The Impact of Social Capital on Family Business Sustainability in Tanzania

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Abstract: *The main objective of this study was to analyze social capital networking in Tanzanian context. The study dwelt on analysing the association between key elements of social networks and the family business sustainability. This was a quantitative study which employed descriptive and inferential statistics. The study population was 320 small or family businesses operated for more than four years. A correlation analysis was used to find out the factors of social capital that have a positive correlation with family business sustainability. The study revealed that relations and connections are the social capital factors that emerged as significant factors with positive impact on family business sustainability. The study finding indicates a positive relationship between networks and business sustainability. The study recommends that there should be a culture of nurturing the youth to take over the role of managing the business. This should be in line with family members to establish short and long-term plans for the future of the business. Moreover, the study recommends that in order to build the family members' confidence and loyalty to the family businesses, there should be a system of compensation in which those who devote much be remunerated proportionally.*

Keywords: social capital, networking, family business, sustainability

Introduction

The concept of social capital and small business development can be traced back to 1890 before becoming widely used in the late 1990s (Ferragina, 2010). Social capital is a form of economic set up in African culture and cultural capital in which social networks are based on. Social capital is built in structure of individuals' relationship with other members. The social networks are marked by trust, cooperation to produce goods and services not for themselves, but for a common good (William, 2006). It has been a practice for African small business to include social capital as a central issue to business commitment and development to serve the community/family (Tonya, 2015). Formal and informal networks empower small firms to generate social capital by forging network ties, building on trust and sharing a vision among stakeholders. It enables them to obtain necessary resources, support, information and knowledge, which may be otherwise inaccessible to them (Saha and Banerjee, 2015).

The social capital concept generally refers to the allocation of resources, and the value of these resources, tangible and intangible; the actor's social capital is human capital or people (Seanman *et al*., 2010). Social capital can be viewed as the relationships among these resources for the purpose of community development. The impact of the network relationships has involved in each member of the family and on larger groups (Wilmott, 1986). It is generally seen as a form of capital that produces public goods for a common good (Tonnies, 1995).

Social capital defines the characteristics of the social organization, such as networks, norms and trust, which can increase efficiency by promoting coordinated actions (Josserand, 2012). In management terms, family social capital is the capital that develops between the family members, especially within family firms (Anderson, 2003). This kind of capital is developed in terms of human interactions and communication. Thus, the specificity of family firms is based on the unique coexistence of two forms of social capital: that of the company, which belongs strictly to the economic sphere, and that of the family, which, on the contrary, belongs to the private sphere (Josserand, 2012; Boccatto *et al*., 2010). Social capital has been used to explain the improved performance of diverse groups, the growth of entrepreneurial firms, superior managerial performance, enhanced supply chain relations, the value derived from strategic alliances, and the evolution of communities (Ferragina, 2012; Rose, 2000). The modern emergence of social capital concept renewed the academic interest for an old debate in social science: the relationship between trust, social networks and the development of modern industrial society. Through the social capital concept, the study has proposed a synthesis between the value contained in the communitarian approaches and individualism professed by the rational choice theory (Josserand, 2012). Social capital can only be generated collectively thanks to the presence of communities and social networks, but individuals and groups can use it at the same time. Individuals can exploit social capital of their networks to achieve private objectives and groups can use it to enforce a certain set of norms or behaviours. In this sense, social capital is generated collectively but it can also be used individually, bridging the harmonized approach communitarians versus individualism (Ferragina, 2010).

Theoretical and Conceptual Framework

The study was based on the social theory for individualistic developed by Madison in Federalists in factions. Social capital may be defined as those resources inherent in social relations which facilitates collective action. Social capital resources include trust, norms, and networks of an association representing any group which gathers consistently for a common purpose. A norm of a culture high in social capital is reciprocity, which encourages bargaining, compromise, and pluralistic politics. Another norm is a belief in the equality of citizens, which encourages the formation of cross-cutting groups (Coleman, 1988).

