical integrity of the individual over time.” (Caplan 1974, p.7). It is frequent though in the literature, particularly in more recent works, the adoption of a common designation, Social Support, being defined as “support that is provided by other people and arises within the context of interpersonal relationships” (Hirsch 1981, p.151). Interpersonal relationships emerge as the starting point for social support to take place, and “ties provide the basis for network members to utilize the connections with others that their alters have” (Wellman 1979, p. 1227).

Although, in essence, social support pertains to the content or to the functions that networks serve, it has also been considered within the structural perspective, as generalized resources available from an individual’s network of friends and acquaintances (the social network) (e.g. Cooke et al. 1988; Walker et al. 1993). The structural perspective of social support research is similar to the structural perspective of social networks (as described in Section 3.2), and has concentrated

on exploring network characteristics like the size, density and frequency of network interactions. As stated before, these aspects are beyond the aim and objectives of this research, and a greater emphasis is placed on the content perspective.

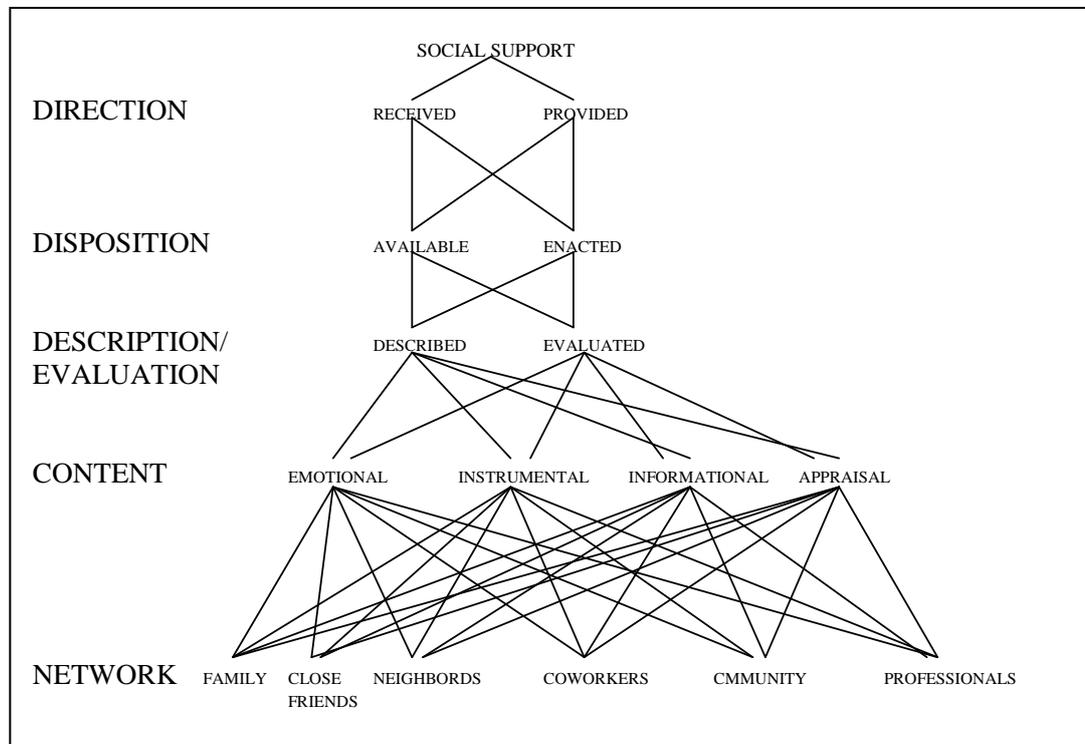
Involvement in a network of social ties contributes to the enhancement of the physical and mental health, successful social adjustment, and other measures of general social well-being (e.g. Cassel 1976; Gillespie et al. 1985; Israel and Antonucci 1987). In social support related literature, one of the most acknowledged positive effects of social embeddedness is the buffering effect against stress in several everyday situations (e.g. Cobb 1976; Procidano and Heller 1983; Seers et al. 1983; Barrera 1986; House 1987; Vaux 1988; Lakey et al. 1994; Carlson and Perrewé 1999), namely in relation to coping with serious illness (e.g. Dimatteo and Hays 1981; Kaplan et al. 1997) or marital disruptions (Wilcox 1981). Some contributions have also been made about the significance of social support to groups in disadvantageous positions like single mothers (e.g. Gottlieb 1978; Barrera 1981), adolescents (e.g. Corcoran et al. 1998; Bertera 2007), the widowed (e.g. Hirsch 1981; Stevens 1990), or the elderly (e.g. Letvak 1997; Scott and Roberto 1997).

### **3.4.2 THE MULTIDIMENSIONALITY OF SOCIAL SUPPORT**

Social support researchers have widely and long demonstrated agreement about social support being a multidimensional construct (e.g. House 1981; Norbeck et al. 1981; Barrera 1986; Cooke et al. 1988; Vaux, 1988; Wellman and Wortley 1990; McIntosh 1991; Walker et al. 1993; Corcoran et al. 1998; Cauty-Mitchell and Zimet, 2000; Agneessens et al. 2006). It is evident in the literature that any individual is likely to be linked to several and diverse role relationships, which are potential sources of different types of support. Type and source are important dimensions of support, and resources that constitute social support can be conceptualized as some combination of these two dimensions. Therefore, “assessment of social support should include determination of as many as is

possible of the aspects of the various kinds of social support as well as the many potential sources of social support” (Cooke et al. 1988, p. 212).

**Figure 3.3: Multidimensionality of social support**



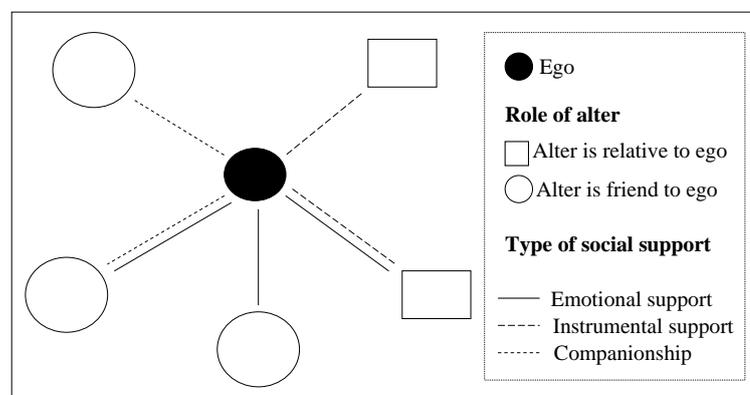
Source: Tardy (1985, p.189)

In addition to type and source, other dimensions are identified in the literature, and are suggested to be of significance to the understanding of social support. In this regard Tardy (1985) identified 5 major dimensions which he considers to be critical in the conceptualization and measurement of social support. The multidimensional character of social support refers to the existence of different layers/levels of information, which need to be considered, but also to the fact that within each level, there is more than one possible situation, which are represented in Figure 3.3. If we consider Tardy's model, at each of the direction, disposition and description/evaluation levels, there are two different possible perspectives for the understanding of social support. At the content and network level, the possible situations are more diverse, demonstrating that a wide range of situations are possible. Over the years, and although some exceptions exist, most studies have looked at social support from the point of view of the recipient, and not from the

perspective of the provider. Therefore research has contributed mainly to the understanding of how available or enacted forms of support, sometimes both, are perceived by the focal individual, through the description and/or evaluation (extent or adequateness) of helpful behaviours, and respective outcomes.

In addition to its multidimensional character, widely acknowledged and represented in the literature, another characteristic of social support is its multiplexity, or multistrandiness. Wellman (1981) suggested that networks could be multistranded because more than one role relationship can link two persons (e.g. a relative can be also a close friend) and more than one type of resource may flow between them (e.g. emotional support and instrumental support from a family member). This aspect is already visible in Tardy's model above, in the sense that each network member is linked to all the supportive behaviours identified at the content level (Figure 3.3). Agneessens et al. (2006) provide a simple example and graphical representation of a multidimensional, multiplex social support network.

**Figure 3.4: Multidimensional, multiplex social network**



Source: Agneessens et al. (2006, p.429)

It is evident in the literature that some dimensions of social support are particularly relevant, with an array of studies available, and these are the nature of support (perceived or enacted), types of support (e.g. emotional, practical, financial, informational) and sources of support (e.g. family, friends, significant others). Details with regard to these are described in further detail within the next sections.

### 3.4.2.1 The nature of support: perceived versus enacted

Although early studies paid little attention to distinguishing actual from perceived elements of support, the degree to which studies focus on actually supportive behaviours or on the individual's perception of availability of support if necessary, has been of great concern in the social support literature (Vaux 1988). Barrera (1986, p. 414) argues that “*social support* is insufficiently specific to be useful as a research concept”, and research needs to distinguish three categories: social embeddedness, perceived social support, and enacted support. Although acknowledging its interrelationships, Barrera (1986) claims the three concepts are sufficiently different to caution against regarding them as synonymous. Social embeddedness refers to the connections that individuals have to significant others in their social environments. “Although not perceived as direct measures of social support they are used with the rationale that available social ties could, potentially, provide support” (Barrera 1986, p. 416). Perceived social support is about the perception that help is available if necessary and measures of enacted support assess what individuals do when they provide support, and its measurement has to be distinct from perceived availability and even social embeddedness (Barrera, 1980; 1986). Barrera calls attention to the implications of using concepts either indistinctly, or as a mixture, namely potential consequences for internal consistency. He claims that unless there is

*...strong empirical justification for combining support concepts, both the internal consistency of social support measures and the interpretation of findings based on them will be facilitated by differentiating between social embeddedness, perceived social support and enacted support (Barrera 1986, p.421)*

Other authors have contributed to the debate around the need and practical implications of separating the categories (or nature) of support and the prevalence of one type of support over the other. House (1981, p. 27) suggested that social support is “likely to be effective only to the extent it is perceived”, and Bruhn and Philips (1984) stated that a person must perceive social support to be available before it can be useful. Many studies have followed this perspective that favours the analysis of perceived support using measures aimed at describing the extent to which an individual perceives that his/her needs for support (e.g. information and

feed-back) are fulfilled by their social network of friends and family (e.g. Procidano and Heller 1983; Barrera 1986; Cooke et al. 1988; Zimet et al. 1988; Newland and Furnham 1999; Canty-Mitchell and Zymet 2000; Coventry et al. 2004). van der Gaag and Snijders (2005) position themselves in the opposite strand, arguing that social support is only valuable when it is activated, even if only through the expression of moral approval or emotional sustain. However, as Vaux (1988) stated, social interactions involve both objective and subjective elements, therefore, both actual supportive events and activities and the participant's perception and appraisal of these must be addressed for a complete understanding of social support. Examples of studies that have simultaneously assessed perceived and enacted support, reinforce the need to examine both, based on past experiences of enacted support and perception of future support availability (e.g. Wethington and Kessler 1986; Haber et al. 2007).

#### **3.4.2.2 Types of support**

Another facet or dimension of social support that demands deeper understanding is related to the types of support. Support networks serve several functions. Considering a person's ties vary in characteristics (e.g. kin, non-kin, strong ties, weak ties) so do the types of support they provide (Wellman and Wortley 1990). A variety of studies have proposed equally diverse lists of types of support, most of which are based on the seminal contributions of Gottlieb (1978; 1981), Fisher (1982), Barrera and Ainlay (1983), or Saranson et al (1983) as illustrated in Table 3.1.

Gottlieb (1978) has identified four types of supportive behaviours, according to different kinds of assistance provided by informal helpers: This work has set the ground for one of the most often used instruments (questionnaire) of social support analysis, the Inventory of Socially Supportive Behaviours (ISSB).

**Table 3.1: Types of Support identified in the literature**

<b>Author(s)</b>	<b>Types of support</b>
Gottlieb (1978)	Emotionally sustaining behaviours; Problem solving behaviours; Indirect personal influence (like perceived support- Helpee's conviction that helper's resources are available when needed); Environmental action.
Fischer (1982)	Counselling (advice and discussion of personal matters); Companionship (visiting socially, going out together); Practical support (a variety of material assistance).
Barrera and Ainlay (1983)	Material aid; Behavioural assistance; Intimate interaction; Guidance; Feedback; Positive social interaction.
Cohen et al. (1985)	Tangible support; Appraisal support; Self-esteem; Belonging support.
Vaux (1988)	Emotional support, Advice/guidance, Feedback, Practical support, Financial/material support, Socializing.
Power et al. (1988)	Emotional support; Practical support
Wellman and Wortley (1990)	Emotional aid; Small services; Large services; Financial aid; Companionship; Information.
Rook (1998)	Emotional support Appraisal support Informational support Instrumental support

Source: author

Barrera and Ainlay (1983) have been particularly inspired by this work and developed further the ISSB, proposing an organisation of supportive activities and behaviours in 6 categories (instead of the original 4). In parallel or in addition to these efforts, other researchers like Fischer (1982) Cohen et al. (1985) and Vaux (1988), attempted to identify and organise the types of support that best capture the

functions served by inter-personal relationships. Different groupings (both with regard to number of items and designations) have been proposed, as can be seen in Table 3.1.

Some researchers (e.g. Power et al. 1988; King et al. 1995) argue though, that in spite of the distinctions made in the literature between different categories of support, these all appear to be subcategories of emotional and practical/instrumental support. The diversity of types of support identified in the literature has resulted from diverse research contexts and the vast array of data collection instruments (e.g. questionnaires) are equally diverse with regard to many aspects, namely the extent to which they assess distinct modes of support, properties of network relationships as well as structure or network composition, factors and appraisals. It seems to be generally accepted that researchers need to be specific about their focus when addressing social support. It has not been identified in the social support literature, or in small business literature, a specific study applied to small business context, or even to a broader organisational context, that fits the purpose of this research. However the data collection instruments analysed and described above certainly have informed the construction of the questionnaire used in the data collection process.

### **3.4.2.3 Sources of support**

Social support is provided by the support network “that is a subset of the larger social network to which a person routinely turns or could turn for assistance (or which spontaneously provides such assistance) in managing demands and achieving goals” (Vaux 1988, p. 28). In essence, it is friends and relatives that provide social support (Wellman and Wortley 1990; Walker et al. 1993), and that is evident even in the early seminal work, of which Caplan (1974, 1976) is a prominent representative. He stated that kith (friend, acquaintances, and neighbours) and kin (relatives) supports are spontaneous or natural support systems that “mainly provide continuing guidance and direction as well as self-validation” (Caplan 1974, p.11). The perception that different people give rise to different types of supportive behaviours is widely acknowledged, with many authors

drawing upon and taking further Caplan's twofold proposition of kin and kith. The distinction is often done about different types of network members. Fischer (1982) claims that the network idea has become popular because networks have been discovered to be social support systems. For example, Wellman and Wortley (1990) suggest that social networks, as sources of support have several segments. One segment is composed of immediate kin, whose relations are densely knit and broadly supportive, while other segments contain friends, neighbours, and workmates, whose relations are sparsely knit, companionate, specialized in support and connected with other social circles.

Most studies have distinguished between family and friends (kinship and friendship) as the two main groups of people providing supportive behaviours (e.g. Procidano and Heller 1983; Lyons et al. 1988; Corcoran et al. 1998; McDonald 1998) although others have tested and found reliable results for three different groups of people: immediate kin, extended kin and friends (e.g. Welman 1989) or family, friends and significant others (Zimet et al. 1988; Kazarian and McCabe 1991; Canty-Mitchell and Zimet 2000). Coventry et al. (2004, p. 633) have also identified several sources of support, but organised according two major groups of sources: voluntary and distant support sources, including relatives, friends and confidants; and obligatory close family relations, including one's spouse, brothers and sisters, children and parents. Another distinction that is frequently found in social support literature draws upon Granovetter's (1974) propositions of strong ties and weak ties (as described in Section 3.2 with regard to social networks). Although there is no consensus about the role and significance of each type of ties, most contributions argue in favour of the strength of strong ties proposition, with strong ties providing broader support than weaker ties (e.g. Wellman 1979, 1989; Wellman and Wortley 1990). As discussed in Section 3.3.2, in social capital literature, some authors (e.g. Lin 2001) acknowledge that both strong ties and weak ties are needed in a balanced, effective support network.

Regardless of the approach, in most research special attention has been dedicated to the family (kin) as source of support. It seems to be widely accepted that "There are cultural, structural processes and perhaps biological reasons for kin to be

supportive” (Wellman and Wortley 1990, p. 572), and reliable relations with immediate kin are believed to provide services, emotional aid and financial aid (Wellman 1989). In the context of this research, the family is considered as a major element of analysis, not only because of the acknowledged importance within the small businesses context, which are in general family businesses (Chapter 2), but also because of the centrality of the family and its importance in facilitating social and economic integration. This fact is particularly relevant within rural areas “where substitute institutions commonly observed in urban settings are sometimes felt to be absent or to function poorly” (Gillespie et al. 1985, p.19). Separate sections will review respectively some of the singularities identified in the literature with regard to social support in rural areas (Section 3.4.3), and to the family as a specific context where social relationships occur and its implications to the business context (3.4.6).

#### **3.4.2.4 Situational contingencies of social support**

Different subgroups, as well as cultural or geographical contexts (like urban and rural areas) can lead to differences in what may be expected from others. This may result in some disparity about who will rely on what role relation for a given type of support. Immediate kin, namely partner and close family as parents, adult children and siblings, are the most supportive group of relations; emotional and companionship support, and some kinds of tangible support are more likely to be obtained through kin and family relationships, while informational and access to other social circles is more typically provided by friends or co-workers (Wellman 1989; Agneessens et al. 2005).

Considered from a social network perspective, while emotional and companionship support are primarily provided by strong ties with kin and family, tangible and informational support are accessed through weak ties with business colleagues (Section 3.2). This suggests that when researching business owner networks it is important not to restrict network analysis to those relationships that provide informational and tangible support to owners. Instead, by also considering the emotional and companionship support provided by a business owner’s social

network, a more comprehensive understanding of the impact of social relationships, in the form of resources and support provided by their network, has on business ownership may be acquired. This broad approach considering both informational and tangible support and emotional and companionship support is particularly relevant to this enquiry as to how social relationships influence the setting up of tourism related businesses in rural areas. Additionally, closeness is also acknowledged as an important defining characteristic of helpful intimate relationships (Wellman, 1979). The closer (stronger) the intimate relationship more perceived is availability of help. Closeness is associated with physical access. Physical access makes it easier for people to deliver services, which in turn increases the breadth of support (Wellman and Wortley 1990). This research aims at investigating whether sources of support are within a short distance from the business owner (same locality – concelho), medium distance (same region) or large distance (countrywide).

### **3.4.3 SOCIAL SUPPORT AND RURAL AREAS**

According to social support literature (e. g. Wellman and Wortley 1990; Agneessens et al. 2005), the role of social relationships in one individual's life is likely to differ from one cultural or geographical context to another (for instance between urban and rural areas). According to Vaux (1988) the face-to-face, multidimensional, and personal relationships characteristic of rural village life may be contrasted with the impersonal, specialized, and formal relationships thought to dominate urban life. Examples concerning urban-rural distinctions of social support provision are sparse and sometimes contradictory, and pointing to the existence of more similarities than differences between rural and urban support network. Of particular interest though is the generalized finding that informal supports in rural areas compensate for lack of support services (e.g. health care) by providing assistance when problems arise (Caplan 1974; Fischer 1982; House 1987; Scott and Roberto 1987; Adams et al. 2000; Letvak 2002).

According to the literature social contacts and integration are more frequent in small towns and rural areas than in urban areas (House 1987). Moreover, in rural

areas supportive networks tend to be more dense and kin-based, while in urban areas tend to be less dense and include more non-relatives (Caplan 1974; Fischer 1982; Gillespie et al. 1985).

*The centrality of the family and its importance in facilitating social integration are especially identified with rural areas, where substitute institutions commonly observed in urban settings are sometimes felt to be absent or to function poorly (Gillespie et al. 1985, p. 19)*

In spite of the tendency for emphasizing positive relationships and the delivery of support, there is evidence that in rural areas, negative interactions and conflict exist (Gillespie et al. 1985; Leffler et al. 1986) and represent “ a common feature of important relationships and antagonisms are not reserved for casual acquaintances, accompanying tight social bonds” (Leffler et al. 1986, p. 344). The negative aspects of social relationships are discussed in further detail in the next section.

#### **3.4.4 NEGATIVE SOCIAL RELATIONSHIPS**

The perspective of social relationships as providing exclusively, or almost exclusively, supportive functions ignores what has long been known about relationships and what social exchange theorists formalized (e.g. Fischer 1982), that at best, relationships involve costs as well as benefits (Rook 1984). In addition to its positive effects, it is clear in the literature that personal relationships can also function as sources of conflict, strain and disappointment, and troubled personal relationships threaten health and well being.

##### **3.4.4.1 Conceptualization of negative social relationships**

Within the framework of social support literature different terms are adopted to refer to negative social relationships, as illustrated in Table 3.2. The diversity of designations reflects a lack of consensus with regard to the adoption of the broader designation as opposed to the construct of social support, as well as of the possible dimensions that may encompass all types of negative social relationships.

**Table 3.2: Terminology adopted in the literature for negative social relationships**

Designation	References
Negative interpersonal behaviours	Passer et al. (1978)
Problematic social ties / relationships	Rook (1984)
Negative social exchanges	Rook (1984; 1998); Ruehlman and Karoly (1991); Newsom et al. (2003); Finch et al. (1999); Bertera (2007); Newsom et al. (2008)
Negative social interactions	Rook (1984); Antonucci et al. (1998); Lakey et al. (1994); Krause and Shaw (2002)
Hostility networks	Gillespie et al. (1985)
Conflict networks	Gillespie et al. (1985) ; Leffler et al. (1986)
Upsetting behaviours	Pagel et al. (1987)
Relational demands and conflicts	House et al. (1988)
Interpersonal conflict	Daugherty et al. (1988)
Negative interpersonal transactions	Rook (1990)
Potentially hurtful or impedimentary social encounters	Ruehlman and Karoly (1991)
Social obstacles / social rejection	Ruehlman and Karoly (1991)
Problematic exchanges	Rook (1992)
Conflictual social interaction	Finch et al. (1999)
Unpleasant interaction / Unpleasant social encounters	Krause and Shaw (2002)

Source: author

Table 3.3 presents examples that illustrate the variety of terminology adopted in the literature.

**Table 3.3: Construct of negative social relationships as opposed to social support**

Designation adopted	Authors
Social Conflict	Abbey et al. (1985)
Social Upset	Pagel et al. (1987)
Social Hindrance	Ruehlman and Wolchik (1988)
Social Strain	Rook (1990); Walen and Lachman (2000)
Social Negativity	Ruehlman and Karoly (1991); Finch et al. (1999)
Social Undermining	Vinokur and van Ryn (1993); Duffy et al. (2002)

Source: author

In spite of the divergent approaches and conceptualizations, several researchers have contributed to the theorizing and debate of negative social relationships. Rook (1984, 1990), Ruhlman and Wolchick (1988) and Ruhlman and Karoly (1991) are examples of researchers whose work is widely acknowledged and referred to in many articles. Although the subject of negative interactions had already been introduced in social support literature (e.g. Barrera 1981, Gotlieb 1981), Rook (1984) has been one of the first at promoting the debate about the need to distinguish the positive and negative outcomes of social interactions, and suggesting that the negative side of social interactions should be regarded as a construct independent from social support. The examples of negative social interactions provided by Rook (1984) were invasion of privacy, being taken advantage of or having promises of help broken, and knowing others who were sources of conflict.

Ruhlman and Wolchick (1988, p. 294) have contributed to this debate, suggesting the term social hindrance as encompassing negative social interactions, and reinforcing the perspective that, as a concept, it should be seen as independent from social support. Ruhlman and Wolchick (1988, p. 294) consider that “low levels of social support implies low levels of positive social interactions, hindrance reflects the presence of negative, potentially hurtful interactions or relationships.” Ruhlman and Wolchick's work had some pitfalls though, namely the assumption that Social Support and Social Hindrance were one-dimensional constructs.

In later work, Ruhlman and Karoly (1991) proposed a different term for the construct that encompasses negative social relationships, they named it as social negativity, and defined it as “affectively unpleasant, resistive, conflictual, hostile, or hurtful transactions rather than as reflecting either the mere absence of aid or the act of bestowing assistance on unwilling or unreceptive recipients” (Ruhlman and Karoly 1991, p. 97). These authors have also acknowledged the multidimensionality of the construct, having developed the Test of Negative Social Exchange (TENSE). The TENSE is a comprehensive measure of negative social relationships, organised according to 4 dimensions: interference, insensitivity, ridicule, and hostility/impatience. Further proposals have been identified in the

literature, after these seminal contributions. Such an example is Lakey et al.'s (1994) Inventory of Negative Social Interactions (INSI), a list of 40 items, representing stressful interpersonal transactions. The INSI is a throwback though, in the conceptualization of negative social relationships, suggesting a one-dimensional construct. Finch et al. (1999), drawing upon Ruehlman and Karoly's (1991) work, return to a multidimensional perspective, and a revision of the TENSE, listing and organising negative interactions into 3 dimensions: anger, insensitivity, interference/hindrance.

Besides the poor conceptualization and diversity of designations it is evident in many of the studies analysed that, similar to social support, the construct that encompasses negative social relationships is likely to be multidimensional, and its dimensions and effects somewhat context specific. Therefore, as suggested by Rook (1990, 1992) any research project needs to identify the specificities of the underlying subject, both with regard to measures of positive and negative behaviours and respective outcomes.

#### **3.4.4.2 The effects of negative social relationships**

The fact that negative social relationships may serve as direct sources of stress and undermining has been particularly emphasized in the literature (e.g. Rook 1984, 1990, 1998; Abbey et al. 1985; Gillespie et al. 1985; Pagel et al. 1987; Ruehlman and Wolchik 1988; Antonucci et al. 1998; Bertera 2007, Newsom et al. 2008). Negative social interactions are seen as potentially leading to depression, anxiety, physical symptoms, and a reduction in the perceived quality of life. It has likewise been postulated that negative social interactions may erode perceived self-efficacy, disrupt problem-solving, pose a threat to self-esteem, or interfere with the use of resources and hinder goal-attainment (Ruehlman and Karoly 1991). Moreover, several author's point to the fact that the presence and influence of negative social relationships exceeds the benefits of supportive ones (Bruhn and Philips 1984; Rook 1984; Pagel et al. 1987; Vinokur and van Ryn 1993; Finch et al. 1999; Duffy et al. 2002; Newsom et al. 2003; Labianca and Brass 2006). This perspective is

based on Taylor's (1991) work, and on the fact that negative events have greater impact on our lives than positive events, which applies also to social interactions.

According to the literature reviewed, the same social relationships can be characterized both by antagonism and support. The proposition of social support being a multiplex, or multistranded construct (as described above in Section 3.4.2) presupposes that the same person can play different roles, which in turn are not necessarily all positive. Moreover, just like social support is a multidimensional, multiplex construct, so is likely to be the construct that encompasses negative social relationships, whatever the designation adopted. Different types of positive and negative behaviours are likely to be performed, at different times, towards someone by the same person (Abbey et al. 1985). The classical supportive networks (family, friends and other significant people) can also be stressful, irritating, annoying, or over involved (DiMatteo and Hays 1981; Rook 1984; Pagel et al. 1987; Power et al. 1988, Martire 2002; Reynolds and Perrin 2004) and even represent focuses of friction and conflict (Fischer 1982; Gillespie et al. 1985). As Gillespie et al. (1985, p. 25) acknowledged, "although general contact, support, and hostility networks are distinct for most respondents, they also tend to interpenetrate and overlap". Concern and good intentions may contribute to reducing people's well being, and actions that are intended to be supportive may not be viewed as such by recipients. Moreover, friends and family are particularly expected to be supportive, and, when they are not, expectations are violated, increasing emotional distress (Newsom et al 2003).

The mismatch between type and amount of support needed and received is widely acknowledge in social support literature. In health related studies it is particularly evident in the provision of more assistance than is needed or wanted (Silverstein et al. 1996; Newsom and Schulz 1998; Martire et al. 2002; Reynolds and Perrin 2004), and sometimes the lack of specific forms of help (Reynolds and Perrin 2004). These studies have also demonstrated that the existence of high levels of assistance from family members can result in negative affective and behavioural consequences. Although with varying degrees, and dependent on personal characteristics, such as need for independence and autonomy (Martire et al. 2002)

or self-esteem (Newsom and Schulz 1998), there is evidence that overprovision and mismatch of supportive behaviours are associated with recipients' poorer emotional well-being (Silverstein et al. 1996; Martire et al. 2002), and greater emotional distress (Newsom and Schulz 1998; Reynolds and Perrin 2004). As Leffler et al. (1986) have suggested, in order to empirically examine the role of social relationships, it is necessary to measure both conflict, and support "in such a way that none presupposes or eliminates another" (Leffler et al. 1986, p. 339). Therefore, in this research both business owners' supportive relationships, and "conflict" or negative relationships are examined, through a set of specific and independent measures (as described in Chapter 5).

### **3.4.5 SOCIAL SUPPORT AND SMALL BUSINESSES**

Analysis of social support in small business related literature is scarce and very limited in scope. As an example Nelson (1989) investigated the relevance of significant others to female business owners. Although the concept of social support was not explicit in this study, helpful behaviours, traditionally associated with dimensions of social support were designated as "contributions" from significant others. Nelson (1989) defined significant other as "a close friend, family or not, whose good opinion or advice is highly valued" (p.11). The list of significant others proposed by Nelson (1989) included spouse, parents, siblings, children and friends (male and female), with the spouse being the significant other most often referred to by business owners, followed by male friends. In spite of its exploratory character, and specific to the context of female business ownership, Nelson's results draw some insights into the role (contribution) of social relationships in the setting up and management of small tourism businesses, namely family and friends, through the provision of relevant contributions, particularly in the form of concrete aid (advice, financial and physical assistance) and emotional support.

Although Renzulli and Aldrich (2005) have also acknowledged that personal networks are valuable sources of social support to business owner's, their work provides little information with regard to the nature of support provided, to the

sources of support, and related business outcomes. This work has highlighted though, the potential benefits of using theory of social support in organizational contexts, in a more systematic way. That perception motivated Neergard et al.'s (2005) proposition of a conceptual model and research agenda for business owner network research, which recognises the interplay between network structures, interactions, and contents. These three aspects of networks are best understood through the integration of the Theory of Social Networks, the Theory of Social Capital, and the Theory of Social Support. So far no research study has been encountered that has fully put into practice this approach.

The work of Klyver (2011) and Fielden and Hunt (2011) seem to follow this line of research, although to a very limited extent. Both works have adopted the theory of social support in the business/entrepreneurship context, but it is poorly conceptualized, particularly with regard to its multidimensional character. There is evidence in social support literature about the existence of several types and sources of support (Section 3.4.2). However, Klyver (2011) has only identified that involvement of family members who are not partners in business are important in the provision of encouragement and emotional support to business owner (with differences being provided with regard to gender). On the other hand, Fielden and Hunt's (2011) work looks at social support provided by formal supportive organizations and its impact on venture setting up.

#### **3.4.5.1 Social support in the organizational context**

In the organizational context there are several examples of studies investigating social support, but mainly from the worker/employee perspective, which is beyond the focus of this research. The main contributions of this strand of literature are mostly related to the nature and amount of support provided by supervisors or co-workers, and/or support provided by extra-organisational sources, particularly the family, and its implications to a worker's job/life satisfaction (e.g. King et al. 1995). In parallel with support, research has often focused on the interference of social relationships with regard to work, and its effects on people's well being and performance in the workplace. Some of these studies were conducted from the

perspective of the employee though, and in relation to the role of social support in alleviating the effects of conflicting co-work relationships, and work-family related conflict (e.g. Gersick et al. 1997; Duffy et al. 2002; Martins et al. 2002; Carlson and Frone 2003; Labianca and Brass 2006). Although very few studies have focused on the perspective of the owner-manager, some research (e.g. Shelton 2006) has identified that negative interactions in the work setting, or interference from the family, can be detrimental both to peoples' emotional well being and to the overall organization's performance (including at the financial level). Social support is believed to have a buffering effect on conflicting relationships associated with work.

#### **3.4.5.2 Work-family conflict and social support**

There is increasing recognition of the significance of family matters in the business context, with acknowledged benefits including commitment, extensive tacit knowledge, access to information, reliability, and a willingness to accept many sacrifices in terms of time, money, and effort (e.g. Greve 1995; Birley 1999; Renzulli et al. 2000, Anderson et al. 2002; Craig and Lindsay 2002; Aldrich and Cliff 2003; Stewart 2003; Anderson et al. 2005). The influence/significance of the family on any business owner will depend on a number of factors though, namely the stage of life cycle. For instance, marriage and parenthood are life-stages, family related events that may significantly affect business ownership. Married couples are often the social context in which the enterprising/venture setting up process evolves and although the family has the potential to be a constraint (Werbel and Danes 2010), especially when allied to children (Shelton and Daphne 1996), the presence of a spouse indicates that a respondent has a social tie to at least one other person and thus is not a social isolate (Renzulli et al. 2000). A tie to a spouse has been emphasized in the literature as providing access to important resources (Danes 2006; Werbel and Danes 2010), and a link to others who can also provide information and possible resources (Anderson et al. 2005). However, any process of starting a business is likely to create constraints on the family (time related, or economic related) and significantly alter family processes, suggesting the potential

for conflict between both business and family is likely to be high (Werbel and Daines 2010).

The family is widely acknowledged, in previous chapters, as providing the socio-economic background and conditions that positively affect the business setting up process. However, acknowledging the role of the family upon micro-business survival and growth does not necessarily mean that the impacts will be inevitably positive. “On the contrary, empirical evidence suggests that the household and family, may be detrimental to business growth in some circumstances” (Baines et al. 1997, p. 49). Evidence of how the family can be constraining to the business context comes also from research dealing with family businesses, in particular with regard to work-family conflict / family-work conflict (WFC/FWC) (e.g. Danes and Morgan 2004; Danes 2006; Werbel and Danes 2010).

The family as a context of conflict/negative interactions and its effects upon the individual, and the professional situation in particular has had some attention in the literature, since House (1987) acknowledged the impact that work and professional activities could have on the family (and vice versa). Research has established that relationships between work and family can have an important effect on job and life satisfaction and that the level of involvement the worker assigns to work and family roles is associated with this relationship (e.g. Kopelman et al. 1983; Seers et al. 1983; Frone et al. 1992; Parasuraman et al. 1992; Williams and Alliger 1994; Thomas and Ganster 1995; Adams et al. 1996; Netemeyer et al. 1996; Carlson and Perrewé 1999; Parasuraman and Simmers 2001). Models of WFC identified in the literature propose that a) work-family conflict arises when demands of participation in one domain are incompatible with demands of participation in the other domain, and b) this conflict can have an important effect on the quality of both work and family life (Adams et al. 1996). Within the above identified list of researchers dealing with conflict between work and the family, it is of general acceptance that FWC is positively related to work distress, and WFC is positively related to family distress, although with varying emphasis and degrees. For instance Williams and Alliger (1994) argue that overall work interferes with family to a greater extent than family interferes with work.

In organizational literature, namely family businesses related (e.g. Birley et al. 1999; Danes et al. 1999), or entrepreneurship related (e.g. Shelton 2006) the existence of conflicting pressures between the family and the business are acknowledged, often making explicit bridges between the business context and the WFC concept (Danes and Morgan 2004; Danes 2006; Werbel and Danes 2010). Whereas emotional sustenance from family members plays an important role in both owners' personal satisfaction and business performance, conflict and friction are also acknowledged. Most families may find it difficult to provide social support and instrumental assistance to business owners when the demands of the business interfere with the demands of the family. Research suggests that business owner's and self-employed persons experience higher levels of work-family conflict than organizational employees (e.g. Gersick et al. 1997; Parasuraman and Simmers 2001; Werbel and Danes 2010).

Managing a firm and being one's own boss requires an extensive time commitment, restraining time allocations to family activities, and likely to create conflict between work and family. Ownership of enterprise and being your own boss provides individuals the freedom and flexibility to structure the work day according to their preferences. However, the increased job involvement, decreasing involvement in the family domain, makes more difficult to balance work and family role responsibilities, and exacerbates work-family conflict (Parasuraman and Simmers 2001), especially when it involves children (Shelton and Daphne 1996; Huang et al. 2004), and particularly for women (Ruderman et al. 2002; Shelton 2006). Social support, as provision of help from friends and relatives, particularly from spouse/partner (Martins et al. 2002) in the taking care of family duties, is suggested as a strategic mechanism that contributes to coping with WFC and enhances both owners well being and satisfaction, as well as business performance (Martins et al. 2002; Ruderman et al. 2002; Shelton 2006).

### **3.5 CONCLUSIONS**

This chapter provides a synthesis of main contributions related to the theories associated to the social embeddedness perspective: Theory of Social Networks,

Theory of Social Capital and Theory of Social Support. The social networks approach stresses the relationships among social entities and the patterns and implications of these relationships. In the literature two distinctive perspectives about social network can be identified: the structural perspective and the content perspective. This research has adopted mainly the content perspective. Studies adopting the content perspective of networks deal mainly with the content and nature of interactions in relationships between a focal individual and members of his social network. Although social networks are acknowledged by many authors as providing opportunities and constraints on behaviour, research has favoured the supportive perspective.

Networks are currently one of the most widely researched and popularised topics within small business studies, and research shows strong associations between networking activity and several business dimensions, as opportunity recognition, setting up, survival, and growth. The set of relationships implicit in a business owner's social network can be either formally established or maintained with specific interests in mind, but they are also often a result of informal, personal related set of relationships (family and friends). Contextual specificities are acknowledged as boundaries of the nature and importance of personal networks to the business owner, namely: business life-stage, geographical location, and industry type.

Often associated to social network analysis is Theory of Social Capital. Although the term social capital is questioned, there is consensus that its use is metaphorical. The central proposition of Social Capital Theory is that social relationships (social networks) constitute sources of valuable resources, which can be used on behalf of business goal attainment. Although a brief description of the structuralist perspective of social capital is provided, within this research the focus is on the connectionist approach. The connectionist stream of social capital places the focus on the resources embedded in one's social network, and on how the access to, and use of, such resources benefit the individual's actions. This conception of social relationships was also identified as implicit to Theory of Social Networks and

Theory of Social Support, and greatly determined the interrelatedness and the use of the three theories as this research's theoretical framework.

Social support is defined as help provided by other people and arises within the context of interpersonal relationships. Social support theory argues that it is not only the structural dimensions of a network, but also the type of support (contents) provided by network ties, which influences individual action and behaviour. Ties with friends and relatives provide social support that makes up much of the social capital people use to deal with daily life, seize opportunities and reduce uncertainties. Social support researchers have widely and long demonstrated agreement about social support being a multidimensional, multiplex construct, because more than one role relationship can link two persons (e.g. a relative can be also a close friend), and more than one type of resource may flow between them (e.g. emotional support and instrumental support from a family member). According to social support literature the role of social relationships in one individual's life is likely to differ from one cultural or geographical context to another. In rural areas informal supports seem to compensate for lack of support services (e.g. health care) by providing assistance when problems arise.

In addition to its positive effects, it is clear in the literature that personal relationships, especially from the family, can also function as sources of conflict, strain and undermining. In the context of small and micro businesses, the family is widely acknowledged, as providing socio-economic background and conditions that positively affect the business setting up process, but it does not necessarily mean that the impacts will be inevitably positive. Evidence of how the family can be constraining to the business context comes from research dealing work-family conflict / family-work conflict (WFC/FWC). Social support, as provision of help from friends and relatives, particularly from spouse/partner in the taking care of family duties, is suggested as a strategic mechanism that contributes to coping with WFC, and enhances both owners well being and satisfaction, as well as business performance. The diversity of designations associated with negative social interactions reflects its poor conceptualization, as opposed to social support. Nonetheless, it is evident in the literature that whatever designation adopted, a

construct that encompasses negative social relationships is likely to be multidimensional, and its dimensions and effects somewhat context specific.

The literature review identified that, in spite of its value, few studies have used the Theory of Social Support in the understanding of the role of social relationships in the business contexts. Some researchers recognise the interplay between network structures, interactions, and contents, but existing contributions are of a limited extent, providing mainly suggestions to conceptual models, and practical work is limited, providing partial insights, with limited scope. This research aims at building upon the aforementioned gaps. The next chapter reviews the literature with regard to factors affecting the setting up and management of small and micro Tourism businesses in rural areas with special emphasis being placed upon the role of social relationships and personal networks.

## **CHAPTER 4      SMALL AND MICRO TOURISM BUSINESSES IN RURAL AREAS**

### **4.1      INTRODUCTION**

Tourism is recognized as a major and growing economic activity in European Union countries and an essential element of regional development strategies. Therefore, the success of tourism related businesses is of real concern, to those seeking to encourage regional/destination development. Especial emphasis has been placed on Tourism in marginal agricultural or industrial areas, where SMEs are increasingly perceived as the foundation for future employment growth (Middleton 1998; Getz and Petersen 2005). The understanding of the conditions that enhance and/or hinder business development is, therefore, necessary to enable the development of adequate policies and strategies. This chapter reviews the literature with regard to factors affecting the setting up and management of small and micro Tourism businesses, in general, and in rural areas in particular. The main contributions identified in tourism related literature are reviewed, with special emphasis being placed upon the role of personal networks and social relationships, and their implications for business performance and success

### **4.2      THE TOURISM SECTOR**

The disparate nature of the tourism (and hospitality) sector is often acknowledged, and makes it very difficult to reach a consensus about the definition of what constitutes a tourism business. As Smith (2006) posits there is no such thing as a comprehensive tourism industry. Tourism and hospitality include several industries. These include the accommodation, transportation services, food and beverage services, resetting up and entertainment, and several others that provide tourism related services (travel agencies and tour operators) (Smith 2006). Although the use of size as a criteria for definitional approach has been debated (Morrison 1998b; Thomas 2000; Morrison and Conway 2007), it is of common acceptance that the tourism sector is mainly constituted of small or micro

businesses, often family owned and run (Middleton 1998; Morrison 1998b; Page et al. 1997; Thomas 2000; Becton and Graetz 2001; Ioannides and Petersen 2003; Morrison et al. 2010; Morrison and Teixeira 2004, Morrison and Thomas 2004; Smith 2006). Morrison and Thomas (2004) refer to the existence of a “polarisation” of the tourism industry, or a dual structure in play, within most economies. The contrast seems to be evident between a few large firms, steadily consolidated through horizontal and vertical integration, and the highly fragmented SME sector (Shaw and Williams 1987; Thomas 1998). Tourism offers opportunities to sole proprietors or families in a number of SMEs which account for about 99% of all businesses in European tourism, of which 94% are micro operators, employing less than 10 individuals (Middleton 1998). Several studies, conducted in different countries acknowledged the preponderance of micro-businesses, often employing less than 5 employees, geographically dispersed, mainly in rural and peripheral areas (Ateljevic and Doorne 2000; Ioannides and Petersen 2003; Morrison et al. 2003; Getz and Petersen 2004; Morrison and Thomas 2004; Getz and Carlsen 2005; Smith 2006).

Given their small size, tourism related SMEs are mainly under control of the owners (Shaw and Williams 1987; Morrison et al. 1999; Morrison 2000). This highlights the role and importance of the owner-manager’s personal characteristics and social context, in which he/she is embedded, in particular the family system. Family dynamics is a crucial factor in small or family business, even for sole proprietors (Getz and Carlsen 2005). Management and work is often shared amongst family members, with spouses and immediate kin (children and/or parents) being particularly active in the business (Anderson et al. 2002; Morrison and Teixeira 2004; Getz and Carlsen 2005).

#### **4.2.1 SMTE OWNER-MANAGERS**

Small tourism businesses’ owners are, in general, quite young, rarely have qualifications in tourism, or even previous experience in the tourism sector, and only a few have, although little, business experience (Shaw and Williams 1987; Dewhurst and Horobin 1998). SMTEs owners-managers are driven by a wide

range of motivations, which are generally grouped in two broad categories: business related motivations (growth and profit-oriented), and personal related motivations (Getz & Carlsen 2000; Morrison et al., 1999; Getz et al. 2004; Morrison and Thomas 2004). Although, as Morrison and Teixeira (2004) argue, it is often difficult to separate personal from business goals, according to several researchers personal or lifestyle motivations seem to be the most prominent (e. g. Shaw and Williams 1987; Williams et al. 1989; Dewhurst and Horobin 1998; Morrison et al. 1999; Page et al. 1999; Ateljevic and Doorne 2000; Getz and Carlsen 2000; Thomas 2000; Holmengen and Bredvold 2003; Ioannides and Petersen 2003; Getz et al. 2004; Getz and Nilsson 2004; Getz and Carlsen 2004; Getz and Petersen 2005; Lee-Ross and Lashley 2009). Simply explained lifestyle can be considered as a question of conscious choice or an effort to create a distinct way of life (Holmengen and Bredvold 2003). Beaver (2002) has used the term to define the lifestyle enterprise as a firm which provides the means for owner-manager survival within a desired style of life, which could include a business set within the countryside.

Lifestyle motivations include circumstances associated with owner self-fulfilment and autonomy, but also family related drivers like providing conditions for family betterment and/or to live in good environment, family properties rehabilitation, and quite often continuance of a family business through inheritance (Quinn et al. 1992; Page et al. 1999; Ateljevic and Doorne 2000; Anderson et al. 2002; Morrison and Teixeira 2004). For lifestyle investors, economic outcomes and business growth are secondary goals (Anderson et al. 2002), although, as Ateljevic (2007) cautions, this division is not linear, and the distinction between growth oriented and lifestyle owners is subject to degrees of variation.

#### **4.2.2 OPPORTUNITIES AND CONSTRAINTS TO SMTEs**

The perception that prevailed for a long time about tourism was of a low barrier sector, meaning it is easy to enter, requiring no special skills, lengthy experience, or large amounts of capital (e.g. Quinn et al. 1992; Lerner and Haber 2000; Peters and Weiermair 2001; Haber and Reichel 2005; Getz et al. 2004; Morrison and

Teixeira 2004; Getz and Carlsen 2005). The different sectors of tourism, such as accommodation, catering, leisure facilities, transportation and other services, are associated with a wide range of occupations that require different types and levels of skills (Szivas 2001). This has resulted in the predominance of owner-managers without formal tourism related education and no prior experience in the tourism industry (Getz and Carlsen 2005), which partly explains the predominance of lifestyle motivations. The lifestyle orientation of most tourism business owner's is also associated with the fact that personal or family funds is the primary source of funding rather than formal sources (Shaw and Williams, 1987; Dewhurst and Horobin, 1998; Page et al. 1999; Wanhill 1999; Ioannides and Petersen 2003; OPTOUR 2003) and many are involved in other business ownership or have other jobs and additional income, particularly in the accommodation sector (Morison and Teixeira 2004; Morrison and Thomas 2004). However, and although tourism is considered as a low entry barrier sector, SMTEs face the same problems and constraints as any other SME (as described in Chapter 2).

Tourism businesses often have to face seasonality of demand, and that is an important, limiting factor, with serious implications (Getz et al. 2004; Getz and Nilsson 2004). Such implications are most evident with regard to human resources management, meaning that part-time and casual staff are often required (Getz and Nilsson 2004; Getz et al. 2004). To overcome these situations, most business owners are forced to work very hard and for long hours (Getz and Nilsson 2004), and often rely on family members to work in the business, sometimes informally without paid wages or salary (Getz et al. 2004). This partly explains why many business' owners have to pursue other sources of income (Getz and Nilsson 2004). When owners are driven by lifestyle motivations though, seasonality does not seem to represent a problem. It is accepted as a consequence of the way of life they have chosen and, when necessary, coping strategies are implemented (Getz and Nilsson 2004).

Staff issues are another relevant topic for SMTEs. Finding local staff to employ, especially with the level of qualifications required, or keeping staff given the nature of the jobs provided (seasonal or part-time work, and low salaries) is a

widespread problem. Sector specific, work related, characteristics can both detract qualified workers from tourism job positions, and simultaneously detract owners from contracting people, relying on not paid family members, to help in peak season (Morrison and Teixeira 2004).

### **4.3 SMTEs IN RURAL AREAS**

There has been a substantial growth in farm and rural tourism in recent decades, in European countries specially but also in other locations (e.g. Opperman 1996; Dahles 1997; Fleischer and Pizam 1997; Getz and Carlsen 2000; Nickerson et al. 2001; Paniagua 2002; Shaw and Williams 2002; Getz et al. 2004; McGehee and Kyungmi 2004; Lerner and Haber 2005). As stated previously (Section 2.7.2) rural tourism has been widely promoted and relied upon as a means of addressing the social and economic challenges facing peripheral rural areas. One reason for this is that tourism is widely considered as enabling the safeguarding of the integrity of the countryside resources and maintaining rural ways of life (Sharpley 2002; Shaw and Williams 2002).

Throughout the developed world and in Europe in particular, the role attributed to tourism as a vehicle for farm and rural economic diversification has resulted in several incentive schemes being launched by European Commission (EC) and national governments. These schemes, mostly financial, aimed at enabling the establishment or modernisation of relevant enterprises (Bramwell 1998; Bull 1999; Wanhill 1993, 1998; Sharpley 2002). But incentives only partly explain this tendency and the rapid growth in the number of tourism businesses in some rural areas. In addition to those incentives, there are visible changes in society and consumer behaviours. According to the World Tourism Organisation (WTO) (1997) rural tourism is the result of changes in the rural world and developments in tourist-customers behaviour. As a result of strong urbanisation, people emphasise the contact with natural and rural settings and culture (Shaw and Williams 1987; Sharpley and Sharpley 1997; Alexander and Mckenna 1998; Roberts and Hall 2001). Although, frequently, farm based tourism and rural tourism businesses are established to support the agriculture/farm activity with additional income

(Opperman 1996; Fleischer and Pizam 1997; Nickerson et al. 2001; MacGehee and Kyungmi 2004), other motivations have been identified, often associated with lifestyle (Nickerson et al. 2001; Page et al. 1999; Ioannides and Petersen 2003; Getz et al. 2004). Lifestyle motivations to enter tourism businesses are more apparent in rural areas than in other locations (Anderson et al. 2002).

The attractiveness of remoteness and of geographical isolation and inaccessibility can constitute an opportunity for tourism development (Scott 2000). Businesses can capitalise on the value and appeal of nature and cultural authenticity (Page and Getz 1999; Ioannides and Petersen 2003; Getz et al. 2004). However, because rural areas are frequently remote, or peripheral, they experience accessibility problems due to distance and poor infrastructure. The establishment of tourism related businesses in rural areas is therefore, subject to most of the constraints other sectors have to face. These constraints are likely to work as barriers and hinder business development, particularly in the start-up process (Dahles 1997; Morrison and Thomas 1999; Getz and Carlsen 2005). The typical weakness of small firms, when combined with the characteristics of peripheral destinations, such as seasonality, low occupancy rates and lack of resources are exacerbated, and the challenges to successful business development are accentuated (Morrison 1998; Irvine and Anderson 2004). Remoteness has serious implications for businesses namely extra costs to access resources and the risks related to isolation (Brown and Hall 2000), as well as the direct impacts regarding social relationships. Families running businesses in rural areas have to face physical and social constraints, and such environments “are most likely to attract and sustain certain types of personalities or families with unique backgrounds and repel others” (Getz et al. 2004, p.15).

Increasingly, incomers/newcomers, individual and family investors, are drawn to rural and peripheral areas or small towns for lifestyle reasons, and tourism/hospitality provides the necessary economic means (Ioannides and Petersen 2003; Getz et al. 2004; Irvine and Anderson 2004; Tinsley and Lynch 2008). Because Tourism is seen as a low entry barrier sector, business owners moving in to peripheral rural areas, regularly lack sector specific knowledge and

experience, before setting their business (Ioannides and Petersen 2003). However, newcomers are often reasonably integrated in local community, namely through family roots (Paniagua 2002). Tourism businesses in rural areas are mostly family owned, very often in the hands of a sole proprietor or married couples, and are very small, with mostly just the owner being employed (Getz and Petersen 2004). Performance and success is therefore, as mentioned earlier very much dependent on the owner personal commitment and on his personal and social context.

#### **4.4 SMTEs PERFORMANCE AND SUCCESS**

In reviewed literature, tourism business performance and success is still, sometimes, considered from a traditional perspective, using objective and quantifiable criteria (Lerner and Haber 2000; Getz et al. 2004; Reichel and Haber 2005; Haber and Reichel 2007). For instance, Getz et al. (2004) associate low performance standards of small tourism businesses with limited growth. However, there is also evidence that the opposing perspective, which considers performance and success in broader terms, and as strongly related to owners' motivations to start and stay in business is gaining acceptance (e.g. Getz and Carlsen 2000; Haber and Reichel 2005; Reijonen and Kompulla 2007).

As discussed previously in Chapter 2 (Section 2.3), it has been recognized by researchers that the success of a venture depends on a large number of variables relating to the organization, the founder, and its environment. When very small and micro enterprises are concerned, as is the case of most tourism businesses in rural areas, the factors affecting performance are very much dependent on the owner's personal characteristics and personal social context. One such example of owner related determinants is financial resources. There is evidence that many rural tourism businesses in Europe, and in spite of all the investment schemes made available, are self-financed (e.g. Page and Getz 1997; Silva et al. 2003). On the other hand, and in spite of the incentives provided and investments being made, in rural areas very few families rely on tourism rural businesses as their main source of income (Hjalager 1996; Kompulla 2000). Moreover, as described above (Section 4.2.1), the motivations and goals of SMTE owners are often non-

economic or non-profit or growth oriented. The possibility of making a living and customer satisfaction are often mentioned as success criteria (Haber and Reichel 2005). The achievement of personal objectives like time flexibility and work satisfaction is also referred to (Getz and Petersen 2004), as well as the preservation of family businesses and existing premises (Kompulla 2003; Reijonen and Kompulla 2007). This suggests, as discussed in Chapter 2 (Section 2.8), that economic outcomes are often not prioritised, and greater emphasis should be placed upon subjective, personal-oriented measures to measure businesses performance and success.

Any factors affecting owner's motivations and goals will affect business performance. This research is based on the hypothesis that social relationships (social embeddedness) affect business owner's in many and different ways, and therefore, also affect business success and outcomes. The tourism related literature has been reviewed with regard to social embeddedness and related aspects, and the contributions identified are summarised below.

#### **4.5 SOCIAL EMBEDDEDNESS AND SMTEs**

The social embeddedness perspective of SMTEs is mainly evident in network related literature. Several authors argue that SMTEs can benefit from social embeddedness, by participating in cooperative and collaborative networks (e.g. Morrison 1998; Page et al. 1999; Lynch 2000; Tinsley and Lynch 2001; Morrison and Thomas 2004). Networks are believed to play an important role in overcoming some of the weaknesses the businesses have to face, namely in gaining access to the resources needed to take the business further, particularly the more economic driven and growth oriented (Morrison 1998; Page et al. 1999; Lynch 2000; Tinsley and Lynch 2001; Morrison and Thomas 2004). But given the prevalence amongst SMTEs of micro businesses, mostly family owned and run, the SMTEs sector is likely to suffer from an even stronger influence of owner's social and personal relationships.

Due to the specific characteristics of tourism industry and related weaknesses (aforementioned in Chapter 2, Section 2.8), engaging in collaborative relationships

with other businesses and organisations, of both private and public sector, is widely acknowledged in the literature as a necessary condition for SMTE survival and success (Cravens et al. 1993; Malecki and Veldhoen 1993; Child and Faulkner 1998; Morrison 1998; Roberts and Simpson 1999; Sellin 1999; Bramwell and Lane 2000; Fielden et al. 2000; Peters 2004; Bretherton and Chaston 2005). Collaborative relationships and partnerships may contribute to the success of each organisation involved, through joining efforts and the sharing of their knowledge, expertise, and resources (Palmer and Bejou 1995; Fyall and Garrod 2005; Michael 2003). Particularly with regard to rural, or peripheral areas, the benefits to businesses of social embeddedness, through participation in collaborative relationships and networks, is widely acknowledged (e.g. Morrison 1998; Edmunds 1999; Page et al. 1999; Wanhill and Buhalis 1999; Fielden et al. 2000; Kompulla 2002; Ioannidis and Petersen 2003; Sharpley and Roberts 2004; Meyer-Cech 2005; Romeiro e Costa 2010).

However, not only the potential benefits resulting from this kind of relationships are acknowledged in the literature. It is also recognized that working together relationships between firms and/or organisations are not always a straight forward, or an easy process, in the tourism industry. The decision about, and adoption of collaborative strategies, seems to be very context specific and dependent on business related characteristics (e.g. Firth 2004). On the other hand, the same characteristics that strengthen inter-organisational relationships may simultaneously represent a hindrance to working together (Fyall et al. 2001; Watkins and Bell 2002; Fyall and Garrod 2005). Specifically with regard to rural tourism businesses, these are often reluctant to work with others, either in the same tourist sector or geographical area (Fyall et al. 2001; OPTOUR 2003). In spite of the acknowledged potential benefits, very small, or micro family owned and run rural SMTEs, often struggle to reconcile more formal inter-organisational cooperation, with the desire to follow own interests. As Curran et al. (1993) have recognized, when small and micro businesses are considered, owner-manager's aims and attitudes are more likely to be shaped and influenced by personal social networks, rather than commercial networks. Therefore, rural businesses tend to favour informal forms of collaboration and working together, and often draw

resources not from inter-firm or inter-organisational networks, but rather from their involvement in local community and personal networks (Anderson 2000).

#### **4.5.1 SOCIAL PERSONAL NETWORKS**

Very few tourism related studies have focused on the social network perspective relating to owner-managers' personal network (family, friends, and other acquaintances). Notably, the family is acknowledged in the literature, as the social context in which SMTE owner-managers are naturally embedded, and as strongly affecting business start-up and performance, (e.g. Morrison et al. 1999; Buhalis and Peters 2006; Lee-Ross and Lashley 2009), particularly in studies related to family businesses (e.g. Getz and Carlsen 2005; Getz and Petersen 2005). However, few studies have considered the effects (both positive and negative) of the personal network behaviours upon the business. Research provides scant contributions to the understanding of SMTE social embeddedness beyond the inter-firm networks, and existing examples deal mostly with analysis of aspects related to family involvement in family businesses (e.g. Getz et al. 2004; Lee-Ross and Lashley 2009).

It is evident that family plays a vital role in the setting up and management of SMTEs in general and, obviously, of family owned and run SMTEs in particular. Family involvement in the business is particularly acknowledged in gaining access to customers, suppliers and employees. Being built on personal acquaintance grounds, these relationships may result in favourable terms and conditions and support being provided at difficult times (Buhalis and Peters 2006). There have been to date no systematic analysis of the role of owner's personal social relationships in the business context reported literature. Lynch (2000) and Tinsley and Lynch (2008) seem to be among the few exceptions of tourism related research that has focused upon the subject of business owner's personal networks, beyond the confines of family businesses. These studies have identified social embeddedness through personal networks of family, neighbours and corporate acquaintances as relevant resources and success determinants for micro, family businesses, within hospitality units both in urban and in rural areas. Although

valuable, these contributions seem limited in scope, favouring the positive perspective of personal networks, and not providing a broad understanding of the ways personal networks can be determinants of success (*i.e.* which behaviours, from whom, with what consequences to businesses). Nonetheless these studies do suggest that research, with a sociological perspective, and an emphasis on personal networks should be conducted in a more systematic way.

#### **4.5.2 THE NEGATIVE ASPECTS OF SOCIAL EMBEDDEDNESS**

Although scarce, and expressed in very broad terms, the acknowledgement that social embeddedness can have negative, sometimes problematic effects, and be a strategic disadvantage, is also found in tourism related literature (e.g. Buhalis and Peters 2006; Getz et al. 2004; Morrison and Teixeira 2004; Lee-Ross and Lashley 2009). For instance, Buhalis and Peters (2006) make explicit acknowledgement that, in the SMTE context, personal relationships can be a burden, but details provided are limited to the family involvement in the business, mostly in family business contexts. Some of the burdens identified in the literature are associated with the fact that family values, systems, and situations often prevail, and can disrupt business decisions (Getz et al. 2004; Buhalis and Peters 2006), or lead to conflict between the family and the business (Lee-Ross and Lashley 2009).

Family members play active roles in businesses, but sometimes are less capable (Buhalis and Peters 2006) and are not easily made redundant (Sharma et al 1997). These extreme conditions, compounded by other issues of working closely with family members are likely to engender conflict in the workplace. Additionally, when it is a family business, inheritance and succession, namely desirability and ability of heirs to work or taking over the business, can lead to stress and problematic situations between family members (Getz et al. 2004). Tourism and hospitality businesses have in general long working hours and seasonal fluctuations, making it difficult to combine business with a personal life, especially when family house and property are an integral part of the business (Getz and Nilsson 2004; Getz et al. 2004). Often operated in a 7-day a week, 24h/day tourism services operation is very demanding and forces business owners to work very

hard, particularly in the peak season (Morrison and Teixeira 2004). Moreover, because investments are mostly self-financed (as acknowledged in previous section) potential money constraints may also arise in relation to major family needs (e.g. health, education) (Morrison 1998).

The nature and pressures of running tourism businesses are likely to put considerable strains on families, and disrupt the owner's personal and social life and well being (Anderson et al. 2002; Getz and Nilsson 2004; Getz et al. 2004; Morrison and Teixeira 2004), and subsequently hinder venture performance (Lee-Ross and Lashley 2009). But as mentioned above, these contributions are scarce, and expressed in very broad terms. It seems there is a lack of systematic knowledge about social embeddedness with regard to small tourism businesses. As stated by Thomas et al. (2011, p. 964),

*one of the fundamental weaknesses of the existing literature is the absence of any major paradigm shift or the way in which researchers 'see' small firms in tourism. With some exceptions (...), there has been a tendency to consistently conceive businesses narrowly and almost exclusively in isolation of their wider social contexts.*

This research aims at contributing to overcome this research gap, through the understanding of the role of social relationships in the setting up and management of tourism small and micro businesses, in selected Portuguese rural areas.

## **4.6 TOURISM IN SELECTED RURAL AREAS OF PORTUGAL**

As in most other European countries SMEs represent a majority of all enterprises and in total Portugal has approx. 350,000 SMEs. Of these, 86 % are micro-enterprises and nearly 1/3 (100.000 SMEs) are active in the retail and trade sector. Although it is difficult to obtain specific statistics for Tourism businesses, which are often considered as Commerce and Services or as Trade, it is argued in the literature that tourism is characterized by a majority of micro-enterprises and even more so than the other sectors (Costa 2001; FCM 2010).

Although, according to most economic and social indicators, Portugal can be seen as close to most developed European countries, there are significant internal asymmetries. One of those situations refers to the opposing realities of urban and rural areas (Ferrão and Lopes 2003). Rural areas cover almost 3/4 of the country's territory, but account for only 14% of the population and are very diverse and have very distinctive characteristics (INE 2011). This diversity is particularly evident between north and south and between littoral and interior (Ferrão and Lopes 2003; Ferrão et al. 2004; INE 2011). For this research two different rural areas were selected: Oeste region (in the littoral) and Alto Alentejo region (in the interior). The location of the two regions is identified in the map of Portugal (Figure 4.1).

**Figure 4.1: Map of Portugal and research areas (NUTs III Regions)**



Source: DGOTDU (2007)

The metropolitan areas of Porto and Lisbon as well as most cities, and therefore population, are concentrated in the littoral, against the depopulated and entrepreneurially poor interior. North-south asymmetries can be identified both in the littoral and the interior in different aspects both regarding economic structure and landscape. Recognizing such diversity, some authors (Madruga 1991; Ferrão and Lopes 2003, 2004; Ferrão et al. 2004) suggest that regional differences are also evident for entrepreneurial dynamics in rural areas. In this context entrepreneurial dynamics consist of business (enterprise) setting up. Ferrão and Lopes (2003) propose the existence of different kinds of rural areas with different entrepreneurial dynamics/potential. Marginal (remote) and rural-urban (or accessible) areas are particularly relevant within this thesis, and their characteristics are summarised below.

The Alto Alentejo region is considered to be of the kind of marginal rural areas, which are found mainly along the Northern border and in the whole of the interior. Their main features are low and very low population density (under 75 inhabitants/km<sup>2</sup>), marked demographic ageing and, consequently, a decline in population numbers. Family agriculture and public services are the dominant activities, although private and non-profit social services and the local-oriented wholesale and retail trade are also relevant. The entrepreneurial fabric is weak, the qualifications of the human resources are low, and access to the main towns of the country is still poor (Ferrão et al. 2004, p. 248).

The Oeste region, located on the coast, close to the Lisbon metropolitan area, is an example of accessible rural-urban areas which are to be found mainly in the coastal part of the country, either on the periphery of the metropolitan regions of Lisbon and Porto, or along the central coastal strip connecting the two. These are areas with medium population density (75 to 150 inhabitants /km<sup>2</sup>). Their demographic behaviour varies more according to characteristics of nearby towns than as a result their own dynamics. Agriculture is still significant in these areas, but family sources of income are relatively diversified: building, light industry and repair/maintenance services are of some significance in the local economy and the

nearby towns are important labour markets. The entrepreneurial fabric in these areas is better developed and may even have some international contacts. Employee qualifications tend to be close to the national average (Ferrão et al. 2004, p. 248).

A selection of indicators that illustrates the differences between the two regions is presented in (Table 4.1).

**Table 4.1: Socio-economic indicators of research areas**

Indicators		Portugal	Oeste	Alto Alentejo
Area	km <sub>2</sub>	92,207.4	2,220.2	6,248.9
Population Density	Inhab./Km <sub>2</sub>		164.9	18.5
Resident Population	N.	10,636	366,042	115,421
Population < 15 years	N.	1,615,000	55,012	14,265
Population > 65 years	N.	1,880,700	69,199	29,680
GDP <i>per capita</i>	Current prices	15,805	12,632	13,390
Companies	N.	1,096,255	38,646	9,544

Source: Adapted from AICEP (2011)

It is evident from the analysis of socio-economic indicators that the Oeste region is not only more densely populated as is entrepreneurially and economically more dynamic. As described above, and in spite of the differences, both regions are considered as rural, although to different degrees.

The process of, and the state of tourism development state in the two areas also is also significantly different, being the Oeste more developed as illustrated in Table 4.2, and as described within next sections.

**Table 4.2: Tourism indicators of research areas (2010)**

Indicators	Portugal	Oeste	Alto Alentejo
Tourism accommodation (beds*)	273 804	6 211	1 955
Tourist demand (bednights)	36 457 069	587 547	175 475

\*Accommodation statistics includes beds in hotels, apartments and other accommodation units in general

Source: INE (2010)

#### **4.6.1 TOURISM IN THE OESTE REGION**

The Oeste Region encompasses the municipalities of Alcobaça, Alenquer, Arruda dos Vinhos, Bombarral, Cadaval, Caldas da Rainha, Lourinhã, Nazaré, Óbidos, Peniche, Sobral de Monte Agraço and Torres Vedras. This area has centuries of maritime and fishing traditions, but also of wine and food production, and more recently, has gained acceptance as offering good conditions for tourism development.

Overall, the region benefits from a gentle climate, and blends the benefits of both the coast and the countryside. The tourism sector began to develop in the beginning of the twenty century, mainly in the coastal towns and villages with sandy beaches, than in the countryside. Recent developments indicate a growing number resorts, in the coastal towns, combining second home and residential tourism with golf and other facilities as horse riding and tennis, shopping and health clubs (Patuleia 2008).

However, in the last few years it also registered a strong increase in tourism development in almost all the municipalities of the region. Many visitors (both Portuguese and foreigners) choose this area for holidays, being their motivations mainly associated with sun and sea, with cultural and architectural attractions, and visits to religious places (Fátima). But the region is also strongly associated with rurality. The Oeste has a predominant rural landscape formed by small agricultural real estates, but because of large drops in the agriculture, there has been a shift in the economy. There has been an increase in the creation of facilities and businesses in the tertiary areas (Commerce and Services), namely tourism. Often people who engage in rural tourism businesses are families that have other professional occupations, and often have no specific training or education, but have houses in the countryside and transform it into rural accommodation (AMO 2008).

#### **4.6.2 TOURISM IN THE ALENTEJO REGION**

The Alto Alentejo is situated in the interior of Portugal and encompasses the cities of Portalegre and Elvas and towns of Avis, Campo Maior, Arronches, Crato, Nisa, Alter do Chão, Gavião, Monforte, Ponte de Sor, Sousel, Marvão, Castelo de Vide and Fronteira.

Alto Alentejo is a Southern Portugal's region, where the unique natural landscape of cork oak forests (The Montado) prevails. Regional economy is also strongly dependent on the maintenance and exploration of these forests and related activities consist such as the Alentejano black pig breeding and hunting; olive groves and vineyards.

In tourism terms the attributes of peripherality of the Alto Alentejo, long seen as disadvantageous, are now being seen as opportunities. There is little scope for developing or attracting other industries, which makes tourism an attractive possibility for the maintenance or creation of jobs and the safeguarding of lifestyles, built heritage and environments. Therefore, rural tourism plays an important role for the tourism sector in the Alentejo. The destination is associated to the contrast between tranquility and healthy entertainment, with several open-air activities. Core products are Cultural and Landscape Touring, associated with Gastronomy and Wines tourism (NSPT 2007). In terms of demand, there has been a considerable growth in the sector in recent years, although the region attracts mainly domestic tourists (FLM 2010).

In the Alto Alentejo the tourism sector is more characterized by micro-enterprises than other parts of the country. Although it is considered as a marginal rural area, with low levels of entrepreneurial dynamics, apparently there is a higher percentage of acquisitions of rural tourism establishments, and people moving there for the purpose of starting a business, when compared to ownership by inheritances. A majority of the entrepreneurs have a higher educational level than the national average (FLM 2010).

## 4.7 CONCLUSIONS

This chapter reviews the literature with regard to small and micro tourism businesses, particularly in rural areas, and with regard to contributions adopting the social embeddedness perspective. The tourism sector is widely acknowledged as being mainly about small, micro businesses, in most cases family owned and strongly dependent on its social context. In such circumstances, the nature and effects of social embeddedness are likely to be exacerbated, with family dynamics acting as a crucial factor in businesses' performance and success. SMTE owners-managers are driven by a wide range of goals, but lifestyle motivations seem to be the most prominent, especially in rural areas. Lifestyle motivations are associated with the owner's self-fulfilment and autonomy, but also with family related drivers like living in a good environment, or rehabilitate family properties. For lifestyle investors, economic outcomes and business growth are secondary goals.

