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USING PERSONAL-TYPE RELATIONSHIPS (GUANXI) TO ATTRACT AND RETAIN CUSTOMERS IN SMALL BUSINESS ENTERPRISE (SBE): AN EMPIRICAL STUDY IN UAE, ABU DHABI

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This dissertation is submitted in partial fulfilment of the requirements for the degree of Doctorate of Business Administration

Under the Supervision of Professor Riyad Eid

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Declaration of Original Work

I, Hadi AlBadi, the undersigned, a graduate student at the United Arab Emirates University (UAEU), and the author of this dissertation entitled "*Using Personal-type Relationships (Guanxi) to attract and retain customers in Small Business Enterprise (SBE): An Empirical Study in UAE, Abu Dhabi*", hereby, solemnly declare that this dissertation is my own original research work that has been done and prepared by me under the supervision of Professor Riyad Eid, in the College of Business and Economics at UAEU. This work has not previously been presented, published, or formed the basis for the award of any academic degree, diploma or a similar title at this or any other university. Any materials borrowed from other sources (whether published or unpublished) and relied upon or included in my dissertation have been properly cited and acknowledged in accordance with appropriate academic conventions. I further declare that there is no potential conflict of interest with respect to the research, data collection, authorship, presentation and/or publication of this dissertation.

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Abstract

Very few researchers have investigated the underlying socio-cultural formulas in the aspects of culture that affect relationships around the globe. Middle Eastern cultures give great importance to personal-type relationships (akin to the Chinese concept of Guanxi), in many different spheres of life. This research identifies the factors composing the unique forms of such relationships that are found in the context of Abu Dhabi city. The research focuses on the significant role and the effect of the cultivation in business contexts of personal-type relationships, characterised by the presence of personal trust, empathy, reciprocity, bonding, face, and affection. The aim of this research was to find the dimensions of such relationships and to test them as organizational relationships, as determinants of customer satisfaction and customer retention in the sector of small business enterprises (SBEs). Survey data which provided a sample to test the suggested model were collected from a database that included Abu Dhabi's SBEs. The findings of this research showed that personal relationships in this context could be extended to organizations. In addition, the results showed that the consequences of personal-type relationships (Guanxi) positively influence customer satisfaction and customer retention. Further, the contextualization of the constructs in this research helps to plug few current gaps in the literature on Guanxi theory.

Keywords: Guanxi, personal-type relationship, bonding, personal trust, reciprocity, empathy, face, affection, customer satisfaction, customer retention, SBE, Abu Dhabi.

Title and Abstract (in Arabic)

استخدام العلاقات الشخصية من نوع (جوانشي) لجذب العملاء والاحتفاظ بهم في المشاريع التجارية الصغيرة دراسة تجريبية في الإمارات العربية المتحدة /أبوظبي

الملخص

قام عدد قليل من الباحثين بالتحقيق في الصيغ الاجتماعية والثقافية الأساسية في جوانب الثقافة التي تؤثر على العلاقات في جميع أنحاء العالم. تعطي ثقافات الشرق الأوسط أهمية كبيرة للعلاقات الشخصية (على غرار مفهوم Guanxi الصيني)، في العديد من مجالات الحياة المختلفة. تحدد هذه الورقة العوامل التي تشكل الأشكال الفريدة لهذه العلاقات التي توجد في سياق مدينة أبوظبي. يركز البحث على الدور الهام وتأثير توظيف العلاقات الشخصية في سياقات العمل الخاصة، والتي تتميز بوجود الثقة الشخصية، والتعاطف، والمعاملة بالمثل، والترابط، والسمعة، والمودة. كان الهدف من هذا البحث هو إيجاد أبعاد هذه العلاقات واختبارها كعلاقات تنظيمية، كمحددات لرضا العملاء وكمحددات للاحتفاظ بالعملاء في قطاع مؤسسات الأعمال الصغيرة (SBEs). تم جمع بيانات المسح التي قدمت عينة لاختبار النموذج المقترح من قاعدة بيانات تضمنت SBEs في أبوظبي. أظهرت نتائج هذا البحث أن العلاقات الشخصية في هذا السياق يمكن أن تمتد لتشمل المنظمات، وإمكانية الاستفادة من هذه العلاقات الشخصيه وتحويلها لتصبح علاقات خاصه بالمنضمات. بالإضافة إلى ذلك، أظهرت النتائج أن نتائج العلاقات الشخصية (Guanxi) تؤثر بشكل إيجابي على رضا العملاء والاحتفاظ بالعملاء. علاوة على ذلك، يساعد تحديد السياق للبنيات في هذه الدراسة على سد الثغرات الحالية في الأدبيات حول نظرية جوانشي.

مفاهيم البحث الرئيسية: Guanxi، العلاقة الشخصية، الترابط، الثقة الشخصية، المعاملة بالمثل، التعاطف، السمعة، المودة، رضا العملاء، الاحتفاظ بالعملاء، الشركات المتوسطة والصغيرة، أبو ظبي.

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Dedication

To our beloved country, the UAE. We pledge to serve you with pride.

To our visionary leadership. We affirm our loyalty.

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List of Abbreviations

ADCB	Abu Dhabi Commercial Bank
AVE	Average Variance Extracted
BTS	Bartlett's Test of Sphericity
CFA	Confirmatory Factor Analysis
CFI	Comparative Fit Index
CR	Composite Reliability
DOPU	Drop-off and Pick-up
EFA	Exploratory Factor Analysis
EU	European
GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
GFI	Goodness-of-Fit Indices
ILO	International Labor Organization
IT	Information Technology
MENA	Middle East and Northern Africa
KMO	Kaiser-Meyer-Olkin
MLE	Maximum Likelihood Estimates
MSA	Measurement of Sample Adequacy
MSME	Micro, Small and Medium Enterprises
PCA	Principal Component Analysis
RM	Relationship Marketing
RO	Research Objective
RQ	Research Question
RS	Research Strategy
SBE	Small Business Entities

SEM	Structural Equation Modelling
Smart PLS	Smart Partial Least Squares
SME	Small Medium Enterprises
SPSS	Statistical Package for the Social Sciences
UAE	United Arab Emirates

Chapter 1: Introduction

1.1 UAE Background

This study is based in the United Arab Emirates (UAE), whose capital is Abu Dhabi, located on the Arabian Gulf It shares borders with the Kingdom of Saudi Arabian and Oman. The UAE is a union of seven federated emirates, namely, Abu Dhabi, Dubai, Sharjah, Ajman, Umm al-Quwain, Ras al-Khaimah, and Fujairah. The country has rich oil and natural gas reserves and ranks in the top ten nations worldwide regarding income per capita.

The UAE economy has been known for its economic strength; it is one of the fastest growing economies, not only in the region but globally as well Gundala and Khawaja (2014). Abu Dhabi is the largest in area size and the richest in oil and gas reserves. Historically the country's economy was of course built entirely on oil and gas revenues, but cities such as Abu Dhabi and Dubai have managed to diversify their economies and are exploring other opportunities that will enable them to become less oil dependent.

The two major cities have adopted a more Westernized business model and have now developed a robust foundation for their new sources of revenue. For example, significant revenues are generated by different sectors e.g. tourism, real estate development, and financial services (Gundala & Khawaja, 2014). With most of the small to medium-sized enterprises in the UAE being family-owned, this study explores how the Emirates are managing their business relations and the impact of the personal network on the performance and customer retention of small business enterprises (SBEs).

1.2 Research Problem

Academics and practitioners agree that relationship marketing (RM) is a major success factor in businesses. It enhances performance and maintains profitable and sustainable dealings (Samaha, Beck, & Palmatier, 2014; Swaminathan & Moorman, 2009). Despite the increasing number of studies on RM from the international (Western) perspective, very little work has been done to better understand it in other parts of the world, e.g., Asia (Hutchings & Weir, 2006a, 2006b); Abosag, 2015; Abosag & Lee, 2013; Abosag & Naudé, 2014; Barnes et al., 2011; G. Wang, Wang, & Zheng, 2014). Most importantly, many studies have shown evidence that the paradigm theory of relationship marketing is shifting, with a greater focus on customers and less on transactions (Abosag & Lee, 2013; Abosag & Naudé, 2014; Samaha et al., 2014), as in Asian markets.

Researchers contend that RM should not be treated and generalized across nations. This argument, therefore, highlights the fact that RM studies from the West may not perfectly fit Eastern markets (Barnes, Yen, & Zhou, 2011; Brown et al., 2005; Ghemawat, 2011; Samaha et al., 2014). Indeed, researchers on RM have repeatedly recommended in their studies that more attention should be given to the “Eastern World”, in order to widen the knowledge of the notion and theory of RM in the East and build on existing studies of RM, especially those which view the Middle East as a growing market (Abosag, 2015; Abosag & Lee, 2013; Abosag & Naudé, 2014; Barnes et al., 2011; Wang, Wang, & Zheng, 2014). According to Hutchings and Weir (2006a), business practices in the Arab world are challenging compared with those in other regions. Besides, international business, despite the advent of industrialization, internationalization, and modernization, social networking and personal relationships, still to some extent dominates business practices. This gap in the literature is addressed in this research, particularly with reference to Abu Dhabi (Gap1).

Researchers, for example, Tucker and Zhang (2016) have supported the advice not to generalize RM across nations. Asia and the Middle East show forms of relationship that are culturally bound (Abosag, 2015; Abosag & Lee, 2013; Abosag & Naudé, 2014; Shaalan, Reast, Johnson, & Tourky, 2013). According to Hofstede and Minkov (2010) culture can be expressed as something in the mind that acts like collective programming and distinguishes one category or group of people from another. The Guanxi concept, a Chinese social exchange mechanism built on mutual favors, trust, affection, and bonding, is an excellent demonstration of “de-linking from Western epistemologies” (Tucker & Zhang, 2016). Moreover, Guanxi is a unique Chinese concept which has been used and described by many researchers who take the terms and conceptual framework from Chinese culture to illustrate their discussions of relationship formation, role-playing, and implications for China, (Fan, 2002; Shaalan et al., 2013).

Undoubtedly, previous studies have from different standpoints explored the many concepts of Guanxi in business. These include marketing (Cui, Wen, Xu, & Qin, 2013; Lee, Tang, Yip, & Sharma, 2017; Shaalan et al., 2013); supply chain management (Geng, Mansouri, Aktas, & Yen, 2017; Luo, Chong, Ngai, & Liu, 2014), organizational learning (Chung, Yang, & Huang, 2015; Leung, Chan, Lai, & Ngai, 2011; Park & Luo, 2001); operation management (Wu & Chiu, 2016); entrepreneurship (Chen, Chang, & Lee, 2015); human resources management (Ren & Chadee, 2017); and strategic management (Cao, Baker, & Schniederjans, 2014; Shou, Chen, Zhu, & Yang, 2014). However, among the cultures of Asia, the roles of Guanxi and similar types of personal relationship in Small Business Entities have not been explored in the context of Abu Dhabi or in the Arab World as a whole (Hutchings & Weir, 2006a). To be more specific and to the best of the researcher knowledge, in the Gulf region, only one study has investigated the type of relationship closest to Guanxi, named “Et-Moone” by Abosag and Naudé (2014), a study based in Saudi Arabia. While considerable attention has been devoted to analyzing China’s Guanxi, the Arab World’s social network and other special types of relationship have not been adequately researched, nor has there been any substantive literature examining interpersonal connections in Abu Dhabi (Gap 2).

The cultural role in international relationship marketing was thoroughly reviewed by (Samaha et al., 2014). Their research on RM involved 36 countries and 170 articles, which led to the conclusion that relationships were influenced by relational mediators, e.g., customer satisfaction and trust and could differ from one country to another or from context to another or from one culture to another (Samaha et al., 2014). This finding alerts and encourages small businesses to start treating customers according to their own context, country or culture, since their responses will be based on their own cultural background. In other words, whenever relationships are examined, various constructs should be used that are considered relevant to the country, culture or context where the study is based (Eid, 2015). This supports the opinion of Lusch, Vargo, and Tanniru (2010) that a “relationship value is always unique and phenomenologically determined by the consumer” and is also idiosyncratic, practical, contextual and meaning driven.

In communalist cultures, e.g., (China and the Arab World), a study by (Shaalan et al. (2013)) developed a model showing the importance of applying Guanxi before relationship marketing (organizational relationships), since this would make the latter more adaptable and applicable to the culture in question. The Arab and Chinese share many characteristics in their society, e.g., trusting others before engaging in business, preferring to deal with trusted people in their network (Flambard-Ruaud, 2005; Hutchings & Weir, 2006b). The Middle East and Western countries are very different in their culture and, the Middle East RM formation has different dimensions. Hofstede's famous four-dimensional model of national cultures may be drawn on as an analytical framework (Islam, 2004). His typology comprises power distance, individualism/collectivism, uncertainty avoidance and masculinity/femininity (Islam, 2004). Middle Eastern countries, for example, are collectivist in values and strong long-term orientation (Hofstede, 2001a). Yet, despite the substantial cultural differences between Eastern and Western countries (Sharma, 2010) the literature on relations and their impact on customer retention is largely absent as regards the Middle East (Sharma, 2011) in particular the GCC (Abosag, 2015; Abosag & Lee, 2013; Abosag & Naudé, 2014), UAE, Abu Dhabi (Gap 3).

Although Guanxi is a Chinese concept, its components are not limited to the Chinese culture only. For example, the equivalent in Arab culture has many similarities to it. Hofstede (2001b) argues that China and the Arab cultures have certain characteristics in common, such as high power distance. In support of this view, Shaalan et al. (2013) found that the Arab world has similar types of relationships to the Chinese Guanxi. This supports Hutchings and Weir (2006a) in saying that the Arab world as a society is wholly reliant for the business success on a network of interpersonal connections (Hutchings & Weir, 2006a, 2006b; Shaalan et al., 2013). Hence, the present research uses the term "Guanxi" to refer to a unique form of personal-type relationships found in Abu Dhabi.

According to Lee et al. (2017), a Guanxi-type relationship is considered a vital strategic asset to individuals and firms, as firms develop their relationships with customers through their employees personal networks and relationships. Thus, many customers might be keen to start dealing with a firm because of their personal relationship with some of its employees. This also means that the relationship between customers and firms exists before the first transaction starts, begins at an interpersonal level and then moves to an organizational level (Yau et al., 2000).

So far, to the best of the author knowledge, there has been very limited researches that investigated how personal networking is been leveraged for doing business in the middle east in general and in Abu Dhabi's SBEs particularly (Abosag & Lee, 2013; Berger, Silbiger, Herstein, & Barnes, 2015; Eid, 2015; Hutchings & Weir, 2006b). This gap in knowledge should be filled to understand better how far business owners in Abu Dhabi depend on their personal relationships and connections in creating business for their companies, this is one of the major aims of this study.

The reason why this study so often refers to Guanxi theory, though it is Chinese related is due to the characteristic similarities between the Asian and the Arab cultures in their relatively high collectivism. The present study is to investigate this concept of a special type of personal relationship used for or in organizational dynamics in the UAE/Abu Dhabi city asking whether or not Guanxi at a personal level is translated to an organizational level and whether or not it affects customer satisfaction and retention.

In the Middle East, Asia and Africa, the degree of successful personal relationships moderates their role and impact on business success (Flambard-Ruaud, 2005; Geddie, DeFranco, & Geddie, 2005; Yau et al., 2000). However, despite some previous attempts to compare the concepts of relationship marketing and Guanxi, e.g., (Shaalan et al., 2013), the role played by Guanxi-type relationships and their underlying dimensions, particularly the impact on customer satisfaction and retention in SBEs are still not very clear or well-established (Gap 4).

1.3 Research Objective and Questions

In carrying out this study, the above research gaps mentioned will be addressed and the implications of Guanxi-type relationships on firm's performance will be investigated in the context of the UAE with a focus on the SBEs in Abu Dhabi city.

This study seeks to provide a deeper understanding of the implication of Guanxi in SBEs on a firm's performance by investigating and defining the factors that should lead to the existence of the Guanxi concept in SBEs. Furthermore, the study hypothesizes that these interpersonal relationships could be transformed into organizational relationships. Hence, the study tests whether or not this personal relationship is transformed into an organizational one and how this construct contributes to SBE customers' satisfaction and retention.

Finally, this research develops and tests a conceptual model using the data collected through survey.

To summarize, this research aim to answer the following specific research questions:

1. What role does the Guanxi-type relationship play in Abu Dhabi, especially regarding its impact on customer satisfaction and retention?
2. Which factors may mediate the impact of the Guanxi relationship dimensions on SBE customers' satisfaction and retention in the context of Abu Dhabi?

To help answer these questions the following objectives should first be attained:

1. To identify the antecedents (factors) that lead to Guanxi relationship.

2. To find the consequences of Guanxi relationships on an organization's relations, customer satisfaction, and customer retention.
3. To develop a conceptual model integrating antecedents, Guanxi relationships, and organizational relations with customer satisfaction and customer retention.
4. To specify and test the hypothesized relationships derived from the conceptual framework.

Chapter 2: Literature Review

Guanxi-type relationships and their effects on customer retention and satisfaction in SMEs are the key aspects of this research. Therefore, this section reviews an extensive range of writings with the purpose of developing the research field between Guanxi relationships and customer satisfaction and retention, in order to expose the prevailing knowledge gap in the literature. It is always essential in solving a research problem to find what has been acknowledged so far (Mishra, 2005). Therefore, this study examines the existing literature on SBEs and Guanxi with specific emphasis on three key matters: defining SBEs and Guanxi; Guanxi-type relationships; and the influence of Guanxi on customer satisfaction and retention.

Primarily, Guanxi is measured as a specific phenomenon rather than one common to both an Arabic World population and that of the Chinese, where it is principally recognized. The definition of SBEs and their contribution to local economies will be reviewed, followed by a discussion of the definition of Guanxi. Second, existing research surrounding the variables of Guanxi and their specific attributes in Guanxi theory overall will be investigated. Third, in order to understand what has already been established regarding Guanxi in the framework of customer satisfaction and retention, the effect of Guanxi on customer satisfaction and retention will be reviewed.

2.1 Small and Medium Enterprises (SMEs)

Small and Medium-sized Enterprises (SMEs) are considered to be the backbone of a growing economy. Many countries have recognized the importance of SBEs and SMEs and the significant role that they play in the economic growth and development (Chen, Chang, & Chiang, 2017). With reasonable pricing, SBEs supply products and services to a considerable proportion of low-income groups. This is viewed as a valuable instrument in encouraging more investment from investors with lower capital (Iordache, 2005). According to Bose and Uddin (2014) SMEs tend to positively influence export development, aiding in the development of new goods while maintaining specific levels of output, just as current global industrial businesses do. Innovative tactics for SME formation and development are being implemented in every country, fitted into each country's own general, social and political framework.

The International Labor Organization (ILO) has been actively participating in and conducting global plans of methodological support, information systems, study and brokerage between global financial organizations and SME business owners. With strong confidence amongst government officials, legal and economic researchers and entrepreneurs, SMEs play a significant role in the economic and social development of a country.

Nevertheless, there is no accord on how to group SMEs, partly because the notion of small business is not distinct. Chaston (2009) stated that while the small business concept is frequently used, what it denotes is far from clear or specific because as applies to all enterprises that are not large. Some countries (e.g. Hong Kong) define SMEs as manufacturing enterprises with fewer than 100 employees and non-manufacturing enterprises with fewer than 50 employees (Lam, Burton, & Lo, 2009).

As there are no typical descriptions of SMEs, the notion of SMEs is used in various situations with several denotations. According to Nogare (2006) the attempt to pin down SMEs entails frustrating continuous effort, the author concludes that describing SMEs is easier than defining them in precise terms. Zimmerer and Scarboroug (2005) state that one significant problem is to clearly defining SMEs in a way that distinguishes them from large enterprises. SME classifications that are used by state and regional governments are commonly founded on either qualitative or quantitative principles, or a combination of the two, which is claimed to be best for classifying SMEs. According to Nakwa, Zawdie, and Intarakumnerd (2012) the most widely shared qualitative method of outlining SMEs encompasses their geographical operative scale, level of independence and type of management.

Differing distinctly in size and type of activity, the management structure of an enterprise also helps to distinguish SMEs from larger companies. Large companies are generally inclined to have accomplished professionals as managers, with tiered authority. Additionally, administrative positions are separated and adapted to an enterprise's operational purposes, such as sales, marketing, finance and production. Mazzarol et al. (2014) state however, that an individual or direct form of management commonly manages SMEs. This particular management concept denotes individuals who generally own and work at an enterprise, while not getting a salary for the services provided to do so.