The dimension of a firm's social capital involves the commercial relations with the different stakeholders, the employees, suppliers, customers, and creditors, while that of family social capital concerns all the knowledge, know-how and practices, and all the social values, beliefs and behaviours adopted by the family group (Lin and Hu, 2007). According to Sorenson *et al.* (2009) andBoccatto *et al*. (2010), there are four factors that determine the formation of capital from the private sphere to the professional sphere in family businesses:

i. The stability of the network over time, which promotes the emergence of strong social relations;
ii. The interactions between family members, which contribute towards the development and preservation of mutual obligations between individuals;
iii. The interdependence between family members that binds them together and gives value to a collective patrimony; and
iv. Accessibility (or the closed-loop), which is naturally regulated and defined by the social rules of membership to the community (Combs *et al*., 2010).

Africans in the past were prone to meeting at as many gatherings as possible to discuss all possible issues of family businesses including social affairs. The gatherings were important to discuss issues related to the development of the family and the community where the family belongs.

Social capital in Africa, and Tanzania, in particular, has been a mode of life, where the family network is powerful for decision making (Tonya, 2015). The small business establishment has been linked to family networks (social capital) and participation of every member in action is important. Decision making of a business regardless of who established it is banked in a family meeting where the family council have the final say of the undertaking (Tonya, 2015).
Despite the multiple definitions of social capital, most involve social networks (structure and connections), trust, norms (of reciprocity) and values, and the social license to operate in a community. It has been suggested by (Lin & Hu, 2007) that, in general, there is a high level of consistency in the definitions of social capital. Social capital is broadly seen as the resources, knowledge and information that accrue to an individual, organization or a collective as a result of a network of social relationships within and between organizations, institutions and communities (Lin, 2001; Seanman *et al.,* 2010).

Problem statement
Despite the social capital in African countries being built by family culture, trust, relationships and norms, its application has not shown significant improvement in business sustainability (Thornton, 2017). Social capital differs from other forms of capital because it leads to bad results like extreme dislike groups or inbred bureaucracies (Fukuyama, 1999). This does not disqualify it as a form of capital; physical capital can take the form of assault rifle or tasteless entertainment, while human capital can be used to devise new ways of torturing people. Since societies have laws to prevent the production of much social bad, it can be presumed that most legal forms of social capital are fewer goods than the other forms of capital insofar as they help people achieve their aims (Fukuyama, 1999; Ferragina, 2010). Social capital when misused may prevent individual freedom and innovation as all decisions bases on mutual understanding. The study specifically intended to analyse the factors of social capital networking that contribute to family business sustainability in Tanzania. The study further undertook to analyse the association between key elements of social networks and the family business sustainability.

Objective

The general objective of this study was to examine the impact of social capital on family business sustainability in Tanzanian context.

Specific Objectives

i. To analyse the factors of social capital networking that contribute to family business sustainability in Tanzania.
ii. To analyse the association between key elements of social networks and the family business sustainability.
iii. To recommend the importance of networking in business as a focal point for social capital towards business sustainability.

Literature review

Several kinds of literature are in place on social capital and the use in business management. The literature on social capital bases on one or more of theories. The theories include structural theory, interactionism theory, critical theory, agency theory and actor-network theory. Hou and Neely (2013) define social capital as the relationship of business with stakeholders basing on one party having resources (Hou and Neely, 2013; Kleemann and Essig, 2013). It is known that there are three dimensions of social capital. The dimensions are structural social capital, this is the overall connections of actors; Relational social capital which is the personal relationship developed within people through history. The third dimension is cognitive social capital which is the provision of resources shared by representations, interactions and system meaning among the acting parties (Kleemann and Essig, 2013).

Social capital has been used to explain the improved performance of diverse groups, the growth of entrepreneurial firms, superior managerial performance, enhanced supply chain relations, and the value derived from strategic alliances, and the evolution of communities (Robison and Schmid, 2002). Robison and Schmid (2002) also comment that the high levels of transparency cause greater participation from the people and thus allowed for democracy to work better (Nahapiet and Ghoshal, 1998). The business being transparent, greater participation is high, then higher performance for sustainable business.