The attractiveness of rural areas and remoteness constitute opportunities for tourism development. Increasingly, incomers/newcomers, individual and family investors, are drawn to rural areas or small towns for lifestyle reasons, and tourism/hospitality seems to provide the necessary economic means. But because rural areas are frequently remote, or peripheral, the typical weaknesses of small firms are accentuated. In such circumstances, the literature stresses the benefits of SMTEs participating in cooperative and collaborative activities, in overcoming some of the challenges the businesses have to face. However, in spite of the acknowledged potential benefits of working together activities, rural tourism businesses are often reluctant to work with others, either in the same tourist sector or geographical area. Very small or micro family owned and run rural SMTEs often struggle to reconcile more formal inter-organisational cooperation, with the desire to follow own interests. Rural businesses tend to favour informal forms of collaboration and working together, and often draw resources not from inter-firm or inter-organisational networks, but rather from their involvement in local community and personal networks.

Very few tourism related studies have focused on the social network perspective relating to owner-managers' personal network (family, friends, and other acquaintances), and considered its effects upon the business. Although valuable, existing contributions seem limited in scope, favouring the positive perspective of personal networks, and not providing a broad understanding of the ways personal networks can be determinants of success (which behaviours with what consequences to businesses). Although scarce, and expressed in very broad terms, the acknowledgement that social embeddedness can have negative, sometimes problematic effects, and be a strategic disadvantage, is found in tourism related literature. Sector specific extreme work conditions, compounded by other issues of working closely with family members can lead to stress and problematic situations. The nature and pressures of running tourism businesses are likely to put considerable strains on families, and disrupt owner's personal and social life and well being and subsequently hinder venture performance. Knowledge about tourism small and micro businesses in rural areas would benefit from research adopting a social embeddedness perspective, aiming at a broad understanding of the role of social relationships (personal network).

Within this chapter a brief overview of the two selected rural areas and its development with regard to tourism, is also provided, identifying its main characteristics and distinguishing features. Chapter 5 describes the methodology adopted within this research.

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## **CHAPTER 5      METHODOLOGY**

### **5.1      INTRODUCTION**

This chapter explains the methodology. It covers the rationale for the selected approach and methods, and the steps and actions undertaken in order to meet the identified goals and objectives. Throughout the whole chapter the emphasis is placed on the theoretical and methodological underpinnings that framed and set conditions with regard to the research process, and the data collection. Firstly the conceptual framework, derived from the literature review is described, followed by the presentation of the research questions, and statement of the aims and objectives. These elements set the ground for the research design and determine the research approach, described in the subsequent sections.

The rationale for adopting a mixed, or multi-methods approach, combining qualitative and quantitative methods and techniques of data collection, in a sequential, multistage process, is provided in the research design section. The following section provides a thorough explanation of the theoretical and methodological underpinnings that set conditions with regard to the questionnaire design, with detailed analysis of validity and reliability related issues. Finally, the process of data collection (sampling and field work), and data analysis (procedures and techniques) are described.

### **5.2      THEORETHICAL AND CONCEPTUAL FRAMEWORKS**

This section explains the theoretical framework identifying the theories that contributed to the understanding of the role of social relationships in the context of a small business setting up, and the interrelationships between them and the conceptual framework that summarizes the theoretical underpinnings that are at the core of this research, and its key concepts. The conceptual framework sets the ground for the research design, determining, the approach, methods and research instruments, and the operational variables.

## 5.2.1 THEORETICAL FRAMEWORK

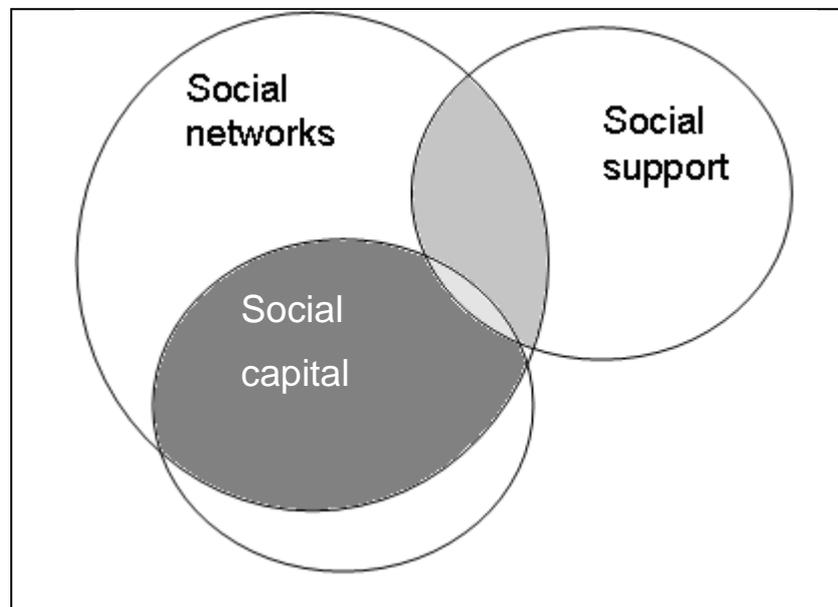
The review of the literature has identified the setting up and management of small businesses as complex processes, in which the individual and his/her social environment are the core elements in the process of starting/taking control of a business. Personal characteristics, like motivations to start/stay in business, and other assets, designated in most literature as human capital (education, work experience, and family background), are acknowledged as contributing a great deal to successful business setting up and management, particularly when associated with a favourable social environment. Successful business are believed to be run by individuals who combine the right motivation and human capital, but are also embedded in personal networks of social relationships which create incentives and give access to the necessary resources (moral and material) to the accomplishment of their goals as business owners.

As acknowledged earlier (Chapter 3, Section 3.1), three different theories are believed to contribute to the understanding of social embeddedness and to the role of social relationships, conceptualized in the literature as personal networks, in the small business context. The identified theories are the Theory of Social Networks; the Theory of Social Support and the Theory of Social Capital. Although each theory has a well established body of knowledge and, with specific strands in the literature, there is also evidence of strong interrelationships between them, in the sense that they derive from the same seminal perspectives, particularly from social theory.

Figure 5.1 sets out such inter-relationships, with circles representing each theory and respective bodies of knowledge. The common characteristics are represented by the degree of overlap of the respective circles. As can be seen, it is believed that the degree of interrelationship between approaches and contents is higher between social networks and social capital and, smaller between social networks and social support.

Although the Theory of Social Support has a well established body of knowledge and research, and has been applied to several areas of research, evidence of its use in small business research, or about the interrelationships between Theory of Social Capital and Theory of Social Support has not been featured in the literature to any great extent. There appears to be only scant contributions (e.g. Borgatti and Foster 2003; Neergard et al. 2005) about the possible benefits of combining the respective theoretical frameworks but not practical contributions demonstrating its application to a fuller extent.

**Figure 5.1: Representation of the interrelationship between theories**

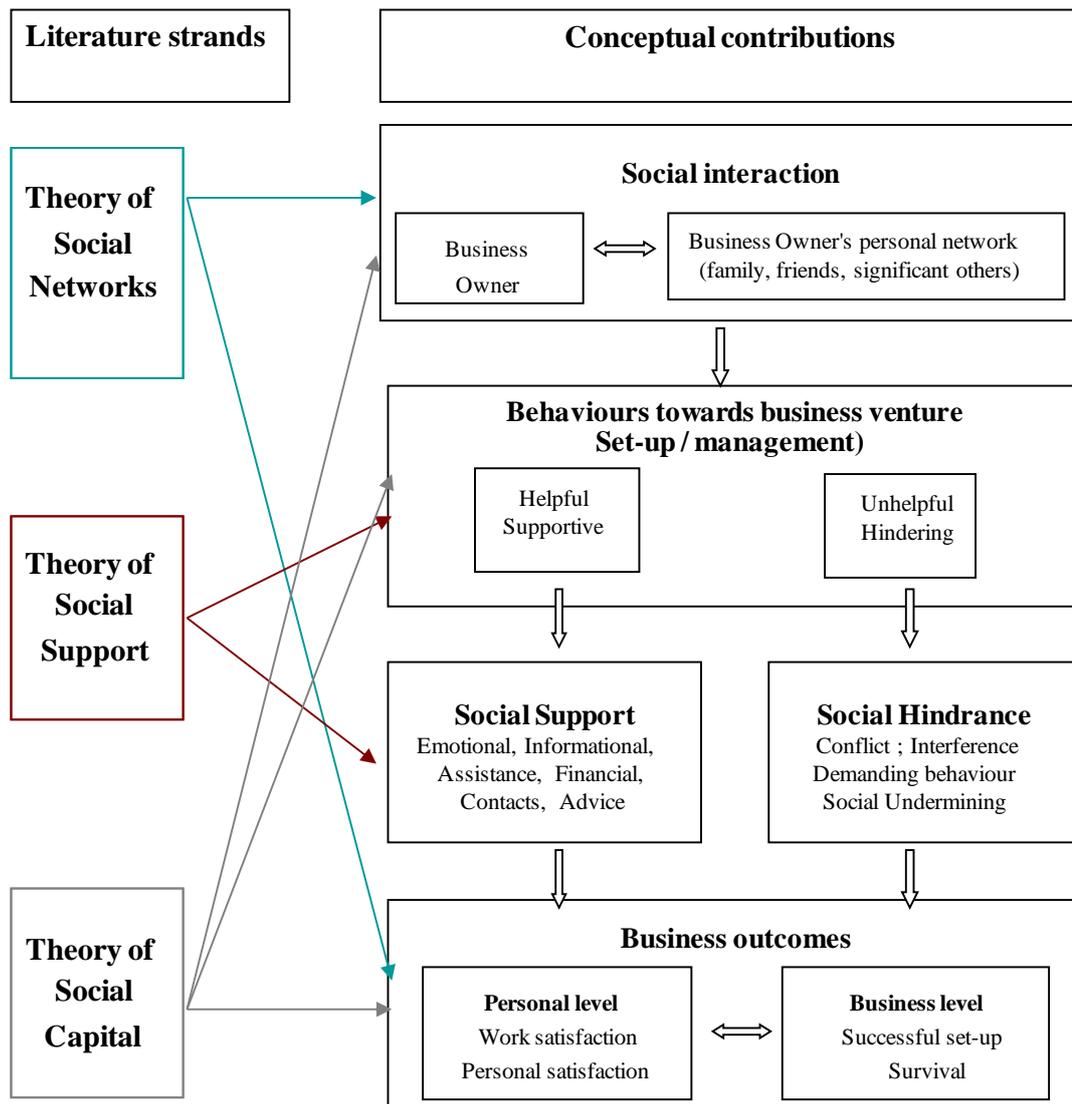


Source: Author

### **5.2.2 CONCEPTUAL FRAMEWORK**

The next figure (Figure 5.2) identifies the conceptual framework setting out the contributions (concepts and processes) identified in the literature as pertaining to the three theories described above. It is believed that research adopting this conceptual framework will contribute to the understanding of content related aspects, and some structural related aspects, of social relationships with regard to the business context.

Figure 5.2: Conceptual framework



Source: Author

On the left side of the figure the theories are identified, and on the right side the main contributions and concepts of each theory. Directional arrows connect each theory to the main conceptual contributions which, in some cases, are common to more than one theory. Social network theory stresses the relationships between social entities and the patterns and implications of these relationships. Social networks have mostly been dealt with as support networks, structures from which one can get support (e.g. Gottlieb 1981; Knipscheer and Antonucci 1990; Walker et al. 1993; Neergard et al. 2005), and the membership of social networks or other social structures as a way of accessing resources. When very small businesses are

considered, business' founders often rely on their personal social networks (family, friends and other acquaintances) to provide the resources necessary for successful business setting up and continuance. Personal networks are referred in the literature, and according to social network researchers, mainly as providing non-material supporting services, information and moral support (Dubini and Aldrich 1991; Ostgaard and Birley 1994; Premaratne 2001; Witt 2008).

Social capital theory refers primarily to resources (tangible or intangible) accessed through social networks, focusing on the instrumental utility of such resources (Lin 2001). The focus of the Theory of Social Capital is on business owners access to the resources embedded in the social network. These resources can be either tangible or intangible, and are of value to business owners in goal achieving at different levels, enhancing small business performance (Uzzi 1997, 1999; Honig 1998; Nahapiet and Goshal 1998; Renzulli et al. 2000; Bosma et al. 2004; Davidsson and Honig 2003; Greve and Salaff 2003; Westlund and Bolton 2003; Neergaard et al. 2005). Although most of the references to social capital within the business context come from the network strand of literature (described in section 3.2.4), social capital is also about access to tangible and intangible resources embedded in personal or social networks. These resources are associated with various forms of aid and assistance which have been popularized as social support, supplied by the network of friends and acquaintances (the social network).

Although the Theory of Social Support has been neglected by small business research, it is believed to contribute to a more comprehensive understanding of the impact of social relationships (social networks) on business ownership and management, as acknowledged earlier by Neergard et al. (2005). Moreover, social support literature suggests, as does social network literature and social capital literature, that social networks can be, simultaneously sources of positive and negative interactions. Therefore, the above proposed framework suggests that, to acquire a comprehensive understanding of the role of social relationships on business success, both positive and negative interactions have to be considered. Positive interactions, giving owners access to resources, are conceptualized as social support, and ultimately may be considered as social capital if contributing to

successful goal attainment. Negative interactions, giving rise to disruption and undermining, are conceptualised as social hindrance.

### 5.3 RESEARCH AIM AND OBJECTIVES

The main hypothesis underlying this research is that social relationships, which are present in owners' personal networks, are likely to strongly affect enterprising behaviour and the start-up and management of businesses in rural areas. Another assumption is that, according to the literature, different contextual conditions give rise to different enterprising and business possibilities. Therefore, it can be expected that different business realities are connected to specific geographical areas, and also to different social dynamics, namely the role of personal network in business setting up and management.

The aim of this research is, therefore to understand the role of the owner's personal networks in rural tourism business setting up and management. However, it can be stated that its operational objectives are twofold:

At theoretical level

- The development of a comprehensive conceptual framework for the analysis of the role of social relationships in the setting up and management of small tourism businesses, integrating the Theory of Social Networks, the Theory of Social Capital, and the Theory of Social Support;
- To provide a clearer understanding of social capital theory, and its application to small business research;
- To contribute to the development of measures of social support and social hindrance, operationalised through helpful and unhelpful behaviours, from owners' personal networks, and respective consequences to the businesses.

At practical level

- Clarify and strengthen the understanding of the influences of social relationships in the process of small business establishment and management;
- To identify specific helpful behaviours and unhelpful behaviours that significantly affect the business and the people within personal networks (e.g. family, friends, colleague, acquaintance) who are responsible for such behaviours;
- To understand the consequences of helpful and unhelpful behaviours upon the business;
- To identify the existence and meaning of association between helpful and unhelpful behaviours, operationalised through measures of social support and social hindrance, and business success at different stages (e.g. start-up and maturity);
- To identify differences between specific groups of respondents (e.g. Oeste versus Alto Alentejo) with regard to the aforementioned objectives (types of behaviours, people responsible for them, and consequences to business).

## **5.4 THE RESEARCH PROCESS**

This section describes the research process. Philosophical assumptions are briefly summarized below, followed by the description of the research design and its rationale, as well as methods and techniques adopted.

### **5.4.1 PHILOSOPHICAL ASSUMPTIONS**

The essence of this research is grounded on social theory (e.g. Danermark et al. 2002; Dickens 2003; Carter and New 2004) in the sense that it considers societies are intrinsically open systems. Reality comprises an endless number of variables, and individual and group social relations continuously influence the structures and mechanisms in which they are integrated. Therefore the social world (society) is viewed as consisting of two main phenomena that are separated but strongly related to each other: people (as agents or actors) and their social structures (Carter and New 2004; Archer 1998). Social structures are always the context in which action and social interaction take place, and at the same time, social interaction constitutes the environment in which the structures are reproduced or transformed. An individual's choices are structurally and culturally constrained (Carter and New 2004). Social research should look at both structure and agency, and at the interplay between them (Danermark et al. 2002).

This research aims at looking at, and understanding the role of social relationships in the small businesses context, with regard to structure (the social context where business owners are embedded) and agency (how social personal network behaviours influences business success - both owner's satisfaction and business performance). Moreover, the philosophical assumptions identified above, call for interdisciplinary approaches when conducting research, particularly when aiming at understanding social phenomena, or events, that are the product of a range of interactive mechanisms, within complex, open systems. This is particularly evident in this research's proposed theoretical framework and in the inter-relationship of Theory of Social Networks, Theory of Social Support and Social Capital.

### **5.4.2 RESEARCH DESIGN**

A research design provides the framework for the collection and analysis of data (Bryman 2004). Research design should be regarded as guidelines, and general procedures, which emphasize certain operations that must be carried out throughout the research process (Miles and Huberman 1994). This research has

adopted a sequential, multi-methods design (Creswell et al. 2004; Petter and Gallivan 2004; Teddlie and Tashakkori 2006) involving two stages of data collection. Within this research in particular, the rationale for adopting more than one method of data collection is developmental. In such situations, the results of one method help in the development of the primary, dominant study (Greene et al. 1989; Petter and Gallivan 2004; Teddlie and Tashakkori 2006; Creswell 2007).

Several types of multi-method designs can be identified in the literature, and basically they all combine one, or more, quantitative methods, and one, or more, qualitative research method (Bryman 2006, 2007; Johnson et al. 2007; Cameron 2009). Multi-methods, or mixed-methods, is often associated to, or seen as synonymous with, triangulation, due to the fact that triangulation has been in use for longer time than other multi-method techniques (Tashakkori and Teddlie 2003; Petter and Gallivan 2004). But other techniques are identified in the literature, depending on the rationale adopted. Greene et al. (1989) suggest five major purposes or rationales for conducting multi-method research:

- (a) triangulation (i.e., seeking convergence and corroboration of results from different methods and designs studying the same phenomenon);
- (b) complementarity (i.e., seeking elaboration, enhancement, illustration, and clarification of the results from one method with results from the other method);
- (c) initiation (i.e., discovering paradoxes and contradictions that lead to a re-framing of the research question);
- (d) development (i.e., using the findings from one method to help inform the other method);
- (e) expansion (i.e., seeking to expand the breadth and range of research by using different methods for different inquiry components).

Each of the rationales proposed for using a multi-method approach, namely the ones suggested by Greene et al. (1989), require very different techniques. The choice of technique is dependent on the combination of two major factors: the purpose and approach adopted (as illustrated in Figure 5.3).

**Figure 5.3: Framework for multi-method purpose and approach**

		<i>Approach</i>		
		Sequential	Parallel	Independent
<i>Purpose</i>	Triangulation			
	Complementarity			
	Development			
	Initiation			
	Expansion			

Source: Petter and Gallivan (2004, p. 1)

Johnson and Onwuegbuzie (2004) propose a multi-methods design matrix that synthesises the possible techniques, or method combination processes. According to time order decision, the use of more than one method can be either concurrent (at same time) or sequential (one precedes the other). Moreover, the research may consider both data collection methods as equally important, or to place a greater emphasis on one of them (dominant approach) (Figure 5.4).

**Figure 5.4: Matrix of multi-method techniques**

		Time Order Decision	
		Concurrent	Sequential
Paradigm Emphasis Decision	Equal Status	QUAL + QUAN	QUAL → QUAN QUAN → QUAL
	Dominant Status	QUAL + quan QUAN + qual	QUAL → quan qual → QUAN QUAN → qual quan → QUAL

Note: qual stands for qualitative, quan stands for quantitative, + stands for concurrent, → stands for sequential, capital letters denote high priority or weight, and lower case letters denote lower priority or weight.

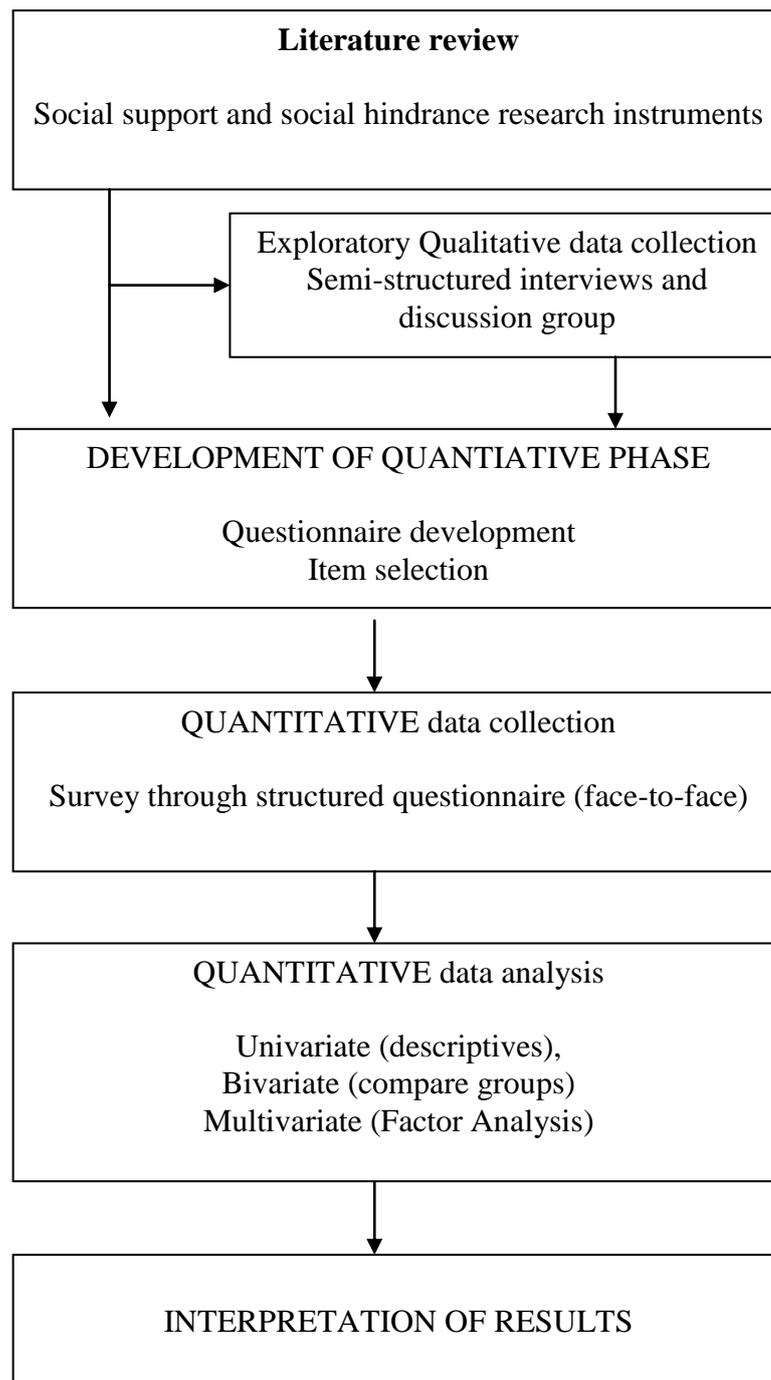
Source: Johnson and Onwuegbuzie (2004, p. 22)

When research aims at conducting a quantitative, survey based approach, whose main research topic is under-conceptualized, as is the case, in addition to literature

review, one or more exploratory qualitative data collection method can be implemented. The outcomes of qualitative data collection are expected to inform the research questions and quantitative data collection instrument (questionnaire), enhancing its validity (Collins et al. 2006). Creswell et al. (2004) called this example of multi- method research as *Instrument Design Model*.

*In the instrument design model, priority is given to quantitative data collection and analysis. Implementation is a 2-phase project that begins with qualitative data collection and analysis and moves to quantitative instrument design and testing. Integration occurs at the data analysis stage, when the researchers analyze the qualitative data and use this information to develop an instrument for data collection. The intent of this model is to develop an instrument that is grounded in the views of participants rather than use an off-the shelf instrument that might not reflect their views (Creswell et al. 2004, p.11).*

By definition, research designs that aim at instrument development are sequential in nature (Petter and Gallivan 2004) being one method used first, followed by the other. Because the purpose of the sequential design is for the data from one method to build on the other, the two methods have different focus. The secondary study takes place first, and its results inform and shape the dominant, primary study (Tashakkori and Teddlie 2003; Petter and Gallivan 2004; Teddlie and Tashakkori 2006; Creswell 2007; Collins et al. 2007; Wilkins and Woodgate 2008; Collins and O’Cathian 2009). The use of multi-method sequential design for instrument development is widely used in social, psychological and health related research (e.g. Kutner et al. 1999; Nutting et al. 2002; Hockenberry et al. 2003). Because the topic of social support, and mostly social hindrance, were under-conceptualized, this research has adopted a sequential multi-method, design, and two main stages are distinguished: an exploratory qualitative stage and a deductive quantitative stage, as illustrated in Figure 5.5.

**Figure 5.5: Research process**

Source: author

The emphasis is placed on the quantitative stage. Qualitative semi-structured interviews and discussion group (described in greater detail in Section 5.4.2.1 below) were conducted to identify and describe key themes and specific helpful and unhelpful behaviours and respective consequences to business. These data

were then used to develop the research instrument (questionnaire) to be used in the main, quantitative stage of data collection.

Different multi-method strategies require different assumptions with regard to sampling procedures. For sequential, exploratory multi-method designs, different individuals should be used for the quantitative and qualitative data collections, but representing the same target group (Creswell 2007; Onwuegbuzie and Collins 2007). In this case exploratory interviews were conducted in the Alto Minho region and not in those areas where quantitative data collection was to take place (Alto Alentejo and Oeste). This was done this way mainly for convenience reasons, namely proximity with place of residence of the author. Purposive sampling was used to select the qualitative sample and probability sampling techniques were used for the quantitative sample. For sequential designs, the qualitative sample is normally of a much smaller size than quantitative sample (Teddlie & Yu 2007). In total ten exploratory interviews were conducted in the Minho area and 180 questionnaires were filed in Alto Alentejo and Oeste regions (90 in each region). Further details of both stages of data collection are provided next.

#### **5.4.2.1 Qualitative stage and methods**

According to some authors, research measures, related to social support and social capital, should be context specific (e.g. Van der Gaag and Snijders 2005). However, the subjects of social support and social hindrance within the small businesses context were under-researched. Additionally, the subject was relatively new to the researcher. In such situations, it is suggested in the literature that the earliest stages of the research should be exploratory (Oppenheim 1992; Danermark et al. 2002; Brennan 2005). Oppenheim (1992), for instance, suggests that after reviewing the literature, qualitative interviews should be conducted to explore the construct in question and its dimensions from the respondents' perspective. Examples of such approach are found in social support research (e.g. Gottlieb 1978; Cooke et al. 1988; Macdonald 1998), and small business research (e.g. Brown and Butler 1995; Neergard et al. 2005; Saxena 2006).

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According to Miller and Glassner (1997) in-depth interviews provide the means for exploring the points of view of the research subjects. However, in-depth qualitative interviewing is a much longer and harder process that requires a significant level of trust between the interviewer and interviewee. Rapport building is a key to this process and time is required for that. In this research, semi-structured interviews were used, which combine the flexibility of in-depth with comparability of key questions (Finn et al. 2000). Although semi-structured interviews remain within the genre of a conversation the interviewer has a prompt list of issues that focus the interaction and adds some structure to the interview. It enables the collection of detailed information regarding attitudes, opinions and values, without a large investment in time as for in depth interviews. The semi-structured schedule provides a more relaxed setting, where probes can be altered whenever necessary, although the interviewer can focus the interaction (Jennings 2001).

Approximately 2 hours in length, 10 semi-structured interviews were conducted with owners of tourism businesses in the Minho area, representatives of all types of tourism businesses (restaurants, accommodation – hotels and rural houses – and leisure activities). Interviewer bias was controlled by the use of the same questioning format with all interviewees (Appendix II). The interviews were all recorded and content analysed in order to identify sources and types of behaviours (supportive/hindering) towards the interviewee and the business setting up/management process. Summary of analysis of interviews is provided in Appendix III.

The rationale for conducting semi-structured interviews also applies to the discussion group context. Debate amongst discussion group participants was prompted by presenting the results of the qualitative interviews to a group constituted by 5 people related to the tourism sector, namely business owners, academics and consultants in tourism. Because the interviewing process requires personal engagement by the researcher, it is, therefore, potentially biased, the discussion group aimed at validating the interpretation of data obtained through interviews (Netemeyer et al. 2003). The initial pool of items in the lists of supportive/unsupportive behaviours, both based on literature review (Appendix I)

and on the interviews (Appendix III and Appendix IV), was discussed, adding-up or suggesting withdrawing items that were not considered as part of the constructs under debate, or that were causing too much repetition. The results of both the literature review (Straham and Gerbasi 1972; Hackman & Oldham 1975; Kopelman et al. 1983; Abbey et al. 1985; Ruehlman and Wolchik 1988; Ruehlman and Karoly 1991; Nettemeyer et al. 1996; Corcoran et al. 1998; Duffy et al. 2002; Newsome et al. 2003, 2005, 2008) and the qualitative methods informed the construction of the questionnaire (Appendix V), to be used in the main stage of data collection. In spite of the research's cross-sectional design (Bryman 2004), the final version of the questionnaire (Appendix VI) includes questions about past, present and future circumstances, which are related to access and perceived social support, and social undermining. It aims at gathering information about a wide range of topics, including the individual, the business, and the role of social relationships in the setting up and management processes.

#### **5.4.2.2 Quantitative stage and method**

The second and main stage of data collection has adopted an analytic design through a survey. Questionnaires are the most commonly used instruments by surveys for network data (Wasserman and Faust 2005) as well as for social support data collection (Saranson et al. 1987; Daugherty et al. 1988). As illustrated in Figure 5.5 (research process), the questionnaire is built both on empirical grounds (qualitative data collection) and on theoretical grounds (literature review). Within the next sections a detailed analysis of the quantitative stage is provided, namely the questionnaire design, data collection process and data analysis.

### **5.5 THE QUESTIONNAIRE DESIGN**

The process of questionnaire design is mainly dependent on the aim of the research and is strongly dependent upon the conceptual framework and on the type of information to be collected. Given its aim and conceptual framework, information to be collected within this research is about social interactions between the business owner and his/her personal network, and respective consequences to

business. Because this research is informed by the Theory of Social Networks, the Theory of Social Capital and the Theory of Social Support, the design of the questionnaire should reflect methodological considerations related to social network analysis, measurement of social capital, and particularly, measurement of social support. Within this research social relationships are conceived as having negative effects as well as positive effects. Therefore, the assessment of negative social relationships also needed to be addressed.

Within this section a set of conditions, identified in the literature, that frame the collection of information and the questionnaire design are discussed followed by a more detailed description of its structure and content.

### **5.5.1 SOCIAL NETWORK ANALYSIS**

Most studies concerning social network analysis (e.g. Marsden 2005; van Emmerick 2006), social support analysis (e.g. Wasserman and Faust 1994), or even social capital analysis (e.g. Greve and Salaff 2003; Anderson et al. 2005) use egocentric network designs. The study of business owners' personal networks require egocentric designs, in order to explore the relations around each sampled person, not the total network of which individuals are members (Wasserman and Faust 1994; Borgatti and Foster 2003).

*This form of analysis is especially appropriate for collecting network data from a target population that is a small percentage of a population, and whose relations are not concentrated in a single social structure. Business' owners are one such group (Greve and Salaff 2003, p. 9).*

This research has adopted an approach focused on the egocentric network of the business owner, and questionnaire design is based on the resource generator perspective. Based on Van der Gaag and Snijders (2005) proposition, lists of supportive behaviours (resources) were identified, each representing a concrete situation, specific to the business setting up and management process. Business' owners were asked about the availability of each of these resources and the person (family members, friends, or acquaintances) through which the resources are accessed.

### **5.5.2 MEASUREMENT OF SOCIAL CAPITAL**

Positive outcomes to businesses resulting from the owner's personal network are conceived as social capital. By its very generality the concept of social capital encompasses such a plurality of situations as to make empirical application difficult (Portes and Sensenbrenner 1993). A wide range of social capital indicators are available and have been used in specific contexts (Grootaert and van Bastelaer 2001). "Due to the strong contextual nature of social capital, it is unlikely that it will ever be possible to identify a few best indicators that can be used everywhere" (Grootaert and Bastelaer 2001, p. 10). A review of the literature, described in Chapter 2 (Section 2.3), suggests there are two main streams concerning individual-level social capital research: the structuralist focusing on networks and on the patterns of interconnections, and the connectionist where the focus is on the resources that flow through social ties, implicit in the social support literature. The proposed methodology will incorporate network analysis mainly related to its content, or to the functions of networks, operationalised through measures of social support. Information with regard to structure was only collected to a small extent, namely with regard to the role relationships (e.g. family, friends, acquaintances) that are responsible for the provision of social support (helpful behaviours) and/or social hindrance (unhelpful behaviours).

### **5.5.3 MEASUREMENT OF SOCIAL SUPPORT**

A literature review has informed that there are no examples, in business/entrepreneurship related studies, of instruments adopting measures of social support as the means for operationalising measurement of social capital. Therefore, on theoretical grounds, the questionnaire was informed mainly by examples of studies from social support literature (e.g. Abbey et al. 1985; Ruehlman and Wolchik 1988; Ruehlman and Karoly 1991; Lakey et al. 1994; Corcoran et al. 1998; McDonald 1998; Duffty et al. 2002; Newsom et al. 2003, 2005, 2008).

Although some agreement exists of what social support is, it is a complex multidimensional concept that is difficult to measure in a single indicator (Bruhn and Philips 1984; Barrera 1986). Different types of social support can be provided by different alters with different roles in the network, and not all types of support are necessarily equally important (Agneessens et al. 2006). There has been a vast array of studies presenting an equally vast array of measures of social support although not in the businesses context, making it difficult to compare studies and to determine the best approach. Social support assessment in previous research has adopted a variety of approaches, both within structural perspectives as well as within content perspectives (Cohen et al. 1985; Gottlieb 1981; Barrera 1986; Heitzman and Kaplan 1988). Sometimes structural and functional items are analysed indistinguishably “into single support indices” (Cohen et al. 1985, p. 73). The issue of how to choose a social support measure for any particular study is acknowledged as a complex and controversial one. “What is central, however, is that the instrument provides the information necessary to answer the question that is being posed” (Cohen et al. 1985, p. 74). Investigating the role of significant social relationships in relation to the business involves the assessment of the following aspects: the existence of people whose interaction with the business owner affect the business; the social context where this interactions take place (e.g. family, friends, acquaintances); what they actually do that interferes with the business (positive or negative behaviours); and finally which are the resulting outcomes with regard to the business. Within this research social support has been measured through the existence of helpful behaviours from personal network.

According to social support literature, and often referred to in social network literature as well (e.g. Van der Gaag and Snijders 2005; Lin 1999; Marsden 1990), one aspect that needs clarification is whether to measure perceived social support, or actual exchanges (mobilized resources/support). Cohen et al. (1985) suggest that it will depend on whether we are interested in either the objective existence of interpersonal resources or a subject’s perceptions that these interpersonal resources would be available if needed. According to some authors (Bruhn and Phillips 1984; Cohen et al. 1985; Cooke et al. 1988; Letvak 2002) a measure of perception is a more sensitive indicator of its effect than objective existence of resources. An

opposing strand in the literature though (Cobb 1976; Marsden 1990; Knipscheer and Antonucci 1990), argues that the central target of measurement should be experienced (enacted) social support. Barrera (1986) claims that both concepts, although distinct, are equally important in social support research. The author alerts that caution is needed when developing measures, assuring they will not be regarded as synonymous. The potential consequence of using concepts either indistinctly or as a mixture is the decrease of internal consistency.

This research aimed at assessing both accessed (or mobilized) and perceived support. This was achieved through the identification of supportive behaviours that have been/are significant to the business context, as well as supportive behaviours that are expected to be available in the future. Questions about past and present behaviours indicate really enacted support (Section II and III of the questionnaire – Appendix VI), while questions about future behaviours indicate perception of (perceived) support (Section IV of the questionnaire).

There is argument in the literature (e.g. Power et al. 1988) that the measures of social support to be used should also provide information about the quality of support provided. This will be accessed through a set of hypothesized consequences, and how have the identified behaviours contributed to them.

#### **5.5.4 NEGATIVE INTERRELATIONS ASSESSMENT**

Most instruments for network analysis, both in the social network and social capital literature, seek to elicit supportive ties and ignore difficult, disruptive or conflicting connections. One reason for such a gap in the literature might be the fact that questions eliciting negative or conflictual ties raise clear sensitivity problems (Bruhn and Philips 1984). Although occurring less frequently, negative interactions often comprise very intimate information, and situations that would rather be forgotten, making the effects harder to detect and the phenomena harder to investigate (van der Gaag and Snijders 2004).

On the other hand, in social support research, several studies have introduced questions related to negative social interactions (Barrera 1980; Rook 1984; Leffler et al. 1986; Daugherty et al. 1988; Ruhelman and Karoly 1991; Finch et al. 1994; Antonucci et al. 1998; Newsom et al. 2005, 2008; Bertera 2007), although named in many and different ways, as detailed in Chapter 3, Section 3.4.4. Social support research suggests that not all social relations are positive and that negative interactions have detrimental effects on happiness and well being, affecting one's life in every aspect. In order to examine the role of social relationships empirically (relations with network members), it is necessary to measure conflict (friction/hindrance) and support "in such a way that none presupposes or eliminates another." (Leffler et al. 1986, p. 339). In this sense, both types of relationships "must be investigated simultaneously but separately." (Leffler et al. 1986, p. 351).

Based on the proposition that in many situations the "absence of unsupportive ties is more crucial than the presence of supportive ones." (Marsden 1990, p. 442) the identification and analysis of negative interactions may be of special importance in the study of effects of social relationships in the business context. Negative interrelations assessment has been included both in the format of open questions (Sections II to IV of the questionnaire) and closed questions (Section VI and VII) in order to parallel positive or helpful behaviours, as described in greater detail in Section 5.5.7.

### **5.5.5 FREE RECALL AND RECOGNITION**

In most studies related to social networks, and social support alike, two approaches can be distinguished: free recall and recognition, which usually correspond to open-ended questions and closed questions (often scale type). The recognition process implies providing to the individual lists of people or behaviours from which he/she has to identify which apply to his/her situation, according to what is being asked (Brewer 2000). The lists provided function as memory aids. In the free recall approach help is not provided, meaning no lists are provided, and the individual has to recall the situations by memory. According to Marsden (1990)

recall lists of persons or behaviours are subject to a considerable degree of forgetting. On the other hand, and according to Lin (2001) recognition can only be effectively constructed when the researcher knows the members or behaviours in the set prior to data gathering, which is not the case in most research projects.

Several studies have examined the free recall of persons under different conditions (e.g. Hansen 1995; Antonucci et al. 1998; Brewer 2000; Greve and Salaff 2003). The findings suggest that social relationships organize memories for persons. There is evidence in the literature that recall is strong when personal networks (e.g. family and friends) are concerned (Greve and Salaff 2003; Anderson et al. 2005; Kovosec and Ferligoj 2005; Marsden 2005), suggesting that instruments can improve results using assistance in recalling, such as resource generators. According to Gottlieb (1981), studies that recognize the multifaceted nature of support and incorporate more than one technique (e.g. using both free recall and recognition) to assessing support would have distinct advantages over those that adopted a single technique. Therefore, this research makes use of both free recall and recognition. Free-recall is based on open ended questions about the existence of helpful and unhelpful behaviours, significant to the business context, performed both by family and people within personal circle, and with regard to criteria for measuring business' success (Sections I to IV of the questionnaire – Appendix VI). On the other hand, recognition involves acknowledging the existence and extent of specific helpful and unhelpful behaviours, identified in the questionnaire, which were also organized in two separate groups, behaviours from family, and behaviours from people within the personal circle (Section VI and VII of the questionnaire). Recognition is also used for specific business success measures (Section IX of the questionnaire), as described in next section.

### **5.5.6 SELF-REPORTS AND SOCIAL DESIRABILITY**

Egocentric studies usually imply asking respondents, according to their own perspective, for data on their social contacts and relationships and its implications to their lives (Marsden 2005). This might constitute one of the limitations of most studies which evaluate respondent's social relationships. Barrera (1986)

acknowledges that behavioural observations of supportive transactions would provide a more accurate account of received support than self-report methods. However, the author considers “self-report measures of enacted support are suitable for gauging the responsiveness of others in rendering assistance when subjects are confronted with stress or having to cope with demanding processes” (p.417). It is believed, according to literature review, that business ventures can be considered as demanding processes that may lead to stress. Self-report measures are thus considered as suitable in this particular case.

However, one of the underlying beliefs in social research is that people tend to over-report socially desirable and under-report socially undesirable information about themselves (Oppenheim 1992). Research using self-reports has identified that individuals are naturally motivated to present themselves in a way that society regards as positive, with a tendency to distort answers, a behaviour that was designated as social desirability. The Social Desirability concept was developed by Crowne and Marlowe (1960, p. 354) as being about “the need for subjects to respond in culturally sanctioned ways”, which is about the need for social approval.

Based on this belief the authors Crowne and Marlowe developed the Marlowe-Crowne Social Desirability Scale (MC-SDS), with 33 forced choice true-false items concerning everyday behaviours. The underlying rationale of Social Desirability Scales is that persons scoring highly on the social desirability scale tend to under-report socially undesirable information. Several shortened forms of the MC-SDS have been put forward as the result of factor analytic studies of the original 33 item form. The most commonly used are the three forms developed by Strahan and Gerbasi (1972), widely used by many researchers in different areas, reporting significant positive correlations between the MC-SDS and favourable self-evaluations, including happiness, life satisfaction and morale (Beretvas et al. 2002). Examples of studies using SDS can be identified in organizational related literature (e.g. Crant and Bateman 2000), but also in social support and social undermining related literature, some without evidence of the relationship between SDS and constructs being studied (e.g. Kazarian and McCabe 1991; Lakey et al.

1994; McDonald 1998); and others identifying that social desirability (MC-SDS) correlated significantly with support and hindrance scales, with loneliness scales and satisfaction with life scales (e.g. Ruehlman and Karoly 1991).

It is believed that within this research respondents may feel constrained by the nature of some questions (namely questions regarding hindrance and conflict) and are likely to be affected by social desirability. As acknowledged in the literature, discuss one's relationships with family and friends can be somewhat disturbing (Fischer 1982), especially in small rural towns or villages, where "information spreads rapidly and where people's fear of their complaints becoming known is likely to exacerbate the general problem of positive response sets" (Gillespie et al. 1985, p. 23). As Rook (1990, p. 127) argues, researchers need to consider that "social desirability will lead respondents to underestimate the negative exchanges they experience with others." Therefore a 10 item short form of the SDS (Straham and Gerbasi 1972) was included in the questionnaire. This version of the SDS has been extensively used in self-report data collection (e.g. Ballard 1992; Crant and Bateman 2000), and has been considered one of the shortest in length with sound reliability and construct reliability (Fischer and Fick 1993). Short versions are recommended when questionnaire length and the time required are of concern (Straham and Gerbasi 1972; Beretvas et al. 2002; DeVellis 2003). SDS results will enable to verify any effects on results to specific question (in particular those related to helpful and unhelpful behaviours).

### **5.5.7 THE STRUCTURE AND CONTENT OF THE QUESTIONNAIRE**

The questionnaire used within this research is organised into ten different sections (Appendix VI). Section I sets the context, business and owner related, with regard to the process of setting-up the business, namely the way respondents became owners of the business, reasons to setting up/take control, reasons for the location, owner's relationship with that location (social embeddedness) and influences on the business setting up, perception of success.

Sections II, III and IV aim at understanding the owners' perception about the role of people within their personal network in the setting-up/taking control and management of the business. The three sections relate to three different moments in the business context: Section II - the past - is about the beginning of the whole process (setting-up or taking control) by the interviewed person; Section III - the present - is about the operation of the business over the 12 months prior to the moment of the interview; and Section IV - the future - is about the operation of the business in the following 3 years. As mentioned in Section 5.5.3, questions about past and present are about enacted social support, and questions about the future are about perceived social support.

In the three sections only open-ended questions were used. Respondents were asked to identify, based on free recall, the existence, or not, of any behaviours worthy of mention, that had significantly affected the business owner, either in the positive sense of helpful behaviours or in the negative sense of unhelpful or constraining behaviours, both by the family and people within personal circle. If behaviours were acknowledged, respondents were also required to indicate the person responsible for the behaviours, what the behaviour was about, and the implications to the business.

In Section V the respondents were invited to rank, from 1 to 4, the helpful and unhelpful behaviors from family and people within personal circle identified in the three previous sections, as being significant to the business. The behavior that had the most important effect on what happened should be ranked as first and there onwards, until the one that had the least effect (maximum rank 4).

Section VI and VII of the questionnaire aimed at collecting respondents' perceptions about the existence and effects of specific helpful behaviours and unhelpful behaviours, both from family (Section VI), and from people within their personal circle (Section VII). A set of specific statements representing 18 helpful behaviours and 18 unhelpful behaviours have been identified, based both on literature review and on exploratory qualitative stage (as described in Section 5.4).

These statements were grouped according to six possible types, of social support and social hindrance (3 statements per type of support/hindrance) (Table 5.1).

**Table 5.1: Possible types of social support and social hindrance**

<b>Types of social support</b>	<b>Types of social hindrance</b>
Provision of emotional support	Providing unsolicited help/Interference
Discussion of important matters	Expressing criticism of what I was doing in relation to the business
Giving access to relevant information	Failing to give assistance with business when asked
Giving access to relevant people	Setting conditions with regard to time availability
Providing financial support	Setting conditions with regard to financial availability
Providing practical aid and assistance	Taking advantage of my business

Source: author

In total 18 statements about helpful behaviours, plus 18 statements about the consequences of helpful behaviours were included; as well as 18 statements about unhelpful behaviours, plus 18 statements about the consequences of unhelpful behaviours. The total list of statements was duplicated, being each respondent asked about the existence of each behaviour (helpful and helpful), and hypothesized consequences, both from family (Section VI) and from people within personal circle (Section VII). Answers were given according to 5 point Likert-type scales, ranging from 0=behaviours did not happen at all to 4=behaviours happened a lot. Respondents were to identify if anyone had behaved in the specified ways (0=not at all to 4=happened a lot), and who was the person with most significance with regard to that behaviour. Additionally, three situations (sentences) were identified (again based on literature and qualitative phase) illustrating the hypothesized consequences of each one of the six groups of behaviours, upon the business owner or upon the business itself. Answers were also given according to a 5 point Likert-type scale ranging from 0=not at all to 4=to a great deal.

Section VIII aimed at establishing the owners' perception of the overall importance of their personal network to the business. Respondents were asked to

score (from 0=not important at all to 4=very important) the six groups of helpful and unhelpful behaviours (hypothesized types of support and hindrance), when they existed, both from family and people within personal circle.

Additionally, in this section, measures of work-family conflict and family-work conflict (WFC–FWC) were included. As stated before (Chapter 4) it was considered that tourism businesses are subject to specific demands that could lead to conflicting, or hindering, situations with regard to their social context, particularly related to the family context, although not exclusively. Owners often have to balance their time and attention between their family duties and business related duties, and some incompatibilities may arise, causing situations of conflict. As a result of that, the family may act, although involuntarily, in ways that are perceived as hindering behaviours towards the business.

As suggested in Chapter 3 (Section 3.4.6.2) business related constrains could give raise to WFC-FWC, translated into possible behaviours likely to hinder/undermine the business context. In order to evaluate these possibilities, questions related to work demands and family demands were included in the questionnaire. These measures were adapted from Netemeyer et al. (1996) WFC-FWC self-report measures.

Section IX was entitled “The perception of yourself” and included two different sets of statements: statements aiming at understanding owner’s perception about their satisfaction with the business, and social desirability. As acknowledged in Chapter 2 (Section 2.8) the analysis of small and micro businesses success needs to recognise firm’s owner’s perspective of success, which will depend on his/her own motivations and reasons for starting-up and stay in business. A 3 item version of the Job Satisfaction Index (used by Kopelman et al. 1983), adapted to owner’s satisfaction with business ownership has been included in the questionnaire:

- Generally speaking I am very satisfied with the business
- I frequently think of quitting this business
- I get a satisfactory income from this business

An additional set of 6 statements was developed referring to specific facets of the business success. These 6 statements were developed based on the small business literature, and refer to aspects like working conditions, lifestyle, and economic outcomes. Answers were given according to a five points Liker type scale, ranging from 1=strongly disagree, to 5=strongly agree.

A short version (10 items) of MC-SDS scale has also been included in this section, aiming at understanding if respondents were influenced, and if their answers were influenced, by their desire to be socially approved (a control variable). The scale has 10 items with a T or F response format. Five sentences are in its correct form (not in a socially desirable format) and five sentences are in a socially desirability format.

Section X sets the respondent's profile (age, gender, marital status, children, and residence), and level of human capital, namely occupation, previous experience in the sector and parents previous experience as business owners.

### **5.5.8 TRANSLATION AND PILOTING OF THE QUESTIONNAIRE**

The survey instrument employed in this study was first developed in English, and then subjected to a translation process by a bilingual professional and validation by discussion group and pilot test (Brislin 1970; Guillemin et al 1993). First, the English version was checked with the supervisory team both with regard to concepts (based on literature review) and wording, and an agreed version was then submitted to translation. Once the process was completed, a pilot test was conducted to ensure translation precision and accuracy, and the translated version was submitted to a discussion group of Portuguese experts in the fields of tourism and businesses. The goal of this translation/validation process, is not only to strive for equivalence (i.e., wording of items), but also to strive for a conceptually equivalent version that measures the same constructs and in which constructs retain the same meaning (Hambleton and Patsula 1998; van Widenfelt et al. 2005).

The piloting of the questionnaire also enabled to check whether the expected pattern of answering was being provided, and aspects in need of improvement were identified, namely the readjustment of the scales in Sections VI and VII. Respondents were getting confused how to answer with agree/disagree format. It made more sense for them to provide answers about behaviours on a frequency basis, and about its consequences on how much these behaviours contributed to the business. Therefore the agree/disagree scale was changed to a never happened/happened a lot (for behaviours) and not at all/to a great deal (for consequences to businesses). The number of possible answers was kept as being 5 but ranging from 0 to 4.

## **5.6 DATA COLLECTION**

This section describes the locations where the research took place, the target population and sampling procedures.

### **5.6.1 RESEARCH AREAS**

As described earlier, for this research two different rural areas were selected: Oeste region and Alto Alentejo region. The location of the two regions is identified in the map of Portugal (Figure 4.1, Chapter 4). Based on different cultural, economic and tourism related dynamics and according to the types of rural areas identified in Chapter 2 (Section 2.7.2.1), one of these regions is considered as marginal, or remote, with overall low levels of enterprising/entrepreneurial dynamics (Alto Alentejo); and the other region is more accessible, near to urban areas (namely Lisbon), and having higher levels of enterprising/entrepreneurial dynamics (Oeste) (Novais et al. 2000; Ferrão e Lopes 2003). The choice of these two regions was based on the outcomes of the literature review (Chapter 2, Section 2.7.2 and Chapter 4, Section 4.6), and on the belief that location is one of the determinants of small businesses success

## 5.6.2 POPULATION

This research's target population was owners of tourism businesses in rural areas. Data was collected in the two selected NUTs III regions of Portugal, Oeste region and Alto Alentejo region. A list of tourism businesses in the two selected regions was obtained based on information provided by Turismo de Portugal, Regional Tourism Authorities and Municipalities. Turismo de Portugal has provided information about accommodation units (hotels and rural accommodation) and Regional Tourism Authorities and Municipalities provided information about restaurants.

### 5.6.2.1 Sampling frame

It is widely acknowledged that the “churning” of the small business population makes sample construction difficult for all researchers in this field (Chell and Baines 2000, p. 200). Considering there are different categories, or strata of businesses within the tourism sector, and that each category presents different characteristics, stratified random sampling was used to ensure that each significant dimension of the population was represented in the sample (Sekaran 2003; Bryman 2004; Sarantakos 2005). Stratified random sampling involves a process of stratification or segmentation, followed by random selection of subjects from each stratum (Jennings 2001). The population is divided into mutually exclusive groups or segments that are relevant and meaningful to the population in the context of the study, thereafter subjects are drawn in proportion to their original numbers in the population (Sekaran 2003). According to the information provided by Portuguese tourism authorities, tourism businesses in rural areas can be grouped into accommodation (sub-divided into hotels and rural accommodation), leisure activities, and restaurants. Given the number of businesses in each category, and that in leisure activities the number of businesses is below requirements for minimal statistical analysis, three strata have been defined: hotels, rural houses and restaurants.

Within each stratum, *a priori* criteria for businesses selection were identified, which were to a great extent influenced by literature review and conceptual framework, namely the following aspects:

- Size - micro or small businesses, as is the case of most tourism businesses, particularly in rural areas (details in Chapter 4);
- Age of business – established for at least three years, in order to enable respondent's to distinguish between different moments of business' activity, namely the setting up/taking control moment and present moment (over the last 12 months), in order to assess differences in the role of social relationships over time (Chapter 2, Section 2.8.1);
- Independence of ownership – The research aims at understanding the role of owner's social relationship. Therefore, because small to micro businesses are usually in the hands of a single proprietor or a family, not belonging to a group of investors, the target group was business' owners;
- Sector – tourism related businesses (accommodation, leisure activities, and restaurants);
- Location – located in the rural areas of the two selected regions.

The decision to restrict participating firms to a minimum and maximum number of years of existence is supported by literature, identifying as a fundamental issue when studying firms is the definition of time range boundaries, namely the point during the start-up process at which the firm can be said to exist (Ostgaard and Birley 1994). The definition of a five year time range for a business existence had initially been established, and was based both in examples identified in the literature using similar rationale (e.g. Williams and Tse 1995; Ostgaard and Birley 1994) and on the perception that “relative newness” would enable participants to recall significant events in the starting and running of their businesses. However, after a preliminary analysis of the population, this goal was considered difficult to accomplish, given the small number of businesses that fulfilled that criterion. It was therefore decided to drop it and keep only the minimum ceiling of three years in operation.

**Table 5.2: Total of businesses that comply with sampling frame**

Type of business	Oeste		Alto Alentejo	
	<i>Eligible population</i>	%	<i>Eligible population</i>	%
Hotels	42	16.47	24	8.88
Rural accommodation	25	9.80	63	23.33
Restaurants	188	73.72	183	67.77
<b>Total</b>	<b>255</b>	<b>100</b>	<b>270</b>	<b>100</b>

Source: Author

The final list, after excluding the businesses that did not comply with the research assumptions described above, included 255 businesses in the Oeste and 270 businesses in the Alto Alentejo region, distributed by the three strata according to Table 5.3.

### 5.6.2.2 Sample size

One of the critical issues in social research is the number of the respondents to be included in the study. The estimation of the sample size can be done according to statistical estimations or non-statistical estimations (Sarantakos 1998, Neuman 2006). Statistical estimations relate to degree of confidence (or number of errors) that is acceptable and the degree of variation in the population (Neuman 2006, p. 241). This research adopted non-statistical methods for estimating the sample size. Non-statistical estimations are influenced by the nature of the population and the type of analysis employed in the research (Sarantakos 1998). According to the nature of the population it is the number of subgroups that the researcher wishes to compare that drives the acceptable number of questionnaires to collect (Sarantakos 1998). The higher the homogeneity of the population with respect to the study object, the lower the likelihood that a large sample will be required. The main independent variable chosen for this research is the location as indicated in the objectives (Section 5.3). Therefore, the sample size needed to be sufficiently large to allow for comparisons between the sub-groups of the independent variable (Oeste region and Alto Alentejo region). The estimation of the sample size was also based on rules of thumb, that is “conventional or commonly accepted amounts”, often related to the minimum of cases required by the statistical

methods of analysis adopted (Neuman 2006, p. 241). Neuman (2006) suggests that for small populations (under 1.000), a researcher needs a sampling ratio of about 30%. Considering the number of eligible businesses (Table 5.4), a sample of 100 in each region was considered, proportionate to its constituents strata, representing more than 35% (nearly 40%) of the eligible businesses in each region.

Additionally, the expected sample size was considered in order to comply with the rule of thumb for running multivariate analysis, namely factor analytic techniques (principal component analysis). For factor analysis samples should be at least 10 cases per variable to be factor analysed. Within this research, the variables to be factor analysed were two groups of 18 statements each, related to helpful behaviours and unhelpful behaviours respectively. A sample of 100 cases in each region (200 in total) would enable a ratio of at least 10/1 as suggested in the literature (as described in greater detail in Chapter 8, Section 8.2).

**Table 5.3: Estimated sample size (stratified)**

Type of business	Oeste			Alto Alentejo		
	Eligible businesses	%	Estimated Sample	Eligible businesses	%	Estimated Sample
Hotels	42	16.47	16	24	8.88	9
Rural accommodation	25	9.80	10	63	23.33	23
Restaurants	188	73.72	74	183	67.77	68
<b>Total</b>	<b>255</b>	<b>100</b>	<b>100</b>	<b>270</b>	<b>100</b>	<b>100</b>

Source: Author

### 5.6.2.3 Business selection

The businesses were alphabetically listed, and each business in the list was attributed a number. The total number of businesses in each stratum was divided by its respective proportion, and the businesses to be interviewed were identified by selecting the businesses corresponding to the result of that division and its multipliers. When businesses could not be included, the procedure was repeated, starting in the following number.

In order to make travelling to the research areas more effective, every selected business was contacted by telephone, and was provided with explanations about the study aim and objectives, and invited to participate. Face-to-face interviews were then scheduled, according to both parts availability in order to fill the questionnaire. Although this seemed the most appropriate method for data collection, some difficulties arose along the process. Some business owners were never available when phone calls were made, and did not reply to messages left with their intermediaries. Other businesses owners did not want to participate in studies in general and a few did not want to participate in this study in particular. Reasons for not participating were lack of time, lack of interest in research related issues, and unwillingness to share personal experiences. The theme of this research had already been anticipated (according to literature review in Chapter 3) as a potential deterrent of participation by potential respondents, which has been confirmed in practice.

After 8 months of data collection (between February and October 2010), 90 interviews had been done in each region, making a total of 180 completed questionnaires. Because of the above described situations, and given the difficulty of getting appointments with new business owners, for cost and time related reasons, the data collection process was considered as terminated.

#### **5.6.2.4 Goodness of Fit**

In order to confirm the proportional distribution of cases in each of the three strata (restaurants, hotels and rural tourism accommodation), and within each region (Oeste and Alto Alentejo), a Chi-square test for goodness-of-fit was conducted (Table 5.5).

The results indicate there were no significant differences between the proportions of businesses in each stratum, in the current sample, as compared with the strata of the population in both regions.

**Table 5.4: Goodness-of-fit (Chi-square test) for proportion of strata**

Type of business	Oeste			Alto Alentejo		
	Observed N	Expected N	Residual	Observed N	Expected N	Residual
Hotels	19	14.4	4.6	9	8.1	.9
Rural houses	11	9.0	2.0	27	20.7	6.3
Restaurants	60	66.6	-6.6	54	61.2	-7.2
Total	90			90		
Chi-square results	$\chi^2 = 2.568$	$p=0.277$		$\chi^2 = 2.864$	$p=0.239$	

Source: Author

A goodness-of-fit test was also conducted to determine whether the number of cases in each region was proportional to the number of businesses in its respective populations (Table 5.3).

**Table 5.5: Goodness-of-fit (Chi-square test) for proportion of groups (regions)**

Regions	Population		Sample		
	N	%	Observed N	Expected N	Residual
Oeste	255	49	90	88.2	1.8
Alto Alentejo	270	51	90	91.8	-1.8
Total	525	100	180		
Chi-square results			$\chi^2 = 0.072$	$p=0.788$	

Source: Author

The results indicate the proportion of businesses interviewed in the Oeste region and businesses interviewed in the Alto Alentejo region is not statistically significantly different, as compared with the proportion of its respective populations.

### 5.6.2.5 The profile of respondents

Interviewed business owners are relatively young, being 48 the mean age, and more than half of respondents are below or around fifty years old (Table 5.7). In regard to their formal education there are statistically significant differences between the owners in the two regions ( $\chi^2=10.205$ ,  $p=0.006$ ) (Table 5.8), although these differences are considered to have a small size effect (Cramers'  $V = 0.238$  and according to the effect size indicators for a table with this number of rows and tables, small= $>0.01$ ; medium= $>0.30$ , large= $>0.50$  (Pallant 2010, p. 220)).

**Table 5.6: The profile of business owners**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
<b>Gender</b>				
Male	68.9	72.2	127	70.6
Female	31.1	27.8	53	29.4
Total percentage	100	100		100.0
Total count	90	90	180*	
Chi-square results	$\chi^2 = 0.107$ p=0.74			
<b>Marital Status</b>				
Single/divorced/widow	24.4	25.6	45	25.0
Married/live with partner	75.6	74.4	135	75.0
Total	n=90	n=90	180*	100.0
Total count	90	90	180*	
Chi-square results	$\chi^2 = 0.3$ p=0.863			
<b>Have children</b>				
Yes	79.8	85.1	145	82.4
No	20.2	14.9	31	17.6
Total percentage	100	100		100
Total count	89	87	176	
Chi-square results	$\chi^2 = 0.521^*$ p=0.470			
<b>Age groups</b>				
<= 38	32.2	24.4	51	28.3
39 - 52	36.7	37.8	67	37.2
53 - 67	22.2	30.0	47	26.1
68+	8.9	7.8	15	8.3
Total percentage	100	100		100.0
Total count	90	90	180	
Chi-square results	$\chi^2 = 2.085$ p=0.555			
Mean age (Std)	47.4 (12.63)	48.98 (11.98)	48.19 (12.30)	

In the Alto Alentejo more business owners have a degree, whereas in the Oeste region the majority of business' owners only attended basic school or college.

**Table 5.7: Formal education of business owners**

Academic level	Oeste	Alto Alentejo	Total	
	%	%	N	%
basic school	40.0	25.6	59	32.8
college (or equivalent training)	41.1	34.4	68	37.8
higher/graduate education	18.9	40.0	53	29.4
Total percentage	100	100		100.0
Total count	90	90	180	
Chi-square results	$\chi^2 = 10.205$ p=0.006			

The data from the Alto Alentejo accord more with other studies reporting the educational level of rural tourism business' owners and managers in Portugal (OPTOUR 2003).

## **5.7 DATA ANALYSIS**

The results of primary data presented in this study are based on the analysis of questionnaire data, using SPSS. To fully accomplish the proposed objectives, the design required diversified data analysis procedures, namely descriptive statistics and inferential statistics plus data reduction and correlation analysis, based on univariate, bivariate and multivariate techniques.

### **5.7.1 DESCRIPTIVE ANALYSIS**

For categorical variables (nominal data) response percentage is analysed. For ordinal variables, descriptive statistics and analysis of central tendency measures are described.

### **5.7.2 INFERENCE ANALYSIS**

Inferential analysis is conducted in order to explore the existence of differences between groups within the independent variables. As a starting point the independent variable is the region where the business is located (two groups: Oeste and Alto Alentejo). Analysis will seek to identify differences in business owners' experiences based on the geographical location of businesses. Do different regions, with different social and enterprising contexts give raise to any differences with regard to the role of social relationships in the setting up and management of businesses in rural areas? In order to perform inferential analysis some assumptions had to be met though. Minimal statistical analysis requires 30 respondents (particularly relevant for any findings with large standard deviation (as a small sample will need to argue representativeness); the use of any subdivisions will require approximately 25 cases in each category (Intermediate statistical analysis) (O'Leary 2004). The power of a test is dependent on sample size (Pallant

2010; Field 2009) and when small samples are involved, tests requirements may not be met.

For nominal data, Chi-Square test is used to verify the existence of statistically significant differences between the two groups of the independent variable (Oeste region and Alentejo region). Chi-square basic rule of thumb is that for 2x2 no cell should have expected counts below 5 while in larger contingency tables it is accepted that up to 20% of cells could have expected frequencies below 5, but all expected counts should be greater than 1. In accordance to some authors perspective (Field 2009; Pestana e Gageiro 2000), when Chi-square test's assumptions are not fully met, Fisher exact test is used instead, less stringent, and usually used in 2x2 tables but that can be used on larger contingency tables as well. For ordinal data, likert type scales, Mann-Whitney and Kruskal Wallis tests were used to verify the null hypothesis of non-statistically significant differences between the 2 independent groups, in addition mean and median values were calculated. Descriptive statistics are presented to calculate the frequency distribution over the 5-point likert scale to explain any statistical inference. When the null hypothesis is rejected, both with Chi-square and Mann-Whitney tests, the effect size of the significant differences is presented. For Chi-square, in addition to p value, phi value (2x2 tables) or Cramer's V (larger contingency tables) is presented. For Mann-Whitney tests the effect size (r) is calculated based on the following formula (Pallant 2010; Field 2011):

$$r = z / \text{square root of } N \text{ where } N = \text{total number of cases}$$

Effect size results are reported according to Cohen's (1988) criteria of 0.1=small effect; 0.3=medium effect, 0.5=large effect (Pallant 2010; Field 2009). Whenever assumptions of statistical tests are met, test results are presented, but in order to simplify the reading process, the null hypothesis ( $h_0$ ) of non existence of statistically significant differences between the two regions will be assumed at all times. Whenever there is statistical significance that supports the rejection of the null hypothesis, results of the tests will then be described.

### 5.7.3 MULTIVARIATE ANALYSIS

As multivariate analysis, two different techniques are used: exploratory factor analysis (EFA) and correlation analysis. EFA is used to understand the structure of supportive behaviours and hindering behaviours, and identify the underlying subscales. Correlation analysis is used to understand the existence and meaning of association between independent variables.

In the development and evaluation of scales, factor analytic techniques are widely used to refine the understanding of, and even reduce the number of items in the scales, to form a smaller number of coherent subscales (Tabachnick and Fidell 2007; Field 2009; Pallant 2010). In addition, it can provide insights into the nature of the latent variables, or dimensions of the same variable, underlying our items and determine the accurate number of factors so that procedures such as computing Cronbach's alpha can be performed correctly (DeVellis 2003). The adoption of factor analysis within this research also draws upon literature related to social support (e.g. Procidano and Heller 1988, Zimet et al. 1988; Kazarian and McCabe 1991; Ruehlman and Karoly 1991; Lakey et al. 1994; Coventry et al. 2004; Corcoran et al. 2007), and social hindrance (e.g. Pagel et al. 1987; Daugherty et al. 1988; Ruehlman and Karoly 1991) which demonstrate the use and value of factor analytic techniques in the validation of indexes and scales, adding items into meaningful and interpretable groups .

Within this process, an important distinction is needed, and is about doing EFA or confirmatory factor analysis (CFA). EFA seeks to describe and summarize data by grouping together variables that are correlated, and which may or may not have been chosen with potential underlying processes. CFA is a much more sophisticated technique, used to test a theory about latent processes (Tabachnick and Fidell 2007). EFA was considered as adequate to meet the objectives of this research. Research reports tend to use the term factor analysis indistinguishably to designate principal component analysis (PCA) and factor analysis (FA) and although both attempt to produce a smaller number of linear combinations of the original variables, they are different procedures (Pallant 2010). For the purposes of

this research, PCA has been considered more appropriate as suggested by examples of related research (Pagel et al. 1987; Daugherty et al. 1988; Zimet et al. 1988; Ruehlman and Karoly 1991; Lakey et al. 1994; Coventry et al. 2004).

One of the relevant requirements to submit data to PCA is sample size. This research was based on a total of 180 cases, what is considered reasonably acceptable for FA if, according to Tabachnick and Fidell (2007, p. 613) “solutions have several high loading marker variables (above 0.80)”. Other authors suggest that it is not the overall sample size that is of concern, rather the ratio of participants to items, with values ranging between 5 to 10 participants to item (Pestana and Gageiro 2000; Field 2009, Floyd and Widaman 1995). In this case in particular, the sample size (180) and items in the scale (18) produce a ratio of 10/1, which is considered *a priori* a good indicator for suitability to FA. Data was also in accordance to the assumption that the research inquiry should generate hypotheses about factors (components). It should be broad enough to include five or six hypothesized factors, believed to underlie the domain of interest, so that the solution is stable, making sure that all relevant factors are included (Tabachnick and Fidell 2007). For each domain of interest (helpful behaviours and unhelpful behaviours) 6 main factors (components) were hypothesized (as described in Section 5.5.11). For each hypothesized factor a set of 3 variables thought to be a pure measure (“marker variables”) of the factor are included (Tabachnick and Fidell 2007, p. 612).

Factor analytic techniques require a set of continuous variables (Pallant 2010). In this research in particular, the variables used are Likert-scaled items, ordinal in nature but considered as continuous variables at the interval level for the purpose of principal component analysis which are generally considered interval or quasi-interval (Oppenheim 1992, Bryman 2004) and with which factor analyses are frequently performed successfully (Floyd and Widaman 1995). PCA is conducted based on answers of the whole sample (180 cases) with regard to behaviours (helpful and unhelpful) from family and from people within personal circle. Information about factor analysis procedure and its interpretation is presented in

Chapter 7, Section 7.4. Results presentation follows the structure suggested in related literature (e.g., Floyd and Widaman 1995; Pallant 2010).

#### **5.7.4 PREPARING THE DATA FOR ANALYSIS**

Whenever necessary procedures were undertaken in order to prepare data for analysis, namely:

- Coding open-ended questions into a short number of categories, enabling the running of Chi-square tests.
- Transforming original continuous variables for age and how long have been owner of current business, collapsing the results into groups and transformed into new nominal variables, making results more easily interpretable.
- Reversing negatively worded items (e.g. overall satisfaction with business index)
- For PCA some items related to unhelpful behaviours were excluded. Repeated factor analysis indicated that some items did not load significantly ( $\geq 0.3$ ) on any factor, therefore were considered as not directly addressing behaviours performed by personal networks.
- After factor analysis was conducted components' reliability (internal consistency) was checked using Cronbach's alpha coefficient.
- Total scores for each component (e.g. social support and social hindrance) were calculated adding-up the scores from the individual items that make up each component.
- Other measures' (e.g. satisfaction of business ownership scale; social desirability scale) reliability (internal consistency) was also verified through Cronbach's alpha and total scores calculated.

### **5.8 CONCLUSIONS**

This chapter has presented the conceptual framework, research aims and objectives, and the research approach, with particular emphasis being placed on the methodological steps and considerations with regard to questionnaire construction, and strategies to enhance validity and reliability. A set of circumstances identified in the literature, that necessarily set conditions with regard to the construction and

implementation of the questionnaire are explored, namely the strengths and limitations of self-report data and of both free-recall and recognition data collection techniques (open and closed questions respectively).

This research adopted a sequential, multi-methods approach, with first qualitative stages informing the structure and content of the questionnaire used in the main stage of quantitative data collection. The research was conducted in the Alto Alentejo and Oeste regions of Portugal, with 180, face-to-face completed questionnaires. Stratified random sampling was used to ensure that each significant dimension of the population was represented in the sample (Chi-square test results for goodness of fit are provided). Business selection was based on a priori identified assumptions, namely business size (small or micro businesses); age (more than 3 years existence); and independence of ownership (sole proprietor or family owned). The independent variables, used in the bivariate analysis and the rationale for their choice is described, as well as the rationale and procedure for multivariate analysis (FA and correlation analysis). Next chapter presents some of this thesis' findings with special emphasis being placed upon the perception of business owners about the role of their personal networks in the setting up and management, as well as their expectations for the future.