Another term similar to SMEs is MSMEs, which stands for Micro, Small and Medium-sized Enterprises. MSMEs are smaller businesses, such as individual proprietorships. SME definitions differ around the world. For example, Argentina positions businesses according to yearly revenue and area: industrial SMEs make sufficient profit, in comparison to other commercial ventures, to place them amongst the highest earners. SMEs in other countries, however, are classified by the number of people they employ. According to Awang (2014), micro companies employ between 1 and 10 staff and SMEs between 11 and 50. However, these statistics vary between countries. Since SMEs have explicit requirements to meet, they tend to produce large revenues for their country and are the main influence on employment opportunities.

However, such small businesses require support and inducements before they will contend against large companies. Some measures that governments provide in order to encourage SME development are credit lines with specific settings, tax aids and free access to local market i.e. no trade license fees (Genc, Dayan, & Genc, 2019).

SMEs can be categorized either on revenue or on the number of workers. Nevertheless, some enterprises have few employees and might qualify as small but have large revenues. Grant and Perren (2002) state that academics and officials are liable to classify firms by the number of their employees but this method, while very prevalent, needs to be implemented with care. Financial income may be used as an alternative measure of the size of a company. Attention should be paid to not analyzing a part-time employee as the equivalent of a full-time employee. Moreover, nations differ over the number of employees a normal firm has. Lambert and Abdul-Nour (2007) find one example of this in the various meanings of ‘small business’ from one nation to another.

According to Sunday (2011), an SME, to qualify as ‘small’ should have no greater revenue than £200,000 per year. The European Commission (2011) states that the number of workers, the balance sheet and the revenue should all be used to classify businesses in the EU. The number of employees in small enterprises should range between 10 and 50, while the annual revenue and balance sheet should not exceed 10 million euros. A medium-sized business should have revenue not exceeding 50 million Euros and a balance sheet of under 43 million euros, with 50-250 employees and micro-enterprises should employ 10 staff or fewer, with revenue and financial statement not exceeding 2 million Euros. Table 1 summarizes the classification system of SMEs in the EU.

Table 1: Classification System of SMEs in the EU

Business Category	**Number of Employees**	**Revenue**	**Financial Statement Total**
Micro	1-10	< € 2 million	< € 2 million
Small	10-50	< € 10 million	< € 10 million
Medium-sized	50-250	< € 50 million	< € 43 million

Source: European Commission Enterprise and Industry (2011)

Similarly, according to the Asia-Pacific Development Information Program, SMEs are generally businesses that hire up to 250 workers. The actual classification of SMEs differs across countries in the Asia-Pacific area and generally dependent on employee numbers, or resources, or a mixture of both. Different sectors classify SMEs differently. Tables 2 and 3 demonstrate the variety of SME classifications in Asia-Pacific and the Middle East and Northern Africa (MENA) regions.

Table 2: Country-Specific Classification of SMEs in Asia-Pacific

Country	**SME Classification**	**Measurement**
China	Differs according to industry Generally <100 employees	Employee numbers
Hong Kong	Manufacturing Industry - <100 employees Other Industries – 50-100 employees	Employee numbers
Indonesia	Fewer than 100 employees	Employee numbers
Japan	Wholesale Industry - <100 employees/JPY 100 million Service Industries - <100 employees/JPY 50 million Retail Industry - <50 employees/JPY 50 million Other - <300 employees/JPY 300 million	Employee numbers and Resources
Malaysia	Manufacturing Industry - <MYR 25 million/150 employees Services Industry - <5 million/50 employees	Stockholders, Resources and Employee numbers
The Philippines	<200 employees or PHP 60 million	Employee numbers and Resources
Republic of Korea	Manufacturing Industry– <300 employees/KRW 8 billion Wholesale Industry – <100 employees/KRW 10 billion	Employee numbers, Resources and Revenue
Singapore	Manufacturing Industry – <SGD 15 million assets Services Industry – <200 employees	Employee numbers and Assets
Taiwan	Manufacturing Industry – <TWD 80 million/<200 employees Other Industry – <TWD 100 million/<50 employees	Revenue and Employment
Thailand	Manufacturing and Services Industry – <200 employees/<THB 200 million Wholesale Industry – <50 employees/<THB 100 million Retail Industry – <30 employees/<THB 60 million	Employee numbers and Assets

Source: http://www.apdip.net/publications/iespprimers/eprimer-sme

Table 3 : Country-specific Classification of SMEs in MENA

Country	**Small**	**Medium-sized**
Egypt	5-14 employees	15-49 employees
Lebanon	10-49 employees	50-99 employees
Oman	6-20 employees	21-100 employees
Jordan	5-19 employees	20-99 employees
UAE	5-19 employees	20-49 employees
Tunisia	11-49 employees	50-99 employees
Libya	<25 employees	<50 employees

Source: Jordan Human Development Report, 2011. United Nations Development Program.

The SMEs segment is defined by various methods, as the above tables demonstrate. It is apparent that three quantitative measures in the analysis are chiefly used in classifying SMEs. Some countries have further implemented qualitative measures in their classification of SMEs. Therefore, both qualitative and quantitative procedures should be followed when classifying SMEs. The quantitative measures comprise the number of workers (the most broadly used measure), the worth of assets (used by several countries) and the revenue per business (also used by a handful of countries). In contrast, qualitative measures have a tendency to emphasize specific features of SMEs. According to O'Donnell and Cummins (1999) some qualitative measures embody the notions that management and proprietorship are seldom separate, the control of company decisions and processes and the quantity of official contractual relationships are restrained at a low level, and the particular aims of owners affect company decisions directly.

The following definition was developed by the Statistics Centre, Abu Dhabi in 2013, adopted by the Executive Council of the Emirate of Abu Dhabi and circulated to all government departments: "Enterprises in the Emirate of Abu Dhabi are classified into micro, small, medium-sized, and large depending on the number of employees working for them: if the number of employees working for a given enterprise is below 5, the latter is considered to be a micro-sized enterprise, if this number is from 5 to 19, the enterprise is considered to be small, and if this number is from 20 to 49, the enterprise is medium-sized, while enterprises employing 50 employees or more are considered to be large".

SMEs and SBEs act as central influences when it comes to administering employment opportunities, they also add a substantial portion in total value to a country's economy. With their reasonable pricing, SMEs supply products and services to a considerable share of low-income groups; this is viewed as a valuable instrument in encouraging more investment from investors with lower capital (Iordache, 2005). According to Bose and Uddin (2014), SMEs tend to positively influence export development, aiding the development of new goods while maintaining specific levels of output, as current global industrial businesses do. Innovative tactics for SME formation and development are implemented in every country, synchronizing with each country's general, social and political framework.

SME development affects the economy in regard to their numbers and magnitude. Abe et al. (2015) state that SMEs grow effortlessly and demonstrate growth in their function of introducing new goods and services, advancing technological innovation, unifying the communication level against macroeconomic variables, and, particularly in this context, aid employment and development. Generally, SMEs hire a maximum number of 20 employees. SMEs improve local economies by supplying ample employment opportunities; this essentially has lowered unemployment levels in some countries.

Micro, small and medium-sized enterprises contribute largely to job creation, unemployment relief and poverty alleviation; for example, the SMEs represent 99% of all enterprises in the EU, 98% in the UK, 98% in Hong Kong and 90% in UAE. SBEs and SMEs provide around 65 million jobs in the EU and in Hong Kong employ about 50% of the workforce in the private sector, according to the Trade and Industry Department. Hong Kong, 2007. Moreover, SBEs and SMEs are usually sources for entrepreneurship and innovation (Berisha & Shiroka Pula, 2015). SBEs and SMEs may also play an important role and significantly contribute to a country's gross domestic product (Berisha & Shiroka Pula, 2015; Culkin & Smith, 2000). As a result, SBEs and SMEs have been considered important factors when countries achieve their economic objectives and accelerate their growth. The advantages of SMEs are arranged in Table 4, in order of their scope.

Table 4: Comparison of Small and Medium-Sized Businesses

Small Businesses	**Medium-Sized Businesses**
• The capacity to encourage employment. • The capacity to acclimatize and integrate technology. • Influence over local development due to their formation in several areas. • Flexible in response to the size of the market (raising or cutting supplies as needed). • Employing only workers with basic skills, which can resolve current issues. • Preparation and structure do not need heavy investment. • Upkeep of control to permit a suitable connection between administrative and operative roles. • Developing and selling products and services inexpensively (because costs are not extreme and substantial revenues are produced)	• The capacity to develop and adjust to market settings. • Extremely moveable, with enough vitality to develop into large enterprises. • The capacity to capture economically a substantial share of the populace, because of their capacity to generate employment. • The competence to integrate and acclimatize innovative technologies without effort. • Recognized in several areas of a state and affecting local and national progress. • Productive management; verdicts are often swayed by individual views or company owners.

Source: (Kadiresan, Selamat, Jayabalan, & Mansori 2016)

As can be seen, the function of SMEs is apparent all over the world, since this segment offers a substantial proportion of a country's employment prospects, economic progress and affluence. In the context of Arab nations, SMEs take a significant role in economic advancement (Berisha & Shiroka Pula, 2015; Genc et al., 2019). SMEs account for 99% of all businesses in the non-agricultural segment countries such as Egypt. Additionally, in such countries SMEs account for roughly 75% of all employment prospects. (Sharif, 2006), states that SMEs in Kuwait form almost 90% of the overall employment force in the private segment. The importation of labour also provides a basis for almost 45% of it. SMEs contribute to nearly 95%

of overall enterprises in Lebanon, where they also account for approximately 90% of the workforce. SMEs contribute to 76%, 60% and 25% of the GDPs in Algeria, Palestine and Saudi Arabia respectively. This places a stronger obligation on governments to emphasize SMEs' development because of their substantial assistance, compared to larger enterprises, to the nation's economic progress with regard to employment opportunities, productivity and overall economic development. One of the important features that can help Arab countries to support SMEs is that SMEs make up a significant percentage of the overall workforce. Another feature is that SMEs significantly contribute to the national economy and fast-track exports and development.

As in most developed and developing countries, in the UAE as a whole, SMEs play an important economic role (Genc et al., 2019). The UAE policymakers appreciated the importance of making its economy less dependent on oil revenues as a single source of income. Abu Dhabi has taken some strategic steps and initiatives to encourage local investors to start up small and medium-sized businesses. For example, the Khalifa Fund for Enterprise founded in 2007. Its aim is to fund SBEs and SMEs and it monitors its success by providing the consultancy needed for business owners. SMEs largely drive the growth in the UAE the country in that they account for over 90% of its registered businesses.

According to the Abu Dhabi statistics centre and the Commercial Bank (ADCB), approximately 300,000 enterprises in the UAE are currently estimated, 94% of which are SMEs. The estimates of the SME contribution to UAE employment range from 90% upwards. SMEs account for approximately 95% of development schemes, and also account for 60% of the workforce involved. SMEs also have an important function in the UAE by contributing to 75% of the GDP. However, given the lack of a clear

UAE-wide definition of SBEs and SMEs, these figures are not entirely reliable.

2.2 Guanxi – History and Background

For centuries personal/professional relationships existed in one way or another in different cultures. Founding valuable and steady relations with clients is paramount when conducting business even nowadays, with such complex and extremely competitive markets. One way of developing such strong relationships is Guanxi; this Chinese term denotes the use of personal networks with a powerful outcome and substantial implications for the most extreme relationship interfaces (Davies, Leung, Luk, & Wong, 1995). The term Guanxi, meaning a personal type of relationship, has been in use for thousands of years in the Chinese culture.

Fan (2002) and Huang (2008) state that Guanxi is a Chinese social phenomenon with numerous connotations beyond the English translations of relationship or connection. Bian (1994) confirms that Guanxi can denote the following, the connection between individuals with features in common, frequent communication between individuals, and direct contact between individuals. Guanxi often been investigated by academic researchers and viewed as relationship or special relationship. For example, Huang et al. (1981) state that Guanxi is a special relationship between two individuals entailing limitless favors from each and both being completely dedicated to each other. According to Buttery and Wong (1999), Guanxi is a special relationship between an individual who requires something and another who can provide it. Standifird (2006) define Guanxi as a previously existing association of colleagues, individuals native to the same place, families and relatives, individuals from the same workplace, and so on.

Other studies view Guanxi as an allegiance. According to Tsui and Farh (1997), Guanxi consists of specific allegiances grounded on mutual qualities. Bian (1994) define Guanxi as a specific and emotionally inclined allegiance, which has the possibility of enabling favors to be exchanged between the individuals involved and associated by this allegiance. Furthermore, Guanxi is often construed as personal friendship, mutual exchange, a close relationship network and interpersonal associates (Park & Luo, 2001; Tsang, 1998; Wang, 2007; Zhang & Zhang, 2006). Likewise, Fock and Woo (1998) state that Guanxi is portrayed from an issue and resolution standpoint and define Guanxi as a method of social and cultural exchange, primarily involving two persons, namely A and B. A may or may not have a special association with B. A requests a favor or the solution to a problem from B. B may have this solution at his disposal, or, more frequently, B will need others in his network to give more help. Several authors, such as (Chen, Chen, and Xin (2004); Yeung and Tung (1996)), use the same definition. According to Yeung and Tung (1996), Guanxi alone is not sufficient to persuade a clientele to purchase goods although businesses may consider Guanxi significant in China and essential for commercial success.

The term Guanxi and the discussion of its current use to achieve personal, economic or political goals, started to increase in Chinese thinking around the middle of the 1970s (Fan, 2002). Discussions of Guanxi and its implications for business first appeared around 1978 (Yang, 1994). A growing number of publications on Guanxi has followed, mainly introducing Guanxi to the business audience as a cultural phenomenon that impacts on business negotiations (Brunner & Taoka, 1977; Fan, 2002).

Guanxi leverages the network of informal interpersonal relationships and the exchange of favors for the purpose of conducting business activities throughout China and East Asia (Lovett, Simmons, & Kali, 1999). The strength of the Guanxi concept derives from the nature of the concept itself. i.e. the fact that the Guanxi concept is basically very dynamic, built on reciprocity of favors and mutual obligations (Zhang & Zhang, 2006). Guanxi has a strong and direct effect on social attitudes and business practices, where it frequently acts as a lubricant (Park & Luo, 2001; Ramasamy, Goh, & Yeung, 2006; Xin & Pearce, 1996) in the current rapidly changing economy.

Academic researchers are also interested in exploring not only the economic implications of Guanxi, but also explored its social side in the fields of anthropology, sociology, and psychology (Hwang, 1987; Yang, 1986). From a business perspective, according to Fan (2002), earlier studies on Guanxi focused on two main themes:

a) The business implications and benefits of Guanxi; and

b) The possible links between Guanxi and such Western concepts as competitive advantage, networking, and relationship marketing (Arias, 1998; Lovett et al., 1999; Simmons & Munch, 1996).

In the past two decades, the researchers in the West has showed more interest in learning more about the social phenomena of the Chinese culture, including Guanxi, the role that it could play in today's modern business and the importance of such ancient inherited concepts. Furthermore, the influence of Guanxi on business performance has been important to researchers lately(Chen et al., 2017). Even so, relatively few researchers have focused on the way in which a Guanxi relationship (personal relationship) is transformed into an organizational relationship; in other words, how does the relationship move from the individual level to an organizational level that influence a firm's financial performance (Zhang & Zhang, 2006). While many studies have investigated the concept of Guanxi from many different standpoints, Zhang and Zhang (2006) state that three important aspects of Guanxi have not been investigated deeply. First, previous studies did not align the definition, classification, principles and functions of Guanxi (Fan, 2002; Luo, 1997). Second, the studies that have investigated issues associated with Guanxi have focused on individuals and not ventured as far as possible issues and implications on an organizational level (Fan, 2002; Tsang, 1998). Third, according to Zhang and Zhang (2006), there are limited published work that have probed deeply enough to work out how Guanxi, as an important asset essentially owned by an individual, is transformed into an organizational asset, and hence one cannot assess the impact on organizations of retaining and satisfying customers. This is one of the gaps addressed in the present study.

Guanxi in its simplest form can be referred to as a special relationship between persons. However, the strength of the relationship may depend on the nature of the basis of Guanxi, i.e. the nature of the basis of Guanxi can help to define how deep or strong is the relationship (Fan, 2002). Therefore, in order to better explain the strength and nature of the Guanxi relationship, Fan (2002) divides Guanxi into three kinds:

1. Relationships based on kinship (blood) is largely predetermined,
    - Kinships, in-laws
2. Relationship by nature:
    - Locality (from the same town or province)
    - Classmate or fellow alumnus
    - Teacher-Student
    - Co-worker: colleague or superior-subordinate
    - Neighbor
    - In the same profession

3. Relationship acquired
    - Acquaintance
    - Knowing the same person (intermediary)
    - Friendship
    - Sworn brotherhood

In all of the above types of Guanxi relationship exists, but it is not always capable of resulting in an active Guanxi-type relationship. In fact, such a relationship can be shared by two total strangers, which rejects Tsang (1998) hypothesis (1998) that for Guanxi to exist it must be based on personal knowledge (Fan, 2002; Tsang, 1998)

2.3 Definitions of Guanxi

Guanxi is a cultural element in China and is treated as a special form of personal relationship (Fan, 2002). Most studies define or refer to Guanxi as a special type of relationship, unlike a personal relationship which develops naturally in any case as soon as someone is born, e.g. a family, neighborhood, school or work relationship, etc. However, the term Guanxi in its present meaning of “a special relationship” has been discussed in China only since the mid- 1970s (Fan, 2002). The discussion first appeared in China in a local newspaper in 1978 (Fan, 2002; Yang, 1994). The term indicates carefully developed and managed relations between persons which entail mutual obligations and benefits (Qi, 2013). The phenomenon has significant and powerful implications for the way that the Chinese people conduct business together; it is an influential success factor and can bring a business many benefits (Shaalan et al., 2013).

The literature defines the term in many different ways e.g. Lovett et al. (1999) define Guanxi as the Chinese system of doing business by personal relationships and see it as representative of the way that business is done throughout much of the non-Western world. While Guanxi is exactly translated as “connection” in English, few suppose that any word in English has the same precise denotation for it (Fan, 2002). For this reason, the term has typically remained untranslated. In Chinese, the term consists of the Chinese characters 关 (guan) followed by 系 (xi). Analyzed as a noun, the term Guan suggests either “an obstacle” or “a pathway”, but when analyzed as a verb, it suggests “to close” or “to lock”. In contrast, Xi analyzed as a noun suggests “ancestry” or “system”, whereas when analyzed as a verb, the term implies “to fasten” or “to secure”, one can grasp the concept of Guanxi by integrating the denotations for these two characters.

When the characters are combined they compose ‘Guanxi’, which, according to (Bian, 1994; Fan, 2002), may have three meanings in Chinese: (a) The existence of a relationship between people who belong to the same group or who are related to a common person; (b) Actual connections with and frequent contact between people; and (c) A contact, involving little direct interaction, with another person (Bian, 1994). Guanxi in the existing literature generally means a special relationship between two persons (Alston, 1989). Pye regards Guanxi as “friendship with implications of a continued exchange of favors” (Pye, 1982). Gold (1985) states, “Guanxi is a power relationship, as one’s control over a valued good or access to it gives power to others”. Osland (1990) adds “… a special relationship between a person who needs something and a person who can give something”.

Lee, Pae, and Wong (2001) state that while Guanxi exactly signifies crossing the gateway and attaining a connection, it actually denotes relationship, since the second syllable is strongly accented. Nevertheless, the connotation of Guanxi is much more than merely a connection or position on a network. Zhu and Hong (2008) state that the term Guanxi is quite irreplaceable and with such momentous inferences, it is virtually impossible to discover an English term that exactly represents it. Researchers offer many definitions of Guanxi. Simmons and Munch (1996) define Guanxi as a personal relationship. Wong and Tam (2000) suggest that Guanxi is an association exploited in order to attain rank and change from being an unknown to a known reputable individual (Davies et al., 1995; Xin and Pearce (1996)) all agree that Guanxi consists of social connections where affiliates mutually participate in noticeably recurrent gestures that include favor exchanging, assessment of trust and sharing advantages with a group of individuals who are known in the network. According to Luo (2007) favor exchanging is, therefore, the rudimentary basis that Guanxi is built upon.

