Social capital and SME’s performance in the Accra Metropolis, Ghana

Regina Appiah-Gyimah
Department of Marketing, Accra Technical University
Accra
Ghana
email: regapph@gmail.com

Prof. Rosemond Boohene
CESED, University of Cape Coast
Cape Coast
Ghana
email: rboohene@ucc.edu.gh

Abstract

This study sought to examine the relationship between the components of SMEs social capital and firm performance. Using the social capital theory and the resource-based view as the theoretical foundations and census, 1,532 SMEs were selected in the Accra Metropolis for the study. Empirical results from 717 SMEs, utilising the hierarchical linear regression model, revealed that owner/manger’s network relationships are beneficial to the firm depending on when the relationships are closed or opened. Moreover, the study found that social capital has a significant impact on the sales and market performance of small and medium-sized enterprises. The results also brought to the fore the fact that most social networks of SME entrepreneurs are family, friends and relatives, which most times can only be used for expressive purposes and not for instrumental gain. The practical implications of the results are also discussed.

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1. Introduction

Researchers have argued that small enterprises without large resources can mobilize social networks, since the hindrances to using such networks are minimal (Singh, 2010). This is because, according to the Resource Based View (RBV), the assets to be gained from such resources make it simpler for an enterprise to enlarge its coverage and increase its core activities (Aragon-Sanchez & Sanchez-Marin, 2005). These core objectives can be achieved by selling existing products in existing markets or introducing an innovation to an existing customer base. SMEs use different sources of information and are linked to distinct networks to gain the information needed to enhance their vision and slowly manage their business settings (Khalili, 2011). Social networks relationships give SMEs the chance to be creative and also be in tune with the economy. The initiation of distinct ways of creativity in SMEs is linked to their various channels of distinct facts, opportunities and cooperative affiliations. Their social ties form a vital part of their marketing strategies (Franco et al., 2016). It is a means of harnessing trust in the connections between the firm and clients as never experienced. As noted by Franco et al. (2016), awareness, trust and goodwill are the most vital benefits of using social networks resources for SMEs to reinforce their market position. Businesses, therefore, see social capital as a resource that can be well managed for building networks (Bosma et al., 2002), where good relationships with individuals and groups can be used to improve access to the market and information needed to enhance market performance (Felicio, Couto & Caiado, n.d.; Cheng-Nam et al., 2007).

One of the main factors limiting the realisation of the full potential of the SMEs sector is inadequate funding (Perreault et al., 2007; Agyapong, 2010; Adjei, 2012). Moreover, banks and other non-bank financial institutions provide limited access to financial resources to SMEs owing to their limited financial capacity and the inability to satisfy the lending criteria. A primary remedy to the problem is SMEs access to social capital (Perreault et al., 2007). Social capital provides opportunities for entrepreneurs to use mutual relationships to access financial and other forms of capital without having to exhibit collateral securities (Khalili, 2011; McLaughlin, 2012; Singh, 2010). With access to social capital, SMEs would be able to maximise their potential (Perreault et al., 2007; Singh, 2010). But this, logically, requires that entrepreneurs acquire adequate knowledge on social capital, its effect on their businesses and how to leverage it. Empirical studies have shown that social capital positively influences business performance among SMEs (Adlešič & Slavec, 2012; Bosma et al. 2002; Cheng-Nam et al., 2007). In the study of Bosma et al. (2002), social capital was found to predict financial performance of small businesses. Similarly, in Cheng-Nam's (2007) research, social capital predicts firm outcomes with regard to the profit or loss derived from investments (ROI). Other studies, like Džunić (2010), Fornoni et al. (2012) and Perreault et al. (2007), established favourable gains of social capital on some aspects of performance of small businesses.