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## **CHAPTER 6 THE BEHAVIOUR OF PERSONAL NETWORK MEMBERS TOWARD THE BUSINESS OWNERS AND THEIR BUSINESS (FREE RECALL)**

### **6.1 INTRODUCTION**

The formation and development of a firm is related to the social world of the founder/owner, and to all the subjective configurations associated with that social world. Within this chapter, special emphasis is placed upon the perception of business owners about the role of their personal networks in the setting up and management, as well as their expectations for the future. Behaviours that significantly affected the business or are expected to affect the business (helpful and unhelpful), people who are responsible for them, and how have those behaviours affected the business are described. This is the first of three chapters dedicated to present this thesis' findings. Data here described resulted mainly from open questions (free-recall), and aims at understanding, in an unaided way, how business owners perceive to be the role of their personal network in their business venture. Because data is of nominal type, Chi-square is used to test for the null hypothesis of no differences between Oeste and Alto Alentejo, the two regions where research took place (independent variable). When the assumption of a minimum of 5 as the lowest frequency in each cell is not met, Chi-square test is not applicable (n.a.) and results are not displayed

### **6.2 THE CONTEXT OF THE BUSINESS**

Some aspects that are part of the business context, and which are assumed to strongly influence the role of social relationships in the setting up and management will be considered within this section, namely the way they became owners of that tourism related business, their professional background their family's professional background and their level of embeddedness in local community (through family and/or personal circle).

### 6.2.1 PATH TO BUSINESS OWNERSHIP

As suggested by related literature (Chapter 2, Section 2.4), there are four main ways of someone setting-up up/taking over a business: setting up it alone from scratch; setting it up with partners; inheritance of the business; and buying a business that already existed.

**Table 6.1: The process of setting up or acquiring the business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
Started alone from scratch	35.6	55.6	82	45.6
Started with partners	30.0	18.9	44	24.4
Bought an existing business	6.7	20.0	24	13.3
Inherited this business	27.8	5.6	30	16.7
Total percentage	100	100		100.0
Total count	90	90	180	
Chi-square results	$\chi^2 = 25.557$ $p=0.000$		Cramer's $V=0.377$	

As can be seen in the Table 6.1, there are statistically significant differences between the two regions with medium sized effect ( $p=0.000$  and Cramers'  $V=0.377$ ). In the Alto Alentejo very few owners inherited the business as opposed to the Oeste region. Consequently, in the Alto Alentejo more businesses were started from scratch or purchased. Moreover, the data indicates that in the Oeste, it is more frequent to start businesses as partnerships than in the Alto Alentejo.

**Table 6.2: Reasons for setting-up/taking control over the business**

Reasons	Oeste	Alto Alentejo	Total	
	%	%	N	%
Business opportunity/investment	14.4	10.0	22	12.2
Make use of family house/property	7.8	22.2	27	15.0
Wanted to have own business	6.7	11.1	16	8.9
Keep family business	27.8	8.9	33	18.3
Personal interest to work in this sector	26.7	18.9	41	22.8
Need a professional/occupational change	8.9	13.3	20	11.1
Had experience in this kind of business	7.8	15.6	21	11.7
Total percentage	100	100		100.0
Total count	90	90	180	
Chi-square results	$\chi^2=21.073$ $df=6$ $p=0.002$		Cramers' $V=0.342$	

The explanation for different forms of business ownership are to some extent related to the way the respondents became involved in the business, and there are also statistically significant differences ( $p=0.002$  and Cramers'  $V=0.342$ ) between the regions with regard to this (details in Table 6.2).

In the Oeste, more people have inherited the business, meaning they took control of an established business. Therefore, the main (*or, a*) reason they became business' owners was *to keep a family business* in operation. The second most frequent explanation for them being business owners was *personal interest to work in the sector*, and third most frequent was because they considered the *business was a good opportunity/investment*. These three reasons explain business ownership of about 70% of respondents in the Oeste.

In the Alto Alentejo the main reason given was *to make use of a family's property*, the second was similar to the Oeste, *i.e. they were interested in working in that sector* and the third was because they had *already experience in that kind of business* as employees. These 3 reasons explain business ownership experience of about 57% of respondents in the Alto Alentejo.

**Table 6.3: Previous experience in rural tourism businesses**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
<b>Owners' previous experience</b>				
No previous experience	47.8	46.7	85	47.2
Employed in similar business	47.8	46.7	85	47.2
Owned similar business	4.4	6.7	10	5.6
Total	100	100		100.0
Total count	90	90	180	
Chi-square results	$\chi^2=0.424$ $p=0.809$			
<b>Owners parents' previous experience</b>				
No previous experience	45.6	60.0	95	52.8
Own/ed similar business	41.1	17.8	53	29.4
Own/ed different type of business	13.3	22.2	32	17.8
Total percentage	100	100		100
Total count	90	90	180	
Chi-square results	$\chi^2=12.100$ $df=2$ $p=0.002$		Cramers' $V= 0.259$	

Equal numbers of respondents in both regions had experience as *employees in similar business* before establishing/taking control over the current business, as those who *did not have previous experience at all* as can be seen in Table 6.3. As explained above, having experience in the sector was one of the main reasons to setting up the business in the Alto Alentejo. However, while a similar percentage of respondents in both regions had previous experience, in the Oeste that was not considered as being one of the main drivers to business setting up (Table 6.4)

In the Oeste region there are more respondents whose *parents have been/are owners of similar businesses* (Table 6.3), a fact that is likely to be related to the higher percentage of ownership as result of a family business inheritance. This enterprising family context enabled them to gain contact with the kind of business they are currently running. In the Alto Alentejo the majority of respondents' parents had no previous experience at all, a difference that is statistically significant ( $p=0.002$ , Cramers'  $V= 0.259$ ) but with a small size effect.

**Table 6.4: Period of business ownership**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
<= 5	23.3	30.0	48	26.7
6 - 10	18.9	27.8	42	23.3
11 - 20	35.6	27.8	57	31.7
21+	22.2	14.4	33	18.3
Total percentage	100	100		100.0
Total count	90	90	180	
Chi-square results	$\chi^2 = 4.618$	$p=0.202$		
Mean years (Std)	14.37(10.09)	11.72(8.56)		13.04(10.09)

Business owners had been in charge of their current businesses for 13 years on average (overall mean value). Transforming the time of business ownership into a categorical variable, with 4 groups, gives results that demonstrate that about half of the respondents have been owners of their current businesses for 10 years or less, and the other half for 10 years or more (Table 6.4).

## 6.2.2 BUSINESS LOCATION AND OWNERS' SOCIAL EMBEDDEDNESS

This research has taken as the main independent variable the businesses location, namely, Oeste region and Alto Alentejo region. They were chosen because of their differences with regard to its entrepreneurial dynamics and business initiatives (as described in Chapter 5), and also based on theoretical assumptions regarding different cultural and social contexts giving rise to different experiences in terms of social relationships in a person's life (Chapter 2, Section 2.7.2). For the purpose of this research the process of setting-up or managing tourism businesses is considered as a specific situation in a business owners' life, whose characteristics, namely the role of social relationships, may differ between the two specified rural areas of Portugal. Therefore a set of information is presented and analysed with regard to business' owners relationship with the region, namely whether there were any differences between the regions in terms of the owners local integration/familiarity, and their perceptions about its effects upon the businesses.

**Table 6.5: Relationship of the owner with the concelho where the business is located**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
Always lived in this concelho	66.7	46.7	102	56.7
Lived here but moved away for some time	20.0	27.8	43	23.9
Moved here because of business	13.3	25.6	35	19.4
Total percentage	100	100		100.0
Total count	90	90	180	
Chi-square results	$\chi^2 = 7.773$	$p=0.021$	Cramers' V=0.208	

Two thirds of the respondents in the Oeste have always lived in the *concelho* where their business is located. In the Alentejo this applies to less than 50%. This statistically significant difference indicates that more people moved to the Alentejo to start or purchase a business than did so in the Oeste region (Table 6.5). These differences are statistically significant ( $p=0.021$ ) but with a small size effect (Cramers' V=0.208).

**Table 6.6: Reasons for the location of the business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
Already place of residence	14.4	17.0	34	18.9
Personal attachment to the place	11.1	20.0	28	15.6
Business opportunity/investment	8.5	5.6	17	9.4
Family's property location	18.9	33.3	57	26.1
Tourist potential of the place	11.1	10.0	19	19.0
Business was already there	31.1	7.8	35	35.0
Total percentage	100	100		100.0
Total count	90	90	180	
Chi-square results	$\chi^2=23.299$ df=5 p=0.000		Cramer's V= 0.36	

Although, the majority of respondents have always lived in the concelho, this fact was only the third most important reason given for business location, in both regions (Table 6.6). The first and second reason in terms of frequency are different for each location though ( $p=0.000$  and Cramers'  $V=0.360$ ). In the Oeste more respondents had inherited the business from their parents (as described earlier in Table 6.1); therefore the main reason for business location is that it *was already located there* when they took control of it. On another hand, in the Alto Alentejo, more respondents setting up the business to make use of a family's property, hence the most frequent reason for business location was *family's property location*, which is the second main reason in the Oeste. In the Alto Alentejo, the second most frequent reason for business location is owners' *personal attachment to the place*, namely the family's roots were there and respondents wanted to go back and stay close to the family.

**Table 6.7: Has the owner's relationship with the concelho affected the business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
Yes	77.3	74.4	135	75.8
No	22.7	25.6	43	24.2
Total percentage	100	100	8	100.0
Total count	90	90	180	
Chi-square results	$\chi^2 = 0.071$ p=0.791			

About three quarters of the business owners, in both regions, consider their relationship with the region has affected the process of setting-up or taking control over business, in positive ways. Only 3 respondents in the Alto Alentejo

considered that being familiar with the place and local people was a disadvantage (Table 6.7).

**Table 6.8: Effects of relationship of owner with the concelho on the business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
Better acquaintance with local people facilitated the setting-up process	35.3	34.3	47	34.8
Affective/family bonds contributed to stay/come here	32.4	32.8	44	32.6
Better perception of tourist potential/business opportunity	23.5	26.9	34	25.2
Being familiar to the place was a disadvantage	0.0	4.5	3	2.2
Enables better access to support from family and friends	8.8	1.5	7	5.2
Total percentage	100	100		100.0
Total count	68	67	135	
Chi-square results	n.a.			

n.a. = not applicable

The most frequent effect upon respondents of their relationship with the concelho is that their *good level of acquaintance with local people facilitated the setting-up/taking control process* (Table 6.8). The business location was also influenced by their *personal/family bonds to the place that made them wanting to stay/come and live there* and thirdly their relationship with the place gave them a *better perception of the tourist potential of the place* raising their awareness of the investment opportunity.

**Table 6.9: Family living in the same concelho and effects on business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
<b>Had family living in that location</b>				
Yes	88.8	79.5	149	84.2
No	11.2	20.5	28	15.8
Total percentage	100	100		100
Total count	89	88	177	
Chi-square results	$\chi^2 = 0.824$ $p=0.093$			
<b>Has family living/not living in that location affected business</b>				
Yes	67.8	57.0	110	62.5
No	32.2	43.0	66	37.5
Total percentage	100	100		100,0
Total count	90	86	176	
Chi-square results	$\chi^2 = 1,752$ $p=0.186$			

Respondents were also asked, at an early stage of the interview, whether having family/friends or acquaintances living in the *concelho* where the business is located had affected their business in any way. An anticipated consequence of respondents always having lived in the location or having lived there before moving somewhere else (Table 6.7), was that many would also have family living in the same *concelho*. This is actually the case (Table 6.9) although not all of them have considered the family living close to them had affected their business initiative.

**Table 6.10: How has having family living in the area *concelho* affected the business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
Providing support	34.4	38.8	40	36.4
Determinant of business location/existence	52.5	24.5	44	40.0
Family living here influenced decision to come and stay here	13.1	36.7	26	23.0
Total percentage	100	100		100.0
Total count	61	49	110	
Chi-square results	$\chi^2=11.869$ p=0.002		Cramers V=0.328	

The ways the family affected the business are common to both regions (Table 6.10) but statistically significantly different with regard to their relative weight ( $p=0.002$  and Cramers  $V=0.328$ ). In the Oeste, the family was the main determinant of business location whereas in the Alto Alentejo the family is mainly perceived as affecting the business by providing support. The fact the family was already living in that location, which influenced the business location was considerably more important for respondents in the Alto Alentejo than in the Oeste.

The majority of respondents had also friends/acquaintances in the *concelho* where businesses were located. This fact was acknowledged by the majority of respondents in the Alentejo as affecting the businesses, but by significantly fewer respondents in the Oeste as demonstrated by Chi-square results in Table 6.11 ( $p=0.000$ , Cramer's  $V=0.289$ ).

**Table 6.11: Friends and acquaintances living in that concelho**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
<b>Had friends or acquaintances in that concelho</b>				
Yes	95.5	88.9	165	92.2
No	4.5	11.1	14	7.8
Total percentage	100	100		100.0
Total count	89	90	179	
Chi-square results	$\chi^2=1.877$ p=0.171			
<b>Had friends or acquaintances in that concelho affected the business</b>				
Yes	28.7	57.3	72	42.6
No	49.9	42.7	97	57.4
Total percentage	100	100		100.0
Total count	87	82	169	
Chi-square results	$\chi^2=12.957$ p=0.000		Cramer's V=0.289	

The main ways in which friends had affected the business were positive. In the Oeste friends *provided support* but most respondents did not specify of what kind, whereas in the Alto Alentejo it was also by providing support and *giving encouragement in particular* (Table 6.12). In both regions friends living in the same *concelho* had also positively influenced the business as clients or “advertising” the business, by word of mouth.

**Table 6.12: The ways people within personal circle living in the concelho affected the business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
Providing support	52.0	25.5	25	34.7
As clients or advertising	24.0	34.0	22	30.6
Being unhelpful or obstructive	8.0	2.1	3	4.2
Giving encouragement	16.7	38.3	22	30.6
Total percentage	100	100		100.0
Total count	25	47	72	
Chi-square results	n.a.			

n.a. = not applicable

### **6.3 THE BEHAVIOUR OF PERSONAL NETWORK MEMBERS**

The set of questions that underlie this section sought to understanding in a very explicit way, the role of the owner's personal network (family and people within personal circle) in the setting-up/taking control and management of tourism business in the specified rural areas of Portugal. As described in Chapter 5 (Section 5.5.11) open-ended questions based on free recall were used to identify the owners' perception about the existence, or not, of any behaviour that had significantly affected/will affect the business owner. Questions were related to three different moments: in the setting-up or taking control; in the operation of the business over the 12 months prior to the moment of the interview; and in the future 3 years.

The reasons for including questions about helpful/unhelpful behaviours towards the business at different moments are twofold. On one hand it aims at understanding the existence and importance of enacted and perceived social support, as suggested in the literature (Chapter 3, Section 3.4.2.1). Questions about past and present behaviours are about situations that already happened, or are still happening, which is considered social support. Questions about the future aim at identifying as enacted, or accessed respondents' perception of behaviours that are expected to happen and their implications for the business, which is considered as perceived social support. On the other hand, asking about a personal network behaviours at different moments in time aims at understanding the applicability of a life-stage approach to social networks (Chapter 3, Section 3.2.4.3) as suggested by supporters of business life stage approach (Chapter 2, Section 2.8.1).

Answers concerning who within the personal network has behaved in the specified ways were coded, and both for family and for personal circle two groups were retained. For the family the groups were named nuclear family (including spouse and children) and close family (including parents/parents in law, siblings/siblings in law and grandparents), whose characteristics are in accordance to literature on

the subject of social support and kinship (e.g. House 1981, Murphy 2008, Sussman and Burchinald 1962). Only a very few respondents (maximum of 4) mentioned members of what is called in the literature (e.g. Sussman and Burchinald 1962) the extended family. Therefore, to enable statistical analysis these answers were excluded from tests procedures.

With regard to people within the owner's personal circle two different groups were also retained: friends (referred to by the respondents as friends and sometimes as close friends) and acquaintances (including acquaintances, colleagues, and neighbours). Data will be presented following a time sequence: past (the setting up/taking control); present (management over last 12 months) ; and future (next three years). Within each of the three moments data will be presented according to the following structure: helpful behaviours from family, helpful behaviours from people within personal circle, unhelpful behaviours form family, and unhelpful behaviours from people within personal circle.

### **6.3.1 PAST - THE SETTING UP (OR TAKING CONTROL) PROCESS**

All the information presented in this section relates to the moment owners setting up (if they started it-up), or took control of the business (if they bought, inherited or joined as partner). Owners were asked to focus specifically on that period, and to consider if family or people within their personal circle had been significantly helpful or unhelpful and the influences of those behaviours upon their business initiative.

#### **6.3.1.1 Helpful behaviours from family**

Over 90% of respondents acknowledged that one, or more, of the people within the family provided significant help/support during this period. People considered in the literature as close family (parents, parents in law, grandparents and siblings) were the most often refereed as being of help to business owners at this time (Table 6.13).

**Table 6.13: Helpful behaviours from family in the set-upsetting up/taking control of business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
<b>Has family been of help</b>				
Yes	93.3	88.9	164	91.1
No	6.7	11.1	16	8.9
Total percentage	100	100		100
Total count	90	90	180	
Chi-square results	$\chi^2=0.617$ $p=0.432$			
<b>Who within family has been most helpful</b>				
Nuclear family	36.1	47.4	67	41.6
Close family	63.9	52.6	94	58.4
Total percentage	100	100		100
Total count	83	78	161	
Chi-square results	$\chi^2=1.671$ $p=0.196$			
<b>Where was this person</b>				
In the same <i>concelho</i>	88.1	76.3	135	82.3
In other <i>concelho</i> in the region	6.0	11.3	14	8.5
In other region	6.0	12.5	15	9.1
Total percentage	100	100		100
Total count	84	80	164	
Chi-square results	$\chi^2=3.966$ $p=0.138$			

In the Oeste the high percentage of respondents identifying close family as being of help, as opposed to nuclear family (spouse and children) is likely to reflect the equally high number of respondents that have inherited the business from their parents, as mentioned above in Section 6.2. People within family who had helped in the setting-up phase lived in the same *concelho* where the business is located, and were, therefore, physically close by (Table 6.13).

The way in which family has mostly been of help, in both regions although with significantly different percentages ( $p=0.016$  and Cramers'  $V=0.273$  causing a small size effect), was *providing emotional support and encouragement* to business owners (Table 6.14). *Providing practical aid and assistance* and *sharing business responsibilities* were correspondingly, the second and third most referred helpful behaviours (both of them more often referred to in the Oeste).

**Table 6.14: Family's helpful behaviours in the set-upsetting up/taking control of business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
Providing emotional support /encouragement	36.9	61.3	80	48.8
Providing practical aid and assistance with business	22.6	11.3	28	17.1
Providing access to significant information/advice	15.5	6.3	18	11.0
Giving access to/providing financial support	8.3	10.0	15	9.1
Sharing business responsibilities and decisions	16.7	11.3	23	14.0
Total percentage	100	100		100
Total count	84	80	164	
Chi-square results	$\chi^2=12.240$	$p=0.016$	Cramers' V=0.273	

*Providing access to significant information and providing access to financial support* were inversely mentioned by respondents in both regions in either fourth or fifth places (Table 6.14).

**Table 6.15: Influences of family's helpful behaviour in the process of setting up/take control of business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
Contributed to keep confidence and motivation	29.8	60.0	73	44.5
Without this support business would not exist	39.3	16.3	46	28.0
Helped to get the necessary resources (building, information, money, ...)	15.5	11.3	22	13.4
Enhanced business management and decision making	8.3	3.8	10	6.1
Helped to improve financial positioning (reduce costs, increase sales)	1.2	5.0	5	3.0
Improved the business' overall quality/positioning	6.0	3.8	8	4.9
Total percentage	100	100		100
Total count	84	80	164	
Chi-square results		n.a.		

n.a.= not applicable

Providing help in the above mentioned ways, families have positively influenced the enterprising experience of respondents, but in significantly different ways in each region ( $p=0.000$ , Cramers' V=0.353). In the Alto Alentejo the majority has indicated that family has helped them *to keep confidence and motivation*. Some of

the respondents have even acknowledged that *without the family's support the business would not exist* and that family has *helped to get the necessary resources to setting up/take control of the business* (Table 6.15)

In Oeste, although one third of respondents also acknowledged that their *confidence and motivation were enhanced* by family members' support, a greater percentage considered that *without the family's helpful behaviours the business would not exist*. The family's support has also, to some extent, *enhanced their access to the necessary resources* (Table 6.15).

### 6.3.1.2 Helpful behaviours from people within an owner's personal circle

**Table 6.16: Perception of existence of helpful behaviours from people within personal circle in the setting up/taking control of business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
<b>Have people within personal circle been of help</b>				
Yes	63.3	66.7	117	65.0
No	36.7	33.3	63	35.0
Total percentage	100	100		100
Total count	90	90	180	
Chi-square results	$\chi^2=0.098^*$ p=0.755			
<b>Who has been of help</b>				
Friends	91.4	83.3	103	87.3
Acquaintances	8.6	16.7	15	12.7
<b>Total percentage</b>	<b>100</b>	<b>100</b>		<b>100</b>
<b>Total count</b>	<b>58</b>	<b>60</b>	<b>118</b>	
Chi-square results	$\chi^2=1.072$ p=0.301			
<b>Where was this person</b>				
In the same <i>concelho</i>	81	78	94	79.9
In other <i>concelho</i> in the region	15.5	11.7	16	13.6
In other region	3.4	10.0	8	6.8
<b>Total percentage</b>	<b>100</b>	<b>100</b>		<b>100</b>
<b>Total count</b>	<b>58</b>	<b>60</b>	<b>118</b>	
Chi-square results	n.a.			
n.a.=not applicable				

The majority of respondents acknowledged that people within their personal circle provided them with helpful behaviours in the setting up/taking control of the business (Table 6.16). Friends within the *concelho* boundaries were the main

providers of support, with a few respondents mentioning other types of people, who were all grouped as acquaintances.

**Table 6.17: Helpful behaviours from personal circle in the setting up/taking control**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
Providing emotional support	31.0	36.7	40	33.9
Providing practical aid and assistance	12.1	11.7	14	11.9
Providing access to significant information	24.1	11.7	21	17.8
Giving access/providing financial support	10.3	8.3	11	9.3
As clients	13.8	10.0	14	11.9
Publicising the business	8.6	21.7	18	15.3
Total percentage	100	100		100
Total count	58	60	118	
Chi-square results	n.a.			

n.a.=not applicable

In both regions, the main help coming from people within the personal circle is the *provision of emotional support* (Table 6.17). *Providing access to significant information* (or advice) is second most frequent help in Oeste but third most frequent type of help in the Alto Alentejo, where the second most frequent is the fact that friends *help publicise the business*. Other ways friends are of help, in both regions, is *being clients, providing practical aid and assistance* with business, and giving access to/providing financial support.

**Table 6.18: Influences of helpful behaviours from people within the owner's personal circle in the setting up/taking control of business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
Contributed to keep confidence and motivation	40.4	33.3	43	36.8
Without this support business would not exist	3.5	6.7	6	5.1
Helped to get the necessary resources (building, information, money, ...)	14.0	6.7	12	10.3
Enhanced business management and decision making	3.5	13.3	10	8.5
Helped to improve financial positioning (reduce costs, increase sales)	33.3	35.0	40	34.2
Improved overall quality/ business positioning	5.3	5.0	6	5.1
Total percentage	100	100		100
Total count	57	60	117	
Chi-square results	n.a.			

n.a.= not applicable

The influences of helpful behaviours from people within personal circle upon the business were similar to those from family. The friends' most frequent contribution was to *keep owners' high levels of motivation and confidence*. Because friends are also *clients*, and *help advertising the business*, they contribute to *improve the business financial positioning* by increasing sales (over 30% in both regions). They have also *helped to get the necessary resources* (more often in the Oeste) and to *enhance business management and decision making* (more often in the Alto Alentejo). As opposite to the family, only a few respondents considered that *without help from people within personal circle the business would not exist* (Table 6.18).

### 6.3.1.3 Unhelpful or obstructive behaviours from family

**Table 6.19: Family's unhelpful behaviours in the setting up/taking control of business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
<b>Was family unhelpful or obstructive</b>				
Yes	20.0	11.1	28	15.6
No	80.0	88.9	152	84.4
Total percentage	100	100		100
Total count	90	90	180	
Chi-square results	$\chi^2 = 2.072^*$ p=0.150			
<b>Who within family was most unhelpful</b>				
Nuclear family	5.6	10.0	2	7.1
Close family	77.8	90.0	23	82.1
Extended family	16.7	0	3	10.7
Total percentage	100	100		100
Total count	18	10	28	
Chi-square results	n.a.			
<b>Where was this person</b>				
In the same <i>concelho</i>	83.3	50.0	20	71.4
In other <i>concelho</i> in the region	16.7	10.0	4	14.3
In other region	0	40.0	4	14.3
Total percentage	100	100		100
Total count	18	10	28	
Chi-square results	n.a.			

n.a.= not applicable

Based on their free-recall, the vast majority of respondents did not acknowledge the existence of behaviours from their family that were significantly unhelpful or obstructive in the setting up/taking control phase (Table 6.19). When such

behaviours were reported, they came mostly from close family, living in the same concelho.

**Table 6.20: Family’s unhelpful behaviours in the setting up/taking control of business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
Criticizing or trying to dissuade me	44.4	60.0	14	50.0
Refusing help when necessary	55.6	40.0	14	50.0
Total percentage	100	100		100
Total count	18	10	28	
Chi-square results	n.a.			

n.a.= not applicable

Unhelpful behaviours from the family, identified by very few respondents, were related to *expression of criticism* or *attempts to dissuade respondents from going forward with business initiative* and some *refusals of help* (Table 6.20).

**Table 6.21: Influences of family’s unhelpful behaviours in the setting up/taking control of business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
Caused emotional distress	55.6	60.0	16	57.1
made the setting up process more difficult	38.9	30.0	10	35.7
Gave me more incentive to go forward	5.6	10.0	2	7.1
Total percentage	100	100		100
Total count	18	10	28	
Chi-square results	n.a.			

n.a. = not applicable

Such behaviours *caused owners’ emotional distress* in the setting up of business, and made the process more difficult (Table 6.21).

#### 6.3.1.4 Unhelpful or obstructive behaviours from people within personal circle

Few respondents acknowledged having experienced unhelpful or obstructive behaviour from people within their personal circle (Table 6.22). A larger percentage in the Alto Alentejo did mention such behaviours though ( $p=0.035$ ), although with a small size effect ( $\phi=0.169$ ).

**Table 6.22: Perception of unhelpful behaviours from an owner's personal circle in the setting up/taking control of business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
<b>Has been anyone within personal circle unhelpful</b>				
Yes	9.0	21.1	27	15.1
No	91.0	78.9	152	84.9
Total percentage	100	100		100
Total count	89	90	179	
Chi-square results	$\chi^2=4.231$ $p=0.035$		phi=0.169	
<b>Who has been most unhelpful</b>				
Friends	25.0	21.1	6	22.2
Acquaintances	75.0	78.9	21	77.8
Total percentage	100	100		100
Total count	8	19	27	
Chi-square results	n.a.			
<b>Where was this person</b>				
In the same <i>concelho</i>	75.0	89.5	23	85.2
In other <i>concelho</i> in the region	12.5	5.3	2	7.4
In other region	0	5.3	1	3.7
Total percentage	100	100		100
Total count	8	19	27	
Chi-square results	n.a.			

n.a.= not applicable

The unhelpful behaviours from people within the personal circle included those already mentioned as being performed by the family, namely *expressing criticism* and *refusing to help when necessary*, but new behaviours were referred to such as *raising legal obstacles to the setting up of business* and *taking advantage of it* (in different proportions in both regions as shown in Table 6.23).

**Table 6.23: Unhelpful behaviours from people within an owner's personal circle in the setting up/taking control of business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
Criticizing / trying to dissuade me	37.5	31.6	9	33.3
Refused help when necessary	12.5	10.5	3	11.1
Raising obstacles (legal, ...)	37.5	36.8	10	37.0
Taking advantage	12.5	21.4	5	18.5
Total percentage	100	100		100
Total count	8	19	27	
Chi-square results	n.a.			

n.a.= not applicable

**Table 6.24: Influences of unhelpful behaviours from people within an owner's personal circle in the set-upsetting up/taking control of business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
Caused emotional distress or discouragement	50.0	42.1	12	44.4
Made more difficult the setting up/taking control of business	25.0	10.5	4	14.8
Gave me more incentive to go forward with business	0	21.1	4	14.8
Delayed the whole process	25.0	26.3	7	25.9
Total percentage	100	100	27	100
Total count	8	19	27	
Chi-square results		n.a.		

n.a.= not applicable

The above mentioned behaviours from people within personal circle caused *emotional distress or discouragement* to business owner, *delayed the setting-up process* and, to a small extent, *made it more difficult*. Although for a few respondents, in the Alto Alentejo it caused the opposite effect *giving them more incentive to go forward* (Table 6.24).

### 6.3.1.5 Ranking of behaviours in the setting up of business

Respondents were asked to rank the four behaviours described above (helpful and unhelpful from family and people within personal circle) starting with 1 to the first most important and going as up as 4 for the least important.

Given the above described perceptions, it is evident that helpful behaviours from family are the most important behaviour, significantly affecting the setting-up/taking control phase of the business although with a slight, statistical significant difference between the two regions ( $p=0.045$ ) but very small effect size ( $r=0.15$ ). Most respondents have ranked helpful behaviours from their personal circle as the second most important behaviour for their businesses.

**Table 6.25: Ranking of helpful behaviours in the setting up/taking control over the business**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>Helpful behaviours from family</b>								
Oeste	84	1.11	1	85.13				
Alto Alentejo	79	1.05	1	78.68				
Total	163	1.08	1		3055.5	-2.005	0.045	0.15
<b>Helpful behaviours from personal circle</b>								
Oeste	57	1.82	2	57.15				
Alto Alentejo	61	1.90	2	61.70				
Total	118	1.86	2		1604.5	-1.217	0.224	
<b>Unhelpful behaviours from family</b>								
Oeste	20	2.45	3	17.30				
Alto Alentejo	12	2.33	2	15.17				
Total	32	2.41	2		104.0	-0.670	0.503	
<b>Unhelpful behaviours from personal circle</b>								
Oeste	8	2.75	3	13.88				
Alto Alentejo	17	2.65	3	12.59				
Total	25	2.68	3		61.0	-0.504	0.614	

Few respondents acknowledged the existence of unhelpful behaviours from personal network members, and these are almost always the least significant to the business. Unhelpful behaviours from family were mainly ranked as second and third most important and unhelpful behaviours from people within personal circle were ranked mainly as third most important (Table 6.25).

### 6.3.2 PRESENT - THE OPERATION OF THE BUSINESS

All the information presented in this section relates to the owner's perception of significantly helpful or unhelpful behaviours from family and people within the personal circle, and its influence on the operation of the business over the 12 months prior to data collection.

#### 6.3.2.1 Helpful behaviours from the family

The family, particularly the nuclear family (spouse and children), is perceived by a majority of the respondents as having been of help with regard to the business over the previous 12 months (Table 6.26).

**Table 6.26: Perception of family being helpful in the operation of the business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
<b>Has family been of help?</b>				
Yes	91.1	85.6	159	88.3
No	8.9	14.4	21	11.7
Total percentage	100	100		100
Total count	90	90	180	
Chi-square results	$\chi^2=0.863$ *		p=0.353	
<b>Who has been most helpful?</b>				
Nuclear family	52.4	65.4	94	58.8
Close family	47.6	34.6	66	41.3
Total percentage	100	100		100
Total count	82	78	160	
Chi-square results	$\chi^2=2.256$		p=0.133	
<b>Where was this person?</b>				
In the same <i>concelho</i>	96.3	82.1	143	89.4
In other <i>concelho</i> in the region	2.4	5.1	6	3.8
In other region	1.2	12.8	11	6.9
Total percentage	100	100		100
Total count	82	68	160	
Chi-square results	n.a.			

n.a. = not applicable

The people who have been of help were mainly living in the same *concelho* of the business (physically located within a short distance of business owner).

**Table 6.27: Helpful behaviours from family in the operation of the business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
Providing emotional support /encouragement	13.4	30.8	35	21.9
Providing practical aid and assistance	63.4	44.9	87	54.4
Providing access to significant information/advice	2.4	2.6	4	2.5
Giving access to/providing financial support	1.2	0	1	0.6
Sharing business responsibilities and decisions	17.1	20.5	30	18.8
Taking care of personal /family matters	2.4	1.3	3	1.9
Total percentage	100	100		100
Total count	82	78	160	
Chi-square results	n.a.			

n.a.=not applicable

The family had helped mainly by *providing practical aid and assistance, providing emotional support and sharing business responsibilities* (Table 6.27).

**Table 6.28: Influences of helpful behaviours from family in the operation of the business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
Contributed to keep confidence and motivation	13.6	20.5	27	17.0
Without this support business would not exist	46.9	33.3	64	40.3
Helped to get the necessary resources (building, information, money, ...)	2.5	0	2	1.3
Enhanced business management and decision making	17.3	24.4	33	20.8
Helped to improve financial positioning (reduce costs, increase sales)	14.8	16.7	25	15.7
Improved overall business quality/positioning	4.9	5.1	8	5.0
Total percentage	100	100		100
Total count	82	78	160	
Chi-square results	n.a.			

n.a. = not applicable

As in the setting-up of the business, many respondents considered that *without the families help in the operation the business it would not exist*. Helpful behaviours from family have also positively influenced the *confidence and motivation* of business owners, and *enhanced business management and decision making*, and helped to *improve business' financial positioning*, by decreasing costs with staff (Table 6.28).

### 6.3.2.2 Helpful behaviours from people within personal circle

The results reflect that people within the personal circle are acknowledged by respondents (60%) as being of help in the operation of their business initiatives over the 12 months preceding the data collection. As with the setting up process, within an owner's personal circle, friends are the ones who provided most help (over 80%) in the operation. In the Oeste region helpful friends lived mostly within the same *concelho* as business owners, and a few in other *concelhos* within the

region. In the Alto Alentejo, a third of helpful friends were located in other regions of Portugal (Table 6.29).

**Table 6.29: Perception of people within the owner’s personal circle being helpful in the operation of the business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
<b>Have people within personal circle been of help?</b>				
Yes	60.0	60.0	108	60.0
No	40.0	40.0	72	40.0
Total percentage	100	100		100
Total count	90	90	180	
Chi-square results	$\chi^2=0.000$ p=1.000			
<b>Who within personal circle has been of most help?</b>				
Friends	83.3	89.1	94	86.2
Acquaintances	16.7	10.9	15	13.8
Total percentage	100	100		100
Total count	54	55	109	
Chi-square results	$\chi^2=0.353^*$ p=0.552			
<b>Where was this person?</b>				
In the same <i>concelho</i>	79.6	45.5	68	62.4
In other <i>concelho</i> in the region	18.5	21.8	22	20.2
In other region	1.9	32.7	19	17.4
Total percentage	100	100		100
Total count	54	55	109	
Chi-square results	n.a.			

n.a. = not applicable

In both regions one of the main ways people within personal circle helped in the operation of business was *as clients*, but with regard to other helpful behaviours there are significant differences ( $p=0.025$ ) with medium size effect (Cramers’  $V=0.334$ ) (Table 6.30). In the Alto Alentejo the most helpful behaviour from the personal circle was their effort to *publicise the business*, and the second most helpful being *clients*. The *provision of emotional support* was the third most helpful behaviour (Table 6.30).

**Table 6.30: Helpful behaviours from people within personal circle in the operation of the business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
Providing emotional support	13.2	12.7	14	13.0
Providing practical aid and assistance	15.1	7.3	12	11.1
Providing access to significant information/advice	20.8	7.3	15	13.9
As clients	35.8	32.7	37	34.3
Publicising the business	15.1	40.0	30	27.8
Total percentage	100	100		100
Total count	54	55	109	
Chi-square results	$\chi^2=11.127$ $p=0.025$		Cramers' V=0.334	

In the Oeste, *being clients* comes first, second most frequent is *providing access to significant information/advice*. The *provision of practical aid and assistance* and *publicising the business* are *ex aequo* third most helpful behaviours from people within personal circle.

**Table 6.31: Influences of helpful behaviours from people within personal circle in the operation of the business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
Contributed to keep confidence and motivation	11.1	9.1	11	10.1
Without this support business would not exist	1.9	3.6	3	2.8
Helped to get the necessary resources (building, information, money, ...)	9.3	3.6	7	6.4
Enhanced business management and decision making	13.0	1.8	8	7.3
Helped to improve financial positioning (reduce costs, increase sales)	59.3	76.4	74	67.9
Improved business quality/positioning	5.6	5.5	6	5.5
Total percentage	100	100		100
Total count	54	55	109	
Chi-square results	$\chi^2=7.553$ $df=5$ $p=0.183^*$			

As Table 6.31 illustrates, helpful behaviours from friends contributed mostly, and by far, to the *improvement of financial position*, namely by increasing sales, either directly as clients or indirectly publicising the business to other people who end-up as clients.

### 6.3.2.3 Unhelpful behaviours from family

**Table 6.32: Perception about family being unhelpful in the operation of the business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
<b>Was family unhelpful in the operation of business?</b>				
Yes	11.1	7.8	17	9.4
No	88.9	92.2	163	90.6
Total percentage	n=90	n=90	180	100
Total count				
Chi-square results	$\chi^2=0.260$ p=0.610			
<b>Who within family was most unhelpful?</b>				
Nuclear family	50.0	57.1	8	53.3
Close family	50.0	42.9	7	46.7
Total percentage	100	100		100
Total count	10	7	17	
Chi-square results	n.a.			
<b>Where was this person?</b>				
In the same <i>concelho</i>	100.0	100.0	17	100.0
In other <i>concelho</i> in the region				
In other region				
Total percentage	100	100		100
Total count	10	7	17	
Chi-square results	n.a.			

n.a. = not applicable

Very few respondents had the perception of unhelpful behaviours from the family affecting the operation of business over the last 12 months (Table 6.32). The percentages are similar to those in the setting-up phase in the Alto Alentejo, but slightly lower this time in the Oeste. The nuclear family and close family, living in the same *concelho*, are likewise responsible for those unhelpful behaviours.

**Table 6.33: Unhelpful behaviours from family in the operation of the business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
Criticizing / trying to dissuade me	70.0	42.9	10	58.8
Refusing help when necessary	30.0	57.1	7	41.2
Total percentage	100	100		100
Total count	10	7	17	
Chi-square results	n.a.			

n.a. = not applicable

In the Oeste, *criticizing* was the main unhelpful behaviour, but in the Alto Alentejo there is more of a balance between *criticizing* and *refusing to help the business owner when it was necessary* (Table 6.33). These behaviours caused mainly *emotional distress* to the business owner, and made the operation somewhat more difficult (Table 6.34).

**Table 6.34: Influences of unhelpful behaviours from family in the operation of the business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
Caused emotional distress	70.0	71.4	12	70.6
Made the operation more difficult	30.0	28.6	5	29.4
Total percentage	100	100		100
Total count	10	7	17	
Chi-square results		n.a.		

n.a. = not applicable

#### 6.3.2.4 Unhelpful behaviours from people within the personal circle

**Table 6.35: Perception about people within personal circle being unhelpful in the operation of the business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
<b>Have people within personal circle been unhelpful in the operation?</b>				
Yes	12.2	10.0	20	11.1
No	87.8	90.0	160	88.9
Total percentage	100	100		100
Total count	90	90	180	
Chi-square results	$\chi^2 = 0.056^*$ $p = 0.813$			
<b>Who has been most unhelpful?</b>				
Friends	30.0	11.1	4	21.1
Acquaintances	70.0	88.9	15	78.9
Total percentage	100	100		100
Total count	10	9	19	
Chi-square results	n.a.			
<b>Where was this person?</b>				
In the same <i>concelho</i>	90.0	100.0	18	94.7
In other <i>concelho</i> in the region	10.0		1	5.3
Total percentage	100	100		100
Total count	10	9	19	
Chi-square results	n.a.			

n.a. = not applicable

The percentage of respondents perceiving the existence of unhelpful behaviours from people within their personal circle significantly affecting the operation of their business over the last 12 months, are very low, and very similar to the ones described above with regard to the family. As mentioned earlier about the setting-up stage (Section 6.3.1), unhelpful behaviours from people within the personal circle towards respondents during the operation of their business were mainly performed by acquaintances that lived in the same *concelho* (Table 6.35).

**Table 6.36: Unhelpful behaviours from people within personal circle in the operation of the business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
Criticizing / trying to dissuade me	40.0	66.7	10	52.6
Refused help when necessary	20.0	0.0	2	10.5
Raising obstacles (legal, ...)	20.0	11.1	3	15.8
Taking advantage	20.0	22.2	4	21.1
Total percentage	100	100		100
Total count	10	9	19	
Chi-square results	n.a.			

n.a. = not applicable

Although referred to by very few respondents, as seen above, some acquaintances *criticized* or *took advantage of business* in the Alto Alentejo, whereas in the Oeste, beside these two situations, acquaintances also *refused to help* business owners when required, and *raised legal problems* (Table 6.36).

**Table 6.37: Influences of unhelpful behaviours from people within personal circle in the operation of the business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
Caused emotional distress /discouragement	50.0	11.1	6	31.6
Made more difficult the setting up business	10.0	22.2	3	15.8
Delayed the whole process	10.0	0.0	1	5.3
Bad publicity has put clients off	10.0	66.7	7	36.8
Prevented business enlargement	20.0	0.0	2	10.5
Total percentage	100	100		100
Total count	10	9	19	
Chi-square results	n.a.			

n.a. = not applicable

In the Oeste unhelpful behaviours caused owners' *emotional distress*, and to a very small extent *prevented business enlargement (by raising legal obstacles)*. In the Alto Alentejo, the main influence was some clients being dissuaded by bad publicity and criticisms to the business (Table 6.37).

### 6.3.2.5 Ranking of behaviours in the operation of the business

As for the setting-up/taking control phase, in the operation of the business helpful behaviours from the family were, by far, the first most important, to most business owners, and helpful behaviours from people within personal circle were second most important (Table 6.38).

**Table 6.38: Ranking of behaviours in the operation of the business**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>Helpful behaviours from family</b>								
Oeste	83	1.13	1.0	85.30				
Alto Alentejo	80	1.00	1.0	78.58				
Total	163	1.09	1.0		3046.0	-1.817	0.069	
<b>Helpful behaviours from personal circle</b>								
Oeste	54	1.81	2.0	50.81				
Alto Alentejo	54	1.96	2.0	58.19				
Total	108	1.89	2.0		1259.0	-1.639	0.101	
<b>Unhelpful behaviours from family</b>								
Oeste	8	2.5	2.5	7.75				
Alto Alentejo	6	2.5	2.0	7.17				
Total	14	2.5	2.0		22.0	-0.280	0.780	
<b>Unhelpful behaviours from personal circle</b>								
Oeste	8	3.25	3.0	10.25				
Alto Alentejo	9	2.75	3.0	7.89				
Total	17	3.0	3.0		26.0	-1.196	0.232	

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r-r value

As mentioned earlier in this chapter, the existence of unhelpful behaviours from the respondent's personal circle was acknowledged by very few respondents. When it existed, unhelpful behaviours from family were ranked mostly as second most important to business' owners, and unhelpful behaviours from personal circle were mainly ranked as 3<sup>rd</sup> most important.

### 6.3.3 THE FUTURE OF THE BUSINESS

All the information presented in this section relates to business owners' perception about expected helpful (perceived social support) and unhelpful behaviours from family or people within personal circle that may significantly affect the business in the near future (over the 3 years following the date the interviews took place).

#### 6.3.3.1 Helpful behaviours from family

**Table 6.39: Perception of help from family in the future of the business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
<b>Will family be of help</b>				
Yes	87.8	86.4	76	87.1
No	12.2	13.6	12	12.9
Total percentage	100	100		100
Total count	90	88	178	
Chi-square results	$\chi^2=0.003^*$ p=0.954			
<b>Who within family will be of most help</b>				
Nuclear family	58.8	71.1	101	64.7
Close family	41.3	28.9	55	35.3
Total percentage	100	100		100
Total count	80	76	156	
Chi-square results	$\chi^2=2.073^*$ p=0.150			
<b>Where will this person be</b>				
In the same <i>concelho</i>	92.6	84.2	139	88.5
In other <i>concelho</i> in the region	4.9	5.3	8	5.1
In other region	2.5	9.2	9	5.7
Abroad	0.0	1.3	1	0.6
Total percentage	100	100		100
Total count	80	76	156	
Chi-square results	n.a.			

n.a. = not applicable

A large majority of respondents in both regions (87%) perceived that family was likely, in the near future, to provide help that would significantly affect their business, especially the nuclear family, living in the same *concelho* as the business owners (Table 6.39).

**Table 6.40: Expected helpful behaviours from family in the future of the business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
Providing emotional support/encouragement	16.7	29.3	35	22.9
Providing practical aid and assistance	42.3	34.7	59	38.6
Sharing business responsibilities/decisions	41.0	36.0	59	38.6
Total percentage	100	100		100
Total count	78	75	153	
Chi-square results	$\chi^2 = 3.511$ p=0.173			

Family was expected to *provide mainly practical aid and assistance*, or even being involved in the *management of the business, sharing responsibilities*. Besides this active involvement in decision making or day-to-day activities, many respondents expected the family to *provide emotional support* (Table 6.40).

**Table 6.41: Expected influences of helpful behaviours from family in the future of the business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
Fundamental to keep confidence and motivation	23.1	27.0	38	25.0
Fundamental to keep business in operation	46.2	55.4	77	50.7
Contribute to business enlargement/improvement	19.2	2.7	17	11.2
Enhance business management and decision making	2.6	4.1	5	3.3
Help to improve financial positioning (reduce costs, increase sales)	9.0	10.8	15	9.9
Total percentage	100	100		100
Total count	78	74	152	
Chi-square results	n.a.			

n.a. = not applicable

Many respondents in both regions considered that help from their family would be *fundamental in keeping the business in operation* in the future (Table 6.41). Help from family was expected to contribute to the owner's *high levels of confidence and motivation*, both essential to keep the business in operation. To some extent help from family was also expected to *help reduce costs with staff*, and therefore to *the improvement of the financial positioning*.

### 6.3.3.2 Helpful behaviours from people within the owner’s personal circle

As a reflection of past experience, more than half of the respondents expected that people within their personal circle, particularly friends, would be of significant help in the near future (Table 6.42). As in previous situations, namely with regard to the operation of business, in the Oeste, respondents expected helpful behaviours from friends living mainly in the same *concelho*, whereas in the Alto Alentejo, respondents expected helpful behaviours from friends living in other regions of Portugal, and to some extent in other *concelhos* within their region. These differences have statistical significance ( $p=0.000$ ) with a medium size effect (Cramers  $V=0.4$ ).

**Table 6.42: Perception of helpful behaviours from people within personal circle in the future of the business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
<b>Will people within personal circle be of help</b>				
Yes	56.7	56.8	101	56.7
No	43.3	43.2	77	43.3
Total percentage	100	100		100
Total count	90	88	178	
Chi-square results	$\chi^2=0.000^*$		$p=1.000$	
<b>Who will be of most help</b>				
Friends	88.2	86.3	89	87.3
Acquaintances	11.8	13.7	13	12.7
Total percentage	100	100		100
Total count	51	51	102	
Chi-square results	$\chi^2=0.000^*$		$p=1.000$	
<b>Where will this person be</b>				
In the same <i>concelho</i>	72.5	49.0	62	60.8
In other <i>concelho</i> in the region	21.6	11.8	17	16.7
In other region	5.9	39.2	23	22.5
Total percentage	100	100		100
Total count	51	51	102	
Chi-square results	$\chi^2=16.358$		$df=2$	
	$p=0.000$		Cramers' $V=0.400$	

Contributing to the number of clients, either directly as clients themselves, or publicising the business to other people, was the most expected help from friends, followed by the provision of emotional support (Table 6.43).

**Table 6.43: Expected helpful behaviours from people within personal circle in regard to the future of the business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
Providing emotional support	20.0	17.6	19	18.8
Practical aid and assistance	6.0	5.9	6	5.9
Access to significant information/advice	10.0	2.0	6	5.9
As clients	38.0	25.5	32	31.7
Publicising the business	26.0	49.0	38	37.6
Total percentage	100	100		100
Total count	50	51	101	
Chi-square results	n.a.			

n.a. = not applicable

Help from people within the personal circle, particularly from friends, was expected to contribute mainly to *improve their financial position* (increase of sales), and by some respondents such help was also considered as *fundamental to keep the owners motivation and confidence* in their business (Table 6.44).

**Table 6.44: Expected influences of helpful behaviours from people within personal circle**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
Fundamental to keep confidence and motivation	17.6	15.7	17	16.7
Fundamental to keep business in operation	2.0	2.0	2	2.0
Contribute to business enlargement/improvement	11.8	2.0	7	6.9
Enhance business management and decision making	3.9	5.9	5	4.9
Help improve financial positioning (reduce costs, increase sales)	64.7	74.5	71	69.6
Total percentage	100	100		100
Total count	51	51	102	
Chi-square results	n.a.			

n.a.=not applicable

### 6.3.3.3 Unhelpful behaviours from the family

Very few respondents had the perception that the family would, in the future, be unhelpful, in any way, towards the business. This accord with the tendency of previous sections (setting up stage and operation of the business). When unhelpful

behaviours were expected, *nuclear family* members (spouse and children) were more often referred to as being responsible for that (Table 6.45).

**Table 6.45: Perception of unhelpful behaviours from family in the future of the business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
<b>Will family be unhelpful or obstructive</b>				
Yes	7.8	4.5	11	6.2
No	92.2	95.5	167	93.8
Total	100	100		100
Total count	90	88	178	
Chi-square results	$\chi^2 = 0.341$ p=0.559			
<b>Who within family will be most unhelpful</b>				
Nuclear family	57.1	75.0	7	63.3
Close family	42.9	25.0	4	36.4
Total percentage	100	100		100
Total count	7	4	11	
Chi-square results	n.a.			
<b>Where will this person be</b>				
In the same <i>concelho</i>	100.0	75.0	10	90.9
In other region	0.0	25.0	1	9.1
Total percentage	100	100		100
Total count	7	4	11	
Chi-square results	n.a.			

n.a. = not applicable

Those respondents expecting unhelpful behaviour from their family considered that the family might fail to give them assistance or to look after the business when necessary, or the family might be unhelpful or obstructive by complaining about the owners' lack of attention/time to dedicate to them (Table 6.46).

**Table 6.46: Expected unhelpful behaviours from family in regard to the future of the business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
Criticizing / trying to dissuade me	14.3	0.0	1	9.1
Failing to help / look after business	57.1	25.0	5	45.5
Complain about lack of attention/time	28.6	50.0	4	36.4
Causing problems	0.0	25.0	1	9.1
Total percentage	100	100		100
Total count	7	4	11	
Chi-square results	n.a.			

n.a. = not applicable

**Table 6.47: Influences of expected unhelpful behaviours from family in the future of the business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
Caused emotional distress	42.9	50.0	5	45.5
Makes more difficult the future	28.6	25.0	3	27.3
Business might be sold/close down	28.6	25.0	3	27.3
Total percentage	100	100		100
Total count	7	4	11	
Chi-square results	n.a.			

n.a. = not applicable

The main influences owners expected to come out of those behaviours were *emotional distress* and *making the operation in the future more difficult*. It was also possible, according to a few respondents that the *businesses might have to be sold or closed down* (Table 6.47).

#### 6.3.3.4 Unhelpful behaviours by people within the personal circle

**Table 6.48: Perception of unhelpful behaviours from people within personal circle in relation to the future of the business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
<b>Will people within personal circle be unhelpful/obstructive</b>				
Yes	2.3	5.7	7	4.0
No	97.7	94.3	169	96.0
Total percentage	100	100		100
Total count	88	88	176	
Chi-square results	n.a.			
<b>Who will be most unhelpful</b>				
Acquaintances	100.0	100.0	7	100.0
Total percentage	100	100		100
Total count	2	5	7	
Chi-square results	n.a.			
<b>Where will this person be</b>				
In the same <i>concelho</i>	100.0	100.0	7	100.0
Total percentage	100	100		100
Total count	2	5	7	
Chi-square results	n.a.			

n.a. = not applicable

Answers about the possibility of people within the personal circle being unhelpful or obstructive in the future are similar to the ones about the family, although even

fewer people expected that to happen. Acquaintances living in the area were the only ones expected to behave in such way, and only by a very few respondents (Table 6.48).

**Table 6.49: Expected unhelpful behaviours from people within personal circle in relation to the future of the business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
Criticizing me/the business	50.0	80.0	5	71.4
Raising obstacles (legal. ...)	50.0	20.0	2	28.6
Total percentage	100	100		100
Total count	2	5	7	
Chi-square results	n.a.			

n.a. = not applicable

Expected behaviours concern *expressing criticism* or *raising obstacles* to their business (Table 6.49) and the possible influences are some difficulties in the management of businesses or some clients being discouraged (Table 6.50).

**Table 6.50: Influences of expected unhelpful behaviours from people within personal circle upon the future of the business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
Makes more difficult the management of business	50.0	20.0	2	28.6
Bad publicity puts clients off	50.0	80.0	5	71.4
Total percentage	100	100		100
Total count	2	5	7	
Chi-square results	n.a.			

n.a. = not applicable

### 6.3.3.5 Ranking of behaviours in the future of business

The ranking of the expected behaviours from family and people within personal circle, in the future is similar to the previous periods (setting up and operation). Helpful behaviours from family are ranked almost exclusively as the first most important and helpful behaviours from people within personal circle are ranked mainly as 2<sup>nd</sup> most important (Table 6.51).

**Table 6.51: Ranking of behaviours in relation to the future of the business**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>Helpful behaviours from family</b>								
Oeste	81	1.12	1.0	80.75				
Alto Alentejo	76	1.07	1.0	77.13				
Total	157	1.10	1.0		2936.0	-1.010	0.312	
<b>Helpful behaviours from personal circle</b>								
Oeste	52	1.87	2.0	48.37				
Alto Alentejo	48	1.96	2.0	52.81				
Total	100	1.91	2.0		1137.0	-1.173	0.241	
<b>Unhelpful behaviours from family</b>								
Oeste	7	2.14	2.0	5.71				
Alto Alentejo	3	2.00	2.0	5.00				
Total	10	2.10	2.0		9.000	-0.371	0.711	
<b>Unhelpful behaviours from personal circle</b>								
Oeste	2	3.0	3.0	5.50				
Alto Alentejo	8	3.0	3.0	5.50				
Total	10	3.0	3.0		8.000	0.000	1.000	

*N*=cases, *M*=mean, *Md*=median; *MR*=mean rank; *U*=MannWhitney *U*; *z*=*z* value; *p*=probability; *r*-*r* value

Very few respondents expected unhelpful behaviours from their personal circle members, and the ones who did, ranked these behaviours as 2<sup>nd</sup> most important, when performed by family members, and as 3<sup>rd</sup> most important to their businesses, when performed by people within personal circle (Table 6.51).

## 6.4 CONCLUSIONS

The context of the businesses is similar in both regions with regard to some aspects, namely owners' profile but different with regard to others aspects like education and social embeddedness and the way respondents became owners of the business. In the Oeste more businesses were inherited, a fact that seems to have an influence in other context related aspects, namely acting as a determinant of business ownership and business location. However, and regardless of some differences, most respondents in both regions considered themselves well embedded in the local community, which has positively affected the setting-up or taking control of the businesses, allowing them a better knowledge of the people and of the place, making the whole process a lot easier.

The owners' personal networks (family and friends) were acknowledged as positively affecting the businesses, giving owners the access to many of the

resources and conditions necessary to the setting-up/taking control of the businesses. The high percentage of business inheritances and family properties that had been essential conditions to current business existence and location are good examples of that. The family plays the most important role, in different moments and in many ways. In the setting up family has provided emotional support and encouragement, practical aid and assistance and shared business responsibilities. In addition, to a lesser extent, the family has also provided access to important information and financial support. Supportive behaviours from family have been fundamental to owner's confidence and motivation, who consider that without the family the business would not exist.

In the operation, the main helpful behaviour from family has been the provision of practical aid and assistance. Emotional support was also recognised as being important, but not as much as in the setting up phase. Family has also been important in sharing business responsibilities, enhancing management decisions, and helping the owners to keep confident and motivated. These behaviours are also the ones expected to significantly affect the business in the future, and considered as fundamental to keep business in operation. Friends are the people within personal circle who provided the most significant help to business owners in the setting up phase, providing mainly emotional support, access to significant information, and were also clients. In the setting up phase help from friends mainly increased the owner's level of confidence and motivation, but in subsequent phases, the main help was as clients or publicising the business, and the consequences will be mostly about increasing sales and, therefore in economic benefits. In addition, to a lesser extent, emotional support was also provided by friends, and was considered as important, contributing to the owner's level of confidence, and motivation to go forward with the business.

Personal network members who helped business owners lived mostly close by (same concelho). Physical closeness seems to be associated with provision of help to business owners which, for instance in the provision of aid and assistance, is totally understandable. People can be more often of help and with a more immediate response to business owners' needs when they are within a short

distance. Nonetheless, business owners in the Alto Alentejo tend to have more friends living outside their concelho who are of help, namely publicizing the business. It might be worth to mention that more people in the Alto Alentejo started their own business, or bought, than in the Oeste, where inheritances are more frequent. Moreover, in the Alto Alentejo, more people moved to the place where businesses are located, because of the business itself, or because wanted to live there and the business was a consequence of that.

Overall, this chapter's results indicate that social relationships play an important role in the setting up and management of tourism businesses in rural areas, being the family and friends of particular relevance, in the provision of helpful behaviours. The existence of people that help business owners, either emotionally or by providing practical aid and assistance was, in many situations, the reason behind the business existence. Personal network members give access to the necessary resources, and ensure success both at the business level and personal level, contributing to owner's motivation and self confidence. According to the respondents' perception, unhelpful behaviours are not frequent, and inherent consequences overall, have little influence in their business initiative, or at least do not cause any serious or significant obstacles.

Whereas this chapter has described how business owners consider their personal network has affected their businesses, based on their own words (free recall), next chapter describes the owner's perception about specific behaviours and its consequences. Specific behaviours and consequences, identified through the literature review and exploratory qualitative stage, were included in the questionnaire, and submitted for respondent's recognition.

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## **CHAPTER 7 OWNERS' PERCEPTIONS OF SPECIFIED BEHAVIOURS BY MEMBERS OF THEIR PERSONAL NETWORK (RECOGNITION)**

### **7.1 INTRODUCTION**

This chapter describes the owners' perception about specific behaviours from family and people within their personal circle towards themselves or towards the business, as well as about specified consequences attributed to those behaviours. As explained in the Methodology (Chapter 5, Section 5.5.7), data described in this chapter has been collected based on recognition, as opposed to the data presented in Chapter 6, which was based on free-recall. Respondents were presented a set of behaviours and respective consequences, and they had to say to what extent they experienced such behaviours from family and people within their personal circle. Additionally, if behaviours had been recognised, respondents had to say who within their family and who within their personal circle, stands out as behaving in such ways. Finally, respondents were asked if they would recognise the outcomes of those behaviours within the list of hypothesized consequences (details described in Chapter 5).

Results will be presented according to the structure of the questionnaire. First, the results of the 6 hypothesized types of helpful behaviours, and respective consequences are presented, followed by the analysis of results referring to the 6 unhelpful behaviours. For each hypothesized type of behaviour, data about the two groups of people anticipated as being significant to the business owner, family and people within personal circle will be analysed separately. As described in previous chapter (Chapter 6) two groups of people are retained both for family (i.e. nuclear family and close family) and for people within personal circle (i.e. friends and acquaintances). Answers about frequency of behaviours ranged from 0 (did not happen) to 4 (happened a lot), and answers about consequences of those behaviours ranged also from 0 (not at all) to 4 (a great deal).

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## **7.2 HELPFUL BEHAVIORS FROM PERSONAL NETWORK MEMBERS**

As described in the methodology (Chapter 5), based on the literature review and on exploratory interviews results, 6 types of helpful behaviours, hypothesized as six types of support, were identified, and operationalised through 3 specific situations each. Data presented in this section follows the same organisation, based on the same six types of hypothesized support: emotional support; discussion of important matters; giving access to relevant information, giving access to relevant people, giving access to financial support, providing aid and assistance. The underlying behaviours will be submitted to factor analysis and its results, presented later in Section 7.4, will determine the final list of proposed types of support.

For each type of helpful behaviours, 3 consequences have also been anticipated (details in Section VI and VII of the questionnaire), and respondents were asked about the extent to which the hypothesized behaviours gave rise to those consequences. Results of the answers to both behaviours and consequences are described next.

### **7.2.1 EMOTIONALLY SUPPORTIVE BEHAVIOURS**

The provision of emotional support has been acknowledged both from family as well as from people within personal circle as has been widely acknowledged. The results based on recognition are described next.

#### **7.2.1.1 Emotionally supportive behaviours from family**

In the previous chapter (Chapter 6), the role of the family as providers of emotional support, in different stages of the business venture, has already been *recalled* by most respondents, with significant consequences to the business venture and business owner.

**Table 7.1: Family members as providers of emotional support**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
<b>Comforted me when I was worried about my business</b>				
Nuclear family	48.1	57.1	85	52.8
Close family	51.9	42.9	76	47.2
Total percentage	100.0	100.0		100.0
Total count	77	84	161	
Chi-square results	$\chi^2=0.992^*$ p=0.271			
<b>Giving me encouragement to go forward with my business</b>				
Nuclear family	42.0	54.8	80	48.5
Close family	58.0	45.2	85	51.5
Total percentage	100.0	100.0		100.0
Total count	81	84	165	
Chi-square results	$\chi^2=2.212^*$ p=0.120			
<b>Showing trust in my business</b>				
Nuclear family	42.0	55.2	85	48.6
Close family	58.0	44.8	90	51.4
Total percentage	100.0	100.0		100.0
Total count	88	87	175	
Chi-square results	$\chi^2=2.515^*$ p=0.097			

Overall, based on recognition, through closed questions about pre-identified situations, respondents have also widely acknowledged the emotionally supportive behaviours from family. The vast majority of respondents acknowledged that family had comforted them when there were worries about business, had given encouragement to go forward, and showed trust in the business initiative.

**Table 7.2: Family's behaviours that provided emotional support**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>Comforting me when I was worried about my business</b>								
Oeste	90	2.83	3.0	81.81				
Alto Alentejo	90	3.33	4.0	99.19				
Total	180	3.08	4.0		3267.5	-2.470	0.014	0.184
<b>Giving me encouragement to go forward with my business</b>								
Oeste	90	3.09	4.0	84.26				
Alto Alentejo	90	3.36	4.0	96.74				
Total	180	3.22	4.0		3488.5	-1.813	0.077	
<b>Showing trust in my business</b>								
Oeste	90	3.38	4.0	84.61				
Alto Alentejo	90	3.52	4.0	96.39				
Total	180	3.45	4.0		3159.5	-1.770	0.077	

N=cases, M=mean, Md=median; MR=mean rank; U=MannWhitney U; z=z value; p=probability; r-r value

The behaviours associated with emotional support were acknowledged by almost all respondents and they were considered as having happened quite a lot (mean values around 3 out of 4, as in Table 7.2). The difference between both regions regarding the behaviour comforting business owners when they were worried about the business is statistically significant ( $p=0.014$ ), but the effect size of the observed differences is small ( $r=0.184$ ). The null hypothesis is therefore rejected in relation to this behaviour in particular

**Table 7.3: Family comforted me when I was worried about my business**

	N	Scale range: 0=not at all to 4=happened a lot				
		0	1	2	3	4
Oeste	90	14.4	2.2	16.7	18.9	47.8
Alto Alentejo	90	6.7	1.1	6.7	23.3	62.2
Total	180	10.6	1.7	11.7	21.1	55,0

It can be seen in Table 7.3 that in the Alto Alentejo region more respondents have expressed this behaviour as happening a lot, whereas in the Oeste, fewer respondents recognized having experienced those behaviours. The anticipated consequences of emotionally supportive behaviours from family were, as stated in Table 7.4, related to feeling more confident, keep motivation and dealing with operational difficulties. Most respondents perceived, to a reasonable extent, the hypothesized consequences as the actual result of emotionally supportive behaviours from their family (all mean values are above 3 and median values around 4).

**Table 7.4 Consequences of emotionally supportive behaviours from family**

	N	M	Md	MR	U	z	p	r
<b>To feel more confident about my business when there were difficulties</b>								
Oeste	88	3.25	4.0	86.47				
Alto Alentejo	88	3.34	4.0	90.53				
Total	176	3.30	4.0		3693.5	-0.588	0.557	
<b>To remain motivated during the establishment phase of the business</b>								
Oeste	88	3.20	3.0	81.47				
Alto Alentejo	88	3.51	4.0	95.71				
Total	176	3.36	4.0		3237.5	-2.100	0.036	0.158
<b>To deal with operational difficulties</b>								
Oeste	88	3.09	3.5	84.27				
Alto Alentejo	88	3.30	4.0	92.73				
Total	176	3.19	4.0		3500.0	-1.215	0.224	

N=cases, M=mean, Md=median; MR=mean rank; U=MannWhitney U; z=z value; p=probability; r-r value

Nonetheless, according to Mann-Whitney results (Table 7.4), business owners from each region perceive differently the contribution of emotional support from family to their level of motivation during the establishment phase ( $p=0.036$ ). The effect size though is small ( $r=0.158$ ).

**Table 7.5: Family helped to remain motivated in the establishment phase**

	N	Scale range: 0=not at all to 4=a great deal				
		0	1	2	3	4
		%				
Oeste	88	3.4	2.3	13.6	31.8	48.9
Alto Alentejo	88	0.0	2.3	6.8	28.4	62.5
Total	176	1.7	2.3	10.2	30.1	55.7

N=cases, M=mean, Md=median; MR=mean rank; U=MannWhitney U; z=z value; p=probability; r-r value

In the Alentejo more business owners perceived such influence to be of a great deal whereas in the Oeste, it is perceived more often as being of a limited extent, or not at all (Table 7.5).

**Table 7.6: Overall importance of emotional support from family**

	N	M	Md	MR	U	z	p	r
Oeste	90	3.34	4.0	85.48				
Alto Alentejo	90	3.54	4.0	95.52				
Total	180	4	4.0		3598.5	-0.877	0.380	

Overall, respondents considered that emotionally supportive behaviours and their respective consequences have been very important to their business (median 4 in both regions) (Table 7.6).

### 7.2.1.2 Emotionally supportive behaviours from people within the owner's personal circle

Overall the majority of respondents have acknowledged emotionally supportive behaviours from people within their personal circle, mainly friends (Table 7.7).

**Table 7.7: Emotionally supportive behaviours from people within personal circle**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
<b>Comforting me when I was worried about my business</b>				
Friends	94.8	91.1	106	93.0
Other acquaintances	5.2	8.9	8	7.0
Total percentage	100	100		100.0
Total count	55	51	114	
Chi-square results	n.a.			
<b>Giving me encouragement to go forward with my business</b>				
Friends	94.4	88.1	119	91.5
Other acquaintances	5.6	11.9	11	8.5
Total percentage	100	100		100
Total count	71	59	130	
Chi-square results	$\chi^2=1.615$ $p=0.224$			
<b>Showing trust in my business</b>				
Friends	95.8	91.5	122	93.8
Other acquaintances	4.2	8.5	8	6.2
Total percentage	100	100		100
Total count	88	87	175	
Chi-square results	n.a.			

n.a. = not applicable

As illustrated in Table 7.8, emotionally supportive behaviours from friends (and others acquaintances) did not happen very often (Table 7.4), and there are differences about how frequent these behaviours were.

**Table 7.8: Consequences of emotional support from people within personal circle**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>Comforting me when I was worried about my business</b>								
Oeste	90	1.97	2.0	92.96				
Alto Alentejo	90	1.81	2.0	87.08				
Total	180	1.89	2.0		3742.0	-0.789	0.430	
<b>Giving me encouragement to go forward with my business</b>								
Oeste	90	2.53	3.0	99.06				
Alto Alentejo	90	2.01	3.0	81.94				
Total	180	2.27	3.0		3280.0	-2.287	0.022	0.170
<b>Showing trust in my business</b>								
Oeste	90	2.59	3.0	96.56				
Alto Alentejo	90	2.16	3.0	84.44				
Total	180	2.37	3.0		3504.5	-1.632	0.103	

N=cases, M=mean, Md=median; MR=mean rank; U=MannWhitney U; z=z value; p=probability; r-r value

Friends only occasionally comforted business' owners when they were worried about their businesses, whereas giving encouragement to go forward with

business and showing trust in business were more frequent behaviours from friends in both regions. Chi-square results reveal that differences between regions are statistically significant with regard to giving encouragement ( $p=0.022$ ), although the size effect is small ( $r=0.170$ ).

**Table 7.9: People within personal circle encouraged to go forward with the business**

	N	Answers range: from 0=not at all to 4=happened a lot				
		0	1	2	3	4
		%				
Oeste	90	21.1	5.6	11.1	23.3	38.9
Alto Alentejo	90	34.4	6.7	4.4	32.2	22.2
Total	180	27.8	6.1	7.8	27.8	30.6

In Oeste more respondents have perceived this behaviour as happening a lot, and in the Alto Alentejo fewer respondents had friends giving encouragement. The anticipated consequences of emotionally supportive behaviours from people within the personal circle are also perceived as having been experienced by many respondents.

**Table 7.10: Consequences of emotionally supportive behaviours from people within personal circle**

	N	M	Md	MR	U	z	p	r
<b>To feel more confident about my business when there were difficulties</b>								
Oeste	75	2.55	3.0	68.75				
Alto Alentejo	67	2.64	3.0	74.58				
Total	142	2.59	3.0		2306.0	-0.887	0.375	
<b>To remain motivated during the establishment phase of the business</b>								
Oeste	75	2.60	3.0	66.87				
Alto Alentejo	67	2.79	3.0	76.68				
Total	142	2.69	3.0		2165.5	-1.484	0.138	
<b>To deal with operational difficulties</b>								
Oeste	75	2.07	2.0	72.02				
Alto Alentejo	67	2.00	2.0	70.92				
Total	142	2.04	2.0		2473.5	-0.164	0.870	

N=cases, M=mean, Md=median; MR=mean rank; U=MannWhitney U; z=z value; p=probability; r-r value

These behaviours have helped business owners to feel more confident in times of difficulties and to remain motivated during the establishment phase, but have not helped them to deal with operational difficulties (Table 7.10). Overall, the respondent's perception is that emotional support from people within their personal circle has been moderately important to their business (Table 7.11).

