

The Role of Individual and Familial Traditional Genealogical Status on Entrepreneurial Success

Michael E. Valdez
Seton Hall University

This study empirically examines the relationship between entrepreneurial success and individual entrepreneurs' traditional genealogical-status as well as the status of immediate family members. Results indicated that an individual entrepreneurs' traditional genealogical-status is negatively related to success. Furthermore, a strong positive relationship was evidenced by the status of entrepreneurs' families. In other words, the higher the status of an individual, the less entrepreneurial success achieved. However, if the entrepreneurs' family members were of a higher status, the greater the entrepreneurial success of the entrepreneur. These findings are specifically relevant to developing countries, indigenous populations, and societies with strong traditional obligations.

INTRODUCTION

Researchers should not disregard the contextual elements surrounding entrepreneurial ventures when considering the factors that lead to entrepreneurial success (Granovetter, 1985; Low & MacMillan, 1988). Elements in ecological contexts (Bronfenbrenner, 1977) may impact entrepreneurs directly at the individual level and indirectly through broader society. Contextual factors may stem from geographical and political contexts (i.e., nations, communities, regulations), organizational contexts (i.e., network structures), sociocultural contexts (i.e., ethnicity and socioeconomic elements; Thornton, 1999), and temporal contexts (i.e., historical time period; Hansemark, 1998). By taking into consideration the contextual factors, researchers may gain a deeper understanding of how the environment interacts with individuals and the success rates of particular person-environment fits.

This study will examine specific contextual attributes of entrepreneurship in societies with a heavy emphasis on chiefly and familial systems. In particular, this study addresses a void in the literature by empirically examining the relationship between entrepreneurial success and individual entrepreneurs' traditional genealogical status. In addition, this study further extends the existing anecdotal literature by systematically investigating the status of immediate family members that may be an entrepreneurial success impediment (e.g., chiefly obligations) or a success facilitator (access to information, resources and economic opportunities).

Societies' contexts (including familial, chiefly contexts) may become particularly complex when they are influenced by different systems (e.g., economic and political) that are transposed upon each other. Theoretical examinations of such dualities have been reflected in economic studies of colonization (Boeke, 1953); this study expands the concept to not only include economic components, but also the cultural components that impact entrepreneurship. For example, some societies operate in both a traditional system (e.g., chief-based, subsistence farming/living, etc.) and also in the modern system (e.g.,

colonial/Western influenced government/political, market based economy, etc.).

Societies with overlapping systems may be isolated geographically, racially, linguistically, and/or historically. Such complex contexts may come into existence with the creation or disintegration of ethnic enclaves, as nations of indigenous peoples living within a nation (e.g., Native Americans in the U.S.), or as an aftermath of national expansion and colonialism. Examples would include the Hmong in the U.S. (Trueba, Jacobs, & Kirton, 1990), Inuit or other First Nations communities in Canada (Dana, Dana, & Anderson, 2007; Skeena Native Development Society, 2003), etc. A societal duality may also be seen among groups that have opted for isolation based on religious grounds, as seen within U.S. Amish communities (Smith, Findeis, Kraybill, & Nolt, 1997).

When considering entrepreneurial activity in such societies, socially acceptable and economically profitable ways of conducting business may reflect a unique combination of the traditional and imposed cultures, or an emphasis of one approach over another. An example society may consist of an individualistic culture entwined with a collectivistic culture. In this instance, efficient entrepreneurial relationships may stem from contract building in more individualistic environments, whereas relationships may be best cultivated by drawing upon pre-existing social groups in collectivistic cultures (Tiessen, 1997). These differences in the source of efficient relationships parlay to different resource mobilization, with individualists using performance-based incentives and acquiring outside funds while collectivists may rely more heavily upon clan affiliations and group-based resource acquisition (Tiessen, 1997). Both approaches may be beneficial for their own environments, emphasizing the need to understand the social and cultural contexts that influence individual behavior and success (Davis & Henrich, 1997; Hansemark, 1998; Tiessen, 1997). This research explores a nuanced understanding of entrepreneurship specific to the resources within the familial, social, and cultural contexts of complex societies.

Entrepreneurship

In this study, the following definition of entrepreneurship is used: "Entrepreneurship includes new-venture creation that is growth oriented and generates employment, as well as small businesses and micro-enterprises that may provide self-employment but not much employment growth" (Hayton, George, & Zahra, 2002, p. 33; Bhidé 2000). This definition includes activity that is driven by both innovation and opportunity-recognition and does not limit entrepreneurship to the individual unit, a specific business tactic, or the exclusive goal of profitability. This broad definition encompasses the characteristics, goals, and contexts of entrepreneurial activity in efforts to understand the emics, dynamics, and complex issues confronting the entrepreneur.

The objective, individualistic socio-cultural business patterns of the West do not accurately reflect all business ventures across the globe (Kao, Sinha, & Wilpert, 1999). Previous research has argued that the complexity of entrepreneurial activity can only be understood within its social, economic, and cultural context (Low & Abrahamson, 1997; Reynolds 1991), but researchers have not yet empirically explored the genealogical context of entrepreneurship. Evidence supports the influence of entrepreneurs' culture, etics, and emics on the interpretation of target market characteristics and business approaches (Venkataraman & Saravathy, 2001). Familial contexts could heavily influence individuals' needs and orientations, particularly in developing countries and traditional societies where families, extended kinship groups, and individuals are strongly interconnected (Fairbairn, 1988). While familial ties in entrepreneurship have been researched in terms of familial succession of businesses (Sharma, 2004), this research is more concerned with examining kinship values and obligations.