In Ghana, the SMEs sector makes the highest contribution to GDP (Adjei, 2012). In the year 2013, the sector alone contributed about 45% of the annual GDP (Sekyi, Nkegbe & Kuunib, 2014). Moreover, the sector provides the highest level of employment in Ghana, with about 90% of Ghana's employment provided by it (Sekyi et al., 2014; Adjei, 2012). This means that the SMEs are the backbone of Ghana's economy. In the face of its outstanding contributions to the economy, it is argued that SMEs are yet to realise their full potential (Agyapong, 2010; Adjei, 2012) due to inadequate resources. Evidence from many studies suggests that creative abilities, as well as social networking and communication activities, can all affect the entrepreneurial outcomes of SMEs (Peter, Zaefarian, Tavani, Neghabi & Zaefarian, 2014). Unfortunately, entrepreneurs or managers of SMEs in Ghana seem not to be aware of social capital and how they can be mobilised in their social contacts and associations to enhance their performance. Moreover, studies on the use of resources by SMEs, especially social capital and its components, are few in Ghana (Danquah & Wireko, 2014). Thus, the present research argues that social capital embedded in social relations is yet to be assessed from the perspective of social network resources and performance outcomes in the Ghanaian context. This paper, therefore, sought to fill the gap by examining the effects of the components of social capital on firm performance in the Ghanaian context.

The rest of the paper is organised into six sections. The second section discusses the theoretical framework, followed by the methodology in the third section. The analysis, results and discussions and conclusions are explained in the fourth and fifth sections respectively, whilst the sixth section proffers the policy implications for the study.

2. Theoretical Framework

The Resource-based view (RBV) highlights the transformation of valuable resources to achieve firm goals (Barney, 1991). This theory propounds that firms rely on their own tangible and intangible resources to transform their short-term competitive advantage into sustainable competitive advantage (Acedo, Barraso & Galan, 2006). This process requires unique resources, which are neither substitutable nor removable. This approach is different from competitive based approach, which focuses on source of sustainable competitiveness from external environment (Akio, 2005). However, both concepts consider that valuable resources can foster performance greater than average. Accordingly, as an intangible resource, social capital (SC) plays a pivotal role in boosting SME performance (Sciascia, Mazzola, & Chirico, 2012).

Social capital is defined as "resources embedded in one's social networks, can be accessed or mobilized through ties in the networks" (Lin, 2001). These networks may enable an individual to appropriate or seize another person's wealth, power or reputation, which can then generate a return for the actor. The perception that social capital is network-based is accepted by most researchers who have contributed to the debate (Castiglione, Van Deth & Wolleb, 2008). This is because social networks are not social capital, but social capital can only be gained from access to the resources inherent in the social relationships. Social capital, thus, helps in identifying the sources of social capital and its benefits. Three principal sources (exogenous variables) for social capital are identified (Lin, 2002): Firstly, the structural position made up of an actor's position in the hierarchical structure of social stratification, which most social capital network researches refer to as the "the strength-of-position proposition". Secondly, network locations, comprising of an actor's location in the networks that exhibit certain features, such as closure or openness, or bridging, as is notably referred to as "the strength-of-tie propositions". Thirdly, the purpose of action that can be instrumental (for gaining wealth, power, or reputation) or expressive (for maintaining cohesion, solidarity, or well-being) (Castiglione, Van Deth & Wolleb, 2008).

The social capital literature also presents two theoretical perspectives that indicate how social network resources are expected to generate returns (Lin, 1999). Firstly, "accessed social capital" entails the pool of resources inherent in one's social relationships. The belief is that the richer or greater the resources the richer and greater the benefits.

Accessed social capital predicts the extent of availability of such resources or the degree to which a potential supply of resources proficient in producing returns is obtainable in the social networks of the player. It is an indication of the volume of resources held. An assessment or inventory of resources in the social relations of an actor's accessible or embedded resource reflects such capacity (Lin, 2005; Sen, Suman & Cowley, 2013). The second perspective looks at the usage of the social networks. It is based on the premise that the capital resources that are best utilised will result in better benefits (Lin, 2002; Van Der Gaag & Snijders, 2005). Mobilized social resources reflect the actual use of a specific social network and its resources in the creation or utilization in the marketplace. It requires selecting a particular actor who may have the needed resources depending on the specific objective to be achieved. SMEs without the use of large resources can mobilize social networks, like large firms, since the hindrances to using such networks are minimal.