**Table 7.11: Overall importance to business of emotional support from people within personal circle**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
Oeste	90	2.34	3.0	93.22				
Alto Alentejo	90	2.17	2.5	87.78				
Total	180	2.26	3.0		3805.0	-0.479	0.470	

N=cases, M=mean, Md=median; MR=mean rank; U=MannWhitney U; z=z value; p=probability; r-r value

## 7.2.2 DISCUSSION OF IMPORTANT MATTERS ABOUT BUSINESS

In the previous chapter, the role of personal network (family and friends) in the exchange of information, or giving advice is already acknowledged by respondents based on free recall. Results based on recognition are described below.

### 7.2.2.1 Discussion of important matters with family

**Table 7.12: Family members that helped in the discussion of important matters**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
<b>Giving me advice when I needed to make decisions about the business</b>				
Nuclear family	44.7	63.6	83	54.2
Close family	56.3	36.4	70	45.8
Total percentage	100	100		100
Total count	76	77	153	
Chi-square results	$\chi^2 = 4.769$ $p=0.023$		Phi= -0.190	
<b>Helping me to think through my business problems</b>				
Nuclear family	46.9	60.3	85	53.5
Close family	53.1	39.7	74	46.5
Total percentage	100	100		100
Total count	81	78	159	
Chi-square results	$\chi^2 = 2.332$ $p=0.112$			
<b>Listening when I needed to talk about my business</b>				
Nuclear family	53.6	63.1	98	58.3
Close family	46.4	36.9	70	41.7
Total percentage	100	100		100
Total	84	84	168	
Chi-square results	$\chi^2 = 1.200$ $p=0.273$			

The vast majority of respondents acknowledged the role of the family, both nuclear and close family, in the discussion of important matters (Table 7.12), namely through giving advice when owners needed to make decisions; helping to think through the business and listening to them when they needed. Giving advice when owners need to make decisions about the business was a behaviour with different results in each region ( $p=0.023$ ), more associated to nuclear family in the Alto Alentejo and to close family in the Oeste. The effect size is considered to be small though ( $\phi=0.190$ ) as shown in the Table 7.12.

**Table 7.13: How has family helped in the discussion of important matters**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>Giving me advice when I needed to make decisions about the business</b>								
Oeste	90	2.76	3.0	91.02				
Alto Alentejo	90	2.80	3.0	89.98				
Total	180	2.78	3.0		4003.5	-0.140	0.889	
<b>Helping me to think through my business problems</b>								
Oeste	90	2.91	3.0	91.80				
Alto Alentejo	90	2.83	3.0	89.20				
Total	180	2.87	3.0		3933.0	-0.354	0.723	
<b>Listening when I needed to talk about my business</b>								
Oeste	90	3.14	4.0	90.68				
Alto Alentejo	90	3.14	4.0	90.32				
Total	180	3.14	4.0		4033.5	-0.052	0.952	

N=cases, M=mean, Md=median; MR=mean rank; U=MannWhitney U; z=z value; p=probability; r-r value

All the identified behaviours were quite frequent, particularly listening to owners when they needed to talk about the business (4=happened a lot) (Table 7.13).

**Table 7.14: Consequences of family discussing important matters**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>Make decisions related to the set up phase</b>								
Oeste	87	2.17	2.0	77.33				
Alto Alentejo	87	2.82	3.0	95.89				
Total	172	2.49	3.0		2899.5	-2.557	0.011	0.19
<b>Make difficult decisions related to the operation of the business</b>								
Oeste	87	2.79	3.0	83.09				
Alto Alentejo	87	2.98	3.0	89.99				
Total	172	2.88	3.0		3401.0	-0.958	0.338	
<b>Find ways to reduce costs</b>								
Oeste	87	2.39	3.0	82.99				
Alto Alentejo	87	2.66	3.0	90.09				
Total	172	2.52	3.0		3392.5	-9.67	0.334	

N=cases, M=mean, Md=median; MR=mean rank; U=MannWhitney U; z=z value; p=probability; r-r value

The behaviours from family members, identified above, have contributed to the decision making related to the setting up phase, make difficult decisions and finding ways to reduce costs (Table 7.14). The family participation in the discussion of important matter, has contributed to a greater degree to the decision making in the setting up phase in the Alto Alentejo than in the Oeste ( $p=0.011$ ).

**Table 7.15: Overall importance of family discussing important matters**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
Oeste	90	2.83	3.0	82.23				
Alto Alentejo	90	3.19	4.0	98.77				
Total	180	3.01	3.0		3306.0	-2.282	0.023	0.17

N=cases, M=mean, Md=median; MR=mean rank; U=MannWhitney U; z=z value; p=probability; r-r value

Behaviours related to the discussion of important matters, and the inherent consequences, were considered as having different degrees of importance to businesses in each region, being considered slightly more important in the Oeste than in the Alto Alentejo ( $p=0.023$ ), although with a small effect size ( $r=0.17$ ).

### 7.2.2.2 Discussion of important matters with people within personal circle

**Table 7.16: People within personal circle discussed important matters**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
<b>Giving me advice when I needed to make decisions about the business</b>				
Friends	87.0	87.5	89	87.3
Other acquaintances	13.0	12.5	13	12.7
Total percentage	100	100		100.0
Total count	54	48	102	
Chi-square results	$\chi^2 = 0.000$ $p=1.000$			
<b>Helping me to think through my business problems</b>				
Friends	89.3	91.3	92	90.2
Other acquaintances	10.7	8.7	10	9.8
Total percentage	100	100		100.0
Total count	56	46	102	
Chi-square results	$\chi^2 = 0.000$ $p=0.995$			
<b>Listening when I needed to talk about my business</b>				
Friends	93.4	92.0	103	92.8
Other acquaintances	6.6	8.0	8	7.2
Total percentage	100	100		100.0
Total count	61	50	111	
Chi-square results	$\chi^2 = 0.000$ $p=1.000$			

Overall, the contribution of friends is more frequent than the contribution of acquaintances (Table 7.16) with regard to giving advice when decisions needed to be made, helping to think through the problems and listening when owners needed to talk about the business. People within the personal circle behaved only moderately in the ways specified (Table 7.17).

**Table 7.17: How people within personal circle has helped in the discussion of important matters**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>Giving me advice when I needed to make decisions about the business</b>								
Oeste	90	1.66	2.0	94.54				
Alto Alentejo	90	1.39	1.0	86.46				
Total	180	1.52	1.0		3686.5	-1.095	0.274	
<b>Helping me to think through my business problems</b>								
Oeste	90	1.63	2.0	94.96				
Alto Alentejo	90	1.38	1.0	86.04				
Total	180	1.51	1.0		3648.5	-1.208	0.227	
<b>Listening when I needed to talk about my business</b>								
Oeste	90	1.88	2.0	96.51				
Alto Alentejo	90	1.50	1.0	84.49				
Total	180	1.69	2.0		3509.5	-1.608	0.108	

N=cases, M=mean, Md=median; MR=mean rank; U=MannWhitney U; z=z value; p=probability; r-r value

Behaviours associated with the discussion of important matters, from personal circle were not frequent, and have been identified as contributing minimally to the decision-making related to the setting up phase of business, and to making difficult decisions related to the operation of business. Find ways to reduce costs was the least relevant consequence (Table 7.18).

**Table 7.18: Consequences of discussing important matters with people within personal circle**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>Make decisions related to the set up phase</b>								
Oeste	67	1.62	2.0	61.44				
Alto Alentejo	55	1.67	2.0	62.69				
Total	122	1.64	2.0		1832.0	-0.201	0.841	
<b>Make difficult decisions related to the operation of the business</b>								
Oeste	67	1.70	2.0	61.64				
Alto Alentejo	55	1.69	2.0	61.33				
Total	122	1.70	2.0		1833.0	-0.50	0.960	
<b>Find ways to reduce costs</b>								
Oeste	67	1.48	1.0	63.81				
Alto Alentejo	55	1.27	1.0	58.68				
Total	122	1.39	1.0		1687.5	-0.836	0.403	

N=cases, M=mean, Md=median; MR=mean rank; U=MannWhitney U; z=z value; p=probability; r-r value

Overall, help from people within owner's personal circle, in the discussion of important matters, is perceived as moderately important to their business initiative (Table 7.18).

**Table 7.19: Overall importance of discussing important matters with personal circle**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
Oeste	90	1.68	2.0	93.59				
Alto Alentejo	90	1.51	2.0	87.41				
Total	180	1.59	2.0		3772.0	-0.822	0.411	

N=cases, M=mean, Md=median; MR=mean rank; U=MannWhitney U; z=z value; p=probability; r-r value

### 7.2.3 GIVING ACCESS TO RELEVANT INFORMATION

Giving access to relevant information was also one of the behaviours largely identified by respondents as one of supportive behaviours performed by family, and even more by friends, at different times in their business initiative. The results based on recognition are described next.

#### 7.2.3.1 Family giving access to relevant information

**Table 7.20: Family members giving access to relevant information**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
<b>Telling me where to find information about how to do specific business tasks</b>				
Nuclear family	44.3	66.1	68	55.3
Close family	55.7	33.9	55	44.7
Total percentage	100	100		100
Total count	61	62	123	
Chi-square results	$\chi^2=5.096$ p=0.024		phi=-0.220	
<b>Providing information about important matters (financing, clients)</b>				
Nuclear family	33.3	50.0	51	41.8
Close family	66.7	50.0	71	58.2
Total percentage	100	100		100.0
Total count	60	62	122	
Chi-square results	$\chi^2=2.830$ p=0.093			
<b>Giving me access to privileged/restricted information about business opportunity</b>				
Nuclear family	40.0	50.0	41	45.6
Close family	60.0	50.0	49	54.4
Total percentage	100	100		100
Total count	40	50	90	
Chi-square results	$\chi^2=0.538$ p=0.463			

The family is widely perceived as a provider of relevant information, namely about how to do specific tasks and about important matters. Although to a lesser extent families has also given owners access to privileged/restricted information (Table 7.20)

Both nuclear and close family provided information about how to do specific tasks and give access to privileged/restricted information (Table 7.20). On the other hand telling owners where to find information about how to do specific tasks is perceived in the Oeste as being performed more by close family, and in the Alto Alentejo as being performed more by nuclear family (Chi-square shows differences are statistically significant although with a small effect size ( $p=0.024$ ,  $\phi=0.220$ ) (Table 7.14). Although the majority of respondents have acknowledged that family has given access to relevant information, as detailed above, the extent to which that was done is moderate (or even low in some situations) (Table 7.21).

**Table 7.21: Family gave access to relevant information**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>Telling me where to find information about how to do specific business tasks</b>								
Oeste	90	1.89	2.0	86.29				
Alto Alentejo	89	2.12	3.0	93.75				
Total	179	2.01	2.0		3671.0	-0.992	0.321	
<b>Providing information about important matters (financing, clients)</b>								
Oeste	90	1.88	2.0	87.88				
Alto Alentejo	90	2.00	3.0	92.09				
Total	180	1.94	2.0		3816.5	-0.561	0.575	
<b>Giving me access to privileged/restricted information about business opportunity</b>								
Oeste	90	1.06	0.0	82.05				
Alto Alentejo	90	1.59	1.0	97.86				
Total	180	1.32	1.0		3297.5	-2.185	0.029	0.162

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r=r value

Giving access to privileged/restricted information is the behaviour least likely to be performed by family, revealing the lowest values in both regions, although even lower in the Oeste than in the Alto Alentejo. Such a difference is statistically significant according to the Mann-Whitney results ( $p=0,029$ ) although with a small size effect ( $r=0.162$ ).

**Table 7.22: Consequences of family giving access to relevant information**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>To find new and more efficient ways to operate my business</b>								
Oeste	70	2.41	3.0	71.44				
Alto Alentejo	74	2.43	3.0	73.50				
Total	144	2.42	3.0		2516.0	-0.304	0.761	
<b>To gain a better understanding of/keep up to date with market trends</b>								
Oeste	70	2.49	3.0	71.76				
Alto Alentejo	74	2.54	3.0	73.20				
Total	144	2.51	3.0		2538.5	-0.213	0.831	
<b>To access to special deals /business opportunities</b>								
Oeste	70	2.23	3.0	74.94				
Alto Alentejo	74	2.09	2.0	70.19				
Total	144	2.16	2.0		2419.0	0.702	0.483	

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r=r value

Because of the family's provision of important information, business owners have in general, and to a quite large extent, found new and more efficient ways to manage their businesses, and gained better understanding of market trends (Table 7.22).

Although to a lesser extent, because of important information, they have also accessed special deals and business opportunities. Overall, giving access to important information, and the respective consequences, was considered as being moderately important to businesses (Table 7.23).

**Table 7.23: Overall importance of family giving access to relevant information**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
Oeste	90	2.20	2.0	87.18				
Alto Alentejo	90	2.34	3.0	93.82				
Total	180	2.27	3.0		3751.5	-0.877	0.380	

N=cases, M=mean, Md=median; MR=mean rank; U=MannWhitney U; z=z value; p=probability; r-r value

### 7.2.3.2 People within personal circle giving access to relevant information

When compared to family, fewer respondents have acknowledged people within their personal circle as providers of relevant information through the specified behaviours, and where these existed they were more sporadic (Table 7.24).

**Table 7.24: People within personal circle giving access to important information**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
<b>Telling me where to find information about how to do specific business tasks</b>				
Friends	93.2	91.4	73	92.4
Acquaintances	6.8	8.6	6	7.6
Total percentage	100	100		100.0
Total count	44	35	79	
Chi-square results	n.a.			
<b>Providing information about important matters (financing, clients)</b>				
Friends	27.3	69.1	53	48.2
Acquaintances	72.7	30.9	57	51.8
Total percentage	100	100		100
Total count	55	55	110	
Chi-square results	$\chi^2 = 17.623$ p=0.000		Phi=-0.418	
<b>Giving me access to privileged/restricted information about business opportunity</b>				
Friends	88.9	89.7	58	89.2
Acquaintances	11.1	10.3	7	10.8
Total percentage	100	100		100.0
Total count	36	29	65	
Chi-square results	n.a.			

n.a. = not applicable

Telling owners where to find information about specific tasks and giving owners' access to privileged information was acknowledged by fewer respondents and was performed mostly by friends (Table 7.24).

**Table 7.25: How people within the owner's personal circle gave access to relevant information**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>Telling me where to find information about how to do specific business tasks</b>								
Oeste	90	1.33	0.0	94.60				
Alto Alentejo	89	1.06	0.0	85.46				
Total	179	1.19	0.0		3596.0	-1.307	0.191	
<b>Providing information about important matters (financing, clients)</b>								
Oeste	90	1.57	2.0	89.17				
Alto Alentejo	90	1.63	2.0	91.83				
Total	180	1.60	2.0		3930.0	-0.358	0.720	
<b>Giving me access to privileged/restricted information about business opportunity</b>								
Oeste	90	1.08	0.0	93.59				
Alto Alentejo	90	0.90	0.0	87.41				
Total	180	0.99	0.0		3772.0	-0.928	0.354	

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r=r value

With respect to providing information about important matters, a higher number of respondents, similarly more than half in both regions, acknowledged this

behaviour. However, in the Oeste acquaintances have been acknowledged as mainly responsible for that, whereas in the Alto Alentejo it has been friends. Chi-square tests point to statistically significant differences ( $p=0.000$ ) with medium size effect ( $\phi=0.418$ ). Providing information about important matters was the behaviour whose existence was acknowledged by a higher percentage of respondents, and also as being more frequent. The other two behaviours were acknowledged as more sporadic (Table 7.25).

The three anticipated consequences, being able to find new and more efficient ways to operate the business; gaining a better understanding of/keep up to date with market trends; and access to special deals were moderately perceived by business owners as consequences of having access to important information provided by people within personal circle (Table 7.26).

**Table 7.26: Giving access to relevant information, people within the owner's personal circle helped**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>To find new and more efficient ways to operate my business</b>								
Oeste	63	2.02	2.0	64.26				
Alto Alentejo	58	1.74	2.0	47.46				
Total	121	1.88	2.0		1621.5	-1.095	0.274	
<b>To gain a better understanding of/keep up to date with market trends</b>								
Oeste	63	1.92	1.0	58.23				
Alto Alentejo	58	2.14	2.0	64.01				
Total	121	2.02	2.0		1652.5	-0.930	0.352	
<b>To access to special deals /business opportunities</b>								
Oeste	63	1.49	1.0	59.68				
Alto Alentejo	58	1.59	2.0	62.43				
Total	121	1.54	2.0		1744.0	-0.447	0.655	

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r=r value

Overall, the importance to the business of people within their personal circle giving access to relevant information is considered to be moderate (table 7.27).

**Table 7.27: Overall importance of people within the owner's personal circle giving access to relevant information**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
Oeste	90	1.84	2.0	92.29				
Alto Alentejo	90	1.76	2.0	88.71				
Total	180	1.80	2.0		3888.5	-0.479	0.632	

N=cases, M=mean, Md=median; MR=mean rank; U=MannWhitney U; z=z value; p=probability; r-r value

## 7.2.4 GIVING ACCESS TO OTHER RELEVANT PEOPLE

Giving access to other relevant people was also described as being one of supportive behaviours from personal network. Results based on recognition are presented next.

### 7.2.4.1 Family giving access to other relevant people

The family was considered as a context where business owners could get access to other relevant people by more than 50% of respondents, close family being slightly more likely to do so in both regions and with regard to every anticipated situation (Table 7.28).

**Table 7.28: Family gave access to relevant people**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
<b>Helping me to find the necessary people/services (e.g. carpenter, plumber)</b>				
Nuclear family	40.7	41.7	49	41.2
Close family	59.3	58.3	70	58.8
Total percentage	100	100		100
Total count	59	60	119	
Chi-square results	$\chi^2 = 0.000$ $p=1.000$			
<b>Telling me who to talk to for help with my business</b>				
Nuclear family	43.3	40.4	44	41.9
Close family	56.6	59.6	61	58.1
Total percentage	100	100		100.0
Total count	53	52	105	
Chi-square results	$\chi^2 = 0.013$ $p=0.909$			
<b>Talking to other people to help me with my business</b>				
Nuclear family	37.3	41.2	40	39.2
Close family	62.7	58.8	62	60.8
Total percentage	100	100		100
Total count	51	51	102	
Chi-square results	$\chi^2 = 0.041$ $p=0.839$			

All the situations identified as accessing relevant people were acknowledged by a similar number of respondents in both regions (about half) but helping owners to find the necessary people /services, (e.g., carpenters, plumbers) was the situation

acknowledged as having happened more frequently when compared with the other two (Table 7.29).

**Table 7.29: How the family gave access to other relevant people**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>Z</i>	<i>p</i>	<i>r</i>
<b>Helping me to find the necessary people/services (e.g. carpenter, plumber)</b>								
Oeste	90	1.91	2.0	90.18				
Alto Alentejo	89	1.92	2.0	90.82				
Total	180	1.92	2.0		4021.0	-0.085	0.932	
<b>Telling me who to talk to for help with my business</b>								
Oeste	90	1.64	2.0	91.28				
Alto Alentejo	90	1.54	1.0	88.73				
Total	180	1.59	1.0		3891.0	-0.344	0.731	
<b>Talking to other people to help me with my business</b>								
Oeste	90	1.60	1.0	90.92				
Alto Alentejo	90	1.59	1.5	90.08				
Total	180	1.59	1.0		4012.5	-0.112	0.911	

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r=r value

**Table 7.30: Consequences from family giving access to other relevant people**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>To get more clients for my business</b>								
Oeste	72	2.37	3.0	66.80				
Alto Alentejo	71	2.79	3.0	76.20				
Total	143	2.58	3.0		2187.0	-1.421	0.155	
<b>To access the necessary resources (e.g. staff, services, suppliers of goods)</b>								
Oeste	72	2.46	3.0	72.71				
Alto Alentejo	71	2.38	3.0	71.28				
Total	143	2.42	3.0		2505.0	-0.213	0.832	
<b>To access the necessary financial support</b>								
Oeste	72	1.28	0.0	65.99				
Alto Alentejo	71	1.76	2.0	78.10				
Total	143	1.52	1.0		2123.0	-1.859	0.063	

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r=r value

Another hypothesized consequence was the access to the necessary financial support, but this was acknowledged as a very sporadic consequence of family giving access to other people.

**Table 7.31: Overall importance of family giving access to other relevant people**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
Oeste	90	1.82	2.0	89.96				
Alto Alentejo	90	1.83	2.0	91.04				
Total	180	1.83	2.0		4001.5	-0.143	0.886	

N=cases, M=mean, Md=median; MR=mean rank; U=MannWhitney U; z=z value; p=probability; r=r value

Overall, family members giving access to other relevant person has been moderately helpful to business owners (Table 7.31).

#### 7.2.4.2 People within personal circle giving access to other relevant people

About half of the business owners have acknowledged that people within their personal circles gave them access to people who were, somehow, significant to the business (Table 7.32). Overall, friends were much greater providers of relevant contacts than acquaintances.

Business owners consider the access to other people provided by family was quite relevant in helping them to get more clients and getting access to the necessary resources (e.g., staff, services, suppliers) (medians of 3 in both cases in Table 7.30).

**Table 7.32: People within personal circle giving access to other relevant people**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
<b>Helping me to find the necessary people/services (e.g. carpenter, plumber)</b>				
Friends	90.7	95.3	90	92.8
Acquaintances	9.3	4.7	7	7.2
Total percentage	100	100		100
Total count	54	43	119	
Chi-square results	n.a.			
<b>Telling me who to talk to for help with my business</b>				
Friends	84.6	86.8	77	85.6
Acquaintances	15.4	13.15	13	14.4
Total percentage	100	100		100
Total count	52	38	90	
Chi-square results	$\chi^2 = 0.000$ $p=1.000$			
<b>Talking to other people to help me with my business</b>				
Friends	93.0	89.6	83	91.2
Acquaintances	7.0	10.4	8	8.8
Total percentage	100	100		100.0
Total count	43	48	91	
Chi-square results	$\chi^2 = 0.043$ $p=0.717^*$			

n.a. = not applicable

The 3 behaviours identified as possible ways of giving owners access to other people were acknowledged as happening in a very sporadic way in both regions (Table 7.33).

**Table 7.33: Ways in which people within personal circle gave me access to other relevant people**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>Helping me to find the necessary people/services (e.g. carpenter, plumber)</b>								
Oeste	90	1.63	2.0	96.28				
Alto Alentejo	89	1.28	0.0	84.72				
Total	180	1.46	1.0		3529.5	-1.579	0.114	
<b>Telling me who to talk to for help with my business</b>								
Oeste	90	1.40	1.0	95.22				
Alto Alentejo	90	1.17	0.0	85.78				
Total	180	1.28	0.5		3625.5	-1.306	0.191	
<b>Talking to other people to help me with my business</b>								
Oeste	90	1.18	0.0	86.56				
Alto Alentejo	90	1.43	1.0	94.44				
Total	180	1.31	1.0		3695.0	-1.091	0.275	

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r=r value

The 3 behaviours identified as possible ways of giving owners access to other people were acknowledged as happening in a very sporadic way in both regions (Table 7.34).

**Table 7.34: Consequences from people within personal circle giving access to other relevant people**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>To get more clients for my business</b>								
Oeste	66	2.59	3.0	57.63				
Alto Alentejo	59	2.98	3.0	69.01				
Total	125	2.78	3.0		1591.5	-1.840	0.066	
<b>To access the necessary resources (e.g. staff, services, suppliers of goods)</b>								
Oeste	66	2.15	2.0	64.91				
Alto Alentejo	59	1.95	2.0	60.86				
Total	125	2.06	2.0		1821.0	-0.641	0.521	
<b>To access the necessary financial support</b>								
Oeste	66	0.92	0.0	66.98				
Alto Alentejo	59	0.53	0.0	58.54				
Total	125	0.74	0.0		1684.0	-1.698	0.089	

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r=r value

Similarly to family behaviours, friends giving access to relevant people has contributed quite a lot to getting more clients (mean of 3), and to accessing the necessary resources although to a relatively smaller extent (median of 2). Friends

giving access to relevant people has contributed very little to get financial support (Table 7.34).

**Table 7.35: Overall importance of people within personal circle giving access to other relevant people**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
Oeste	90	1.61	2.0	93.41				
Alto Alentejo	90	1.49	1.0	87.59				
Total	180	1.55	1.0		3788.0	-0.784	0.433	

*N*=cases, *M*=mean, *Md*=median; *MR*=mean rank; *U*=MannWhitney *U*; *z*=*z* value; *p*=probability; *r*=*r* value

Although people within the personal circle, namely friends, are acknowledged as giving access to other relevant people, its importance to business is in general considered as moderate (Table 7.35).

## 7.2.5 GIVING ACCESS TO FINANCIAL SUPPORT

Financial resources are necessarily acknowledged in the literature as a fundamental condition to the setting-up and management of the businesses. Perceptions about the role of the personal network on giving access to financial support, in the ways specified are described next.

### 7.2.5.1 Family giving access to financial support

Business owners in each region have different perceptions about the family as a provider of financial support. Noticeably (according to total counts in Table 7.36) more respondents in the Alto Alentejo considered the family has, at some point in time, provided financial support to their business, in one of the specific ways: loaning money to invest in business; helping owners to get financial support (e.g. guarantor) and investing money in the business (e.g. as partners). In almost every situation, financial support was mostly provided by close family members (parents, siblings and grandparents) (Table 7.36). This might be partly due to the fact that these are the people that most commonly work as guarantors, e.g. for bank loans (at least in Portugal). Nuclear family is about spouse and children who are least likely to be in the position to be considered as possible guarantors, having economic assets in common.

**Table 7.36: How has the family given access to financial support?**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
<b>Loaning me money to invest in my business</b>				
Nuclear family	0.0	19.5	8	11.8
Close family	100.0	80.5	60	88.2
Total percentage				
Total count	n=27	n=60	119	100.0
Chi-square results	$\chi^2 = 4.239$	$p=0.040$	Phi=-0.296	
<b>Helping me to get financial support (e.g. being guarantor for bank credit)</b>				
Nuclear family	8.3	25.7	10	21.3
Close family	91.7	74.3	37	78.7
Total percentage	100	100		100.0
Total count	12	35	47	
Chi-square results	$\chi^2 = 0.741$	$p=0.389$		
<b>Investing money in my business (e.g. as partner in business)</b>				
Nuclear family	11.8	52.0	15	35.7
Close family	88.2	48.0	27	64.3
Total percentage	100	100		100
Total count	17	51	42	
Chi-square results	$\chi^2 = 5.490$	$p=0.019$	Phi=-0.412	

In relation to two of the specified behaviours there are statistically significant differences between regions (Table 7.36). In the Oeste it is close family that most often *loans money*, and in the Alto Alentejo, there are business owners who got that loan from nuclear family as well ( $p=0.040$  and  $\phi=0.296$ ). Close family is also acknowledged in the Oeste region as *investing in the business*, whereas in the Alto Alentejo both nuclear family and close family are equally considered as investors in business ( $p=0.019$ ,  $\phi=0.412$ ).

**Table 7.37: Family provided financial support by**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>Loaning me money to invest in my business</b>								
Oeste	90	1.03	0.0	84.14				
Alto Alentejo	90	1.53	0.0	96.86				
Total	180	1.28	0.0		3478.0	-1.911	0.056	
<b>Helping me to get financial support (e.g. being guarantor for bank credit)</b>								
Oeste	90	0.54	0.0	78.59				
Alto Alentejo	90	1.39	0.0	101.3				
Total	180	0.97	0.0		2989.5	-3.726	0.000	<b>0.27</b>
<b>Investing money in my business (e.g. as partner in business)</b>								
Oeste	90	0.57	0.0	84.67				
Alto Alentejo	90	1.04	0.0	95.27				
Total	180	0.81	0.0		3531.0	-1.849	0.064	

N=cases, M=mean, Md=median; MR=mean rank; U=MannWhitney U; z=z value; p=probability; r-r value

Although the perception is that financial support from family, in general, did not happen very frequently (Table 7.37), with regard to helping owners to get financial support in the Oeste the mean value is statistically significantly lower than in the Alto Alentejo ( $p=0.000$ ) with a medium size effect ( $r=0.27$ ).

**Table 7.38: Consequences from family giving access to financial support**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>To have the necessary money to the set up of business</b>								
Oeste	37	2.65	3.0	43.09				
Alto Alentejo	55	3.04	4.0	48.79				
Total	92	2.88	4.0		891.5	-1.101	0.217	
<b>To have the money to cope with operational costs (e.g. salaries, suppliers) when needed</b>								
Oeste	37	1.27	0.0	39.08				
Alto Alentejo	55	2.13	3.0	51.49				
Total	92	1.78	2.0		743.0	-2.341	0.019	0.197
<b>To make investments and improve the business (e.g. better quality, diversify services)</b>								
Oeste	37	1.46	0.0	40.42				
Alto Alentejo	55	2.18	3.0	50.59				
Total	92	1.89	2.0		792.5	-1.899	0.058	

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r=r value

In both regions, the main consequence of the family's financial support was to get the necessary money to setting up the business. To have the money necessary to cope with operational costs and to make investments and improve the business were consequences similarly acknowledged by fewer respondents, and with less impact upon business (Table 7.38). According to Mann-Whitney results ( $p=0.019$ ), family's financial support has contributed to a greater extent in the Alto Alentejo than in the Oeste, to deal with operational costs. The size effect is small ( $r=0.197$ ).

**Table 7.39: Overall importance of financial support from family**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
Oeste	90	1.27	0.0	81.46				
Alto Alentejo	90	2.02	3.0	99.54				
Total	180	1.64	0.0		3236.0	-2.549	0.011	0.189

N=cases, M=mean, Md=median; MR=mean rank; U=MannWhitney U; z=z value; p=probability; r-r value

The overall perception of the importance of financial support provided by the family is therefore, different in each region ( $p=0.011$  and  $r=0.189$ ). In the Oeste it was perceived as almost insignificant whereas in the Alto Alentejo it is considerably more important (Table 7.39).

### 7.2.5.2 People within personal circle

People within personal circles, mostly friends, have only been acknowledged as providers of financial support by a few business owners (as in Table 7.40). Given the few respondents, the requirements for statistical test were not met. A general overview of results is presented instead.

**Table 7.40: Consequences from people within personal circle giving access to financial support**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>To have the necessary money to the set up of business</b>								
Oeste	14	2.0	2.0	10.07				
Alto Alentejo	8	3.0	3.5	14.00				
Total	22	2.36	2.5		36.000	-1.410	0.158	
<b>To have the money to cope with operational costs (e.g. salaries, suppliers) when needed</b>								
Oeste	14	1.14	0.0	10.25				
Alto Alentejo	8	2.25	3.0	13.69				
Total	22	1.55	0.0		38.500	-1.330	0.184	
<b>To make investments and improve the business (e.g. better quality, diversify services)</b>								
Oeste	14	1.07	0.0	10.57				
Alto Alentejo	8	1.63	1.5	13.13				
Total	22	1.27	0.0		43.000	-0.973	0.330	

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r=r value

In all anticipated ways of providing financial support, the mean values for the frequency of those behaviours are below 1 and median values are 0. Nonetheless, the financially supportive behaviours helped business owners to get the money to setting up the business and to deal with operational costs and to make investments.

**Table 7.41: Overall importance of financial support from personal circle**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
Oeste	90	0.34	0.0	90.79				
Alto Alentejo	90	0.0	0.0	90.21				
Total	180	0.28	0.0		4024.0	-0.151	0.880	

N=cases, M=mean, Md=median; MR=mean rank; U=MannWhitney U; z=z value; p=probability; r-r value

The number of respondents acknowledging people within personal circle as providers of financial support was very small, and the overall perception is that it was not important for their business (Table 7.41).

## 7.2.6 PROVIDING AID AND ASSISTANCE

Considering that many small tourism businesses employ very few people, and are subjected to high seasonality, it was expected that business owners would rely on personal networks to assist them with practical aid and assistance. The results of this enquiry are described next.

### 7.2.6.1 Aid and assistance from family

The majority of business owners acknowledged the family as a provider of aid and assistance in the business context. Behaviours suggested as examples of practical aid to business are acknowledged between 70% and 80% of respondents. As far as who, within the family, has played the most significant role in the provision of practical aid and assistance is concerned, there is quite a balance between close family and nuclear family.

**Table 7.42: Family groups who provided practical aid and assistance**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
<b>Looking after personal things* while I took care of the business</b>				
Nuclear family	55.6	56.3	71	55.9
Close family	44.4	43.8	56	44.1
Total percentage	100	100		100
Total count	63	64	127	
Chi-square results	$\chi^2 = 0.000$ p=1,000			
<b>Providing day-to-day aid and assistance (serving guests, cleaning, and book keeping...)</b>				
Nuclear family	53.2	58.0	82	55.4
Close family	46.8	42.0	66	44.6
Total percentage	100	100		100.0
Total count	79	69	148	
Chi-square results	$\chi^2 = 0.177$ p=0.674			
<b>Looking after the business when I needed to take care of personal things</b>				
Nuclear family	52.1	62.3	80	57.1
Close family	47.9	37.7	60	42.9
Total percentage	100	100		100
Total count	71	69	140	
Chi-square results	$\chi^2 = 1.101$ p=0.294			

In relation to all three examples of behaviours regarding practical aid and assistance from the family, most business owners acknowledged them has having happened a lot (4 out of 4), particularly providing day-to-day aid and assistance with business (e.g. serving guests, cleaning) and looking after business when owners needed to take care of personal things (Table 7.42).

**Table 7.43 How has family provided practical aid and assistance**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>Looking after personal things* while I took care of the business</b>								
Oeste	90	2.38	3.0	89.07				
Alto Alentejo	90	2.51	3.0	91.93				
Total	180	2.44	3.0		3921.5	-0.392	0.695	
<b>Providing day-to-day aid and assistance (serving guests, cleaning, and book keeping...)</b>								
Oeste	90	3.10	4.0	95.24				
Alto Alentejo	90	2.77	4.0	85.76				
Total	180	2.93	4.0		3623.0	-1.377	0.168	
<b>Looking after the business when I needed to take care of personal things*</b>								
Oeste	90	2.73	3.5	89.87				
Alto Alentejo	90	2.76	4.0	91.13				
Total	180	2.74	4.0		3993.0	-0.177	0.860	

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r=r value

The respondents agreed with the hypothesized consequences to businesses of practical aid and assistance behaviours, provided by the family. The specified behaviours have contributed a great deal to keep the business in operation when there were staff shortages and to take care of business and personal things at the same time. These behaviours contributed to a smaller extent though, to reduce the number of non-family employees (Table 7.43).

**Table 7.44: Consequences from family providing aid and assistance**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>To keep the business in operation when there were staff shortages</b>								
Oeste	83	3.16	4.0	86.39				
Alto Alentejo	78	2.73	3.0	75.27				
Total	161	2.95	4.0		2790.0	-1.635	0.102	
<b>To reduce the number of non family employees required</b>								
Oeste	83	2.37	3.0	86.55				
Alto Alentejo	78	1.95	2.0	75.10				
Total	161	2.17	3.0		2776.5	-1.633	0.102	
<b>To take care of business and personal things at same time</b>								
Oeste	83	3.11	4.0	84.16				
Alto Alentejo	78	3.06	3.0	77.63				
Total	161	3.09	4.0		2974.5	-0.971	0.331	

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r=r value

The provision of practical aid and assistance stands out as one of the types of support provided by family members perceived by business owners as very important to their business, in both regions (Table 7.45) with mean values around 3 and median of 4.

**Table 7.45: Overall importance of practical aid and assistance from family**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
Oeste	90	3.27	4.0	95.12				
Alto Alentejo	90	2.97	4.0	85.88				
Total	180	3.12	4.0		3634.5	-1.370	0.171	

N=cases, M=mean, Md=median; MR=mean rank; U=MannWhitney U; z=z value; p=probability; r-r value

### 7.2.6.2 People within the personal circle

Very few respondents acknowledged people within their personal circle as providers of some form of practical aid and assistance. The provision of day-to-day assistance from friends being acknowledged the most (Table 7.46).

**Table 7.46: How people within personal circle provided practical aid and assistance**

	Oeste	Alto Alentejo	Total	
	%	%	<i>N</i>	%
<b>Looking after personal things* while I took care of the business</b>				
Friends	55.6	83.3	15	71.4
Acquaintances	44.4	16.7	6	28.6
Total percentage	100	100		
Total count	9	12	21	
Chi-square results	n.a.			
<b>Providing day-to-day aid and assistance (serving guests, cleaning, book keeping...)</b>				
Friends	85.7	88.9	34	87.2
Acquaintances	14.3	11.1	5	12.8
Total percentage				
Total count	n=21	n=18	39	100.0
Chi-square results	n.a.			
<b>Looking after the business when I needed to take care of personal things</b>				
Friends	64.3	85.7	21	75.0
Acquaintances	35.7	14.3	7	25.0
Total percentage	100	100		100
Total count	14	14	28	
Chi-square results	n.a.			

n.a. = not applicable

Like in many of the situations described above relating to other forms of support, friends are the ones most often referred to, but each behaviour occurred very rarely (mean values all below 1 and median values always 0)

**Table 7.47: Consequences of aid and assistance from people within personal circle**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>To keep the business in operation when there were staff shortages</b>								
Oeste	27	1.93	2.0	23.02				
Alto Alentejo	18	1.94	2.0	22.97				
Total	45	1.93	2.0		242.5	-0.012	0.990	
<b>To reduce the number of non family employees required</b>								
Oeste	27	0.59	0.0	21.28				
Alto Alentejo	18	1.17	0.0	25.58				
Total	45	0.82	0.0		196.5	-1.262	0.207	
<b>To take care of business and personal things at same time</b>								
Oeste	27	1.93	2.0	22.39				
Alto Alentejo	18	2.22	3.0	23.92				
Total	45	2.04	2.0		226.5	-0.397	0.691	

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r=r value

Nonetheless, the few friends who provided aid and assistance have helped to keep the business in operation and to take care of business and personal things at the same time (Table 7.47). Finally, it can be concluded that practical aid and assistance provided by people within personal circle had almost no impact in the reduction of employees in the business.

**Table 7.48: Overall importance of practical aid and assistance from people within personal circle**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
Oeste	90	0.74	0.0	90.72				
Alto Alentejo	90	0.67	0.0	90.28				
Total	180	0.71	0.0		4030.5	-0.069	0.945	

N=cases, M=mean, Md=median; MR=mean rank; U=MannWhitney U; z=z value; p=probability; r-r value

As described above, the number of respondents acknowledging the role of people within personal circle in the provision of practical aid and assistance is quite low, and such support was overall perceived by business owners as having little or no relevance at all, to their business (Table 7.48).

## **7.3 UNHELPFUL BEHAVIOURS FROM PERSONAL NETWORK MEMBERS**

Following the same structure as for helpful behaviours affecting the business (previous section), six different groups of unhelpful/constraining behaviours have been identified: Providing unsolicited help/Interference; Expressing criticism of what was doing in relation to the business; Failing to give assistance with business when asked; Setting conditions with regard to time availability; Setting conditions with regard to financial availability; Taking advantage of my business (Chapter 5, Section 5.5.11)

As will be noted in this section, in many situations the number of respondents acknowledging the existence of the specified behaviours, based on recognition (closed questions) is very low, and statistical tests' requirements (e.g. Chi-square) are often not met, setting conditions with regard to the presentation of the results and tables.

### **7.3.1 GIVING UNSOLICITED HELP/INTERFERING WITH BUSINESS**

The first group of hypothesised unhelpful behaviours is related to people interfering with the business initiative, namely by giving business' owners unsolicited help, and the respective consequences. The results about behaviours from family are presented first, followed by results about behaviours from people within personal circle.

#### **7.3.1.1 Unsolicited help/interference from the Family**

Only a few respondents have acknowledged that someone within the family has behaved in the specified ways of giving unsolicited help/interference: contacting other people with regard to business when I did not want that to happen; giving unsolicited assistance with day-to-day activities; and giving me unsolicited advice or opinion (Table 7.49).

**Table 7.49 Who within the family gave unsolicited help/interfered with business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
<b>Giving me unsolicited/unwanted advice or opinion</b>				
Nuclear family	37.5	32.1	21	35.0
Close family	62.5	67.9	39	65.0
Total percentage	100	100		100
Total count	32	28	60	
Chi-square results	$\chi^2 = 0.026$ $p=0.871$			
<b>Giving me unsolicited/unwanted assistance with day-to-day activities</b>				
Nuclear family	31.6	38.1	14	35.0
Close family	68.4	61.9	26	65.0
Total percentage				
Total count	n=19	n=21	40	100.0
Chi-square results	$\chi^2 = 0.010$ $p=0.921$			
<b>Contacting other people with regard to business when I did not want that to happen</b>				
Nuclear family	37.5	0.0	3	21.4
Close family	62.5	100.0	11	78.6
Total percentage	100	100		100
Total count	8	6	14	
Chi-square results	n.a.			

n.a.= not applicable

As can be seen in Table 7.49, the few respondents who reported these behaviours have mentioned that it came more often from close family.

**Table 7.50: How the family gave unsolicited help/interfered with business**

	N	M	Md	MR	U	z	p	r
<b>Giving me unwanted advice/opinion</b>								
Oeste	89	1.18	0.0	92.10				
Alto Alentejo	89	1.01	0.0	87.93				
Total	179	1.09	0.0		3818.5	-0.636	0.525	
<b>Giving me unwanted assistance with day-to-day activities</b>								
Oeste	90	0.66	0.0	88.88				
Alto Alentejo	90	0.70	0.0	91.11				
Total	180	0.68	0.0		3905.0	-0.392	0.695	
<b>Contacting other people with regard to business when I did not want that to happen</b>								
Oeste	90	0.25	0.0	90.51				
Alto Alentejo	90	0.23	0.0	89.50				
Total	180	0.24	0.0		3960	-0.270	0.787	

N=cases, M=mean, Md=median; MR=mean rank; U=MannWhitney U; z=z value; p=probability; r-r value

Behaviours identified as examples of giving unsolicited help/interfering with business occurred only occasionally (Table 7.50).

**Table 7.51: Consequences from family giving unsolicited help/interfering with business**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>Distressed me emotionally</b>								
Oeste	35	1.34	1.0	35.40				
Alto Alentejo	34	1.35	1.0	34.59				
Total	69	1.35	1.0		581.0	-0.177	0.860	
<b>Given me a sense of losing control over my business</b>								
Oeste	35	0.71	0.0	36.67				
Alto Alentejo	34	0.41	0.0	33.28				
Total	69	0.57	0.0		546.5	-0.930	0.352	
<b>Given other people (e.g. employees, guests, suppliers) a wrong image of business</b>								
Oeste	35	0.0	0.0	33.50				
Alto Alentejo	34	0.24	0.0	36.54				
Total	69	0.12	0.0		542.5	-1.783	0.075	

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r=r value

The main consequence of family giving unsolicited help and interfering with business was owners' emotional distress, but only to a low extent, given mean and median values of 1. Although some respondents have acknowledged the other consequences, the mean and median values indicate little influence on their business experience (Table 7.51).

**Table 7.52: Overall importance of unsolicited help/interference from family**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
Oeste	90	0.93	0.0	96.15				
Alto Alentejo	90	0.67	0.0	84.85				
Total	180	0.80	0.0		3541.5	-1.787	0.074	

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r=r value

The low frequency of unsolicited help/interference behaviours, and the little relevance of the specified consequences, explains the little overall significance to businesses of this type of unhelpful behaviours (Table 7.52).

### 7.3.1.2 People within personal circle

Interfering or giving unsolicited help is something that respondents did not get much from people within their personal circle either.

**Table 7.53: How people within the owner's personal circle who gave unsolicited help/interfered with business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
<b>Giving me unsolicited/unwanted advice or opinion</b>				
Friends	80.6	56.0	39	69.6
Other acquaintances	19.4	44.0	17	30.4
Total percentage	100	100		100
Total count	31	25	56	
Chi-square results	$\chi^2 = 2.896$ $p = 0.089$			
<b>Giving me unsolicited/unwanted assistance with day-to-day activities</b>				
Friends	66.7	83.3	11	73.3
Other acquaintances	33.3	16.7	4	26.7
Total percentage	100	100		100
Total count	9	6	15	
Chi-square results	n/a			
<b>Contacting other people with regard to business when I did not want that to happen</b>				
Friends	25.0	52.9	10	47.6
Other acquaintances	75.0	47.1	11	52.4
Total percentage	100	100		100
Total count	4	17	21	
Chi-square results	n.a.			

n.a.= not applicable

The friends are the ones considered as interfering the most but only to a certain extent when it comes to giving business owners unsolicited advice or express their opinions, and even to lesser extent when comes to giving unsolicited/unwanted assistance, or contacting other people on behalf of business owners without their permission/request. In this last situation friends are not those mainly responsible rather it is acquaintances (Table 7.53). The frequency of such behaviours towards business owners is very low, with mean values below 1 in all but one situation, that has exactly 1 as mean, and median values are always 0.

In spite of the limited number of respondents acknowledging such behaviour, contacting other people without the owner's permission has statistically significant differences between regions ( $p=0.004$ ) with regard to its frequency.

**Table 7.54** How people within the owner's personal circle gave unsolicited help/interfered with business

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>Giving me unwanted advice/opinion</b>								
Oeste	90	1.0	0.0	94.66				
Alto Alentejo	90	0.69	0.0	86.34				
Total	180	0.84	0.0		3676.0	-1.307	0.193	
<b>Giving me unwanted assistance with day-to-day activities</b>								
Oeste	90	0.24	0.0	91.99				
Alto Alentejo	90	0.17	0.0	89.01				
Total	180	0.21	0.0		3916.0	-0.800	0.472	
<b>Contacting other people with regard to business when I did not want that to happen</b>								
Oeste	90	0.13	0.0	84.18				
Alto Alentejo	90	0.39	0.0	96.8				
Total	180	0.26	0.0		3481.5	-2.918	0.004	0.21

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r=r value

The effect size is small and the differences are based on the distribution of answers (Table 7.55) according to the given scale.

**Table 7.55:** How people within the owner's personal circle gave unsolicited help/interfered with business

	<i>N</i>	How have behaviours influenced				
		<i>0</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>
		%				
<b>Contacted other people with regard to business when I did not want that to happen</b>						
Oeste	90	65.6	3.3	6.7	14.4	10.0
Alto Alentejo	90	72.2	3.3	11.1	10.0	3.3
Total	180					

The consequences to the business owner resulting from people within the personal circle giving unsolicited assistance are displayed in Table 7.56.

**Table 7.56** Consequences of people within personal circle giving unsolicited help

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>Distressed me emotionally</b>								
Oeste	32	0.78	0.0	23.02				
Alto Alentejo	34	1.29	1.0	22.97				
Total	66	1.05	1.0		242.5	-0.12	0.990	
<b>Given me a sense of losing control over my business</b>								
Oeste	32	0.25	0.0	21.28				
Alto Alentejo	34	0.44	0.0	25.58				
Total	66	0.35	0.0		196.5	-1.262	0.207	
<b>Given other people (e.g. employees, guests, suppliers) a wrong image of business</b>								
Oeste	32	0.72	0.0	22.39				
Alto Alentejo	34	1.18	0.5	23.92				
Total	66	0.95	0.0		226.5	-0.397	0.691	

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r=r value

Consequences of unsolicited help from people within the owner's personal circle are minimal with regard to personal distress or interfering with their sense of control over business, or even with regard to giving other people a bad/wrong image about the business. In all, except one situation, median values are 0 (Table 7.56).

Overall, people within an owner's personal circle giving unsolicited help to business owners is not very important, but there are significant differences between the regions ( $p=0.046$ ). According to data in Table 7.57, in the Oeste there are more people within the personal circle giving unsolicited help to business owners and its importance (negative impacts) is higher.

**Table 7.57: Importance of people within the owner's personal circle giving unsolicited help/interfering with business**

	N	Importance to business				
		0	1	2	3	4
		%				
Oeste	90	65.6	7.8	10.0	13.3	2.2
Alto Alentejo	90	80.0	4.4	6.7	5.6	3.3
Total count	180					

### 7.3.2 EXPRESSING CRITICISM

This section presents results about owner's recognition of behaviours related to the personal network having expressed criticism about their business initiative. As in previous sections, perceptions about behaviours from family are presented first, followed by perceptions about behaviours from people within personal circle.

#### 7.3.2.1 Criticism from Family

About one third of respondents have acknowledged the family has having expressed criticism towards them, and their business experience. Manifestations of criticism come more often from close family in both regions (Table 7.58).

**Table 7.58: Who within the family expressed criticism**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
<b>Constantly criticizing my business decisions</b>				
Nuclear family	31.3	50.0	20	38.5
Close family	68.8	50.0	32	61.5
Total percentage	100	100		100
Total count	32	20	52	
Chi-square results	$\chi^2 = 1.122$ $p=0.8290$			
<b>Doubting my ability to run my business</b>				
Nuclear family	9.1	27.3	4	18.2
Close family	90.9	72.7	18	81.8
Total percentage	100	100		100
Total count	11	11	24	
Chi-square results	n.a.			
<b>Telling other people bad things about my business</b>				
Nuclear family	0.0	12.5	1	7.1
Close family	100.0	87.5	13	92.9
Total percentage	100	100		100
Total count	6	8	14	
Chi-square results	n.a.			

n.a. = not applicable

The ways the family expressed criticism was by criticizing business decisions, something that was done by more people, and more often in the Oeste (statistically significant differences according to the Mann-Whitney results ( $p=0.036$ , although the effect size is considered to be small ( $r=0.15$ )).

**Table 7.59: How the family expressed criticism towards the business**

	N	M	Md	MR	U	z	p	r
<b>Constantly criticizing my business decisions</b>								
Oeste	90	0.88	0.0	96.53				
Alto Alentejo	90	0.50	0.0	83.54				
Total	180	0.69	0.0		3424.0	-2.095	0.036	0.15
<b>Doubting my ability to run my business</b>								
Oeste	90	0.33	0.0	90.15				
Alto Alentejo	90	0.29	0.0	89.85				
Total	180	0.31	0.0		3991.5	-0.068	0.946	
<b>Telling other people bad things about my business</b>								
Oeste	90	0.15	0.0	89.03				
Alto Alentejo	90	0.17	0.0	90.96				
Total	180	0.16	0.0		3918.5	-0.536	0.592	

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r=r value

The two other ways of criticism taking place was expressing doubts about owners' ability to run the business and telling other people bad things about the business, both situations acknowledged by fewer respondents (Table 7.59) and only very seldom.

**Table 7.60: Consequences from family expressing criticism**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>Reduced my motivation to deal with business issues</b>								
Oeste	32	0.94	0.0	31.06				
Alto Alentejo	25	0.56	0.0	26.36				
Total	57	0.77	0.0		334.0	-1.231	0.218	
<b>Shaken my self-confidence</b>								
Oeste	32	0.71	0.0	28.34				
Alto Alentejo	25	0.76	0.0	28.70				
Total	57	0.73	0.0		382.5	-0.97	0.923	
<b>Held back my willingness to enlarge business</b>								
Oeste	32	0.65	0.0	28.50				
Alto Alentejo	25	0.68	0.0	28.50				
Total	57	0.66	0.0		387.5	0.000	1.00	

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r=r value

Expressing criticism behaviours had little effect upon business owners' self-confidence or motivation to deal with business issues, and did not hold back the owners willingness to invest (Table 7.60).

Therefore, the importance to business of the family expressing criticisms is very insignificant in general, although with slight differences with statistical significance between both regions ( $p=0.007$ ,  $r=0.20$ ) (Table 7.61).

**Table 7.61: Overall importance of family expressing criticism**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
Oeste	90	0.76	0.0	98.74				
Alto Alentejo	90	0.39	0.0	82.26				
Total	180	0.57	0.0		3308.5	-2.710	0.007	0.20

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r=r value

Table 7.62 shows the frequencies of answers, putting in evidence that more people in the Oeste considered that family expressed criticism, with a higher percentage of respondents marking a 0 in the Alto Alentejo (showing that behaviour did not happen, or had no importance).

**Table 7.62: Overall importance to business of family expressing criticism**

	Level of importance					
	N	0	1	2	3	4
		%				
Oeste	90	63.3	16.7	7.8	5.6	6.7
Alto Alentejo	90	82.2	5.6	6.7	2.2	3.3
Total	180	72.8	11.1	7.2	3.9	5.0

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r=r value

### 7.3.2.2 Criticism from people within the owner's personal circle

People within the personal circle expressing criticism was something acknowledged by a quarter of respondents, mostly by criticizing their business decisions or expressing doubts about their ability to run business, or even telling other people bad things about the business (Table 7.63). Friends and acquaintances have both expressed criticism, acquaintances being somewhat more responsible for telling other people bad things about business.

**Table 7.63: People within the owner's personal circle who expressed criticism**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
<b>Constantly criticizing my business decisions</b>				
Friends	69.0	47.1	28	60.9
Acquaintances	31.0	52.9	18	39.1
Total percentage	100	100		100
Total count	29	17	46	
Chi-square results	$\chi^2 = 1.338$ p=0.247			
<b>Doubting my ability to run my business</b>				
Friends	53.3	33.3	13	43.3
Acquaintances	46.7	66.7	17	56.7
Total percentage	100	100		100
Total count	15	15	30	
Chi-square results	$\chi^2 = 0.543$ p=0.461			
<b>Telling other people bad things about my business</b>				
Friends	43.8	15.0	10	27.8
Acquaintances	56.3	85.0	26	72.2
Total percentage	100	100		100
Total count	16	20	36	
Chi-square results	n.a.			

n.a. = not applicable

As for previous unhelpful behaviours, the average frequency of criticism related behaviours is very low (means always below 1 and medians of 0) (Table 7.64).

**Table 7.64: How people within the owner's personal circle expressed criticism**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>Constantly criticizing my business decisions</b>								
Oeste	89	0.63	0.0	96.62				
Alto Alentejo	90	0.36	0.0	84.38				
Total	180	0.49	0.0		3499.0	-2.060	0.039	0.15
<b>Doubting my ability to run my business</b>								
Oeste	90	0.49	0.0	90.98				
Alto Alentejo	90	0.41	0.0	90.02				
Total	180	0.45	0.0		4007.0	-0.187	0.852	
<b>Telling other people bad things about my business</b>								
Oeste	90	0.48	0.0	88.49				
Alto Alentejo	90	0.60	0.0	92.51				
Total	180	0.54	0.0		3869.0	-0.742	0.458	

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r=r value

The only statement with statistical significance ( $p=0.039$ ) regards situations of people criticizing business' owners decisions (with small effect size,  $r=0.15$ ). The Oeste had a higher mean rank, meaning they rated higher the frequency this behaviour took place. As far as the consequences of expressing criticism are concerned, there is an overall perception that the impact upon business of such behaviours in any of the hypothesized ways, namely: shaking owners confidence, reducing the motivation to deal with business or holding back willingness to enlarge business (Table 7.65) is minimal.

**Table 7.65: Consequences from people within personal circle expressing criticism**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>Reduced my motivation to deal with business issues</b>								
Oeste	35	0.34	0.0	31.36				
Alto Alentejo	27	0.44	0.0	31.69				
Total	62	0.39	0.0		467.5	-0.097	0.923	
<b>Shaken my self-confidence</b>								
Oeste	35	0.23	0.0	27.83				
Alto Alentejo	27	0.85	0.0	36.26				
Total	62	0.50	0.0		344.0	-2.326	0.020	0.17
<b>Held back my willingness to enlarge business</b>								
Oeste	35	0.31	0.0	29.66				
Alto Alentejo	27	0.67	0.0	33.89				
Total	62	0.47	0.0		408.0	-1.252	0.211	

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r=r value

The Mann Whitney results show a statistical significant difference between both regions with regard to people within personal circle contributing to shaken

owners' self-confidence through criticism ( $p=0.020$ ). Mean rank is higher in the Alto Alentejo, meaning a higher effect (Table 7.65).

**Table 7.66: Overall importance of people within personal circle expressing criticism**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
Oeste	90	0.94	0.0	97.46				
Alto Alentejo	90	0.71	0.0	83.54				
Total	180	0.83	0.0		3423.5	-2.063	0.039	0.15

N=cases, M=mean, Md=median; MR=mean rank; U=MannWhitney U; z=z value; p=probability; r-r value

Overall respondents consider that people within their personal circle expressing criticism about them and about their business was not important, not causing serious impacts upon their business (Table 7.66).

Nonetheless, the Mann-Whitney results show a significant difference, with small effect size between Oeste and Alto Alentejo ( $p=0.039$ ,  $r=0.15$ ). Frequencies are presented in order to help understand the result. More respondents in the Oeste acknowledge that expressing criticism has some importance to their business (48% have given answers  $>0$ , although mostly 1 and 2) (Table 7.67).

**Table 7.67: Overall importance of criticism from people within personal circle**

	<i>N</i>	Level of importance				
		0	1	2	3	4
Oeste	90	52.2	17.8	16.7	10.0	3.3
Alto Alentejo	90	72.2	3.3	10.0	10.0	4.4
Total	180	62.2	10.6	13.3	10.0	3.9

### 7.3.3 SETTING CONDITIONS WITH REGARD TO FINANCIAL AVAILABILITY

As discussed earlier, financial resources are fundamental to business initiatives. Personal network, namely family, can play an important role providing financial support, as demonstrated by results above (Section 7.2.5), but can also constrain financial availability. The results are discussed next.

### 7.3.3.1 Family setting conditions with regard to financial availability

**Table 7.68: Family members setting conditions with regard to financial availability**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
<b>Refusing to “let me” invest the family’s money in business</b>				
Nuclear family	25.0	0.0	2	20.0
Close family	75.0	100.0	8	80.0
Total percentage	100	100		100
Total count	8	2	10	
Chi-square results	n.a.			
<b>Being at my care and being money consuming (e. g children’s education)</b>				
Nuclear family	0.0	62.5	5	62.5
Close family	0.0	37.5	3	37.5
Total percentage		100		100
Total count	0	8	16	
Chi-square results	n.a.			
<b>Complaining about the money I dedicated to business</b>				
Nuclear family	33.3	71.4	9	47.4
Close family	66.7	28.6	10	52.6
Total percentage	100	100		100
Total count	12	7	19	
Chi-square results	n.a.			

n.a. = not applicable

Very few respondents acknowledged the family as setting conditions with regard to their financial availability, in spite of some variations between regions (Table 7.68). Because the number of cases was too small statistical tests were not presented.

**Table 7.69: How has the family set conditions with regard to financial availability**

	N	M	Md	MR	U	z	p	r
<b>Refusing to “let me” invest the family’s money in business</b>								
Oeste	90	0.18	0.0	93.50				
Alto Alentejo	90	0.04	0.0	87.5				
Total	180	0.11	0.0		3780.0	-1.946	0.052	
<b>Being at my care and being money consuming (e. g children’s education)</b>								
Oeste	90	0.0	0.0	86.50				
Alto Alentejo	90	0.22	0.0	94.50				
Total	180	0.11	0.0		3690.0	-2.885	0.004	0.21
<b>Complaining about the money I dedicated to business</b>								
Oeste	90	0.28	0.0	92.49				
Alto Alentejo	90	0.19	0.0	87.54				
Total	180	0.23	0.0		3783.5	-1.195	0.232	

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r=r value

Similar to the above, and although with few responses, having someone at their care who was money consuming was only acknowledge in the Alto Alentejo, therefore the Mann-Whitney results indicate a significant difference ( $p=0.004$ ) with a small effect size ( $r=0.21$ ). The other two ways of setting conditions with regard to financial availability (refusing to let owners invest family's money in business and complaining about the money they dedicated to business) almost didn't happened either (Table 7.69).

**Table 7.70: Consequences from family setting conditions with regard to money availability**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>Reduced my financial ability money to invest in the business</b>								
Oeste	15	0.60	0.0	15.53				
Alto Alentejo	16	0.81	0.0	16.44				
Total	31	0.71	0.0		113.0	-0.325	0.746	
<b>Delayed my solving business problems (money related issues)</b>								
Oeste	15	0.60	0.0	15.40				
Alto Alentejo	16	0.88	0.0	16.56				
Total	31	0.74	0.0		111.0	-0.445	0.656	
<b>Prevented the growth of my business</b>								
Oeste	15	0.80	0.0	15.43				
Alto Alentejo	16	1.06	0.0	16.53				
Total	31	0.94	0.0		111.5	-0.421	0.674	

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r=r value

The consequences of family setting conditions with regard to financial availability were almost insignificant (median of 0.0) with only one situation registering a mean value above 1 that is preventing the growth of business in the Alto Alentejo (Table 7.70).

**Table 7.71: Overall importance of family setting conditions with regard to financial availability**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
Oeste	90	0.21	0.0	92.86				
Alto Alentejo	90	0.18	0.0	88.14				
Total	180	0.19	0.0		3838.0	-1.196	0.232	

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r=r value

Few respondents acknowledged the family as setting conditions with regard to their financial availability, and the identified consequences are felt only to a small degree. Therefore, the specified behaviours placed little constraint on their business initiative (Table 7.71).

### **7.3.3.2 People within the owner's personal circle setting conditions with regard to financial availability**

Only 3 respondents acknowledged that people within their personal circle as setting conditions with regard to their financial availability therefore the analysis will be minimal. Two people said friends had refused to invest money (of their own) in the business (refusing to be partners in business); no one had a person within their personal circle at their care (which is clearly a subject not applicable to this group of people), and only one respondent had one person complaining about the money invested in business (and that was the girlfriend of the owner, who would not consider her as family yet). Therefore the consequences of this type of behaviours are minimal as well, although those who felt these constraints could argue against, given they have evaluate the level of effect as 3 out of 4.

### **7.3.4 FAILING TO GIVE ASSISTANCE**

The role of personal networks, mostly family, in the provision of assistance has been widely acknowledged in the literature, and demonstrated by this research's results presented so far. Whether lack of assistance from their personal network, on the other hand, is perceived as problematic is described next.

#### **7.3.4.1 Family failed to give assistance**

Few respondents have acknowledged the family failed to give them assistance, and when that existed, these characterised close family members (Table 7.72). The ways people failed to assist business owners (going back on promises of help, refusing to give assistance, and expressing lack of interest) were acknowledged more or less in the same proportion, and in similar ways in both regions.

**Table 7.72: Who within the family failed to give assistance**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
<b>Going back on word after promises of help have been made</b>				
Nuclear family	12.5	0.0	1	7.1
Close family	87.5	100.0	13	92.9
Total percentage	100	100		100
Total count	8	6	14	
Chi-square results	n.a.			
<b>Refused to give assistance when asked (e.g. financial, day-to-day activities, contacts)</b>				
Nuclear family	16.7	20.0	4	18.2
Close family	83.3	80.0	18	81.8
Total percentage	100	100		100
Total	12	10	22	
Chi-square results	n.a.			
<b>Expressed a general lack of interest with business</b>				
Nuclear family	14.3	33.3	5	26.3
Close family	85.7	66.7	14	73.7
Total percentage	100	100		100
Total count	7	12	19	
Chi-square results	n.a.			

n.a. = not applicable

Even accounting for the few affirmative answers, the frequency of such behaviours was low and was perceived as having little or no consequences at all (Tables 7.73, 7.74 and 7.75).

**Table 7.73: How the family failed to give assistance**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>Going back on word after promises of help have been made</b>								
Oeste	90	0.23	0.0	91.03				
Alto Alentejo	90	0.19	0.0	88.97				
Total	180	0.21	0.0		4002.0	-0.287	0.774	
<b>Refused to give assistance when asked (e.g. financial, day-to-day activities, contacts)</b>								
Oeste	90	0.31	0.0	91.07				
Alto Alentejo	90	0.26	0.0	89.93				
Total	180	0.28	0.0		3999.0	-0.252	0.801	
<b>Expressed a general lack of interest with business</b>								
Oeste	90	0.23	0.0	88.23				
Alto Alentejo	90	0.28	0.0	92.77				
Total	180	0.26	0.0		3845.5	-1.097	0.273	

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r=r value

**Table 7.74: Consequences from family failing to give assistance**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>Increased my business costs in terms of employing staff</b>								
Oeste	16	0.50	0.0	257.5				
Alto Alentejo	15	0.40	0.0	238.5				
Total	31	0.45	0.0		118.5	-0.086	0.931	
<b>Made me lose some clients (decreased sales volume)</b>								
Oeste	16	0.31	0.0	246.5				
Alto Alentejo	15	0.40	0.0	249.5				
Total	31	0.35	0.0		110.5	-1.607	0.607	
<b>Made me work more to keep the business in operation</b>								
Oeste	16	1.44	1.0	216.0				
Alto Alentejo	15	2.33	3.0	280.0				
Total	31	1.87	1.0		80.0	-1.635	0.102	

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r=r value

**Table 7.75: Overall importance of family failing to give assistance**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
Oeste	90	0.34	0.0	91.19				
Alto Alentejo	90	0.46	0.0	89.81				
Total	180	0.19	0.0		3987.5	-0.297	0.766	

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r=r value

### 7.3.4.2 People within the owner's personal circle failing to give assistance

Only about 15% of respondents have acknowledged that people within their personal circle failed to give them assistance, and this mostly characterised their friends, and is mostly related with friends who went back on their word after promises of help, failed to assist when business owners needed or demonstrated lack of interest in his business.

**Table 7.76: Consequences from people within the owner's personal circle failing to give assistance**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>Increased my business costs in terms of employing staff</b>								
Oeste	16	0.38	0.0	12.25				
Alto Alentejo	10	1.20	0.0	15.50				
Total	26	0.69	0.0		60.0	-1.351	0.177	
<b>Made me lose some clients (decreased sales volume)</b>								
Oeste	16	0.19	0.0	11.88				
Alto Alentejo	10	0.90	0.0	16.10				
Total	26	0.46	0.0		54.0	-1.992	0.046	0.39
<b>Made me work more to keep the business in operation</b>								
Oeste	16	0.63	0.0	11.00				
Alto Alentejo	10	2.10	2.0	17.50				
Total	26	1.19	0.0		40.0	-2.303	0.021	0.45

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r=r value

The consequences of these behaviours did not have serious impacts on the business owners' experience, although there were small differences (statistically significant according to Mann-Whitney results) (Table 7.76). Business owners in the Alto Alentejo lost marginally more clients than in the Oeste ( $p=0.046$  and  $r=0.39$ ). Because friends failed to help them, owners in the Alto Alentejo also had to work more ( $p=0.021$  and  $r=0.45$ ). The effect size of both differences is medium.

### 7.3.5 TAKING PERSONAL ADVANTAGE OF THE BUSINESS

One of the hypothesised unhelpful behaviours likely to be performed by personal networks that could affect business owners was people somehow trying to take advantage of their business initiative. The results are described in the following sections.

#### 7.3.5.1 Family taking personal advantage of the business

**Table 7.77: How the family tried to take personal advantage of the business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
<b>Asking me to give them/somebody they knew a job</b>				
Nuclear family	4.2	12.5	2	6.3
Close family	95.8	87.5	30	93.8
Total percentage	100	100		100
Total count	24	8	32	
Chi-square results	n/a			
<b>Asking me for discounts (for themselves or for friends)</b>				
Nuclear family	0.0	28.6	2	10.0
Close family	100.0	71.4	18	90.0
Total percentage	100	100		100
Total count	13	5	20	
Chi-square results	n.a.			
<b>Not returning money or equipment they borrowed from my business</b>				
Nuclear family	100.0	100.0	5	100.0
Close family	0.0	0.0	0	0.0
Total percentage	100	100		100
Total count	3	2	5	
Chi-square results	n.a.			

n.a. = not applicable

Close family more often takes personal advantage of the business than nuclear family (in most cases these businesses are family based, with both wife and husband being involved in the business, which in part helps to explain that if any family members try to take advantage it would be others rather than the ones directly involved in the business) (Table 7.77). In general, more people tried to take advantage of businesses in the Oeste than in the Alto Alentejo.

**Table 7.78: How the family took personal advantage of business**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>Asking me to give them/somebody they knew a job</b>								
Oeste	90	0.87	0.0	99.14				
Alto Alentejo	90	0.36	0.0	81.86				
Total	180	0.61	0.0		3272.0	-3.188	0.001	0.007
<b>Asking me for discounts (for themselves or for friends)</b>								
Oeste	90	0.33	0.0	92.76				
Alto Alentejo	90	0.39	0.0	88.24				
Total	180	0.36	0.0		3846.5	-1.004	0.315	
<b>Not returning money or equipment they borrowed from my business</b>								
Oeste	90	0.11	0.0	90.47				
Alto Alentejo	90	0.24	0.0	90.53				
Total	180	0.18	0.0		4047.0	-0.024	0.981	

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r=r value

The behaviours considered as opportunistic (asking me to give them/somebody they knew a job; asking me for discounts; or not returning money or equipment they borrowed from the business) were not frequent (Table 7.78). Mann-Whitney results indicate a statistically significant difference ( $p=0.001$ ) about asking owners to give somebody a job, with a small size effect ( $r=0.007$ ).

**Table 7.79: Consequences of family taking personal advantage of the business**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>Increased my emotional distress through having to deal with those situations</b>								
Oeste	29	0.90	0.0	19.91				
Alto Alentejo	12	1.33	1.0	23.63				
Total	41	1.02	0.0		142.5	-0.977	0.329	
<b>Reduced my profits (e.g. by giving discounts)</b>								
Oeste	29	0.93	0.0	20.66				
Alto Alentejo	12	1.25	0.0	21.93				
Total	41	1.02	0.0		164.0	-0.322	0.788	
<b>Increased the costs of the business (e.g. by giving people a job opportunity)</b>								
Oeste	29	0.90	0.0	21.43				
Alto Alentejo	12	0.83	0.0	19.96				
Total	41	0.88	0.0		161.5	-0.402	0.687	

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r=r value

As a consequence of opportunistic behaviours from family the respondents felt a slight increase in their emotional distress, and felt their profits were slightly reduced. The increase in the operational costs was somewhat even less relevant (Table 7.79). Overall, these behaviours were not causing impacts upon the business or upon business' owners (Table 7.80). Although the Mann-Whitney test results indicate a statistically significant difference between the two regions ( $p=0.019$ ), the effect size is very small ( $r=0.17$ ).

**Table 7.80: Overall importance of family taking advantage of business**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
Oeste	90	0.40	0.0	96.41				
Alto Alentejo	90	0.19	0.0	84.59				
Total	180	0.29	0.0		3518.5	-2.345	0.019	0.17

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r=r value

The differences can be perceived in more detail in Table 7.81, in that more people in the Oeste acknowledged the existence of the behaviour, although they only rated its importance as 1.