Yang (1986) states in her study that in China interpersonal relationships are called Guanxi and she goes on to define Guanxi literally as “a relationship” between objects, forces or persons. According to her, Guanxi can be used to refer to such relationships as those between a husband and a wife and kinship and friendship relations; it can also have a sense of “social connections”. Indirectly, Guanxi is based on mutual interest, and once Guanxi is established between two parties, asking for favors and reciprocating them later when needed is normal and expected (Yang, 1994).

It is clear from the literature that the studies of Guanxi relationships are informed by a strong Chinese culture and Chinese values (Bian & Ang, 1997; Chen et al., 2004). Luo (2007) states in addition that Guanxi in Chinese culture is a network of social and cultural associations. Yeung and Tung (1996) follow a review of the notion of Guanxi in a Chinese cultural context by defining Guanxi as a relationship between individuals which permits dealings aimed to provide shared advantages. People can select the networks they belong to and their level of individual participation; however, some espousal of networking arrangements seems to be inevitable and an instant social and cultural concession for the entire Chinese population. Su and Littlefield (2001) state that interpersonal relations occur in all facets of Chinese society and happen to be the central notion of Guanxi. According to Lovett et al. (1999), Guanxi can act on various levels in individuals, since it is a connection between them which can be perceived as a network, web or Guanxi “wang”. Lovett et al. (1999) go on to say that the Chinese “wang” refers to a web or network. Therefore, Chinese people use the term “ Guanxi wang” to denote a unified network of relations.

Farh, Tsui, Xin, and Cheng (1998) define Guanxi as a personal relationship on a personal level which is grounded on specific conditions, such as mutual qualities, individuality or ancestry. Such classifications distinguish Guanxi from the perception of comparisons common amongst users of Guanxi. According to Fan (2002) additional research studies demonstrate that since it is a method of social communication, Guanxi is typically prompted by a “resolution”. In their study of Guanxi, Yeung and Tung (1996) state that Guanxi is demarcated as the formation of a relationship between two individuals so as to enable constant and mutual personal or business transactions intended to profit both the persons concerned. Additionally, Luo (2007) proposes a better grasp of Guanxi derived from defining it through seven underlying Guanxi principles, namely, being reciprocal, long-term, personal, useful, imperceptible, exchangeable and contextual.

None of the previous definitions is wrong, and none of them is the only way to present Guanxi; all the definitions refer to a special relationship. However, such a relationship, as noted above, does not necessarily produce Guanxi (Fan, 2002). To understand the concept better, it should not be limited to a single definition. Fan (2002) proposes an overview of Guanxi meanings from previous studies. In Table 5, these meanings exemplify that Guanxi is a dynamic method in practice.

Table 5: Overview of Guanxi Definitions

Definitive Term	**Meaning**
Relation	A special relation between two individuals.
Specific ties	Specific ties founded upon mutual qualities.
Friendship	Insinuations of a sustained exchange of favors.
Connection	Genuine connection and recurrent communication between individuals.
Exchange	Mutual exchange between two individuals.
Resource	A system of social investment.
Process	Personal exchanges between two persons as a single process.
Network	Network of personal exchanges in multiple processes.

2.3.1 Guanxi in Business

Guanxi was first introduced to the Western world in a popular business handbook (1980), which advised on cultural factors in conducting business in China (Alston, 1989; Butterfield, 1983; Pye, 1982). In the past two decades, Western literature has shown more interest in understanding “Guanxi” better as a social phenomenon in Chinese culture, giving it due importance and the function, as such an ancient inherited concept, that it may exercise in today’s modern business.

Vanhonacker (2004) says that in the West, relationships grow out of deals, whereas in China, deals grow out of relationships. The cultivation of Guanxi is an integral part of doing business in China. According to Cui et al. (2013), many countries in East Asia, such as China, Japan, and Korea, follow the ethical and philosophical system of Confucianism as a fundamental part of economic and social life. Guanxi is one of the most important strategies that a firm can use there to conduct business (Abramson & Ai, 1999; Yeung & Tung, 1996). Xin and Pearce (1996) debate whether, due to the underdeveloped legal framework, business owners must depend on personal connections (Guanxi) in conducting business in China. It is a view supported by Fan (2002), who defines Guanxi as the process of social interactions. Business owners and leaders consider Guanxi in business of great importance for their business success and development, since it provides resources and protection not otherwise available. Without a stable legal system and regulation of business, owners and leaders will always be reluctant to conduct businesses relationships with foreigners and with those whom they do not personally trust. In this case, trust substitutes for legal sanctions.

By definition, Guanxi is a type of personal ownership, an asset possessed by an individual and running solely in personal terms. In the course of a personal relationship, one person could ask a favor from the other person and they would be involved in this particular transfer and bonded by their joint commitment. Whether a company can utilize the Guanxi benefits from its workers depends completely on the workers. Tsang (1998) states that an employee in his individual capacity can use his Guanxi to bring advantages to his company but it remains his individual asset and will not develop into a company asset. When the worker moves to another company, he carries his Guanxi with him and whether the Guanxi can be transformed to another worker, depends on the intermediate status. Primarily, Guanxi can be given only by one individual to another, not to or from a company. Furthermore, not every Guanxi relationship is movable since barriers to entry exist in what is supposed to be sporadic Guanxi, where an interpersonal relationship is so treasured by an owner that he is unwilling to transfer it even to an associate. Therefore, the Guanxi relationship remains an asset for private individual advantage. Moreover, the Guanxi method comprises casual social exchanges and such deals are frequently veiled by confidentiality with none of all the individuals involved wanting to discuss openly the particulars of the Guanxi deal. This produces an entry barrier for individuals.

Depending on the persons involved, business Guanxi is one of two distinct kinds. The first type of business Guanxi is B2B Guanxi, when both persons in the connection are business executives. The second type of business Guanxi is B2G Guanxi; this is when one party is a business executive and the other party is a government official. B2B Guanxi resembles the business-business relations in the West, apart from one essential difference. This is that B2B Guanxi consists of two persons rather than two companies. Most of the existing literature on business Guanxi discusses the notion of Guanxi and its applications in business under this logic; in this, B2G and B2B are not perceptibly different. Guanxi is the main method of business Guanxi in China and in Chinese cultural areas. B2G Guanxi characterizes a system which circumvents the laws and guidelines set by the government via interpersonal relationships formed with government officials in order to profit by special deals or rare resources (Abosag & Naudé, 2014).

Some researchers claim that Guanxi brings a wide range of benefits to a business; it can manage opportunistic behaviour since it is perceived as an institutional substitute and social lubricant (Luo, 2001). Other researchers also claim that Guanxi can play a role in encouraging greater performance (Sheng, Zhou, & Li, 2011). Fan (2002) lists the benefits of B2G Guanxi as securing rare resources, bypassing or short-cutting the bureaucratic maze, obtaining information and privileges, selling otherwise unsellable goods, providing insurance against uncertainty and assistance when problems arise. The Guanxi network can also improve efficiency by reducing transaction costs (Davies et al., 1995; Lovett et al., 1999). The benefit of Guanxi is not an immediate one, in some cases a favor may never be returned if the occasion does not arise. It is mostly a benefit that is saved for future advantage when most needed; the exchange of favors is informal and often involves more than two parties (Fan, 2002).

(Luo (1997); Luo and Chen (1996); Park and Luo (2001); Peng and Luo (2000)) have all studied Guanxi either empirically or analytically to understand how and how far Guanxi affects business performance and they all agree that Guanxi does have a positive and important role to play in this regard. They also conclude that, due to the significant role that Guanxi plays in Chinese society and Chinese people's perception of it. it is a great determinant of business success. Hence, Guanxi will continue to play a major role in the way that Chinese conduct business (Zhang & Zhang, 2006).

However, some researchers doubt the economic benefit of Guanxi on a firm's performance. Dunfee and Warren (2001) and others such as Braendle, Gasser, and Noll (2005) believe that the economic benefit of Guanxi is very limited or may actually be a negative one to a firm and its performance. Other empirical research has investigated Guanxi as a process of building, maintaining and managing relationships with others (Chen et al., 2004; Leung, Wong, & Wong, 1996). Their findings suggest that maintaining and establishing Guanxi can be a disadvantage for firms because it is a time-consuming and expensive endeavour (Fock & Woo, 1998; Yi & Ellis, 2000). Researchers, Fan (2002) and Yeung and Tung (1996) have argued that Guanxi is based on a personal relationship and is the exclusive property of an individual; therefore, it cannot be transformed into an organizational one. For this reason, Guanxi is a waste of time and resources if those who have it leave one organization and take their personal connections to another, unless firms find some way of making these personal relationships something more organizational.

Even though Guanxi is a vital feature when conducting business in China or when dealing with Chinese businessmen, it is not enough to guarantee commercial success. If a weak strategy is in play, Guanxi cannot turn this strategy into a successful one. Guanxi, as a strategic tool can work only when a strong strategy is already in operation, Therefore, a business plan exclusively founded upon the concept of Guanxi is naive and extremely risky (Fan, 2002). Furthermore, the cost and time that would be expended on Guanxi may overshadow the possible advantages of business Guanxi, since Business to Government (B2G) Guanxi is known to be unstable and undependable (Zhang, Le, Wang, & Li, 2015). According to Braendle et al. (2005) B2G Guanxi may easily alter without notice from being an advantage into being a liability, especially when government officials involved in the Guanxi network suddenly lose their good name in a corruption scandals. Throughout the course of developing Guanxi in corporate relations, customer advocacy indeed grows, while in the meantime ties with financial executives and suppliers are formed. Yet this may not be more paradoxical than some cases in practice. Fock and Woo (1998) describe the minute confidences and obligations in B2G Guanxi and go on to talk about the practical, strategic and unprincipled nature of business Guanxi, with the single exception of family businesses. The only matter that concerns the individuals involved is their personal financial security and the usefulness and value of the other individual.

Due to the complexity of this cultural phenomenon, many others have investigated Guanxi when it is involved in business in a very specific context, such as relational morality (Ang & Leong, 2000; Tan & Snell, 2002), ethical reasoning (Ang & Leong, 2000) human resource management (Chen et al., 2004; Parnell, 2005), relational demography (Farh et al., 1998) knowledge transfer (Ramasamy et al., 2006), corporate governance (Braendle et al., 2005) relationship marketing and favoritism (Lee & Dawes, 2005; Leung, Lai, Chan, & Wong, 2005; Wong & Chan, 1999).

2.3.2 Guanxi and Ethics

Not many have written about Guanxi and its ethics. Unlike the claims regarding the advantages of Guanxi, the negative aspects of Guanxi are rarely completely comprehended. Researchers have been studying Guanxi for a very long time with varying objectives and methodology and have focusing on three main aspects of it. Researchers such as (Chow and Ng (2004); Hwang, 1987; Luo, 1997; Yang, 1994; Zhang & Zhang, 2006), have explored from sociological and anthropological standpoints such different areas of Guanxi as its definitions, divisions, dimensions, character and principles. Parnell (2005) states that Guanxi is a complex and multi-layered phenomenon that it is difficult to conceptualize scientifically and nearly impossible to instrumentalize. Hwang (1987) thinks that Guanxi is ethical in Chinese society in that it reflects a cultural set of such ethical principles as hierarchy, interdependence, liabilities and reciprocity. Another group of researchers has investigated Guanxi's implications for economic efficiency, organizational dynamic and consequences for Chinese society (Zhang & Zhang, 2006).

Guanxi is ethically and morally acceptable when it is limited to family and friends or even business to business relationships, especially when used for good purposes and causes no harm to anyone outside (Fan, 2002). However, not many studies have sought to explore the other side of Guanxi, to question the ethical behaviors that might be associated with practising Guanxi especially in business. This applies in particular when Guanxi connects businesses with government, for instance, when it is used to acquire exclusive information that gives business leverage the chance to impact on business performance. This results in unfair competition, fraud, and corruption (Fan, 2002). A study surveying 275 senior members of management in China found that 96.3% of the respondents considered Guanxi an (evil trend) (Fu & Zhu, 1999). Using Guanxi for wrong and unethical objectives has bred a different perception in Chinese society, to the extent that Guanxi is now treated as synonymous with corruption, bribery, fraud, and nepotism (Yang, 1994). Still, supporters of Guanxi argue that according to Eastern principles Guanxi is ethical. It is part of what has been the norm in Eastern societies and is as much entitled to be treated as ethical as any Western system (Lovett et al., 1999; Vogel, 1992).

Fan (2002) argue that the accusations are completely unsustainable, since business and legal variances do happen among Western countries, which are already developed, and China's is only a developing economy. Therefore, ethical standards expected to be more advanced in Western countries. However, it does not validate the existence of Guanxi being principled that some deplorable Guanxi activities in Western countries seem to be tolerated. It merely illustrates that it is partly the foreseeable immorality in a transactional market (Fan, 2002). According to Fan (2002), if any individual gains private benefits via Guanxi related activities at the cost of others, such as competitors or even the society, this Guanxi should be considered to be unethical and unacceptable even if the law was not broken.

Fock and Woo (1998) give pyramid sales as an example of this. They were barred in China in 1998 when too many Chinese people lost most, sometimes all of their savings in the scheme. Looking deeper into such cases revealed that the perpetrators had intentionally selected individuals who already had a strong Guanxi association, such as family members and friends, as easy and unsuspicious targets who trusted the scheme and were deceived. Incongruously, when the victims understood what was going on, the vast majority tried to target new individuals, also through their Guanxi relationships, so as to recover their losses. Fan (2002) maintains that outrages such as these uncover the malicious aspects of Guanxi.

2.3.3 Guanxi in Islam

According to Ali (1996) one of the most influential forces in the Arab world, which molds and regulates individual and group behavior and outlooks is Islam. Since the aim of this study is to investigate the concept of Guanxi or any similar special type of relationship, above all in Muslim context of Abu Dhabi, this section of the study will try to shed light on the relationship between social behaviors in relation to Islam. The holy Quran has comprehensively covered all the contingencies that a human life may face. Islam through the Quran and Sharia clearly sets guidelines and instructions for many aspects of life, such as social interactions and responsibilities, the morality of groups and individuals, political, and military precepts. Furthermore, Muslims take all these principles in the Quran and Hadeeth from the prophet Mohammed as guidelines in conducting their business and family affairs (Ali, 1996).

Berger et al. (2015) assert that even though most Arabs are Muslims those of them who are not Muslims will still hold the same values, because they represent more than Islam, they are also are traditional and more like signs of a cultural identity. The reason for discussing Islam in this research is that Islam is the first and major source for learning how societies build up their norms and craft their identity, whether as a group or on a personal level (Berger et al., 2015). In other words in Islam, Sharia details and translates with clear and comprehensive instructions and guidelines what is mentioned in the holy Quran. Sharia explains what human beings should do, in other words, what is right and what is wrong. What are the best rules to guide ethical judgment?

Despite the clear guidelines from Sharia, groups and individuals always have a tendency to question how these guidelines are to be interpreted, for many reasons, such as language, the way an individual was raised, attitudes to idealized forms, etc. (Ali, 1996).

It is interesting that Kuroda and Suzuki (1991) find that, compared with American and Japanese students, Arabs view organizations as places where everything should be handled rationally without establishing a hierarchy in relationships between group members. Thus, Ali (1996) conclude that favoritism, “give-and-take”, paternalism and the like have no place in the Arab workplace. Arab organizations themselves, however, indicate that this is not the case. That is, favoritism and paternalism are common in Arab organizations. This suggests a link between Islamic and Guanxi-type relationships.

2.3.4 Guanxi and Corruption

While Guanxi comes with substantial benefits to individuals and business owners, it does have adverse characteristics linked to it, which can be seen as corruption. Luo (2008) comments that it largely becomes harder to designate Guanxi as beneficial or detrimental since Guanxi and corruption have developed progressively together as China moves to a more deflated civilization. The connection between Guanxi and corruption has been discussed continually for some time by researchers and economists, each having their own line of argument. A few studies claim that the implications of exploitation and the prominence of Guanxi in Chinese culture and society are not connected. Other researchers and scholars are confident that Guanxi is partially the source of corruption. Meanwhile, Zhan (2012) finds that other scholars assert that Guanxi is innocent of exploitation since it occurs when two individuals create a temporary and advantage-based association, while the solid basis of Guanxi consists of longstanding trust and interpersonal association. Luo (2008) explores how Guanxi corruption can be exploited by all classes for countless objectives, whether actively or by default; it can be used for activities such as education prospects for children, graduates looking for employment and salespersons aiming to obtain large bulk orders.

According to Schramm and Taube (2003) exchanging gifts is the most popular practice in Guanxi for creating an association. If an individual feels obligated to another, s/he may offer a gift to reestablish equilibrium in the association, but it may be difficult to justify this action as a simple Guanxi exchange; it may illustrate Guanxi corruption. Furthermore, it may possibly turn out to be the misapplication of trusted influence in return for personal benefit. However, previous writers have established that tackling corruption in several states has proved to be problematic.

Huang and Rice (2012) define corruption as the use of governmental resources for personal gain. Deflem (1995) finds two core forms of corruption that may be practiced worldwide. One type is monetary corruption, primarily founded on money; this particular Guanxi-type is conducted through the active transmission of money between companies and officials with the intention of receiving services or goods. The second type is defined as bureaucratic corruption; it uses power and authority in association to link superior rank with loyal conduct. The two main forms of corruption are summarized in Table 6 below.

Table 6: Corruption Types 1

Corruption Type	**Corrupted**	**Standard of Exchange**	**Corruptor**
Monetary Corruption	Government Official	Products/Services → ← Money	Business Owner
Bureaucratic Corruption	Business Owner	Loyalty → ← Power Ranking	Government Official

Source: (Deflem, 1995) Corruption, law, and justice: A conceptual clarification.

In addition, Taube and Schramm (2004) state that corruption can also appear in one of two additional forms: spot-market corruption and relationship corruption. Spot-market corruption refers to the notion that dealings such as instant penalties or privileges will be conducted in their entirety, in order to evade the features of isolation or temporality. Taube and Schramm (2004) remark that these particular dealings are completed after the expiry of asset rights or lacking the contribution of economic events. As an example, a motorist may offer cash to the traffic police with the purpose of circumventing a larger legal fee or with the intention of saving time on a particular road. As an alternative to temporary spot-market corruption, relational corruption occurs more commonly in countries in Asia. Schramm and Taube (2003) state that relational corruption is seen primarily when a system-inherent benefit is accomplished, or a resource is attained through manipulating the development of several stages of party-political decision-making. This is a longstanding and multifaceted transactional type of relationship. These two alternative types of corruption are shown in Table 7 below.

Table 7: Corruption Types 2

Corruption Type	Features	Situation
Spot-Market Corruption	Temporary Isolated	Evading Difficulties or Violence
Relational Corruption	Longstanding Multifaceted	Increasing Resources

Source: (Taube & Schramm, 2004) Private ordering of corrupt transactions.

Business Guanxi is frequently mixed up with networking in business. The ultimate variance is that the most significant persons in any business Guanxi network are government officials who hold influential and authoritative roles. In the West, by contrast these persons form groups of clients or suppliers who may not even be considered members of such a Guanxi network. In Chinese society, which has an extensive custom of regulation by legislators, it has continuously remained important to attain Guanxi with high authoritative government officials. There is a term for this special Guanxi association between businessmen and officials, which is suitably termed venal Guanxi or "qianquan jiaoyi" in Chinese. The meaning of this term is agreement amid power and money. Demonstrably, Guanxi is the link between the two terms, power and money, illustrated in Figure 1.

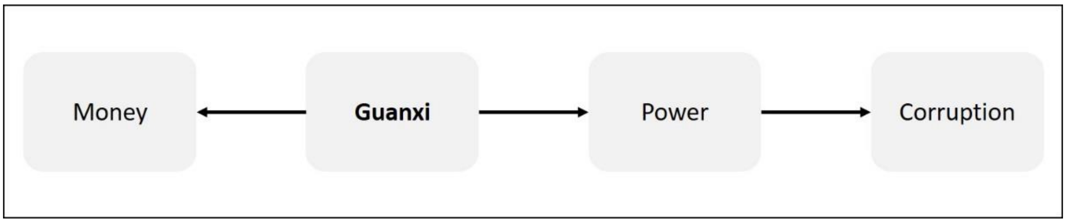

Figure 1: Guanxi as a Link between Power and Money
Source: (Fan, 2002)

Guanxi based corruption and corrupted Guanxi cannot be kept separate from one another. Fan (2002) claims that this is because there is no B2G Guanxi web that is not highlighted by exploitation and no B2G Guanxi network corrupted without the use of Guanxi. According to Lovett et al. (1999), Guanxi is the substitute for corruption and further misconduct in China; such misconduct includes bias and discrimination, bribery and deception.