Theoretical Considerations

The theoretical background of relevant issues must be considered in efforts to understand the complexity of entrepreneurial success in societies entwining both traditional and Western cultures. Theorists have focused on the relationship between personality and success, while others have posited the connections between capital (e.g., financial and human) and success. This study adapts Triandis' focus on cultural and socialized behavior as it examines balancing social obligations and financial obligations in

relation to entrepreneurial success. Particularly, Triandis (1994) posited the linear connections between personality and behaviors, with personality having been influenced previously by culture and socialization and with behaviors being moderated by the situation. This theory (Triandis, 1994) generally conceptualizes that situations of tending to social obligations are mutually exclusive from situations of tending to business' financial obligations. That is, entrepreneurs may have a tendency to act one way when it comes to family or societal circumstances and may have a different tendency with respect to business circumstances. This paper recognizes that situations with familial and business obligations in high context, traditional societies may overlap and not be mutually exclusive. Therefore, Triandis' theory is expanded to include non-mutually exclusive situations.

Bourdieu's (1983) theory of capital connects cultural, social, and financial capital to success within the education system. As an extension of this theory to entrepreneurship, and in combination with the previously discussed resource-based theory (Wernerfelt, 1984), the present study also explores the connections between various resource capitals and success outcomes.

RESOURCES

This research conceptualizes that familial values and obligations could be a resource addition or a resource strain, respectively. Researchers have posited that entrepreneurship is best understood with knowledge of the resources that underlie strategy (Brush & Chaganti, 1999; Mosakowski, 1993), with resources potentially being more critical to success than the strategies implemented (Brush & Chaganti, 1999). A firm's resources can be defined as the tangible and intangible assets that are tied to the firm (Penrose, 1959; Wernerfelt, 1984). Firms use existing resources and acquire new resources to ideally create a unique, heterogeneous combination of resources for competitive advantage, a concept known as a resource-based view, or theory (Barney, 1991; Grant, 1991; Wernerfelt, 1984). It is integral to understand the environmental context whereby specific resources have been deemed valuable (Chandler & Hanks, 1994; Wright, Smart, & McMahan, 1995), including the interaction of individual and firm characteristics (Ropo & Hunt, 1995).

Capital resources have often been conceptualized in terms of financial and human capital and include, but are not limited to, brand names, in-house knowledge, contracts, and assets. While each of them is important to entrepreneurship, their relationship with entrepreneurial success has been well established and therefore financial and human capitals serve as control variables in this research. In efforts to understand the environmental context of entrepreneurship, this paper also explores the familial context via genealogical status, which is argued as an additional source of capital.

Financial and Human Capitals

Financial capital consists of monetary resources available to an entrepreneur for entrepreneurial activities throughout the business' life-cycle (Barney, 1997). In a meta-analysis of the entrepreneurship literature, financial capital repeatedly had a positive relationship with business success (Cooper & Gimeno-Gascon, 1992). Initial financial capital has been emphasized in relation to growth and survival (Cooper, Gimeno-Gascon, & Woo, 1994) both in developing countries such as Jamaica (Honig, 1998) as well as developed countries with greater access to capital (Fredland & Morris 1976; Peterson & Shulman 1987).

Human capital refers to resources held in skills and knowledge by the individual, such as education and trainings (Becker, 1964; Coleman, 1990). Two forms of human capital are regularly explored in the entrepreneurship literature: general human capital, or the general education levels; and the business specific capital, or the trainings, experience, and knowledge that aligns with the business world and the entrepreneurs' industries (Cooper et al., 1994). The education level of entrepreneurs has been related to growth (Brush & Chaganti, 1999) and profitability (Honig, 1998) even more than management proficiency (Cooper et al., 1994). Experience in business and industry has been strongly linked to profitability (Honig, 1998) and performance (Brush & Chaganti, 1999; Cooper, 1985). Overall, human capital provided more explanatory power of certain measures of performance (i.e., net cash flow and not

employment growth) than strategy in small service and retail firms (Brush & Chaganti, 1999).

Traditional Genealogical Status

This paper argues that a traditional genealogical status may be another type of resource (i.e., a form of cultural capital) that may provide insight into the optimal product-market activities and may be related to long-term profitability. A seminal paper by Wernerfelt (1984) posits the effects of status and profitability may also be seen in the bargaining power of suppliers and buyers as well as the threat posed by substitute resources. Components of traditional genealogical status may not be able to be created or transferred. However, as described by Wernerfelt, businesses may be able to trade otherwise non-marketable resources or buy and sell this capital through mergers and acquisitions. This research argues that certain types of status, as with other types of resources, could be extremely advantageous for entrepreneurs depending on the form (i.e., extended family).

For many socially-stratified societies, drawing upon one's cultural capital, or social identification, may include drawing upon social class (Barone, 2006; Heath, 1995; Erikson & Jonsson, 1996) and genealogical affiliation (Hooper & Halapua, 1994). In certain societal contexts, traditional genealogical status may be a more relevant indicator of cultural capital than it would be in egalitarian and less stratified societies. Clan-affiliation and status are woven into people's identity, roles, and actions and may originate in birthright, gender, or age (Saffu, 2003). In some traditional close-knit societies, genealogical connections are a main conduit for cultural capital, as "descendants are the 'owners' of the capital, and they own it in common because it was made by their common ancestors," particularly the "knowledge, language, myth, and history" (Hooper & Halapau, 1994, p. 2).