**Table 7.81: Overall importance of family taking advantage of business (frequencies)**

	<i>N</i>	Level of importance				
		0	1	2	3	4
<b>Taking advantage of business</b>		%				
Oeste	90	76.7	12.2	6.7	3.3	1.1
Alto Alentejo	90	90.0	4.4	3.3	1.1	1.1
Total	180	83.3	8.3	5.0	2.2	1.1

### 7.3.5.2 People within the owner's personal circle taking advantage of the business

People within the owner's personal circle are more likely to try to take advantage of the business than are family members, particularly in asking for discount and asking for jobs. Not returning money or equipment was reported by very few respondents. Although in the majority of cases it is friends who are responsible for such behaviours, acquaintances were mentioned quite frequently (7.82).

**Table 7.82: People within personal circle who took advantage of business**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
<b>Asking me to give them/somebody they knew a job</b>				
Friends	59.5	72.7	33	62.3
Acquaintances	40.5	27.3	20	37.7
Total percentages	100	100		100
Total count	42	3	53	
Chi-square results	n.a.			
<b>Asking me for discounts (for themselves or for friends)</b>				
Friends	69.8	65.0	43	68.3
Acquaintances	30.2	35.0	20	31.7
Total percentage	100	100		100
Total count	43	20	63	
Chi-square results	$\chi^2 = 0.008$ $p=0.930$			
<b>Not returning money or equipment they borrowed from my business</b>				
Friends	60.0	75.0	6	66.7
Acquaintances	40.0	25.0	3	33.3
Total percentage	100	100		100
Total count	5	4	9	100.0
Chi-square results	n/a			

n.a. = not applicable

The number of respondents acknowledging the existence of opportunistic behaviours from people within their personal circle is very different in the two regions, particularly with regard to asking for jobs (Table 7.82). There are also differences with respect to the frequency of such behaviour, with statistical evidence according to Mann-Whitney results ( $p=0.000$ ,  $r=0.35$ ) (Table 7.83).

**Table 7.83: How people within personal circle took advantage of business**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>Asking me to give them/somebody they knew a job</b>								
Oeste	90	1.18	0.0	105.2				
Alto Alentejo	90	0.34	0.0	75.78				
Total	180	0.76	0.0		2725.5	-4.741	0.000	0.35
<b>Asking me for discounts (for themselves or for friends)</b>								
Oeste	90	1.27	0.0	101.6				
Alto Alentejo	90	0.63	0.0	79.4				
Total	180	0.95	0.0		3051.0	-3.380	0.001	0.25
<b>Not returning money or equipment they borrowed from my business</b>								
Oeste	90	0.12	0.0	90.92				
Alto Alentejo	90	0.17	0.0	90.08				
Total	180	0.14	0.0		4012.0	-0.288	0.773	

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r=r value

As with asking for a job, asking for discounts was reported far more frequently in the Oeste region ( $p=0.001$ ) but with a small effect size ( $r=0.25$ ).

**Table 7.84: Consequences of people within the owner's personal circle taking personal advantage of the business**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>Increased my emotional distress through having to deal with those situations</b>								
Oeste	56	0.87	0.0	40.52				
Alto Alentejo	24	1.00	0.0	40.46				
Total	80	0.91	0.0		671.0	-0.12	0.991	
<b>Reduced my profits (e.g. by giving discounts)</b>								
Oeste	56	0.95	0.0	37.27				
Alto Alentejo	24	1.75	2.0	48.04				
Total	80	1.19	1.0		491.0	-2.023	0.043	0.226
<b>Increased the costs of the business (e.g. by giving people a job opportunity)</b>								
Oeste	56	0.54	0.0	41.58				
Alto Alentejo	24	0.67	0.0	37.98				
Total	80	0.57	0.0		611.5	-0.776	0.438	

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r=r value

The aforementioned behaviours do not have much impact in terms of increasing of owners' emotional distress and in the increase of businesses' operational costs. On the other hand, the impact on the reduction of profits seems higher, with differences between regions ( $p=0.043$  and  $r =0.226$ ). Mean and median of answers denote respondents in Alto Alentejo perceive higher impact (Table 7.84).

### **7.3.6 SETTING CONDITIONS WITH REGARD TO TIME AVAILABILITY TO BUSINESS**

This section analyses results regarding how much personal network has set conditions with regard to business owners time availability to business and, ultimately, their business success.

#### **7.3.6.1 Family setting conditions with regard to time availability of the owner**

There are different scenarios with regard to the way the family behaved in relation to the situations identified as setting conditions with regard to time availability of the owner.

**Table 7.85: Who within the family has set conditions with regard to time availability of the owner**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
<b>Imposing limits to the time I could dedicate to business</b>				
Nuclear family	0.0	100.0	8	72.7
Close family	100.0	0.0	3	27.3
Total percentage				100
Total count	3	8	11	
Chi-square results	n.a.			
<b>Requiring my attention and being money consuming (e. g children's education)</b>				
Nuclear family	52.9	64.7	20	58.8
Close family	47.1	35.3	14	41.2
Total percentage	100	100		100
Total	17	17	34	
Chi-square results	$X^2 = 0.121$ $p=0.727$			
<b>Complained about the time I dedicated to business</b>				
Nuclear family	86.7	96.2	51	91.1
Close family	13.3	3.8	5	8.9
Total percentage	100	100		100
Total count	30	26	56	
Chi-square results	n.a.			

n.a. = not applicable

The family was not considered as imposing limits to the time dedicated to business but there were some cases of the family requiring business owners' attention, and therefore, being time consuming (Table 7.85). On the other hand, one third of respondents considered that the family complained about the time they dedicated to business. These complaints were almost exclusive to the nuclear family (spouse and children, those who are next to business owner and the first being affected by lack of time on his/her part for family duties).

Overall the specified behaviours were very sporadic though, according to the results in Table 7.86. Mean values are very low going as high up as 1, whereas median values are always 0.

**Table 7.86: How has the family set conditions with regard to owner's time availability to business**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>Imposing limits to the time I could dedicate to business</b>								
Oeste	90	0.09	0.0	88.93				
Alto Alentejo	90	0.21	0.0	92.97				
Total	180	0.15	0.0		3827.5	-1.533	0.125	
<b>Requiring my attention and being money consuming (e. g children's education)</b>								
Oeste	89	0.65	0.0	91.19				
Alto Alentejo	90	0.47	0.0	88.82				
Total	180	0.56	0.0		3899.0	-0.442	0.658	
<b>Complained about the time I dedicated to business</b>								
Oeste	90	1.09	0.0	93.55				
Alto Alentejo	90	0.78	0.0	86.49				
Total	180	0.93	0.0		3689.0	-1.105	0.269	

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r=r value

The time constraining situations caused by the family have reduced, to some extent, owners' availability to dedicate to business (Table 7.87).

**Table 7.87: Consequences from family setting conditions to the owner with regard to time available to the business**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>Reduced my availability (time) to dedicate to the business</b>								
Oeste	42	1.30	1.0	37.90				
Alto Alentejo	35	1.60	2.0	41.47				
Total	77	1.44	1.0		683.5	-0.718	0.473	
<b>Delayed my solving business problems (time related issues)</b>								
Oeste	42	0.36	0.0	34.44				
Alto Alentejo	35	0.91	0.0	44.47				
Total	77	0.61	0.0		543.5	-2.462	0.014	0.07
<b>Prevented the growth of my business</b>								
Oeste	42	0.26	0.0	38.29				
Alto Alentejo	35	0.49	0.0	39.86				
Total	77	0.36	0.0		705.0	-0.486	0.627	

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r=r value

The delay in problem solving was occasionally reported in both regions, and there are statistically significant differences ( $p=0.473$ ). In the Alto Alentejo the frequency of behaviour was acknowledged as slightly higher but the effect size is very small ( $r=0.07$ ). To an even lesser extent, setting conditions with regard to time availability of the owner, has prevented the growth of the business (means below 0.5 and median 0).

**Table 7.88: Overall importance of family setting conditions with regard to time availability**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
Oeste	90	0.44	0.0	92.35				
Alto Alentejo	90	0.46	0.0	88.65				
Total	180	0.45	0.0		3883.5	-0.675	0.499	

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r=r value

Situations that set conditions to the owner's time availability have consequences for some respondents as described above, but in general, the specified situations are considered as having, overall, little or no importance at all to the business (Table 7.88).

### 7.3.6.2 People within the owner's personal circle setting conditions with regard to time availability

Very few respondents (5 in total) acknowledged the existence of people, within their personal circle who reduced their ability to dedicate time to the business in the way of imposing limits or requiring their attention. A few more (19% of respondents) acknowledged that friends complained about the time they dedicated to business, meaning less time to spend with them. In spite of the number of respondents acknowledging that behaviour, like the others was only reported infrequently (Table 7.89).

**Table 7.89: Consequences of people within personal circle setting conditions with regard to time availability**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>Reduced my availability (time) to dedicate to the business</b>								
Oeste	22	0.86	0.5	16.91				
Alto Alentejo	14	1.29	1.0	21.00				
Total	36	1.03	1.0		119.0	-1.211	0.267	
<b>Delayed my solving business problems (time related issues)</b>								
Oeste	22	0.09	0.0	16.05				
Alto Alentejo	14	0.71	0.0	22.36				
Total	36	0.33	0.0		100.0	-2.418	0.083	
<b>Prevented the growth of my business</b>								
Oeste	22	0.05	0.0	17.80				
Alto Alentejo	14	0.36	0.0	19.61				
Total	36	0.17	0.0		138.5	-1.049	0.619	

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r=r value

The above referred behaviours have very limited impact upon business owners and the hypothesized consequences are not of significance as can be seen in Table 7.89.

## 7.4 CONCLUSIONS

The first conclusion drawn from this chapter is that, in general, many more respondents acknowledge the existence of the specified helpful behaviours than unhelpful behaviours. Secondly the perception that helpful behaviours anticipated in the questionnaire and used for recognition, match almost entirely, the list of behaviours identified earlier in the questionnaire by business owners, based on free recall. With regard to unhelpful behaviours, such a conclusion cannot be made, mainly because few respondents have acknowledged the existence of unhelpful behaviours, and the list produced based on free recall is very short, although it includes some of the anticipated behaviours submitted to recognition. The family plays the most important role, in every situation, in the provision of the anticipated helpful behaviours when compared to people within personal circle. The family has been particularly acknowledged as providing emotional support, participating in the discussion of important matters and providing practical aid and assistance. These helpful behaviours have been of great support to business owners in the specified ways, and considered to have a great importance to business. The three other helpful behaviours, providing access to important information, important people and financial support, were also acknowledged as being provided by the family but in a more moderate way. The hypothesized consequences, although acknowledged by many respondents were felt to a lesser extent, and as having an overall moderate importance to business.

Within owner's personal circle, the friends also play an important role in the provision of the specified helpful behaviours, but in every situation to a lesser extent than family. Friends' most important support is with regard to provision of emotional support, discussion of important matters and giving access to important people. These behaviours were acknowledged as moderately important to business' owners. Although to a lesser extent, friends have also been

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acknowledged as providing access to important information, a behaviour that is also moderately important to the businesses in the specified ways. Friends were not considered as significant providers of financial support or practical aid and assistance with business, behaviours that, even when exist, are considered of little importance to the business.

With regard to three of the anticipated unhelpful behaviours, family and people within the personal circle have similar positions. About one third of respondents have identified family and the personal circle as having, at some point, provided unsolicited help/interfering or expressed criticism about the business or business owner. The consequences of those behaviours were not significant though and the importance to business is minimal. Even fewer respondents have acknowledged, in similar proportions family and people within the personal circle, as failing to give assistance when necessary and the consequences were just as irrelevant and importance as minimal as the above mentioned unhelpful behaviours. With regard to the 3 other behaviours there are evident differences. Family has moderately been considered as setting conditions with regard to owner's time availability, causing some distress or delays in dealing with business, although with little overall importance. People within the personal circle do not interfere with business owners in this matter, almost at all. This applies also to setting conditions with regard to owner's financial availability. On the other hand people within the owner's personal circle have a more active role than the family in taking advantage of business, by asking for jobs or asking discounts which caused some distress, or reduced profits to some respondents, mainly in the Alto Alentejo, but with little importance to the business.

The next chapter (Chapter 8) provides information concerning the role of social support and social hindrance in the success of the businesses. The results of Principal Component Analysis of helpful and unhelpful behaviours are described, namely the types and levels of support and hindrance. The business owners' perception of the success of their business and of the role their social relationships play in this is also described.

## CHAPTER 8 THE ROLE OF SOCIAL RELATIONSHIPS IN BUSINESS SUCCESS

*Whom we know and whom we can depend on influences our success in life (Fischer 1982, p. 3).*

### 8.1 INTRODUCTION

Ultimately this research aims at understanding the role of social relationships in the process of the setting up and management of tourism related businesses in rural areas (as stated in Chapter 1). According to the initial proposed conceptual framework (Chapter 5) these would be the outcome of more or less complex processes of social interaction between business owners and the people within their personal networks. The consequences of the behaviour of people within the personal networks can be perceived as directly and indirectly affecting the business success. Direct influences come mostly from family (e.g. parents) by creating the businesses and passing them to current owners through inheritance processes. Direct influences are also described in the form of supportive behaviours, practical aid and assistance or financial assistance. Indirect influences can happen through emotional support and encouragement or giving access to important people and information.

So far, the findings, described in Chapter 6 and Chapter 7, have already identified some contributions to the understanding of the role of social relationships in the setting up and management of small tourism business in rural areas. The aim of this chapter is to provide further details with regard to the interrelationship between the owner's personal networks and business success. Firstly, in Section 8.2, the main aspects related to principal component analysis of helpful and unhelpful behaviours are described. Subsequently, in Section 8.3 the respective levels of social support and social hindrance are presented, both from family and from people within personal circle. Information will also be provided about owners level of success, both according to their own perception (free recall), and according to specified measures (recognition) (Section 8.4). Based on these two

sets of results, the analysis of association between levels of success (based on satisfaction with business ownership scale) and levels of social support and social hindrance are presented (Section 8.5). An additional set of results reviews how owners perceive to be the relation between business and personal network (based on the principle of Work-Family Conflict (as described in Chapter 3, Section 3.5.2) and the contribution of social relationships to the business success based on owners' spontaneous perception (free recall).

## **8.2 PRINCIPAL COMPONENT ANALYSIS OF HELPFUL AND UNHELPFUL BEHAVIOURS**

As stated earlier (Chapter 5, Section 5.8.3), data related to perception of helpful and unhelpful behaviours was submitted to Principal Component Analysis (PCA), in order to identify the underlying types of social support and social hindrance. This section aims at describing the main aspects related to PCA procedure and interpretation of the results.

### **8.2.1 PROCEDURES AND ASSUMPTIONS OF PCA**

PCA was run with SPSS, combining recommendations from different authors (Pestana e Gageiro 2000; Tabachnick and Fidell 2007, Field 2009, Pallant 2010). For factor analysis respondents from both regions were used together, making a total of 180 cases. Because in each region there were only 90 cases, the basic requirement of at least 100 cases for FA would rule out doing a factor analysis for each region. The initial solution extraction was based on eigenvalues, and Direct Oblimin was chosen as the rotation solution (rationale for that is described later in this section). General information regarding PCA procedures and general assumptions like the suitability of the data, are discussed first, followed by analysis of components extraction. Descriptive analysis of the components total scores is presented separately for helpful behaviours and for unhelpful behaviours, highlighting the differences and specificities with regard to behaviours from family and from people within personal circle.

### 8.2.1.1 Suitability of the data

In order to use data reduction procedures it is essential to verify the suitability of the data. The indicator most commonly used to verify suitability of the data for PCA is Kaiser-Meier-Olkin's (KMO) measure of sampling adequacy. KMO statistics vary between 0 and 1. Some authors suggest with values greater than 0.6 the sample is accepted as adequate for data reduction (e.g. Pallant, 2010). However, Field (2009) suggests that values between 0.5 and 0.7 are mediocre and values above 0.7 are good for acceptance. In this case, all KMO values are above 0.6, and some even above 0.8, which is considered as good values for the acceptance of data suitability (Table 7.89).

**Table 8.1: KMO and Bartlett's Test for suitability of the data**

	Helpful behaviours		Unhelpful behaviours	
	Family	Personal circle	Family	Personal circle
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0.831	0.840	0.673	0.743
Bartlett's Test of Sphericity				
Approx. Chi-Square	1396.17	1749.304	810.452	626.430
df	153	153	91	66
Sig.	0.000	0.000	0.000	0.000
<b>Nr. of items loading</b>	18	18	14	12
<b>Nr. Cases</b>	180	180	180	180

Bartlett's test tells whether our correlation matrix is significantly different from an identity matrix. If the test is significant, it means that the correlations between the variables are (overall) significantly different from zero. Bartlett's test of sphericity value is 0.000 being significant at the 0.5 level. According to the results presented above, the sample is appropriate for PCA in all four specified situations. In order to confirm suitability of the data, and although there are already good perspectives on that, according to Field (2009) the communalities should also be analysed. With samples of this size (between 100 and 200) results in the 0.5 range should be good enough. For the four situations, almost all communalities were above 0.5. Exception is made by two of the items loading on helpful behaviours from the family: investing money in my business (0.470) and comforting me when needed (0.489), but both were very close to 0.5 though.

The correlation matrix, to be factorable, should include several sizeable correlations  $>0.30$  (Tabachnick and Fidell 2007; Field 2009). When variables have several correlations below 0.3 or above 0.80, deletion should be considered before PCA is run (Field 2009). In the correlation matrices obtained for the four specified scales there are many values between 0.3 and 0.8.

### **8.2.1.2 Components extraction**

Once the suitability of data for PCA has been confirmed, the number of components to retain should be determined. Three elements should be considered with regard to this: a) Kaiser's eigenvalue-greater-than-one rule; b) the scree plot, and c) parallel analysis (Nettemeyer 2003). The rationale underlying Kaiser's eigenvalue-greater-than-one rule is that a given component must account for at least as much variance as can be accounted for by a single item or variable, and number of components should be equal to the number of eigenvalues greater than one (Nettemeyer et al. 2003; Field 2009). The scree plot is the graphical representation of the eigenvalues. By graphing the eigenvalues, the relative importance of each component becomes apparent, with only a few loading high, causing a sharp descent in the curve followed by a tailing off, with an inflexion point informing the number of components to extract (Field 2009).

Parallel analysis (PA) helps determining the adequate number of components to retain, calculating the average eigenvalues for a specified number of randomly generated samples (Nettemeyer 2003; Field 2009; Pallant 2010). After PA is run PCA eigenvalues are compared with criterion values from PA, and if PCA result is higher than PA values, the component number should be accepted, if it is lower, should be rejected (Floyd and Widaman 1995; Gorsuch 1997; Pallant 2010).

### **8.2.1.3 Component rotation**

Rotation assists in the process of interpreting the components retained, presenting a simple structure of the pattern of loadings, in a manner easier to interpret (Pallant 2010). There are two main rotation solutions most often used: orthogonal

and oblique. Although some authors may argue that, in practical terms, the solutions obtained are very similar (e.g. Tabachnick and Fidell 2007) others argue this is worth considering (Field 2009; Pallant 2010). The decision about which rotation solution to use is usually best done *a posteriori* of component extraction, based on the Component Correlation matrix, which contains the correlation coefficients between components. Oblique rotation should be used if there are good reasons to suppose that the underlying components could be related in theoretical terms (Field 2009; Pallant 2010). Field (2009) suggests that when *a priori* there is no certainty about component correlation, both types of rotation could be run. If oblique rotation demonstrates a negligible correlation between the extracted components, then it is reasonable to use the orthogonally rotated solution. If the oblique rotation reveals a correlated component structure, then the orthogonally rotated solution should be discarded.

Based on the literature review, and merely on theoretical grounds, the different types of helpful behaviours, as well as unhelpful behaviours, from personal network are considered to be correlated (given the multidimensionality and multiplexity of the constructs, as demonstrated in Chapter 3, Section 3.3). Therefore Oblique Rotation was the solution adopted.

## **8.2.2 ANALYSIS OF PCA RESULTS**

This section presents a synthesis of the results of PCA procedures for helpful behaviours and unhelpful behaviours, both from family and from people within personal circle. A detailed description of PCA procedures is presented as an appendix (Appendix VII). The outcomes of PCA are described, namely the components extracted, and consequent sub-scales, which correspond to the types of social support and social hindrance, provided by the family and by people within the personal circle, respectively. Because the types of support extracted from helpful behaviours from the family and from helpful behaviours from people within the personal circle have been the same, they are presented as a whole in Section 8.2.2.1. On the other hand, because types of social hindrance extracted from unhelpful behaviours from the family and from people within the

personal circle are different, they are presented in separate sections (Section 8.2.2.2 and 8.2.2.3 respectively).

### 8.2.2.1 PCA of helpful behaviours (both from family and from people within personal circle)

From the analysis of eigenvalues  $>1$ , four components should be retained for helpful behaviours from family, which explain about 62% of the variance (Appendix VII.1). In the same way, for helpful behaviours from people within personal circle, and based on eigenvalues ( $>1$ ), and on the scree plot (appendix VII.2) the same four factor solution was obtained. The list of behaviours are organised according to the four components (sub-scales) solution, which are, for the purpose of further analysis, named as types of support. Variables with the largest loadings are put on top, and influence to a great extent the name of the component/type of support (Table 8.2).

**Table 8.2: Types of support identified**

<i><b>Emotional support</b></i>	<i><b>Informational support</b></i>	<i><b>Financial support</b></i>	<i><b>Practical support</b></i>
Giving me advice when I needed to make decisions	Telling me who to talk to for help me with my business	Loaning me money to invest in my business	Looking after personal things* while I took care of the business
Helping me thinking through my business problems	Talking to other people to help me with my business	Helping me to get financial support	Looking after personal things* while I took care of the business
Listening when I needed to talk about business	Providing me information about important matters	Investing money in my business	Providing day-to-day aid and assistance
Showing trust in business	Helping me to find the necessary people /services		
Giving me encouragement	Giving me access to privileged information about business opportunities		
Comforting me when needed	Telling me where to find information about specific tasks		

The reliability of the proposed sub-scales has been verified through analysis of Cronbach's alpha, and results presented in Table 8.3.

**Table 8.3: Reliability analysis of social support sub-scales**

	<i>Emotional support</i>	<i>Informational support</i>	<i>Financial support</i>	<i>Practical support</i>
Family	$\alpha = 0.847$	$\alpha = 0.829$	$\alpha = 0.702$	$\alpha = 0.781$
People within personal circle	$\alpha = 0.903$	$\alpha = 0.828$	$\alpha = 0.594$	$\alpha = 0.823$

$\alpha$  = Cronbach's alpha

Overall, the four components extracted demonstrate good inter-item correlation and good internal consistency (Cronbach's alpha values always above 0.7, except financial support from people within personal circle with  $\alpha = 0.594$ ).

### 8.2.2.2 PCA of unhelpful behaviours from family

**Table 8.4: Types of hindrance (based on unhelpful behaviours from family)**

<i>Lack of interest</i>	<i>Financial constrains</i>	<i>Interference</i>	<i>Expressing criticism</i>
Refused to give assistance when asked	Not returning money or equipment borrowed from business	Giving me unwanted assistance with day-to-day activities	Doubting my ability to run my business
Expressed a general lack of interest with business	Asking for discounts (for themselves or for friends)	Giving me unwanted advice/opinion	Constantly criticizing my business decisions
Went back on word after promises of help have been made	Being at my care and being money consuming (e. g children's education)	Contacting other people with regard to business when I did not want that to happen	Telling other people bad things about my business
		Imposing limits to the time I could dedicate to business	Refusing to "let me" invest the family's money in business
$\alpha = 0.812$	$\alpha = 0.738$	$\alpha = 0.666$	$\alpha = 0.676$

$\alpha$  = Cronbach's alpha

In the first attempt to run PCA for unhelpful behaviours from family, four items had low correlation (below 0.2), namely: complained about the money I

dedicated to business; asking me to give them/somebody they knew a job; complained about the time I dedicated to business; requiring my attention and being time consuming. These items were excluded from the final list of unhelpful behaviours by the family submitted to PCA. Similar procedures have been identified in the literature (e.g. Wellman and Wortley 1990). PCA was then run for the remaining 14 variables, and factors extracted based on eigenvalues >1 (Appendix VII.3). PA was performed, as described earlier in Section 8.2.1, in order to confirm number of components to extract. The four principal components extracted from unhelpful behaviours from family are named as different types of hindrance (Table 8.4). All four types (sub-scales) of social hindrance from the family demonstrate good internal consistency reliability (alpha values near or above 0.7) (Table 8.4).

### 8.2.2.3 PCA of Unhelpful behaviours from people within personal circle

**Table 8.5: Types of hindrance (based on unhelpful behaviours from personal circle)**

<i>Interference/criticism</i>	<i>Lack of interest</i>	<i>Opportunism/Selfishness</i>
Giving me unwanted assistance with day-to-day activities	Refused to give assistance when asked	Asking me for discounts (for themselves or for friends)
Contacting other people with regard to business when I did not want that to happen	Expressed a general lack of interest with business	Complained about the time I dedicated to business
Constantly criticizing my business decisions	Went back on word after promises of help have been made	Asking me to give them/somebody they knew a job
Telling other people bad things about my business		
Doubting my ability to run my business		
Giving me unwanted advice/opinion		
$\alpha = 0.710$	$\alpha = 0.818$	$\alpha = 0.695$
$\alpha =$ Cronbach's alpha		

As far as unhelpful behaviours from personal circle are concerned, 6 items were excluded from factor analysis because obtained low correlations (Not returning money or equipment borrowed from business; Imposing limits to the time I could dedicate to business; Refusing to “let me” invest the family’s money in business;

Being at my care and being money consuming; Complained about the money I dedicated to business; requiring my attention and being time consuming). In total 12 items were retained which correspond to three main types of social hindrance which demonstrate good internal consistency reliability, with alpha values ranging from 0.695 to 0.818 (Table 8.5).

### 8.3 SOCIAL SUPPORT AND SOCIAL HINDRANCE

According to the PCA results and the components extracted, new variables were created representing each type of support and type of hindrance, both from family and from people within the owner's personal circle. Levels of social support and social hindrance are calculated by summing up the results of the underlying behaviours. Regardless of the number of items loading on each component, all levels of social support and hindrance were obtained by putting back the results to the same levels of the original likert type scale. This is done by dividing the total score, obtained through the sum by the number of items loading on each component. Original likert-type scale ranged from 0=never happened to 4=happened a lot, and so do levels of social support and social hindrance.

#### 8.3.1 LEVELS OF SOCIAL SUPPORT FROM THE FAMILY

**Table 8.6: Level of emotional and informational support from the family**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>Emotional support</b>								
Oeste	90	3.02	3.17	84.84				
Alto Alentejo	90	3.16	3.42	96.16				
Total	180	3.09	3.33		3540.5	-1.466	0.143	
<b>Informational support</b>								
Oeste	90	1.65	1.67	86.62				
Alto Alentejo	89	1.81	1.83	93.42				
Total	179	1.73	1.67		3700.5	-0.881	0.379	
<b>Practical support</b>								
Oeste	90	2.74	2.83	90.55				
Alto Alentejo	90	2.68	3.00	90.45				
Total	180	2.71	3.00		4045.5	-0.013	0.989	
<b>Financial support</b>								
Oeste	90	0.71	0.00	80.26				
Alto Alentejo	90	1.81	1.00	100.7				
Total	180	1.02	0.00		3128.0	-2.837	0.005	0.211

N=cases, M=mean, Md=median; MR=mean rank; U=MannWhitney U; z=z value; p=probability; r-r value

According to results in Table 8.6 emotional support by the family has happened quite a lot 3 (median=3.33). Practical support from the family also happened a lot, being the second most frequent type of support (median=3). Informational support, although still significant, is not so frequent (median=1.67). Financial support from the family, is not frequent in any of the regions, but slightly more frequent in the Alto Alentejo than in the Oeste being the differences statistically significant ( $p=0.005$ ,  $r=0.211$ ) (Table 8.6).

### 8.3.2 LEVEL OF SOCIAL SUPPORT FROM PEOPLE WITHIN PERSONAL CIRCLE

**Table 8.7: Levels of social support from the owner's personal circle**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>Emotional support</b>								
Oeste	89	2.06	2.17	96.47				
Alto Alentejo	90	1.71	1.83	83.60				
Total	179	1.88	2.00		3429.0	-1.670	0.095	
<b>Informational support</b>								
Oeste	89	1.38	1.33	93.74				
Alto Alentejo	90	1.24	1.00	86.31				
Total	179	1.31	1.00		3672.5	-0.964	0.335	
<b>Practical support</b>								
Oeste	90	0.49	0.00	94.28				
Alto Alentejo	90	0.41	0.00	86.72				
Total	180	0.45	0.00		3710.0	-1.280	0.201	
<b>Financial support</b>								
Oeste	90	0.24	0.00	93.47				
Alto Alentejo	90	0.14	0.00	87.53				
Total	180	0.19	0.00		3783.0	-1.343	0.179	

N=cases, M=mean, Md=median; MR=mean rank; U=MannWhitney U; z=z value; p=probability; r-r value

Emotional support provided by people within the personal circle is perceived as moderately frequent (Table 8.7), but not as much as the emotional support provided by the family (Table 8.6 above). Informational support from the people within the owner's personal circle is perceived as happening only occasionally (median=1). Practical support and financial support from people within the owners' personal circle were very rare and also distinct with regard to its frequency (Table 8.7).

Both levels of support (practical and financial) provided by people within the owner's personal circle are much lower when compared with support from the family (Table 8.7 and Table 8.6).

### 8.3.3 LEVEL OF SOCIAL HINDRANCE FROM THE FAMILY

Overall respondents consider that social hindrance from the family has not happened (median=0.0) as demonstrated in Table 8.8. To those who have perceived the existence of hindering behaviours, Interference was the one happening more often, but still rarely (mean=0.54).

**Table 8.8: Level of lack of interest and financial constrains from the family**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>Lack of interest</b>								
Oeste	90	0.26	0.0	94.8				
Alto Alentejo	90	0.21	0.0	86.2				
Total	180	0.24	0.0		3664.5	-1.723	0.085	
<b>Financial constraints</b>								
Oeste	90	0.15	0.0	90.57				
Alto Alentejo	90	0.29	0.0	90.43				
Total	180	0.22	0.0		4043.5	-0.029	0.977	
<b>Interference</b>								
Oeste	89	0.54	0.0	90.66				
Alto Alentejo	90	0.54	0.0	89.35				
Total	179	0.54	0.0		3946.5	-0.190	0.849	
<b>Expressing criticism</b>								
Oeste	89	0.38	0.0	94.75				
Alto Alentejo	90	0.25	0.0	85.31				
Total	179	0.32	0.0		3582.5	-1.467	0.142	

N=cases. M=mean. Md=median; MR=mean rank; U=Mann Whitney U; z=z value; p=probability; r-r value

### 8.3.4 LEVEL OF SOCIAL HINDRANCE FROM PEOPLE WITHIN THE OWNER'S PERSONAL CIRCLE

As described in previous section the types of social hindrance derived from unhelpful behaviours by people within the personal circle were only three, and not four as for unhelpful behaviours from the family.

**Table 8.9: Owners' perception about social hindrance from people within their personal circle**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>Interference/criticism</b>								
Oeste	90	0.50	0.17	94.40				
Alto Alentejo	90	0.44	0.00	86.60				
Total	180	0.47	0.00		3699.0	-1.077	0.281	
<b>Lack of interest</b>								
Oeste	90	0.26	0.00	94.78				
Alto Alentejo	90	0.21	0.00	86.22				
Total	180	0.24	0.00		3664.5	-1.723	0.085	
<b>Opportunism/selfishness</b>								
Oeste	90	1.04	0.67	105.5				
Alto Alentejo	90	0.45	0.00	75.5				
Total	180	0.75	0.00		2700.0	-4.177	0.000	0.31

N=cases. M=mean. Md=median; MR=mean rank; U=Mann Whitney U; z=z value; p=probability; r-r value

Social hindering behaviours (interference/criticism, lack of interest and opportunism/selfishness) from people within the owner's personal network almost did not happened at all either. Nonetheless, opportunism/selfishness reveals the higher mean scores and statistically significant differences between both regions ( $p=0.000$ ,  $r=0.31$ ), with respondents in the Oeste region have experiencing such behaviours more frequently (median=0.67) (Table 8.9).

### 8.3.5 LEVELS OF SOCIAL SUPPORT AND SOCIAL HINDRANCE ACCORDING TO DIFFERENT PATHS TO BUSINESS OWNERSHIP

It is suggested in the literature (Chapter 2, Section 2.4) that different paths to business ownership are likely to be associated to different levels of support from personal networks to business owners. Levels of social support and social hindrance have been tested against to the four different paths to business ownership identified in the research which are: started this business alone from scratch; started this business with partners; bought an existing business; inherited this business. The values used as levels of social support and social hindrance were calculated as described in the introduction of Section 8.3 and range from 0 to 4. Because statistical significant differences between both regions were identified with regard to the different paths to business ownership (as described in Chapter 6, Section 6.2.1), Kruskal-Wallis and Mann-Whitney tests have been

conducted separately for each region. In this section only results that reveal statistically significant differences are presented, the remaining tables, revealing no statistically significant differences, are presented in Appendix VIII.

Overall there are no statistical differences between the levels of social hindrance between business owners, regardless the path to business ownership they have followed (as demonstrated in tables in Appendix VIII). However, based on Kruskal-Wallis results, both in the Oeste region and in the Alto Alentejo region there are differences about the level of practical support acknowledged by business owners, both provided by the family and people within the owner's personal circle, according to different paths to ownership (Table 8.10).

**Table 8.10: Level of practical support from the family according to path to business ownership in the Oeste region**

Practical Support	Statistics			
	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>
Started alone from scratch	32	3.17	4.00	55.66
Started with partners	27	2.48	2.33	40.19
Bought an existing business	6	2.00	2.33	29.33
Inherited this business	25	2.64	2.67	42.12
Total	90	2.74	2.83	
Kruskal-Wallis test results	$\chi^2=5.995$ $df=3$ $p=0.027$			

Owners who started their business from scratch seem to perceive practical support from the family as being more frequent than do owners who followed other paths to business ownership (median of 4 against medians between 2.33 and 2.67).

Mann-Whitney tests were conducted comparing the level of practical support from the family to business owners in the Oeste, between those who started their businesses all alone and those who bought existing businesses (respectively highest and lowest mean ranks obtained with Kruskal-Wallis test).

**Table 8.11: Level of practical support from the family between two different paths to ownership in the Oeste region**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>Practical support</b>								
Started alone from scratch	32	3.17	4.00	21.30				
Bought an existing business	6	2.00	2.33	9.92				
Total	90	2.74	2.83		38.500	-2.463	0.014	0.259

N=cases, M=mean, Md=median; MR=mean Rank; U=Mann Whitney U; z=z value; p=probability; r-r value

According to the results in Table 8.11, the differences are statistically significant ( $p=0.014$ ,  $r=0.259$ ). Owners that started their businesses from scratch acknowledge more practical support from the family than those who bought the businesses.

**Table 8.12: Level of practical support from personal circle according to path to business ownership in the Alto Alentejo region**

<b>Practical support</b>	<b>Statistics</b>			
	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>
Started alone from scratch	50	0.22	0.0	42.44
Started with partners	17	1.02	0.0	58.00
Bought an existing business	18	0.15	0.0	39.25
Inherited this business	5	1.20	0.0	56.10
Total	90	0.41	0.0	
Kruskal-Wallis test results	$\chi^2=13.184$ df=3 $p=0.004$			

In the Alto Alentejo region, according to different paths to business ownership there are also differences about the levels of practical support, but this time from people within the owner's personal circle (Table 8.12).

**Table 8.13: Level of practical support from personal circle according two different paths to ownership in the Alto Alentejo region**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b>Practical support</b>								
Started with partners	17	1.02	0.00	21.68				
Bought an existing business	18	0.15	0.00	14.53				
Total	33	0.41	0.00		90.500	-2.685	0.007	0.453

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r-r value

Post-hoc Mann-Whitney test was conducted, comparing levels of practical support from people within their personal network, between business owners who started their business with partners and owners who bought an existing business (Kruskal-Wallis' highest mean rank and lowest mean rank respectively). Results indicate that in the Alto Alentejo region, owners who started their businesses with partners perceive practical support from people within their personal circle as being more frequent than owners who bought an existing business (Table 8.13).

## **8.4 PERCEPTIONS ABOUT SUCCESS**

Information concerning owners' perception about their success and about the success of their business described here is based on two different techniques: free-recall and recognition (as referred in Chapter 5), and its results are, therefore, presented in separate sections. Section 8.4.1 describes the results obtained through open-ended questions included in the first part of the questionnaire, aimed at getting a more spontaneous, subconscious, perception of success, namely the criteria respondents think about when they consider their success as business owners. Section 8.4.2 describes results reflecting the owner's level of agreement with specific success measures identified in the questionnaire (based in literature review and also on results of structured interviews), operationalised through sentences with answers being given on 5 point, likert-type scales (totally disagree to totally agree).

### **8.4.1 CRITERIA AND LEVELS OF SUCCESS BASED ON OWNER'S FREE-RECALL**

Respondents were asked to identify what were the two first criteria against which they tend to measure the success of their business. As this question allowed two possible answers (first most important criterion, and second most important criterion) for frequency analysis it was dealt with as a multiresponse set. In both regions the criterion that is most referred is economic performance (70% in Oeste and 60% in Alto Alentejo).

The second most referred to is different in each region, being personal achievement/fulfilment more valued in the Oeste (61% against 32% in Alto Alentejo) and business image and positioning in the Alto Alentejo (48% against 33% in the Oeste). These differences indicate the possibility of the rejection of the null hypothesis ( $h_0$ ) of no differences between the two regions with regard to this matter.

Although for the purpose of frequency analysis this question was dealt with as a multiresponse set, for the purpose of statistical inference, and the analyses presented within the remaining of this section and the following one is based only on the first answer (first criterion against which owners measure the success of their business).

**Table 8.14: First criteria against which owners measure the success of their businesses**

Criteria	Oeste	Alto Alentejo	Total	
	%	%	N	%
Clients satisfaction	7.8	14.4	20	11.1
Business image and positioning	13.3	22.2	32	17.8
Economic performance	30.0	25.6	50	27.8
Personal achievement/fulfilment	38.9	12.2	46	25.6
Successful business set up/maintenance	5.6	15.6	19	10.6
Recovery/re-use of property	4.4	10.0	13	7.2
Total percentage	100	100		100.0
Total count	90	90	180	
Chi-square results	$\chi^2 = 22.828$ df=5 p=0.00		Cramers' V=0.35	

As anticipated, there are significant differences ( $p=0.000$ ) between both regions with a medium size effect (Cramers V = 0.356,  $df=5$ ) with regard to the criteria against which business owners measure their success (Table 8.18). In the Oeste region the three main first criteria are personal achievement/fulfilment; economic performance, and business image and positioning. In the Alto Alentejo, the three main first criteria are economic performance; business' image and positioning and successful business setting up/maintenance.

In addition to identifying which criteria they valued most when considering their business success, business owners were asked to identify how successful they

considered themselves in relation to that same criteria. Answers concerning how successful they felt were given a 5 point likert-type scale ranging from 1=very unsuccessful to 5=very successful. Because there were regional differences about the list of most important criteria (Table 8.14), analysis of results concerning how successful owners perceived themselves to be, to verify any differences in the perception of success according to each criterion, were conducted separately for both regions.

**Table 8.15: Perception of success in relation to each criterion in the Oeste region**

	<i>Statistics</i>			
	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>
Clients satisfaction	7	4	4	60.14
Business image and positioning	12	4	4.5	57.00
Economic performance	27	4	4	37.78
Personal achievement/fulfilment	35	4	4	45.77
Successful business setting up/maintenance	5	4	4	38.00
Recovery/re-use of property	4	4	4	44.50
Total	90	4	4	
Kruskal-Wallis test results	$\chi^2=9.487$		$p=0.091$	

N = cases, M=mean, Md=median; MR=Mean Rank;

In the Oeste region all business owners considered themselves equally successful, regardless the criteria of success they have identified (Table 8.15). Median value is 4 for all criteria, corresponding to Successful in the given 5 point scale, except for business image and positioning which is 4.5.

**Table 8.16: Perception of success in relation to each criterion in the Alto Alentejo region**

	<i>Statistics</i>			
	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>
Clients satisfaction	13	4	4	52.69
Business image and positioning	20	4	5	57.65
Economic performance	23	4	4	29.63
Personal achievement/fulfilment	11	4	4	42.55
Successful business set up/maintenance	14	4	4	48.79
Recovery/re-use of property	9	4	4	47.17
Total	90	4	4	
Kruskal-Wallis test statistics	$\chi^2=18.239$		$p=0.003$	

N = cases, M=mean, Md=median; MR=Mean Rank;

In the Alto Alentejo region business owners who have identified their first criteria of success as being business image and positioning, consider themselves

more successful, with a median of 5, whereas all the other criteria register a median value of 4. According to Kruskal-Wallis's results (Table 8.16) these results are, there are statistically significant differences a post-hoc Mann-Whitney test was conducted to confirm where the differences lie. Given the difference was considerable, it was chosen to compare only the criteria with the highest mean rank, business image and positioning, against the one with the lowest mean rank (as suggested by Pallant 2010), economic performance (Table 8.17).

**Table 8.17: Differences in perception of success between two criteria in Alto Alentejo**

	<i>Statistics</i>							
	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
Business image and positioning	20	4.5	5	28.85				
Economic performance	23	3.74	4	16.04				
Total	43	4.18	4		93.0	-3.686	0.00	0.56

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r-r value

Test results confirmed a statistically significant difference ( $p=0,000$ ) with a large size effect ( $r=0.56$ ) in the perception of success of those who value the business image and positioning and those who value economic performance as referred in Table 8.17. In order to verify if there were any other statistical differences, the second lowest mean rank (personal achievement) was also checked against the highest (business image and positioning). According to the Mann-Whitney results the differences are not statistically significant though (Table 8.18).

**Table 8.18: Differences in success perception between selected criteria in Alto Alentejo**

	<i>Statistics</i>							
	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
Business image and positioning	20	4.5	5	17.77				
Personal achievement /fulfilment	11	4.09	4	12.77				
Total	43	4.18	4		74.5	-1.623	0.105	

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r-r value

## 8.4.2 PERCEPTION OF BUSINESS SUCCESS BASED ON SPECIFIED MEASURES

As described above, the measures of success identified a priori in the questionnaire included owner related aspects (e.g. personal satisfaction) and business performance related aspects (namely economic performance through owner's income). In total, 9 sentences were included, aiming at measuring owners overall perception about their success as business owners (3 sentences), as well as specific aspects related to work conditions (2 sentences), and the lifestyle their business affords them to have (4 sentences). Answers were given on a 5 point likert-type scale from 1=strongly disagree to 5=strongly agree.

### 8.4.2.1 Perception of satisfaction with working conditions

The two aspects related to working conditions included were about the opportunity of self-directed work and the opportunity of flexible working hours. Overall, respondents agreed that their business provides them the possibility of having self-directed work conditions and flexible working hours (Table 8.19). Business' owners are satisfied, feeling successful, with regard to the level of professional independence, and slightly less satisfied (or feeling less successful) with regard to business' flexibility of working hours.

**Table 8.19: Owners' perception of satisfaction with work conditions**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>P</i>	<i>r</i>
<b><i>I have the opportunity of self-directed work</i></b>								
Oeste	90	3.96	4.00	84.78				
Alto Alentejo	89	4.04	5.00	95.28				
Total	179	4.00	4.00		3535.0	-1.456	0.145	
<b><i>I have the opportunity of flexible work hours</i></b>								
Oeste	90	3.59	4.0	95.49				
Alto Alentejo	89	3.24	3.0	84.44				
Total	179	3.41	4.0		3510.5	-1.469	0.142	

N = cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r-r value

### 8.4.2.2 Owner's perception of satisfaction with lifestyle

For the purpose of this research, the lifestyle concept was used both in its general, perspective, i.e. because of the business owners have the opportunity of having the lifestyle they have always wanted, and three specific aspects, within the concept, were also added: having the opportunity of living in the place they wanted to live; having a satisfactory amount of free-time in spite of running the business; and getting a satisfactory income from the business.

**Table 8.20: Owners' satisfaction with the lifestyle their businesses provides to them**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b><i>I have the opportunity of having the lifestyle I have always wanted</i></b>								
Oeste	90	3.03	3.00	89.20				
Alto Alentejo	89	3.07	3.00	90.81				
Total	179	3.05	3.00		3933.0	-0.213	0.832	
<b><i>I have the opportunity of living in the place I wanted to live</i></b>								
Oeste	90	3.28	4.00	87.31				
Alto Alentejo	89	3.40	4.00	92.72				
Total	179	3.34	4.00		3763.0	-0.719	0.472	
<b><i>I have a satisfactory amount of free-time in spite of running this business</i></b>								
Oeste	90	2.43	2.0	91.45				
Alto Alentejo	89	2.39	2.0	88.53				
Total	179	2.41	2.0		3874.5	-0.389	0.697	
<b><i>I get a satisfactory income from this business</i></b>								
Oeste	90	3.13	3.00	95.24				
Alto Alentejo	89	2.87	3.00	87.40				
Total	179	3.00	3.00		3533.5	-1.416	0.157	

N = cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r-r value

These aspects were considered as strongly related to the lifestyle concept within small tourism businesses related literature (Chapter 4, Section 4.2.1). Lifestyle motivations include circumstances associated with the owner self-fulfilment and autonomy, but also family related drivers like providing conditions for family economic betterment, and live in good environment. Overall respondents neither agreed nor disagreed with the idea that, because of the business, they have the opportunity of having the lifestyle they always wanted (Table 8.20). However, they agreed with the fact the business gives them the opportunity of living in the place they wanted to live (mean =3 but median=4).

On the other hand respondents disagree with the fact that the business provides them a satisfactory amount of free-time (mean 2) and neither agree or disagree with having a satisfactory income (Table 8.20).

### 8.4.2.3 Overall satisfaction with business experience

The 3 items aiming at measuring overall satisfaction with business ownership are based on the 3 item Job Satisfaction Scale used by Kopelman et al. (1983) (as described in Chapter 5, Section 5.5.10) but adapted to the business context. Results will be presented separately for each item (sentence), and will be dealt also as a whole (satisfaction with business ownership scale), and results presented accordingly.

**Table 8.21: Owners' perception of overall satisfaction with ownership experience**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b><i>Generally speaking I am very satisfied with business experience</i></b>								
Oeste	90	4.27	4.00	94.93				
Alto Alentejo	89	4.04	4.00	85.01				
Total	179	4.16	4.00		3561.0	-1.377	0.169	
<b><i>I frequently think of quitting this business</i></b>								
Oeste	90	1.97	1.5	89.98				
Alto Alentejo	89	2.25	2.0	90.02				
Total	179	2.11	2.0		4003.0	-0.006	0.995	
<b><i>I sometimes regret setting up/taking control of this business</i></b>								
Oeste	90	2.12	1.0	87.87				
Alto Alentejo	89	2.18	2.0	92.15				
Total	179	2.15	2.0		3813.5	-0.587	0.557	

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r-r value

According to the results (Table 8.21), respondents are in general satisfied with their situation as business owners (mean and median values=4). Therefore, they do not agree with the two negative sentences: having frequently considered quitting the business, neither with having regrets about starting/taking control of business. Because there were no statistically significant differences all items were summed up for obtaining the overall job satisfaction scale's results (adapted to business ownership as stated above). For that purpose negatively worded items have been reversed, and scale reliability has been checked.

The scale demonstrated good internal consistency reliability ( $\alpha=0.613$ ). Cronbach's alpha values above 0.6 are considered acceptable for short scales, especially if there is good inter-item correlation (De Vellis 2003; Tabachnick and Fidell 2007). Good inter-item correlation is considered with values equal to, or above 0.3 as is the case. The scale was considered reliable and total scores were calculated, and put back to the original likert type scale (1 to 5).

**Table 8.22: Overall respondents' satisfaction with business ownership experience**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
Oeste	90	4.05	4.16	91.08				
Alto Alentejo	88	4.00	4.33	87.89				
Total	178	4.03	4.33		3818.0	7734.0	0.676	

N=cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r-r value

Respondents' level of satisfaction with their condition of business owners is, in general, quite high with median values above 4 (out of 5) (Table 8.22).

### 8.4.3 ASSOCIATION BETWEEN SATISFACTION WITH BUSINESS OWNERSHIP AND LEVELS OF SUPPORT AND HINDRANCE

In order to understand the existence of association between the overall level of satisfaction with business ownership and levels of social support and social hindrance both from family and from people within personal circle, Spearman correlation tests were performed. Because there were no statistically significant differences between both regions with regard to the results of overall business ownership satisfaction, all cases (from both regions) were considered together for the analysis of correlation between levels of social support and social hindrance.

**Table 8.23: Correlation between satisfaction with business ownership and levels of support**

	Emotional support	Informational support	Financial support	Practical support
	rho			
Family	0.101	0.000	-0.100	-0.020
Personal circle	-0.138	-0.960	-0.117	0.107

According to Spearman's test results (Table 8.23) there is no association between levels of support, both from family and from people within the personal circle, and the level of overall satisfaction with business ownership.

**Table 8.24: Correlation between types of hindrance from family and level of satisfaction with business ownership**

	<i>Lack of interest</i>	<i>Financial constrains</i>	<i>Interference</i>	<i>Expressing criticism</i>
Rho	-0.171*	0.005	-0.100	0.008

\*Correlation is significant at the 0.05 level (2-tailed)

On the other hand, Spearman's test indicates a small negative association between lack of interest from the family and owners overall level of satisfaction with business ownership (Table 8.24). Higher levels of satisfaction with business correspond to lower levels of lack of interest.

**Table 8.25: Correlation between levels of social hindrance from people within personal circle and levels of satisfaction with business ownership**

	<i>Interference/criticism</i>	<i>Lack of interest</i>	<i>Opportunism/selfishness</i>
rho	-0.151*	-0.171*	-0.027

\*Correlation is significant at the 0.05 level (2-tailed)

Also for social hindrance from people within personal circle, Spearman's test indicates the existence of small, negative associations between satisfaction of business ownership and Interference/criticism and Lack of interest from people within personal circle (Table 8.25).

## 8.5 PERCEPTIONS OF CONFLICT AND SUPPORT FROM THE RESPONDENTS PERSONAL NETWORK

Business owners' perception of the existence of helpful (supportive) behaviours and unhelpful (hindering/constraining) behaviours, and the importance of their personal network in relation to their business has already been established in previous chapters. In Chapter 6 it has been done through free recall of behaviours that have significantly affected the business and respective consequences, and in

Chapter 7, through the recognition of the specified behaviours and respective consequences. Data in this section could be considered as a “statement of acknowledgement”. It aims at establishing, through specific measures (sentences), business owners’ perceptions about the possible constraints/conflicts between business and personal network; about their satisfaction with the support they get from their personal network; and about the importance of their personal network to their business. Answers were given on a 5 point likert-type scale from 1=strongly disagree to 5=strongly agree. The results will be described separately for family and for people within personal circle.

### 8.5.1 PERCEPTION OF CONFLICT AND SUPPORT FROM FAMILY, AND ITS IMPORTANCE TO THE BUSINESS

In the same way as for success perception, in addition to open-ended questions aimed at obtaining owner’s spontaneous perception, at a later stage in the questionnaire two statements based on work family conflict literature (methodology), concerning the existence of business-family and family-business conflict/constraints were included. Business related strains, when present, may cause some disagreements within the family or lead to constraining behaviours that, ultimately, affect the business directly or indirectly, through the effects on business owner, namely causing emotional distress or being time consuming. It has been demonstrated in Chapter 6 (based on free recall) and confirmed in Chapter 7 (based on recognition) that unhelpful behaviours from people within owners’ personal network towards their business are not significant, either in the number of occurrences or in terms of effects upon the business.

**Table 8.26: Owners’ perception of business/family conflict**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b><i>My business produces strains that makes it difficult to fulfil my family duties</i></b>								
Oeste	90	2.69	3.00	92.22				
Alto Alentejo	90	2.60	3.00	88.78				
Total	180	2.64	3.00		3895.5	-0.458	0.647	
<b><i>Family-related strain interferes with my ability to perform business-related duties</i></b>								
Oeste	90	2.03	2.0	88.27				
Alto Alentejo	90	2.11	2.0	91.75				
Total	180	2.07	2.0		3849.0	-0.478	0.633	

N = cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r-r value

Similarly, in this research, respondents do not admit or refute the existence of potential business related strains that make it difficult to fulfil family duties (Table 8.26). The median value of 3 point to an uncertain position. On the other hand respondents disagree that family-related strains interfere with their ability to perform business related duties (mean and median = 2). Supportive behaviours from family, their respective consequences and its relevance (importance) to business have been identified in Chapter 6 and acknowledged in Chapter 7. As part of the necessary redundancy to enhance reliability of the research instrument (questionnaire) this aspect was also submitted to double check and statements were included to get a more specific “statement of agreement” about this matter.

**Table 8.27: Owners’ perception of satisfaction with support from family**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b><i>Overall I am very satisfied with the support I get from my family for my business</i></b>								
Oeste	90	4.16	4.0	84.50				
Alto Alentejo	90	4.36	5.0	96.50				
Total	180	4.26	4.5		3510.0	-1.686	0.092	
<b><i>I would not have this business without the support from my family</i></b>								
Oeste	90	3.79	4.0	87.24				
Alto Alentejo	90	4.04	5.0	93.76				
Total	180	3.92	5.0		3756.5	-0.906	0.365	
<b><i>The success of my business does not depend of the support I get from my family</i></b>								
Oeste	90	2.17	1.0	90.37				
Alto Alentejo	90	2.14	2.0	90.63				
Total	180	2.16	1.5		4038.0	-0.037	0.971	

N = cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r-r value

Respondents agree that they are very satisfied with the support they get from their families (Table 8.27), and they consider they would not have the business without the support they get from their families, therefore, they disagree that the success of their business does not depend of the support they get from their family. Chapter 6 and 7 provide a detailed analysis of which supportive behaviours from family are more important to the businesses, and in what ways.

## 8.5.2 PERCEPTION OF CONFLICT AND SUPPORT FROM THE PERSONAL CIRCLE AND ITS IMPORTANCE TO BUSINESS

**Table 8.28: Owners' perception of business/relationship with personal circle conflict**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b><i>My business produces strains that makes it difficult to fulfil my social life responsibilities</i></b>								
Oeste	90	3.16	4.0	96.27				
Alto Alentejo	90	2.83	3.0	84.73				
Total	180	2.99	3.0		3531.0	-1.531	0.126	
<b><i>Social life responsibilities interfere with my ability to perform business-related duties</i></b>								
Oeste	90	2.01	2.0	98.68				
Alto Alentejo	90	1.64	1.0	82.32				
Total	180	1.83	1.0		3313.5	-2.312	0.021	0.17

N = cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r-r value

It has also been demonstrated in previous Chapters (6 and 7) that unhelpful behaviours from people within the owners' personal circle are of little significance and have little or no importance to their business. When confronted with direct questions about whether their business produced any strains that were interfering with their social life responsibilities, respondents revealed an uncertain position (Table 8.28). On the other hand respondents showed disagreement with the possibility of their social life responsibilities interfering with their ability to perform business related duties (Table 8.32). The feeling of disagreement is common to both regions but is stronger in the Alto Alentejo with a median value of 1 (which stands for totally disagree). The statistical significance ( $p=0.021$ ) has a small size effect though ( $r=0.17$ ).

**Table 8.29: Owners' perception of satisfaction with support from people within personal circle**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
<b><i>Overall I am very satisfied with the support I get from my people within my personal circle</i></b>								
Oeste	90	3.77	3.0	97.61				
Alto Alentejo	90	3.54	2.0	83.39				
Total	180	3.66	2.0		3410.0	-1.952	-0.051	0.14
<b><i>I would not have this business without the support from people within personal circle</i></b>								
Oeste	90	2.73	3.0	98.38				
Alto Alentejo	90	2.30	2.0	82.62				
Total	180	2.52	2.0		3340.5	-2.088	0.037	0.15
<b><i>The success of my business does not depend of the support from personal circle</i></b>								
Oeste	90	2.69	3.0	74.17				
Alto Alentejo	90	3.62	4.0	106.83				
Total	180	3.16	3.0		2580.5	-4.301	0.000	0.32

N = cases, M=mean, Md=median; MR=mean Rank; U=MannWhitney U; z=z value; p=probability; r-r value

Overall, respondents in the Oeste neither agree nor disagree with being very satisfied with support from people within personal circle to their business, whereas in the Alto Alentejo respondents were more towards disagreement (Table 8.29). Although the effect size is small ( $r=0.14$ ) according to Mann-Whitney results, there is evidence ( $p=0.051$ ) to reject the null hypothesis of no significant differences.

The results are similar, and also statistically significant ( $p=0.037$ ) for the perception about the statement I would not have this business without the support from people within my personal circle (Table 8.29). Whereas in the Oeste the results (mean and median) indicate uncertainty, in the Alto Alentejo results indicate disagreement ( $p=0.037$ ). The effect size is small ( $r=0.15$ ). As a reflexion of the above described results, in the Alto Alentejo respondents agree that their success does not depend of the support from people within personal circle, whereas in the Oeste the results are again towards uncertainty. The difference is statistically significant ( $p=0.000$ ) and its effect size is medium ( $r=0.32$ ).

## 8.6 CONCLUSIONS

This chapter sought to provide further details with regard to the role of social relationships in the business context, namely the levels of social support and social hindrance, perceptions of business success and the existence of association between them.

Supportive behaviours both from the family and from people within the personal circle were all retained for PCA (18 each) and resulted in a four factors (components) solution: emotional support, informational support, financial support, and practical support. With regard to unhelpful behaviours the results are different for family and for people within personal circle. Four items from the list of family related hindering behaviours, and 6 items from the list of friends related hindering behaviours, were excluded from factor analysis, revealing low correlation. These items were acknowledged by most respondents as having not happened and when happened was only to a little extent. The final list of family

related hindering behaviours included only 14 items, which were grouped into four components: lack of interest; financial constrains; and expressing criticism. The initial list of 18 hindering behaviours from people within personal circle was reduced to 12, and three factors were extracted: interference/criticism, lack of interest, and opportunism/selfishness.

The results about the levels of support demonstrate that emotional support, and practical support were the most frequent behaviours from family, and financial support was the least frequent. People within the owner's personal circle also provided good levels of emotional support and informational support, but very little practical support, and almost no financial support at all. Hindering behaviours from the family were acknowledged as having happened only to a little extent, although interference with business was somewhat more frequent than the others. Hindering behaviours from people within the owner's personal circle were very unusual; nonetheless opportunism/selfishness was slightly more evident than the others. Levels of social support provided by family and by people within personal circle differed according to path to business ownership, namely practical support from family in the Oeste region and practical support from people within personal circle in the Alto Alentejo.

Based on open questions, several criteria were pointed by business' owners as being used to measure their success, but most of them value higher non-economic benefits. When confronted with specific business success measures (closed questions), respondents are in general very satisfied with their situation as business owners. Overall score of satisfaction with business ownership condition is quite high. Owners neither agree with the possibility of having considered quitting the business nor with having regrets about having started/taking control of business. These results are in accordance with owners' level of satisfaction obtained through the use of open-ended question and with regard to what was considered by respondents as the main criteria against which they measure their success as business' owners. According to the correlation results there is no association between the level of overall satisfaction with business ownership and levels of support, of all kinds. On the other hand, with regard to types of social hindrance there are some associations. Higher levels of satisfaction with business

ownership correspond to lower levels of lack of interest from the family; and also correspond to lower levels of Interference/criticism and Lack of interest from people within personal circle.

Respondents do not agree or disagree with the existence of business related strains that make difficult to fulfil family duties. On the other hand respondents disagree that family-related strains interfere with their ability to perform business related duties. Although businesses are acknowledged as not being affected by the family's environment, it is not denied in absolute terms that the family's environment could be affected by business related strains. Overall, and with a greater emphasis in the Alto Alentejo region, respondents consider themselves very satisfied with the support they get from their families and that they would not have the business without it. Overall, respondents consider their social life does not interfere with their business, neither people within their personal circle contribute to their business success.

The next chapter evaluates this thesis' theoretical, methodological and analytical approaches, and discusses its results, relating them to the literature and previous research.

## **CHAPTER 9 EVALUATION AND DISCUSSION**

### **9.1 INTRODUCTION**

This research acknowledges and seeks to demonstrate the advantages of business owners' social embeddedness to their business venture. But this research, also proposes that social embeddedness can be a disadvantage, because it involves personal/social relationships, and relationships, namely with family and friends, can be both resourceful and damaging. Therefore, it is believed that an individual's social context can contribute to, as well as constrain, the venture setting up/management process. This chapter discusses and evaluates the theoretical, methodological and analytical approaches adopted as well as the research findings, in relation to the literature. It is, therefore, organised into three main sections: Section 9.2, discusses and evaluates the theoretical and methodological approaches, considering the strengths and the limitations; Section 9.3 presents the discussion of results and the extent to which the results refute/confirm what is in the literature review and proposes a revised conceptual framework, based upon the results presented in this thesis; and Section 9.4 summarises the chapter outcomes.

### **9.2 EVALUATION OF THEORETICAL, METHODOLOGICAL AND ANALYTICAL APPROACHES**

This section evaluates the theoretical framework, the methodological approach, the methods used for data collection and the analytical procedures adopted, particularly with regard to the proposed aims and objectives, and in relation to research quality criteria (reliability and validity).

#### **9.2.1 THEORETICAL APPROACH**

One of the challenges of this research process was to identify the theoretical background that best suits the aim and objectives of the research. One of the underlying assumptions is that business owners are, above everything, individuals

who relate to other people, and business initiatives are embedded in their social environment. Therefore, it seemed evident that this research should adopt the social embeddedness perspective. Hence, at an early stage of the research process, a literature review was conducted in order to identify, within the social embeddedness perspective, the most adequate theoretical framework. This process has put in evidence one of this study's main difficulties: to review the fine web of overlapping theories and concepts in order to identify the fundamental issues.

Social relationships, and social embeddedness, have been widely associated to social networks. As demonstrated in Chapter 3, Section 3.2.4, networks are one of the most widely researched and popularised topics within small business research. The theory underlying social network analysis stresses the relationships among social entities and the patterns and implications of these relationships. In spite of its worthiness as an analytical tool, there are some limitations in the adoption of network theory though, as the only conceptual framework that contributes to the understanding of the role of social relationships. Two situations are of main concern: first, network theory may not encompass all situations related to social embeddedness, and second, it may not be regarded as translating the meanings associated with some relational contexts.

Business' social embeddedness has its root in broader theoretical frameworks that explain the theory of action, which claim that each individual's actions are constrained by social structure and rules. Nonetheless, it is evident in the literature reviewed that social network research has favoured the positive effects of embeddedness and of social interactions, neglecting the conflicting and hindering behaviours, common to any social context (family, friends or acquaintances). This research's proposition is that these situations need to be considered and their effects upon the businesses need to be understood, given the fact that are likely to undermine business ventures. Moreover, as Curran et al. (1993) argue, owners of small and micro firms are not so likely to actively engage in networking activities through fellow business owners, or the many organizations offering support services to the business population. From an empirical study involving several hundreds of businesses in several locations in the UK, Curran et al. (1993)

concluded that small and micro business owners' contacts with their environment are much more limited than notions of "networking" imply. These findings are similar to the results of the developmental interviews undertaken at an early stage of this research. Business owners tended to refer to people that were of significance to their business venture as their social relationships, or as being part of their personal circle of family and friends. Therefore the use of the social relationships concept was adopted for this research, being used for defining the title as well as for data collection instruments and throughout this report. Social relationships was considered to be a concept less formal than networks, and more appropriated to refer to the ties, and respective behaviours, between small business owner's and his/her social personal network.

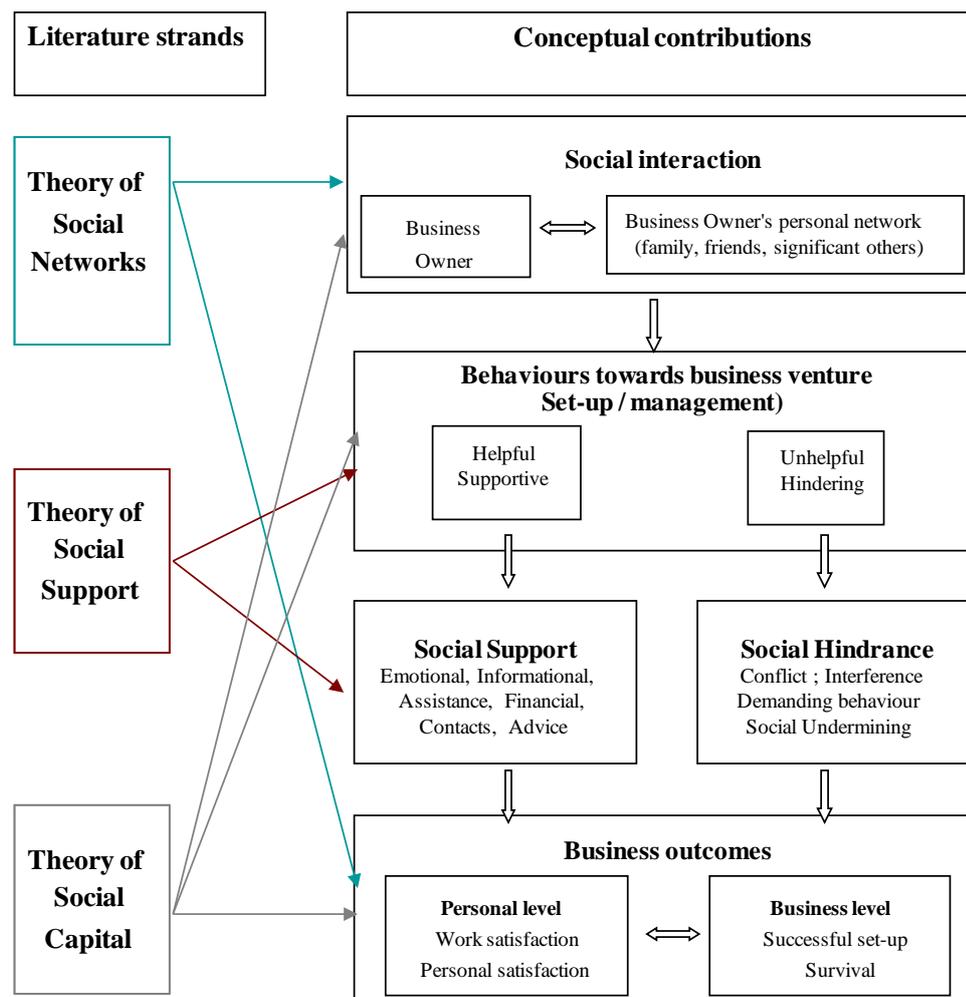
As acknowledged earlier, from the literature, not one, but three different theories seemed to contribute to the understanding of the role of social relationships in the small businesses context. In addition to the Theory of Social Networks, the Theory of Social Capital was also identified in the literature as being widely adopted by small business researchers. The Theory of Social Capital places the focus on the resources embedded in one's social network, and on how the access to, and use of, such resources benefit the individual's actions (Lin 2001; Borgatti and Foster 2003). Therefore it was also considered as offering a distinct, although complementary, perspective to the understanding of social relationships in the context of small businesses. It is more content related in comparison with social network theory which is more structure related. However, the conception of social relationships implicit in the Theory of Social Capital, as a vehicle for provision of support, is also implicit in the Theory of Social Support. This fact has greatly determined the perception of strong interrelatedness between the three theories and the adoption of social support as the main conceptual framework for the purpose of this research. Although the Theory of Social Support has a well established body of knowledge and research, it has received little attention by small business researchers, and there appears to be only scant contributions with regard to the small businesses context. Published works either acknowledge the possible benefits of combining the social network approach, social capital theory and social support theory (e.g. Borgatti and Foster 2003; Neergard et al. 2005), or give only

partial insights about the role of social relationships and social support in the business context. The resulting conceptual framework, set out according to the literature review, and representing the theoretical stances adopted, is presented in the next section.

## 9.2.2 CONCEPTUAL FRAMEWORK BASED ON THE LITERATURE

As described in Chapter 5 (Section 5.2.2) the conceptual framework that was developed from the literature review, outlines the main theories, or bodies of knowledge that are believed to provide the frame of reference within which this research is situated.

**Figure 9.1: Initial Conceptual Framework**



Source: author

In Figure 9.1 the three theoretical backgrounds adopted are identified, in the left column, the Theory of Social Networks, the Theory of Social Capital, and the Theory of Social Support. A set of arrows link the theories, on the left, to the concepts, represented in the boxes on the right hand side, in order to demonstrate that they are interrelated. Although the range of theories and constructs may not be exhaustive (e.g. Social Exchange Theory has been considered but not included), it can be argued that the ones comprised in the theoretical framework provide a broad understanding, and offer diversified perspectives, of the research topic. It is believed that this research has contributed to overcome some of the limitations of previous studies, suggesting an integrated, theoretical blend. One of the main advantages of such approach is to offer multiple angles from which to observe, and therefore, get a richer understanding of the research problem.

The use of different theories is in accordance with the perspective that “a certain scientific theory can hardly claim on its own, to give an exhaustive explanation of different phenomena. Depending on the purpose of the study, several theoretical perspectives and approaches may be necessary” (Danermark et al. 2002, p. 63). Therefore, this research is innovative in the sense it combines and draws upon different, although interrelated, theoretical backgrounds. This research is also innovative in the sense that it contributes to the understanding of the nature and consequences of negative social interactions, one of the aspects of social embeddedness that has been neglected by small business researchers. Although some contributions have been identified in the literature (Chapter 3, Section 3.3.4) with regard to the negative effects of social relationships in general, there is no agreement about the underlying construct and its nature and dimensions are poorly conceptualized. Moreover, and although some acknowledgement of the negative effects of social embeddedness can be identified in the literature, it is often associated with the negative effects of social capital. Within this research, the negative effects of social relationships are not assumed as social capital, but as social hindrance. Amongst the several designations identified in the literature (Chapter 3, Section 3.3.4) social hindrance has been the one adopted within this research. The main reason for its adoption is the fact it is believed to encompass the wide range of situations identified as negative social interactions, or unhelpful

behaviours from business owners' personal network, likely to affect their business initiatives.

### **9.2.3 METHODOLOGICAL APPROACH**

This section seeks to evaluate the methodological approach adopted in this research. Although decisions with regard to methodology naturally reflect the researcher's personal perspective, namely on how they fit the research's aim and objectives, and respective theoretical framework, they are also strongly influenced and bounded by objective quality criteria (reliability and validity) identified in the literature. The main focus of this section will be the discussion and evaluation of the design adopted, sample and data collection procedures, and how decisions made throughout the research process have affected its reliability and validity. Some aspects that can be considered as this research's limitations will also be discussed, namely with regard to its design and approach and some insights of potential ways of overcome the identified pitfalls are provided.