Social capital has three main features: bonding, bridging and linking social capital (Woolcock & Sweetser, 2002). Bonding (strong ties) social capital has to do with relationships with people who are closely connected to the entrepreneur such as spouses, parents, partners, friends and relatives. At the firm level, strong ties are established when various functional areas of the organization communicate and combine for a unified purpose and intention (Adler & Kwon, 2002). However, bridging social capital (weak ties) is a remote relationship linking persons or manifold community, such as work partners, contacts, persons belonging to diverse communities, previous organizations and past colleagues. Bridging social capital is created by people belonging to communities being able to have relationships with other communities with the intention to gain assistance, access details, and gain solutions to challenges. Thus, weak ties are formed when social networks or relationships help individuals and firms to benefit or make use of external assets, which includes associations and other firms. On the other hand, linking social capital, however, has to do with the relationships and communications with prestigious persons or persons in powerful political positions. This can be other business owners or financial managers. In sum, the strength and quality of the strong ties social capital will determine the strength and quality of weak tie social capital as well as that of the linking social capital (Franco, Haase & Pereira, 2016).

Van Der Gaag and Snijders (2005) also identified four types of social capital based on their sources. The first type, `prestige and education related social capital', includes resources associated with the `strength of weak tie proposition (Lin, 2001): resources of high status persons with higher education, the use of which is mainly considered for instrumental actions. As these resource items are often accessed through acquaintances and friends, they may not singularly refer to effects accomplished through weak ties. More `entrepreneurial' and influential social capital seems to be located in a second type 'political social capital'. This contains items referring to network members' political party membership, their knowledge about governmental regulations, and financial matters. These are all invaluable skills for `men and women of the world': individuals who want to arrange their business independently with the help of network members. The third type that can be distinguished is that of `skills social capital', mainly consisting of communication related activities: reading journals, speaking languages, and working with a PC. The fourth type that can be distinguished is that of `personal support social capital', mainly consisting of communication related activities: good referencing, advice about family conflicts, help in moving to a new house as well as help in finding a holiday home for a family member. These various types have been found to influence sales and market share of firms and formed the basis of measuring social capital in this study.

Several empirical studies have confirmed the positive correlation between mobilising the right types of social capital and the increase in enterprise creation, survival and success (Liao & Welsch, 2003). In a research conducted to compare the effect of social capital (networking) between low-growth and high-growth firms in China, it was discovered that growth opportunities were very high for enterprises that had various and deep enterprise relationships, while those without such relationships developed slowly (Zhao & Aram,1995). At the national level, social capital is one of the important factors in economic development and growth (Putnam, 1993). The specific function of social capital at the national level has to do with information creation and exchange in research, harnessing supporting mercantile and training research and enlargement processes. It is also believed that through social solidarity and public involvement, democratic governance is strengthened, leading to enhanced productivity and clarity in public management, as well as enhanced quality of economic strategies (Westlund, 2006). The World Bank also perceived social capital as a very important development tool in poverty alleviation and the achievement of overall socio-economic development (Eade, 2003). For credit constrained and resource poor individuals, social capital, in the form of microfinance solidarity groups, enables them to overcome their lack of collateral and, thus, access credit with less difficulties (Anderson, Locker & Nugent, 2002). Similarly, social capital formed on the basis of microfinance solidarity groups enables the borrowers to access other forms of capital (Basargekar, 2010). In addition to overcoming a borrower's lack of collateral, social capital also allows individual participants in microfinance programmes to increase their levels of enterprise profits (Gomez & Santor, 2001). Thus, the following hypotheses were developed for testing:

H1a: There is a positive and significant relationship between Prestige Social capital and SMEs market share.

H1b: There is a positive and significant relationship between Political Social capital and SMEs market share.

H1c: There is a positive and significant relationship between Skills Social capital and SMEs market share.

H1d: There is a positive and significant relationship between Personal Support Social capital and SMEs market share.

H2a: There is a positive and significant relationship between Prestige Social capital and SMEs sales turnover.

H2b: There is a positive and significant relationship between Political Social capital and SMEs sales turnover.

H2c: There is a positive and significant relationship between Skills Social capital and SMEs sales turnover.
H2d: There is a positive and significant relationship between Personal Support Social capital and SMEs sales turnover.