In non-Western cultures, individuals may start a business for the purposes of enhancing their social status (Zapalska, Dabb, & Perry, 2003; Curry, 2005). In India, the ease of starting a business varied across caste levels (Sabbarwal, 1994). Higher social status can also have an adverse effect. Research in Papua New Guinea evidenced that much of entrepreneurs' revenue is directed to filling social obligations not related to their businesses, which unfortunately led to businesses failures (Curry, 2005). Curry's (2005) research emphasizes the need to understand the role of social status, ties, and obligations in the creation and success of businesses in developing countries. This is not to say that individuals' status does not play a role in Western business, as a study with U.S. university students found that status was strongly associated with trustworthiness (Glaeser, Laibson, Scheinkens, & Soutter, 2000); however, in more egalitarian societies, social status is not as prominent (Brett & Okumura, 1998).

Societies with complex, transposed cultures may place a high value on genealogical status, creating a specific context for entrepreneurs (Hailey, 1987). The stratification of society may lead to higher status individuals benefiting from the deference of low-status individuals (Leung, 1997). In addition to benefiting from their status, they may also have to carry out certain responsibilities in order to maintain their social standing among the dominant class which in turn may have negative effects on business related activities. Likewise, those who are not members of the most dominant class may be socialized and reinforced to respect the hierarchical order (DiMaggio, 1982). The status that one may have as the son of a tribal chief would be higher than the status of many fellow community members (Ritterbush, 1988; Shore, 1982). In business ventures, higher social (and possibly genealogical) status may reduce competition and provide greater legitimacy, perceived leadership, access to resources, and authority for group decisions.

In some collectivistic societies, entrepreneurs must balance tending to traditional and familial obligations with tending to the business' needs (Saffu, 2003). Research in one hierarchical society found that the cultural value of conformity translated to pressures on the entrepreneur to distribute profits or thereby risk increased difficulty to obtain resources (e.g., labor) and ostracization for self and family (Hailey, 1986). Furthermore, investment decisions often must be based on tribal ties and prestige, rather than what might be best for the business' 'bottom line' (Clydesdale, 2007).

The pressures to attend to family and traditional obligations do not necessarily prohibit success in new business ventures. There are individuals who are able to "overcome" these supposed cultural shortfalls and find benefits in their societal structure; specifically, some have found ways to leverage ties

with their clan (Finney, 1987; Hailey, 1988; Mamman, 1993) and mitigate the potential risks associated with entrepreneurship (Saffu, 2003). The balance of indigenous cultural values with certain conventional entrepreneurial success factors can be particularly critical for some contexts (Luke & Verreynne, 2006). Cultural preferences for interdependence (mutual reliance and interconnectedness), rather than independence, reflects preferences for communal concern, and shared goods and duties. When interdependence in certain societies is not maintained, social order and ethics are threatened (Renshaw, 2002). In cross-cultural comparisons of entrepreneurs, Morris, Davis, and Allen (1994) determined that tendencies too heavily individualistic or collectivistic were detrimental to a firm; rather, a balance of the tendencies best served the firms' success.

These studies support the need to consider entrepreneurs' emic perspectives of the balance needed between social and financial obligations and the need to understand the intersection of traditional genealogical status with success. Therefore, this research hypothesizes that:

H1: Individual Traditional Genealogical Status will be negatively related to entrepreneurs' financial success.

H2: Familial Traditional Genealogical Status will be positively related to entrepreneurs' financial success.

METHODS

Setting

This research was conducted in the unincorporated U.S. island territory of American Samoa (AS). American Samoa's reflection a complex society with dualities shared by many other entities such as other U.S. Territories, Native American reservations, and former and current colonies of the Western countries.

Sample

Participants in the study were sampled from individuals who had applied for and received a business license from the American Samoa Department of Commerce (ASDoC) during a five year time period, 2003-2007. Excluded were foreign or off-island owned or managed corporations. Remaining corporations were only included if verified one of three ways [listed in AS telephone directory; received multiple years of business licenses; or received a Development Bank of American Samoa (DBAS) business loan], resulting in a sample of 358 companies.

Survey packets were mailed to the 358 target companies' business owners with 71 completed surveys returned (19.83% response rate). The participants were 53.5% male ($n = 38$). The primary ethnicity identified was Samoan, with 64.8% ($n = 46$) of participants. Other ethnicities reported were mixed ethnicity (22.5%, $n = 16$), White (8.5%, $n = 6$), Korean (1.4%, $n = 1$), and other (2.8%, $n = 2$). The majority of participants had some college education (29.6%, $n = 21$), followed by a high school diploma (16.9%, $n = 12$), a Bachelors Degree (16.9%, $n = 12$), an Associates Degree (11.3%, $n = 8$), some graduate school (9.9%, $n = 7$) and a graduate degree (9.9%, $n = 7$). This sample is slightly more ethnically diverse and the participants' educational attainment is higher on average than the general population of American Samoa but reflects the overall business community in American Samoa (A. Zodiacal & L. Peau, personal communication, January, 16, 2008; J. Betham, personal communication, July, 11, 2008).