Robison and Schmid measured the relative importance of selfishness and four social capital motives using resource allocation data collected in hypothetical surveys and non-hypothetical experiments. The selfishness motive assumes that an agent's allocation of a scarce resource is independent of his relationships with others (Robison and Schmid, 2002). Social capital motives assume that agents' allocation of a scarce resource may be influenced by their social capital or sympathetic relationships with others which may produce socio-emotional goods that satisfy socio-emotional needs for validation and belonging (Huber, 2009).

The concept that underlies social capital has a much longer history; thinkers exploring the relation between associational life and democracy were using similar concepts regularly by the 19th century (Coleman, 1988). Drawing on the work of earlier writers such as James Madison and Alexis de Tocqueville (Democracy in America) to integrate concepts of social cohesion and connectedness into the pluralist tradition (Ferragina, 2010). From the concept of social capital as developed by researchers from the 19th century on different sectors of the economy, it is important to consider the concept in relationship to business sustainability. This is based on the concept that social capital is built in trust among members, transparency and participation. The world today needs communities to joint hands to build up strong capital for the purpose of fetching opportunities which come around. It was the objective of this study to explore the opportunities to make sure social capital is strengthened for the small business growth towards sustainable business. Small business in the study is used interchangeably with family business basing on the small and medium-size business policy (SME).

SME policy (Tanzania) measures business in terms of capital or a number of persons employed. The term family business or small business falls into the category of SMEs. According to SME policy any business undertaking with employment of fewer than 5 employees and capital investment up to 5 million shillings is termed as micro business; 5 to 49 employees and capital up to 200 million shillings is small business; 50 to 99 employees with capital up to 800 million shillings is medium business and 100 plus employees and capital above 800 million shillings is large business. The business under study was in the range of 5 to 49 employees and capital not exceeding 200 million shillings which is small businesses. For this argument, small business and family business have been used interchangeably (URT, 2003).

Several studies have been done on the contribution of social capital to family business growth from infancy stage to maturity and further sustainability. A strong correlation between social capital and family business continuity has been recognized in various studies. Research studies show that social capital can precede both human and financial capital in that positive family social capital can be instrumental in obtaining the human capital of family members to help out in the business.

According to Chin (2012) in a study of family business sustainability in Malaysia, three forms of capital that are human, social and financial capital were studied to address the family business sustainability. It was found that the social capital in the father-son relationship provides the fertile ground for teaching and mentoring; this will ensure successful business continuity in the family. Social capital expands the family business from generation to generation hence sustainability. The family's strong social and human capital in the first two generations of owner-founders enables the achievement of the creation of financial capital as well as the growth and re-generation of financial capital in the business.

Danes *et al.* (1985) point out that, family social capital is made up of the goodwill that exists among the family members and between the families and their community members that are encapsulated in inter-personal relationships. Social capital can take the form of trust, mutual respect, love, selfless concern and reciprocal exchanges within family members and with their staff. Of the three types of capital, family social capital may give the family business a competitive edge over the non-family business in that it is embedded within family relationships which are unique to the family and which cannot be transferred or replicated elsewhere.

Danes *et al.* (1985) in studying social capital and family business sustainability, pointed out that social capital and social networks contribute to firm success, in areas such as in tapping business opportunities, gaining access to finance, generating customer and worker loyalty and in aiding the development of human capital in subsequent generations.

Sorenson *et al*. (2009) reveal a significant positive correlation between family social capital and firm performance. The study was done on a family's business owned by its two members - husband and wife. The findings revealed that a husband-and-wife team who run a successful bed-and-breakfast business made concerted and consistent efforts at building positive relationships with their customers and the community, to good effect. Furthermore, the co-operative relationships within the family itself enabled them to have extra help during peak periods in the business.

Van-Auken and Werbel (2006) suggest that family members provide financial resources through outside sources of earned income, emotional support in the form of encouragement and instrumental support in the form of knowledge or physical assistance in helping the family business to survive.