#### **9.2.3.1 The context of the research**

This research has focused on small and micro tourism businesses in rural areas. Two criteria are implicit: the industry specificity, with all the businesses being tourism related and the location criteria with the selected areas being rural. First, in terms of industry specificity, according to the literature review, the analysis of factors affecting performance and success should follow an industry, or sector specific approach (Burrows and Curran 1989) with distinction often being made between manufacturing and services, and within these two broad categories, between sub-sectors (Bruderl et al. 1992; Birley and Westhead 1994b; Keeble and Tyler 1995; Atkins and Lowe 1997; Keeble 1997; Freel and Robson 2004; Wicklund and Shepherd 2005). One of the relevant industry specific, or sector specific, contextual determinants, often mentioned in the literature, is social embeddedness and networking (Bryson et al. 1993; Dean et al. 1997; Johannisson and Monsted 1997). For instance, service sector businesses not only are much more dependent than manufacturing upon interpersonal contacts (Gadenne 1998)

but they also rely more on, and take advantage of, social networks (e.g. Bryson et al. 1993; Johannisson and Monsted 1997). Therefore, as in any other service based sector, the setting up and management of tourism businesses requires specific resources, and much emphasis is placed upon interpersonal relationships and social networks for resource acquisition.

Second, in terms of location, the small businesses literature has emphasised that location is of great significance in explaining the success of firms (e.g. Katz and Gartner 1988; Burrows and Curran 1989; Storey 1994; Keeble and Tyler 1995; Storey and Wyncarczyk 1996; Smallbone et al. 1999; Patterson and Anderson 2003), often making the distinction between urban and rural areas. In rural areas resources are less abundant and diverse therefore for new firms bigger efforts are required in order to get access to the necessary conditions, and successfully setting up (Stearns et al. 1995; Anderson 2000). Distinction is also made with regard to rural areas, namely between remote (with fragile socio-economic fabrics revealing more difficulty in economic restructuring), and accessible rural areas (economically more developed) (e.g. Terluin 2003; Stathopoulou et al. 2004).

Moreover, the literature also suggests that in rural areas, particularly in peripheral locations, social environment related factors, namely owners' personal networks, are of paramount significance for business success. Personal networks are vital in the provision of immediate support, or giving access to contacts and to resources outside the local area. This is in accordance with this research's results, as will be discussed in further detail within next sections. This research does not provide evidence of differences between urban-rural differences (one of limitations of this thesis and the recommendations for further research), but does provide evidence of differences between accessible and peripheral rural areas.

The focus on a particular sector, in a specific environment, is also in accordance with suggestions from prominent scholars in Tourism (e.g. e.g. Debbage and Daniels 1998; Thomas 2000; Morrison and Teixeira's 2004; Pender 2005; Morrison et al. 2010; Thomas et al. 2011) who suggest that research on small and micro enterprises, should move beyond the general to the particular, and should

recognise spatial and sectoral variation. Therefore this research has focused only on small and micro tourism businesses in two selected rural areas of Portugal.

This approach does not allow comparing rural areas with urban areas, and does not allow comparison between sectors (e.g. services and manufacturing) either. However, because there are several statistically significant differences between the results in the two selected rural areas, it can be anticipated that differences are also likely to occur between rural and urban areas. In order to understand the existence of industry or sectoral differences, and urban-rural differences, further research would be required. The adaptation of the questionnaire to another industry context is likely to require additional developmental work though.

As with all studies, particularly using self-report data, it is important to recognize that data may have been influenced by other factors (variables). Because this research has followed an ego-centered approach, and results are very much dependent on the focal individual (business owners), to some extent, the lack of data concerning personality traits can be a limitation. The importance of personality characteristics in the start-up process has been widely acknowledged in entrepreneurship related literature (Chell et al. 1991; Kets de Vries 1996; Crant and Bateman 2000; Fuller 2003; Goss 2005). Moreover, and although it has also been the subject of heavy criticism, state of mood and stable personality characteristics are acknowledged as having a great impact on personal network formation (e.g. Antonucci et al. 1998; Van der Gaag and Snijders 2005; Krause et al. 2010); as well as in the ways social environment and networks influence start-up decisions and entrepreneurial success (e.g. Korunka et al. 2003). Therefore, contribution to knowledge about the role of social relationships in the business setting up process could benefit from the analysis of business owners' personality. However, it would be ambitious, if not impossible, to include such a variety of topics, putting at risk the viability of the research.

### 9.2.3.2 Research design

Although there is evidence in the literature that social embeddedness is an important aspect of small business setting up, the literature review has demonstrated that the mechanisms and nature of social embedding are under-researched. In consequence, for the purpose of this research, and in order to accomplish the proposed objectives, a sequential, two stage approach was adopted. A first exploratory qualitative approach through semi-structured interviews was conducted, followed by debate of its results within an expert's discussion group, raising information to be incorporated in the final survey with face-to-face administered questionnaires, enabling the efficacy and validity of the data in the quantitative data collection process, and, ultimately, the research's overall reliability.

As described in Chapter 5 (Section 5.4.3) this kind of approach is particularly relevant when the constructs are poorly conceptualized and research illustrating its practical implications is scant. This is the case of social hindrance and, to some extent, social support. As described in Chapter 3, Section 3.3.4, there is little agreement about the designation, conceptualization and dimensionality of negative social behaviours, here designated as social hindrance. On the other hand, and although the concept of social support and respective dimensions is well established in the literature, there are very limited contributions to its conceptualization and practical implications in the small businesses context. As suggested in the literature (Rook 1990) any research project needs to identify the specificities of the underlying subject, both with regard to measures of positive and negative behaviours and respective outcomes. This has been achieved through the collection of qualitative data on a preliminary stage of the research project.

The initial qualitative phase (semi structured interviews and discussion group) enabled the exploration of the important issues from the point of view of the research population, and enhanced the validity of the main data collection instrument (questionnaire). The fact that respondents were asked about specific situations (of enacted support and hindrance), means that conclusions are based on

actual experiences, rather than “speculation” in reaction to scenarios, which would be the case if only measures of perceived social support and social hindrance had been used.

The main stage of data collection has adopted a quantitative approach, which it is believed has provided vital information to the understanding of the research phenomena. It can be argued that when description of lived experiences is concerned, quantitative research is frequently lacking in precision to the extent that it underestimates the complexity of categories of experience, resulting in the reduction of the phenomenon to a set of conventional meanings (Kuiken and Mial 2001). But, on the other hand, purely qualitative research lacks precision in that it fails to distinguish between the different extents to which a category of experience may be present (Fielding and Schreier 2001).

### **9.2.3.3 Cross sectional data**

In many ways a cross-sectional study poses limitations to understanding the effects of social relationships upon small businesses, losing the dynamics of changes and evolution over time. Moreover, the use of cross-sectional data precludes definitive assertions regarding causality and directionality. It is possible that some variables, instead of being antecedents may actually be the resulting outcome. It may be argued that a dynamic/longitudinal study would enable the tracing of time dependent variables and outcomes, but longitudinal designs are difficult to implement, and require resources that hardly fit a doctoral program.

To overcome some of cross sectional design limitations, the questionnaire included questions aiming at understanding the role of social relationships at different moments in time (past, present, future). It can be argued though, that because respondents were questioned only one time, their answers, regardless of being past, present or future related, were all influenced by the state of mind they had at the moment of inquiry.

#### **9.2.3.4 Sample procedures and data collection process**

The quality of the research depends heavily on the rigor of sampling the procedures and data collection processes, allowing for replication and generalizability of the results. Details of the sampling procedures and data collection have already been described in Chapter 5 (Section 5.6). Some of the implications of the methods selected are discussed next.

The use of a stratified sample in the survey approach, selected on a random basis provides good conditions for generalizability of the results (Sekaran 2003, Neuman 2006). The sample includes three types of the existing tourism businesses in rural areas: restaurants, rural and farm houses providing accommodation, and small hotels. However, and because the number of existing entertainment/leisure related businesses was too small for allowing comparisons, it was decided not to include them. Additionally, this study suffers from another methodological limitation that is referred to by Wicklund and Shepherd (2005) as the survivor bias. The target population does not include those that have attempted to start, or have actually started a business and failed. All interviewed firm's owners had survived to the setting up stage and had been in operation for more than 3 years. Therefore, we can only generalize our findings to surviving tourism small businesses.

However, due to high failure rates among new and small firms, to understand the negative effects of social relationships in the start-up phase, people who had thought of/tried to start the business but did not succeed should be included. The main problem with doing that within this research was related to the identification process of such businesses/people. In some ways, this research has made an attempt to cover this subject by asking the ones operating whether there was anyone behaving in ways that had/would have negatively influenced their business venture. Future research needs to address how social relationships and its hindering/undermining effects are associated with business failure in greater detail.

The fact that data was collected in two different areas allows for comparison and test for regional differences (as suggested in the literature, Chapter 2) with regard to the role of social relationships in the small business setting up and management.

As had been anticipated, the data collection process was quite difficult. The research subject itself, concerned with business owner's personal matters, could lead to some resistance from potential interviewees, and the research instruments (questionnaire questions) could be considered as invasive of their privacy (as described in the methodology chapter (Chapter 5, Section 5.5). Some of the circumstances that illustrate the data collection process difficulties are:

- Some business owners (9) were always “away” and never suggested a date for the interview;
- Many potential respondents (21) refused to be interviewed. Some of the contacted business owners manifested their unwillingness to participate in any kind of research, and not just this one in particular; while others were put off by the nature of the research, and by the type of questions included in the questionnaire;
- Some respondents (6) were, on occasions, reluctant to discuss certain aspects of their professional and personal experience, and gave vague information about their personal social network's role in their business context;
- A few respondents (3) found the experience very saddening and uncomfortable, reminding them of their social isolation (particularly in relation to their closest family members, namely children) and about their losses (children who had to take care of business because one or both parents deceased);
- At the other extreme, some respondents (8) found the interview very stimulating and a pleasure rather than a burden;
- Nonetheless, most people reacted in a very, natural and neutral way, considering being asked about their social relationships a normal experience, although sometimes thought-provoking.

The final sample was of 180 businesses (90 in each region). Although it can be argued that 180 businesses to be a small sample, it is the result of a compromise between theoretical sampling requirements and practical limitations (Oppenheim 1992). As for theoretical requirements, it is in accordance with rules of thumb

suggested by Neuman (2000), representing over 30% of the population in both regions (33% and 35% respectively). Moreover, sample sizes of about 30% of the population that conforms to the sampling criteria are considered as typical for studies about personal networks, which individuals often show a marked reluctance to discuss (Johanisson and Monsted 1997; Anderson et al. 2005).

### **9.2.3.5 Egocentered, self-report data and social desirability bias**

This research's results are based on ego-centered and self-report data. As with any survey, some authors suggest that behavioural observations of supportive behaviours would provide a more accurate account of received support than self-report methods (e.g. Barrera 1986). "The ability of a subject to reliably identify network members thus becomes a critical assessment issue" (Barrera 1980:8). However, as suggested by Gottlieb (1981) the risks associated with self-report data, can be minimized by using different techniques within the same questionnaire (e.g. scales and categorical variables, free-recall and recognition). This would be particularly relevant to reduce the dangers of common method variance. Within this study different techniques have been used (free-recall and recognition, that is open-ended questions and closed questions) to identify helpful and unhelpful behaviours, the providers of such behaviours, and the outcomes of such behaviour for the business, contributing to reducing common method variance and enhance reliability.

In spite of all attempts to obtain accurate information, there is no such thing as "relationship free interview" (King 2004, p.11). Because questionnaires were filled in with assistance from the interviewer, in a face-to-face meeting, and not in an anonymous way (e.g. mailing), the results are likely to be subjected to interviewer-interviewee interaction influence. One of the influences associated with interviews is the tendency of respondents to provide information that is biased by their need for social acceptance, the social desirability effect. Given the sensitive nature of this research's main topic, social interactions, the social desirability effect was anticipated as very likely to occur, particularly when dealing with negative interactions (as suggested in the literature, e.g. Van der Gaag and Snijders 2004).

Respondents may have problems to name irritants, particularly in small settlements as is the case of rural areas, as acknowledged by Gillespie et al. (1985). In order to lessen this difficulty, the related questions included in the questionnaire were very general, and asked to identify not the person (name), but the type of role relationship (e.g. family, friend, acquaintance or significant other). Additionally, in order to detect the social desirability effect, a short version of the Marlowe-Crowne Social Desirability Scale (SDS) was included.

Jack and Anderson (2002) considered that in rural areas, social processes, hence personal social networks were easier to observe and social influence was likely to be more transparent. Nonetheless, the results of SDS show that most respondents have medium to high scores, indicating a tendency to provide socially accepted information. Correlation analysis also demonstrates an association of SDS and lower levels of certain social hindering behaviours, suggesting that respondents may be underestimating, or under-reporting the negative effects of personal networks on their business ventures (further details on this are provided in sections ahead).

#### **9.2.3.6 Use of free recall and recognition techniques**

The questionnaire used in this research included two types of questions, reflecting the adoption of two distinct techniques for data collection: free recall and recognition. As described in Chapter 5 (Section 5.5.9), the use of both techniques is advised in studies that recognize the multifaceted nature of support with distinct advantages at the validity level (e.g. Gottlieb 1981). The use of both techniques is also considered as part of the necessary redundancy to enhance reliability of the research instrument. It has been demonstrated that the anticipated behaviours and consequences, as well as the main sources of help submitted to respondents' recognition (Chapter 7), are consistent with free recall data (Chapter 6). The use of both techniques has demonstrated to be effective, enhancing consistency and content validity.

## 9.2.4 ANALYTICAL APPROACHES

This research has adopted quantitative analysis to generate information and to uncover potential differences between the independent variables, as well as potential relationships between variables. Overall, the analytic techniques adopted were effective and adequate to the attainment of this research's aim and objectives. However a number of observations can be made.

### 9.2.4.1 Univariate and Bivariate Analysis

Univariate analysis (mean, median and frequency) was used to obtain descriptive information. Additionally bivariate analysis has been used, mainly to test the null research hypothesis that there were no differences between the two groups composing the independent variable (selected regions of Alto Alentejo and Oeste). With categorical data the Chi-square test was used, although often test results are not presented because the data does not meet the minimum expected count requirement (e.g. expected frequency in each cell should be of 5 or more in a 2 by 2 table). It could be argued that grouping answers into smaller groups of categories could enable successfully performing the test more often, but it also could contribute to loss of some of the specificity and richness of the information. With ordinal data, the Mann-Whitney or Kruskal-Wallis tests were used. Non-parametric tests were regarded as more appropriate than parametric tests (T-test and Anova), because they are less restrictive and because most data was at the ordinal level did not meet the normality of distribution requirement (Field 2009).

The significance level adopted for rejecting the null hypotheses was 0,05. The adoption of a low significance value, although more conservative, was considered as appropriate, reducing the probability of making a Type II error (not rejecting the null hypothesis when, in fact it should have been rejected). With a higher significance value, for instance of 0,1 additional statistically significant differences were more likely to occur, strengthening the research hypothesis of differences between the two regions. Nonetheless, such a strategy was not adopted, because it

would also increase the risk of Type I error (rejection of the null hypothesis when it should have not).

#### **9.2.4.2 Multivariate analysis**

Multivariate analysis was also used within this research, namely exploratory factor analytic techniques (principal component analysis), to understand the structure of supportive (helpful) behaviours, and hindering (unhelpful) behaviours, and the identification of the underlying latent subscales. Correlation analysis was used in order to identify association between levels of social support and social hindrance with levels of satisfaction with business ownership experience.

#### **Principal Component Analysis**

According to the literature (Chapter 3, Section 3.3.2) social support is a multidimensional construct, and in spite of its poor conceptualisation, social hindrance is very likely to be multidimensional as well (Section 3.3.4). Therefore, this research aimed at understanding the dimensions of social support and social hindrance associated with small business setting up and management. For that purpose, factor analytic techniques were used. As stated in Chapter 5 (Section 5.8.3) in the development and evaluation of scales that represent latent variables, factor analytic techniques are widely used to refine the understanding of the scales and underlying dimensions or subscales (Tabachnick and Fidell 2007; Field 2009; Pallant 2010). The suitability of this study's data for factor analysis was confirmed with KMO, whose values were above 0,6 for the four specified situations, and as recommended in the literature (details provided in Chapter 8, Section 8.2). The factor analysis procedure adopted was principal component analysis (PCA), and several dimensions of social support and social hindrance underlying helpful and unhelpful behaviours respectively, were identified. Overall results of psychometric analysis indicate that the scales had good internal consistency, although future work could be considered to refine these scales, and to more accurately assess the salient behavioural dimensions of social support and social hindrance. Because some of the dimensions have a larger number of items than others, in future work it could be considered to shorten them, maybe reducing them to the three most inter-

correlated items, to achieve a better balance between the numbers of items in all sub-scales. From a more positive perspective, it might be noted that the present research did not force a factor solution equal to the number of dimensions specified *a priori*. Instead a step-wise procedure was used in which the resultant eigenvalues, scree plot and parallel analysis determined the number of factors to be extracted and rotated.

### **Correlation analysis**

Correlation analysis was performed to identify associations between several independent variables, namely between levels of Social Support and levels of Social Hindrance and business owners perceived level of success. A correlation test was also performed to verify the influence of Social Desirability Scale upon reports of levels of Social Support, Social Hindrance, and business ownership satisfaction, by business owners.

## **9.2.5 RELIABILITY AND VALIDITY**

Reliability and validity are central issues in any research process, and reflect concerns with quality and credibility (Oppenheim 1992; Neuman 2006). When dealing with surveys and measurements the two concepts are strongly interconnected although distinction is possible to be made. In the context of quality of measurement, reliability refers to the degree of consistency of the measurement instrument (Punch 2005; Sarantakos 1998) and is related to repeatability, “that is the probability of obtaining the same results again if measures were to be duplicated” (Oppenheim 1994, p. 144); whereas validity suggests truthfulness, and is defined as the degree to which the data support the inferences that are made from the measurement (Kelley 1999; Neuman 2006).

Reliability, as reflecting consistency, can be viewed in relation to the overall research process and on relation to the survey’s measurement instrument, the questionnaire, and in relation to the results. Consistency of the survey measurement has two main aspects: consistency over time (or stability) and internal consistency (Punch 2005; Sekaran 2003). Consistency over time is the

extent to which similar results are obtained from repeated applications of the same (or similar) measurement instrument to the same set of respondents (Sekaran 2003). Assessing stability over time requires the application of the method test-retest reliability, in which the researcher administers the same instrument at two points in time to the same respondents. The correlation coefficient between the two measurements is then calculated and for reliable results the coefficient should be high. To verify consistency over time requires resources (namely time and money) that were not available for this research, therefore only internal consistency was used for estimating measurement reliability. Internal consistency assesses the correlation among items in the final scale, which to be reliable should have high item-total correlation, indicating the items are measuring the same dimension (Bryman 2004). This is especially important since items are chosen on an a priori, subjective basis (Ghiselli et al. 1981).

Several steps were undertaken in order to guarantee the reliability and validity of this piece of research, which is much about quality and truthfulness, particularly at the measurement level. Most aspects were already addressed and described above in previous sections as well as in Chapter 5 (Section 5.5). Nonetheless some of the procedures and outcomes with regard to reliability and validity are reflected upon below.

### **9.2.5.1 Questionnaire development**

Great effort was dedicated to the development of the research instrument. Because this research has been innovative in the adoption of the theory of social support/social hindrance to the business context, there were no examples of questionnaires having been used in similar contexts. Therefore the questionnaire was based both on the literature and on exploratory qualitative data collection techniques (described in Chapter 5). Particular emphasis has been placed on the development of social support and social hindrance measures. A search regarding published and electronic compendia of measures was conducted, to determine whether a suitable instrument already existed. As no specific instrument was identified, the procedures described in the psychometric literature (DeVellis 2003;

Kelley, 1999; Netemeyer 2003) to develop the necessary measures (supportive behaviours and hindering behaviours) were followed. Through literature review and qualitative interviews, a first item pool was gathered and submitted to discussion and validation by experts in the field.

Considering that measures should be context specific (e.g. van der Gaag and Snijders 2005), interviews were used to collect business owners' perceptions of the constructs (support and hindrance) and respective dimensions. Interviewees were also asked to provide, from their experience, examples of supportive and hindering behaviours. Additionally, a discussion group was organised with experts in the field (of tourism businesses) as suggested in the literature (e.g. Ghiselli et al. 1981; Kopelman et al. 1983; Kelley 1999). Discussion group participants were invited to examine the lists of behaviours and its possible consequences, and to comment to what extent, from their experience they considered the lists were exhaustive and which examples should be eliminated from the list, and which others could be added.

One of the aspects that were of concern when developing measures (sets of items aiming at measuring constructs, also named in the literature as “scales” e.g. Nettemeyer et al. 2003), was the use of positively and negatively worded items. The intent of wording items both positively and negatively within the same set of items is “...to avoid an acquiescence, affirmation or agreement bias.” (Nettemeyer et al. 2003, p. 99). However, according to DeVellis (2003, p. 70) “disadvantages of items worded in an opposite direction outweigh any benefits”. Although, in case of attitudes and opinions, it is useful to reverse the order of categories, writing all of the items in the same way, either positively or negatively worded, helps avoiding the possible confusion related to wording direction (Kopelman et al. 1983). In this research, it was decided to keep separate lists for positive social interactions and negative interactions, with sentences within each list, only in the positive or the negative sense, in order to avoid confounding respondents by wording direction. When measures (scales) were being used that were derived from other authors' work, it was decided to keep the original format, with positive and negative sense intertwined.

### **Number of Response Categories**

A desirable quality of measurement is variability. One way to increase variability is to have lots of items and another is to have numerous response options within items. Some researchers (e.g. Oppenheim 1992; Hlebec and Ferligoj 2002) argue that 5 points likert scales (1 to 5 and sometimes 0 to 4) are the most often used and the most reliable, and that more complex scoring methods had not been shown to possess advantages. In this research 5 points likert-type scales were used at all times, both to describe frequency of events (personal network's behaviours and its consequences) and to express agreement.

Should the number of categories be odd or even, depends on the type of question, the type of response option and the investigator's purpose (DeVellis 2003; Nettemeyer et al. 2003). "For some items a neutral response may be a valid answer, so that an odd number of scale points would be appropriate" (Nettemeyer et al. 2003, p. 101). However, according to Hill and Hill (2000) the use of odd categories can pose the problem of "conservative" answers – mid-point – particularly with sensitive questions concerning attitudes, opinions or satisfaction questions, dealing with intimate or potentially embarrassing matters. In such cases the authors advise to use an *even* number of answers or the use of questionnaire filling procedures that guarantee anonymity and reduce sensitiveness of certain questions. It is also possible in the same questionnaire to combine odd and even response options without compromising data analysis procedures (Hill and Hill 2000, p. 127). Because the research is greatly dependent on voluntary cooperation from respondents (Ray 1980), attempts to force them into a positive or negative response were discarded as that could worsen response rates and willingness to participate.

### **Redundancy**

Although one can tolerate considerably more redundancy in an item pool than in a final measure (scale), a certain level of redundancy is useful as it is an integral aspect of internal consistency (DeVellis 2003; Nettemeyer et al. 2003). Within this research a minimum of redundancy was assured, including two sets of questions, open-ended questions and closed questions, both aiming at understanding the role

of social relationships in the business context, although following different procedures, free-recall and recognition respectively. Additionally, some redundancy is also guaranteed in the construction of most scales, including items that, although in slightly different ways, ask the same kind of thing.

### **9.2.5.2 Internal consistency reliability**

In the literature the importance of taking the number of scale items into consideration when evaluating what constitute adequate levels of internal consistency reliability is noted (e.g. Podsakoff and Mckenzie 1994; Nettemeyer 2003). Having lots of items in the beginning of the research is an insurance against poor internal consistency (DeVellis 2003). However scale brevity is often a concern to avoid respondent fatigue and non-cooperation (Clark and Watson 1995; DeVellis 2003; Nettemeyer 2003). Although it is widely held that single-item measures suffer from random measurement error and may not adequately assess the domain of the construct (Nettemeyer et al. 1996), on the other hand long measures (long list of item) can be cumbersome for a respondent and do not enhance psychometric properties. In the final version of the questionnaire, 18 items representing examples of helpful behaviours and 18 items representing examples of unhelpful behaviours were included, as well as 18 possible consequences of helpful behaviours, and 18 possible consequences of unhelpful behaviours. These items were selected according the 6 anticipated dimensions of the respective constructs (social support and social hindrance), and to be broad enough to meet the rules of thumb for factor analysis (ratio number of answers/items to be factored as described in Chapter 8, Section 8.2).

The appropriate scale length also depends, at least partially, on the domain and dimensions of the construct (Nettemeyer 2003). When considering alpha values for internal consistency the dimensionality of the scale has to be taken into account (e.g. Cortina 1993; Field 2009) therefore both measures of social support (helpful behaviours) and social hindrance (unhelpful behaviours) were submitted to principal component analysis (PCA). After PCA procedure was completed, and sub-scales identified, Cronbach's alpha was verified, assessing their internal

consistency. Overall, the identified components, representing types of social support and social hindrance, demonstrate good inter-item correlation and good internal consistency. Social support components' Cronbach's alpha values are always above 0.7, except for financial support from people within personal circle (with  $\alpha = 0,594$ ). Social hindrance components' Cronbach's alpha values vary between 0,66 and 0,818. Although further analysis and scale refinements should be considered in the future, low alpha values are not necessarily taken as problematic. It is commonly accepted in social research that short scales are more likely to demonstrate low alpha values because the small number of items, and not necessarily because of poor internal consistency (e.g. Martire et al. 2002).

Other measures included in the questionnaire also demonstrated good internal consistency reliability, namely Satisfaction with Business Ownership Scale (as described in Chapter 5, Section 5.5.7), with a Cronbach's alpha of 0,613, considered as acceptable for a short scale (3 items).

### **9.2.5.3 Validity**

Validity, at the measurement level, refers to the degree to which a measure truly reflects the concept being measured (Bryman 2004). There are several ways of assessing validity, but three approaches are identified in the literature as the most commonly used: content validity, criterion validity, and construct validity (Punch 2005; Sarantakos 1998; Kelley 1999; Jennings 2001; Sekaran 2003; Bryman 2004). Many research situations, just like the present one, involve latent, multi-dimensional constructs that cannot be measured straightforwardly. Therefore, assessing validity is a difficult task, "because one cannot actually see the construct, so an attempt is made to understand it by asking questions related to the behaviour that is assumed to accompany the concept" (Kelley 1999, p.136). Within this research particular attention has been given to validity, construct validity and content validity. The assumption underlying content validity is that the variables used really stand for the construct they aim to, in all its dimensions (Punch 2005, Sekaran 2003). A literature review has been conducted aiming at identifying the constructs that were considered as relevant to this research (social networks, social

support, social hindrance and social capital), its nature and dimensions, and measures were developed in accordance. Additionally, the literature was reviewed in order to identify any methodological considerations addressed by previous research (Punch 2005). The adoption of a multi-method approach also aimed at enhancing validity, namely through the identification of appropriate wording to use in the questionnaire. The first two stages (semi-structured interviews and discussion group), besides contributing to the development of the questionnaire also aimed at ensuring that concepts were understood by a target sample and that the language used in the questionnaire reflected their own words.

As already stated validity and reliability are strongly interconnected, and measures reliability is one of the ways that contributes to the assessment of content validity. As suggested by Ghiselli et al. (1981, p. 277), if “the component parts of a scale are intended to measure the same trait, their scores should be positively correlated, and the higher the correlations, the more content-valid is the test”. The good internal consistency reliability (described above) indicates that the component parts of the measure are highly correlated, and the test is content-valid (Netemeyer 2003). Additionally, good internal consistency also indicates face validity, meaning the items were measuring what they intended to measure (Neuman 2006). Moreover, helpful and unhelpful behaviours from their personal network towards the business, identified by the respondents based on free-recall (open-ended questions), matched to a great deal the types of behaviours included in the scales proposed to recognition. It is a good indicator of content validity. A good level of convergent validity is also expected if components extracted from factor analysis aiming at identifying types of social support are inter-related as is the case of present research (Chapter 8, Section 8.2).

#### **9.2.5.4 Generalizability and Replicability**

Two aspects are of concern, with regard to the quality of the research: generalizability and replicability. This research has focused on small and micro tourism businesses in two selected Portuguese rural areas, and adopted stratified sampling, by using a random sampling process in order to guarantee

representativeness. To some extent it can be argued that the sampling method has enhanced the generalizability of the results to the sampling frame of rural small tourism businesses in Oeste region and Alto Alentejo region. Some limitations to generalizability arise though from the fact that a small sample was used, less than 40% of businesses that met the sampling frame criteria. On the other hand, the detailed description of procedures is of paramount importance because it enables others researchers to replicate them and reassess the results of this investigation (Sarantakos 1998, Bryman 2004). Given the detailed description of the procedures used that aimed at ensuring rigor and quality (criteria which were described in greater detail in Chapter 5, and discussed in the previous sections of this chapter), it is believed this research provides good conditions for replication.

Although the research is specific to Portuguese rural areas and too small and micro tourism businesses, it is argued that it would be possible to replicate it, in relation to small tourism and service sector businesses in other rural areas.

### **9.3 DISCUSSION OF RESULTS**

Having discussed the main theoretical, methodological and analytical issues affecting this research, this section evaluates the findings about the role of social relationships in the setting up and management of small and micro businesses. It attempts to draw together and discuss the key results in relation to the findings of previously published research. Emphasis is placed on identifying the ways in which this research adds to, and expands on, existing knowledge. Due to the innovative character of this research, both at the theoretical and methodological levels, relating findings to previous research has not always been fully accomplished. In some situations, namely with regard to results of social support and social hindrance analysis, there is no specific, small business related information, against which to compare this research's results.

Based on the proposed conceptual framework and research questions, the discussion is organised into 3 sub-sections. Section 9.3.1 discusses the characteristics and local social embeddedness of small tourism business owners.

Section 9.3.2 discusses the results with regard to the role of personal network in the business context. Finally, in Section 9.3.3 business owner's perceptions about their business' success and about the role of social relationships (personal network) in their business venture is discussed.

### **9.3.1 CHARACTERISTICS AND SOCIAL EMBEDDEDNESS OF SMALL TOURISM BUSINESS OWNERS**

One of assumptions derived from the literature, and one of this research's hypothesis, is that location is a determinant of the business setting up process. Based on this belief, this research has conducted data collection in two different rural areas of Portugal, the Alto Alentejo region and Oeste region. This was based on suggestions in the literature that these two areas had different geographic and economic characteristics, and entrepreneurial dynamics (as described in Chapter 5, Section 5.4). The results of primary data suggest, to a certain degree, that in fact different locations, within the same country, can be associated with different business contexts. Although there are similarities and constancy with regard to many of the aspects analysed, the role of social relationships has also been demonstrated to differ. Several situations of statistically significant differences have been identified in Chapters 6, 7 and 8. Details of such differences are provided along the discussion of results, whenever considered to be of relevance.

#### **9.3.1.1 Characteristics of businesses and business owners**

The context of the businesses is similar in both regions with regard to some aspects, namely size of business and owners' profile but different with regard to others aspects like education and social embeddedness and the way respondents became owners of the business. Overall most businesses are mostly micro, family run, with less than 5 employees (including the owner and some family members), which concurs with the bulk of tourism related literature (Middleton 1998; Morrison 1998b; Page et al. 1999; Thomas 2000; Becton and Graetz 2001; Ioannides and Petersen 2003; Morrison et al. 2010; Morrison and Teixeira 2004, Morrison and Thomas 2004; Smith 2006). Business owners were mostly married

men, around their 50's, and almost half of them had experience as employees in the same kind of business. In the Oeste region about half owner's parents also had experience running similar businesses. On the other hand, in the Alto Alentejo, business owners tended to have a higher education degree as opposed to Oeste region, although the degrees are not related to tourism or business management.

In the Oeste region the fact that more respondents had parents who had been owners of similar businesses is likely to be related to the higher percentage of ownership as result of a family business inheritance as will be discussed below. This enterprising family context enabled them to gain contact with the kind of business they are currently running. The process of acquisition of human capital is different in both regions, although both samples have a high degree of formal human capital: in the Oeste is more specific to the tourism businesses, acquired through professional experience and the family background, whereas in the Alto Alentejo it is not specific, and has been acquired through formal education. In the literature there is evidence that formal education is positively associated with successful business setting up and management, (Bruderl et al 1992; van Praag 2003; Parker and van Praag 2012, Ucbasaran et al. 2007), particularly at the degree level because is associated with general and specific skills and with the knowledge needed to run businesses (Henley 2005, Parker and van Praag 2012). Because in the Oeste region, half of business owners had prior experience in the same kind of businesses, according to the literature, it is believed they should be in a better position to deal with business challenges (Cooper and Dunkelberg 1984; van Praag 2003; Bosma et al. 2004; Ucbasaran et al. 2007; Parker and van Praag 2012).

Most importantly, education has also been identified as positively associated with network size and diversity, enabling owner's to accumulate contacts with people important to their ventures (Loscocco et al. 2009). In the Alentejo region respondents had higher education levels than in the Oeste and their network of friends and acquaintances was more diverse. They have acknowledged more often the role of people within their personal circle, from the region, but also from outside the region, as giving access to important information and other forms of support such as publicising the business. To some extent it can be argued that the

personal networks of business owners in the Alto Alentejo are likely to have contributed to their higher level of satisfaction with business image and positioning. Business owners in the Alto Alentejo consider, to a greater extent than in the Alentejo, that their businesses are acknowledged as being of interest and of quality, attracting more often visitors from outside the region.

In the same way as with education, a specific advantage of an owner's past work experience is the chance to accumulate knowledge and contacts that enables him/her to build larger, more diverse networks that can best serve his venture's interests and needs (Loscocco et al. 2009). About half of the respondents, in both regions, had previous experience working in similar businesses, which is, in general, mentioned as one of the reasons for business set up. Although there is no observable evidence in the data, previous experience of this research's respondents is likely to have contributed to their business success, namely in the building of specific knowledge but also in the building of their personal networks. Moreover, owners from families with experience as business owners are endowed with valuable networks of resource providers (Henley 2005; Parker and van Praag 2012). Although in the Oeste region more respondents had parents with previous experience running similar businesses, in general and in both regions, the family is acknowledged as having contributed to get access to other relevant people, enlarging their network of contacts, and therefore, gaining access to resources necessary to their business, namely services, and to more clients.

This research's results demonstrate that, in spite of the differences, business owners from both regions perceive themselves as being quite successful, therefore it is not really possible to distinguish whether formal education, professional experience, or family background is of greater value for successful business set up and management. What can be said, though, is that, overall, and in both regions, human capital seems associated with business success, namely with the building of personal networks which have been widely acknowledged as contributing to their businesses, providing different kinds of support, as will be discussed later.

### 9.3.1.2 The context of business ownership

In some of the reviewed literature the path to business ownership is acknowledged as a main determinant of business set up and management (e.g. Watson et al. 1998; Cooper and Dunkelberg 1986). The path to ownership is about the way people become owners of a business, which can be summarised as: family firm takeovers (e.g. inheritance); outside firm takeovers (e.g. purchase); new venture start-ups; and being brought into business ownership (e.g. invited to join partnership) (Dunkelberg 1986; Kolvereid and Isaksen 2006; Parker and van Praag 2012). The path to ownership is important because different entry modes into business represent different phenomena, with implications at many levels (Kolvereid and Isaksen 2006), namely with regard to the role of social relationships in the resource acquisition process. Start-ups require more investment and resources than purchasing or joining an existing business, or even than inheritances. Inheritances are strongly associated with family businesses, which are particularly frequent in services activities, considered as low entry barriers (Westhead and Cowling 1998), as is the case of tourism related businesses in rural areas (as described in Chapter 4). Inheritances are one of the most frequent ways of access to business ownership in the Oeste region, and not so much in Alto Alentejo. This fact seems to have a strong influence in the process and on the other determinants of small business success, namely the role of social relationships. In the Oeste, because more people have inherited the business, the main (or, a) reason they became business' owners was to keep a family business in operation. In the Alto Alentejo the main reason given was to make use of a family's property, meaning the properties already existed but the business had to be created.

Levels of social support and social hindrance have been tested against different paths to business ownership. Overall, and based on Kruskal-Wallis' results (Chapter 8, Section 8.3.3 and Appendix VIII), there are no differences on the level of social support and/or social hindrance from personal networks according to the different paths to business ownership identified. One exception exists though which accords with the literature, and concerns practical support. In the Oeste region owners that started their businesses from scratch acknowledged more

practical support from the family than those who bought the businesses; and in the Alto Alentejo region owners who started their businesses with partners acknowledged more practical support from people within personal circle than those who bought an existing business.

Different paths to business ownership could also be expected to be associated with different behaviours with regard to business location, with those who inherit or who are promoted or brought in being expected to not move when becoming owners; whereas those who purchase businesses are most likely expected to move at the time of becoming owners. Starting in the same geographic area permits the founder to draw upon personal contacts and market knowledge, to start on a part-time basis while keeping an existing job, and to avoid the disruption of a family move (Cooper and Dunkelberg 1986). Research has also demonstrated that founders of new business firms are highly likely to start a new firm in the location where they reside (Cooper and Dunkelberg 1986; Stearns et al. 1995) which is in accordance with this research's results, but only for the Oeste region. In the Alto Alentejo many of the people starting their own business moved to the region because of the business, being considered as newcomers, or incomers. This is in accordance with small tourism businesses literature (Chapter 4), with regard to tourism development in more remote rural areas (which is the case of Alto Alentejo), often associated with lifestyle motivations. One specificity of the Alto Alentejo though, when comparing with the literature is that one of the reasons for the existence of newcomers/incomers setting up tourism businesses there is the fact that many had family properties there, meaning that had social and cultural bonds to the place. This is related to how well the business owners are embedded in the community where the businesses are located, being in a better or worse position to benefit from their local social network, a subject that is discussed next.

### **9.3.1.3 Social embeddedness of business owners**

There is evidence in the literature that increasingly, incomers/newcomers, are drawn to rural and peripheral areas or small towns for lifestyle reasons (Ioannides and Petersen 2003; Getz et al. 2004; Irvine and Anderson 2004; Tinsley and Lynch

2008). Lifestyle motivations include circumstances associated with owner self-fulfilment and autonomy, but also family related drivers like providing conditions for family betterment and/or to live in good environment; family properties rehabilitation; and quite often continuance of a family business through inheritance (Quinn et al. 1992; Page et al. 1999; Ateljevic and Doorne 2000; Anderson et al. 2002; Morrison and Teixeira 2004). Because Tourism is seen as a sector with low barrier to entry, it is considered as an economic alternative, although often not the principal source of income. Incomers/newcomers often lack sector specific knowledge and experience (Ioannides and Petersen 2003), although are often reasonably integrated in local community, namely through family roots (Paniagua 2002).

The two research areas have distinct characteristics with regard to local social embeddedness. In the Oeste the majority of owners have always lived in the same *concelho* where the business is located, whereas in the Alto Alentejo about half of owners moved there because of the business. Moreover, in the Oeste, the main reason for the location of the business was the fact of the business already existed there. This is certainly associated with different paths to business ownership as discussed above, namely with the high percentage of inheritances in the Oeste. Nonetheless, most business owners, in both regions considered themselves well embedded in the local community, having family roots and friends there, and the prevailing perception is that their local social embeddedness has positively affected the setting-up or taking control of the businesses, allowing them a better knowledge of the people and of the place, making the whole processes a lot easier. Therefore, local social embeddedness seems to be an important factor that contributes to business success, namely through the acquisition of support from local personal networks, particularly practical support, as will be discussed further ahead. The owners' personal network of family and friends was acknowledged, since the first moment, as positively affecting the businesses, giving owners the access to many of the necessary resources and conditions to the setting-up/taking control of the businesses.

### 9.3.2 THE ROLE OF PERSONAL NETWORK IN THE BUSINESS CONTEXT

Overall, this thesis' findings are in accordance with the contributions identified in the literature. The embeddedness perspective argues that people are not isolated, rather they are participants in networks of social relations, and are strongly influenced by them (Aldrich and Zimmer 1986), which seems to be the case. As acknowledged by several authors (Szarka 1990; O'Donnell et al. 2001; Shutjens and Stam 2003) Also in this research personal (informal) networks of family and friends are acknowledged as significant to small businesses in many ways, providing access to significant resources on its own, and providing conditions (access to people and information) that sustain also inter-firm or organizational networks. In accordance with some researchers (e.g. Butler and Hansen 1991; Hite and Hesterly 2001; Hite 2005) small tourism businesses' networks often have as starting point informal social networks, and often relate to the owner's personal set of relationships. As suggested in the literature (Felzensztein et al. 2010), also in the two selected areas, social networks, particularly, informal social networks, are also likely to strongly influence inter-firm co-operation in marketing, although there is no data on this subject that provides evidence of that. But the advantages of informal sources of support are particularly relevant in competitive, low trust business environments where small firms may be reluctant to collaborate with competitors (Shaw 2006).

As suggested by previous research (e.g. Birley 1985; Dubini and Aldrich 1991; Ostgaard and Birley 1994; Premaratne 2001; Witt 2004; Witt et al. 2008), as resource acquisition mechanisms on their own, personal networks give access to important resources, mostly non-material supporting services, information and moral support, which are in most times gratis or at low cost, but also money (direct or indirect), otherwise unavailable. The set of relationships owners have built through their previous working experience, formal education, and family background as business owners, may determine owner's initial endowment with resources, and will strongly affect founders' networking activities and the types

and amount of resources they are able to access (as suggested earlier by Birley 1985; Witt et al. 2008).

Information and advice, related to legal, financial, marketing and staffing issues, are identified by several studies (e.g. Birley 1985; Dubini and Aldrich 1991; Ostgaard and Birley 1994; Premaratne 2001; Shaw 2006), as are by most respondents in the Oeste region and Alto Alentejo region as significant resources obtained through personal networks, namely friends and relatives. As suggested by Premaratne (2001), informal sources of info and advice provide small firms in the selected areas, with a higher and more stable flow of information.

When very small businesses, or micro businesses, are considered business life and social life are strongly intertwined (Johannisson and Monsted 1997; Dodd and Patra 2002), and the firm is often viewed as part of the family, or as “personal property”, with relatively fluid boundaries between family, work and social environment (Loscocco et al. 2009). Personal and organizational networks often seem to converge, and are strongly determined by the owner’s personal set of relationships (Szarka 1990; Dubini and Aldrich 1991; Lechner and Dowling 2003) and networking is guided by individual’s emotions and personal values (Johannisson and Monsted 1997). The business founders often bring their personal social networks to the firm as their most valuable asset to provide resources necessary for successful emergence and continuance (Hite and Hesterly 2001). When very small businesses are considered personal networks are very important. Amongst these people, it is the family, and friends, who are particularly helpful, playing a central role in the business setting up and management. Some situational/contingency aspects of personal networks and its effects on the business are discussed next.

### **9.3.2.1 Role relationships within personal networks**

Assuming that personal networks significantly affect the business contexts, who within personal networks are of most relevance to the business, is one of the primary questions of this research. Some distinctions and propositions have been

identified in the literature (Chapter 3) and whether this research's results accord, or not with them, is briefly discussed within this section.

### **Kin vs. kith (family vs. friends) propositions**

Most studies have distinguished between family (kin) and friends (kith) as the two main groups of people providing supportive behaviours (e.g. Procidano and Heller 1983; Lyons et al. 1988; Corcoran et al. 1998; McDonald 1998). Empirical evidence suggests that families play an important role in the venture setting up process, representing a critical and often used resource for start-ups (namely in the mobilization of financial resources (e.g. Aldrich and Waldinger 1990, Wellman and Wortley 1990; Aldrich and Cliff 2003; Chrisman et al. 2003; Reynolds 1991, 2011). Within this research it is evident that people within the owner's family (kin) play a stronger role in the provision of conditions for business setting up and management. The role of the family will be discussed later in greater detail in Section 9.3.3.3).

### **Strong ties vs. Weak ties propositions**

In social capital literature, as in social networks literature, and social support literature, the distinction between kin and non-kin is also often implicit in analysis about the strength of ties. This distinction draws upon Granovetter's (1973) work, and suggests that kin are the role relationships most often associated to strong ties and kith are associated to weak ties. Although there is no consensus about the role and significance of each type of ties, most contributions argue in favour of the strength of strong ties proposition (e.g. Wellman 1979, 1989; Coleman 1990; Wellman and Wortley 1990; Birley et al. 1991; Portes and Sensenbrenner 1993; Ostgaard and Birley 1996; Portes 1998; Jack 2005; Shaw 2006; Bratkovic et al. 2009). The underlying assumption is that stronger ties based on sentiment, trust, and sharing of resources, are instrumental for business activity, providing knowledge and information but also helping to maintain, extend and enhance business personal reputation.

The opposing perspective, the Strength of Weak Tie proposition, suggests the weaker the tie, the more likely business owner will have access to better social

capital for instrumental action, which is consistent with the homophily principle (Granovetter 1973; Burt 1992; Lin 2001) and with Burt's (1992, 1997) theory of Structural Holes. Non kin (sometimes friends but mainly friends of friends or acquaintances) are those elements, within a person's network, often associated with weak ties. Additionally, some researchers argue for the need for both strong ties and weak ties within the social network for social capital to be accessed and effectively contribute to a firm's development and growth (e.g. Lechner et al. 2006; Pirolo and Presutti 2010). Strong or weak ties are not necessarily seen as conflicting, but rather as playing different roles in firm's performance. The results in this thesis concur more with the strength of strong ties proposition, because the family is more often considered to be of significance to the business. Nonetheless, it can also be argued that, although with different degrees, both family and friends, and sometimes acquaintances, are of value to the business context. Therefore, both strong and weak ties provide, simultaneously, different types of support. This is in accordance with the perspective of social support being a multiplex construct as discussed later in Section 9.3.3.1).

### **9.3.2.2 The role of personal networks and the life-cycle approach**

One of the business related aspects which literature has focused on is the business' stage and life-cycle, being of common acceptance that birth and early development and maturity are two completely distinct stages of any organization (e.g. Kimberly 1980; Agarwal 2002). Based on this principle, social network analysts have also demonstrated that firms' networks evolve in order to adapt to the firms'/owners' resource needs and challenges (Butler and Hansen 1991; Greve 1995; Uzzi 1996; Hite and Hesterly 2001; Blundel 2002; Premaratne 2002; Greve and Sallaf 2003; Lechner and Dowling 2003; Shutjens and Stam 2003; Jack et al. 2008). The literature suggests that social contacts (family members and friends) and business contacts are likely to be intertwined at different moments of the business, but social contacts are of primary importance (Birley et al. 1991; Greve and Salaff 2003; Lechner and Dowling 2003; Shutjens and Stam 2003). According to Lechner and Dowling (2003) without social relationships, most small firms would not even be able to establish any business network.

This research did not attempt to compare the role of personal networks with organisational networks. Data available is only about personal networks, and their importance at different moments of the business. The prevailing perception amongst business owners is that the personal networks of family and friends have been of great significance to their business in the setting up phase, and is important in the current moment and is expected to play an important role also in the near future for business continuance. These results are, to some extent, in accordance with the literature referred above. Therefore it is not in accordance with Butler and Hansen's (1991) perspective (described in Chapter 3, Section 3.2.5.1), that social contacts are likely to be replaced by business contacts, and therefore, be less relevant in later stages of the business.

### **9.3.3 SOCIAL SUPPORT AND SOCIAL HINDRANCE FROM PERSONAL NETWORK TOWARDS THE BUSINESS**

Helpful behaviours and unhelpful behaviours have been submitted to Principal Component Analysis (PCA) and the corresponding types of Social Support and Social Hindrance have been identified. The overall results with regard to levels and types of support and hindrance are discussed next, both from family and from people within personal circle. In separate sections special emphasis is given to the family, reflecting its greater importance to the business context, but also because a greater number of contributions have been identified in the literature, against which to compare the results.

#### **9.3.3.1 Social support from personal network**

The advantages of informal sources of support are particularly relevant in competitive, low trust, business environments where small firms may be reluctant to collaborate with competitors (Shaw 2006), which is the case of SMTEs ((Fyall et al. 2001; Watkins and Bell 2002; Fyall and Garrod 2005). As Curran et al. (1993) have recognized, when small and micro businesses are considered, owner-manager's aims and attitudes are more likely to be shaped and influenced by personal social networks, rather than commercial networks. Therefore, rural

businesses tend to favour informal forms of collaboration and working together, and often draw resources not from inter-firm or inter-organisational networks, but rather from their involvement in local community and personal networks (Anderson and Jack 2000). Information and advice, related to legal, financial, marketing and staffing issues, are identified by several studies (e.g. Birley 1985; Dubini and Aldrich 1991; Ostgaard and Birley 1994; Premaratne 2001; Shaw 2006) as significant resources obtained through personal networks, namely friends and relatives

Levels of social support and social hindrance were obtained through the analysis of the existence and frequency of helpful behaviours and unhelpful behaviours from personal network, which were submitted to PCA, for identification of underlying dimensions. The fact that PCA of helpful behaviours from family and from people within personal circle (mostly friends) resulted in different types of support (Chapter 7, Section 7.4.2), is in accordance with theory of social support suggestion that social support is a multidimensional and multiplex construct (e.g. House 1981; Norbeck et al. 1981; Barrera 1986; Cooke et al. 1988; Vaux, 1988; Wellman and Wortley 1990; McIntosh 1991; Walker et al. 1993; Corcoran et al. 1998; Canthy-Mitchell and Zimet, 2000; Agnessens et al. 2005). Multidimensionality is associated with the existence of different types of support and different sources of support. The concept of multiplexity is found in the theory of social networks (Schutjens and Stam 2003; Anderson et al. 2005; Neergard et al. 2005; Shaw 2006) and theory of social support (Vaux 1988; Knipscheer and Antonucci 1990; Wasserman and Faust 1994). Basically, it means the same members of a personal network can perform different role relationships: the same people can provide different types of support; and the same types of support can be provided by different people. Within this research, PCA demonstrates that within the business context social support and social hindrance are multidimensional and multiplex. PCA of helpful behaviours, both from family and from people within personal circle, resulted in the same four types of support: Emotional support, Informational Support; Financial Support; Practical Support. Even though Emotional Support and Informational Support have demonstrated good internal consistency reliability and good inter-item correlation, are composed of 6 items

whereas Financial Support and Practical Support are composed of 3 items. The same types of support were performed by family and by friends, although with different degrees, and at different moments in time.

The distinction between perceived support and enacted support, and whether one or the other should be measured has been subject to debate in the literature. Perceived social support is about the perception that help is available if necessary, and measures of enacted support aim at understanding what individuals do when they provide support (Barrera, 1980; 1986). Some authors (House 1981; and Bruhn and Philips 1984; Barrera 1986; Cauty-Mitchell and Zymet 2000; Coventry et al. 2004) suggested that social support is likely to be effective only to the extent it is perceived. On the other hand Van der Gaag and Snijders (2005) position themselves in the opposing strand, arguing that social support is only valuable when it is activated, even if only through the expression of moral approval or emotional sustain. However, as suggested by a third group of researchers (e.g. Wethington and Kessler 1986; Vaux 1988; Haber et al. 2007) this research confirms that social interactions involve both objective and subjective elements, therefore, both actual supportive events and activities, and the participant's perception and appraisal of these, must be addressed for a complete understanding of social support.

The results demonstrate that lived experiences are likely to influence expectations, therefore perceptions about the availability of support. It was evident that business owners' perception about the role their personal network could play in the future, with regard to their business, was informed by their past experience. If only one type of support was to be assessed though, either perceived or enacted, based in this research results, the recommendation would focus on enacted support. Only with enacted support it is possible to gain a richer understanding of the role of social relationships. Concrete measures of enacted support enable the identification of specific behaviours, and consequently understand its consequences to the business.

### 9.3.3.2 Social support from family and its consequences to the business

The family is widely acknowledged in the literature as support providers, in many situations and at different times in life, namely with regard to businesses (Chapter 3). This section summarises the contributions from selected literature which provide evidence of the importance of the family, and discusses, in particular, how it relates to this research's results.

The relation of the family with the business context is of particular relevance for this research and can be seen in a dual perspective: on the one hand most of small and micro tourism businesses in rural areas, like most small and micro businesses in general, are family owned and managed (Chapter 4) while on the other hand the family is the primary context for social relationships to take place (Chapter 3). As acknowledged earlier (Chapter 2, Section 2.3.9), many small and micro businesses, namely tourism related, are family owned and run. Therefore, the understanding of its processes clearly requires the integration of both the family and the business, as suggested by Stafford et al. (1999). But the family as a vehicle for social embeddedness, strongly influencing business' performance and success, is beyond the boundaries of the family business (Dyer 2003).

As Baines et al. (1997, p.48) stressed “the household provides the link between formal and informal (or complementary) economic activities” and many researchers have emphasized the importance of the family in creating and sustaining micro and small firms both within, and beyond the context of family businesses (e.g. Dyer and Handler 1994; Birley et al. 1999; Chua et al. 1999; Ram 2001; Anderson et al. 2003; Anderson et al. 2005; Anderson and Miller 2003; Olson et al. 2003; Sharma 2008). This research's findings are in accordance with the literature, and confirm that the family plays an important role in the setting up and management of small and micro tourism businesses by providing access to vital resources. Family members, and spouses and children in particular, have been identified as providers of significant resources and support, namely emotional, informational and practical support (Chapter 7 and Chapter 8). The fact that the family gives access to informational support, including access to other people, also

confirms the perspective that the household provides the link between business owners and other useful contacts, enlarging their network of formal and informal contacts (Szarka 1990; O'Donnel et al. 2001; Shutjens and Stam 2003).

Additionally, in Chapter 3 (Section 3.3), social support literature stresses the role of kin (family members) as primary sources of support. Although business related literature adopting a social support perspective is scarce, there are references attributing to the family meaningful contributions in the meeting of business specific needs (e.g. Wellman and Wortley 1990). This research has demonstrated that spouses, and parents and children, are significant providers of several types of support, namely emotional, financial, and practical (provision of large and small services). In Chapter 3, Section 3.4., reference to the family in the business context is also found in several contributions to the theory of social capital. For instance Bourdieu (1986) explored the link between familial background and the reproduction of certain forms of capital. According to Bourdieu all forms of capital (economic, social and cultural) inter-relate. In this context he considered the family and its socio-economic environment as a determinant of an individual's own cultural, social and economic capital, as well as of the possibilities of entering an entrepreneurial process. Coleman (1988) also examined the way in which social capital within both the family and immediate community is vital to the reproduction of entrepreneurs' human capital. Coleman began from the premise that the family background of an individual provides access to human, social, and financial capital. Data about the role of the family background as owner's human capital, and how it related to the literature, has already been addressed in section 9.3.1.1.

Within social capital literature, families are also acknowledged as providing help, not only in the start-up process, at opportunity identification, and especially provision of finance, but also stimulus, advice, as well as continuing support on day-to-day operations of later years. "Family is the key institution through which social capital is transmitted" (Werbel and Daines 2010, p. 424), giving access to key network contacts and providing a range of assistance, either formally, being involved in the business, or informally, or even moving between formal and

informal roles (Anderson and Miller 2003; Anderson et al. 2005). This is in accordance with results (factor analysis chapter)

The family is therefore not important just as socio-economic background that positively affects the business setting up process, but also as an actively supportive environment, both emotionally and physically, namely providing work at low cost.

### **9.3.3.3 Social hindrance from personal network**

The literature suggests that the classical supportive networks (family, friends and other significant people) can also be stressful, irritating, annoying, or over involved (DiMatteo and Hays 1981; Rook 1984; Pagel et al. 1987; Power et al. 1988, Martire 2002; Reynolds and Perrin 2004) and even represent focuses of friction and conflict (Fischer 1982; Gillespie et al. 1985). Moreover, because friends and family are particularly expected to be supportive, when they are not, expectations are violated, which may lead to increase emotional distress (Newsom et al 2003). Moreover, Rook (1990) suggests that the negative aspects of close social relationships tend to cancel or outweigh their positive aspects. Within this research, the existence of unhelpful behaviours from family and from people within personal circle, when compared with helpful behaviours, was acknowledged by considerably fewer respondents. Although the behaviours anticipated (Chapter 7) accord, in general, to the ones described by business owners based on their free recall (Chapter 6), this research's results do not provide evidence that social hindrance from personal networks has significant consequences to the business context. However, as suggested in the literature (Fischer 1982, Gillespie et al. 1985) it is believed that respondents may have felt constrained by the nature of some questions (namely questions regarding hindrance and conflict) and are likely to be affected by social desirability. Results of SDS and its association with reports of social support and social hindrance are provided in Appendix IX. It has been demonstrated in Chapter 6 (based on free recall) and confirmed in Chapter 7 (based on recognition) that unhelpful behaviours from people within owners' personal network (family and friends) towards their business are not significant. These behaviours happened very little and affected the businesses to a little extent. PCA

of unhelpful behaviours from the family resulted in a four component solution, and the corresponding types of hindrance were named as: Lack of interest, Financial constrains; Interference, and Expressing criticism. PCA of unhelpful behaviours from people within personal circle resulted in three types of hindrance: Interference/criticism; Lack of interest; and Opportunism/Selfishness. In the same sense as referred to above, and although Interference/criticism from people within personal circle, demonstrated good internal consistency, it was composed of six items, whereas the two other types of social hindrance are composed of three items each.

#### **9.3.3.4 Social hindrance from the family and its consequences to the business**

Acknowledging the role of the family in the business context does not necessarily mean that the impacts will be inevitably positive upon micro-business survival and growth. On the contrary “empirical evidence suggests that the household and family, may be detrimental to business growth, in some circumstances” (Baines et al. 1997, p. 49). Therefore, this research aimed at understanding the existence and importance of social hindering behaviours from personal networks towards the business.

In small businesses literature, and with regard to networks, some problematic situations are associated with a high proportion of kin in personal/social networks, causing disadvantages to business owners, most especially homogeneity and sterility in terms of resource provision (e.g. Grannovetter 1973; Marsden 1990; Burt 1997, 2000; Renzulli et al. 2000; Anderson et al. 2005). Family members are seen in the literature as strong ties (e.g. Grannovetter 1973), more emotional than rationally managed, and have been demonstrated to constitute a relatively dense social network that does not allow for a variety of information flows (Burt 1997, 2000). The greater the proportion of kin in a respondent’s networks, the less likely he/she is to start a new business, because the information that kin provide and the time it takes to maintain kin ties create disadvantages for people contemplating a business start-up (Renzulli et al. 2000). Within this research there is no information regarding the proportion of kin in personal networks, but the participation of kin in

the network is not considered by business owners as a disadvantage. Actually, the importance of the family to the businesses is acknowledged by business owners, at different moments and in different ways. Although emotional support was the most important help from family, in the start-up moment, many business owners have acknowledged the role of the family in the provision of informational support, particularly in the Oeste region.

Evidence of how the family can be constraining to the business context comes also from research dealing with family businesses, in particular with regard to work-family conflict / family-work conflict (WFC/FWC) (e.g. Daines and Morgan 2004; Daines 2006; Werbel and Daines 2010). The family as a context of conflict/negative interactions and its effects upon the individual and the professional situation in particular, has had some attention in the literature, since House (1987) acknowledged the impact that work and professional activities could have on family (and *vice versa*). As opposed to the literature (e.g. Baines et al. 1997; Werbel and Daines 2010), which suggests the potential for conflict between both business and family is likely to be high, the results in this research do not demonstrate the existence of constraints or hindering behaviours from the family that significantly affect the business. The family was not considered as setting conditions with regard to owner's time availability to a great deal, although a few respondents acknowledged the family as requiring business owners' attention, or as complaining about the time they dedicated to business. These complaints were almost exclusive to nuclear family (spouse and children), those who are next to business owner and the first to be affected by lack of time on his/her part for family duties. The referred situations caused by the family have only slightly reduced, owners' availability to dedicate to business, and delayed problem solving. In spite of these consequences, family setting conditions with regard to owner's time availability have, in the overall, little importance, or no importance at all, to the business.

It is worth of mention though, that the low level of social hindrance from the family, namely interference, is associated with high levels of social desirability.

Therefore, caution is suggested in interpreting these results, because respondents may be influenced by a social desirability effect.

#### **9.3.4 PERCEIVED SUCCESS AND THE ROLE OF PERSONAL NETWORKS**

The selection of businesses to be interviewed has naturally followed the perspective of some authors (e.g. Casrud et al. 1987; Watson and Everett 1988; Pennings et al. 1998; Witt 2004) that duration in business (for a specific period of time), as opposed to business dissolution or failure (bankruptcy or discontinuance for any reason), is already a necessary condition for success. Nonetheless, within this research, more specific measures or indicators have been proposed, which include subjective measures of individual, person-oriented drivers of success as suggested in the literature (e.g. Jennings and Beaver 1997; van Praag 2003; Walker and Brown 2004). The adopted measures of success include satisfaction with lifestyle, autonomy, time availability, income and job satisfaction. These are widely referred to in the literature (e.g. Naughton 1987; Cooper and Artz 1995; Walker and Brown 2004) as non-financial measures, historically associated with lifestyle businesses (as is the case of most tourism related businesses in rural areas as referred earlier. Based on the answers to the open question, it seems evident that most business owners value higher non-financial criteria than wealth setting up, which is in accordance with the literature. This is particularly likely to happen in cases such as these, when financial security is established, or when the small business owner does not require the business to be the primary source of income (e.g. Walker and Brown 2004). Moreover, it is generally agreed that analyses of success, especially when small, micro businesses are considered, need to recognise owners' motivations and reasons for starting-up and stay in business.

Inheritances and the will to keep the family business were, as described earlier (Chapter 6) some of the main drivers for business ownership, particularly in the Oeste, or to make use of a family's property and work in the tourism sector (more often in the Alto Alentejo. Therefore, it seems reasonable that business owners measure their success against their perception of having accomplished their goals.

On the other hand, because many respondents wanted to have their own job, be self-employed, or work in the tourism sector in particular, their success is also measured against their personal achievement on that. Self-employment and self directed work are referred in the literature, as amongst the main drivers to business setting up (Chapter 2, Section 2.6.1). Overall satisfaction with business ownership was measured through a 3 item Job Satisfaction Scale used by Kopelman et al. (1983) (as described in Chapter 5, Section 5.5.10) but adapted to the business context. The respondents' level of satisfaction with their condition of business owners is, in general, quite high, with mean values around 4 (out of 5).

Business owners have different perceptions about specific aspects of their business ownership condition. Whereas they are satisfied, feeling successful, with regard to the level of professional independence, they are not so satisfied with regard to the flexibility of working hours. This is likely to influence the preponderance of neither agree or disagree answers about the business providing them the opportunity of having the lifestyle they always wanted. However, they agreed with the fact the business gives them the opportunity of living in the place they wanted to live. This result is in accordance with results in Chapter 6, (Section 6.2.3) referring to a considerable percentage of respondents who have chosen to live and setting up the business in that location.

In order to understand the existence of association between overall level of satisfaction with business ownership and levels of social support and social hindrance both from family and from people within personal circle, correlation tests were performed. The results indicated that there is no association between levels of support, both from family and from people within personal circle, and the level of overall satisfaction with business ownership. On the other hand, and although hindering behaviours were acknowledged by few respondents and happening to a little extent (as described in previous sections), when existing, correlation tests indicated the existence of association between specific hindering behaviours and overall level of satisfaction with business ownership. Higher levels of satisfaction with business correspond to lower levels of Lack of interest from

the family and Interference/criticism and Lack of interest from people within personal circle.

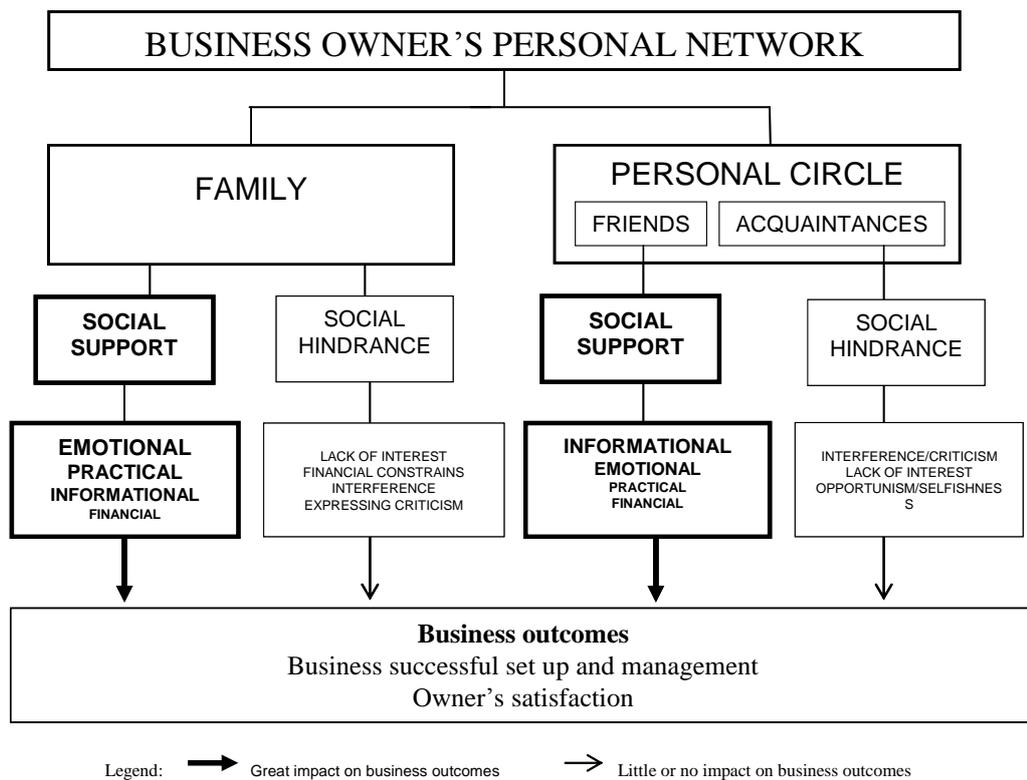
Respondents overall are very satisfied with the support they get from their families, without which they consider they would not have the business. Therefore they consider that the success of their business depends heavily on the support they get from their families (previous sections, and Chapter 6, 7, and 8 provide detailed analysis of the ways the family is supportive and with what consequences to the business). These results concur with the literature (as described in Chapter 3 and discussed in sections above) with regard to the role the family plays in the setting up and management of small and micro businesses.

Supportive behaviours from people within personal circle are also acknowledged (Chapter 6 and 7, and 8) by business owners as contributing to their business initiative, although their success is not strongly dependent on them. As opposed to some perspectives identified in social network and social capital literature, in particular with regard to the strength of weak ties proposition (e.g. Burt 1992; 1997; 2000), weak ties (friends, and mainly acquaintances) are not the most relevant contacts within business owners' social network. The family, considered as strong ties, seems to be the major determinant of small businesses success, in accordance with strength of strong ties proposition. On the other hand respondents did not admit to, or refute, the existence of potential business related strains, conflict, or other hindering behaviour that significantly affected their family life or social responsibilities. Although it is widely acknowledged in the social capital related literature (as described in Chapter 3, Section 3.3.5.2, e.g. Coleman 1988; Woolcock 1998; Woolcok and Narayan 2003; Van der Gaag and Snijders 2004) that individual's embeddedness in social networks can simultaneously enhance, maintain, or destroy economic activities, the results in this thesis do not provide evidence of that.

## 9.4 THE REVISED CONCEPTUAL FRAMEWORK

The results of this research informed the revision of the conceptual framework. This revised conceptual framework differs from the first version because is built on empirical grounds (these thesis results), as opposed to the first version, which was only built on theoretical grounds (literature review) as proposed in Figure 9.2.

**Figure 9.2 - Revised conceptual framework**

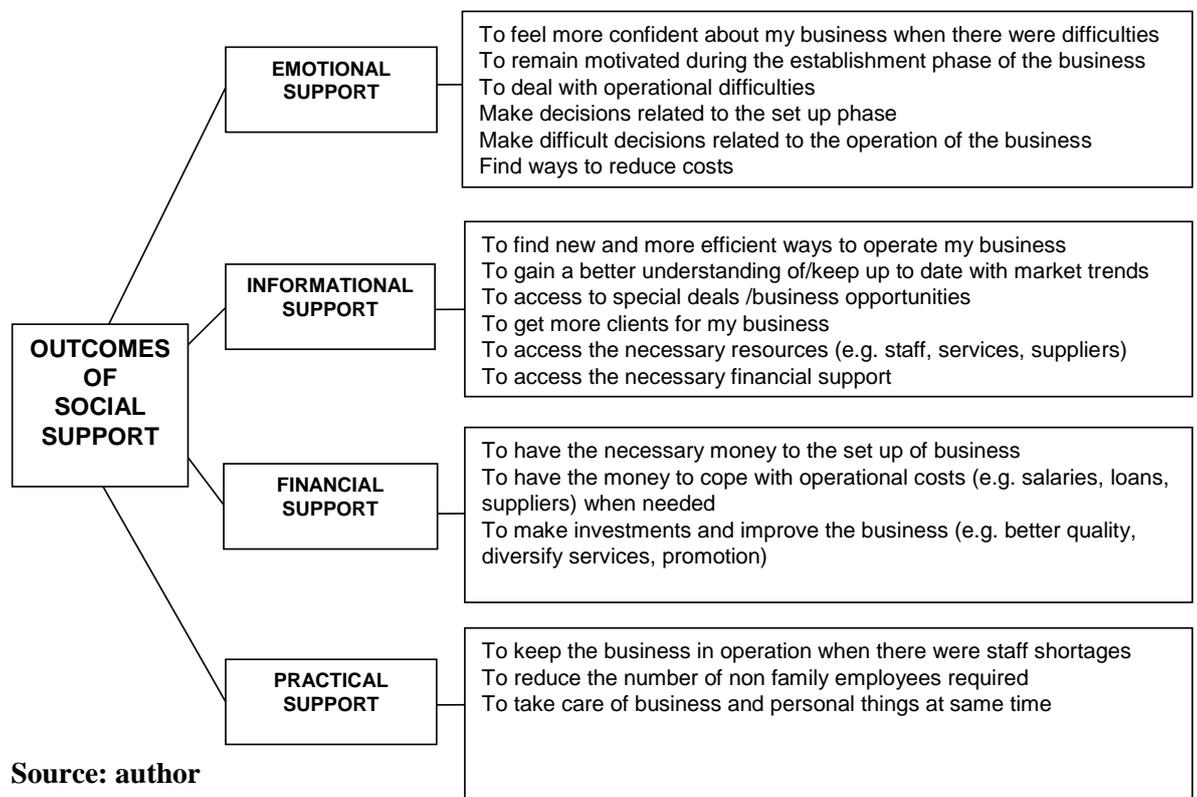


Source: author

The revised version adds to the previous version in the sense that it provides a clearer conceptualisation of the role of social relationships (personal networks) in the creation and management of small tourism businesses, operationalised through specific measures of social support and social hindrance from family and people within personal circle. In Figure 9.10, and according to the results, emphasis is placed on Social Support, which has been identified as a determinant of business success, particularly social support from family, particularly emotional support, practical support and informational support. Social support from friends is also acknowledged

to be of significance, but to a slightly smaller extent than from the family, particularly informational support and emotional support. Although social hindrance has been acknowledged as existing, and on specific forms from family and from people within personal circle, it is perceived as affecting the businesses only to a very little degree, and sometimes not affecting at all. The revised conceptual framework has been broken-down into 3 other frameworks, which provide detailed information about outcomes of social support, measures of social support, and measures of social hindrance.