Participants were asked to designate as many industries as were applicable to their companies and indicated the service industry ($n = 39$), retail ($n = 29$), tourism, construction, entertainment, or manufacturing (each $n = 6$), travel or agriculture (each $n = 1$), or other ($n = 9$).

Procedures

The constructs, survey, and procedures for the study were reviewed and validated with several members of the Samoan community. Eighteen qualitative interviews were conducted with *matais* (chiefs); academicians; elected and appointed government officials; business owners; banking executives,

managers, and employees, and a small business agency director. These cultural informants confirmed hypotheses were logical, informed survey item development, and recommended procedures to maximize participation. The interviewees also reviewed and commented on each of the concepts in the survey, indicating whether the concepts and framing would be applicable to American Samoan participants and their culture. They were particularly integral to the creation of the cultural capital scales that were developed for this study. Furthermore, five informants pilot tested the entire survey for readability, format clarity, practicability, and validity (e.g., content and face) to maximize the completion rate.

Given the bilingual nature of American Samoa, the survey, consent form, and cover letter were available to participants in both English and Samoan. The Samoan survey version was created using a back translation methodology (Brislin, 1970, 1986).

Measures

Traditional Genealogical Status (Independent Variable)

Genealogical status explores the traditional society's organization of the dominant class. This construct was operationalized and measured with a set of nine identical family genealogy questions developed for this study. Participants were asked if they and/or each of their family members (spouse, father, mother, grandparents, and siblings) had a *matai* (chief) title and to also list the three highest ranking titles within the individual in question's village. The responses about the participant and each of their family members were scored based on whether the individual's title was one of the three highest titles in the village. The attributed codes were as follows: 4 points for highest chief title in village; 3 points for second highest chief title in village; 2 points for third highest chief title in village; and finally 1 point for chief title but not one of the three highest chiefs.

The corresponding responses to the participant's own chiefly title created the measure for individual traditional genealogical status. A participant who held the highest chief title in the village would receive 4 points and an individual who held a non-top three chiefly title would receive 1 point.

The corresponding responses to the participant's family members' were summed to operationalize the construct of familial traditional genealogical status ($\alpha = .64$). The mean and standard deviation of traditional genealogical status (and all study variables) are presented in Table 1.

TABLE 1
MEANS AND STANDARD DEVIATIONS OF VARIABLES (N = 71)

	Mean	SD
1. Business Success (Growth)	4.16	1.60
2. Business Success (Profit)	4.25	1.53
3. Business Success (Growth & Profit)	8.41	3.03
4. Individual Traditional Genealogical Status	0.39	0.86
5. Familial Traditional Genealogical Status	5.40	4.46
6. Financial Capital	51407.09	40473.62
7. Human Capital	0.31	0.42

Financial Success (Dependent Variable)

This study's measures of financial success were self-reported and consisted of two items asking the participants to compare their business' (1) growth and (2) profit to other similar businesses in his/her market (i.e., locale). Participants responded using a 7-point scale (i.e., well-above other companies, above other companies, somewhat-above other companies, same as other companies, somewhat-below other companies, below other companies, and well-below other companies). For those companies that were on file with DBAS, their subjective financial responses were verified against more objective bank records. Subjective measures as well as objective measures of success have been found to be useful measures of success (Stuart & Abetti, 1988; Brush & Van der Werf, 1992; Brush & Chaganti, 1998). The dependent

variable of financial success consists of (1) growth, (2) profit, and (3) a composite created by summing responses to both growth and profit. A higher score indicated a higher level of success.

Financial and Human Capitals (Control Variables)

Financial capital was assessed by one item: participants were asked the total income received by all members of their household. Based on qualitative interviews, household status was found to be the most accurate representation of the financial capital available to the entrepreneur and his/her entrepreneurial activities.

Human capital was operationalized using a single binary item measuring entrepreneurs’ sales experience prior to the founding of their company.

Analyses

This study’s independent variables are within acceptable limits of multicollinearity (i.e., mean of all VIFs are 1.05 and the lowest Tolerance Index is 0.92; Myers, 1990; Tabachnick & Fidell, 2001). In order to test for normality of the dependent variables, Skewness and Kurtosis were measured and all predictor variables fell within acceptable limits of -2 to 2. The limited amount of missing data was adjusted with mean substitution (Tabachnick & Fidell, 2001).

Multiple regression was chosen for its ability to detect a relationship between multiple independent variables and a dependent variable. Both hypotheses were tested by regressing the financial operationalizations of success on the independent variables. Specifically, three multiple regressions were conducted for each of the dependent variables (i.e., growth, profit, and growth-profit), incorporating the hypotheses’ independent and control variables.

RESULTS

This study hypothesized that entrepreneurs’ individual and familial traditional genealogical status were related to entrepreneurs’ financial. Therefore, the results below explore the relations between entrepreneurs’ predictors and their success for each hypothesis.

The model and hypotheses were tested through multiple regression equations with outcome variables that represented three different operationalizations of success. The correlations between variables are presented in Table 2. Three outcome variables represented financial success, which were measured in terms of self-reported business growth ($F = 3.71$; Adj. $R^2 = 0.13$; $p < .01$; see Table 2); profit ($F = 4.97$; Adj. $R^2 = 0.19$; $p < .01$; see Table 3); and a profit-growth composite ($F = 4.60$; Adj. $R^2 = 0.17$; $p < .01$; see Table 4). Specifically, all of the model’s predictor and control variables were entered simultaneously and tested with each outcome variable.