3. Methodology

In this study, the objectivist-empiricist stance is applied owing to the hypotheses postulated through the theoretical development. Thus, the quantitative research design was adopted to be able to test the research hypotheses. This approach was preferred because the study's objectives strictly required estimation of effects (Williams, 2007; Allwood, 2012). Similarly, the paper also adopted a cross-sectional design, which researchers (Creswell, Plano, Gutmann & Hanson, 2003; Williams, 2007; Allwood, 2012) have identified as the best method for examining the relationship between variables measured as constructs in the social sciences and over a specific time period. Moreover, the design was preferred because it is popularly agreed that it is the best option for correlational studies (Creswell, 2003; Williams, 2007).

3.1 Population and Sample

The general population of the study was all SMEs in the Accra Metropolis, which were registered at the Registrar General's Department and recognized by Ghana Investment Promotion Council. Hence, the target population for this study was SMEs, which met some selection criteria. These included: (a) the need for the SME to be located in Accra to make access to data less costly and more convenient; (b) every SME must have existed in its market for at least six months, which is a requirement for developing social capital; (c) every SME must have at least one business executive (i.e. actual respondent), who is well educated to effectively write and speak during the data collection; and (d) an SME should have a culture of marketing. These criteria were chosen to be able to collect data on the study's variables. The specific population was reached by ensuring that every individual who met the above criteria was willing and available to respond in the study.

In this study, a census was employed owing to its advantage for quantitative researchers. Basically, using a census enabled the r researchers to collect data on all members of the accessible population. A census thus provides the highest chance of reaching the most precise estimates or results that can be inferred to the population. In addition, a census offers the best estimates or results because it eliminates sampling errors and the total number of errors that increase the chance of reaching wrong estimates (Bartlett et al., 2001). By virtue of the researchers' choice of a census in this study, all members of the accessible population were surveyed. Thus, data was collected from 1,532 SMEs, which constituted the accessible population.

3.2 Instrumentation

A structured questionnaire was used to collect data in this study. The questionnaire had three main sections. The first section included the instructions and the researchers' contact information. The demographic and confounding variables were presented in the second section. The third section measured the main variables, which were SMEs performance and social capital.

SMEs performance was measured based on two indicators, namely sales turnover and market share growth (Zulkiffli & Perera, 2011) in the participating SMEs. Social capital was operationalized using four items borrowed from Anderson and Miller (2003) and included a measure of the personal support of SME managers, political support for SMEs, social skills of SMEs managers, and prestige and education. It had thirty-five (35) items and each item was measured on a five-point Likert scale: strongly disagree to strongly agree. In addition, firm age, firm size, number of owners, and educational level are confounding variables (CVs) in the study. Firm age is a measure of how long the business had been in active operation. Firm size was the number of employees of the firm, both permanent and temporary employees. 'Number of owners' was the number of legal owners of the firm. Educational level is the highest level of formal education of the SME manager or executive.

3.3 Data Collection and Analytical Techniques

As part of the data collection, informed consent forms were sent to all SMEs, which made up the accessible population. Research assistants were hired to do the distribution over a period of three weeks under the supervision of the researchers. During the period of distributing the informed consent forms, each SME was made to indicate a specific date appropriate for the questionnaires to be collected. The questionnaires were then administered in about two months through a similar approach used in distributing the informed consent forms. Those individuals who could not respond immediately were given two weeks to do so. Five more research assistants were hired and made to do the distribution with the five assistants initially tasked to distribute informed consent forms. Of the 1,532 questionnaires distributed, only 892 participants returned the questionnaires. Thus, the response rate was 58%. However, 175 questionnaires were discarded because they contained major response errors. In all, 730 questionnaires, representing about 48% of the total number of questionnaires distributed, were analyzed.

The study employed the SPSS version 21 and AMOS. To examine the theoretical interdependencies among social capital and SMEs performance the data was analyzed using moderated hierarchical regression modelling. This multi-stage hierarchical regression approach helps minimize concerns of endogeneity due to the use of continuous scales on the three constructs (Hamilton & Nickerson, 2003).

4. Analysis and Results

A hierarchical regression was performed to determine the impact of various variables, including demographic variables on the relationship between social capital and SMEs performance. The confounding variables were made up of gender, age of business, owner, education, type of business, locally owned, service and numbers of employees, whilst the main variables, social capital and performance, were added to the model later. The next section discusses the results for each of the tables generated for the two dependent variables market share and sales measuring SME performance and the four components of social capital.