According to Lester and Canella (2006), family firms use interlocking directorates among networks of family firms to attain moral support and advice from other family firms as well as to avoid conflict. On an individual level, at the early stages of new family firm ventures, family members as well as friends, not directly related to the firm, are sought for moral advice.

Social capital is important to the efficient functioning of modern economies and for stable liberal democracy. It constitutes the cultural component of modern societies, which in other respects have been organized since the Enlightenment on the basis of formal institutions, the rule of law, and rationality (Anderson, 2003; Boccatto *et al*., 2010). Building social capital has typically been seen as a task for founder-owner but unlike economic policies or even economic institutions; social capital cannot be so easily created or shaped by public/family policy (Blount, *et al*., 2013). Multiple studies have studied social capital in various dimensions but in this paper, the attentions is paid on social capital networking and explore the contribution of social capital networking towards the family business development and sustainability.

The analysis of previous studies has noted that many studies have addressed social capital by stressing all dimensions of social capital, specifically business culture. Few studies have mentioned networking as an important variable for business development through social capital. This study intended to fill that gap by only focusing on social capital networking and its impact on family business sustainability in Tanzania. Utengule-Usongwe ward in Mbeya Municipal was chosen as the case study where small business entrepreneurs were studied. The ward has more family with businesses for more than a decade compared to other wards. Also, this study addressed family by taking into account all business members of the family that are involved in operations of the business such as children, son-in-law, and daughter-in-law.

Conceptual Framework

The study was based on social capital networking elements as independent variables while sustainability of family businesses as the dependent variable. The variables used to determine the networking and relationship in the study were the relationships, interactions and connections as independent variables, social capital as mediating variable while sustainable family business as the dependent variable.

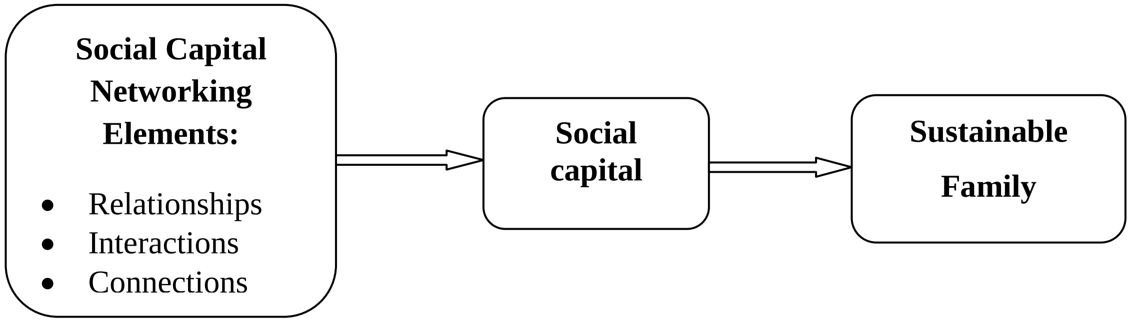

Figure 1. Conceptual Framework

The social networking variables were adopted from Thornton model of three dimensions of capital, social capital, human capital and financial capital (Thornton, 2017); whereby, networking as a concept on the three dimensions was adopted from Deans *et al.* (1985) and Lester and Canella (2006).

In summary, the measurement of social capital could be summarized as follows:
1. Social capital was measured as an individual, group or organization and a collective community-level attribute.
2. The indicators or elements used to measure social capital fall into four categories:

i. Social networks (relationships)
ii. Networks, relationships and connections
iii. Trust
iv. Civic engagement and voluntary activities (including cooperation, political participation, social participation, associational memberships, community volunteerism. Civic norms, shared norms and values interactions and connections); trust and reciprocity; norms and values (including civic norms); and civic engagement (e.g. associational memberships and civic participation). (Coleman, 1988) (Lester & Cannela, 2006) (Portes, 1998)

The assumption is that bringing together social networks reflects the diversity and sustains generalized trust and reciprocity among the individuals. The networks create bonding between individual and bring together sustainable relationships. The main element of a sustainable network is trust among the members of the group.