**TABLE 2
INTERCORRELATIONS (N=71)**

	1.	2.	3.	4.	5.	6.	7.
1. Business Success (Growth)	--						
2. Business Success (Profit)	0.88**	--					
3. Business Success (Growth & Profit)	0.97**	0.97**	--				
4. Individual Genealogical Status	-0.01	-0.07	-0.04	--			
5. Familial Genealogical Status	0.32**	0.33**	0.34**	0.27*	--		
6. Financial Capital	-0.18	-0.25	-0.22	0.04	-0.01	--	
7. Human Capital	-0.22	-0.22	-0.22	0.05	-0.07	-0.04	--

* $p < .05$, ** $p < .01$, *** $p < .001$

TABLE 3
FINANCIAL SUCCESS AS GROWTH REGRESSED ON ALL PREDICTOR
VARIABLES

Variable	B	SE B	<i>B</i>	t
Individual Traditional Genealogical Status	-0.14	0.22	-0.08	-0.66
Familial Traditional Genealogical Status	0.12	0.04	0.33**	2.82
Financial Capital	-0.00	0.00	-0.19	-1.66
Human Capital	-0.76	0.42	-0.20*	-1.78 [†]

Adj. R² = .13 F = 3.71**

[†]*p* < .10, **p* < .05, ***p* < .01, ****p* < .001

TABLE 4
FINANCIAL SUCCESS AS PROFIT REGRESSED ON ALL PREDICTOR VARIABLES

Variable	B	SE B	<i>B</i>	t
Individual Traditional Genealogical Status	-0.26	0.20	-0.15	-1.32
Familial Traditional Genealogical Status	0.12	0.04	0.36**	3.17
Financial Capital	-0.00	0.00	-0.25*	-2.28
Human Capital	-0.69	0.39	-0.19 [†]	-1.77

Adj. R² = .19 F = 4.97**

[†]*p* < .10, **p* < .05, ***p* < .01, ****p* < .001

TABLE 5
FINANCIAL SUCCESS AS THE GROWTH-PROFIT COMPOSITE REGRESSED ON
ALL PREDICTOR VARIABLES

Variable	B	SE B	<i>B</i>	t
Individual Traditional Genealogical Status	-0.41	0.40	-0.12	-1.02
Familial Traditional Genealogical Status	0.24	0.08	0.35**	3.10
Financial Capital	-0.00	0.00	-0.22*	-2.03
Human Capital	-1.45	0.79	-0.20 [†]	-1.85

Adj. R² = .17 F = 4.60**

[†]*p* < .10, **p* < .05, ***p* < .01, ****p* < .001

Results for Hypothesis 1

The first hypothesis related to the individual traditional genealogical status variable. Specifically, it was hypothesized that a significant portion of the variance would be explained by a negative relationship between individual traditional genealogical status and financial success (H1). When all operationalizations of financial success (i.e., growth, profit, and growth-profit composite) was regressed on the predictor variables, individual traditional genealogical status was not statistically significant (growth $\beta = -0.08$; profit $\beta = -0.15$; growth-profit = -0.12). However, even though not significant, the relationship was in the predicted negative direction.

Results for Hypothesis 2

The second hypothesis related to the familial traditional genealogical status variable. Specifically, it was hypothesized that a significant portion of the variance would be explained by a positive relationship between familial traditional genealogical status and financial success (H2). When examined with the other predictor variables in a multiple regression with growth as the outcome variable, familial traditional genealogical status significantly contributed to the model's variance ($\beta = 0.33$; $p < .01$; Table 2).

Similarly, familial traditional genealogical status was significantly related to the both of the other financial outcomes: profit ($\beta = 0.36$; $p < .01$; Table 3) and profit-growth composite ($\beta = 0.35$; $p < .01$; Table 4).

The model indicates that the higher the familial traditional genealogical status of an entrepreneur the more likely they are to be financially successful. Overall, hypothesis 1 was not supported with a statistically significant relationship between the predictor and outcome variables, although in the predicted direction. Hypothesis 2 was supported with statistically significant relationships between the predictor and outcome variables.

Results for Control Variables

Two control variables were included in each of the regressions: financial capital and human capital. In all three regressions, financial capital had a statistically significant negative relationship with the outcome variables of profit ($\beta = -0.25$; $p < .05$; Table 4) and growth-profit ($\beta = -0.22$; $p < .05$; Table 5). On the other hand, human capital contributed in a statistically significant, negative manner to only one outcome variables [i.e., growth ($\beta = -0.20$; $p < .05$; Table 3)]. For the remaining two predictor variables (profit and growth-profit), human capital was only marginally significant ($p < 0.10$).

DISCUSSION AND CONCLUSION

This study sought to understand the elements and antecedents of successful entrepreneurs engaging in entrepreneurial activity with strong traditional culture. Specifically, this research explored the relationships between the independent variables of individual and familial traditional genealogical status and multiple outcome variables of financial success (i.e., growth, profit, and growth-profit). Of specific interest was examining the individual and their business as essentially one subject. That is, because the companies were small, owned, and operated by the each of the participants, it afforded the opportunity to extend the outcome variable to include different representations of financial success (growth, profit, and growth-profit). What would typically be differing levels of analysis (individual versus company) can instead be viewed as the same level of analysis in such a context as this study.

It was hypothesized that individual traditional cultural capital would have a negative relationship with success because of societal and family demands placed upon the entrepreneur. These demands would outweigh any potential increased access to resources, information, and/or opportunities. While the data did support a negative relationship, the results were not significant.