The foundation of corruption has become very widespread in China, where Fan (2002) states that corruption is termed "the cancer of society". Guanxi was used to find rare resources for private use or to discover higher job functions for individuals and their families in the mid-1970s (Fan, 2002). Guanxi in China can be connected to situations of widespread corruption and planned criminality (Dunfee & Warren, 2001). Fan (2002) argues that although corruption can be discovered in almost every country, Guanxi is the basis that allows corruption to grow and expand further in China. The author gives further details of the factors that have caused Guanxi to be partly responsible for turning China into a largely corrupted country; they are the weakness of the Chinese market, an inadequate legal system and the absence of transparency traceable to the lack of both media enquiry and political antagonism. According to Fan (2002), a specific characteristic of Guanxi is that corruption has progressed from personal misconduct into established corruption, frequently concerning a more complex Guanxi network amongst prominent government officials, businesspersons and gangs of offenders. China executed over 20 prominent government officials, plus the vice chairman of its parliament, between 1999 and 2002. This was the first time this had ever occurred in the country. Another major example of Guanxi corruption in China concerns the governor of Yunnan Province who was suspected of exploitation offering guards for offenders. Another example was the past governor of the Bank of China who was charged with larceny and money laundering (Fan, 2002). Fan (2002) concluded that the Chinese authorities acknowledge that corruption may be the basis for social disorder.

To make things worse, participating in Guanxi based corruption is not seldom enforced and even extorted. According to Fang (2014), a private business owner can spend thousands of money annually to increase Guanxi with government officials; if he refused to do so, he would be denied an export license, bank credit and the resources needed to let him run his business facilities. Consequently, he would be obliged to uphold Guanxi. Thus, Guanxi has developed into an influential instrument employed by tainted government officials to extort individual particular benefits from businesspersons.

2.3.5 Theories and Guanxi

Guanxi theory has been the focus for researchers in such fields as sociology, psychology, management, and anthropology. Guanxi is a cultural concept, based on transferable, reciprocal, intangible, utilitarian and long-term relationships. It is influenced by organizational, strategic, institutional and individual factors. Therefore, Guanxi theory can draw on theories such as Social theory and Nepotism theory, which propose that genetically similar people tend to seek one another out and to provide mutually supportive environments. Additionally, Life-cycle theory, which assumes relationship development, goes through stage-by-stage deterministic and irreversible growth over time (Van de Ven, 1992). Similarly, social capital theory and social exchange theory which stresses the structure of ties, from a social, psychological and sociological perspective, consider certain social processes between parties with the expectation of valuable exchange resources (Flambard-Ruaud, 2005). Like Guanxi theory, these are theories that build and emphasize the importance of capitalizing personal relationships and the businesses competitive advantages they can bring (Chen et al., 2017; Luo, 2007). Chen et al. (2017), in their study of human capital and career success, propose an integral theoretical model that explains the importance and impact of using human capital theory and Guanxi theory to reflect a dynamic process of gaining competitive advantage, enhancing firm performance and achieving career success, especially in SMBs, entrepreneurship and new businesses. Figure 2 shows the conceptual framework.

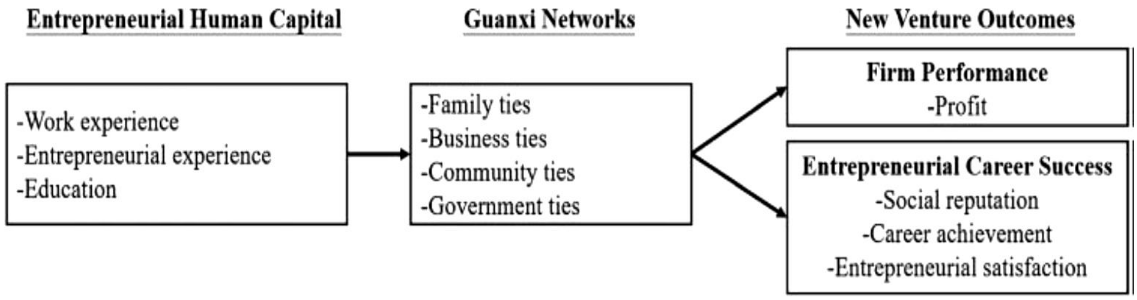

Figure 2: Conceptual Framework
Source: (Chen et al., 2017)

2.3.6 Guanxi in the Future

The implication of the above for an international firm is that Guanxi is an extremely significant consideration for those conducting business in China. It is made mostly at the primary phase, of introduction, negotiation and setting up an operational system. After the business is in actively operation, other aspects will then proceed to take precedence over Guanxi. Therefore, the asset value of the Guanxi association that was founded in the primary phases should be re-evaluated in order to choose whether the relationship needs to be sustained over time. This is due to typical Guanxi standards and the vital function it exercises is to alter or contract, while international companies descend on the Chinese market. In the end, it is high quality goods or services and an effective marketing strategy that ensures success for a business in the market, not solely Guanxi, as it is worldwide.

Some writers discussed Guanxi and its future in China and worldwide. A few entrepreneurs have confidence that as China progresses towards more efficient legal policies and structure, Guanxi will turn out to be less significant. In contrast, a few sociology studies demonstrate that the cultural tradition of Guanxi will persist, although the standing of the Guanxi network will weaken. Evidently, the future tendencies of Guanxi seem to be very uncertain. Pei, Stanton, and Legge (2004) wonder if reviewing the history of the education system in China may offer an alternative path for future research on this matter. Ai (2006) notes that in China, if one generation consisted of individuals who had higher education before the early 1980s and the second generation received or was currently receiving higher education in the late 1980s, a comparison between them demonstrates that the variations in the education system over time would differentiate the two generations theoretically with regard to knowledge, qualities, interests and views in social, cultural and political matters, and to Guanxi as well. According to Ai (2006) these particular variances have directly caused diverse forms of management practice.

Fan (2002) contends that, due to the market development of China in the past 20 years, all the former beneficial uses of Guanxi are now discarded. He goes on to assert that with the supplementary advancement of the economy and the evolving democratic society, the position of business Guanxi as a system will progressively decline rather than rise. A survey conducted by Fan (2002) of 28 global joint projects in China reveals that the participants chose branding, quality and the medium of distribution over Guanxi as the chief influences in attaining a successful business. Furthermore, Information Technology (IT) has been observed as the revolution that will help to create a more exposed and transparent market and reduce the reliance on Guanxi networks (Fan, 2002).

Some researchers have debated whether the function of Guanxi will reduce or diminish completely as the legal system in China continues to improve. Mao-Ying et al. (2006) discuss tactics that treat Guanxi as a static vital phenomenon that can only weaken with the onset of new and improved legal and commercial frameworks. They further suggest that though Guanxi as an active tactic may decline in several social aspects, it still may exhibit new social traits and characteristics, discovering new areas such as business dealings to develop in. According to Yang (2002), as previous frameworks of Guanxi practice deteriorate, new Guanxi practices appear; one example of this is the dependence on Guanxi to find and preserve supply channels for business projects. Guan (2011) details several new uses of Guanxi, for instance, identifying employment opportunities despite high unemployment rates. He continues that Guanxi has also been beneficial in financial respects such as pinpointing a source for bank loans, say, for investing in a new business project or buying a new house. However, contracts, importation access, bank loans, advantageous tax inducements and strategic market data access still remain under the control of government officials. According to Guan (2011) this is where Guanxi bases its development and will not change its features when analyzed on a long-term basis since Guanxi is extremely deeply-rooted in Chinese society.

2.3.7 Guanxi vs. Relationship Marketing

Unlike relationship marketing, Guanxi's approach to building relationships works on a relationship at the interpersonal level (Fan, 2002; Wang, 2007). Guanxi and relationship marketing are, however, terms that researchers, can use interchangeably. For example (Ambler, 1994; Björkman & Kock, 1995) assume in their research that Guanxi is simply the Chinese version of relationship marketing. Fan (2002), however, differs; he claims that such an assumption may lead to misunderstanding the Guanxi concept and that there are crucial differences between the two which cannot be neglected. Table 8 shows a comparison of Guanxi and relationship marketing.

Table 8: Comparison between Guanxi and Relationship Marketing

Criteria	*Guanxi*	*Relationship Marketing*
Network type	Social network	Business network
Network nature	Particularistic	Universalistic
Network foundation	China and emerging Asian countries	Western markets
Network level of working	Individual	Organizational
Relationship nature	Personal	Impersonal
Relationship established	By individuals	By the members of the organization
Consequence of relationship and transaction	Personal relationship leading to transaction	Satisfactory transaction leading to relationship
Orientation	Tactical	Strategic
Exchange type	Favors and cordiality	Commercial and economic
Exchange partners' role expectations	Implicit	Explicit
Commitment type	Affective	Calculative
Relational behaviors	Care and favors	Cooperation
Motives for reciprocal behaviors	Face-saving	Mutuality
Type of promises	Implicit	Explicit
Deadline for fulfilling promises	No deadlines	Well-defined deadlines
Customer position	Company and customer become one cooperative unit	Customer is viewed as more of a of a subset than a merged partner
Measure of customer expectations and satisfaction	Complex to measure for most promises	Mostly measurable
Importance of developing trust	Relatively more important in Guanxi than relationship marketing	Relatively less important in relationship marketing than Guanxi

Source: Adapted from Ambler (1994), Arias (1998), Björkman and Kock (1995), Davies et al. (1995), Flambard-Ruaud (2005), Geddie et al. (2005), Gummesson (1996), Shaalan et al. (2013), and Yau et al. (2000).

The academic literature reveals several common constructs between relationship marketing and Guanxi. These include trust, commitment, customer retention and loyalty (Abosag & Lee, 2013; Flambard-Ruaud, 2005; Geddie et al., 2005; Morgan & Hunt, 1994; Palmatier, Dant, Grewal, & Evans, 2006), empathy and shared values (Sin et al., 2002), with reciprocity and equity (Ndubisi, 2003). The studies carried out by Geddie, DeFranco, and Geddie (2002) and Yau et al. (2000) identify four constructs that Guanxi and relationship marketing share: bonding, empathy, reciprocity, and trust. However, despite sharing these four constructs, Guanxi and relationship marketing still differ, because the contents of the dimensions are fundamentally different. Figure 3 illustrates the constructs of Guanxi and relationship marketing.

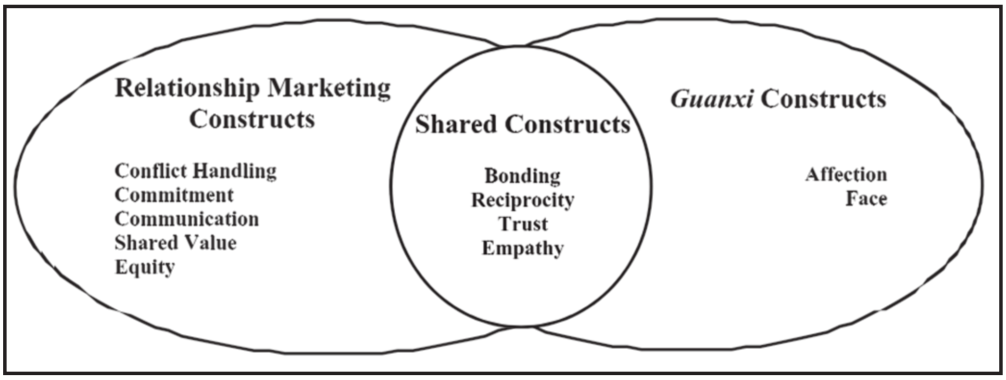

Figure 3: The Constructs of Guanxi and Relationship Marketing
Source: Adapted from (Shaalan et al., 2013; Yau et al., 2000).

Other researchers suggest that both approaches have gaps and may result in a negative impact on firms, especially if implemented in the wrong culture; if Guanxi and relationship marketing were to be linked it would be of great benefit to firms (Flambard-Ruaud, 2005). For example, if Guanxi is implemented in a firm that follows the relationship marketing approach, this will give the firm easy access to new customers with little cost, retain current clients and better facilities for daily business operations (Dunfee & Warren, 2001). Relationship marketing may also introduce solutions to Asian firms and display them to more customers if legal contracts are to be practiced (Flambard-Ruaud, 2005). Additionally, using relationship marketing as an extension to Guanxi may avoid some of the latter's pitfalls (Geddie et al., 2005). Arias (1998) thinks that one of the threats of Guanxi is the loss of connection with customers when employees move to a different employer; but the implementation of relationship marketing linked with Guanxi may eliminate such a risk.

Reputation and trust are both important factors that Guanxi bring in when building a relationship (Flambard-Ruaud, 2005). Firms in Asia choose to do business with those who are known by reputation and trustworthy and are not swayed by legalities and sets of defined contractual rules (Björkman & Kock, 1995; Shaalan et al., 2013). Another important factor according to Hwang (1987) is that Guanxi is based on returns (of favors). It is an informal social obligation that includes the reciprocal exchange of personal favors (Lee et al., 2001) and "Mianzi" (face) which is a highly dynamic component of Guanxi. A person must have a certain amount of "Mianzi" (face) to cultivate and expand the viable network of Guanxi connections (Redding & Ng, 1982). Now, this is extremely important, since favors and the network distinguish the image of an individual. In other words, it concerns the way in which people's a person's reputations are perceived; it also sets levels of personal credibility and capability among their groups or networks. Losing Mianzi means losing social reputation and personal dignity (Zhang & Zhang, 2006). Cui et al. (2013) notes that Guanxi dynamics require people to confer face on others and protect their prestige (Hwang,1987). In essence, both norms originate from the Confucian principle of harmony.

Further researchers show evidence that Guanxi needs to be continuously maintained, which can only be achieved and managed by doing and returning favors to others (Redding & Ng, 1982). Thus, a wide network is built which also helps to maintaining better mianzi in society. Extended research on this point emphasizes that Guanxi networks come mostly from individuals in society (Gu, Hung, & Tse, 2008). Therefore, firms can only encourage their employees to use their network (Guanxi) as an organizational asset and to internalize Guanxi as a source of sustainable corporate core competitive advantage (Fock & Woo, 1998; Peng & Heath, 1996; Tsang, 1998). Table 9 shows a shared constructs between Guanxi and relationship marketing.

Table 9: Shared Constructs between Guanxi and Relationship Marketing

Constructs	**Guanxi**	**Relationship marketing**
Bonding	• Blood ties and social base • For social and business behaviour	• Customer and supplier • Specific goal
Reciprocity	• Value gain over the long run • Retune of favor when most needed is expected	• Value gain over the short run • Not much expected
Trust	• Personal face and reputation • Trust comes before transaction	• Contract based • Transaction happens first
Empathy	• Receiver-centered communication	• Sender-centered communication

Source: (Shaalan et al., 2013, p. 2518) Guanxi vs. Other types of Relationship Concepts and Cultures

Social relationships have existed for centuries, they are the interactions between members of any society. In habitants of a particular region naturally developed relationships to manage their day-to-day activities, be it at the personal or organizational level. Many different forms of relationships were culturally developed and are still in practice in today’s activities and transactions between people. According to Michailova and Worm (2003) these are products of specific cultural heritages and as such have their own particular configurations and characteristics.

Moreover, they all refer to almost the same thing “Personal Networking” but are all unique in one way or another to a specific culture, and all practised and highly relevant today.

2.3.8 Guanxi in the Gulf Region

According to Abosag and Lee (2013), in recent years, different forms of culturally bound relationship have emerged. These relationships include ‘Guanxi’ in China (Liu, Li, Tao, & Wang, 2008; Luo, 2007; Yau, Lee, Chow, Sing, & Tse, 2000), ‘Blat’ in Russia (Michailova & Worm, 2003) and ‘Boon Koon’ in Thailand (Pimpa, 2008). There has been growing number of studies from the Middle East which recognize the importance and the influence of such personal relationships as are culturally constructed in these societies (Abosag, 2015; Luo, 2007; Michailova & Worm, 2003). However, the literature mostly focuses on the Chinese phenomena Guanxi and its role in developing and maintaining relationships in business. The literature on business relationships in the GCC has not been given as much research attention as Guanxi in Asia has received, especially when the GCC is viewed as a growing economy(Abosag, 2015). In Saudi Arabia, the Et-Moone relationship is a special form of relationship to which researchers have recently begun to consider. Abosag and Naudé (2014) & Abosag and Lee (2013) explored the Et-Moone relationship and compared it to the Chinese concept of Guanxi. According to Abosag and Lee (2013), Et-Moone is based on strong, close and deep friendships that provide great flexibility in business relationships which allow unilateral decisions without causing any uneasiness or division between partners. Interpersonal liking, trust, and commitment in the relationship are the key drivers of Et-Moone.

Et-Moone is a cultural system of relationships that exists in the Middle East, particularly in the Gulf states (Abosag, 2015). There are many similarities and common factors between Et-Moone and Guanxi (Liu, Li, Tao, & Wang, 2008). For example, both concepts are based on trust, the quality of the interpersonal relationship, and commitments required from both parties (Morgan & Hunt, 1994). They are both reciprocal in action, expecting favors to be returned when necessary but not conditional on these. Another important similarity is that neither concept is contractual but more based on a common understanding and cultural norm (Abosag, 2015; Liu et al., 2008). In addition in both concepts, relationships start at a personal rather than an organizational level (Abosag, 2015; Rylander, Strutton, & Pelton, 1997). But among the differences between the two concepts is "interpersonal liking." Unlike in Guanxi, where it does not exist, in Et-Moone interpersonal liking is one of the main antecedents of the relationship (Abosag & Lee, 2013).

2.3.9 Guanxi and Wasta

A reasonable number of empirical and theoretical studies have investigated the Guanxi relationship in China, which confirms the significant role that interpersonal connections play in the Chinese culture of business conduct (Hutchings & Weir, 2006a). However, fewer studies have examined the role of personal networking and connections and their impact on the way business is conducted in the Arab world, which is known for its strong family connections, and tribal and Islamic ethics and values (Weir, 2004).

Despite the importance of such relationships in their cultures, little has been written on these topics (El-Said, 2009; Hutchings & Weir, 2006a). However, given the strategic economic importance of the Arab world and China to the global economy, there has lately been an increase in demand and considerable attention has been devoted to improving the knowledge of their culture and business practices, particularly the role of Guanxi in China and Wasta in the Arab world (Hutchings & Weir, 2006a). Despite the urgency and the importance of these, some researchers have called for more and further investigations of such widespread phenomenon from different angles, e.g. similarities and differences, pros and cons.

Like China, the Arab world depends on strong personal networks and family connections in its daily activities and the conduct of business (Hutchings & Weir, 2006a). Some researchers clam that Guanxi and Wasta are similar in principle, i.e. an individual will heavily leverage on his/her interpersonal network (El-Said, 2009). Both concepts are built and centered on trust, family and favor to sustain the traditional modes and practices; additionally, they both have their good side and the bad side (Hutchings & Weir, 2006a). The word Wasta comes from the Arabic word Waseet, which refers to a middleman (Cunningham & Sarayrah, 1993b). Wasta, which may be thought of as special influence by members of the same group or tribe, has received little attention from social scientists (Barnett, Yandle, & Naufal, 2013).

Wasta was founded and initially determined by the nature and what was accepted to be normal by those who lived in Abu Dhabi city in the past, i.e. before country establishment. Traditionally people in this society would turn to each other for help and support in various contingencies, especially in the absence of a fair legal system and formal institutions to govern business activities, when most events were unpredictable (Cunningham & Sarayrah, 1993). Wasta was at one time played a very effective and positive role in mediation, but it is now generally perceived negatively and its corrupted side is always uppermost (El-Said, 2009; Hutchings & Weir, 2006a).

Nevertheless, in the Arab world of today, Wasta continues to be widely used in societies which lack robust legislation (Cunningham & Sarayrah, 1993).