Methodology

This study adopted explanatory research design, which attempted to explain whether the existence of social capital contributes to family business sustainability. The study was done in Utengule-Usongwe ward in Mbeya City. The ward had a population of 215,000 people where the target business population was 1885 which comprised of 8 wholesalers, 5 transporters and the rest were retailers of different sub-sectors. The sampling procedure carefully selected sample of 320 purposively (Krejcie and Morgan, 1970). The nature of sampling with the help of Ward staff managed to get the information for the 320 desired respondents; as when one is not available the next business owner was approached. The study designed questionnaire guides which were used by trained interviewers for the purpose of collecting information which would avail information on the impact of social capital on business sustainability. The sample size was determined by the use of a sample size determination table developed by Krejcie and Morgan (1970). The collected data were analysed by using correlation analysis. The analysed data were intended to generate information on how the social capital supports business growth and leads to sustainability of family businesses.

Results and Discussion

The findings and discussion in this section are based on primary data collected from the source, i.e.business owners. They are presented in several sections. The first section deals with descriptive statistics of the businesses and the second section consists of correlation analysis, through which the relationship between social capital elements and family business sustainability as determined. Descriptive statistics are used to explore the data collected and to summarize and describe those data (Cooney, 2009).

Characteristics of Businesses

Since the study sampling was purposive, it was easier to get all the 320 respondents. The study collected data from business operators of various kinds. The study intended to get informed about the nature and generation of the businesses the area of study. Out of the 320 business operators who responded, 158(49.4%) deal with food stuff, 107(33.4%) household items, 11(3.4%) deal with electronics, 20(6.3%) deal with beauty and 24(7.5%) deal with building materials. The results are presented in Figure 1. The results show that majority of businesses deal with trading food staff. It is known that Utengule-Usongwe ward is dominated by farmers who sell their products atMbalizi market, whilst the petty food vendors tend to buy cereals at the market which makes simpler for buyers and sellers of food products. Also, the Mbalizi business centre, which is in Utengule-Usongwe Ward, has a big market where a large number of people are trading, travelling and interacting. The results show that few businesses are involved with electronics businesses as shown in (Figure 1).