Based on field work and qualitative data, support for this finding is found in high society members' intense responsibility to serve (*tautua*) and give (*fa'a lavelave*). High ranking chiefs in this context have many responsibilities (e.g., fiscal, governance, mediation) extending to the greater clan. So this data may suggest that entrepreneurs who have of high traditional genealogical status may find their business' resources redirected in deference to chiefly responsibilities. Because of the demands of being a chief other non-business obligations may outweigh any potential positive effects the status would otherwise yield. The dominant class entrepreneur may feel some dissonance between having the resources they are expected to share with others and the contributions to their business.

Participants who reported having a higher familial traditional genealogical status based on their grandparents,' parents,' and siblings chiefly status were significantly more likely to report financial success (i.e., growth, profit, and growth-profit). Previous research as well as information gleaned during the data collection process suggested that traditional genealogical status can sometimes hinder business objectives. However, the potential positive effects of status (e.g., increased access to resources, opportunities, and information) may be easier to leverage by the low traditional genealogical status entrepreneurs whose collective family members have high traditional genealogical status. This advantage may be due to the entrepreneur not being responsible for chiefly obligations of his/her family members but still being able to draw upon the societal position of their high traditional genealogical status family.

Limitations and Future Research

As with any research project, the findings from this project should be interpreted in light of the project's limitations. Main limitations included the small sample size, the single site design, creation of new survey items, exclusive quantitative methodology, and use of mean substitution. The below mentioned future research projects could build upon this study's findings and redress each of these limitations.

Given that this study examined the variables at one point in time, it would be interesting to examine the variables longitudinally to understand how they may develop and be represented over time. Two longitudinal studies would be natural next steps. One study could follow the sample entrepreneurs throughout the lifespan of their business and understand how their personal and business characteristics change over time. Another study could take more of setting-based focus and examine one society's business climate for several years. This setting-based focus might reveal more insights into how one's environment may impact entrepreneurial activities.

Further research could also build upon this research by using multiple sites and comparative samples. For example, multiple site studies could compare various societies to determine consistencies across entrepreneurs in societies with transposed systems (e.g., compare American Samoa with territories or former colonies (e.g., Puerto Rico, South Africa) or with dual societies nestled within the West (e.g., Native American tribes in the US or First Nation people in Canada)). Also, a multiple site study would compare sub-samples of several dual societies with several areas of the West (e.g., US, Canada, and Europe). This future research project would be able to most clearly delineate which factors may be unique to their Western counterparts and which are shared commonalities of entrepreneurship.

In addition to expanding the sample size and sites, future research could also further develop the measurement of constructs through quantitative and qualitative methods. One way to enhance understanding of constructs would be to formally conduct and analyze qualitative interviews or have open-ended answer formats for some survey questions.

Implications

The findings from this project could enhance programs and policy initiatives aimed at entrepreneurial development. Employees of foundations, small business bureaus, and mentorship programs could be trained to understand the role the varied contexts in which entrepreneurial activity takes place. The foundation and small business bureau employees and mentors could adjust their programs to be sensitive to variations within their client base. They could train their clients to recognize potential alternative inhabitants and resources of entrepreneurial success and therefore provide tools and advice should the clients choose to modify their behaviors to fully maximize capital (or resources).

Governmental trainings and program support of their entrepreneurs in complex societies could also incorporate this study's findings. In the case of American Samoa, government directives and their US trained implementers could be mindful of the effects of traditional genealogical status highlighted in this research.

Concluding Thoughts

As traditional cultures grapple with the issue of balancing Western and traditional cultures either due to former colonial status or increased contact with outside influences, there is a need to more thoroughly understand the factors that contribute to entrepreneurial success within these contexts. This study has begun fill this need by exploring genealogical status of entrepreneurs. Moreover, the study has highlighted that, in certain contexts, value can be gained from looking at success as both an individual and company construct. When trying to understand entrepreneurs, researchers should take into account the cultural and community roles of the entrepreneur, the size of the community, and the sociohistorical elements. By considering these multiple facets and exploring how the business and individual success may be entwined, the entrepreneurial field will be enriched.

