

# Small Firm Helping Behavior: Social Norms and Social Capital Perspectives

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**Abstract**—This paper describes social norms and social perspectives to develop a framework for the consideration of helping behaviours among small firms. Based on this framework, this article proposes an agenda for additional theoretical and empirical research on helping among small firms. Some papers that discuss social norms, social capital and helping among firms are reviewed and being related to the proposed framework.

**Keywords:** *small firm, helping behavior, social norms, social capital perspectives*

## I. INTRODUCTION

The phenomenon of helping behaviours among firms in the same industry has become increasingly popular in recent years [1,2]. For instance, Autry, Skinner and Lamb [1] introduce interorganizational helping among firms in the supply chain as an important dimension of interorganizational citizenship behaviour (ICB). Similarly, Gerke, Dickson, Desbordes, and Gates [3] found that knowledge sharing and information has been common among small firms in a marine industry cluster in Auckland New Zealand that bring about the small firms to solve their problems. Furthermore, Tendler found some furniture companies in a countryside in Brazil that used to share their equipment for preparing their product and distribute the information regarding the purchasing of second hand equipment [4]. It seems that helping the enemies is becoming one of the recent trends in certain business and sectors in the mid of the spread of information on the powerful ways to beat competitors.

This paper attempts to build conceptual arguments on an underlying mechanism that drives helping among small firms in the same industry using social norms and social capital perspectives. Socially driven factors seem to be a key factor that encourage the managers of small firms to engage in helping behaviours towards their competitors. Social norm and social capital perspectives therefore provide a useful perspective to develop arguments related to helping among small firms. This paper provides several important contributions. First, the paper helps to understand main forces that may drive helping behaviours among small firms. Second, the paper identifies some important factors that may enhance the probability of firms to continuously engage in helping behaviours. Finally, this paper presents some suggestions for managers to analyse environmental conditions to consider the need to engage in helping among firms in enhancing their

performance. The paper is organized as follows. In the next section, the paper discusses social norms and social capital as two perspectives that shed light on some underlying factors that encourage helping behaviours among small firms. Following that, the paper outlines an agenda for theoretical and empirical research on the strategic implications of helping among small firms. The paper concludes with a theoretical and practical implications of this research.

## II. THEORETICAL FRAMEWORK

Helping among small firms can be explained with referring to some antecedents and mechanism that facilitate helping to take place. The proposed framework described in Figure 1 suggests three propositions that argues social norms and social capital as the antecedent of helping among competing firms through owner-manager helping behaviours. The model recognizes the role owner-manager as the central actors to develop helping among small firms.

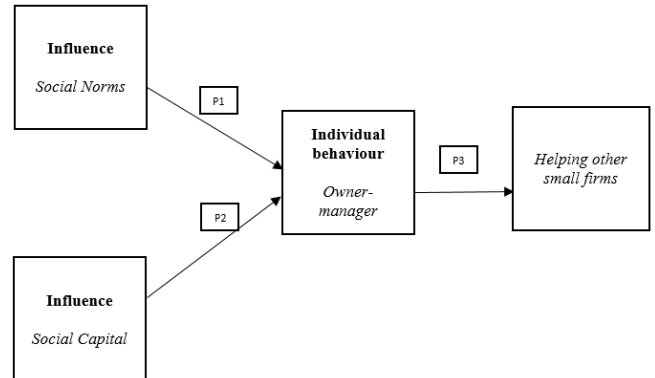


Fig. 1. Inter-firm and intra-firm altruism model.

### A. Social Norms

Social norms are defined as generally agreed social rules or behavioural standards promoted by society [5]. As an established social concept, social norm is originally rooted in theories of conformity from psychology and social psychology which suggest that people’s behaviour is frequently formed by what they understand other people do [6]. From this point of view, one way to persuade other people to conform to certain behaviours is through telling them what other people in their environment do. In other words, what people or group of

people usually conduct in a special context has been important reference for norms. Social norms have prerequisites of being shared by other people and are sustained by people's approval and disapproval. Feeling of embarrassment, worriedness, guilt and shame experienced by an individual when disobeying the norm is the other support of the norm [7]. The embarrassment feeling in turn can assist people to order their future behaviour [8]. Within the norms of helping, people realize that social pressure and norms have significant impact on their tendency to involve in good behaviours and keep away from the selfish ones [9].

Small firms are commonly located in the local community areas and engage in the local culture and norms. Hence, local values and norms are likely to influence the behaviours of owner-managers and other members of the small firms. Close spatial relationship among members of communities allow some owner-managers that reside their firms in the communities to conform local people and demonstrate good behaviours and avoid selfish acts. Hence, in all:

Proposition 1: Social norms in which small firms reside partly play a role in influencing owner-managers in demonstrating helping acts toward their competitors.