It is crucially important to distinguish between the concepts of Guanxi and Wasta, most of all in the UAE context. They are both socially constructed as alternatives to systematic institutional legislation. However, the purpose of Guanxi is to develop and maintain interpersonal networks and connections, whereas the purpose of Wasta is to leverage on these connections and bridge them (El-Said, 2009). In other words, an individual will use Wasta to get something done through someone he has a link with or is formally connected to, whereas Guanxi is a development of this interpersonal connection that will be used later on as a Wasta. Put another way, an individual must build the network first and then he will be connected enough to exercise his power and leverage on his connection, i.e. the Wasta is the action or the help that an individual gets or asks for from his/her personal network. It is available only if s/he has the right connection and the personal network. According to (El-Said, 2009), Wasta literally means “to employ a middle man, a broker, a go-between or an intermediary, usually a person of high social status and accepted rank to achieve one’s ends” (Barnett, Yandle, & Naufal, 2013). As Barnett et al. (2013) observes, *“One is said to “have Wasta” when those from whom one can request assistance are in positions of power that make it possible for them to grant the requested assistance”.* Therefore, to be able to influence and mediate a case, one would draw on one’s Guanxi (El-Said, 2009).

While Wasta has been a useful alternative to the system and its policies, it also has its dark side when used unjustly and unethically because it can create resentment, a feeling of injustice, unfairness in administrative decisions in society that result in people not getting an equal opportunity in conducting business. In such cases Wasta is viewed as a source of nepotism and corruption (Barnett et al., 2013).

Wasta is, like many other practices, inherited and developed in a particular society and has long been an informal part of many social activities and processes. However, the influence and the role of such practices have dissolved when more robust governance and regulations are introduce. In a well-developed country such as the UAE, Wasta indeed exists, but on a very limited scale. It is now more of a referral to someone but not necessary for getting things done or bypassing the system (Barnett et al., 2013).

2.3.10 Gaps in the Literature

The research on the nature of relationships in the social networks of the Middle East is insufficient (Abosag, 2015; Abosag & Lee, 2013). In fact, the nature of relationships and their development in Arab countries in general literature is largely unexplored. Furthurmore, limited studies have addressed social networks or the special type of interpersonal relationship (akin to Guanxi) and its role in day-to-day business practices in the context of Abu Dhabi. Yet the literature shows a high increase in demand and considerable attention has been devoted to better understanding the Arab culture in general and business practices, particularly the impact and role of interpersonal relationships in the Arab world (Berger et al., 2015; Hutchings & Weir, 2006a). The Arab cultures, their adminstrative systems, economic strengths, etc. seem very different, but research shows that they are culturally homogeneous and their social norms have features in common. Hence, the need for studies to better describe the Arab world’s behavior and business values, cultural and business models, which would have great significance for the academic world (Berger et al., 2015; El-Said, 2009; Hutchings & Weir, 2006a).

This need indicates a significant space in the debate on relationship marketing and social capital theory. To the best of the researcher's knowledge, no studies have been conducted in the context of Abu Dhabi to examined how relationship dynamics are conceptualized in SBEs and to what extent they dictate the business practices.

To close the gap, the present empirical research on SBEs in the Abu Dhabi context has been undertaken. Furthermore, the influence of Guanxi on business performance has lately been an important subject to researchers. But relatively few of them have focused on how the Guanxi relationship (personal relationship) is translated into an organizational relationship; in other words, how the personal relationship moves from the individual level to an organizational level that influences the firm's financial performance (Zhang & Zhang, 2006). While, as noted above, many studies (see p. 22) have investigated the concept of Guanxi, Zhang and Zhang (2006) state that three important aspects of it have not been investigated deeply enough. First, previous studies were not aligned in terms of the Guanxi definition, divisions, principles and functions (Fan, 2002; Luo, 1997). Second, studies have investigated issues associated with Guanxi but were limited to the individual level and did not go so far as to investigate possible issues and implications on an organizational level (Fan, 2002; Tsang, 1998). Third, according to Zhang and Zhang (2006), who claims, there are limited studies if not no studies have probed deep enough to fully understand the processes by which Guanxi as an important asset essentially owned by the individual is translated into an organizational asset and hence has an impact on the organization's power to retain and satisfy its customers. This is also one of the gaps that the present study addresses, as recommended in (Hutchings & Weir, 2006a; Shaalan et al., 2013).

2.3.11 Factors Influencing the Guanxi Relationship

After reviewing the literature, this research identified both the constructs and representative items. Drawing on existing literature and previously identified and tested variables will help to ensure the construct content and validity of this research. Many researchers have grouped some variables or used them under different names, (e.g. (Fan, 2002; Zhang & Zhang, 2006), however, they all refer to the same thing and are defined similarly. This research will draw on the literature to build a conceptual framework using the most relevant constructs to help describe the Guanxi or some similar type of personal relationship and its impact on customer retention and satisfaction. Six constructs of Guanxi identified from the previous literature are used in this study and are the most relevant to achieving its objective. These are Reciprocity, Empathy, Trust, Bonding, Face, Good relations with Customers, Satisfaction and Retention (Abosag & Lee, 2013; Cui et al., 2013; Flambard-Ruaud, 2005; Geddie et al., 2002, 2005; Hwang, 1987; Lee et al., 2001; Samaha et al., 2014; Shou, Guo, Zhang, & Su, 2011; Wang et al., 2014). Other studies group some of these constructs together and use Chinese names to refer to the same things. For example (Hwang, 1987; Kiong & Kee, 1998; Tsang, 1998; Wang, 2007; Wang et al., 2014; Yau et al., 2000) examine Guanxi in terms of Bonding, Empathy (Renqing), Reciprocity (Bao), Personal Trust (Xinyong), Face (Mianzi), and Good Customer Relations (Ganqing).

The four dimensions of Guanxi in (Geddie et al., 2002) are bonding, empathy, reciprocity and trust. Kiong and Kee (1998) name the six bases from which bonding can arise as locality/dialect, fictive kinship (people sharing the same last names), kinship (immediate family), workplace, trade associations and social clubs, and friendship. Intermediaries can help establish bonds between two parties, but the bonds must be maintained by continuing interactions between the two parties. Bell (2000) notes that Guanxi networks are more commonly based on families or groups than on individuals. Each person in the group also has to act with principle, or “li”, relative to all the others in order to achieve harmony. In the present research, the previously identified constructs will be deployed to build the conceptual framework.

2.3.12 Bonding in Relation to Guanxi

Mavondo and Rodrigo (2001) define bonding as the degree of mutual personal friendship and liking shared by the buyer and seller (Barnes et al., 2011). Bonding is a key construct in personal relationships and is commonly used in measuring the quality of the relationship (Barnes et al., 2011; Chen et al., 2004). Bonding can develop in different ways according to (Kiong & Kee, 1998); for example people sharing the same last name (fictive kinship), immediate family (kindship), colleagues, trade associations and social clubs, and friendship (Geddie et al., 2002). Friendship as an intermediary can be the reason for the bond of interpersonal liking, which is found to be a very strong form of bonding resulting in a very close relationship (Abosag & Naudé, 2014).

All these different types of bonding drive the development of strong interpersonal relationships (Abosag & Naudé, 2014; Hawke & Heffernan, 2006; Kiong & Kee, 1998; Nicholson, Compeau, & Sethi, 2001). Now, some forms of bonding, such as friendship and being a work colleague, require interaction to stay effective, according to Barnes et al. (2011) The easiest way to elevate bonding is through social interactions such as attending private celebrations and functions when invited, dining, visiting and take part in events and continuously offering support and the exchange of help. Participating in social activities together will result in stronger bonding and the development of better relations.

This does not apply to family bonding, however (Geddie et al., 2005; Kiong & Kee, 1998). This is a natural bond and may not need as much attention as other types of bonding. Collectivist cultures such as those of Asia and the Middle East (Hofstede, 2001a) are more socially bonded than members of individualist cultures. According to Williams, Han, and Qualls (1998), the degree of individualism or collectivism in a country influences the extent of its structural economic and social bonding. They explain in their study that cultures with high collectivism will be very responsive to interpersonal aspects of the business relationship, especially social bonding. This has been demonstrated and supported in a number of studies, (e.g.(Abosag & Naudé, 2014; Rodríguez & Wilson, 2002; Zabkar & Makovec Brencic, 2004).

Tsang (1998) separated bonding based on blood from bonding based on society. The first is founded on membership of a family as identified by area, vernacular and relationship. The second has a social basis and is derived from interpersonal communications with colleagues, business contacts and friends, where the stronger the foundation, the more efficiently the bond will help to eliminate distrust. Therefore, this study formulates the first hypothesis as follows:

H1: Bonding has a positive impact on Guanxi relationships

2.3.13 Personal Trust (also named Xinyong) in Relation to Guanxi

Morgan and Hunt (1994) claim that trust develops when one party is confident of the other partner's reliability and integrity. Therefore, trust has an essential role in the development, and maintenance of long-term relationships (Ganesan, 1994, p. 118). Trust has been defined by Morgan and Hunt (1994, p. 23) as “confidence in the exchange partner's reliability and integrity” (Abosag, 2015). Abosag and Lee (2013) define trust as “the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party”.. Rotter (1967) one of the early trust theorists defined interpersonal trust “as an expectancy held by an individual or a group that the word, promise, verbal or written statement of another individual or group can be relied upon”.

Trust plays a significant role in the process of developing a long-term relationship (Abosag & Lee, 2013; Ganesan, 1994; Morgan & Hunt, 1994; Wang, 2007). Earlier studies, e.g. (Dwyer, Schurr, & Oh, 1987; Moorman, Deshpande, & Zaltman, 1993; Morgan & Hunt, 1994; Young & Wilkinson, 1989) all agree on the great role that trust plays in developing relationships. Additionally, studies by Palmatier, Dant et al. 2006 (Denize and Young (2007); Seppänen, Blomqvist, and Sundqvist (2007)) confirm that trust in business relationships is key in their development.

According to Sin et al. (2005), trust is the factor in a business relationship that determines the level of confidence between parties, letting them depend on each other. Personal trust, also known in Chinese as xinyong, largely implies finding reliability through one’s history and reputation with regard to the competing pledges of favors and commitments, sharing fulfilment and useful relations (Kiong & Kee, 1998). Additionally, Chen et al. (2004) define personal trust as an index used to judge an individual’s ethical veracity and providing a preliminary medium to improve relationships between the two individuals concerned. People normally hold trust and reliability in business, social and cultural circumstances in high regard. This is particularly true of Guanxi networks, where members give substantial importance to individual reliability and verbal promises; they view the other members of their network as unquestionably dependable. Surprisingly, this predisposition in our own time has not always existed. Hsu and Wang (2007) state that members of a Guanxi network who cannot be trusted are considered to be unreliable are not included in any Guanxi dealings. Doing business in a Guanxi network is not intensive until trust has been established between the individuals involved. For example, Geddie et al. (2005) stated that with trust there is less risk of credits outstanding and legal expenses are reduced since the prescribed requirements are not as complicated as they were before.

What motivates trust may vary in different cultural contexts (Abosag & Lee, 2013; Ganesan, 1994). Chinese society, for example, finds it hard to trust others (Atuahene-Gima & Li, 2002; Fukuyama, 1995; Wang, 2007) and trust is granted only to those who are members of the immediate or extended family. Therefore, in societies such as Asia and the Middle East, trust is based and built on experience, promises and interaction between individuals or groups (Abosag, 2015; Doney & Cannon, 1997; Wang, 2007). Geddie et al. (2002), report that good Guanxi leads to trust, and add that loyalty merits trust in Guanxi and with trust comes bonding and he building of a strong relationship. Geddie also includes trust as one of the constructs for measuring Guanxi. In addition, Human and Naudé (2014) claim that the ability to build trust with custom results in the conversion of satisfied customers into loyal customers.

Trust is not only important in special relationships but also is a key in Customer Relation Management (CRM). Fang, Palmatier, Scheer, and Li (2008) report that sellers of industrial products and their clients in North America indicated that the value generated from interfirm relationships comes partly from the quality of customer ties, including trust. Overall, the literature concludes that trust is of great relevance and is a cornerstone in building a strong long-term relationship. It is therefore an essential construct in our examination of the Guanxi-type relationship (Palmatier et al., 2006). In light of the above discussion the following hypothesis is proposed.

H2: Personal trust has a positive impact on Guanxi relationship

2.3.14 Reciprocity (also named Renqing) in Relation to Guanxi

Returning favors for favors is considered a moral obligation in Guanxi-type relationships (Geddie et al., 2005). It is also naturally expected from all parties who are subject to Guanxi relationships. According to Abosag and Lee (2013), reciprocity is important in Guanxi-type relationships, in particular in the growth of the relationship. Although returning favors for favors (reciprocity) is considered a moral obligation, the form and timing of the return require understanding. The repayment of favors is due only when it is greatly needed (Yau et al., 2000) and too quick a repayment may end the relationship (Yau et al., 2000), so it is a good idea to keep the other party in your debt to maintain a relationship for the long term.

Furthermore, Abosag and Lee (2013) state that over time reciprocity will become less important, for partners do not want to receive a return or a repayment each time they do a favor. According to Samaha et al. (2014), in collectivist cultures, reciprocity norms and mutual interdependence govern relationships (Hofstede, 2003; Hofstede & Minkov, 2010). Given the importance of reciprocity in Guanxi-type relationships, many researchers have considered reciprocity an important construct when building the framework/model.

According to Lebra (1976), three unified features of social interaction characterize reciprocity between two parties. The primary feature concerns timing. More specifically, individuals should give back favors within a suitable period, which may be some time in the near future. Nie et al. (2011) state that if individuals in a Guanxi network tried to return the favor instantly, it might damage their continuing Guanxi relations. Needless to say, however, they should return the favor if the occasion arises. The second feature concerns their interdependence for shared advantages. More specifically, this implies that the incentive for an individual in the Guanxi network to confer a favor may the intention to gain a favor in exchange. The third feature concerns the equivalence of asset value traded. According to Yau et al. (2000), Chinese people commonly exchange a favor for something of greater value than they received, in order to maintain their reputation and the future of their Guanxi relationship.

Abosag and Naudé (2014), and Barnes et al. (2011) base the development of Guanxi relationships on by reciprocity as one of three constructs in the structural model. The greater the exchange of favors, the closer the two parties become and the stronger their relationship becomes. Reciprocity plays a great role in the social network: it strengthens the interactions between members and builds up a sense of robust commitment between individuals and groups (El-Said, 2009). Research on Arab business culture has claimed that the process of mutual reciprocity has a direct impact on the development of a strong social network and commitment between parties, hence the growth of their relationships and in turn their business (Abosag & Lee, 2013; Berger et al., 2015; Guo & Miller, 2010). (Berger et al. (2015); El-Said (2009)) have argued that reciprocity specifically in the Arab World, constitutes the basis of a strong social network. i.e. it is the general expectation in Arab societies, that people will leverage on their personal network to seek support in a specific matter and others will tend to provide the needed support so that this favor when needed in the future will be returned. These unwritten codes are part of the Guanxi-type relationship (Shaalan et al., 2013).

It is worth mentioning that Hofstede, who grouped the Arab peoples with the Chinese as collectivist societies, also concluded in his study that such societies are impacted and driven by social networking, face-saving and reciprocity (Hofstede, 1991), which then results in a trusted relationship and higher commitment (Berger et al., 2015). Chen et al. (2017) states in his study that Guanxi is built upon the unspoken social norm of cultivating and maintaining long-term relationships, by such features as mutual obligations, assurances, reciprocity, and the continued exchange of favors (Guo & Miller, 2010).

According to Shu, Page, Gao, and Jiang (2012), Guanxi includes exchanges as social obligations and the asking and giving of favors. In Guanxi-type relationships, favors are banked for a time until they are needed. As a result, the relationship creates a sort of obligation on both parties to reciprocate the favor when it is most needed (Arias, 1998).

Geddie et al. (2005), Yau et al. (2000), Shaalan et al. (2013) and many others have used reciprocity as a construct in their model to characterize a special type of relationship similar to Guanxi. Hence, hypothesis H3 is proposed.

H3: Reciprocity has a positive impact on the Guanxi relationship

2.3.15 Empathy in Relation to the Guanxi Relationship

According to Wang (2007), the rule of empathy focuses on the benefactor's behavior, which is guided by Confucian principle of forgiveness, summarized in "do not do unto others that which you would not wish done unto you" and by its converse: "Do unto others as you wish done unto yourself" (Hwang, 1987). In collectivists cultures such as those of Asia and the Middle East, members work with each other to achieve mutually beneficial outcomes which are more concerned with the collective well-being of their entire group (Hofstede, 2001a; Samaha et al., 2014). According to Abosag and Lee (2013), empathy means understanding a situation from a partner's point of view and providing emotional and or financial support as needed. Empathy is to put yourself in someone else's shoes and to be able to see a situation from their perspective (Wang, 2007). A person with a high level of empathy has feelings and emotions when dealing with others and is ready to help and support others when needed (Hwang, 1987; Wang, 2007).

Yau et al. (2000) define empathy as the capability to comprehend an individual's wishes and objectives. They contend that it is vital for individuals in a Guanxi network to pursue understanding in its relationships and their own needs in depth. Empathy is inimitable because it pertains only to the two individuals involved, who share internal emotions and private matters in the same space. Yau et al. (2000) illustrate their belief that the Chinese show emotions indirectly and obscurely, as opposed to Western people, where the norm is communication focused on the sender in a system of egocentricity. In contrast, the Chinese communiqué model is receiver focused and therefore, the part that empathy plays in Guanxi becomes crucial; it is a way of sustaining the relationship.

According to Wang (2007) the greater the levels of empathy in a relationship, the more likely partners are to lower the barriers to the relationship and to increase their effective connection. Therefore, empathy is of great importance in developing the Guanxi relationship, given that empathy in relationships fosters understanding, tolerance, forgiveness and consideration (Wang, 2007). Many studies refer to empathy as a construct to help measure and build a better notion and to explain Guanxi, e.g. (Abosag, 2015; Abosag and Naudé (2014); Barnes et al., 2011; Fan, 2002; Hwang, 1987; Geddie et al., 2005; Wu & Chiu, 2016). Abosag and Naudé (2014), who studied a similar type of special relationship to Guanxi in KSA called Et-moone. One of the measures in their model was empathy (Abosag, 2015).

Geddie et al. (2005) in his model studied Guanxi with reference to the marketing relationship; to operationalize the Guanxi relationships he identified six constructs from the literature associated with Guanxi, namely, bonding, empathy, trust, reciprocity, satisfaction, and customer loyalty.

Finally, in Guanxi relationships empathy is a key to maintaining the relationship and also fosters trust between the partners (Wang, 2007). Hence, this study hypothesizes:

H4: Empathy has a positive impact on the Guanxi relationship

2.3.16 Face or Mianzi in Relation to Guanxi

Maintaining face is crucial for collectivist cultures. In the context of Abu Dhabi, Face may be presented as reputation or self-image. It is so important that some sociologists place it in what they call the category of “shame societies” (Hutchings & Weir, 2006a). Accordingly, it may be defined as the perception by the social network of an individual’s social status and prestige (Hwang, 1987).

In collectivist cultures, face is of a great importance in the dynamic of the Guanxi network, because a person who maintains face in a social network has greater access to many privileges which may further enhance the quality of life (Hwang, 1987; Park & Luo, 2001); e.g. it gives access to high quality schools and universities and high-quality medical services (Michailova & Worm, 2003). Face, or as Mianzi as some researchers refer to it, is an essential factor of the Guanxi concept (Wang et al., 2014). Face reflects the respect, pride, dignity, prestige, and image that an individual possesses in his or her society and group (Goffman, 1972; Leung et al., 2011). Maintaining face and saving the face of others also gives self-esteem to individuals (Hwang, 1987), and can be a way to access social influence and power (Wang et al., 2014). A study conducted by Leung et al. (2011) suggests that face is an effective construct in building a strong long-term relationship and also in maintaining Guanxi. In Chinese society, one can lose face by failing to keep any commitment to family, friends, and the friends of friends. Furthermore, a person may lose trust and jeopardize the Guanxi network; in fact the impact of this loss actually extends beyond the individual and hurts the feelings of his/her family and friends (Park & Luo, 2001). Maintaining face is considered to be a moral and social obligation in the Chinese, and entire Asian, world (Hwang, 1987; Leung et al., 2011; Michailova & Worm, 2003; Park & Luo, 2001). Since Guanxi may be inherited and/or transferable over generations (Hwang, 1987; Park & Luo, 2001), one must ensure that one's Face is protected and maintained by reciprocating favors to others when needed so as to be considered trustworthy in one's network. In his examination of elements of Guanxi investment Wang et al. (2014) interviewed a senior salesperson in a private enterprise. A statement from the interviewee shows how clearly Face management stands out:

> *If another person lets me down, say, they didn't help me out in an emergency when they may have… it would hurt my feelings and I would lose face "mianzi"... I helped him, so he was obliged to help me whenever I ask for it!* (Wang et al., 2014).