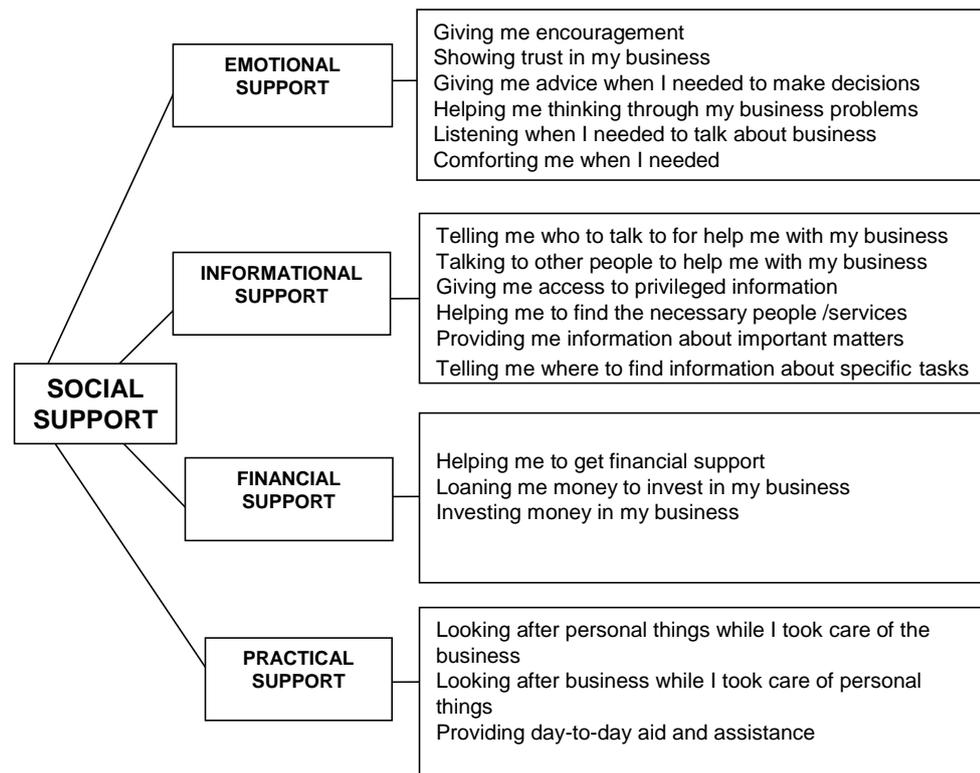
**Figure 9.3: Conceptual framework breakdown 1 - Outcomes of social support**



The outcomes of social support to business success are considered to be of great importance to the business, and are outlined in Figure 9.3. These outcomes can be both at personal level (owners experiencing the consequences) and business level (direct consequences to the business). Although each outcome is perceived to a different extent from family and from people within personal circle, overall, they are the same.

Figure 9.4 illustrates measures of social support. According to the results of PCA (Chapter 8), social support from family and social support from people within personal circle has resulted in the same four components; therefore only one set of measures of social support is presented.

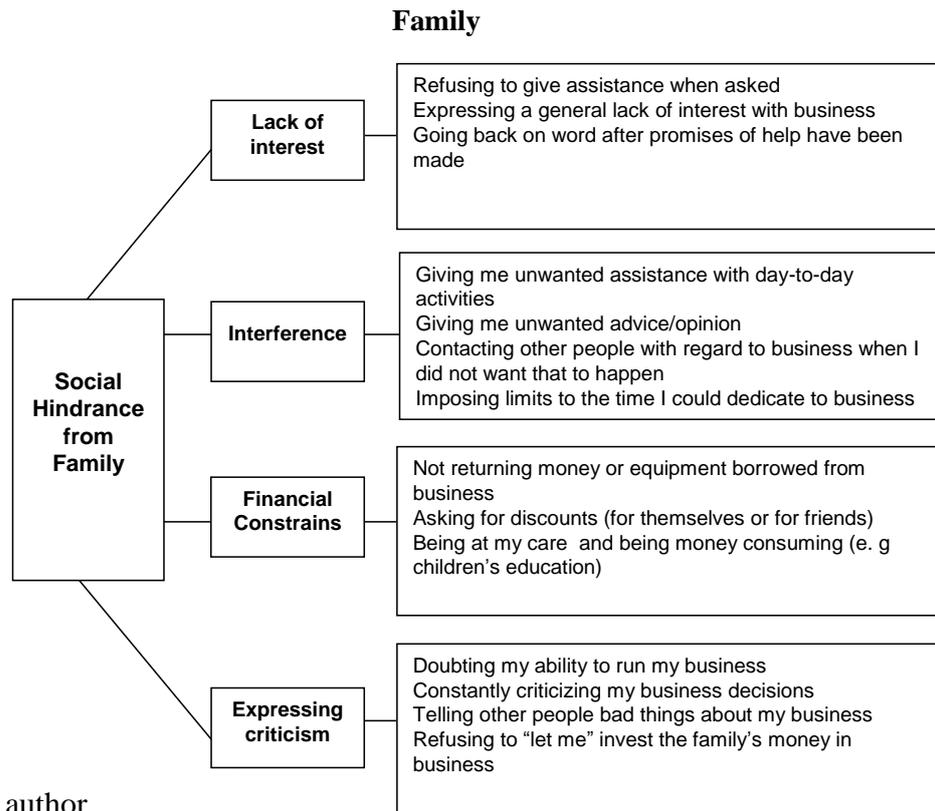
**Figure 9.4: Conceptual framework breakdown 2 - Measures of Social Support**



Because the results of PCA of unhelpful behaviours resulted in two distinct solutions, measures of social hindrance from family and social hindrance from people within personal circle are presented separately (Figure 9.5 and Figure 9.6).

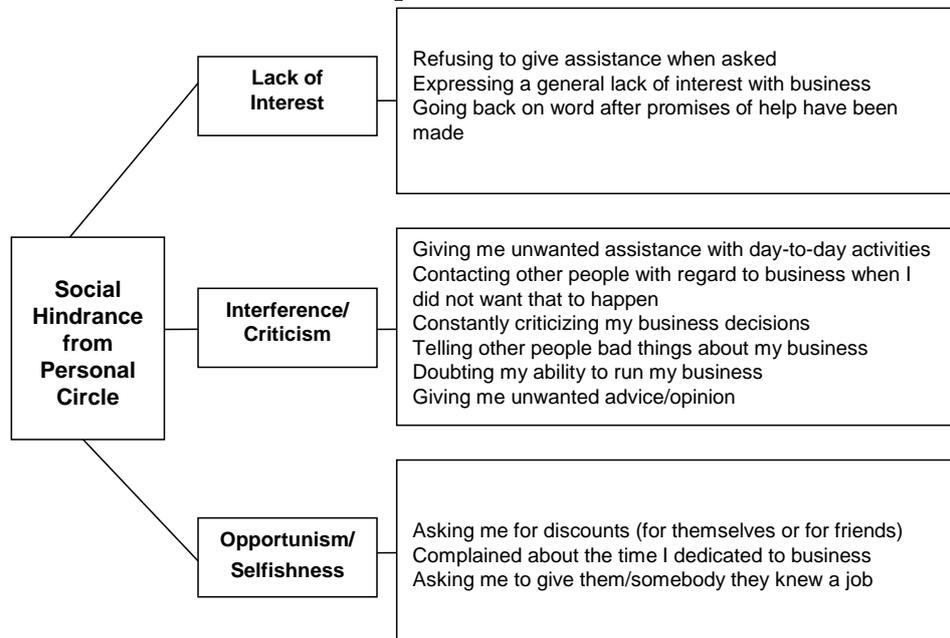
This research has identified four types of social hindrance, and specific measures, from family (Figure 9.5), namely Lack of Interest, Interference, Financial Constraints, and Expressing Criticism. Unhelpful behaviours from people within personal circle resulted in 3 types of social hindrance: Lack of Interest; Interference/criticism, and Opportunism/Selfishness. Specific measures for each of the identified sub-scales are presented in Figure 9.6.

**Figure 9.5: Conceptual framework breakdown 3: Measures of Social Hindrance from**



Source: author

**Figure 9.6 - Conceptual Framework breakdown 4: Measures of Social Hindrance from personal circle**



Source: author

## 9.5 CONCLUSIONS

This chapter has provided an evaluation of the theoretical, methodological and analytical approaches and discusses its results in relation to the literature and previous research. As far as the theoretical approach is concerned, the adoption and integration of theory of social networks, theory of social capital, and theory of social support has demonstrated to be an innovative approach, and one of this thesis' strengths.

With regard to the methodological approach, its strengths and limitations were at the core of the discussion, namely with regard to research design and approach, data collection methods and techniques, as well as pro and cons of ego-centered self-report data and the respective cautions to ensure reliability and validity. The use of a sequential, multi-method approach, demonstrated to be effective. Because the research problem was, to a considerable extent, under conceptualized, a first phase of qualitative data collection through qualitative interviews was fundamental, informing the construction of the questionnaire to be used in the main stage of quantitative data collection. The main benefits of such approach were felt at the reliability and validity levels.

The results described in Chapters 6 to 8 were interpreted in light of theoretical expectations and results of previous research, and a revised version of the conceptual framework is proposed, synthesising the results of this thesis. Social relationships are conceptualised as business owner's personal network of friends and people within personal circle. Personal networks are considered as providing both social support and social hindrance, and specific measures of both constructs, in the business context, are identified. The next chapter provides an overall conclusion regarding the results by examining the extent to which the objectives of the research were met.

## **CHAPTER 10 CONCLUSIONS AND IMPLICATIONS**

### **10.1 INTRODUCTION**

The main purpose of this study was to understand the role of social relationships in the setting up and management of small businesses in rural areas. There is recognition in the literature that social factors affecting business initiatives are an important area of small and micro business research but there is little research that has focused upon it. To fully answer the questions about the factors affecting small business performance and success it may be useful to consider not only certain aspects of the business owner's personal characteristics, cognitive processes, and the market and environmental conditions in which they operate, but also their social context and the way it influences their enterprising behaviour.

This chapter seeks to provide the main conclusions and implications of the research, and demonstrate the extent to which its aim and objectives have been met. The main implications arising from this research, both for theory and practice, are also discussed.

### **10.2 AIM AND OBJECTIVES**

The main aim of this research was to understand the role of owner's social relationships in the setting up and management of small tourism business in rural areas. However, it can be stated that its operational objectives were twofold: at theoretical level, contributing to knowledge by addressing research gaps in the literature, and at practical level, through that new knowledge, suggesting ways of enhancing the development of small tourism businesses in rural areas. Specifically these objectives were:

#### At theoretical level

- The development of a comprehensive conceptual framework for the analysis of the role of social relationships in the setting up and management of small tourism businesses, integrating the Theory of Social Networks, the Theory of Social Capital, and the Theory of Social Support;
- To provide a clearer understanding of social capital theory, and its application to small business research;
- To contribute to the development of measures of social support and social hindrance, operationalised through helpful and unhelpful behaviours, from owners' personal networks, and respective consequences to the businesses.

#### At practical level

- Clarify and strengthen the understanding of the influences of social relationships in the process of small business establishment and management;
- To identify specific helpful behaviours and unhelpful behaviours that significantly affect the business and the people within personal networks (e.g. family, friends, colleagues, acquaintances) who are responsible for such behaviours;
- To understand the consequences of helpful and unhelpful behaviours upon the business;
- To identify the existence and meaning of association between helpful and unhelpful behaviours, operationalised through measures of social support and social hindrance, and business success at different stages (e.g. start-up and maturity);

- To identify differences between specific groups of respondents (e.g. Oeste versus Alto Alentejo) with regard to the aforementioned objectives (types of behaviours, people responsible for them, and consequences to business).

## 10.3 THE MAIN ACHIEVEMENTS OF THE RESEARCH

The main achievements of the research are summarised below, based on the twofold structure of the objectives: contributions to knowledge at theoretical level, and practical implications.

### 10.3.1 CONTRIBUTION TO KNOWLEDGE

The results of this research are in accordance with, and add to contributions that follow a sociological perspective of small businesses setting up (e.g. Gartner 1985; Greenbank 2001), in that it suggests small and micro tourism business research should place a greater emphasis on the social embeddedness perspective, and on the social context of the owner in particular. This research has demonstrated that social relationships definitively frame and condition small and micro tourism businesses setting up and management, and similar conditions are likely to be found with regard to small, micro businesses, in other sectors. The main achievements at theoretical level will be summarised next.

#### **Creation of a broad, all encompassing theoretical framework**

Although the social embeddedness perspective has been widely adopted by previous research, most studies have adopted a network approach, mostly dealing with inter-firm, or organizational, networks, and position themselves within social capital theory. This research proposes an integrated theoretical approach, combining the Theory of Social Networks, the Theory of Social Capital and the Theory of Social Support (as suggested by Neergard et al. 2005). The use of the Theory of Social Support is particularly innovative because concrete measures (supportive behaviours and its consequences) have been identified, rather than general indicators as in previous studies. Some of the limitations identified in the literature

with regard to measuring social capital can be overcome by the proposed theoretical framework, and by using network data and social support measures as described in Chapter 9 (Section 9.4).

### **A clearer understanding of social capital theory**

One of the objectives of this research was to provide a clearer understanding of social capital theory and its application to small business research. Social capital has been considered in many *ad-hoc* ways. The positive aspects of social relationships are often conceptualized as social capital when affecting positively, or contributing to, enterprising behaviour or business setting up. The concept of social capital must be explored and better knowledge has emerged from this work on how such theory can be applied to the understanding of successful business setting up. It is evident in some of the social capital literature that any particular form of social relationships will have simultaneously benefits and disadvantages. However, the perspectives that conceive social capital and its effects as negative, regardless of the designation adopted, need to be contested. The proposition that should be adopted instead is that social relationships can give rise to positive and/or negative behaviours, not positive or negative social capital. When social relationships give rise to behaviours that have positive effects, contributing to an individual's goals and objectives are considered as capital. Social capital is therefore conceptualized as inherent in, and as a result of intrinsically positive social relationships. Social capital is operationalised through measures of social support. Measures that capture the negative aspects of social interactions are also used, but are not considered as social capital as has been the case in previous research.

### **Positive and negative interactions should be considered**

Most small business related studies, adopting the social embeddedness perspective, have also favoured the positive effects of embeddedness and of social interactions, neglecting the conflicting and hindering behaviours. As suggested in the literature though, the results in this thesis have demonstrated that social interactions can be detrimental as well as supportive. Therefore, in order to fully understand the social embeddedness of a business and the role of social relationships in its setting up and

management, these results suggest that research should include positive as well as negative characteristics of social interactions in theoretical models and empirical studies.

References in the small business literature to negative interactions and their effects upon businesses are very sparse, and mentioned in very broad terms. Overall, measurement of negative interactions has also varied considerably across studies in other areas, and little is known about their dimensions, making it very difficult to compare its effects on small business setting up. Based on specific measures (unhelpful behaviours from family and from people within personal circle) this research has contributed to the conceptualization of social hindrance and respective dimensions as opposed to social support. Moreover, because a full understanding of the relative impact of positive and negative interactions cannot be gained without including its outcomes (as suggested by Newsom et al. 2003), this research has proposed a set of concrete measures, both for helpful behaviours and unhelpful behaviours, that is to say for social support and social hindrance (as detailed in previous chapter - Section 9.4) in the revised conceptual framework (Figures 9.2 to 9.6).

### **Clear understanding of the nature and characteristics of social support and social hindrance**

This research has also demonstrated that social support, in the business context, as in other research contexts identified in the literature, is a multidimensional multiplex construct. Different types of social support have been identified and provided by the same role relationships, and different role relationships can provide the same type of support. In the same ways as social support, social hindrance is also a multidimensional, multiplex construct. Although different types of social hindrance have been identified to family and people within personal circle, some of them are common. Moreover the same role relationships can be responsible for different hindering behaviours.

**The role of social relationships (personal network)**

Within this research, personal networks, and particularly the family networks, have been acknowledged as vital to the business, at different moments in time. According to business owners' own words, especially without the family, the business would not exist. The personal networks (family and friends) were acknowledged by the respondents, since the first moment of their enterprising initiatives, as positively affecting the businesses. Personal networks give the owners the access to many of the necessary resources and conditions to the setting-up/taking control of the businesses. This research has also demonstrated that personal networks have not only provided access to resources, but also access to other people, enlarging business owners' network of contacts.

**Type of people within personal network (role relationship)**

The family plays the most important role, at different moments and in many ways. In the setting up phase the family provides emotional support and encouragement, practical aid and assistance and shared business responsibilities. To a lesser extent the family also provides access to important information and financial support. Supportive behaviours from the family are often fundamental to the owner's confidence and motivation, and it has been identified that without the family the business would not exist. In the operation of the business, the main helpful behaviour from the family has been the provision of practical aid and assistance. Emotional support is also important but not as much as it is in the setting up phase. The family is often also important in sharing business responsibilities, enhancing management decisions and helping the owner to keep confidence and motivation. These behaviours are also the ones expected to significantly affect the business in the future, and considered as fundamental to keep business in operation.

**10.3.2 PRACTICAL IMPLICATIONS**

To foster small tourism business setting up is a complex and difficult task, particularly in rural areas. The factors affecting it are many and diversified. As a result, trying to isolate one of them is to create misunderstanding. The contribution to the understanding of those factors will contribute to the development and

enhancement of programs and organizational initiatives and efforts to promote enterprising behaviour. It is vital to make actual and potential business owners aware of the ways social relationships can affect their business ventures by increasing their ability to make use of social capital. On the other hand, the good use of social capital is also likely to contribute to fostering the success of other factors, like financial capital and human capital. These results may inform organizations in the setting up of adequate rural development programs, broadening its focus and plans of action, including social environment related initiatives. Examples of this include programmes aimed at the facilitation of social integration of potential incomers. Although incomers seem to be attracted by conditions of peripherality, they have to face the same difficulties with regard to infrastructures. The programmes need to be reviewed in order to promote social related aspects, aiming at facilitating tourism related business setting up. The economic development of rural areas will be the targeted outcome. Understanding how social relations affect enterprising behaviour will not be the solution for all problems but it can contribute to the development of programs and initiatives aimed at increasing its success.

This research has confirmed that social relationships, mostly conceptualized in the literature as personal or informal networks are fundamental to the process of starting and managing a small tourism business, providing support and resources, which is in accordance with assumptions of theory of social support and theory of social capital. Moreover, this research has also demonstrated that social relationships can also be negative, and therefore personal networks can have a detrimental effect, being prejudicial to business setting up and management, a perspective that has been neglected by small business research. Detrimental or unhelpful behaviours have been conceptualized as social hindrance. Based on empirical results, social hindrance and its consequences can be considered as less significant than social support to small business setting up and management. Caution is suggested in interpreting these results linearly though, because results also demonstrate that reports of social hindrance can be influenced by social desirability.

## **10.4 FUTURE RESEARCH**

Throughout the evaluation of the theoretical, methodological and analytical approaches (Section 9.4) many possible research directions were already highlighted as arising from the limitations of this thesis. However, some additional research opportunities are presented below, which are organised from two different perspectives: further analysis of existing data; and exploration of related themes and alternative approaches.

### **10.4.1 FURTHER ANALYSES OF EXISTING DATA**

For space reasons, analysis of the questionnaire data has been limited to the aspects strictly related to the aim and objectives. Nonetheless, a considerable amount of information has been gathered and made available. Further work could explore in greater detail the potential of existing data and two aspects in particular are suggested.

#### **10.4.1.1 Explore gender differences**

According to the literature review, and in spite of the contradictory results of previous research, it is assumed that gender differences may exist both with regard to the types of networks in which business owners are embedded, and with regard to the ways these networks are used (e.g. Neergaard et al. 2005). Moreover, there is evidence in the literature that gender issues also exist with regard to Work-Family Conflict. Women are likely to experience greater constraints and conflict between work related and family related activities (Ruderman 2002; Shelton 2006), partly because women have more roles to perform, particularly in relation to the family (Barbee et al. 1993). There is also debate about possible associations between gender and small business success (e. g. Loscocco et al. 1991). Considering that data collected for the purpose of this research includes gender information, further analysis of available data could enable to explore the existence and nature of business owner's gender related differences, with regard to the role

of social relationships and business outcomes, namely the importance of social support in strengthening ability to cope with WFC.

#### **10.4.1.2 Development of measures of social support and social hindrance and factor analysis**

Overall, psychometric results indicate good internal consistency and reliability, but further validation might be considered, lending confidence to the use of the measures, as well as add to the generalizability of the research results (social support, social hindrance and business performance). Further validation work will enable the more accurate assessment of the salient behavioural dimensions of social support from family and friends in the business context, namely factor stability. The number of variables (items) loading in each factor was not the same. For instance with regard to social support from the family, two factors had 3 items loading and 2 other factors had 6 items loading. Because increasing the number of indicators per factor improves factor stability (Floyd and Widaman 1995) it may be necessary to find additional variables to define the specified factors with few variables loading. That would also enhance “the representativeness of the assessment instrument, the degree to which items are proportionally distributed or scored” across the constructs dimensions” (Haynes et al. 1995, p.239).

Exploratory factor analysis has been used to generate hypothesis regarding the factors that should be represented in the social relationships domain. Confirmatory factor analysis or confirmatory structural equation modelling (Gorsuch 1997; Floyd and Widaman 1995), would confirm the hypothesized dimensions (factor structure), assess the construct validity, and refine the research instrument (Floyd and Widaman 1995; Field 2009). Although these procedures are beyond the scope of this thesis, they are acknowledged as being of interest for future work. In a more positive vein, it might be noted that the present research did not employ the factor analytic procedure in order to force a factor solution equal to the number of dimensions specified a priori (Gorsuch 1997). Instead a step-wise procedure was used in which eigenvalues determined the number of factors to be extracted and rotated. It is recommended in the literature that several factor analysis is computed

(e.g. Gorsuch 1997) in order to identify the best solution. In this case, several procedures were run, without a fixed number of factors to extract (based on eigenvalues  $>1$ ), and after finding the best solution, extraction was based on a specific number of factors (4 and 5). Amongst the several procedures, the four factor solution was demonstrated to be the most accurate.

#### **10.4.2 EXPLORATION OF RELATED THEMES AND ALTERNATIVE APPROACHES**

In addition to exploring existing data, additional work is recommended, which could contribute to overcome some of this thesis pitfalls and limitations.

##### **10.4.2.1 To overcome the survivor bias**

Most studies contributing to the identification of small businesses success (setting up, survival and performance) take the existing businesses stance, leaving aside the ones that attempted and failed, or the initiatives that did not go beyond the intentional phase. It seems of paramount importance, in order to confirm the role of social relationships (personal networks) in the setting up and management of small businesses, to implement studies that include individuals who are still in the process of setting up or entering into business ownership, and those who have attempted and failed. The identification of the reasons “why” people have failed to setting up a tourism business could help the understanding of whether social relationships (negative behaviours or lack of support) were amongst those reasons. On the other hand, to identify those people would be a difficult task. One possible way of overcome/lessen this difficulty would be to identify the people who have considered to setting up/take over a business and failed, from the list of people who have contacted local, regional or national tourism organisations for that purpose. Although it would be a very demanding and resource consuming process, it could be a way of getting access to information about the factors inhibiting/enhancing small business setting up from the perspective of unsuccessful, potential business owners.

#### **10.4.2.2 Identify urban/rural differences**

There is evidence in the literature (Chapter 2, Section 2.7.2) that location characteristics, and rurality in particular, may affect the process of business setting up, namely in the resources access/acquisition. However, it would be of interest to apply this research to other geographic contexts, such as urban areas. Results would contribute to the understanding of the existence of location's context specificities, its impacts upon businesses setting up and management, and how does it relate to the owner's personal networks (both in the positive and negative sense).

#### **10.4.2.3 Personality traits – detect and control personality bias/influence**

As stated before (Chapter 9, Section 9.2.3.4), self-report data is likely to be influenced by personality characteristics. Therefore, it is suggested that future research on the role of social relationships/personal networks in the setting up and management of small businesses includes questions/scales aims at assessing personality traits. Inferences about the role of social relationships/personal networks can therefore be made, having controlled for/correlated with personality variables. The inclusion of such variables would also enable cluster analysis, and the identification of potential groups of respondents based on personality traits. The “big five” personality components (extraversion, agreeableness, conscientiousness, emotional stability, and intellect) are an example of available personality measures that could be adopted for that purpose (as suggested by Van der Gaag and Snijders 2005).

#### **10.4.2.4 Longitudinal research**

Longitudinal studies should be conducted to clarify the associations between social support and social hindrance constructs and other variables as type of personal networks, as well as to assess the stability of social support and social hindrance configurations over time, as suggested in the literature (e.g. Bruhn and Philips 1984). Longitudinal research, and the use of the same research instrument

(questionnaire) at different occasions, would also enable to assess stability reliability, i.e. to measure consistency over time through the coefficient of correlation between scores on repetitions of the same test (test-retest) (Sekaran 2003).

#### **10.4.2.5 Additional research (explanatory qualitative stage)**

As referred in Chapter 5 (Section 5.4.2) this research is positioned within a sequential multi-stage, multimethod approach. This study is based on the outcomes of a developmental strategy, involving two different stages: qualitative interviews aiming at raising fundamental issues and information for questionnaire development to be used in the main, quantitative stage of data collection. Within this perspective, a subsequent third stage, with explanatory purposes, would enhance this research's contribution to knowledge. The rationale would be complementarity (seeking elaboration, enhancement, illustration, and clarification of the results from quantitative data, reaching additional depth and detail); or expansion (to expand the scope and breadth of the research, and to gain a more comprehensive understanding), as suggested in the literature (e.g. Greene et al. 1989; Petter and Gallivan 2004). Additional explanatory qualitative field work would be certainly a possible development of this research, in order to achieve a deeper understanding of the role of social relationships in the business setting up process, and some causal mechanisms of the quantitative findings. The scope and resources requirements of such approach do not fit this doctoral program though.

## **10.5 CONCLUSION**

It is believed that this research has contributed significantly to build upon some research gaps not only at the theoretical level, integrating different but complementary theoretical approaches, but also at the methodological level, demonstrating the benefits of using a multistage, multi-method approach. It may be argued that this research study has also advanced knowledge regarding the setting up and management of (tourism related) small and micro businesses, providing evidence of the role and importance of social relationships.

Contributing to overcoming the shortcomings referred to, this research is original and innovative in the building of knowledge in the field of small businesses, providing a richer understanding of the role of social relationships, so far, a neglected aspect. It is also innovative in the building of knowledge in the field of social capital, providing a clearer conceptualization when applied to the small businesses context, and a set of concrete measures for its positive effects, social support, as well as negative effects, social hindrance. It proposes an original conceptual framework that brings together a set of theoretical assumptions, putting in evidence its interrelationships. Social embeddedness of economic action, social networks, social capital and its constituent parts, strength of strong tie theory and structural holes theory are presented and its inter-relationships analysed. The operationalisation of the concept of social capital through concrete measures of social support is also considered original.

Finally, the originality of this research has also to do with the focus on tourism businesses in rural areas in Portugal. Portugal is mainly rural and Tourism is advocated both at the social and economic level as a viable alternative. However there is an acknowledged lack of initiative/entrepreneurial behaviour in many areas that also affects tourism development. The understanding of factors affecting, and particularly inhibiting the establishment of tourism businesses is certainly of relevance. The identification of the problem may help understanding the way of surmounting it or diminishing its constraining effects, namely through the development of policies and implementation of initiatives that enact and foster entrepreneurship. Research focusing on tourism related entrepreneurship in Portugal is scarce, and no studies have been identified dealing with social interactions, either in the positive sense, conceived as social capital and operationalised through measures of social support, or in the negative sense, conceptualized either as indifference (lack of support) or as conflict (when causing problems and prejudices to entrepreneurs).

Small and micro tourism businesses are very likely to be family businesses, and the dynamics are very specific. Personal networks, and social relationships if we

consider the networks in a more informal way, are of paramount importance. Although existing, and in spite of being of significance, other factors are likely to play a minor role in the successful business set up and management. In more peripheral areas, areas where economic activity is bounded by difficulties such as lack of resources and facilities, investors benefit from their personal network in the access to the necessary resources. The main way people seem to benefit from social relationships in the process of setting up and management of their businesses is by gaining access to emotional support. It may be concluded then, that this research demonstrates that “no man is an island, entire of its own”, and even when dealing with economic action, people need to be part of the main that is the social world.

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## APPENDIX I LIST OF HELPFUL AND UNHELPFUL BEHAVIOURS IDENTIFIED IN SOCIAL SUPPORT LITERATURE

	<b>Helpful behaviours</b>	<b>Reference</b>
1	Helped me to think about different ways to achieve my goal on the project	Ruehlman and Wolchik 1988
2	Showed that thought I was doing a good job	Ruehlman and Wolchik 1988
3	Gave you help when you needed	Ruehlman and Wolchik 1988
4	Financial help	Power et al. 1988
5	Suggestions, advice	Power et al. 1988
6	Looked after a family member when you were away	Barrera et al. 1981
7	Watched after your possessions when you were away	Barrera et al. 1981
8	Told you what he/she did in a similar situation	Barrera et al. 1981
9	Gave you some information on how to do something	Barrera et al. 1981
10	Gave you some information to help you understand a situation you were in	Barrera et al. 1981
11	Loaned or gave you something you needed	Barrera et al. 1981
12	Told you who you should see for assistance	Barrera et al. 1981
13	Loaned you money	Barrera et al. 1981
14	Taught you how to do something	Barrera et al. 1981
15	Told me the best way to get something done	Corcoran et al. 1998
16	Looked at my belongings	Corcoran et al. 1998
17	Loaned me a car when I needed one	Corcoran et al. 1998
18	Loaned me tools, equipment, or appliances when I needed them	Corcoran et al. 1998
19	Loaned me tools, equipment, or appliances when I needed them	Corcoran et al. 1998
20	Showed me how to do something I didn't know to do	Corcoran et al. 1998
21	Talked to other people to arrange something for me	Corcoran et al. 1998
22	Loaned me money for an indefinite period	Corcoran et al. 1998
23	Suggested how I could find out more about a situation	Corcoran et al. 1998
24	Suggested a way I might do something	Corcoran et al. 1998
25	Helped me figure out what I needed to do	Corcoran et al. 1998
26	Helped me decide what to do	Corcoran et al. 1998
27	Helped me figure out what was going on	Corcoran et al. 1998
28	Told me who to talk for help	Corcoran et al. 1998
29	Helped me think about a problem	Corcoran et al. 1998
30	Given you useful information and advice	Abbey et al. 1985
31	Helped you out when too many things needed to be done	Abbey et al. 1985
32	Listened when you wanted to confide about things that were important to you	Abbey et al. 1985
33	My family gives me practical kinds of help	McDonald 1998
34	My family gives me good advice when I have problems	McDonald 1998
35	Offer helpful advice when you needed to make important decisions?	Newsom et al. 2005
36	Make useful suggestions?	Newsom et al. 2005
37	Suggest ways that you could deal with problems you were having?	Newsom et al. 2005
38	Do favours and other things for you?	Newsom et al. 2005
39	Provide you with aid and assistance?	Newsom et al. 2005
40	Help you with an important task or something that you could not do on your own?	Newsom et al. 2005
41	Cheer you up or help you feel better?	Newsom et al. 2005
42	Do or say things that were kind or considerate toward you?	Newsom et al. 2005

	<b>Unhelpful behaviours</b>	<b>Reference</b>
1	Acted in an unpleasant or angry manner	Abbey et al. 1985
2	Gave me misleading advice with regard to my business	Ruehlman and Wolchik 1988
3	Tried to help me with my business and made mistakes	Ruehlman and Wolchik 1988
4	Made me feel worse when I felt discouraged	Ruehlman and Wolchik 1988
5	Argued at you about your project	Abbey et al. 1985
6	Made you feel incompetent	Duffy et al. 2002
7	Talked bad about you behind your back	Duffy et al. 2002
8	Let you know they did not like you or something about you	Duffy et al. 2002
9	Spread rumours about your project	Duffy et al. 2002
10	Belittled your ideas/ decisions	Duffy et al. 2002
11	Took advantage of me	Ruehlman and Karoly 1991
12	Distracted me when I was doing something important	Ruehlman and Karoly 1991
13	Gossiped about me	Ruehlman and Karoly 1991
14	Disagreed with me	Ruehlman and Karoly 1991
15	Was too demanding of my attention	Ruehlman and Karoly 1991
16	Criticized you	Lakey et al. 1994
17	Told negative things about you to another person	Lakey et al. 1994
18	Didn't pay borrowed money	Lakey et al. 1994
19	Interfered in your business	Lakey et al. 1994
20	Gave unwanted or bad advice	Lakey et al. 1994
21	Went back on their words	Lakey et al. 1994
22	Took advantage of your generosity	Lakey et al. 1994
23	Refused to discuss an important topic	Lakey et al. 1994
24	Didn't take your problems seriously	Lakey et al. 1994
25	Done things that conflicted with your own sense of what should be done	Abbey et al. 1985
26	Acted in an unpleasant or angry manner	Abbey et al. 1985
27	Give you unwanted advice	Newsom et al. 2005; Newsom et al. 2008
28	Question or doubt your decisions	Newsom et al. 2005; Newsom et al. 2008
29	Interfere or meddle in your personal matters	Newsom et al. 2005; Newsom et al. 2008
30	Let you down when you needed help	Newsom et al. 2005; Newsom et al. 2008
31	Failed to give you assistance that you were counting on	Newsom et al. 2005; Newsom et al. 2008
32	Act unsympathetic or critical about you	Newsom et al. 2005; Newsom et al. 2008
33	Do things that were thoughtless or inconsiderate	Newsom et al. 2005; Newsom et al. 2008

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## APPENDIX II      INTERVIEW GUIDELINES

Qualitative research or exploratory (Oppenheim, 1992) interviews require low degree of structure, focusing on “specific situations and action sequence in the world of the interviewee rather than abstractions” (King 2004, p. 11). “The emphasis must be on how the interviewee frames and understands issues and events” (Bryman 2004, p. 321). In spite of its unstructured nature there is the need to prepare an interview guide, which may refer to a “brief list of memory prompts of areas to be covered” (Bryman, 2004, p. 324). Oppenheim (2004, p. 67) refers to the “hidden agenda”, as a “handful of headings or topics around which they will seek to direct the interview”. King (2004) observes that when using fully formed questions the interviewer may become too immersed, using a questioning style too directive and closed.

Considering that the purpose of the exploratory interview is to make respondents express their own ideas spontaneously in their own words, the interviewer may merely suggest topics avoiding formal and leading questions. For this research in particular, qualitative interviews, free elicitation responses to the questions posed will help to identify and propose a set of items that will incorporate the questionnaire and to increase the quality of the measures employed. A brief explanation about the purpose of the interview is given, in order to have the conversation started:

“Other people sometimes influence what we do. The aim of my research is to understand the influence people that do not make part of the business, but make part of your everyday life (family, keens, friends, acquaintances, significant other), have upon the experience of starting-up and managing a business, and upon yourself as a business owner. We would like you to tell me about your experience.” Considering not all interviewees react in an active way, if needed, in order to start the conversation, it is proposed to pose a wide-open, projective general question, relate to present situations, as suggested by Patton (2002) e.g.:

**General question:** “Would you like to tell me about some situations to do with the set-up and management of the business where people you know (for instance, your

close family) are of significance? (It might be an example of positive or negative situation (some people may be helpful and some might be unhelpful or problematic)).

Depending on the reaction of interviewees, and on the answer to our introductory question or topic follow up questions might have to be included related to the following aspects:

**Positive interactions (helpful behaviours):**

- 1- Is there anyone that has been particularly of support towards your business initiative? (Examples might have to be given about people directly involved [employees, partners, consultant...] and about people not directly involved [spouse/wife (if not partner in the business) children, parents, keen, friends...])
- 2- In what ways has this person been of support?
- 3- What were the consequences of these behaviours to the business?

**Negative interactions (unhelpful/constraining behaviours):**

- 1- Is there anyone that has been particularly unhelpful/constraining towards your business initiative?
- 2- How has this person been unhelpful/constrained your business?
- 3- What were the consequences to the business)?

### APPENDIX III SUMMARY OF ANALYSIS OF INTERVIEWS

<b>Interview nr. 1</b>		
<b>Business type: Entertainment (Paulo)</b>		
<b>POSITIVE INTERACTIONS (HELPFUL/SUPPORTIVE BEHAVIOURS)</b>		
<b>Who has been of support towards the business initiative?</b>	<b>In what way(s) has this person been of support?</b>	<b>What were the consequences of these behaviours to business?</b>
Wife	Providing emotional support She has encouraged me to go forward with the business	Made me feel more confident and enthusiastic about the business idea
	Giving access to information: My wife gave me access to friend who end up being important helping to get clients	Helped to get more clients
	Practical support Has released me from family and house obligations	Enabled me to have more time to dedicate to business
	Has taken care of our daughter in many occasions	Allowed me to dedicate to business and keep the business in operation
	Talked about /discussed the project with me	Has given ideas/contributions Help me to make decisions about the project (set up phase mainly)
	Has put the word for me with her colleagues at work who end-up being my clients	Helped to get more clients
Parents	Emotional support to go forward with business	Made me feel encouraged and supported
Friend	Told me how to access financial support (within an incentive scheme)	Has enabled to access the necessary financial resources to set-up the business
Acquaintances	Talks about the project, namely about how to set-up (legal advice) and ways to promote	Has helped me to think through the set-up and make decisions about the operation and management of the business
	Listened to me when I needed to talk about my project	Helped me to make decisions
	Gave ideas	Helped to find ways of being more cost efficient

<b>Interview nr. 1 (Continuation)</b>		
<b>Business type: Entertainment (Paulo)</b>		
<b>POSITIVE INTERACTIONS (HELPFUL/SUPPORTIVE BEHAVIOURS)</b>		
<b>Who has been of support towards the business initiative?</b>	<b>In what way(s) has this person been of support?</b>	<b>What were the consequences of these behaviours to business?</b>
	Help me to disseminate /raise awareness about my business	Help me to get more clients
	Gave me good feedback about the services provided and about the whole experience (activities)	Gave me a felling of confidence; Helped me to remain motivated in spite of the difficulties
	Told me where I could find the necessary information	Helped me to be better informed about tourism reality and market trends
Acquaintances	Gave advice/information where to find the necessary people to subcontract	Help me to find the necessary resources/services to run my business Helped me to offer better and more diversified services (e.g. guided tours, walking trails)
	Gave me access to other relevant people (business contacts)	Helped me to enlarge my personal network of business contacts Helped to get more information, an to increase awareness
	Providing practical help dealing with business activities	Made possible to deal with clients when I was unable to do everything on my own
<b>NEGATIVE INTERACTIONS (UNHELPFUL / CONSTRAINING BEHAVIOURS)</b>		
<b>Who has been unhelpful towards your business initiative?</b>	<b>How has this person been unhelpful/constrained your business?</b>	<b>What were the consequences to the business?</b>
	There were moments of tension (strain) between me and my wife	Made me feel more stressed
Wife	There were arguments about the business and how it was constraining my time and attention	Made me question my decision to start this business
Daughter	Involuntarily my daughter was a cause of stress because I was not spending time with her or sharing her special moments	Distressed me emotionally Made me question whether I was doing the right thing
Parents	Complained a little about my lack of attention because visits to the family became less frequent	Distressed me to a little extent. Did not cause almost any impact at all in the business

<b>Interview nr. 2</b>		
<b>Business type: Restaurant (Rosa)</b>		
<b>POSITIVE INTERACTIONS (HELPFUL/SUPPORTIVE BEHAVIOURS)</b>		
<b>Who has been of support towards the business initiative?</b>	<b>In what way(s) has this person been of support?</b>	<b>What were the consequences of these behaviours to business?</b>
Brother	Embracing the business idea and since the beginning and being partner in business.	Made me feel it was a family business and could count on him to be at my side
	Emotional support	Made me feel encouraged and part of a team, not on my own
	Talking about the business and giving ideas	Helped to make decisions in relation to the set up phase of the business
	Practical support in everyday tasks	Made possible to run the business on a everyday basis
Mother	Giving encouragement to go forward with business	Made me feel encouraged and believe it was the right thing to do
	Always very supportive at all levels	Made me feel more confident
	Practical help in the restaurant (kitchen)	Help me to deal with everyday management of the business; Helped to deal with business while I could take care of personal things
Friends	Talking about the business and giving ideas	Helped me to define the characteristics of the business
	Being clients	Help to keep contact with friends
	Talking about the business to other people (word of mouth)	Helps to have more clients
Acquaintances	Giving access to information (e.g. about financial matters)	Helps to keep informed about business opportunities
	Giving access to people that could be of help to me	Helps to find the necessary people and services to keep the business in operation
<b>NEGATIVE INTERACTIONS (UNHELPFUL / CONSTRAINING BEHAVIOURS)</b>		
<b>Who has been unhelpful towards your business initiative?</b>	<b>How has this person been unhelpful/constrained your business?</b>	<b>What were the consequences to the business?</b>
Friends	Doubting about the business initiative	Made me feel insecure about the business initiative
	Doubting my ability to manage the business	Made me feel doubt my abilities and feel discouraged
	Expressing criticism about the project	Made me feel distresses having to deal with criticisms
Extended family	Being indifferent to our business initiative	Did not affect much. We (me, brother and mother) ignored them
Neighbours, acquaintances	Giving opinions about the business without being asked	Make us feel a little distressed but does not affect the business.

<b>Interview nr. 3</b>		
<b>Business type: Rural accommodation (Luísa)</b>		
<b>POSITIVE INTERACTIONS (HELPFUL/SUPPORTIVE BEHAVIOURS)</b>		
Who has been of support towards the business initiative?	In what way(s) has this person been of support?	What were the consequences of these behaviours to business?
Husband	Full support	Would be difficult, as a couple, to do this without his support
	Emotional support	Made me feel motivated and encouraged
	Practical support (helping at taking care of other business – minimarket)	Enabled to have time availability to deal with this business
Sun	Emotional support	Makes me feel motivated
	Practical support – helping with taking care of other business (minimarket)	Enables more time availability to deal with this business
Mother	Took care of young sun	Enabled me to dedicate time and attention to the business
	Helped with house tasks and meals	Allowed to dedicate to business which is time consuming Fundamental to business success
Friend	Gave me words of incentive	Made me feel more confident
Acquaintances	Talk about/Discuss business initiative and giving ideas	Helped me to make decisions
	There were words of encouragement from the family	Helps to feel motivated
Acquaintances	Gave access to relevant information (financial)	Helped to get access to financial incentives
<b>NEGATIVE INTERACTIONS (UNHELPFUL / CONSTRAINING BEHAVIOURS)</b>		
Who has been unhelpful towards your business initiative?	How has this person been unhelpful/constrained your business?	What were the consequences to the business?
Husband	Does want to invest more money in accommodation business	Prevents business enlargement
Extended family	Criticizing business decisions	Made me feel distressed
	Giving unsolicited advice/opinion	Did not affect much
Friends	Criticizing business initiatives	Made feel distressed but did not affect the business

<b>Interview nr 4</b>		
<b>Business type: Entertainment activities (Adriana)</b>		
<b>POSITIVE INTERACTIONS (HELPFUL/SUPPORTIVE BEHAVIOURS)</b>		
<b>Who has been of support towards the business initiative?</b>	<b>In what way(s) has this person been of support?</b>	<b>What were the consequences of these behaviours to business?</b>
Spouse	Gave incentive to go forward with business	Made feel motivated and believe the business set up was a good idea
Friend	Helped with specific tasks (economy, accountancy)	Helped the setting up of business
Friend	Gave advice and suggestions for business	Helped to make decisions about business
Parents	They are living abroad but were emotionally supportive	Made me feel motivated and confident
	In case of need I could count on them to lend me money to invest in my business	This helped to go forward although I knew would involve financial risks, because I had their support
Parents in law	Practical support with personal things like taking care of sun and providing meals	Helped with business development because had more time available
	Borrowed some facilities for business (office)	Was important for business set up
	Borrowed money for business establishment	Was important for business set-up. Without this help would not be possible to set up the business
	Parents in law are well connected in this location. I knew I could benefit from this	Helped me to access people and resources to the setting up of business (e.g. businesses I could subcontract like accommodation)
Siblings	Talks about business. Advice and guidance	Helps to keep motivation and found directions and make decisions
Friends	Helped finding information	Helped to get better acquainted about tourism markets and tourism businesses
<b>NEGATIVE INTERACTIONS (UNHELPFUL / CONSTRAINING BEHAVIOURS)</b>		
<b>Who has been unhelpful/constrained your business initiative?</b>	<b>How has this person been unhelpful/constrained your business?</b>	<b>What were the consequences to the business?</b>
Spouse	Expression of criticism with regard to business	Made me question decision to set up business  Made me feel distressed and discouraged

<b>Interview nr. 5</b>		
<b>Business type: Restaurant (inheritance)</b>		
<b>POSITIVE INTERACTIONS (HELPFUL/SUPPORTIVE BEHAVIOURS)</b>		
<b>Who has been of support towards the business initiative?</b>	<b>In what way(s) has this person been of support?</b>	<b>What were the consequences of these behaviours to business?</b>
Parents	Taught everything about the business	Helped to get the necessary knowledge to run the business
	Providing information about how to manage the business	Information and experience from parents was fundamental to keep the business in operation
	Emotional support	Made me feel more motivated and keep confidence
	Gave me access to financial resources	Without parents investment the business would never exist
Mother	Worked in the kitchen	Was contributing to the quality of food and for success of restaurant
Spouse	Providing emotional support	Made me feel more motivated to take care of business
	Taking care of family duties (children, house, ...)	Allow me to have more time to dedicate to business
Close friends	Gave words of incentive	Contributed to keep motivated
	Publicized the business (word of mouth)	Helped to get clients
<b>NEGATIVE INTERACTIONS (UNHELPFUL / CONSTRAINING BEHAVIOURS)</b>		
<b>Who has been unhelpful towards your business initiative?</b>	<b>How has this person been unhelpful/constrained your business?</b>	<b>What were the consequences to the business?</b>
Siblings	Criticizing my business decisions	Caused distress
	Trying to dissuade me from taking care of family business	Held back my motivation to take care of business
Acquaintances	Criticizing all the time	Caused some distress and made me feel less confident

<b>Interview nr. 6</b>		
<b>Business type: Restaurant</b>		
<b>POSITIVE INTERACTIONS (HELPFUL/SUPPORTIVE BEHAVIOURS)</b>		
<b>Who has been of support towards the business initiative?</b>	<b>In what way(s) has this person been of support?</b>	<b>What were the consequences of these behaviours to business?</b>
Spouse	Emotional support Assisted with running the restaurant (kitchen, serving the guests,...)	Helped to keep motivation Helped to reduce costs with staff and improve financial position  Contributed to maintain high quality standards and overall positive image of the business
	Sharing business responsibilities	Made me feel encouraged and motivated
Acquaintance	Helped me to get the necessary credit to set-up the business	Without this help would not have the necessary money to set-up the business
Friends	As clients  Spreading the word about the business (word of mouth)	Improved nr of clients and profits  Good publicity improves nr of clients
<b>NEGATIVE INTERACTIONS (UNHELPFUL / CONSTRAINING BEHAVIOURS)</b>		
<b>Who has been unhelpful towards your business initiative?</b>	<b>How has this person been unhelpful/constrained your business?</b>	<b>What were the consequences to the business?</b>
Father	Did not lend the necessary money to set up the business	Made harder to get the necessary funding and delayed the process  Had to work harder to go forward with business
Sister	Broke promises of partnership in business	Made me work harder to keep business in operation
Friend	Did not help to access the necessary bank credit (refused to help)	Made feel discouraged and distressed
Acquaintances	Spreading bad things about the business/ criticizing	Bad publicity dissuades clients

<b>Interview nr. 7</b>		
<b>Business type: Accommodation - hotel</b>		
<b>POSITIVE INTERACTIONS (HELPFUL/SUPPORTIVE BEHAVIOURS)</b>		
Who has been of support towards the business initiative?	In what way(s) has this person been of support?	What were the consequences of these behaviours to business?
Spouse	Providing emotional support ; Showing trust in my decisions	Helped to keep motivation ; Increased my self-confidence
	Taking care of most aspects of business at the set-up stage	Enhanced business management and decision making
	Taking care of business activities	Improves quality and reduces cost with qualified staff; enables enlargement of the business
Close friends	Helped with setting up the business (construction of the building)	Reduced initial investment costs
	Created a website for the business	Reduced initial investment costs
	Publicising the business (word of mouth)	Increases nr. of clients
	As clients	Increases sales and profits
<b>NEGATIVE INTERACTIONS (UNHELPFUL / CONSTRAINING BEHAVIOURS)</b>		
Who has been unhelpful towards your business initiative?	How has this person been unhelpful/constrained your business?	What were the consequences to the business?
Father	Did not lend the necessary money to set up the business	Made harder to get the necessary funding and delayed the process
Family	Criticized and tried to discourage me from starting the business	Distressed me and discouraged me from taking the business forward
<b>Interview nr 8</b>		
<b>Business type: Rural accommodation</b>		
<b>POSITIVE INTERACTIONS (HELPFUL/SUPPORTIVE BEHAVIOURS)</b>		
Who has been of support towards the business initiative?	In what way(s) has this person been of support?	What were the consequences of these behaviours to business?
Spouse	Had experience in Marketing, and was responsible for the promotion/advertising	Facilitated the advertising and promotion of business; Reduced costs with promotion
Acquaintances	Provided access to relevant information (legal)	Enabled to comply with legal requirements and get licenses to open business
Friends	Advice about how to run the business	More efficient management of the business
	Word of mouth	Publicizing the business and getting more clients
<b>NEGATIVE INTERACTIONS (UNHELPFUL / CONSTRAINING BEHAVIOURS)</b>		
Who has been unhelpful towards your business initiative?	How has this person been unhelpful/constrained your business?	What were the consequences to the business?
Friends	Asking for discounts for them or for somebody they knew	Did not affect much (reduced my profits a little but doing favours can also be an investment)

<b>Interview nr. 9</b>		
<b>Business type: accommodation - hotel</b>		
<b>POSITIVE INTERACTIONS (HELPFUL/SUPPORTIVE BEHAVIOURS)</b>		
<b>Who has been of support towards the business initiative?</b>	<b>In what way(s) has this person been of support?</b>	<b>What were the consequences of these behaviours to business?</b>
Parents	Showing great enthusiasm about the business idea	Gave encouragement
	Provided emotional support	Increases self-motivation and confidence to keep the business going
Friends	Publicizing the business	Increases nr. of guests
	Helping to deal with nr. of guests in special events	Contributes to control for operational costs Contributes to positive image of the business
Friends	Giving access to important information	Helped find ways of reducing costs
		Helped to get information about the market trends
	Gave me access to contacts of people that was important for the business	Helped to access good deals
	Giving advice	Improve quality of service Helped define characteristics of the business
<b>NEGATIVE INTERACTIONS (UNHELPFUL / CONSTRAINING BEHAVIOURS)</b>		
<b>Who has been unhelpful towards your business initiative?</b>	<b>How has this person been unhelpful/constrained your business?</b>	<b>What were the consequences to the business?</b>
Spouse	Expressed criticism about my decisions	Caused emotional distressed
	Refused help when was necessary	Held back my willingness to start business for sometime
Spouse an children	Complained about the time the business requires and about my lack of attention to them	Made me feel distressed and questioned my decision to set up business

<b>Interview nr. 10</b>		
<b>Business type: restaurant</b>		
<b>POSITIVE INTERACTIONS (HELPFUL/SUPPORTIVE BEHAVIOURS)</b>		
<b>Who has been of support towards the business initiative?</b>	<b>In what way(s) has this person been of support?</b>	<b>What were the consequences of these behaviours to business?</b>
Parents	Always demonstrated great emotional support	Gave encouragement to set-up the business
	Gave access to relevant info about legal procedures	Fundamental to be able to set up business and reduce costs
	Gave access to relevant contacts (people who could help me with business set-up requirements)	Has facilitated the setting up process Knowing the right people facilitates contacts in certain organisations (city hall)
Friends	Helped me to find services and goods at lower prices	Contributed to reduce operational costs (purchasing goods at lower prices)
	Helped me to find the building for the business	Fundamental to be able to set up business – the location of the building is ideal
	Sharing business responsibilities (is a family business and we share responsibilities)	More efficient management of business (as we share responsibilities they were in control of everything when I was away)
Siblings	Taking care of the business when I need to do something else	Vital to keep business in operation and deal with my personal life  Helps to reduce costs with staff (the family members are more dedicated to the business and work harder)
<b>NEGATIVE INTERACTIONS (UNHELPFUL / CONSTRAINING BEHAVIOURS)</b>		
<b>Who has been unhelpful towards your business initiative?</b>	<b>How has this person been unhelpful/constrained your business?</b>	<b>What were the consequences to the business?</b>
Acquaintances	Criticized me and my business	Caused emotional distress
	Criticizing my decisions and my business initiative	Holds back the business decisions and enlargement
Spouse	Has complained about money being invested in business	Distressed me and prevented the grow of the business
Friends	Asking for a job for someone they knew	Distressed me and for a while and increased my costs with staff (employed someone that was not vital to the business)

## APPENDIX IV LIST OF POTENTIAL OUTCOMES TO THE BUSINESS SUBMITTED TO DISCUSSION GROUP

### List of potential positive outcomes

Giving me access to relevant information has contributed to informed decision making
Promote my business in new and more efficient ways (e.g. internet) (business performance)
Have clearer ideas about the market trends owner's satisfaction
Keep me updated in relation to the tourism sector (e.g. conferences, incentives) (owner's satisfaction)

Providing me emotional support has contributed to:

To Make me feel more confident in relation to my business idea owner's satisfaction
To keep my motivation in the establishment phase of the business owner's satisfaction/survival
To keep the business going when dealing with operational difficulties survival
My (high) satisfaction with my business owner's satisfaction

Talking to / discussing important matters with me has contributed to:

To make better decisions in relation to what to do in the start up (quality)
To make better decisions in relation to what to do in the operation of the business
Improve economic business performance (showed me ways to reduce costs, improve income )
Better answer to customers' needs and demands ( develop products/services quality) (business performance / clients satisfaction/quality)

Providing me assistance in day-to-day business activities has contributed to:

Keep the business in operation when was short with staff survival
Reduce costs (e.g. staff) in running the business ( maximise income)
Give me opportunity to do other things / free time (flexibility, owner's satisfaction)
Give answer to the number of clients in certain periods of the year

Providing me financial support has contributed to:

Get the necessary financial capital to the set up of business (survival)
Cope with operational costs when needed (e.g. salaries, bank loan, suppliers) (survival)
Make investment in marketing /promotion
Make investments and improve the business (e.g. improve quality, diversify services, enlarge) (business performance/quality)

Giving me access to relevant people has contributed to:

To get more clients to my business (sales growth)
To access the necessary resources (e.g. staff, services) survival
Have better access to financial support (survival)
Promote my business in new and more efficient ways (business performance)

### List of potential negative outcomes

<b>Providing unsolicited help / Interference with business</b>
Distressed you emotionally
Gave you the sense of losing control over business
Weakened the business image/positioning
<b>Expressing criticism/Depreciating business</b>
Made you lose motivation with business
Shacked your self-confidence

Hold back your willingness to enlarge business
<b>Showing Lack of Interest</b>
Made the decision-making about business more difficult
Shacked your self-confidence
Delayed your decision-making about business
<b>Failing to give assistance</b>
Increased business operational costs
Made you lose some clients (decreased sales volume)
Decreased the quality of services provided
Made impossible to enlarge/diversify business
<b>Constraining your Time and Money availability</b>
Reduced your financial availability to invest in business
Delayed business problem-solving
Decreased your sales
Prevented the business enlargement
Distressed you about your business
<b>Taking-advantage of your business</b>

## APPENDIX V MATCH OF THE QUESTIONNAIRE WITH LITERATURE REVIEW AND QUALITATIVE DATA COLLECTION

### SECTIONS VI AND VII OF THE QUESTIONNAIRE: PERCEPTION OF HELPFUL BEHAVIOURS AND CONSEQUENCES TO THE BUSINESS

Someone in my family/personal circle has been important in the provision of **emotional support** by:

Comforting me when I was worried about my business	Adapted from Corcoran et al. (1998); Newsom et al. (2005)
Giving me encouragement to go forward with my business	Adapted from Corcoran et al. (1998)
Showing trust in my business	Adapted from Ruehlman and Wolchik (1988)

By providing me with **emotional support**, this/these person(s) has/have helped me:

To feel more confident about my business when there were difficulties	Interviews/Discussion group
To remain motivated during the establishment phase of the business	Interviews/Discussion group
To deal with operational difficulties	Interviews/Discussion group

Someone in my family/personal circle has been important in the **discussion of important matters** by:

Giving me advice when I needed to make decisions about the business	Adapted from Abbey et al. (1985); McDonald (1998)
Helping me to think through my business problems	Adapted from Corcoran et al. (1998); Ruehlman and Wolchik (1988)
Listening when I needed to talk about my business	Adapted from Corcoran et al. (1998); Abbey et al. (1985)

By **discussing important matters about the business** with me this/these person(s) has/have helped me

Make decisions related to the set up phase	Adapted from Corcoran et al. (1998)
Make difficult decisions related to the operation of the business	Adapted from Corcoran et al. (1998)
Find ways to reduce costs	Interviews/Discussion group

Someone in my family/personal circle has **been important in the access of relevant information** by:

Telling me where to find information about how to do specific business tasks	Adapted from Corcoran et al. (1998)
Providing information about important matters (financing, clients)	Adapted from Corcoran et al. (1998); Abbey et al. (1985)
Giving me access to privileged/restricted information about business opportunity	Interviews/Discussion group

By **helping me to access to relevant information**, this/these person(s) has/have helped me:

To find new and more efficient ways to operate my business	Interviews/Discussion group
To gain a better understanding of/keep up to date with market trends	Interviews/Discussion group
To access to special deals /business opportunities	Interviews/Discussion group

Someone in my family/personal circle has been important **giving me access to other people** relevant by:

Helping me to find the necessary people/services (e.g. carpenter, plumber)	Interviews/Discussion group
Telling me who to talk to for help with my business	Adapted from Corcoran et al. (1998)
Talking to other people to help me with my business	Adapted from Corcoran et al. (1998)

**By helping me to access other relevant people, this/these person(s) has/have helped me**

To get more clients for my business	Interviews/Discussion group
To access the necessary resources (e.g. staff, services, suppliers of goods)	Interviews/Discussion group
To access the necessary financial support	Interviews/Discussion group

Someone in my family/personal circle has been important to my business **financially** by:

Loaning me money to invest in my business	Adapted from Corcoran et al. (1998)
Helping me to get financial support (e.g. being guarantor for bank credit)	Interviews/Discussion group
Investing money in my business (e.g. as partner in business)	Interviews/Discussion group

**By providing me with financial support, this/these person(s) has/have helped me:**

Have the necessary money to the set up of business	Interviews/Discussion group
Have the money to cope with operational costs (e.g. salaries, loans, suppliers) when needed	Interviews/Discussion group
Make investments and improve the business (e.g. better quality, diversify services, promotion)	Interviews/Discussion group

Someone in my family/personal circle has provided important help with **day-to-day activities** by:

Looking after personal things* while I took care of the business	Adapted from Corcoran et al. (1998)
Providing day-to-day aid and assistance (serving guests, cleaning, and book keeping...)	Adapted from Abbey et al. (1985); Newsom et al. (2005).
Looking after the business when I needed to take care of personal things*	Adapted from Newsom et al. (2005)

\* e.g. Looking after babies, taking children to school or the doctor; looking after pets; doing my shopping

**By helping in the day-to-day activities of the business, this/these person(s) has/have helped me**

To keep the business in operation when there were staff shortages	Interviews/Discussion group
To reduce the number of non family employees required	Interviews/Discussion group
To take care of business and personal things at same time	Interviews/Discussion group

## SECTIONS VI AND VII: PERCEPTION OF UNHELPFUL BEHAVIOURS AND CONSEQUENCES TO THE BUSINESS

Someone in my family/personal circle **has provided unsolicited help/interfered with my business by:**

Giving me unwanted advice/opinion	Adapted from Abbey et al. (1985); Newsome et al. (2005, 2008); Lakey et al.(1994)
Giving me unwanted assistance with day-to-day activities	Adapted from Newsome et al. (2003)
Contacting other people with regard to business when I did not want that to happen	Adapted from Duffy et al. (2002)

**By providing unsolicited help/interfering with the business this/these person(s) has/have helped me**

Distressed me emotionally	Interviews/Discussion group
Given me a sense of losing control over my business	Interviews/Discussion group
Given other people (e.g. employees, guests, suppliers) a wrong image of my business	Adapted from Duffy et al. (2002); Ruehlman and Karoly (1991) (gossiped about me)

Someone in my family/personal circle **has expressed criticism** of what I was doing in relation to the business by:

Constantly criticizing my business decisions	Adapted from Duffy et al. (2002); Rhuelman and Karoly (1991); Lakey et al. (1994)
Doubting my ability to run my business	Adapted from Duffy et al. (2002) Newsom et al. (2005, 2008)
Telling other people bad things about my business	Adapted from Ruhlman and Karoly (1991); Duffy et al. (2002); Lakey et al. (1994)

**By expressing criticism** of what I was doing in relation to the business, this/these person(s) has/have helped me:

Reduced my motivation to deal with business issues	Interviews/Discussion group
Shaken my self-confidence	Adapted from Duffy et al. (2002)
Held back my willingness to enlarge business	Interviews/Discussion group

Someone in my family/personal circle **has conditioned my money available to the business by:**

Refusing to "let me" invest the family's money in business	Interviews/Discussion group
Being at my care and being money consuming (e. g children's education)	Interviews/Discussion group
Complaining about the money I dedicated to business	Interviews/Discussion group

**By conditioning my money availability**, this/these person(s) has/have helped me

Reduced my financial ability money to invest in the business	Interviews/Discussion group
Delayed my solving business problems (time related issues)	Interviews/Discussion group
Prevented the growth of my business	Interviews/Discussion group

Someone in my personal circle has failed to give assistance **with business** when needed by:

Going back on word after promises of help have been made	Adapted from Lakey et al. (1994)
Refused to give assistance when asked (e.g. financial, day-to-day activities, contacts)	Adapted from Newsom et al. (2003)
Expressed a general lack of interest with business	Interviews/Discussion group

**By failing to give assistance with business** this/these person(s) has/have helped me:

Increased my business costs in terms of employing staff	Interviews/Discussion group
Made me lose some clients (decreased sales volume)	Interviews/Discussion group
Made me work more to keep the business in operation	Interviews/Discussion group

Someone in my family/personal circle **tried to take, or actually took, personal advantage of my business by:**

Asking me to give them/somebody they knew a job	Interviews/Discussion group
Asking me for discounts (for themselves or for friends)	Interviews/Discussion group
Not returning money or equipment they borrowed from my business	Interviews/Discussion group

**By trying to take or taking personal advantage of my business this/these person(s) has/have helped me:**

Increased my emotional distress through having to deal with those situations	Interviews/Discussion group
Reduced my profits (e.g. by giving discounts)	Interviews/Discussion group
Increased the costs of the business (e.g. by giving people a job opportunity)	Interviews/Discussion group

Someone in my family/personal circle **has conditioned my time available to the business by:**

Imposing limits to the time I could dedicate to business	Interviews/Discussion group
Requiring my attention and being time consuming (e. g children's education)	Adapted from Ruhelman and Karoly (1991)
Complained about the time I dedicated to business	Adapted from Ruhelman and Karoly (1991)

**By conditioning my time available to the business, my family has:**

Reduced my availability (time) to dedicate to the business	Interviews/Discussion group
Delayed my solving business problems (time related issues)	Interviews/Discussion group
Prevented the growth of my business	Interviews/Discussion group

#### **SECTION VIII: OVERALL OWNERS' PERCEPTION OF THE RELATION BETWEEN THE BUSINESS AND THEIR SOCIAL RELATIONSHIPS**

51. To what extent do you agree/disagree with the following statements about the relation between your business and your family?

My <i>business</i> produces strains that makes it difficult to fulfill my family duties	Adapted from Nettemeyer et al. (1996) measures of WFC-FWC.
Family-related strain interferes with my ability to perform business-related duties	
Overall I am very satisfied with the support I get from my family for my business	
I would not have this business without the support from my family	
The success of my business does not depend of the support I get from my family	

52. To what extent do you agree/disagree with the following statements about the relation of your business and people within your personal circle?

My <i>business</i> produces strain that makes it difficult to fulfill social life responsibilities?	Adapted from Nettemeyer et al. (1996) measures of WFC-FWC.
Social life responsibilities interfere with my ability to perform business-related duties	
Overall I am very satisfied with the support I get from people within my personal circle to my business	
I would not have this business without support from people within my personal circle	
The success of my business does not depend of the support I get from people within my personal circle	

**SECTION IX: OWNERS' PERCEPTION ABOUT THEMSELVES**

53. To what extent do you agree/disagree with the following statements?

Generally speaking I am very satisfied with the business	Adapted by Kopelman et al. (1983) from the of the Job Diagnostic Survey (Hackman & Oldham 1975).
I frequently think of quitting this business	
I get a satisfactory income from this business	
I have the opportunity of self-directed work	Author
I have the opportunity of flexibility of work hours.	
I sometimes regret setting up/taking control of this business	
I have a satisfactory amount of free time in spite of running this business	
I have the opportunity to live in the place I wanted to live	
I have the opportunity of having the lifestyle I have always wanted	

54. With regard to the following situations, and how they apply to yourself, please tick True or False?

I'm always willing to admit it when I make a mistake.	Marlowe-Crowne Social Desirability Scale Straham and Gerbasi's (1972) short version
I always try to practice what I preach	
I never resent being asked to return a favour.	
I have never been irked when people expressed ideas very different from my own.	
I have never deliberately said something that hurt someone's feelings.	
I like to gossip at times.	
There have been occasions when I took advantage of someone.	
I sometimes try to get even rather than forgive and forget.	
At times I have really insisted on having things my own way.	
There have been occasions when I felt like smashing things.	

## APPENDIX VI FINAL VERSION OF THE QUESTIONNAIRE

*Tourism related businesses in rural areas: The role of Social Relationships*

<b>Date:</b>	<b>Type of Business:</b>
<b>Nr.</b>	<b>Location (concelho):</b>

### SECTION I: THE CONTEXT OF THIS BUSINESS

1. Please tick the statement that best applies to you as owner of this business (choose only one option):

Started this business from scratch alone	<input type="checkbox"/>	Bought an established business	<input type="checkbox"/>
Started from scratch with partners	<input type="checkbox"/>	Bought an existing but closed business	<input type="checkbox"/>
Was invited to join the business	<input type="checkbox"/>	Inherited this business	<input type="checkbox"/>
Other	<input type="checkbox"/>	Specify _____	

2. In what year did you become owner/co-owner of this business? \_\_\_\_\_

2.1 How many people work in the business?

	Family members	Non-family members
Full time		
Part-time		

3. If applicable, how many partners **did you have** when you set up the business? \_\_\_\_\_ of which \_\_\_\_\_, are family members.

3.1 If applicable, how many partners **do you have now**? \_\_\_\_\_ of which \_\_\_\_\_, are family members.

4. Why did you decide to set-up/take control of this business? (up to two reasons in order of importance).

1<sup>st</sup> reason: \_\_\_\_\_

2<sup>nd</sup> reason: \_\_\_\_\_

5. Why did you decide to set up/take control of the business in this area? (up to two reasons in order of importance).

1<sup>st</sup> reason: \_\_\_\_\_

2<sup>nd</sup> reason: \_\_\_\_\_

6. Please tick the statements that best apply to you in relation to this CONCELHO prior to establishing this business (one answer only).

I have always lived here

I lived here but went away for sometime before returning  Where to? \_\_\_\_\_ For how long? \_\_\_\_\_

I have never lived here, only moved because of the business  Where did you live before (most of your life)? \_\_\_\_\_

6.1 Would you consider this fact influenced (positively or negatively) the process of setting up/taking control of this business?

no  Why? \_\_\_\_\_

Yes  How? \_\_\_\_\_

7. Did you have any family living in this parish before setting up this business? No  yes  Who? \_\_\_\_\_

7.1 Would you consider this fact influenced (positively or negatively) the process of setting up/taking control of this business?

No  Yes  How? \_\_\_\_\_

8. Did you have any personal acquaintances in this parish before setting up this business? No  yes  Who? \_\_\_\_\_

8.1 Would you consider this fact influenced (positively or negatively) the process of setting up/taking control of this business?

No  Yes  How? \_\_\_\_\_

9. Please state, in order of importance, two criteria against which you measure the success of your business.

1<sup>st</sup> criterion: \_\_\_\_\_

2<sup>nd</sup> criterion: \_\_\_\_\_

9.1. How successful would you consider your business to be today in relation to the **first** criterion mentioned above?

Very unsuccessful  Unsuccessful  Neither successful or unsuccessful  Successful  Very successful

9.1.1. Why? \_\_\_\_\_

9.2. How successful would you consider your business to be today in relation to the **second** criterion mentioned above?

Very unsuccessful  Unsuccessful  Neither successful or unsuccessful  Successful  Very successful

9.2.1 Why? \_\_\_\_\_

<b>SECTION II: THE ROLE OF SOCIAL RELATIONS IN SETTING UP/ TAKING CONTROL OF THE BUSINESS</b>
---

All the questions in this section are related either to the time you set up (if you started it-up) or took control of this business (if you bought, inherited or joined as partner). It is very important that you focus specifically on that period.

**Family-** I would like you to first consider the influence and support of your family in what you have done and experienced.