### *B. Social Capital*

It has been argued that building relationship with other organizations in the same sector plays a key role in fulfilling the firm resource deficiency (see Huang and Chu [10] for co-competition). Such a relationship is manifested in the form of social relations among firm personnel. Social capital, a generally understood concept as the good will generated by the structure of social relations and utilized to facilitate action has a role in facilitating helping behaviours among small firms [11]. Social capital actors like friends, colleagues and more general contacts with whom people can obtain chances to use their financial and human capital [12] and secure access to resources owned by other social actors [13] establish the important individual basis in obtaining the help from the counterparts. Friendship connection is influential in achieving other important resources like information and rewards [14].

Friendship, social ties and connections derived from the social capital facilitate owner-managers of small firms in maximising their opportunities in exchanging helping behaviours. Given that in small firms' context, owner-managers have greater authorities in executing firm-related actions, personal relationships among the owner-managers of small firms are very likely to realize helping behaviours among small firms. Thus:

Proposition 2: Social capital among owner-managers of small firms may facilitate helping among small firms.

### *C. Owner-Manager*

Up to this point, the paper has discussed the driving factors of helping among small firms, considering the potential influence of social norms and social capital to realize helping among small firms. Of special interest here is the small firms' owner manager individual behaviours as a mediating variable in influencing the execution of helping among small firms.

Given that the roles of small firms' owner-managers are much closer to the central firm operation than those in large enterprises and have more freedom to embody company strategies [15], the decision to help other small firms is dependent on the manager's individual tendencies. Hence, the owner-managers of small firms play a key role in determining whether the firms will take decision to help other small firms. Thus:

Proposition 3: Owner-managers' individual behaviours serve as an important factor for helping other small firms.

## III. DISCUSSION

This paper explores a model that clarifies some underlying factor that contribute to helping among small firms. The paper presents a conceptualization of helping among small firms using social norms and social capital perspectives. In addition, the paper offers a model explaining the mechanism through which helping among small firms take place. The paper then discusses theoretical and managerial implications followed by limitations and future research on firm helping among small firms.

### *A. Theoretical Implications*

The theoretical model of helping among small firms presented in this paper attempts to develop the concept of helping among small firms beyond what have been discussed helping behaviour in interorganizational citizenship behaviour (ICB) concept. This helping concept among small firms differ from helping in ICB in that the helping concept in this paper presents helping as practices conducted by small firms that compete each other to gain market share. Meanwhile, helping in ICB is assumed to be conducted among firms in the supply chain. Furthermore, small firm owner-managers play a key role in executing helping behaviour towards other competitors as the owner-managers have great discretion in executing any related decision in their organizations. This owner-manager role is congruent with the role of boundary personnel in ICB [1] and has been found to play a role in improving innovation activities among SMEs within an industrial agglomeration [3]. The nature of small firm daily operations in which owner-manager has more freedom in initiating and executing firm strategy provides a wider room for helping behaviours to be carried out towards other small firms.

### *B. Practical Implications*

The proposed model of helping among small firms offers several points in which owner-managers may demonstrate helping behaviours towards their competitors. Demonstrating helping behaviours towards competing small firms does not mean that the small firms will not accept any return from other small firms receiving helps. Reciprocity norms is one of the mechanisms through which the recipient of the helping acts feel obliged to compensate the helps they receive. The small firms receiving help may reciprocate the help by providing their resources for the benefactors. Thus, owner-managers may consider demonstrating their helping behaviours by sacrificing their own resources for the sake of other small firms.

#### IV. LIMITATIONS AND FUTURE RESEARCH

The conceptualization and the model of helping among small firms presented in this paper serves as important commencement in understanding small firm helping actions, but they are not free from limitations. First, helping framework in this paper follows a behavioural perspective that focuses on the behaviour itself. The motives behind the actual altruistic behaviours are treated as antecedents of the actions and are not discussed in this article. Thus, future studies may include some motives underlying the helping actions, given that these motives are important to identify whether the actions are based on their pure motive for helping. Second, the presented model in this study only includes two factors that influence helping mediated with individual owner-managers' personal behaviours. Future research may wish to explore more influencing factors motivating helping behaviours among small firms. Finally, this literature review paper attempts to build a theoretical foundation for helping among small firms with reliance on previous publications. This limits the authors from exploring and developing the concept based on the primary data obtained from empirical investigations. The next research may empirically investigate helping behaviours among small firms. Using both qualitative and quantitative approaches, scholars may conduct investigations to disclose the small firm helping behaviours and developing a conceptual development of helping among small firms.

#### V. CONCLUSION

In conclusion, this paper has demonstrated through review of literature on some driving forces and the mechanism of helping behaviours among small firms. Social norms and social capital are two perspectives through which helping among small firms can be clarified. This article attempts to fill in the gap associated with research on helping among small firms and hopes that this proposed model will encourage future research on helping among small firms.

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