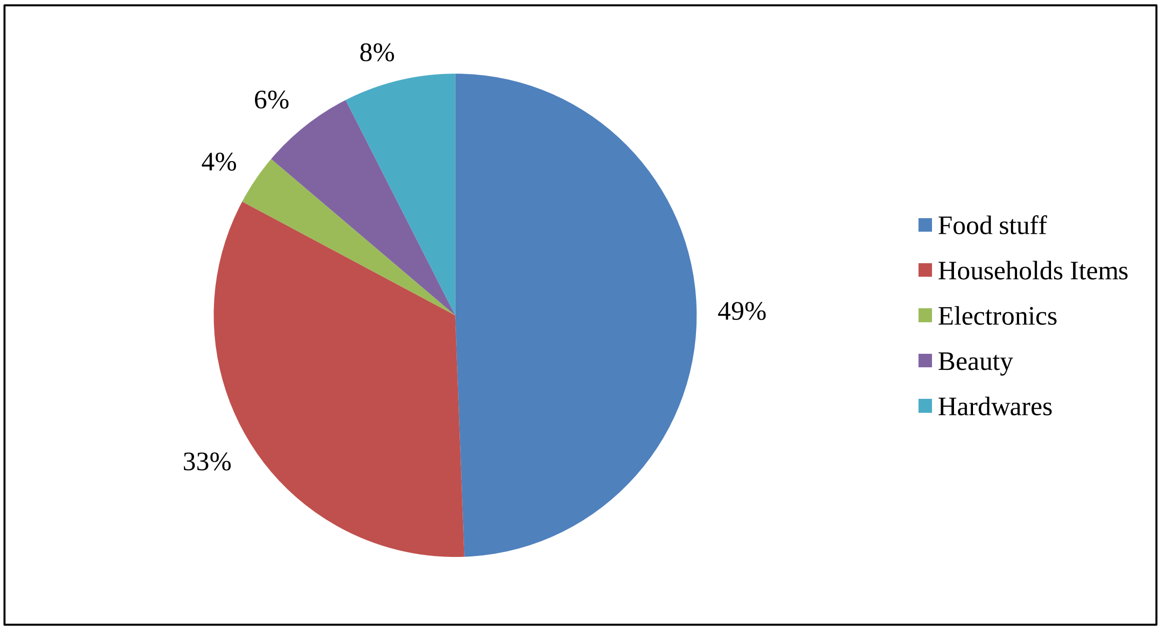

Figure 2. Characteristics of Business

The study also wanted to be informed about the respondents' experience in business operations. The study found that out of the 320 respondents, 68% had been in business between zeros to five years, 26% had been in business for 6-10 years; and that only 6% had been in business for more than 11 years or more. The results have been shown in Figure 1.

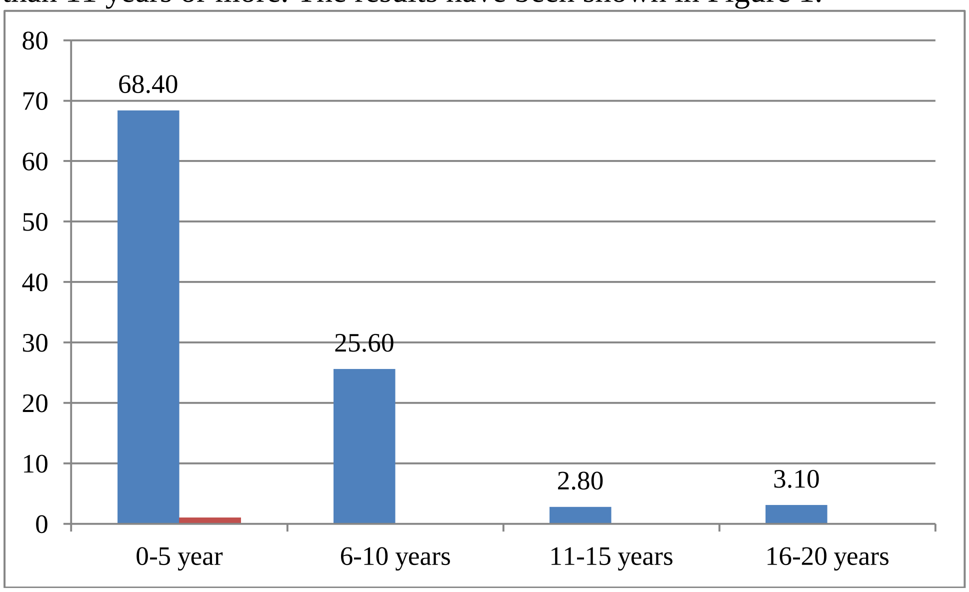

Figure 3. Respondents' experience in business

The findings reveal that majority of respondents had been in business for less than 10 years and 68% for less than five years. The results correspond to a study by Tonya (2015), that majority of family businesses fail to operate beyond five years. The reason for non-sustainability might relate to Tonya's contribution that, business transfer funds to other business after success in one intervention. Despite the finding and conclusions for possible business failure, other scholars have made tremendous job and come out with summarized causes of small/family business failures. The scholars include, (Boeker & Wiltbank, 2005) (Mbonyane, 2006); (Adeniran & Kevin, 2011); (Mbulu, 2012); (Fatoki, 2014); (Hoque & Sitharam, 2016). The summaries of arguments for the causes of Small/family business failure are based on internal and external factors of the business as:

- Lack of knowledge in legal matters which include registration, tax returns, licensing and regulatory framework of business.
- Lack of funding for operational and capital investment.
- Lack of general acumen in general business management.
- Lack of proper planning for human resources, and a relationship between members of the business.
- Lack of employees' satisfaction in the work environment and managerial skills focusing on future of the business undertaking.
- Poor business infrastructure mostly in the rural areas where there is a potential for business growth.
- Poor market information about relevant markets, as the majority of family businesses, lack access to information. Most available information is intended for large business.
- Changes in technology: Technological changes affect SME as these changes require them to change accordingly and these changes come with financial implications.