REFERENCES

- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99–120.
- Barney, J. B. (1997). *Gaining and Sustaining Competitive Advantage*. Menlo Park, CA: Addison Wesley.
- Barone, C. (2006). Cultural capital, ambition and the explanation of inequalities in learning outcomes. *Sociology: The Journal of British Sociological Association*, 40(6), 1039-1058.
- Becker, G. S. (1964). *Human Capital*. Chicago, IL: University of Chicago Press.
- Bhide, A. (2000). *The Origin and Evolution of New Business*. New York: Oxford University Press.
- Boeke, J. H. (1953). *Economics and economic policy of dual societies, as exemplified by Indonesia*. New York: International Secretariat, Institute of Pacific Relations.
- Bourdieu, P. (1983). The forms of capital. In J. G. Richardson (Ed.), *Handbook of Theory and Research for the Sociology of Education* (pp. 241-258). Westport, CT: Greenwood Press.
- Brett, J. M., & Okumura, T. (1998). Inter- and intra-cultural negotiation: U.S. and Japanese negotiators. *Academy of Management Journal*, 41(5), 495-511.
- Brislin, R. W. (1970). Back-translation for cross-cultural research. *Journal of Cross-Cultural Psychology*, 1(3), 185-216.
- Brislin, R. W. (1986). The wording and translation of research instruments. In Lonner, W. and Berry, J. (Eds.), *Field Methods in Cross-Cultural Research*. Beverly Hills, CA: Sage.
- Bronfenbrenner, U. (1977). Toward an experimental ecology of human development. *American Psychologist*, 32, 513-530.
- Brush, C. G., & Chaganti, R. (1999). Businesses without glamour? An analysis of resources on performance by size and age in small service and retail firms. *Journal of Business Venturing*, 14(3), 233-257.
- Brush, C. G., & Van der Werf, P. (1992). A comparison of methods and sources for obtaining estimates of new venture performance. *Journal of Business Venturing*, 7(2), 157–170.
- Chandler, G., & Hanks, S. H. (1994). Market attractiveness, resource-based capabilities, venture strategies and venture performance. *Journal of Business Venturing*, 9(4), 331–349.
- Clydesdale, G. (2007). Cultural evolution and economic growth: New Zealand Maori. *Entrepreneurship & Regional Development*, 19(1), 49-68.
- Coleman, J.S. (1990). *Foundations of Social Theory*. Cambridge, MA: Belknap Press of Harvard University Press.
- Cooper, A.C. (1985). The role of incubator organizations in the founding of growth oriented firms. *Journal of Business Venturing*, 1, 75-86.

- Cooper, A.C., & Gimeno-Gascon, F.J. (1992). Entrepreneurs, processes of founding and new-firm performance. In D. L. Sexton & J. D. Kasarda (Eds.), *The State of the Art of Entrepreneurship* (pp. 301-340). Boston, MA: PWS Kent.
- Cooper, A. C., Gimeno-Gascon, F. J., & Woo, C. Y. (1994). Initial human and financial capital as predictors of new venture performance. *Journal of Business Venturing*, 9(5), 371-395.
- Curry, G. N. (2005). Doing 'business' in Papua New Guinea: The social embeddedness of small business enterprises. *Journal of Small Business and Entrepreneurship*, 18(2), 231-246.
- Dana, L. P., Dana, T. E., & Anderson, R. B. (2007). A theory-based empirical study of entrepreneurship in Iqaluit, Nunavut (formerly Frobisher Bay, Northwest Territories). In L. P. Dana (Ed.), *International Handbook of Research on Indigenous Entrepreneurship*. Northampton, MA: Edward Elgar Publishing.
- Davis, G. F., & Henrich, R. G. (1997). Corporate elite networks and governance changes in the 1980s. *American Journal of Sociology*, 103(1), 1-37.
- DiMaggio, P. (1982). Cultural capital and school success: The impact of status culture participation on the grades of U.S. high school students. *American Sociological Review*, 47(2), 189-201.
- Erikson, R., & Jonsson, J. (1996). *Can education be equalized?* Boulder, CO: Westview Press.
- Fairbairn, T. I. J. (1988). Indigenous entrepreneurship and business development in the Cook Islands. In T. I. J. Fairbairn (Ed.), *Island Entrepreneurs: Problems and Performance in the South Pacific* (pp. 55-76). Honolulu, HI: East-West Center.
- Finney, B. (1987). Business development in the highlands of Papua New Guinea. *Research Report Series No. 6*. Honolulu, HI: East-West Center.
- Fredland, E., & Morris, C. (1976). A cross section analysis of small business failure. *American Journal of Small Business*, 1(1), 7-17.
- Glaeser, E. L., Laibson, D., Scheinkman, J. A., & Soutter, C. L. (2000). Measuring trust. *Quarterly Journal of Economics*, 65, 811-846.
- Grant, R.M. (1991). The resource-based theory of competitive advantage: Implications for strategy formulation. *California Management Review*, 33, 112-135.
- Granovetter, M. (1985). Economic action and social structure: The problem of embeddedness. *American Journal Sociology*, 91(3), 481-510.
- Hailey, J. (1986). Small indigenous business in the Pacific. *International Small Business Journal*, 5(1), 1-16.
- Hailey, J. (1987). Entrepreneurship and Indigenous Business in the Pacific. *PIDP Research Report*. Honolulu, HI: East-West Center.
- Hailey, J. (1988). Fijian entrepreneurs: Indigenous business in Fiji. In T. I. J. Fairbairn (Ed.), *Island Entrepreneurs: Problems and Performance in the Pacific*. Honolulu, HI: East-West Center.