10. Do you think that one, or more, of the people within your family provided you with significant help/support during the time you set up, or took control of, your business?

No  Please go to question 11

Yes

10.1 Who was the person (type of relationship) within your family, whose help was the most important when you set up/took control of business?	
10.2. Where did this person live at the time he/she was of help ( <i>concelho</i> )?	
10.3. Where did this person work at the time he/she was of help ( <i>concelho</i> )?	
10.4 What was the most important positive way in which this person helped you?	
10.5 How did that help influence what happened when you were setting up/taking control of this business?	

11. Do you think that one, or more, of the people within your family was significantly unhelpful, or obstructive, in what they did or did not do, when you were setting up/taking control of your business?

No  Please go to question 12

Yes

11.1. Who was the person within your family (type of relationship) who was most unhelpful, or placed the most significant obstacles in your way, during the setting up/taking control of this business?	
11.2. Where did this person live at the time he/she was unhelpful/obstructive ( <i>concelho</i> )?	
11.3. Where did this person work at the time he/she was unhelpful/obstructive ( <i>concelho</i> )?	
11.4. What was the most important way in which that person was unhelpful or obstructive?	
11.5. How did that unhelpfulness, or obstructive behavior, have an effect on what happened when you were setting up/taking control of your business?	

**People within personal circle** – In addition to family members, there may have been other people within your personal circle of friends, colleagues, acquaintances, neighbors and fellow professionals who may have been of significance to you as business owner during the process of setting up/taking control of your business.

12. Do you think that one, or more, people within your personal circle of friends, colleagues, acquaintances, neighbors and fellow professionals provided you with significant help/support at the time you set up/took control of this business?

No  Please go to question 13

Yes

12.1 Who was the person (type of relationship) within your personal circle whose help was the most important when you set up/took control of business?	
12.2. Where did this person live at the time he/she was of help ( <i>concelho</i> )?	
12.3.. Where did this person work at the time he/she was of help ( <i>concelho</i> )?	
12.4. What was the most important way in which that person helped you?	
12.5. How did that help influence what happened when you were setting up/taking control of this business?	

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13. Do you think that one, or more, of the people within your personal circle of friends, colleagues, acquaintances, neighbors and fellow professionals was significantly unhelpful, or obstructive, in what they did or did not do, or in their attitude, when you were setting up /taking control of your business?

No  Please go to question 14

Yes  13.1 Who was the person within your personal circle who was most unhelpful, or placed the most significant obstacles in your way, during the setting up/taking control of this business:

13.2. Where did this person live at the time he/she was unhelpful/obstructive (*concelho*)?

13.3. Where did this person work at the time he/she was unhelpful/obstructive (parish)?

13.4. What was the most important way in which that person was unhelpful or obstructive?

13.5 How did that unhelpfulness, or obstructive behavior, have an affect on what happened when you were setting up/taking control of your business?

**SECTION III: THE ROLE OF SOCIAL RELATIONS IN THE OPERATION OF THIS BUSINESS**

**All the questions in this section are now related to the operation of this business over the last 12 months. It is very important that you focus specifically on that period.**

**Family** – as for the setting up/taking control of this business, I would like you to consider the influence and support of your family, but now in what you have done and experienced in the **operation** of this business over the last 12 months.

14. Do you think that one, or more, of the people within your family provided you with significant help/support in the operation of this business over the last 12 months?

No  Please go to question 15

Yes  14.1 Who was the person (type of relationship) within your family, whose help was the most important in the operation of this business?

14.2. Where did this person live at the time he/she was of help (*concelho*)?

14.3. Where did this person work at the time he/she was of help (*concelho*)?

14.4 What was the most important positive way in which this person helped you?

14.5. How did that help influence what happened in the operation of this business?

15. Do you think that one, or more, of the people within your family was significantly unhelpful, or obstructive, in what they did or did not do, when you were setting up /taking control of your business?

No  Please go to question 16

Yes  15.1 Who was the person within your family (type of relationship) who was most unhelpful, or placed the most significant obstacles in your way, in the operation of this business:

15.2. Where did this person live at the time he/she was unhelpful/obstructive (*concelho*)?

15.3. Where did this person work at the time he/she was unhelpful/obstructive (*concelho*)?

15.4 What was the most important way in which that person was unhelpful or obstructive?

15.5. How did that unhelpfulness, or obstructive behavior, have an affect on what happened in the operation of your business?

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**People within personal circle** - As said before, in addition to family members, there may have been other people within your personal circle of friends, colleagues, acquaintances, neighbors and fellow professionals who may have been of significance to you as business owner in the operation of your business.

16. Do you think that one, or more, people within your personal circle of friends, colleagues, acquaintances, neighbors and fellow professionals provided you with significant help/support in the operation of this business?

No  Please go to question 17

Yes  16.1 Who was the person (type of relationship) within your personal circle whose help was the most important in the operation of this business?

16.2. Where did this person live at the time he/she was of help (*concelho*)?

16.3. Where did this person work at the time he/she was of help (*concelho*)?

16.4 What was the most important positive way in which this person helped you?

16.5. How did that help influence what happened when you were setting up/taking control of this business?

17. Do you think that one, or more, of the people within your personal of friends, colleagues, acquaintances, neighbors and fellow professionals circle was significantly unhelpful, or obstructive, in what they did or did not do, in the operation of your business?

No  Please go to question 18

Yes  17.1 Who was the person within your personal circle (type of relationship) who was most unhelpful, or placed the most significant obstacles in your way, in the operation of this business:

17.2. Where did this person live at the time he/she was unhelpful /obstructive (*concelho*)?

17.3. Where did this person work at the time he/she was unhelpful/obstructive (*concelho*)?

17.4 What was the most important way in which that person was unhelpful or obstructive?

17.5 How did that unhelpfulness, or obstructive behavior, have an affect on what happened in the operation of your business?

**SECTION IV: THE ROLE OF SOCIAL RELATIONS IN THE FUTURE OF THE BUSINESS**

18. Do you think that one or more people within your **family** will play an important role in the provision of help/support in the operation of your business over the next 3 years?

No  Please go to question 19

Yes  18.1 Who would you consider to be the person within your family (type of relationship), whose help will be the most important in the operation of this business over the next 3 years

18.2. Where does this person live (*concelho*)?

18.3. Where does this person work (*concelho*)?

18.4 What do you expect to be the most important way in which his person will be of help ?

18.5 How will that help influence the successful operation of your business?

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19. Do you think that one or more people within your **family** is likely to be significantly unhelpful, or obstructive, in what they do or do not do, in relation to the operation of your business over the next 3 years?

No  Please go to question 20

Yes  19.1 Who would you consider to be the person within your family (type of relationship), who will be most unhelpful, or obstructive, in what he/she does or does not do, or in his/her attitude, in the operation of your business over the next 3 years?

19.2. Where does this person live (*concelho*)?

19.3. Where does this person work (*concelho*)?

19.4 What would you expect to be the most important way in which that person would be unhelpful or obstructive?

19.5 How would you expect that unhelpfulness, or obstructive behavior, have an affect on the operation of your business over the last 3 years?

20. Do you think that one or more people within **your personal circle** of friends, colleagues, acquaintances, neighbors and fellow professionals will play an important role in the provision of help/support in the operation of your business over the next 3 years?

No  Please go to question 21

Yes  20.1 Who would you consider being the person within your personal circle (type of relationship) whose help will be the most important in the operation of this business over the next 3 years?

20.2. Where does this person live (*concelho*)?

20.3. Where does this person work (*concelho*)?

20.4 What do you expect to be the most important way in which his person will be of help ?

20.5 How will that help influence the successful operation of your business?

21. Do you think that one or more people within your **personal circle** of friends, colleagues, acquaintances, neighbors and fellow professionals is likely to be significantly unhelpful, or obstructive, in what they do or do not do, in the operation of your business over the next 3 years?

No  Please go to question 22

Yes  21.1 Who would you consider to be the person within your personal circle (type of relationship), who will be most unhelpful, or obstructive, in what he/she does or does not do, or in his/her attitude, in the operation of your business over the next 3 years?

21.2. Where does this person live (*concelho*)?

21.3. Where does this person work (*concelho*)?

21.4 What would you expect to be the most important way in which that person would be unhelpful or obstructive?

21.5 How would you expect that unhelpfulness, or obstructive behavior, have an affect on the operation of your business over the last 3 years?

**SECTION V: RANKING OF HELPFUL/ UNHELPFUL BEHAVIOURS IDENTIFIED BY RESPONDENT**

22. Please rank, from one to four, the helpful and unhelpful behaviors of your family and people in your personal circle that you identified as being significant during the period when you were setting up/taking control of this business. Begin with the behavior that had the most important effect on what happened (rank 1) and end with the one that had the least effect (maximum rank 4).

**Setting up / taking control of business**

Type of person	Behaviors identified		Ranking
Family	helpful		
Family	unhelpful		
Personal circle	helpful		
Personal circle	unhelpful		

23. Please rank, from one to four, the helpful and unhelpful behaviors of your family and people in your personal circle that you identified as being significant **in the operation** of this business. Begin with the behavior that had the most important effect on what happened (rank 1) and end with the one that had the least effect (maximum rank 4).

**The operation of the business**

Type of person:	Behaviors identified :		Ranking
Family	helpful		
Family	unhelpful		
Personal circle	helpful		
Personal circle	unhelpful		

24. Please rank, from one to four, the helpful and unhelpful behaviors of your family and people in your personal circle that you identified as being likely to be significant **to your** business over the next 3 years. Begin with the behavior that you think will have the most important effect on what will happen (rank 1) and end with the one that will have the least effect (maximum rank 4).

**The future of the business over the next 3 years**

Type of person:	Behaviors identified:		Ranking
Family	helpful		
Family	unhelpful		
Personal circle	helpful		
Personal circle	unhelpful		

## Tourism related businesses in rural areas: The role of Social Relationships

**SECTION VI: PERCEPTION OF YOUR FAMILY'S HELPFUL BEHAVIOURS**

Please state how often your family behaved in the following ways (between 0=never happened and 4=happened a lot). Then, for each behavior that took place at least one time please indicate how much it influenced the business (between 0=not at all and 4=to a great deal).

25. My family has been important in the provision of <b>emotional support</b> by						who?	live at
Comforting me when I was worried about my business	0	1	2	3	4		
Giving me encouragement to go forward with my business	0	1	2	3	4		
Showing trust in my business	0	1	2	3	4		

25.1. **By providing me with emotional support**, my family has helped me:

To feel more confident about my business when there were difficulties	0	1	2	3	4
To remain motivated during the establishment phase of the business	0	1	2	3	4
To deal with operational difficulties	0	1	2	3	4

26. My family has been important in the discussion of important matters about the business by						who?	live at
Giving me advice when I needed to make decisions about the business	0	1	2	3	4		
Helping me to think through my business problems	0	1	2	3	4		
Listening when I needed to talk about my business	0	1	2	3	4		

26.1. **By discussing important matters about the business with me**, my family has helped me to:

Make decisions related to the set up phase	0	1	2	3	4
Make difficult decisions related to the operation of the business	0	1	2	3	4
Find ways to reduce costs	0	1	2	3	4

27. My family has been important in the access of relevant information for my business by						who	live at
Telling me where to find information about how to do specific business tasks	0	1	2	3	4		
Providing information about important matters (financing, clients)	0	1	2	3	4		
Giving me access to privileged/restricted information about business opportunity	0	1	2	3	4		

27.1. **By helping me to access to relevant information**, my family has helped me

To find new and more efficient ways to operate my business	0	1	2	3	4
To gain a better understanding of/keep up to date with market trends	0	1	2	3	4
To access to special deals /business opportunities	0	1	2	3	4

28. My family has been important in giving me access to other people relevant to my business by:						who	live at
Helping me to find the necessary people/services (e.g. carpenter, plumber)	0	1	2	3	4		
Telling me who to talk to for help with my business	0	1	2	3	4		
Talking to other people to help me with my business	0	1	2	3	4		

28.1. **By helping me to access other relevant people**, my family has helped me:

To get more clients for my business	0	1	2	3	4
To access the necessary resources (e.g. staff, services, suppliers of goods)	0	1	2	3	4
To access the necessary financial support	0	1	2	3	4

29. My family has been important to my business financially by						who	live at
Loaning me money to invest in my business	0	1	2	3	4		
Helping me to get financial support (e.g. being guarantor for bank credit)	0	1	2	3	4		
Investing money in my business (e.g. as partner in business)	0	1	2	3	4		

29.1. **By providing me with financial support (loaning money or being guarantor)**, my family has helped me :

To have the necessary money to the set up of business	0	1	2	3	4
To have the money to cope with operational costs (e.g. salaries, loans, suppliers) when needed	0	1	2	3	4
To make investments and improve the business (e.g. better quality, diversify services, promotion)	0	1	2	3	4

30. My family has provided important help with day-to-day activities of my business by						who	live at
Looking after personal things* while I took care of the business	0	1	2	3	4		
Providing day-to-day aid and assistance (serving guests, cleaning, book keeping...)	0	1	2	3	4		
Looking after the business when I needed to take care of personal things*	0	1	2	3	4		

\* e.g. Looking after babies, taking children to school or the doctor; looking after pets; doing my shopping

30.1. **By helping in the day-to-day activities of the business**, my family has helped me:

To keep the business in operation when there were staff shortages	0	1	2	3	4
To reduce the number of non family employees required	0	1	2	3	4
To take care of business and personal things at same time	0	1	2	3	4

## Tourism related businesses in rural areas: The role of Social Relationships

Please state how often your family behaved in the following ways (between 0=never happened and 4=happened a lot). Then, for each behavior that took place at least one time please indicate how much it influenced the business (between 0=not at all and 4=to a great deal).

31. My family has provided unsolicited help/interfered with my business by:	who?					Live at
	0	1	2	3	4	
Giving me unwanted advice/opinion	0	1	2	3	4	
Giving me unwanted assistance with day-to-day activities	0	1	2	3	4	
Contacting other people with regard to business when I did not want that to happen	0	1	2	3	4	

## 31.1 By providing unsolicited help/interfering with the business my family has:

Distressed me emotionally	0	1	2	3	4
Given me a sense of losing control over my business	0	1	2	3	4
Given other people (e.g. employees, guests, suppliers) a wrong image of my business	0	1	2	3	4

32. My family has expressed criticism of what I was doing in relation to the business by:	who?					Live at
	0	1	2	3	4	
Constantly criticizing my business decisions	0	1	2	3	4	
Doubting my ability to run my business	0	1	2	3	4	
Telling other people bad things about my business	0	1	2	3	4	

## 32.1 By expressing criticism of what I was doing in relation to the business, my family has:

Reduced my motivation to deal with business issues	0	1	2	3	4
Shaken my self-confidence	0	1	2	3	4
Held back my willingness to enlarge business	0	1	2	3	4

33. My family have conditioned my money available to the business by:	who					live at
	0	1	2	3	4	
Refusing to "let me" invest the family's money in business	0	1	2	3	4	
Being at my care and being money consuming (e. g children's education)	0	1	2	3	4	
Complaining about the money I dedicated to business	0	1	2	3	4	

## 33.1 By conditioning my money availability, my family has:

Reduced my financial ability money to invest in the business	0	1	2	3	4
Delayed my solving business problems (time related issues)	0	1	2	3	4
Prevented the growth of my business	0	1	2	3	4

34. My family has Failed to give assistance with business when needed by	who					live at
	0	1	2	3	4	
Going back on word after promises of help have been made	0	1	2	3	4	
Refused to give assistance when asked (e.g. financial, day-to-day activities, contacts)	0	1	2	3	4	
Expressed a general lack of interest with business	0	1	2	3	4	

## 34.1 By failing to give assistance with business, my family has:

Increased my business costs in terms of employing staff	0	1	2	3	4
Made me lose some clients (decreased sales volume)	0	1	2	3	4
Made me work more to keep the business in operation	0	1	2	3	4

35. My family tried to take, or actually took, personal advantage of my business by:	who?					Live at
	0	1	2	3	4	
Asking me to give them/somebody they knew a job	0	1	2	3	4	
Asking me for discounts (for themselves or for friends)	0	1	2	3	4	
Not returning money or equipment they borrowed from my business	0	1	2	3	4	

## 35.1 By trying to take, or actually taking, personal advantage of my business my family has:

Increased my emotional distress through having to deal with those situations	0	1	2	3	4
Reduced my profits (e.g by giving discounts)	0	1	2	3	4
Increased the costs of the business (e.g. by giving people a job opportunity)	0	1	2	3	4

36. My family has conditioned my time available to the business by:	who?					live at
	0	1	2	3	4	
Imposing limits to the time I could dedicate to business	0	1	2	3	4	
Requiring my attention and being money consuming (e. g children's education)	0	1	2	3	4	
Complained about the time I dedicated to business	0	1	2	3	4	

## 36.1 By conditioning my time available to the business, my family has:

Reduced my availability (time) to dedicate to the business	0	1	2	3	4
Delayed my solving business problems (time related issues)	0	1	2	3	4
Prevented the growth of my business	0	1	2	3	4

## Tourism related businesses in rural areas: The role of Social Relationship.

**SECTION VII: PERCEPTION OF OTHER PEOPLE WITHIN YOUR PERSONAL CIRCLE HELPFUL / UNHELPFUL BEHAVIOURS**

Please state how often people within your personal circle behaved in the following ways (between 0=never happened and 4=happened a lot). Then, for each behavior that took place at least one time please indicate how much it influenced the business (between 0=not at all and 4=to a great deal).

37. Someone in my personal circle has been important in the provision of <b>emotional support</b> by						who?	live at
Comforting me when I was worried about my business	0	1	2	3	4		
Giving me encouragement to go forward with my business	0	1	2	3	4		
Showing trust in my business	0	1	2	3	4		

**31.1. By providing me with emotional support, this/these person(s) has/have helped me:**

To feel more confident about my business when there were difficulties	0	1	2	3	4
To remain motivated during the establishment phase of the business	0	1	2	3	4
To deal with operational difficulties	0	1	2	3	4

38. Someone in my personal circle has been important in the discussion of important matters about the business by						who?	live at
Giving me advice when I needed to make decisions about the business	0	1	2	3	4		
Helping me to think through my business problems	0	1	2	3	4		
Listening when I needed to talk about my business	0	1	2	3	4		

**38.1. By discussing important matters about the business with me this/these person(s) has/have helped me**

Make decisions related to the set up phase	0	1	2	3	4
Make difficult decisions related to the operation of the business	0	1	2	3	4
Find ways to reduce costs	0	1	2	3	4

39. Someone in my personal circle has been important in the access of relevant information for my business by						who	live at
Telling me where to find information about how to do specific business tasks	0	1	2	3	4		
Providing information about important matters (financing, clients)	0	1	2	3	4		
Giving me access to privileged/restricted information about business opportunity	0	1	2	3	4		

**39.1. By helping me to access to relevant information, this/these person(s) has/have helped me**

To find new and more efficient ways to operate my business	0	1	2	3	4
To gain a better understanding of/keep up to date with market trends	0	1	2	3	4
To access to special deals /business opportunities	0	1	2	3	4

40. Someone in my personal circle has been important giving me access to other people relevant to my business by:						who	live at
Helping me to find the necessary people/services (e.g. carpenter, plumber)	0	1	2	3	4		
Telling me who to talk to for help with my business	0	1	2	3	4		
Talking to other people to help me with my business	0	1	2	3	4		

**40.1. By helping me to access other relevant people, this/these person(s) has/have helped me**

To get more clients for my business	0	1	2	3	4
To access the necessary resources (e.g. staff, services, suppliers of goods)	0	1	2	3	4
To access the necessary financial support	0	1	2	3	4

41. Someone in my personal circle has been important to my business financially by						who	live at
Loaning me money to invest in my business	0	1	2	3	4		
Helping me to get financial support (e.g. being guarantor for bank credit)	0	1	2	3	4		
Investing money in my business (e.g. as partner in business)	0	1	2	3	4		

**41.1. By providing me with financial support (loaning money or being guarantor), this/these person(s) has/have helped me**

Have the necessary money to the set up of business	0	1	2	3	4
Have the money to cope with operational costs (e.g. salaries, loans, suppliers) when needed	0	1	2	3	4
Make investments and improve the business (e.g. better quality, diversify services, promotion)	0	1	2	3	4

42. Someone in my personal circle has provided important help with day-to-day activities of my business by						who	live at
Looking after personal things* while I took care of the business	0	1	2	3	4		
Providing day-to-day aid and assistance (serving guests, cleaning, book keeping...)	0	1	2	3	4		
Looking after the business when I needed to take care of personal things*	0	1	2	3	4		

\* e.g. Looking after babies, taking children to school or the doctor; looking after pets; doing my shopping

**42.1. By helping in the day-to-day activities of the business, this/these person(s) has/have helped me**

To keep the business in operation when there were staff shortages	0	1	2	3	4
To reduce the number of non family employees required	0	1	2	3	4
To take care of business and personal things at same time	0	1	2	3	4

## Tourism related businesses in rural areas: The role of Social Relationship

Please state how often people within your personal circle behaved in the following ways (between 0=never happened and 4=happened a lot). Then, for each behavior that took place at least one time please indicate how much it influenced the business (between 0=not at all and 4=to a great deal).

43. Someone in my personal circle has provided unsolicited help/interfered with my business by:						who?	Live at
Giving me unwanted advice/opinion	0	1	2	3	4		
Giving me unwanted assistance with day-to-day activities	0	1	2	3	4		
Contacting other people with regard to business when I did not want that to happen	0	1	2	3	4		

**43.1 By providing unsolicited help/interfering with the business this/these person(s) has/have helped me**

Distressed me emotionally	0	1	2	3	4
Given me a sense of losing control over my business	0	1	2	3	4
Given other people (e.g. employees, guests, suppliers) a wrong image of my business	0	1	2	3	4

44. Someone in my personal circle has expressed criticism of what I was doing in relation to the business by:						who?	Live at
Constantly criticizing my business decisions	0	1	2	3	4		
Doubting my ability to run my business	0	1	2	3	4		
Telling other people bad things about my business	0	1	2	3	4		

**44.1 By expressing criticism of what I was doing in relation to the business, this/these person(s) has/have helped me**

Reduced my motivation to deal with business issues	0	1	2	3	4
Shaken my self-confidence	0	1	2	3	4
Held back my willingness to enlarge business	0	1	2	3	4

45. Someone in my personal circle have conditioned my money available to the business by:						who	live at
Refusing to "let me" invest the family's money in business	0	1	2	3	4		
Being at my care and being money consuming (e. g children's education)	0	1	2	3	4		
Complaining about the money I dedicated to business	0	1	2	3	4		

**45.1 By conditioning my money availability, this/these person(s) has/have helped me**

Reduced my financial ability money to invest in the business	0	1	2	3	4
Delayed my solving business problems (time related issues)	0	1	2	3	4
Prevented the growth of my business	0	1	2	3	4

46. Someone in my personal circle has Failed to give assistance with business when needed by						who	live at
Going back on word after promises of help have been made	0	1	2	3	4		
Refused to give assistance when asked (e.g. financial, day-to-day activities, contacts)	0	1	2	3	4		
Expressed a general lack of interest with business	0	1	2	3	4		

**46.1 By failing to give assistance with business this/these person(s) has/have helped me**

Increased my business costs in terms of employing staff	0	1	2	3	4
Made me lose some clients (decreased sales volume)	0	1	2	3	4
Made me work more to keep the business in operation	0	1	2	3	4

47. Someone in my personal circle tried to take, or actually took, personal advantage of my business by:						who?	Live at
Asking me to give them/somebody they knew a job	0	1	2	3	4		
Asking me for discounts (for themselves or for friends)	0	1	2	3	4		
Not returning money or equipment they borrowed from my business	0	1	2	3	4		

**47.1 By trying to take, or actually taking, personal advantage of my business this/these person(s) has/have helped me**

Increased my emotional distress through having to deal with those situations	0	1	2	3	4
Reduced my profits (e.g by giving discounts)	0	1	2	3	4
Increased the costs of the business (e.g. by giving people a job opportunity)	0	1	2	3	4

48. Someone in my personal circle has conditioned my time available to the business by:						who?	live at
Imposing limits to the time I could dedicate to business	0	1	2	3	4		
Requiring my attention and being money consuming (e. g children's education)	0	1	2	3	4		
Complained about the time I dedicated to business	0	1	2	3	4		

**48.1 By conditioning my time available to the business, my family has:**

Reduced my availability (time) to dedicate to the business	0	1	2	3	4
Delayed my solving business problems (time related issues)	0	1	2	3	4
Prevented the growth of my business	0	1	2	3	4

## Tourism related businesses in rural areas: The role of Social Relationships

**SECTION VIII: OVERALL PERCEPTION OF THE RELATION BETWEEN YOUR BUSINESS AND YOUR SOCIAL RELATIONSHIPS**

49. Please score on a scale from 1 to 5, how helpful to your business, was each of the following types of behavior by significant people in your life . (Please tick 0 if the behavior did not exist)

How helpful were these behaviours to your business

	From Family					From Personal circle						
	0	1	2	3	4	5	0	1	2	3	4	5
Giving access to relevant information	0	1	2	3	4	5	0	1	2	3	4	5
Providing emotional support	0	1	2	3	4	5	0	1	2	3	4	5
Talking about/discussing important matters	0	1	2	3	4	5	0	1	2	3	4	5
Providing practical aid and assistance	0	1	2	3	4	5	0	1	2	3	4	5
Providing financial support	0	1	2	3	4	5	0	1	2	3	4	5
Giving access to other relevant people	0	1	2	3	4	5	0	1	2	3	4	5

50. Please score on a scale from 1 to 5 how unhelpful to your business was each of the following types of unhelpful/obstructive behavior from significant people in your life . (Please tick 0 if the behavior did not exist)

How unhelpful were these behaviours to your business

	From family					From personal circle						
	0	1	2	3	4	5	0	1	2	3	4	5
Providing unsolicited help/Interference	0	1	2	3	4	5	0	1	2	3	4	5
Expressing criticism of what I was doing in relation to the business	0	1	2	3	4	5	0	1	2	3	4	5
Showing a lack of interest in business	0	1	2	3	4	5	0	1	2	3	4	5
Failing to give assistance with business when asked	0	1	2	3	4	5	0	1	2	3	4	5
Making claims on my available time and money	0	1	2	3	4	5	0	1	2	3	4	5
Taking-advantage of my business	0	1	2	3	4	5	0	1	2	3	4	5

51. To what extent do you agree/disagree with the following statements about the relation between your business and your family?

1 Strongly disagree     2 Disagree     3 Neither agree or disagree     4 Agree     5 Strongly agree

My <i>business</i> produces strains that makes it difficult to fulfill my family duties	1	2	3	4	5
Family-related strain interferes with my ability to perform business-related duties	1	2	3	4	5
Overall I am very satisfied with the support I get from my family for my business	1	2	3	4	5
I would not have this business without the support from my family	1	2	3	4	5
The success of my business does not depend of the support I get from my family	1	2	3	4	5

52. To what extent do you agree/disagree with the following statements about the relation of your business and people within your personal circle?

My <i>business</i> produces strain that makes it difficult to fulfill social life responsibilities?	1	2	3	4	5
Social life responsibilities interfere with my ability to perform business-related duties	1	2	3	4	5
Overall I am very satisfied with the support I get from people within my personal circle to my business	1	2	3	4	5
I would not have this business without support from people within my personal circle	1	2	3	4	5
The success of my business does not depend of the support I get from people within my personal circle	1	2	3	4	5

**SECTION IX: THE PERCEPTION OF YOURSELF**

53. To what extent do you agree/disagree with the following statements?

1 Strongly disagree    2 Disagree    3 Neither agree or disagree    4 Agree    5 Strongly agree

Generally speaking I am very satisfied with the business	1	2	3	4	5
I frequently think of quitting this business	1	2	3	4	5
I get a satisfactory income from this business	1	2	3	4	5
I have the opportunity of self-directed work	1	2	3	4	5
I have the opportunity of flexibility of work hours.	1	2	3	4	5
I sometimes regret setting up/taking control of this business	1	2	3	4	5
I have a satisfactory amount of free time in spite of running this business	1	2	3	4	5
I have the opportunity to live in the place I wanted to live	1	2	3	4	5
I have the opportunity of having the lifestyle I have always wanted	1	2	3	4	5

54. With regard to the following situations, and how they apply to yourself, please tick True or False?

	T	F
I'm always willing to admit it when I make a mistake.		
I always try to practice what I preach		
I never resent being asked to return a favour.		
I have never been irked when people expressed ideas very different from my own.		
I have never deliberately said something that hurt someone's feelings.		
I like to gossip at times.		
There have been occasions when I took advantage of someone.		
I sometimes try to get even rather than forgive and forget.		
At times I have really insisted on having things my own way.		
There have been occasions when I felt like smashing things.		

**SECTION X: Additional information about yourself**

55. Age \_\_\_\_\_
56. Gender: Male  Female
57. Single/divorced/widow  Married / living with partner  58. Children's: Yes  No
59. Your main place of residence is: \_\_\_\_\_
60. How much formal education have you completed?  
Basic school  College (or equivalent training)  Higher/Graduate education
61. Do you consider this business your main job/occupation?  
Yes  No  Specify your other job/occupation \_\_\_\_\_
62. Is this business currently your only source of income?  
Yes  No  Specify your other source(s) of income \_\_\_\_\_
63. How would you classify your working experience in this sector prior to setting up/taking control of this business?  
No previous experience   
Was employed in a similar type of business  For how long? \_\_\_\_\_  
Owned a similar type of business  For how long? \_\_\_\_\_
64. How would you classify your parents experience as business owners?  
No experience at all   
Owned/own a similar type of business  For how long? \_\_\_\_\_  
Owned a different type of business  Which? \_\_\_\_\_

**Thank you for your time. Your collaboration will be of great value!!**

## APPENDIX VII      DETAILS OF PRINCIPAL COMPONENT ANALYSIS

The main aspects related to PCA procedure and interpretation of the results of PCA have been described in Chapter 8 (Section 8.29). Detailed analysis of PCA outcomes, namely eigenvalues, screeplots, component rotation matrixes, and pattern matrixes, both for helpful and unhelpful behaviours from family and from people within personal circle.

### VII.1    PCA of helpful behaviours from family

From the analysis of *eigenvalues*  $>1$ , four components should be retained for helpful behaviours from family, which explain about 62% of the variance (Table VII.1.1).

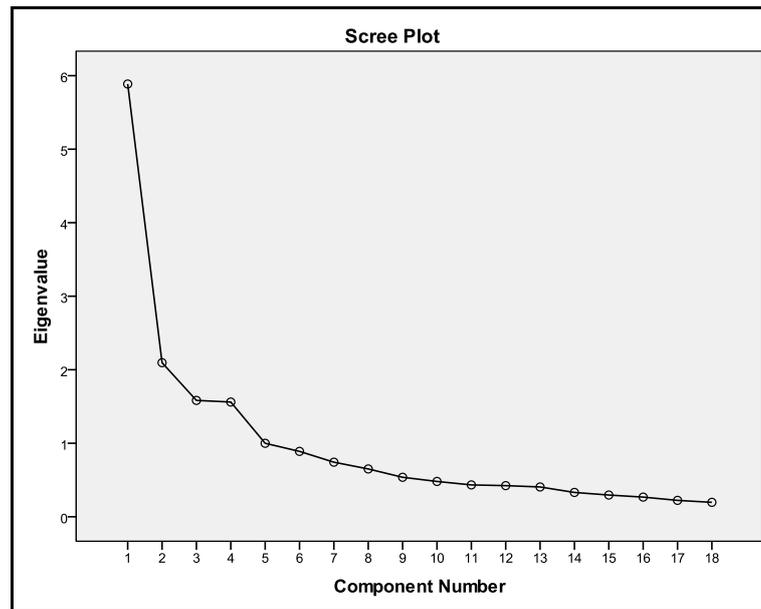
**Table VII.1.1: Total Variance Explained**

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	
1	5.887	32.703	32.703	5.887	32.703	32.703	Total
2	2.096	11.644	44.347	2.096	11.644	44.347	4.234
3	1.583	8.794	53.141	1.583	8.794	53.141	2.500
4	1.561	8.670	61.810	1.561	8.670	61.810	2.861
5	1.000	5.554	67.364				
6	.889	4.941	72.305				
7	.742	4.125	76.430				
...							

Extraction Method: Principal Component Analysis.

a. When components are correlated, sums of squared loadings cannot be added to obtain a total variance.

In order to confirm the number of factors to retain, the scree plot was also verified and parallel analysis was conducted. The application of Monte Carlo for Principal Component Analysis was used (as recommended by Pallant 2010).

**Figure VII.1: Scree plot for factors underlying helpful behaviours from family**

Both the scree plot (Figure VII.1) and the results of the parallel analysis (Table VII.1.2) support the decision to retain four components for further investigation.

**Table VII.1.2: Helpful behaviours from family: Comparison of PCA and PA**

Component number	Actual eigen value from PCA	Criterion value from parallel analysis	Decision
1	5.887	1.5980	accept
2	2.096	1.4786	accept
3	1.583	1.3810	accept
4	1.561	1.3098	accept
5	1.000	1.2342	reject

The component matrix revealed the unrotated loadings of each of the items on four components (using as default Kaiser's criterion of retaining all components with *eigenvalues* above 1). Although 0.3 is the generally accepted value of reference (Devellis 2003; Pallant 2010), Field (2009) suggests that factor loadings will depend on the sample size, and recommends interpreting only factor loadings with an absolute value greater than 0.4. In this case, most items (variables) load quite strongly (above 0.4) on one of the four components, supporting the solution of four components.

The rotated four-factor solution Pattern Matrix (Table VII.1.3) shows that all the items load above 0.5 on one of the four component, with minimal cross loadings, namely six

items on component 1, six items on component 2, three items loading on components 3 and 3 items on component 4. The rule of thumb of at least 3 items on each component, loading above 0.3, according to Pallant (2010) is met. Field (2009) recommends loadings above 0.4 whereas Tabachnick and Fidell (2007) suggest loadings in excess of 0.71 (50% of overlapping variance) are considered excellent, in excess of 0.63, very good, in excess of 0.55 good and in excess of 0.45 fair (20% variance overlap between variable and factor).

**Table VII.1.3: Helpful behaviours from family**

Pattern Matrix	Components			
	1	2	3	4
telling me who to talk to for help me with my business	.835			
talking to other people to help me with my business	.727			
providing me information about important matters	.660			
helping me to find the necessary people /services	.654			
giving me access to privileged information	.646			
telling me where to find information about specific tasks	.606			
giving me advice when I needed to make decisions		-.778		
helped me thinking through my business problems		-.777		
listening when I needed to talk about business		-.748		
showing trust in business		-.718		
giving me encouragement		-.716		
comforting me when needed		-.518	.436	
helping me to get financial support			.845	
loaning me money to invest in my business			.802	
investing money in my business			.534	
looking after personal things* while I took care of business				.827
looking after business while I took care of personal things				.781
providing day-to-day aid and assistance				.709

Extraction Method: Principal Component Analysis. Rotation Method: Oblimin with Kaiser Normalization.

a. Rotation converged in 15 iterations.

As can be seen from the Pattern Matrix, only two items have loadings between 0.5 and 0.55, and two items with loadings between 0.6 and 0.65. All the others have loading above 0.7 which is considered a very good result.

The final element that should be interpreted, the Component Correlation Matrix (Table VII.1.4), shows the correlation coefficients between factors, the results of which demonstrate that the dimensions (factors) are moderately associated (similar results in

Wellman and Wortley 1990). In such situations, the results from orthogonal and oblique rotations should be very similar (Pallant 2010).

**Table VII.1.4: Oblique Component Correlation Matrix**

Components	Components			
	1	2	3	4
1	1.000	-.275	.232	.235
2	-.275	1.000	-.198	-.243
3	.232	-.198	1.000	.122
4	.235	-.243	.122	1.000

Extraction Method: Principal Component Analysis. Rotation Method: Oblimin with Kaiser Normalization.

To confirm the use of Oblimin, the data reduction process was replicated using orthogonal (Varimax) as a rotation solution. Overall, the results of principal component analysis were similar to the ones described above (with oblique rotation) retaining 4 factors with the same variables loading equally high (above 0.5 and higher in most cases). However, the Varimax Orthogonal Component Transformation Matrix (Table VII.1.5) shows higher coefficients of correlation between components, indicating they are inter-related and, therefore, confirming the use of oblique rotation.

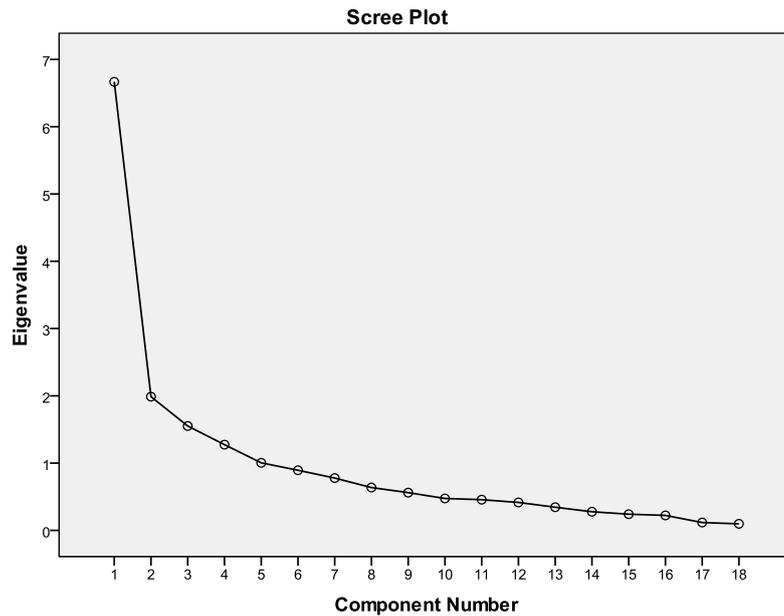
**Table VII.1.5: Orthogonal Component Correlation Matrix**

Components	Components			
	1	2	3	4
1	.630	.604	.388	.296
2	-.657	.640	-.196	.348
3	.291	-.264	-.596	.700
4	-.295	-.394	.675	.549

Extraction Method: Principal Component Analysis.  
Rotation Method: Varimax with Kaiser Normalization

## VII.2 PCA of helpful behaviours from people within personal circle

Unhelpful behaviours from people within personal circle were submitted to PCA, in the same way as helpful behaviours from the family, and the first extraction, based on eigenvalues (>1), and on the *scree plot* (Figure VII.2.1) suggests a four factor solution.

**Figure VII.2.1: Scree plot from PCA for helpful behaviours from personal circle**

Parallel analysis was run to confirm the four factor solution. Although parallel analysis suggests a 3 components extraction (when criterion value from PA is greater than *eigen value* from PCA), the difference is minimal (as in Table VII.2.1).

**Table VII.2.1: helpful behaviours from PWPC: Comparison of PCA and PA**

Component number	Actual eigen value from PCA	Criterion value from Parallel analysis	Decision
1	6.667	1.598	accept
2	1.987	1.4749	accept
3	1.552	1.3822	accept
4	1.274	1.3091	accept
5	1.004	1.2387	reject

Based on the rule of eigenvalues greater than 1, on the *scree plot* and pattern matrix analysis (Table VII.2.2), in order to keep consistency with results of PCA for helpful behaviours from the family, it has been decided to extract four factors.

**Table VII.2.2: Helpful behaviours from people within personal circle**

Pattern Matrix <sup>a</sup>	Component			
	1	2	3	4
giving me encouragement	.886			
showing trust in my business	.840			
giving me advice when I needed to make decisions	.778			
helping me thinking through my business problems	.774			
listening when I needed to talk about business	.764			
comforting me when needed	.752			
looking after personal things* while I took care of the business		.884		
looking after business while I took care of personal things		.860		
providing day-to-day aid and assistance		.782		
helping me to get financial support			.811	
loaning me money to invest in my business			.709	
investing money in my business			.651	
telling me who to talk to for help me with my business				.835
talking to other people to help me with my business				.793
giving me access to privileged information				.742
helping me to find the necessary people /services				.543
providing me information about important matters				.515
telling me where to find information about specific tasks				.373

Extraction Method: Principal Component Analysis. Rotation Method: Oblimin with Kaiser Normalization.

a. Rotation converged in 5 iterations.

The rotated four-factor solution Pattern Matrix (VII.2.2) shows that all the items, except one, loaded above 0.5 on one of the four components. Six items load on component 1, three items loading on components 2 and 3 items on component 3, and six items on component four. The rule of thumb of at least 3 items on each component, and loadings above 0.3 is also met.

The Component Correlation matrix (Table VII.2.3) puts in evidence the correlation between components, the reason why Oblimin rotation has been used.

**Table VII.2.3: Component Correlation Matrix of helpful behaviours from friends**

Components	Components			
	1	2	3	4
1	1.000	.254	.185	.535
2	.254	1.000	.127	.255
3	.185	.127	1.000	.164
4	.535	.255	.164	1.000

Extraction Method: Principal Component Analysis. Rotation Method: Oblimin with Kaiser Normalization.

The four types of social support for family and for people within personal circle are described below.

**Table VII.2.4: Types of support identified based on helpful behaviours from family)**

Component 1 <i>Emotional support</i>	Component 2 <i>Informational support</i>	Component 3 <i>Financial support</i>	Component 4 <i>Practical support</i>
Giving me advice when I needed to make decisions	Telling me who to talk to for help me with my business	Loaning me money to invest in my business	Looking after personal things* while I took care of the business
Helping me thinking through my business problems	Talking to other people to help me with my business	Helping me to get financial support	Looking after personal things* while I took care of the business
Listening when I needed to talk about business	Providing me information about important matters	Investing money in my business	Providing day-to-day aid and assistance
Showing trust in business	Helping me to find the necessary people /services		
Giving me encouragement	Giving me access to privileged information about business opportunities		
Comforting me when needed	Telling me where to find information about specific tasks		

**Table VII.2.5: Reliability analysis of types of social support extracted**

	<i>Emotional support</i>	<i>Informational support</i>	<i>Financial support</i>	<i>Practical support</i>
Family	$\alpha = 0.847$	$\alpha = 0.829$	$\alpha = 0.702$	$\alpha = 0.781$
People within personal circle	$\alpha = 0.903$	$\alpha = 0.828$	$\alpha = 0.594$	$\alpha = 0.823$

$\alpha$  = Cronbach's alpha

Overall, the four components extracted demonstrate good inter-item correlation and good internal consistency (Cronbach's alpha values always above 0.7, except financial support from people within personal circle with  $\alpha = 0.594$ ).

### VII.3 PCA of Unhelpful behaviours from family

In the first attempt to run PCA for unhelpful behaviours from family, four items had low loadings (below 0.2), namely: *complained about the money I dedicated to business* (loaded 0,115); *asking me to give them/somebody they knew a job*; *complained about the time I dedicated to business*; *requiring my attention and being time consuming*. These items were excluded from the final list of unhelpful behaviours by the family submitted to PCA. Similar procedures have been identified in the literature (e.g. Wellman and Wortley 1990).

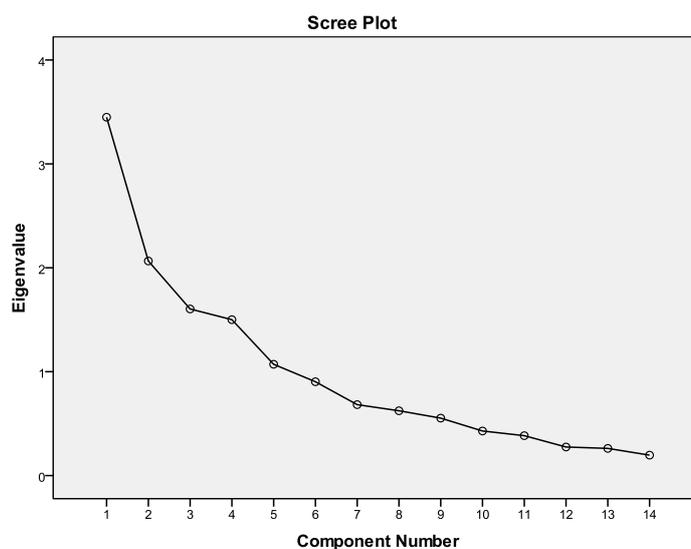
PCA was then run for the remaining 14 variables, and factors extracted based on eigenvalues  $>1$ . PA was performed in order to confirm number of components to extract (as described earlier in section).

**Table VII.3.1: Unhelpful behaviours from family: Comparison of PCA and PA**

Component number	Actual eigen value from PCA	Criterion value from parallel analysis	Decision
1	3.490	1.5059	accept
2	2.072	1.3779	accept
3	1.624	1.2850	accept
4	1.568	1.1382	accept
5	1.071	1.1050	reject

Based on *eigenvalues*, on the *scree plot*, and parallel analysis it was decided to repeat the procedure, this time forcing a four factor solution.

The results of the second PCA procedure for unhelpful behaviours from the family, namely eigenvalues  $>1$  and the *scree plot* (Figure VII.3), confirm the four factor solution is adequate.

**Figure VII.3.1: Scree plot from PCA of unhelpful behaviours from family****Table VII.3.2: Pattern Matrix for unhelpful behaviours from family**

Pattern Matrix*	Components			
	1	2	3	4
refusing to give assistance when asked	.826			
expressing a general lack of interest with business	.824			
going back on word after promises of help have been made	.818			
not returning money/equipment borrowed from my business		.941		
asking me for discounts (for themselves or for friends)		.919		
being at my care and money consuming (e. g children)		.511		
giving me unwanted assistance with day-to-day activities			.890	
giving me unwanted advice/opinion			.750	
contacting other people with regard to business (...)			.640	
imposing limits to the time I could dedicate to business			.468	
doubting my ability to run my business				.866
constantly criticizing my business decisions				.801
telling other people bad things about my business				.562
refusing to "let me" invest the family's money in business				.481

Extraction Method: Principal Component Analysis. Rotation Method: Oblimin with Kaiser Normalization. \* Rotation converged in 7 iterations.

The Pattern matrix (Table VII.3.2) demonstrates that all factors load high in each of the components (above 0.4).

**Table VII.3.3: Component Correlation Matrix**

Components	Components			
	1	2	3	4
1	1.000	.123	.245	.219
2	.123	1.000	.123	-.058
3	.245	.123	1.000	.121
4	.219	-.058	.121	1.000

Extraction Method: Principal Component Analysis; Rotation Method: Oblimin with Kaiser Normalization.

As with helpful behaviours, unhelpful behaviours were also assumed as inter-related, as demonstrated in the Component Correlation Matrix (Table VII.3.3), and oblique rotation (Oblimin) was adopted. The four principal components extracted from unhelpful behaviours from family are named as different types of hindrance (Table VII.3.4), and demonstrate good internal consistency reliability (alpha values near or above 0.7).

**Table VII.3.4: Types of hindrance (based on unhelpful behaviours from family)**

<i>Lack of interest</i>	<i>Financial constrains</i>	<i>Interference</i>	<i>Expressing criticism</i>
Refused to give assistance when asked	Not returning money or equipment borrowed from business	Giving me unwanted assistance with day-to-day activities	Doubting my ability to run my business
Expressed a general lack of interest with business	Asking for discounts (for themselves or for friends)	Giving me unwanted advice/opinion	Constantly criticizing my business decisions
Went back on word after promises of help have been made	Being at my care and being money consuming (e. g children's education)	Contacting other people with regard to business when I did not want that to happen	Telling other people bad things about my business
		Imposing limits to the time I could dedicate to business	Refusing to "let me" invest the family's money in business
$\alpha = 0.812$	$\alpha = 0.738$	$\alpha = 0.666$	$\alpha = 0.676$

$\alpha =$  Cronbach's alpha

#### VII.4 PCA of Unhelpful behaviours from people within personal circle

Based on eigenvalues  $>1$ , 3 components should be retained for unhelpful behaviours from people within personal circle, explaining 57% of variance (Table VII.4.1), whereas for unhelpful behaviours from the family four components were retained (previous section).

**Table VII.4.1: Total Variance Explained**

Component	Initial Eigen values			Extraction Sums of Squared			Rotation
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Sums of Squared Loadings <sup>a</sup>
1	3.722	31.013	31.013	3.722	31.013	31.013	2.465
2	1.759	14.658	45.671	1.759	14.658	45.671	2.761
3	1.410	11.754	57.425	1.410	11.754	57.425	2.663
4	.910	7.583	65.008				
5	.828	6.901	71.909				
...							

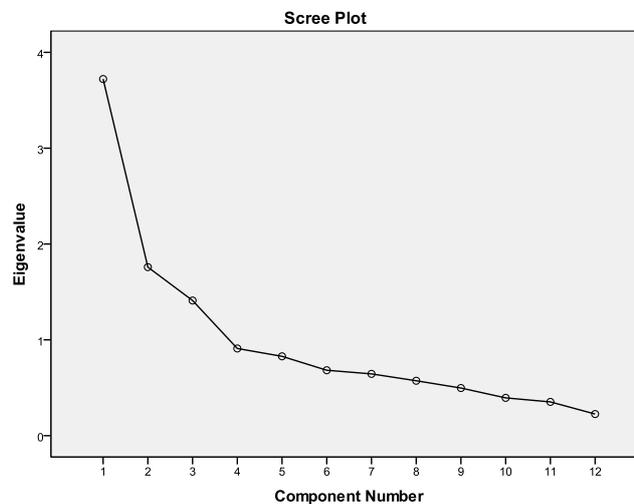
Extraction Method: Principal Component Analysis.

a. When components are correlated, sums of squared loadings cannot be added to obtain a total variance.

PA was run, in order to confirm components extraction and results indicate that only 3 factors should be retained (Table VII.4.2).

**Table VII.4.2: Unhelpful behaviours from personal circle (Comparison of PCA and PA)**

Component number	Actual eigen value from PCA	Criterion value from parallel analysis	Decision
1	3.722	1.4454	accept
2	1.759	1.3217	accept
3	1.410	1.2351	accept
4	.910	1.1559	reject
5	.828	1.0815	reject

**Figure VII.4.1: Scree plot of PCA for unhelpful behaviours from personal circle.**

The scree plot of a three components solution is provided below, showing a clear elbow curve shape, confirming a three factor extraction.

The rotated pattern matrix demonstrates items loading high only in one of the components (all >0.4) (Table VII.4.3). One situation needs some clarification though. The item *giving me unwanted advice/opinion* loads both on component 1 and on component 2. However, because this type of behaviour seems to be of the kind of behaviours associated with component 1, and because it loads higher on component 1, it was decided to group it under component 1.

**Table VII.4.3: Rotated Pattern Matrix for unhelpful behaviours from personal circle**

Pattern Matrix <sup>a</sup>	Component		
	1	2	3
telling other people bad things about my business	.737		
contacting other people with regard to business (...)	.701		
giving me unwanted assistance with day-to-day activities	.691		
constantly criticizing my business decisions	.440		
doubting my ability to run my business	.424		
refusing to give assistance when asked		-.904	
expressing a general lack of interest with business		-.879	
going back on word after promises of help have been made		-.766	
asking me for discounts (for themselves or for friends)			-.813
complained about the time I dedicated to business			-.737
asking me to give them/somebody they knew a job			-.723
giving me unwanted advice/opinion	.452		-.456

Extraction Method: Principal Component Analysis. Rotation Method: Oblimin with Kaiser Normalization. a Rotation converged in 9 iterations.

The fact that this item has load on both components is also explained by the fact that components are somewhat interrelated as evidenced by component correlation matrix below.

**Table VII.4.4: Component Correlation Matrix**

Components	Components		
	1	2	3
1	1.000	-.166	-.234
2	-.166	1.000	.285
3	-.234	.285	1.000

Extraction Method: Principal Component Analysis. Rotation Method: Oblimin with Kaiser Normalization.

Based on PCA analysis unhelpful behaviours from personal circle correspond to three main types of social hindrance. The components demonstrate good internal consistency reliability, with alpha values ranging from 0.695 to 0.818.

**Table VII.4 5: Types of hindrance from personal circle**

<b><i>Interference/criticism</i></b>	<b><i>Lack of interest</i></b>	<b><i>Opportunism/Selfishness</i></b>
Giving me unwanted assistance with day-to-day activities	Refused to give assistance when asked	Asking me for discounts (for themselves or for friends)
Contacting other people with regard to business when I did not want that to happen	Expressed a general lack of interest with business	Complained about the time I dedicated to business
Constantly criticizing my business decisions	Went back on word after promises of help have been made	Asking me to give them/somebody they knew a job
Telling other people bad things about my business		
Doubting my ability to run my business		
Giving me unwanted advice/opinion		
$\alpha = 0.710$	$\alpha = 0.818$	$\alpha = 0.695$
$\alpha = \text{Cronbach's alpha}$		

## Appendix VIII Association between levels of social support and social hindrance and path to business ownership

**Table VIII.1: Levels of social support from the family according to path to business ownership in the Oeste region**

	<i>Statistics</i>			
	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>
<b><i>Emotional Support</i></b>				
Started alone from scratch	32	2.86	3.00	39.63
Started with partners	27	3.02	3.33	47.13
Bought an existing business	6	2.64	2.67	31.58
Inherited this business	25	3.31	3.50	54.60
Total	90	3.02	3.17	
Kruskal-Wallis test results	$\chi^2=6.528$ df=3 $p=0.089$			
<b><i>Informational Support</i></b>				
Started alone from scratch	32	1.37	1.00	38.91
Started with partners	27	2.06	2.50	55.28
Bought an existing business	6	1.53	1.67	43.33
Inherited this business	25	1.61	1.67	43.90
Total	90	1.65	1.67	
Kruskal-Wallis test results	$\chi^2=5.995$ df=3 $p=0.112$			
<b><i>Financial support</i></b>				
Started alone from scratch	32	0.57	0.00	41.19
Started with partners	27	0.90	0.33	51.67
Bought an existing business	6	0.67	0.00	43.42
Inherited this business	25	0.69	0.00	44.86
Total	90	0.71	0.00	
Kruskal-Wallis test results	$\chi^2=3.077$ df=3 $p=0.380$			

**Table VIII.2: Levels of social support from the family according to path to business ownership in the Alto Alentejo region**

	<i>Statistics</i>			
	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>
<b><i>Emotional Support</i></b>				
Started alone from scratch	50	3.04	3.50	43.07
Started with partners	17	3.24	3.33	46.09
Bought an existing business	18	3.30	3.33	46.47
Inherited this business	5	3.73	4.00	64.30
Total	90	3.16	3.42	
Kruskal-Wallis test results	$\chi^2=3.104$ df=3 $p=0.376$			
<b><i>Informational Support</i></b>				
Started alone from scratch	50	1.74	1.92	43.65
Started with partners	17	2.16	1.83	52.59
Bought an existing business	17	1.49	1.50	37.06
Inherited this business	5	2.47	3.00	59.70
Total	89	1.81	1.83	
Kruskal-Wallis test results	$\chi^2=4.851$ df=3 $p=0.183$			
<b><i>Financial support</i></b>				
Started alone from scratch	50	1.17	0.00	41.60
Started with partners	17	1.71	1.33	54.03
Bought an existing business	18	1.31	1.33	47.42
Inherited this business	5	1.53	1.33	48.60
Total	90	1.32	1.00	
Kruskal-Wallis test results	$\chi^2=3.373$ df=3 $p=0.338$			
<b><i>Practical support</i></b>				
Started alone from scratch	50	2.77	3.00	47.30
Started with partners	17	2.51	2.67	40.91
Bought an existing business	18	2.72	3.17	47.22
Inherited this business	5	2.20	2.67	36.90
Total	90	2.68	3.00	
Kruskal-Wallis test results	$\chi^2=1.468$ df=3 $p=0.690$			

**Table VIII.4: Levels of social support from the owner's personal circle according to path to business ownership in the Oeste region**

	<i>Statistics</i>			
	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>
<b><i>Emotional Support</i></b>				
Started alone from scratch	32	1.88	2.00	41.16
Started with partners	26	2.54	3.00	55.58
Bought an existing business	6	1.94	1.92	40.92
Inherited this business	25	1.82	1.83	39.90
Total	89	2.06	2.17	
Kruskal-Wallis test results	$\chi^2 = 6.235$ df=3 p=0.101			
<b><i>Informational Support</i></b>				
Started alone from scratch	31	1.40	1.33	45.95
Started with partners	27	1.60	1.67	50.48
Bought an existing business	6	0.97	0.75	34.83
Inherited this business	25	1.20	1.33	40.34
Total	89	1.38	1.33	
Kruskal-Wallis test results	$\chi^2 = 3.025$ df=3 p=0.388			
<b><i>Practical Support</i></b>				
Started alone from scratch	31	0.51	0.00	45.08
Started with partners	27	0.67	0.00	50.26
Bought an existing business	6	0.11	0.00	38.00
Inherited this business	25	0.37	0.00	42.70
Total	89	0.49	0.00	
Kruskal-Wallis test results	$\chi^2 = 2.570$ df=3 p=0.463			

**Table VIII.5: Levels of social support from the personal circle according to path to business ownership in the Alto Alentejo region**

	<b>Statistics</b>			
	<b>N</b>	<b>M</b>	<b>Md</b>	<b>MR</b>
<b>Emotional Support</b>				
Started alone from scratch	50	1.58	1.67	42.91
Started with partners	17	2.51	3.00	60.91
Bought an existing business	18	1.41	1.25	40.08
Inherited this business	5	1.33	1.50	38.50
Total	90	1.71	1.83	
Kruskal-Wallis test results	$\chi^2=7.654$ df=3 $p=0.054$			
<b>Informational Support</b>				
Started alone from scratch	50	1.18	0.83	44.09
Started with partners	17	1.71	1.17	56.38
Bought an existing business	18	1.06	0.50	40.44
Inherited this business	5	0.97	0.67	40.80
Total	90	1.24	1.00	
Kruskal-Wallis test results	$\chi^2=3.984$ df=3 $p=0.263$			
<b>Financial support</b>				
Started alone from scratch	50	0.07	0.0	43.33
Started with partners	17	0.27	0.0	51.82
Bought an existing business	18	0.22	0.0	46.67
Inherited this business	5	0.00	0.0	41.50
Total	90	0.14	0.0	
Kruskal-Wallis test results	$\chi^2=6.132$ df=3 $p=0.105$			

**Table VIII.6: Levels of social hindrance from the family according to path to business ownership in the Oeste region**

	<i>Statistics</i>			
	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>
<b><i>Lack of interest</i></b>				
Started alone from scratch	32	0.33	0.0	50.97
Started with partners	27	0.25	0.0	44.57
Bought an existing business	6	0.00	0.0	36.00
Inherited this business	25	0.24	0.0	41.78
Total	90	0.26	0.0	
Kruskal-Wallis test results	$\chi^2=5.382$ df=3 $p=0.146$			
<b><i>Financial Constraints</i></b>				
Started alone from scratch	32	0.13	0.00	45.00
Started with partners	26	0.21	0.00	49.56
Bought an existing business	6	0.00	0.00	38.00
Inherited this business	25	0.15	0.00	43.56
Total	90	0.15	0.00	
Kruskal-Wallis test results	$\chi^2=3.076$ df=3 $p=0.380$			
<b><i>Interference</i></b>				
Started alone from scratch	32	0.60	0.13	48.22
Started with partners	26	0.63	0.00	46.21
Bought an existing business	6	0.38	0.13	44.58
Inherited this business	25	0.42	0.00	39.72
Total	89	0.54	0.00	
Kruskal-Wallis test results	$\chi^2=2.000$ df=3 $p=0.572$			
<b><i>Expressing Criticism</i></b>				
Started alone from scratch	32	0.35	0.00	44.78
Started with partners	26	0.42	0.00	46.83
Bought an existing business	6	0.42	0.38	50.42
Inherited this business	25	0.37	0.00	42.08
Total	89	0.38	0.00	
Kruskal-Wallis test results	$\chi^2=0.954$ df=3 $p=0.812$			

**Table VIII.8: Level of social hindrance from family according to path to business ownership in the Alto Alentejo region**

	<i>Statistics</i>			
	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>
<b><i>Lack of interest</i></b>				
Started alone from scratch	50	0.29	0.00	46.82
Started with partners	17	0.27	0.00	48.38
Bought an existing business	18	0.00	0.00	40.50
Inherited this business	5	0.00	0.00	40.50
Total	90	0.21	0.00	
Kruskal-Wallis test results	$\chi^2=3.955$ df=3 $p=0.266$			
<b><i>Financial Constraints</i></b>				
Started alone from scratch	50	0.45	0.00	49.14
Started with partners	17	0.08	0.00	41.35
Bought an existing business	18	0.00	0.00	38.50
Inherited this business	5	0.40	0.00	48.40
Total	90	0.29	0.00	
Kruskal-Wallis test results	$\chi^2=6.928$ df=3 $p=0.074$			
<b><i>Interference</i></b>				
Started alone from scratch	50	0.48	0.00	43.00
Started with partners	17	0.76	0.50	53.71
Bought an existing business	18	0.36	0.00	41.78
Inherited this business	5	1.00	0.50	56.00
Total	90	0.54	0.00	
Kruskal-Wallis test results	$\chi^2=4.291$ df=3 $p=0.232$			
<b><i>Expressing Criticism</i></b>				
Started alone from scratch	50	0.28	0.00	47.44
Started with partners	17	0.24	0.00	39.47
Bought an existing business	18	0.19	0.00	44.75
Inherited this business	5	0.20	0.00	49.30
Total	90	0.25	0.00	
Kruskal-Wallis test results	$\chi^2=2.093$ df=3 $p=0.553$			

**Table VIII.10: Level of social hindrance from the personal circle according to path to business ownership in the Oeste region**

	<b>Statistics</b>			
	<b>N</b>	<b>M</b>	<b>Md</b>	<b>MR</b>
<b>Interference/Criticism</b>				
Started alone from scratch	32	0.59	0.17	47.58
Started with partners	27	0.51	0.50	47.59
Bought an existing business	6	0.56	0.67	53.00
Inherited this business	25	0.35	0.00	38.78
Total	90	0.50	0.17	
Kruskal-Wallis test results	$\chi^2=2.795$ df=3 $p=0.424$			
<b>Lack of interest</b>				
Started alone from scratch	32	0.33	0.00	50.97
Started with partners	27	0.25	0.00	44.57
Bought an existing business	6	0.00	0.00	36.00
Inherited this business	25	0.24	0.00	41.78
Total	90	0.26	0.00	
Kruskal-Wallis test results	$\chi^2=5.382$ df=3 $p=0.146$			
<b>Opportunism/Selfishness</b>				
Started alone from scratch	32	1.03	0.67	43.48
Started with partners	27	0.96	0.67	44.56
Bought an existing business	6	0.61	0.67	38.33
Inherited this business	25	1.25	1.00	50.82
Total	90	1.04	0.67	
Kruskal-Wallis test results	$\chi^2=1.808$ df=3 $p=0.613$			

**Table VIII.12 Level of social hindrance from the personal circle according to path to business ownership in the Alto Alentejo region**

	<b>Statistics</b>			
	<b>N</b>	<b>M</b>	<b>Md</b>	<b>MR</b>
<b>Interference/Criticism</b>				
Started alone from scratch	50	0.50	0.25	48.54
Started with partners	17	0.32	0.00	42.03
Bought an existing business	18	0.39	0.00	42.64
Inherited this business	5	0.33	0.00	37.20
Total	90	0.44	0.00	
Kruskal-Wallis test results	$\chi^2=2.053$ df=3 p=0.562			
<b>Lack of interest</b>				
Started alone from scratch	50	0.29	0.00	46.82
Started with partners	17	0.27	0.00	48.38
Bought an existing business	18	0.00	0.00	40.50
Inherited this business	5	0.00	0.00	40.50
Total	90	0.21	0.00	
Kruskal-Wallis test results	$\chi^2=3.955$ df=3 p=0.266			
<b>Opportunism/Selfishness</b>				
Started alone from scratch	50	0.69	0.00	50.54
Started with partners	17	0.16	0.00	38.44
Bought an existing business	18	0.20	0.00	40.14
Inherited this business	5	0.13	0.00	38.40
Total	90	0.46	0.00	
Kruskal-Wallis test results	$\chi^2=6.291$ df=3 p=0.098			

## APPENDIX IX ANALYSIS OF SOCIAL DESIRABILITY RESULTS

As described in Chapter 5 (Section 5.5.6) it is believed that the respondents may have felt constrained by the nature of some questions (namely questions regarding hindrance and conflict) and are likely to have been affected by social desirability (SD). A short form of the social desirability scale (SDS) (Straham and Gerbasi 1972) has been included in the questionnaire. The scale has 10 items with a True or False response format. Five sentences are in its correct form (not in a socially desirable format) and five sentences are in a socially desirability format. Respondents' answers to SDS were coded in the following way: each answer that was correctly marked as true or false, was given a value of 0; each answer that was marked as True or False, and were suppose to be marked as False and True respectively, were given a value of 1. The total score for maximum SD was 10 (every answers had to be given in a socially desirable way), and the minimum score was 0 (if answers were not influenced at all by SD).

In order to describe the SDS results obtained within this research, two types of statistical analyses were performed. Firstly, Mann-Whitney test was performed, and mean and median values were calculated.

**Table IX.1: Social desirability scores in both regions**

	<i>N</i>	<i>M</i>	<i>Md</i>	<i>MR</i>	<i>U</i>	<i>z</i>	<i>p</i>	<i>r</i>
Oeste	89	5.93	6.0	96.33				
Alto Alentejo	88	5.53	6.0	81.59				
<b>Total</b>	<b>177</b>	<b>5.73</b>	<b>6.0</b>		3264.0	-1.955	0.051	

N=cases, M=mean, Md=median; MR=mean rank; U=MannWhitney U; z=z value; p=probability; r-r value

Descriptive results (mean and median) reveal that respondents are, overall, somewhat influenced by SD (Table IX.1). Mean and median values are above the middle point (above 5, out of a maximum of 10), in both regions. Mann-Whitney test shows there are no significant differences between the two regions ( $p=0.051$ ).

If we consider that there are potentially different levels of SD, results of SDS can be transformed into a categorical variable. In order to distinguish between low, medium and high SD levels, the range of SDS values from 1 to 10 were divided into 3 different

groups. The three groups correspond to 3 levels of SD: 1.00-3.33 - low, 3.34-6.67 - medium and 6.68-10.00 – high (Table IX.2).

**Table IX.2: Social desirability results according to a 3 level groupings**

	Oeste	Alto Alentejo	Total	
	%	%	N	%
low level (1-3.33)	5.6	8.0	12	6.8
medium level (3.34-6.67)	57.3	63.6	107	60.5
high level (6.68-10)	37.1	28.4	58	32.8
Total percentage	100	100		100
Total count	89	88	177	
Chi-square results	$\chi^2 = 1.665$ df=2 p=0.435			

The majority of respondents reveal a medium level of SD, and about one third, a high level of SD. This is in accordance with the assumption that people tend to over-report socially desirable information, and under-report socially undesirable information about themselves (Oppenheim 1992).

Based on the analysis of the literature (Chapter 5, Section 5.5.6) and on the results of SDS described above, it would be expected that SD would influence respondents' answers about personal network' behaviours. Respondents were expected to put in evidence an overestimation of the positive effects of social relationships, and an underestimation of the negative effects of social interactions. The relationship between SD and perception of existence of types of support and types of hindrance behaviours was investigated using Pearson product –moment correlation coefficient. Preliminary analyses were performed to ensure no violation of the assumptions of normality, linearity and homoscedascity. Because most variables were not normally distributed, the parametric version (Spearman *rho*) was used instead of Pearson *r*.

### **IX.1 Influence of SD in the reporting of social support**

For Emotional Support, Informational Support, and Practical Support, from family, results from both regions were analysed together, as a whole, because the Mann-Whitney test revealed no significant differences between both regions about the level of support provided. On the other hand, considering the statistically significant

differences ( $p=0.005$ ,  $r=0.211$ ) between both regions with regard to the level of financial support from family (Chapter 8, Section 8.3.1), its relationships with SD will be dealt separately for each region.

**Table IX.3: Correlation between social support from family and SDS**

	Emotional support	Informational support	Practical support	Financial support	
				Oeste	Alentejo
rho	0.084	0.053	0.004	0.023	0.075

As illustrated in Table 8.11, there is no correlation between scores on SD and perception of different types of supportive behaviours from family. According to interpretation guidelines suggested by Pallant (2010), the relationship is small if  $r=0.10$  to  $0.29$ ; is medium if  $r=0.30$  to  $0.49$ ; and is large if  $r=0.50$  to  $1.0$ . All values are below  $0.10$ , therefore suggesting no relationship between specified variables.

**Table IX.4: Correlation between social support from personal circle and SDS**

	Emotional support	Informational support	Practical support	Financial support
rho	0.049	0.005	-0.069	-0.076

Based on interpretation guidelines described earlier, Spearman test results (Table IX.1.2) reveal there is no association between levels of SD and scores of types of support from people within personal circle either (all  $r$  values are below  $0.10$ ).

## IX.2 Influence of SD in the reporting of social hindrance

Because types of hindrance are different for family and for people within personal circle, association with SDS is dealt separately.

**Table IX.5: Correlation between hindrance from family and SDS**

	Lack of interest	Financial constrains	Interference	Expressing criticism
rho	-.041	-.085	<b>-.230**</b>	-.120

\*\*Correlation is significant at the 0.01 level (2-tailed)

With regard to hindering behaviours from family, whereas SD is not correlated with Lack of interest, Financial Constrains and Expressing Criticism, there is a small, negative correlation between the SD and Interference from the family ( $\rho=-0.230$ ,  $n=179$ ,  $p=0.002$ ). Higher levels of social desirability are associated with lower levels of Interference from the family.

**Table IX.6: Correlation between hindrance from personal circle and SDS**

	Interference/ criticism	Lack of interest	Opportunism/selfishness	
			Oeste	Alto Alentejo
rho	-0.216**	-0.041	0.076	<b>-0.330**</b>

\*\*Correlation is significant at the 0.01 level (2-tailed)

As identified in Table 8.14, above, there is a negative small correlation (-0,216) between Interference and SD. Higher levels of SD are associated with lower scores of Interference behaviours. Lack of interest is not at all associated with SD. With regard to Opportunism/Selfishness of the business, there is no association in the Oeste region, as opposed to the Alto Alentejo where the correlation is significant (at the 0.01 level). There is a medium negative association between the two variables, with high levels of SD associated with lower levels of Opportunism/Selfishness behaviours.

### IX.3 Conclusions

Results of SDS suggest that most respondents have a tendency to give socially accepted answers, with correlations between SDS and reports of specific hindering behaviours. Lower levels of Interference, both from family and from personal circle, and lower levels of Opportunism/Selfishness behaviours from friends (only in the Alto Alentejo region) are associated with higher levels of SD. Although this research does not provide evidence of this being a definite true, the acknowledgement of existence of hindering behaviours, and even its significance to the business context, may be biased by respondents' SD.