In this sense, Face can strengthen the Guanxi-type relationship. Therefore, some researchers include Face in their model to measure this relationship (Hwang, 1987; Leung et al., 2011; Michailova & Worm, 2003; Park & Luo, 2001). Hence, this study hypothesizes as follows:

H5: Face has a positive impact on the Guanxi relationship.

2.3.17 Affection (also named ganqing) in Relation to Guanxi

Guanxi starts with an exchange of cordiality (Hwang, 1987; Leung et al., 2011). Based on a study by (Wang et al., 2014), researchers set up a four-dimensional framework and argue that cordiality, which they call ‘Affection’ is the most promoted aspect of Guanxi investment, claiming that Affection is a proactive way to maintain or develop the Guanxi network (Shou et al., 2011). Affection plays a key role in the process of bonding and building personal relationships (Abosag & Naudé, 2014; Barnes et al., 2011; Shaalan et al., 2013). This is also considered an investment that involves sharing inner feelings, demonstrating personal care, and participating in social activities to build a good social Guanxi network (Wang et al., 2014). Affection can also be referred to as ganqing touzi, which is translated as feeling or Affection in English dictionaries (Barnes et al., 2011; Leung et al., 2011; Wang, 2007). According to Barnes et al. (2011), Affection is the measure of emotional commitment of the parties and involves sharing inner feelings and demonstrating personal care (Wang et al., 2014). Further, Affection is the emotional aspect of the Guanxi relationship; it is proactive and effective, in both establishing and enhancing the Guanxi network (Shou et al., 2011; Wang et al., 2014). Affection is driven by an emotional connection and the closeness of the parties involved (Barnes et al., 2011; Wang, 2007). Another form of Affection is interpersonal liking (Abosag & Naudé, 2014). Thus, Affection has a determining role in developing and maintaining the Guanxi network (Abosag & Naudé, 2014). In Western cultures “business is business”, whereas, in Chinese and similar cultures, business and affection go together (Lee & Dawes, 2005). From what is discussed in the literature, there is clear evidence that affection cannot be neglected whenever Guanxi is discussed. Therefore, Affection is reflected in the framework of the present study, which hypothesizes as follows:

H6: Affection has a positive impact on the Guanxi relationship.

2.3.18 Guanxi Relationship in Relation to Organizational Trust, Customer Satisfaction and Retention

From the literature, it appears that Confucian values influence many Asian countries; hence, trust is always built from the individual's level and then translated to the organizational level (Tsang, 1998). According to Lee et al. (2017), the Guanxi-type relationship is considered a vital strategic asset to individuals and firms. Firms develop their relationship with customers through their employees' personal networks and relationships. Thus, many customers will start dealing with these firms because of their personal relationship with one or several employees. This means also that the relationship between customers and firms begins before the first transaction; thus, the relationship starts at the interpersonal level and then moves to that of the organization (Yau et al., 2000). Accordingly, this study hypothesizes the following:

H7: The Guanxi relationship positively impacts on the organizational relationship

H8: The Guanxi relationship positively impacts on customer satisfaction

H9: The Guanxi relationship positively impacts on customer retention

2.3.19 Customer Satisfaction in Relation to Customer Retention

Effectively identifying and satisfying customers is the key to corporate success (Abdul-Muhmin, 2002). The same author claims that "*customer satisfaction is a desirable business philosophy because satisfaction leads to important customer cognitions and behaviours like loyalty, commitment, and positive word-of-mouth*" Abdul-Muhmin (2002). According to Rodriguez del Bosque and San Martin (2008), consumer satisfaction is not only cognitive but also emotional (Eid, 2015). Writers (Ekinci, Dawes, and Massey (2008); Nam, Ekinci, and Whyatt (2011)) commonly support the idea that customer satisfaction can be either transaction specific (resulting from a single interaction at a service encounter) or satisfaction overall (the judgment on a service provided, taking a holistic and overall viewpoint) (Eid, 2015). This study follows Eid (2015) and his view of consumer satisfaction as a consumer's overall emotional response to the entire service experience (Abdul-Muhmin, 2005). The same author Eid (2015), as endorsed by Eriksson and Vaghult (2000) and Abdul-Muhmin (2005), also suggests that customer satisfaction increases customer retention, which closely and directly links customer satisfaction to customer retention, the ultimate object of the present study. Therefore, the author hypothesize that:

H12: Customer satisfaction positively impacts customer retention.

2.3.20 Customer Retention

Attracting and retaining customer is the only valid definition of business purpose, according to Eid (2015). Eriksson and Vaghult (2000) explore different types of relationship and their effect on customer retention. Their model supports the fundamental effect of relationship satisfaction on customer retention. Furthermore, they suggest in their research that customer retention is less expensive than attracting new customers through marketing (Eriksson & Vaghult, 2000). The cost advantage of customer retention is clearly recognized by today's business world (Geddie et al., 2002). Rosenberg and Czepiel (1984) argue that attracting one new consumer costs firms five times more than retaining one loyal consumer (Shaalan et al., 2013). Many business sectors, for example, the banking sectors, favor one-to-one interaction in building a relationship with their clients. It results in customer loyalty and hence customer retention (Geddie et al., 2002). Guanxi is a social interaction which the Chinese have been practising for thousands of years, always building it upon trust, bonding, empathy, and reciprocity (Geddie et al., 2002). Eid (2007) validates a hypothesis which claims that the quality of this relationship has a direct and positive effect on customer retention(Eid, 2007). Eriksson and Vaghult (2000) discuss in their study how businesses are centered on customer retention and customer retention depends on interactions between parties and the relationship. His results support the view that with relationship satisfaction comes customer retention.

Customer retention also allows firms to gain maximum value from their customers, thus contributing to long-term profit (Shaalan et al., 2013). On this basis, this research tests the following hypotheses

H10: The Guanxi relationship positively impacts on customer retention

H11: Organizational trust positively impacts on customer retention

H12: Customer satisfaction positively impacts on customer retention.

2.4 Theoretical Framework

Figure 4 illustrates the theoretical framework, whereas the summary of research hypotheses is shown in Table 10.

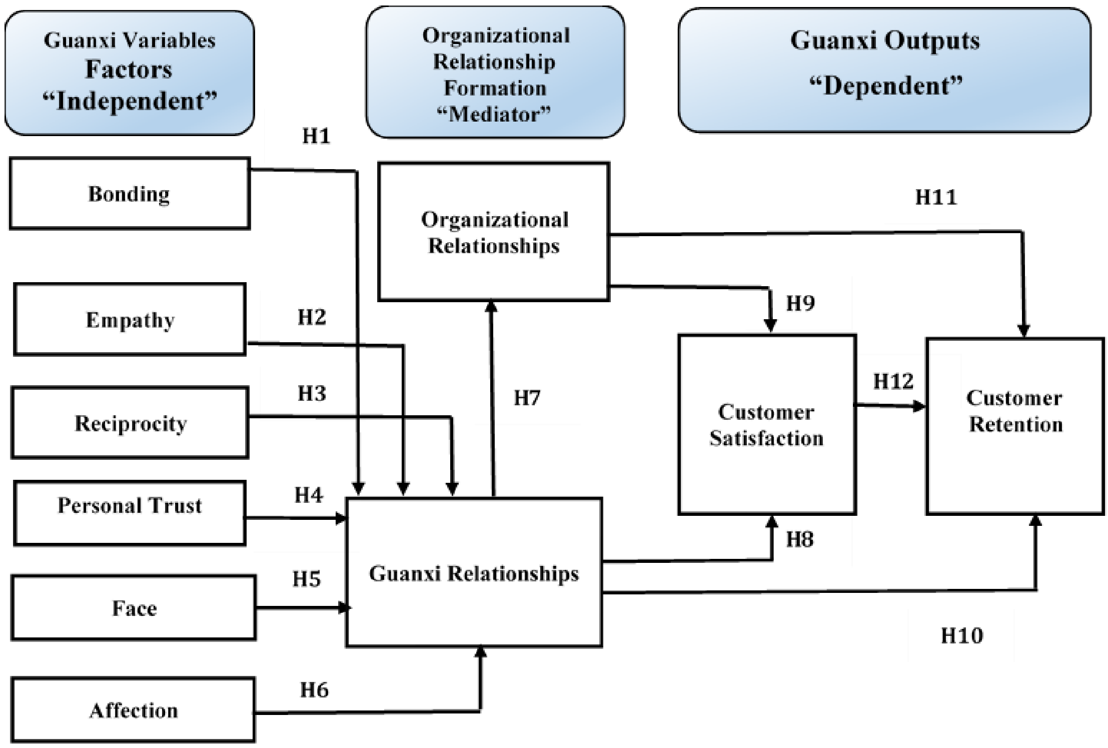

Figure 4: Theoretical Framework

Table 10: Summary of Research Hypotheses

Hypotheses
H1. Bonding has a positive impact on the Guanxi relationship.
H2. Empathy has a positive impact on the Guanxi relationship.
H3. Reciprocity has a positive impact on the Guanxi relationship.
H4. Personal trust has a positive impact on the Guanxi relationship.
H5. Face has a positive impact on the Guanxi relationship.
H6. Affection has a positive impact on the Guanxi relationship.
H7. The Guanxi relationship positively impacts the organizational relationship.
H8. The Guanxi relationship positively impacts customer satisfaction.
H9. The organizational relationship positively impacts customer satisfaction.
H10. The Guanxi relationship positively impacts customer retention.
H11. The organizational relationship positively impacts customer retention.
H12. Customer satisfaction positively impacts customer retention.

Chapter 3: Methodology

3.1 Introduction

Identifying the existing knowledge gap in the Literature Review chapter regarding the impact on SBEs of Guanxi-type relationships enabled the research objectives, questions and suitable research techniques for this study to be proposed. This chapter aims to provide an outline of the research strategy for the collection and analysis of the data.

The main objective of this study is to address the knowledge gap discussed in the literature review and explore Guanxi-type relationships and their impact on organizational relationship, customer satisfaction and customer retention. More specifically, the significance of Guanxi-type relationships will be evaluated in the UAE context with a close focus on SBEs in Abu Dhabi city, in order to reduce the associated knowledge gaps.

To this end, the study aims to achieve the following research objectives (RO):

RO1: Identifying the antecedents (factors) that lead to Guanxi-type relationships.

RO2: Studying the consequences of Guanxi-type relationships on organizational relationships, customer satisfaction and customer retention.

RO3: Developing and establishing a conceptual model that integrates the antecedents, Guanxi relationships and organizational trust with customer satisfaction and customer retention.

RO4: Stipulating and testing the hypothesized relationships derived from the conceptual framework.

Two research questions (RQ) were also set in order to address the research problem:

RQ1: What role does the Guanxi-type relationship play in SMEs in Abu Dhabi, especially regarding its impact on customer satisfaction and retention?

RQ2: What factors may mediate the impact of Guanxi's-type relationship dimensions on customer satisfaction and retention in SMEs in the Abu Dhabi context?

This chapter consists of six main sections. Section 3.2 outlines the approach to the research strategy. The next section describes the research paradigms, and chooses and justifies the research paradigm with which the research will be conducted. The fourth section details the choice of the adopted research strategy for answering the proposed research questions. Last, ethical considerations are discussed.

3.2 Research Strategy Approach

The principal role of the design in social research is to help answer the proposed research questions. By providing a starting point and the stages required to produce the findings, Research Strategy (RS) can help to formulate the required research approach and techniques (Kabashkin, Yatskiv, & Savrasovs, 2017). As demonstrated in Table 11, there are two leading types of research strategy, namely, inductive and deductive, each of which can provide a conspicuously different approach to answering the proposed research questions.

Table 11: Inductive Research Strategy vs. Deductive Research Strategy

Basis for Comparison	**Inductive**	**Deductive**
Meaning	Inductive Reasoning is a process in which the premises give reasons in support of the probable truth of a conjecture.	Deductive reasoning is the fundamental form of valid reasoning, wherein the premises guarantee the truth of a conjecture.
Approach	Bottom-up	Top-down
Starting point	Conclusion desired	Premises
Based on	Patterns or trend	Facts, truths and rules
Process	Observation > Pattern > Tentative Hypothesis > Theory	Theory > Hypothesis > Observation > Confirmation
Argument	May or may not be strong.	May or may not be valid.
Structure	Goes from specific to general	Goes from general to specific
Draws inferences with	Certainty	Probability

Source: (Surbhi, 2017)

Analyses of Table 11 makes it clear that this research study takes the deductive RS approach by deducing hypotheses from a particular theory. According to Nestor and Schutt (2018) following the deductive RS method, the required research data should be gathered and hypotheses should be tested. Then the test results should be studied in order to confirm or reject the theory. The results thus generated should be benchmarked during data analysis to the results of cited research studies in order to draw reliable conclusions.

Kovács and Spens (2005) state that the deductive approach implies reasoning from the specific to the general. Additionally, Gottfredson and Aguinis (2017) specify that the key advantage n using a deductive approach is the opportunity to elucidate underlying relationships between variables. The deductive approach also helps to generalize the research findings to a certain extent. Figure 5 illustrates portrays the process in the deductive RS approach. The implementation of the deductive approach allows researchers to assess theories both qualitatively and quantitatively.

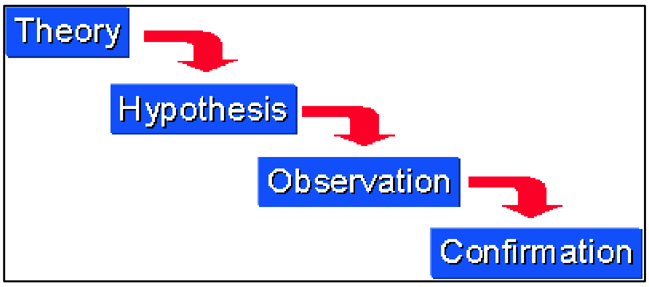

Figure 5: Deductive Approach
Source: (William, 2016)

3.3 Research Paradigm, Ontology and Epistemology

3.3.1 Justification for the Paradigm

The primary stage in research design is to choose the research paradigm that is most appropriate for the research. The three main research paradigms, namely positivism, critical theory and interpretivism, were first studied and assessed. After careful analysis, positivism was chosen for the present study; below is an outline of the selection method.

3.3.2 Choosing between Paradigm

Groenewald (2004) relates the term ‘paradigm’ to its Greek origin, where it was termed ‘paradeigma’ and its Latin conversion to ‘paradigma’, both of which mean design, example or model. A paradigm is said to be comparable to a philosophy because it employs a collection of views about the world and replicates the means of thinking. Eid and Lagacé (2007) state that a paradigm refers to a straightforward alignment with theory and study. Otherwise stated, this means that a paradigm is a pattern of individual thinking. In other words, a paradigm entails the action of succumbing to an interpretation (Vandenberg, 1997), Supported by Jupp (2006) and Brannen (2017), a research paradigm is also defined as a set of theories and directions that affect which topics are examined, the way research is conducted and methods for interpreting evidence, specifically for researchers.

Manning and McMurray (2010) find three main disciplines that can be used for research ideas, where the research method should be kept constant, ensuring assumptions that are ontological (pertaining to the nature of reality); epistemological (pertaining to the knowledge associating the researcher with the subject of study); and methodological (pertaining to the researcher's approach to discovery).

3.3.3 Research Ontology

Ontology is a notion that is involved in the relationship between various areas of society; including social actors, customs and structure (Jupp, 2006). Differently stated, ontology in social studies is a field of study that replicates an individual's understanding of and suppositions about what establishes a fact in social reality (Antwi & Hamza, 2015). Ontological problems are involved with research questions that relate to a variety of effects in society. Silverman (2010) divides ontology into two kinds: objectivist and subjectivist. The objectivist kind handles exclusively what is actually physical and discards anything disconnected from the research, such as social constructs. In contrast, the subjectivist kind reviews and captures human conduct, whether at an individual or a social level and observes the substantial difference in the conduct of social events. In this case, ontology is associated with the primary question of whether social entities should be seen as objective or subjective. Thus, it is vital to outline the research ontology since it guides the framing of the research questions while helping to choose the strategy for answering the proposed research questions.

As demonstrated in the literature review, the Guanxi-type relationship specific to SBEs entails personal relationships between the parties. To understand this relationship, their approaches to feeling and thinking should be considered. Consequently, this research involves a comprehensive exploration of such fields of conduct as values, customs, relationships and styles of communication. Therefore, the subjectivist ontology is the more suitable for this research study. However, since it assumes that reality can be objectively measured and does not depend on human observation, this research study adopted realist ontology. It also assumes that this reality can be exactly arranged and hence that the social performers' conduct in the social world follows patterns that may be probable and can be measured (Turvey, 1992).

3.3.4 Research Epistemology

Epistemology, which is also referred to as the theory of knowledge, is the division of Western philosophy that examines the scope of belief and knowledge. Debates on this topic have speculated how the nature of knowledge relates to the nature of comparable mental states such as faith and belief. According to Scotland (2012) epistemology is a branch of philosophy concerning the way that individuals obtain knowledge regarding the world around them and how this knowledge is validated as trustworthy.

Nichols, Smith, and Miller (2008) maintain that epistemology responds to a variation of intelligence in the social sciences. Characteristically, Western epistemologists attempt to highlight the variations in knowledge and opinions. In

Western perception, epistemology relates to the kind of knowledge that can be stored and communicated.

According to Andriessen (2006) epistemology is not related to social reality and religious variety in South East Asia and the Middle East. Andriessen (2006) argues that the ultimate division between Asian and Western epistemology is that Eastern epistemology has no basis, whereas in Western epistemology existence is the basis and context for all expression. Additionally, according to Scotland (2012) comparisons between Eastern and Western epistemology let us deduce what is and what is not considered as knowledge.

Walker, Walker, Eketone, and Gibbs (2006) note two main kinds of epistemological interpretation in social research: constructionism and empiricism. The chief difference between these two depends on the association between the researcher and the social paradox under examination.

Associated with the idealist ontology, constructionist epistemology requires researchers to be highly concerned in the investigation in order to grasp the peripheral world better (Sieber & Haklay, 2015). For this reason, researchers have a key part in creating social reality from these particular understandings. In contrast, empiricist epistemology requires researchers who take the deductive approach to be detached from their chosen research topic. According to Slade and Bokma (2002) this epistemological division allows researchers to empirically determine the overall sequence of human behaviors. Therefore, based on the above, this research implemented an empiricist epistemology, which allowed the researcher to comprehend the social reality of field of research by collecting the figures and studying the empirical evidence, without manipulating the data or being manipulated by them.

3.3.5 Research Paradigms

Research recognizes three main approaches to the foundations of epistemology, ontology and methodology. These three paradigms are summarized in Table 12, below, before a choice is made of the most suitable paradigm for the present study.

Table 12: Research Paradigm Approaches

Research Approaches	**Epistemology**	**Ontology**	**Methodology**
Positivism	Objective reality which is apprehensible	Objectivist	- Experimental - Validation of hypotheses - Quantitative methods with survey
Interpretivism	Historical realism	Subjectivist	Hermeneutic - Grounded theory - Ethnography - Case study -Interpretative phenomenological analysis
Critical Theory	Emphasizes meaningful social action	Transactional/ objectivist	-Action research/Focus group - Dialogic/Dialectical - Transformative, intellectual

Source: Neuman (2006), p. 105

3.3.5.1 Critical Theory

Neuman (2006) claims that critical theory can be traced all the way back to Marx and Freud, as shown by Theodor Adorno. Neuman (2006) stated that critical theory establishes social pragmatism comprehensibly and bases it on historically positioned models. Furthermore, this paradigm concentrates on the study and evolution of social, political, economic and overall standards, highlighting the awareness of reality by a group of individuals.

Neuman (2006) Identifies four aspects of this paradigm:

1) Critical Theory, which has the same philosophies and practices as some other interpretive models.
2) Critical Theory differs from interpretive theory because critical theory understands the behavior and signs of society to grasp the several reasons for which social groups are exploited.
3) In critical theory, knowledge is power, for instance in interpreting the reasons why an individual is exploited, which allows action to be taken in order to alter the exploitative force.
4) Critical theory is normative because it helps to modify the circumstances that have an effect on individuals' lives.

According to Neuman (2006), the critical paradigm can frequently lead unawareness and fallacy to a new perception. One example of this arises when a critical paradigm ignores the Guanxi aspect in relationships between individuals and business owners, leading to fallacies about the effect of the Guanxi-type relationship. A research study should have no intention of altering participants' current attitudes or practices. The present study merely investigates whether a beneficial business relationship exists through Guanxi-type relationships between customers and small business owners. Hence, the critical theory paradigm is inappropriate for this research study.