4.1 Market Share

First, the effects of control variables (gender, age of business, owner, education, type of business, locally owned, service and number of employees) on performance were tested in M1 (see Table 1). The results for market share indicated that number of employees made a significant positive impact on market share ($\beta = 0.003$, $p <0.05$), while gender ($\beta = -0.239$, $p <0.05$), age of business ($\beta = -0.073$, $p <0.1$) and service ($\beta = -0.366$, $p <0.01$) had significant negative impacts on market share. The rest of the control variables had no effect on the relationship between dependent. It was also observed from the R2 value that the control variables account for only 5% of the variance in performance.

Secondly, the main effects of the independent variables were added to the initial model in M2. The results for market share indicated that number of employees made the same significant positive (β = 0.003, p <0.05) impact on market share, while sole proprietor (β = -0.252, p <0.05), and locally owned (β = -0.483, p <0.05) had significant negative impacts on market share. The rest of the control variables had no effect on the relationship. The results further showed a significant increase of 0.08 from the R2 value, resulting in a 13 % variance in performance across the enterprises. Thirdly, the main effect of variable was added to the initial model in M3. The results at this stage indicated that number of employees made a significant positive (β = 0.002, p <0.01) impact on market share, while sole proprietor (β = -0.-246, p <0.05), and locally owned (β = -0.528, p <0.05) had significant negative impacts on market share. The rest of the control variables had no effect on the relationship. Furthermore, a significant increase of 0.02 was found from the R2 value, resulting in a 15% variance in enterprises performance.

From the second model, the study found support for H1a where Prestige and Education Social Capital (PESC) was positively and significantly related to market share performance, H1a (β=0.262, p < 0.01). Similarly, for H1d the estimated standardized coefficients for Personal Support Social Capital H1d (β = 0.269, p <0.01) also indicated a positive and significant relationship on market share performance, supporting H1d. Also, H1c was supported with estimated standardized coefficients for Skills Social Capital (β = -0.158, p <0.01), indicating a negative and significant relationship with market share performance.

4.2 Sales Performance

Firstly, the effects of control variables (of gender, age of business, owner, education, type of business, locally owned, service and number of employees) on performance were tested in M1 (see Table 2). The results for market share indicated that number of employees made a significant positive (β = 0.003, p <0.05) impact on market share, while gender (β = -0.329, p <0.01), and service (β = -0.3575, p <0.05) had significant negative impacts on market share. The rest of the control variables had no effect on the relationship between dependent, moderator and independent variables. It was observed from the R2 value that the control variables account for only 6 % of the variance in performance.

Secondly, the main effects of the independent variables were added to the initial model in M2. The results for sale performance indicated that number of employees made the significant positive (β = 0.003, p <0.01) impact on market share, while service (β = -0.456, p <0.05), gender (β = -0.218, p <0.05) and locally owned (β = -0.502, p <0.05) had significant negative impacts on market share. The rest of the control variables had no effect on the relationship. At this stage, a significant increase of 0.09 was found from the R2 value, resulting in a 15% variance in enterprises performance across. Thirdly, the main effect variable was added to the initial model in M3. The results for sales performance indicated that number of employees (β = 0.002, p <0.01) made a significant positive impact on market share while service (β = -0.400, p <0.1), gender (β = -0.203, p <0.05) and locally owned (β = -0.543, p <0.05) had significant negative impacts on sales performance. The rest of the control variables had no effect on the relationship. At this stage, a significant increase of 0.01 was found from the R2 value, resulting in a 16% variance in performance across all the enterprises.

The second model supported H2 partially as in H2a where Prestige and Education Social Capital (PESC) was positively and significantly related to sales performance, H2a (β=.224, $p < 0.01$). Similarly, for H2d the estimated standardized coefficients for Personal Support Social Capital H1d ($\beta = 0.360$, $p < 0.01$) also indicated a positive and significant relationship on sales performance, supporting H2d. With H2b, however, the estimated standardized coefficients for Political Social Capital H2b ($\beta = -0.046$) indicated a negative but not significant relationship on sales performance. Also, H2c was not supported with estimated standardized coefficients for Skills Social Capital ($\beta = -0.136$, $p < 0.05$), indicating a negative and significant relationship with sales performance.