Further, the study was interested in understanding the status of the generation to which each business belongs. The survey results are presented in Table 1.

Table 1. Percentage of respondents based on Generation in Business

	Frequency	Percent
Establisher	291	90.9
First generation	28	8.8
the second generation	1	.3
Total	320	100.0

Source: Field data (2017)

Table 1 shows that a large percent - 291(90.9%) of business operators belonged to the status of establisher. Failure of family firms to move to the next generation is contrary to studies by Coleman, 1988; (Hoffiman, Woehr, Maldagen-YoungJihon, & Lyons, 2011) which concluded that a distinct feature of family social capital is that it consists of "blood ties", i.e. an unbreakable genetic connection that usually creates a deep emotional connection which other social relationships seldom achieve. This is partly due to the fact that the human socialization process starts within the family and furthermore, that the time span of family relationships is rather long-term as opposed to other relationships. It was learned that majority of family members fear to fully participate in the business management of the family because of the uncertainty of compensation. The uncertainty of compensation contradicts with the theory of business separation with the owner. Separation of ownership and management in corporate governance involves placing the management of the firm under the responsibility of professionals who are not owners. Owners of a company may include shareholders, directors, government entities, other corporations and the initial founders. This separation allows skilled managers to conduct the complicated business of running a large company (James, 2017).

The study further noted that most of the family businesses in Tanzania do not have the culture of succession planning. There is no tendency for owners to nurture youths to take over the management of family businesses in a long-run. This tendency could be one amongst major reasons for collapse and failure of most of the businesses in Tanzania. The study had found that most businesses fail to reach the second generation of ownership. It was revealed that only 1(0.3%) of businesses were owned by the second generation.

Reliability Analysis

The study carried a reliability test to ascertain itself regarding the data reliability. Reliability analysis was measured by calculating the value of Cronbach's Alpha coefficient as a measure of internal consistency of data. The study had found the value of Cronbach's Alpha equal to 0.701. This value is greater than 0.7 which indicates there is a high degree of internal consistency and hence data were reliable.

Table 2. Reliability Statistics

Cronbach's Alpha	N of Items
0.701	12

The relationship between social capital elements and family business sustainability

The study intended to identify the relationship between the social capital elements and family business sustainability. The study carried the correlation analysis to identify the values of Pearson correlation coefficients values by using SPSS software and determine the degree of relationship between the social capital factors and business sustainability.

The analysis had revealed the Pearson correlation coefficients for holding regular meetings to exchange ideas among members of the family had a positive but weak relationship ($r=0.174$). The other two (2) statements of interaction element of social capital found to have a very weak relationship and one (1) emerged to have a negative relationship ($r= -0.16$) and therefore only one statement had appeared to agree with the theory that concludes that relationship element of social capital has a positive relationship with family business sustainability. Also, the study analyzed to find the Pearson correlation coefficient values for the relationship element of social capital for the four (4) statements and it was found that the statements of good relationship between family members and stakeholders had $r=0.45$, having an arbitration technique to settle disagreement among members had $r=0.318$, Disregard members status in decision making e.g. education, income, gender had $r=0.263$ and inclusion all members of the family such as daughters, son in law, daughter in law had $r=0.097$.

Further, the study analyzed the connection element of social capital and the values of Pearson correlation coefficients were found. Frequently contact with customers on new products and services and give feedback had r=0.327, each member having many friends had r=0.281, Segment customers and advertise in media (phone, internet etc) had r=0.095 and Business using social forums to contact customers and stakeholders e.g. WhatsApp, face-book had r=0.086.