3.3.5.2 Interpretivism

According to Scotland (2012) interpretivism highlights an expressive social act, socially created sense or value contingency. Neuman (2006) states that the interpretive paradigm can be traced back to the sociologist Max Weber, and theorist Wilhem Dilthey. According to Neuman (2006), Weber wanted researchers to study the individual motives that form an individual's inner emotions and drive the decisions to behave in a certain manner. Interpretivism suggests that there are several realities and not a unitary set of phenomena, and these realities can vary over time and place. Therefore, interpretivism is an approach that will increase the awareness to determine senses by refining the understanding of the entire topic.

However, while this paradigm provides a great deal of insight into secondary factors in behaviour, useful, for instance, when analysing the cultural background in Guanxi-type relationships and assessing how such cultural differences can affect businesses, the scope of this research does not extend in this direction; the main research objective here is to understand how Guanxi-type relationships impact on organizational trust, customer satisfaction and customer retention, with the main assumption that secondary factors such as cultural background are constant for the context of Abu Dhabi. Therefore, the interpretivist paradigm is inappropriate for this research study.

3.3.5.3 Positivism

Neuman (2006) tells us that positivism was initiated by Auguste Comte in the nineteenth century and several philosophies of positivism were developed, which are still in use. The positivist perception holds that there is an autonomous reality that can be defined and measured entirely and quantitatively.

Eisner (1992) adds that the positivist paradigm depends on David Hume's philosophy of the nature of reality, which is also referred to as philosophical ontology. Hume's philosophy is alleged to produce precise information regarding reality by the use of the senses (the scientific method). Additionally, it is claimed that the technique used in the natural sciences presents the best structure for examining the social world. According to Burton-Jones and Lee (2017), positivism was designed to imitate a firmly pragmatic method in which claims regarding knowledge are grounded directly on experience. Positivist theory is claimed to have the support of research approaches that proceed through surveys and experiments. There is a substantial correlation between scientific methods and social research studies if the specific standpoint of positivism is taken.

Positivism investigations usually follow the deductive research strategy (Regnér (2003) ,where the researcher articulates a hypothetical argument supporting the existence of uniformity in the social paradox under examination. Thus, the researcher tests the nominated theory by deducing a hypothesis from it to correlate with the information gathered. According to Henderson (2011), in examining current theory the positivist paradigm is regarded as value-free, impartial, objectivist and severe.

This paradigm is applied in the Abu Dhabi context to Guanxi-type relationships as one of many recognized to tackle the various research problems of the present study. Additionally, since positivism assumes that reality is perceptible, the study depends on operationalization to change the variables that were nominated from imperceptible to perceptible measures, because this would aid the positivist paradigm to function successfully. With this in place, the ‘scientific’ positivism paradigm is most appropriate for this research study since this approach primarily draws on present theory and tests it empirically.

3.4 Research Methodology

Following the selection of the positivist paradigm, the selection of methodology will be considered. The two types of methodology evaluated in most research studies are quantitative and qualitative. This section seeks to rationalise the choice of the quantitative method for this research; it discusses the main features of both qualitative and quantitative techniques, and justifies the choice of quantitative is as the more suitable.

Research methodology can be distinguished as a group of methods used to classify, choose, process and examine the data gathered on the subject under scrutiny (Knowles and Cole (2008). These particular methods turn the researcher's ontological and epistemological expectations into measures that guide the social research (Peffers, Tuunanen, Rothenberger, & Chatterjee, 2007).

Such a research methodology can motivate researchers to organize their study by substantiating the motives that encouraged them to take up a particular enquiry and compile its research problems, research questions, data gathering tactics, categories, the scope of its information and the optimal examination system (Petty & Bowlin, 1976).

In choosing one of the two fundamental research approaches to social studies researchers should recall that the qualitative technique is involved with human behavior and the question of why humans act the way they do. According to Cavana, Delahaye, and Sekaran (2001), qualitative researchers frequently focus on the explanatory social sciences, where they view the world as complicated but unified with a productive chance for comprehending the nature of people. Mason (2010) states that a researcher chosing this methodology is able to acquire detailed information about fundamental motives, views and motivations. Additionally, this type of methodology offers awareness of the research problem through the development of ideas and theories for possible quantitative research. Marshall, Cardon, Poddar, and Fontenot (2013) list the typical approaches to qualitative research of individual interviews, focus group discussions and involvement/observation. For qualitative types of research, the sample size is comparatively small, where participants are generally picked to satisfy a suitable quota. Researchers and scholars who adopt the explanatory paradigm generally tend to use the qualitative research technique (Järvinen & Bom, 2018).

In contrast, the quantitative technique permits researchers to measure the research problem by obtaining the views of a large number of participants in order to collect mathematical data for statistical use. Quantitative research is fundamentally conducted in terms of numbers. Quantitative research is inclined to be related to the realist epistemology. Jupp (2006) asserts that real items do occur, in fact, and these items can be measured and allocated mathematical values as product measurements. Quantitative methods are used to measure people’s specific views, attitudes and manners. Researchers should initially outline their sample data and design at before collecting the research data. In quantitative research, various forms of survey can be used in order to gather data; including online and mobile surveys, online polls, etc. A key characteristic in using the quantitative research technique is that a researcher can simplify the research findings; the large sample size measured in a study may make this desirable.

Moretti et al. (2011) identify the top ten significant differences between qualitative and quantitative research, as shown in Table 13 below.

Table 13: Qualitative vs. Quantitative Research

Compared Dimension	**Quantitative Research**	**Qualitative Research**
Objective	To measure the data and simplify results from the sample to the population of interest	To grasp a primary and qualitative comprehension of fundamental reasons and motives
Approaches	Causal and deductive	Causal/non-causal and inductive
Research Type	Descriptive and/or causal	Exploratory
Flexibilities in Research Design	Low (uniform and structured survey: one-way communication)	High (personal interview, with questions that can be alter throughout the interview: two-way communication)
Sample Size	Large (100+)	Small (15-60)
Information per participant	Low	High
Data Analysis	Statistical summary	Subject, interpretive
Ability to replicate with the same results	High	Low
Interview questions	No special skill required	Special skill required (grasp of the communication between interviewer and participant)
Time consumption during research	Design phase: High (correct design of questions) Analysis Phase: Low (answers to questions are coded)	Design phase: Low (no particular questions needed before interview) Analysis phase: High (high quantity of soft data)

The qualitative research can attain complexity and propinquity but attains far grater flexibility than quantitative research techniques can. Moretti et al. (2011) contend that quantitative research may additionally be subjective, just as a qualitative approach can. However, this does not imply a negative outcome or conclusion for the research study. Bryman (2017) refers to several debates concerning the qualitative-quantitative difference and whether qualitative is still reliable, since much qualitative research prefers a theory-based method to an empirical one. Therefore, the selection of research method need not be so firm in adhering to specific guidelines. The most important consideration is that a researcher should be aware of the differences and know how each approach can be properly applied to a particular research study.

There are various approaches to conduct research with qualitative methods since the depth of the research can vary at will. For example, a researcher may decide to have a large number of participants in order to gain a comprehensive view, though this may limit the thorough understanding of the research phenomena. A more comprehensive method would be to conduct a case study where one particular case would occupy all the attention of the researcher. According to Merriam (2002), a case study is defined as research on a particular phenomenon, such as a special event having a single research focus. Merriam (2002) adds that focusing on one specific phenomenon enables a researcher to highlight its important and distinctive features. From being able to control the depth of the research, the researcher can deduce conclusions that might be generalized to similar cases.

Given these central divergences between quantitative and qualitative research, a researcher must question which research technique is more fitting. The present study is concerned with quantifying the results of analyzing the effect of Guanxi-type relationships on SBEs. General conclusions can be drawn from quantifying numerical results and the existing literature. Therefore, this study implements the quantitative method to answer its research questions and attain its objectives. The research data were gathered by distributing survey questionnaires to local customers of SBEs. Since reality was quantitatively defined using methods that were independent of the researcher, it could be treated as appropriate for this positivist research. It is considered impracticable to implement an alternate research method, since it takes account of the views of hundreds of locally based individuals who interact with SBEs. It is expected that the result of this study will lead to conclusions about Guanxi-type relationships and the ability of SBEs to attract and retain customers by means of them.

3.5 Research Design

According to Lewis (2015) a research design is a tactic for a study and the outline by which the tactic is to be implemented. Creswell (2014) specifies that research designs and methods consist of strategies and measures for a pragmatic study that changes judgement from a broad supposition to a comprehensive assemblage and examination of data; the strategies include which-of-which research design is to be used to confront a research problem or subject. Similarly, Guest, Bunce, and Johnson (2006) state that the research design specifies the technique and measures for conducting the assemblage, measurement and examination of the essential data, accompanied by the selection of the bases and categories of the data used to answer the research question.

Bryman (2017) notes that the research design is the basis for stipulating the associations between the studied variables. In that case, a survey design must be created in the following stages: (1) choosing the measurement scale, (2) configuring the survey, (3) pre-testing the survey and (4) choosing the mode of distribution.

To gain reasonable evidence for solving a research problem, a research design must choose the nature of the evidence that it gathers (Tincani & Travers, 2018). The present study is considered to be cross-sectional, in that the views of local customers of SBEs will be collected during the survey period alone. The unit of analysis is a customer of an SBE, and the study will involve an objective assessment of customers' opinions in order to construct a model using suitable statistical techniques.

3.5.1 Selection of Measurement Scale

The crucial step when creating the survey questionnaire is to choose an appropriate measurement scale for each concept in the research model. Rosas and Ridings (2017) find that creating any new measurement scale necessitates devoted research to guarantee that the validity of the item nominated characterizes each concept. Similarly, Hofweber (2012) recommends that researchers should use formerly authenticated tools without revalidating the concepts and dependability; these recommendations were adopted.

Following the review of the related literature, the selected measurement scale was able to measure the effect of Guanxi-type relationships on SBEs, along with their antecedents and consequences for attracting and retaining customers. These antecedents are the views and characteristics of each customer, which can be positive or negative, measured by his/her choice of one item from a Likert 5-item scale (Barua, 2013). Insights that are more substantial were obtained by using multiple indicators to investigate such latent concepts as types of relationship, customer attraction and customer retention, which formed the features of each latent concept.

In order to conceptualize the six elements of personal-type relationships (Guanxi), the researcher used the original (Tsang, 1998; Yang, 1994) scales in this research. According to (Tsang (1998); Yang (1994)), Guanxi or personal relationships contain the elements of bonding, empathy, reciprocity, personal trust, face and affection, measured by five, four, four, five, four and five five-point Likert-type questions respectively. Items of the different scales were borrowed or adapted from (Sin et al., 2002); (Lee & Dawes, 2005); (Yen & Barnes, 2011).

Second, in conceptualizing the Guanxi relationship, the researcher operationalized it using five items. Studies (Abosag & Naudé, 2014) and (Oly Ndubisi, 2007) were used to operationalize the Guanxi relationship construct. Organizational trust was operationalized using five items that had been adopted or borrowed from (Sin et al., 2002) and (Oly Ndubisi, 2007).

Finally, in conceptualizing the consequences of personal-type relationships, customer satisfaction and customer retention were used in this study, measured by four and five items respectively. Other research studies, listed in Table 14, were used to generate the items needed to measure the two constructs (Eid, 2015);(Eid & El-Gohary, 2015; Lee & Jun, 2007).

Table 14: Concept Measurement Items

	Concept	Code	Items	Scale Reference
1.	**Bonding**	A1	Rely on each other.	Sin et al. (2005) Barnes et al. (2011) Lee and Dawes (2005)
		A2	Interact on a social basis	
		A3	Try very hard to establish a long-term relationship	
		A4	Keep in touch constantly	
		A5	Talk openly as friends	
2.	**Empathy**	B1	Understand each other's viewpoint.	
		B2	Understand each other's needs.	
		B3	Show sympathy when each other has problems.	
		B4	Provide support when the other has problems.	
3.	**Reciprocity**	C1	Practices "give and take" of favors as a key part	
		C2	"Calling in" favors is part of social interaction	
		C3	Favors we do for each other have built good relationships	
		C4	We feel a sense of obligation for doing each other favors	
4.	**Personal Trust**	D1	Is trustworthy	
		D2	Is always honest	
		D3	Is dependable	
		D4	Fulfills his/her promises	
		D5	Does not make any false claims	
5.	**Face**	E1	Pays a lot of attention to how others see us	
		E2	Believes the more respect we receive, the more 'face' we have	
		E3	Feel a 'loss of face' when others turn down our favors	
		E4	Take care not to make each other feel uncomfortable in any situation	
6.	**Affection**	F1	Like each other	
		F2	Enjoy meeting each other away from the business environment (e.g. dining out)	
		F3	Present gifts to each other (do not have to be expensive)	
		F4	Enjoy communication with each other	
		F5	Enjoy helping each other	
7.	**Organisational Relationship**	G1	Can be trusted	Oly Ndubisi (2007) Sin et al. (2002)
		G2	Treats me honestly	
		G3	Makes reliable promises	

Table 14: Concept measurement items (Continued)

	Concept	Code	Items	Scale Reference
		G4	Is consistent in providing quality products and/or services	
		G5	Carries out what the contact person promises	
8.	**Guanxi/Personal Relationship**	H1	Doing business includes knowing the right people.	Abosag and Naudé (2014) Oly Ndubisi (2007)
		H2	Returning favor for favor is part of conducting business.	
		H3	Maintaining a good relationship is the best way to enhance relationship.	
9.	**Empathy**	I1	Understands my viewpoint	Sin et al. (2005) Barnes et al. (2011) Lee and Dawes (2005)
		I2	Shows sympathy when I have problems	
		I3	Provides support when I have problems	
		I4	Gives me personal attention	
10.	**Reciprocity**	J1	The practice of 'give and take' of favors is a key part of the relationship between me and this company	
		J2	In the relationship between me and this company we feel a sense of obligation for doing each other favors	
		J3	The company believes in "never forgetting a good turn" from me	
		J4	I believe in "never forgetting a good turn" from the company	
11.	**Customer Retention**	K1	I intend to deal with this company in future.	Eid (2015) Eid and El-Gohary (2015) Oly Ndubisi (2007) Sin et al. (2002) Lee and Jun (2007)
		K2	I will continue to deal with this company	
		K3	I recommend this company to all my social network (friends, colleagues and relatives)	
		K4	I expect my relationship with this company to last a long time	
		K5	I usually pay less attention to competitors' offers	
12.	**Customer Satisfaction**	L1	My choice to deal with this company was a wise one.	
		L2	I did the right thing when I started dealing with this company.	
		L3	I am enjoying my experience in dealing with this company.	

3.5.2 Formatting the Questionnaire

Formatting the questionnaire survey relates to the way in which the questionnaire is structured and the data are arranged and illustrated. For this research study, the questionnaire comprised four main sections in order to establish the appropriate judgement and flow. The arrangement of the sections was as follows: 1) Background Information, 2) Contact Person, 3) Type of Relationship and 4) Effects.

An important condition was that the sample size should be more than 100, this is due to the fact that research factor analysis generally cannot be carried out with fewer than 50 observations (Hair Jr & Lukas, 2014). This requirement was complied with; 396 customers were surveyed in this research. The results of the factor analysis tests are briefly discussed below.

The survey was designed to encourage the participants to finish the comparatively long questionnaire, which consisted of 63 items altogether in its four sections. According to Fanning (2005), a well-structured questionnaire can help participants to finish the survey, it is also an important way of simplifying the production of results and thus maximizing the response rate.

In regard to the structural arrangement, the questionnaire consisted of a two-column table. The left column specified the designated variables and its comparative scale measurement units and the right column presented the participant five pre-coded answers to choose from, including the impartial answer of ‘neither agree nor disagree’. The Likert 5-point scale allowed the participants to convey how far they agreed or disagreed with the specified statements. Figure 6 takes the survey questions that assessed one of the antecedents, namely, Bonding, in section two of the survey, to serve as an example of the survey structure. A copy of the entire questionnaire can be found in Appendix A.

Second: Contact Person

Questions in the next part might explain your relationship with the contact person.
Please indicate the level of agreement with each statement. Do this by circling one of the five numbers after each statement according to the following scale:

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

Bonding					
A. Me and my contact person at this company always:					
A.1 Rely on each other.	1	2	3	4	5
A.2 Interact on a social basis	1	2	3	4	5
A.3 Try very hard to establish a long term relationship	1	2	3	4	5
A.4 Keep in touch constantly	1	2	3	4	5
A.5 Talk openly as friends	1	2	3	4	5

Figure 6: The Survey Format

3.5.3 Pre-Testing the Questionnaire

Yook and Everett (2003) give the whole purpose of pilot tests as validating the research approach. This validation can apply to the general research design, or the legitimacy and dependability of the research tools. In order for the proposed survey structure and content to establish the dependability of the collected data, the survey was made in a two-stage pilot test, namely with a ‘pre-testing’ technique, to ensure that the participants were able to comprehend the measurement scale used in this investigation. The method is detailed as follows:

1) Stage 1: A selection of researchers who were skilled in survey design studied the structure and content of the proposed survey to confirm that it was comprehensible to its participants. The survey reviewers were requested to give criticism and recommendations where suitable.

2) Stage 2: A pilot study and review were conducted with a focus group of executives and business experts from both the Khalifa Fund and the Abu Dhabi Chambers of Commerce and Industry (ADCCI) to discuss the selected instruments.

3) Stage 3: Five random participants were requested to complete the survey and provide feedback on its wording, sequencing and ease of completion.

4) The survey was distributed in both Arabic and English, after the questionnaire had been translated into Arabic and then back-translated to English

Yook and Everett (2003) state that the product of the pilot test permits minor alterations to the current measurement scales in order to certify their efficiency for use with the participants. At this point, the clearness of the directions could be measured, and the current measurement scale could receive additions, deletions or adjustments, to fit the Abu Dhabi context better.

The result of the pre-testing procedure required a minor alteration and adjustment of the current scales of measurement. The wording was amplified and the sequencing of the questions was changed after five participants had completed the survey and critically commented on their survey questions. Several requests were made regarding the cover letter of the survey leading to additional explanation of the research. Additional adjustments were made to ensure that the researcher’s requests to the participants were distinctly communicated. As noted above, the survey, originally written in English, was translated into Arabic by a professional translator to ensure the exact correspondence of the native language.

3.5.4 Mode of Distribution

In this research study, the intended participant population was a typical sample of local customers of SBEs. Stover and Stone (1974) assert that survey distribution techniques permit the researcher to gain a large range of selected participants effortlessly. The method of personal distribution, also known as Drop-off and Pick-up

(DOPU) has been confirmed as a better way to improve response rates than other distribution channels such as mail delivery and email (Stover & Stone, 1974). Lovelock, Stiff, Cullwick, and Kaufman (1976) suggested that using DOPU methods gives a better prospect of meeting survey respondents in person and a few studies have discovered that the response rate of return with DOPU can rise to 93%.

With authorization granted from UAEU and ADCCI to conduct an academic questionnaire, the research implemented the DOPU method for the distribution of the survey in a hardcopy format among the targeted participants. A simple random sample along with an independent survey technique was applied when allocating surveys to locations of various industry SBEs in Abu Dhabi, e.g. Retail, IT, Electronics and Communications, Real Estate, Industrial, Tourism, Health, and Media and Entertainment. A Stratified random sampling method means that every member of the population has a fair probability of selection.

3.6 Data Collection and Analysis Tools

3.6.1 Research Sample

The sample size is the number of volunteers taking part in the research study. The study becomes more efficient as the number of participants increases. According to Chow, Shao, Wang, and Lokhnygina (2017), the risk of incidentally obtaining an extreme or biased group is reduced by increasing the number of participants. Chow et al. (2017) also claim that sample size can play a substantial part in guaranteeing the quality of a statistical study. This is particularly true when researchers are concerned with defining the relationship between variables and identify the pragmatic result of the testing hypothesis as statistically determined.

