

# The role of **social relationships** in the creation and management of **small tourism businesses** in rural areas

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**Keywords** | Small Business, Social Relationships, Tourism, Social Support, Social Hindrance, Business Success.

**Objectives** | This research aims at contributing to the understanding the nature and importance of social relationships, in the small business creation and management context, namely to understand whether relationships that inhere in business owner's personal network are positively (through helpful behaviours) or negatively (through unhelpful behaviours) affecting business dynamics at different stages (creation and management). At the theoretical level this research aims at the development of a comprehensive conceptual framework for the analysis of the role of social relationships in the creation and management of small tourism related businesses, integrating social network approach, social capital theory, and social support theory. At the practical level this research aims at identifying if and how the people within business owners personal network positively (through helpful behaviours) or negatively (through unhelpful behaviours) affect the business initiative at different stages of creation and management. Helpful and unhelpful behaviours are operationalised through measures of social support and social hindrance respectively.

**Methodology** | 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 to be used in the main stage of quantitative data collection. The role of social relationships has been operationalized through measures of social support (helpful behaviours) and social hindrance (unhelpful behaviours). This research has adopted a self-report approach, and questionnaire design makes use of both free recall and recognition techniques. This research's target population is owners of tourism businesses, and data was collected in two different Portuguese rural areas: 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).

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**Main results and contributions** | 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 multiplicity of both constructs has been demonstrated. At the practical level, the findings indicate that social relationships play an important role in the creation and management of small tourism businesses, namely family and friends, through the provision of emotional support, informational support and practical aid and assistance. It demonstrates that there is, indeed, a positive relationship between social support and business performance. The results suggest that negative social interactions, conceptualized as social hindrance, are less likely to affect business performance and success than expected though.

**Limitations** | As most studies contributing to the identification of small businesses success (creation, survival and performance) this research takes the existing businesses stance, leaving aside the ones that attempted and fail, or the initiatives that didn't go beyond the intentional phase. Although difficult to implement, a different strategy was required to overcome the survivor bias, identifying those who have attempted to establish a business and failed.

**Conclusions** | 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, and to the conceptualisation of social support and social hindrance; but also at the methodological level, demonstrating the benefits of using a multistage, multi-method approach. At the practical level this research has demonstrate the role and implications of social relationships in the creation and management of small tourism businesses in rural areas.

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