Discussion

The study findings had revealed that a factor of a good relationship between family members and stakeholders (e.g. suppliers, customers) under relations element to be the most critical in forming family business sustainability. The factor has the f-change of 80.4% which indicates that good relationship between family members and stakeholders has a strong positive correlation with family business sustainability. This is exactly as what had been found by other studies that suggested that family relationships are stronger, denser, more enduring and emotionally intensive as family members have a shared history Hoffiman, et al. (2011). Strong and dense ties directly impact the relational dimension as they create shared values, norms and obligations which build the ground for emotional attachment and inter-personal trust to arise Coleman, 1988; Hoffiman *et al*., 2011; Seanman *et al.,* 2010). Due to the strength and long-term perspective of family relationships, family values and traditions create a set of norms, obligations and expectation within the family that help to create a high sense of duty, care and trust among members (Hoffiman *et al.,* 2011; Seanman *et al.,* 2010).

The study found that having an arbitration technique to settle disagreements among members in case misunderstanding happen is very crucial for family businesses to survive longer in the market and industry. This was noted by the value of Pearson correlation coefficient of 31.8% that implies that positive correlation exists between having techniques of settling misunderstanding among members of the family and business sustainability. This would suggest that efforts to improve and strengthen good relationship between family members and stakeholders are likely to have an important and positive effect on long-term survival of family businesses in Tanzania. The relation element should be very much considered. Family members' good relations will establish trust in business and hence good cooperation in running business affairs.

The connection element of social capital was also found to hold worth in contribution of family business sustainability. It was found that frequently contact with customers on new products and services and give feedback had a Pearson correlation coefficient value of 32.7%.

The correlation coefficient value of the social capital element of connection stated by frequently contact with customers on new products and services and give feedback implies there is a weak positive association with long-term business survival that is family business sustainability. This is directly proportional and concurs with suggestions by Lester and Cannella, 2006 that family firms use their social networks not only as means by which the firm attains performance advantages but also from which they draw moral support and advice. This suggests that regular communication leads to family business sustainability. This has the implication that family business members should ensure regular communication with customers. This plays a significant role in building rapport. Also, family business members should allow customers to freely express their views and opinions, and generally, feedback for what they have purchased and/or consumed.

The social capital element of interaction was found to have no impact on family business sustainability as per Tanzanian context of this study. It was found that among the four studied elements; only one statement of interaction had a Pearson correlation coefficient of less than 20% that implies that there is a very weak correlation with family business sustainability. The other three statements analyzed scored negative values of Pearson correlation coefficient and therefore the element of interaction had shown to have no impact on family business sustainability.

Conclusion and Recommendations

The results of this study confirm that relations and connections are the key elements of social capital in family business sustainability. The relationship among family members should be strengthened through affective and proper succession planning. There should be a culture of nurturing youth to take over the management role of managing the business. This should be in line with members to the establishment of short and long-term plans of the business. The study further wishes to provide the following recommendations:

i. In family businesses, not only financial performance is the sole or accurate indicator of firm success but other factors of relationship and connection among family members have a positive effect on family business long-term survival.
ii. Strengthen the social capital is very crucial and shouldn't be left behind as most family firms put much emphasis on financial and material resources capital.
iii. Family business firms should build a culture of succession planning to ensure long-term family business sustainability.
iv. Moreover, a study wishes to recommend that in order to build the family members' confidence and loyalty to the family businesses, there should be a system of payment in which those who are more deserved receive more salary and vice versa. Moreover, it should be determined, based on the articles of association of family agencies, that how much money each member has invested so as to prevent the possible misuses among the members due to emotional relations.

Area for Further Research

The paper concludes that future research needs to integrate not only the financial benefits of social capital to family firms' sustainability, but also the reputational, or socio-emotional benefits of social capital to family firms. Not only will this help to establish a more coherent understanding for academics and explanation for yet unexplained phenomena, but also develops theories and solutions for family firms that consider the complexity and impact of family relationships in the firm setting. This study further suggests studies should be conducted to examine the factors dominating the continuity and decline of family businesses in a specific industry.

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