5. Discussions

The purpose of this study was to examine the sources of social capital and its effects on small and medium-sized enterprises (SMEs) performance (market share). In this research, it was found that SMEs performance (Market share) decreases as access to political social capital and the ability to use it decreases. The negative beta value between Political social capital and SME performance relationship suggests that SMEs do not directly obtain any benefit by having these resources from family and friends alone though this finding wasn't significant. It can be concluded that the actors' social networks did not have the authority, dominance, and potential to contribute any gain that would help the SMEs gain advantages in market share. Also, it can be noted that skills social capital has a significantly inverse relationship with market share. This reflects the fact that having friends and family that can read professional journals, own a car, and can literally write in a foreign language decrease the market share performance. While strong relationships connect persons and individuals and groupings with homogeneous resources, in order to clutch regulative and distinctive aims (what Lin defines as 'expressive' purposes), they are also used for maintaining cohesion, solidarity, or well-being whereas bridging ties may be good at helping contributory objectives, as they generate admission to new types of capital but rely less firmly on participatory norms (Lin, 2001). In comparison, bridging (or inclusive) social resources links actors to more distant acquaintances whose network resources are distinct from that of the actor's and this tends to produce greater identities as well as a wider reciprocity instead of reiterating a small gathering. Putnam (2000) reiterates that close social network relationships is good for coping, while spanning of structural holes is crucial for prospering.

This study also argued broadly that Social capital has a significant effect on SME performance (Sale performance) as this research found a positive and significant relationship between Prestige and Education Social Capital (PESC) and sales performance. The owners/managers with social networks of higher vocational education, secondary school graduates, knowledge of literature and good contacts with media were able to give them access to resources of opportunities and information to be able to increase their sales within the industry. Similarly, it was found that Personal Support Social Capital has a positive and significant relationship with sales performance. It can be assumed that the social networks of the owners and managers of SMEs gave them embedded resources, which helped enhance their sales performance. Once the actors in the entrepreneurs' network know people who can refer them to good job contacts, such contacts can also give them access to good sales references.

The research also found that estimated standardized coefficients for Political Social indicated a negative but not significant relationship on sales performance. Knowing people in a political party or people who have access to government regulations but do not possess enough power and influence can have negative externalities for the owner/manager. This finding is supported by Akwaah (2008), who confirms the negative repercussions of social network relationships with people in political positions. That is, access to these government officials cannot only be deadly, but can also impede on SMEs capacity to aggressively chase new potentials that may have enhanced the productivity. In Ghana, ties with politicians may give an SME a financial resource from a government owned banking firm or the award of a major business contract. However, the SME will have to give a quota of the financial resources to the cause of that political party before the receipt of the loan or the commencement of the contract work. This study also found a negative relationship between Skills Social Capital and sales performance. This finding indicates that SMEs social relations with networks skilled in reading professional journals express themselves in a foreign language, work with a PC are not beneficial to SMEs.

6. Conclusions and Implications

This study used the resource-based view to examine the effects of social capital on the sales and marketing performance of SMEs. Using the hierarchical regression model eight hypotheses were tested. It is concluded that owner/manger's network relationships are beneficial to the firm depending on when the relationships are closed or opened. In addition, most social networks of SME entrepreneurs are family, friends and relatives, which most times can only be used for expressive purposes and not for instrumental gain.

Based on the conclusions, social capital will be a good case for policy intervention by the Ghana government. This is because social network resources are believed to reduce transaction cost as well as give access to financial resources, opportunities and markets that would otherwise not have been available to the SMEs owner/managers. The case for policy intervention in the creation of social capital is a general one. As far as the state is expected to mediate in the allocation of resources such as financial, human and social capital, more basically, in areas such as health or education, social capital can be seen as constituting a tool for policy intervention. If social capital itself can be perceived as a public good, it constitutes a goal of policy. Policies, which help to enforce social networks, can consequently directly enhance the welfare of the wider community.

Secondly, Education offers a distinctly straightforward means of harnessing investments into social capital. The most thorough way for the government to initiate social capital is through education, which helps people strengthen their social skills and engage in shared norms and rules. Education and learning can support habits, skills and values conducive to social co-operation and participation. Practically, the link between education and engagement is well grounded since there is a school of thought that believes social capitals relevance for community development policies and other anti-poverty strategies.