- Hansemark, O. (1998). The effects of an entrepreneurship program on need for achievement and locus of control of reinforcement. *International Journal of Entrepreneurial Behavior and Research*, 4(1), 28-50.
- Hayton, J. C., George, G., & Zahra, S. A. (2002). National culture and entrepreneurship: A review of behavioral research. *Entrepreneurship Theory and Practice*, 26, 33-52.
- Heath, A. (1995). Review of persistent inequality: Changing educational attainment in thirteen countries. *European Sociological Review*, 11(3), 101-103.
- Honig, B. (1998). What determines success? Examining the human, financial, and social capital of Jamaican microentrepreneurs. *Journal of Business Venturing*, 13(5), 371-394.
- Hooper, A., & Halapua, S. (1994). Social and cultural aspect of resources use and development. *Pacific Islands Development Series. No. 4*. Honolulu, HI: East-West Center.
- Kao, H. S. R., Sinha, D., & Wilpert, B. (Eds.). (1999). *Management and Cultural Values: The Indigenization of Organizations in Asia*. New Delhi: Sage.
- Leung, K. (1997). Negotiation and reward associations across cultures. In P. G. Earley & M. Erez (Eds.), *New Perspectives on International Industrial/Organizational Psychology* (pp. 640-675). San Francisco, CA: Jossey-Bass.
- Low, M. R., & Abrahamson, E. (1997). Movements, bandwagons, and clones: Industry evolution and the entrepreneurial process. *Journal of Business Ventures*, 12, 435-457.
- Low, M. R., & MacMillan, I. (1988). Entrepreneurship: Past research and future challenges. *Journal of Management*, 14(2), 139-161.
- Luke, B., & Verreynne, M.-L. (2006). Social enterprise in the public sector. *International Journal of Social Economics*, 33(5/6), 432-445.
- Mamman, A. (1993). Big man, wantoks and liklik business man. *Administration for Development*, 1(1), 29-38.
- Morris, M. H., Davis, D. L., & Allen, J. W. (1994). Fostering corporate entrepreneurship: Cross-cultural comparisons of the importance of individualism versus collectivism. *Journal of International Business Studies*, 25, 65-90.
- Mosakowski, E. (1993). A resource-based perspective on the dynamic strategy performance relationship: An empirical examination of the focus and differentiation strategies in entrepreneurial firms. *Journal of Management*, 19(4), 819-839.
- Myers, R. (1990). *Classical and modern regression with applications* (2nd edition). Boston, MA: Duxbury.
- Penrose, E. T. (1959). *The Theory of the Growth of the Firm*. New York: John Wiley & Sons.
- Peterson, R., & Shulman, J. (1987). Entrepreneurs and bank lending in Canada. *Journal of Small Business and Entrepreneurship*, 5, 41-45.

- Renshaw, J. (2002). *The Indians of the Paraguayan Chaco: Identity & economy*, Lincoln, NE: University of Nebraska Press.
- Reynolds, P. D. (1991). Sociology and entrepreneurship: concepts and contributions. *Entrepreneurship Theory and Practice*, 16(2), 47-70.
- Ritterbush, S. D. (1988). Entrepreneurship in an ascribed status society: The Kingdom of Tonga. In T. I. J. Fairbairn (Ed.), *Island Entrepreneurs: Problems and Performance in the South Pacific* (pp. 137-184). Honolulu, HI: East-West Center.
- Ropo, A., & Hunt, J. (1995). Entrepreneurial processes as virtuous and vicious spirals in a changing opportunity structure: A paradoxical structure. *Entrepreneurship Theory and Practice*, 19(3), 91-111.
- Sabbarwal, S. (1994). Determinants of entrepreneurial start-ups: A study of industrial units in India. *The Journal of Entrepreneurship*, 3(1), 69-80.
- Saffu, K. (2003). The role and impact of culture on South Pacific entrepreneurs. *International Journal of Entrepreneurial Behavior and Research*, 9(2), 55-73.
- Sharma, P. (2004). An overview of the field of family business studies: Current status and directions for the future. *Family Business Review*, 17(1), 1-36.
- Shore, B. (1982). *Sala'ilua A Samoan Mystery*. New York: Columbia University Press.
- Skeena Native Development Society. (2003). *Masters in Our Own house: The Path to Prosperity*. Report of the Think Tank on First Nations Wealth Creation. Vancouver, BC: West Coast Reproduction Centre.
- Smith, S. M., Findeis, J. L., Kraybill, D. B., and Nolt, S. M. (1997). Non-agricultural microenterprise development among the Pennsylvania Amish: A new phenomenon. *Journal of Rural Studies*, 13(3), 237-251.
- Stuart, R. & Abetti, P. (1988). Field study of technical ventures, part 3: The impact of entrepreneurial and management experience on early performance. In B. Kirchoff, W. Long, W.E. McMullan, K. Vesper, & W. Wetzel (Eds), *Frontiers of Entrepreneurship* (pp. 177-193). Wellesley, MA: Babson College.
- Tabachnick, B. G., & Fidell, L. S. (2001). *Using multivariate statistics* (4th ed.). New York: Harper Collins.
- Thornton, P. H. (1999). The sociology of entrepreneurship. *Annual Review of Sociology*, 25, 19-46.
- Tiessen, J. (1997). Individualism, collectivism, and entrepreneurship: A framework for international comparative research. *Journal of Business Venturing*, 12(5), 367-384.
- Triandis, H. C. (1994). *Culture and Social Behavior*. New York: McGraw-Hill.
- Trueba, H. T., Jacobs, L., & Kirton, E. (1990). *Cultural Conflict and Adaptation: The Case of Hmong Children in American Society*. New York: Falmer Press.
- Venkataraman, S., & Saravathy, S. D. (2001). *Strategy and Entrepreneurship: Outlines of an Untold Story*. Oxford: Blackwell.

Wernerfelt, B. (1984). A resource-based view of the firm. *Strategic Management Journal*, 5(1), 171–180.

Wright, P., Smart, D., & McMahan, G. (1995). Matches between human resources and strategy among NCAA basketball teams. *Academy of Management Journal*, 38(4), 1052–1074.

Zapalska, A. M., Dabb, H., & Perry, G. (2003). Environmental factors affecting entrepreneurial activities: Indigenous Maori entrepreneurs of New Zealand. *Asia Pacific Business Review*, 10(2), 160-177.