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Appendices:

Table 1: Regression Estimates of Market Share Performance

DV: Market Share	**(1)**	**(2)**	**(3)**	**(4)**
Gender (Male=1)	-0.239	-0.120	-0.106	-0.088
	(0.098) **	(0.092)	(0.092)	(0.091)
Owner (=1)	-0.096	-0.070	-0.095	-0.105
	(0.120)	(0.114)	(0.114)	(0.113)
Age of Business (in years)	-0.073	-0.005	0.006	0.013
	(0.041)*	(0.041)	(0.041)	(0.042)
SHS + (=1)	0.115	-0.063	-0.085	-0.072
	(0.126)	(0.123)	(0.123)	(0.120)
Sole Proprietorship (=1)	-0.199	-0.252	-0.246	-0.208
	(0.123)	(0.115)**	(0.115)**	(0.115)*
Locally owned (=1)	-0.333	-0.483	-0.528	-0.681
	(0.220)	(0.211)**	(0.208)**	(0.220)***
Service (=1)	-0.366	-0.299	-0.239	-0.133
	(0.217)*	(0.186)	(0.182)	(0.182)
Number of Employees	0.003	0.003	0.002	0.002
	(0.001)**	(0.001)***	(0.001)***	(0.001)***
Prestige and Education		0.262	0.270	0.249
Social Capital (PESC)		(0.052)***	(0.052)***	(0.053)***
Political Social Capital		-0.051	-0.062	-0.029
(PSC)		(0.047)	(0.047)	(0.055)
Skills Social Capital		-0.158	-0.160	-0.155
(SSC)		(0.055)***	(0.055)***	(0.054)***
Personal Support		0.269	0.186	0.158
Social Capital (PSSC)		(0.052)***	(0.057)***	(0.056)***
Constant	4.858	4.847	4.785	4.855
	(0.316)***	(0.293)***	(0.284)***	(0.292)***
R^2	**0.05**	**0.13**	**0.15**	**0.18**
N	665	630	630	630

* $p<0.1$; ** $p<0.05$; *** $p<0.01$

Beta values not in parentheses while robust standard errors are in parentheses

Table 2: Regression Estimates of Sales Performance

DV: Sales Performance	(1)	(2)	(3)	(4)
Gender (Male=1)	-0.329	-0.218	-0.203	-0.181
	(0.104)***	(0.100)**	(0.100)**	(0.099)*
Owner (=1)	-0.135	-0.113	-0.137	-0.138
	(0.123)	(0.118)	(0.117)	(0.118)
Age of Business (in years)	-0.040	0.046	0.057	0.060
	(0.045)	(0.045)	(0.045)	(0.045)
SHS + (=1)	0.194	-0.001	-0.021	-0.005
	(0.141)	(0.137)	(0.137)	(0.136)
Sole Proprietorship (=1)	-0.129	-0.188	-0.183	-0.147
	(0.140)	(0.131)	(0.131)	(0.132)
Locally owned (=1)	-0.382	-0.502	-0.543	-0.694
	(0.248)	(0.230)**	(0.234)**	(0.256)***
Service (=1)	-0.575	-0.456	-0.400	-0.304
	(0.255)**	(0.216)**	(0.210)*	(0.206)
Number of Employees	0.003	0.003	0.002	0.002
	(0.001)**	(0.001)***	(0.001)***	(0.001)***
Prestige and Education		0.224	0.232	0.207
Social Capital (PESC)		(0.052)***	(0.053)***	(0.057)***
Political Social Capital (PSC)		-0.046	-0.056	-0.014
		(0.048)	(0.048)	(0.056)
Skills Social Capital (SSC)		-0.136	-0.137	-0.133
		(0.055)**	(0.055)**	(0.054)**
Personal Support Social		0.360	0.283	0.261
Capital (PSSC)		(0.055)***	(0.060)***	(0.059)***
Constant	4.892	4.762	4.703	4.785
	(0.378)***	(0.342)***	(0.339)***	(0.349)***
R^2	**0.06**	**0.15**	**0.16**	**0.19**
N	665	630	630	630

* $p<0.1$; ** $p<0.05$; *** $p<0.01$
Beta values not in parentheses while robust standard errors are in parentheses