To ensure the generalizability and representativeness of the selected sample of the study, a stratified sampling method and then a random sample was carried out. This ensured that the research was sampling SBEs from different industries as listed above. The SBEs listed in Abu Dhabi were initially to be identified using records from the Khalifa Fund, the Abu Dhabi Chambers of Commerce and Industry (ADCCI) and the Abu Dhabi Department of Economic Development (ADDED). However, as it turned out, there was no confirmed list of SBEs from the ADCCI or the ADDED, due to the lack of clarity or definition of which companies should be categorized as SBE or SME, etc. Both the ADDED and the ADCCI claimed that work was in progress to agree on the definition of SBEs and SMEs. Therefore, the list of SBEs came mostly from, but was not limited to, the Khalifa Fund as the most reliable source, limited to funding SBEs and SMEs. This was expected generate and frame the population of this research, with the unit of the analysis be customers of SBEs in Abu Dhabi, as noted above. The research considered a sample of 419 units.

This particular sample size was chosen to enhance the sample confidence by reducing the chance of sampling error. The ability to generalize the results of a research study depends on the characteristics of the participants. Therefore, it was hoped that a representative selection of local customers of SBEs would form the population for this study.

3.6.2 Data Gathering

The nominated means of distribution was established as appropriate through the survey pre-testing and was able to ensure a high response rate. The printed surveys were distributed to different SBEs and SMEs and 419 individuals surveys were collected from various locations according to the DOPU approach.

The period in which surveys were collected was approximately three months in view of the various locations and permeation needed for each location. An Excel sheet was developed on which to store the responses as the data were collected, to maintain the efficiency of the data collection and storage, and mainly to prepare the survey data for additional analysis.

3.7 Ethical Considerations

Following the discussion of complete sampling, data gathering and analysis, and the data verification measures used in this study, this particular section discusses the ethical matters involved in this research study. Levitt et al. (2017) confirm that all quantitative researchers in social research should give earnest consideration to ethical matters, principally because quantitative research tends to have its individual problems. Any failure to appropriately contemplate ethical issues leaves open the clear possibility of harming participants and infringing their human rights.

Therefore, the following summary of ethical issues related to this research was considered in this study:

1) Rights of participants: The research protects the legal rights of the social community affiliates being studied, avoiding unwarranted invasion, gaining informed agreement (by every participant's signing a consent form) and defending individual and social group privacy rights. Additionally, Renzetti and Lee (1993) stated that, study discussions provide researchers with ample chances to involve participants expressively in sensitive matters. Hence, sensitive matters such as bribery and exploitation in Guanxi are not presented in discussions unnecessarily.

2) Ethical Conduct of Research: In order to broaden the opportunity of social research and preserve the security of the research method, research questions and schedule are outlined empirically. According to Jowell (1986), the main objective is to guarantee that the manner, organization and administration of research are outlined as consistent with ethical values, distinguishing the boundaries of capability for every researcher. Additionally, the mutuality of research is acutely observed, treating researcher and participants equally, researchers have a tendency to have a further personal relationship with participants (Ponterotto & Grieger, 2007) Therefore, promises that are made to research participants should at all times be kept; promises can include copies of the report or a free meal.
3) Sensitivity to social and cultural differences: It is important to be sensitive and mindful of cultural and social variances, such as language, principles and conduct, and to contemplate differing interests. For this reason, the survey questions were translated from English to Arabic and vice versa, so as to preserve the equivalence of the translation.
4) Reporting the research results: The research findings were entirely, widely and accurately reported, including complete data on the procedures implemented. According to Taylor (2003), doing so permits the work to be evaluated by the supervisor and improves the public assurance that the research work is trustworthy.

It is crucial to consider all the relevant ethical aspects when conducting any form of research. Several ethical aspects such as rights, values, principles and beliefs, should be studied in detail when conducting a research study.

3.7.1 Data Analysis

Levitt et al. (2017) state that quantitative data study encompasses a comprehensive understanding of statistics and figures, seeking to determine the patterns and relationships surrounding key findings with the aim of attaining the objectives of a research study. A quantitative data study leading to a descriptive and inferential statistical analysis is given in Chapters 4 and 5, below. Descriptive data analysis provides a review of the important characteristics of data through techniques of central inclination, such as mean and mode, distribution, skewness, and dispersion, variance and standard deviation. Inferential data analysis, for its part, assesses the capacity of the data to infer a relationship between two or more variables.

In order to guarantee their accuracy and inclusiveness, data screening was also applied in the statistical study, which used the Statistical Package for Social Sciences (SPSS) software. This was followed by evaluating the consistency and validity of the measures to guarantee normality. Structural equation modelling (SEM) was used to study the relationship between the variables, this was because there were a great many hidden, measured variables and the model was of high complexity. Primarily, the measurement model was validated by checking the cogency and consistency of the variables. In order to evaluate the model structure, a software program, namely, smart partial least squares (Smarts) was used, Smarts was also used to test the relationship between the carefully chosen variables.

3.7.2 Voluntary Participation and No Harm to Participants

Voluntary participation denotes the participant’s choice whether or not to participate in the research study. If the participant has chosen not to proceed, this will not result in any loss of the benefits they were eligible for.

The purpose and intent along with an overall description of the nature of the research study were provided to all participants. Participants' consent was mandatory to begin with, to guarantee that the research study conformed to UAE University standards; this was detailed in the cover letter distributed with the survey. To guarantee that participants took part entirely of their own accord, the survey included the statement 'I agree to voluntarily participate in the study' that indicates the participant's voluntary consent.

It is also ethically important to ensure that the participants were not in a situation where they risked being harmed physically or mentally as a consequence of their involvement. In this research, participants completed the survey at their ease without being exposed to peer pressure or any other form of pressure.

3.7.3 Anonymity and Confidentiality

Another important aspect of ethical considerations is to ensure confidentiality and anonymity in the participants' surveys. To ensure participants' data remained anonymous, the participants' names had to be omitted. Nevertheless, more action should be taken to protect the participants' identity. Information such as gender, age, job role and monthly income can help differentiate an individual. It becomes easier to classify an individual when additional aspects of their personal information are presented. According to Benson (2013), location data along with the company name can give away a person's identify fairly quickly. It is vital to consider all possible precautions to protect and ensure an acceptable level of anonymity.

According to Benson (2013), researchers should be transparent regarding the privacy of the information confided to them and the way in which these data will be respected. For the present study, the participants completed several questions related to individual opinion regarding their personal relationship to business owners. For this reason, various measures were put in place to ensure confidentiality in all the stages of the research process. At no point were the participants' identities revealed in any circumstances and the surveys have remained anonymous to justify the truthful, fair responses. The measures employed were as follows:

1) Information such as full names, address, numbers and email addresses were not required in the survey as these features are classified as sources of data.
2) Participants delivered the surveys in person.
3) Hardcopies of all the survey data gathered were safely stowed in a protected site. The digital collection sheet was situated in a specific folder in the personal laptop of the researcher and both data sources were and remain exclusively available to the researcher.
4) The survey data gathered were correctly studied to ensure that the findings were cleared.

3.7.4 Avoiding Deception

Erat (2013) argues that deception results from researchers giving incorrect or insufficient material to participants in order to misinform them regarding the nature of the research. To tackle this, a letter was also distributed with each survey to describe to the participant the nature of the research, which was under the administration of the UAE University. This letter covers the purpose and objective of the research study, the motives for data gathering and the forthcoming use of this data.

Participants could choose whether to give an email addresses upon completing the survey if they wanted to receive a copy of the research report, including a summary of the results. Solely collective data, not individual data, will be revealed in the research study, ensuring the confidentiality of each participant's data.

3.7.5 Providing the Right to Withdraw

The participants were informed as they received the questionnaire that they had the right to stop taking part in the research at any point. No participant who decided to withdraw at any point during the research process would be forced or pressured in any way.

3.7.6 Data Analysis and Reporting

For every piece of social research, the eventual purpose is to examine the data and deliver an unbiased and impartial report on them. Any changes made to the data gathered should be reported by giving particulars and the reasons for these changes. Additionally, researchers have an ethical responsibility to make accurate observations and not apply their own expectations or serve any specific interest in conducting the data analysis. This research study also addressed he question of restrictions and unforeseen results, and undertook to explain the reasons for any discrepancies in results to serve as a reference for future research studies.

3.7.7 Ethical Approval

To summarize, while numerous ethical issues were presented in this research study, these concerns were overcome by the researcher's deliberate precautions. Furthermore, the UAE University Guidelines for investigating social research directed this research study. Before data gathering began, the Social Sciences Research Ethics Committee gave ethical clearance. This committee's ethics approval is copied and shown as Appendix B.

3.8 Chapter Summary

The research study adopted a quantitative method approach concerned with the measurement of variables, associated with the ‘scientific’ positivist paradigm and deductive approach. This approach draws mainly on existing theory and tests it empirically while using the literature to build up the variables and the relationship model, in which a survey was designed and pre-tested for efficiency and to ensure a high response rate. Surveys were distributed according to the DOPU approach to various individuals at different SBEs in Abu Dhabi, and a random sample and independent survey technique were implemented. Survey responses were gathered for further analysis and the findings compared with the hypotheses developed in the literature review chapter.

Chapter 4: Purification of Descriptive and Measures Analysis

4.1 Introduction

This chapter describes the data screening and preparation to ensure the quality of the responses and their subsequent use in the statistical analysis. First, the descriptive analysis of the data provides some qualitative insights with which to investigate, describe and discuss the data obtained in terms of their value and contribution to the aims of the research. Second, the data screening included checking for accuracy, missing data analysis, the presence of outliers, verification of the distribution assumptions and testing of common method bias to ensure that the data was accurate, complete and suitable for multivariate statistical analysis. Finally, the validity of the measures was considered and factor analysis was used to examine it. The results of the statistical analysis are used for further analysis in Chapter 5 for hypothesis testing and to interpret the findings in the context of the research aims.

It should be noted that this chapter (Chapter 4) and the following one are devoted specifically to presenting the statistical analysis outcomes. Chapter discusses the findings and implications of Chapters 4 and 5 in the context of the previous literature reviewed in Chapter 2. To sum up, these two chapters (Chapters 4 and 5) are restricted to the presentation and analysis of the collected data and seek no general conclusions nor compare results to those of other researchers. The conclusion and recommendations of these results are discussed in the final chapter (Chapter 6).

4.2 Data Screening

The data screening included treating cases of missing data, outliers, checking for accuracy, verification of the distribution assumptions and testing of common method bias to ensure that the data were accurate, complete and suitable for further statistical analysis. Cleaning the data once they are collected is a crucial step before starting the analysis (Tabachnick & Fidell, 2007). The first step in preparing the data for analysis in the present study was the process of data editing, coding and entry in SPSS. First, the data were reviewed for any errors and omissions, to guarantee that it met the accepted quality standards. Next, the study constructs were coded in a format suitable for the statistical Package for the Social Sciences (SPSS), version 25. Each construct was given a unique label. This step helped to set up the computer software that would analyze the data. Then SPSS was used to enter the data automatically as it was exported from the manually created Excel sheet.

4.2.1 Missing Data

Missing data are a common problem in data analysis. The effect of the missing data depends on their pattern, amount and why they are missing (Tabachnick & Fidell, 2007). There are many options for handling missing data. The data may not be modified but left alone, especially if the missing values are small and non-random; or the missing values may be replaced. The third option is to delete the responses affected. This is the recommended option if the sample size is large and/or when the respondents have not answered all the questions in the survey. The deletion of variables with missing data is also recommended if these variables are not critical to the study (Tabachnick & Fidell, 2007). In the present study, the 419 collected responses were checked and cleaned. There were 15 cases with many incomplete scale answers, while 4 cases had complete scale answers but incomplete demographic responses. The fully answered surveys with complete sets of demographic and scale answers numbered 400.

4.2.2 Outliers

Outliers are survey responses with unusually high or low values that make them distinctly different from other responses for the same variable (univariate outliers) (Tabachnick & Fidell, 2007). They may also represent a unique combination of several responses that stand out from other responses across multiple variables, as occurs in multivariate analysis (multivariate outliers). Outliers can distort the results of a statistical analysis by increasing error variance, reducing the power of statistical tests and biasing estimates of substantive interest (Osborne & Overbay, 2004). There are two types of outlier, "univariate" and "multivariate". Univariate outliers represent cases with an extreme value in one variable, while multivariate outliers are cases with strange combinations of scores on two or more variables (Tabachnick & Fidell, 2007) Once the outliers are identified, there are many possible ways of dealing with them. One option is deletion. If there are few outliers, those with missing values may simply be deleted. Moreover, the variable may be deleted if the question is not well worded or many outliers are found in this variable. As well as deletion, the value might be changed to the next highest/lowest non-outlier number. Transformation of the entire variable is also available as another way of dealing with outliers (Tabachnick & Fidell, 2007).

To check for the presence of univariate outliers in the data set, all the variables were first converted to standardized z-scores using the SPSS. For large datasets (N>80), Tabachnick and Fidell (2007) define potential univariate outliers as those data points with absolute z-score values in excess of 3.29. Adopting this rule, the standardized variables were examined and it was found that none exceeded the cut-off point of 3,29 (F. Hair Jr, Sarstedt, Hopkins, & G. Kuppelwieser, 2014).

To assess the presence of multivariate outliers, an analysis of the Mahalanobis distance was undertaken using AMOS to identify any multivariate outliers in the data. The Mahalanobis distance is a metric for estimating how far each case is from the center of all the distributions of the variables (i.e. the centroid in multivariate space) (Mahalanobis, 1927). The Mahalanobis distance test identified 4 cases in the present study that had an outlier.

Table 15: Multivariate Outliers Test Results (Mahalanobis Distance Method)

Observation number	Mahalanobis d-squared	P
47	36.328	.000
101	34.346	.000
343	33.041	.000
140	31.779	.000
253	28.635	.001
277	27.676	.002
177	27.330	.002
241	26.702	.003
117	26.534	.003
396	26.294	.003
282	25.975	.004
152	25.487	.004
129	23.902	.008
149	22.995	.011
184	22.869	.011
203	22.737	.012
170	22.684	.012
281	22.520	.013
189	22.331	.014
148	22.038	.015
122	22.026	.015
173	21.933	.015
287	21.803	.016
290	21.596	.017

The Mahalanobis distance was compared with the Chi-Square distribution with degrees of freedom equal to the number of independent variables at a significance level of $p<0.001$. In total, four cases (47, 101, 140 and 343) were found to have multivariate outliers (see Table 15). All four cases were removed to avoid bias in the subsequent statistical analysis.

4.2.3 Normality

The normality assumption refers to the bell-shape of the data distribution graph for each variable. A skewness-kurtosis approach was adopted to test univariate normality for each variable (Byrne, 2016; Kline, 2005). Using SPSS 23.0, the statistical values of skew-ness and kurtosis were tested and their levels found. As reported in Table 16, all the values given supported the normality of univariate distribution because all the values of skewness were recognized to be below their cut-off point of 3 and in addition all the values of kurtosis were found to be not more than 8 (Kline, 2005; West, Finch, & Curran, 1995).

Table 16: Partial Display of Normality Test Results for all Variables

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
Item	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
A1	396	1.00	5.00	3.5177	1.11931	-.643	.123	-.221	.245
A2	396	1.00	5.00	3.6439	1.04433	-.735	.123	.094	.245
A3	396	1.00	5.00	3.6742	1.15504	-.697	.123	-.281	.245
A4	396	1.00	5.00	3.6288	1.07965	-.590	.123	-.175	.245
A5	396	1.00	5.00	3.8030	1.12355	-.801	.123	-.027	.245
B1	396	1.00	5.00	3.7633	.97985	-.616	.123	.089	.245
B2	396	1.00	5.00	3.7525	1.01351	-.662	.123	.045	.245
B3	396	1.00	5.00	3.8131	1.02151	-.836	.123	.361	.245
B4	396	1.00	5.00	3.9040	1.01427	-.875	.123	.411	.245
C1	396	1.00	5.00	3.6667	1.09313	-.665	.123	-.119	.245
C2	396	1.00	5.00	3.6439	1.10327	-.715	.123	-.058	.245
C3	396	1.00	5.00	3.7374	1.04420	-.879	.123	.472	.245
C4	396	1.00	5.00	3.7146	1.07298	-.747	.123	.081	.245
D1	396	1.00	5.00	4.0667	.91303	-.990	.123	.845	.245
D2	396	1.00	5.00	4.0303	.94083	-.940	.123	.682	.245
D3	396	1.00	5.00	4.0530	.97291	-.919	.123	.337	.245
D4	396	1.00	5.00	4.0278	.94225	-.895	.123	.493	.245
D5	396	1.00	5.00	3.9823	.93711	-.818	.123	.389	.245
E1	396	1.00	5.00	3.6035	1.00726	-.652	.123	.054	.245
E2	396	1.00	5.00	3.7424	.97270	-.759	.123	.465	.245
E3	396	1.00	5.00	3.6338	1.01621	-.542	.123	-.125	.245
E4	396	1.00	5.00	3.8106	1.01232	-.835	.123	.417	.245
F1	396	1.00	5.00	3.8449	1.03835	-.853	.123	.281	.245
F2	396	1.00	5.00	3.8157	1.06918	-.764	.123	-.013	.245
F3	396	1.00	5.00	3.6970	1.15357	-.642	.123	-.422	.245
F4	396	1.00	5.00	3.8030	1.09387	-.758	.123	-.074	.245
F5	396	1.00	5.00	3.9040	1.07250	-.872	.123	.160	.245
G1	396	1.00	5.00	3.8283	1.03401	-.839	.123	.243	.245
G2	396	1.00	5.00	3.8030	.98936	-.795	.123	.392	.245
G3	396	1.00	5.00	3.7778	1.01438	-.816	.123	.345	.245
G4	396	1.00	5.00	3.8788	.99133	-.993	.123	.925	.245
G5	396	1.00	5.00	3.8106	1.05638	-.768	.123	.011	.245
Valid N (listwise)	395								

F. Hair Jr et al. (2014) suggest that the combined use of skewness and kurtosis coefficients and the Shapiro-Wilk Test provides the most powerful approach to detecting departures from univariate normality. The Shapiro-Wilk Test checks the null hypothesis that data distribution is normal. The results are shown in Table 17.

Table 17: Partial Display of Normality Test Results for all Indicators

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
A1	.250	396	.000	.880	396	.000
A2	.272	396	.000	.868	396	.000
A3	.240	396	.000	.870	396	.000
A4	.225	396	.000	.884	396	.000
A5	.231	396	.000	.855	396	.000
B1	.181	396	.000	.901	396	.000
B2	.243	396	.000	.873	396	.000
B3	.264	396	.000	.855	396	.000
B4	.250	396	.000	.847	396	.000
C1	.236	396	.000	.877	396	.000
C2	.250	396	.000	.873	396	.000
C3	.274	396	.000	.853	396	.000
C4	.249	396	.000	.868	396	.000
D1	.208	396	.000	.852	396	.000
D2	.250	396	.000	.830	396	.000
D3	.233	396	.000	.825	396	.000
D4	.246	396	.000	.833	396	.000
D5	.247	396	.000	.843	396	.000

a. Lilliefors Significance Correction

The results of the tests were statistically significant, indicating that the distribution of every item deviated from normal. However, the previous literature reports that, for large samples, normality tests may yield significant results even in cases of a small deviation from normality (Field, 2013).

Furthermore, as shown in Table 15, a review of the skewness and kurtosis values shows that all the indicators have skewness and kurtosis values that are below their cut-off point of 3 and that all the values of kurtosis were found to be not more than 8 (Kline, 2005; West et al., 1995).

4.2.4 Common Method Bias

To ensure a lack of a common method bias, procedural controls (Podsakoff, 2003) were used: the use of back translation to improve comprehension (Podsakoff, 2003) and assurance to participants that their responses would be kept confidential (Fugate, Stank, & Mentzer, 2009). The adoption of some survey items from previous research to ensure quality scales (Lindell & Whitney, 2001). Common method bias is a variance that occurs because of the measurement method used, not because of the construct of interest. It is considered one source of systematic measurement error, yielding conclusions from empirical results that are misleading about the relationship between the measures of the different constructs (Campbell & Fiske, 1959; Podsakoff, 2003). Common method bias can be attributed to many factors such as "*having a common rater* (i.e. obtaining the independent and dependent variables from the same rater or collecting them all according to the same method*), a common measurement context, a common item context, or ... the characteristics of the items themselves"* (Podsakoff, 2003).

To check for potential common method variance, Herman's Single-Factor Test was run. The program extracted one factor to check whether a single factor may account for than 50% of the variance. The results, shown in Table 18, indicate that a single factor may account for only 47.782% of the variance, which is below the accepted threshold of 50% (Malhotra, Kim, & Patil, 2006). This confirmed that the survey responses were free from significant common method bias and that it was acceptable to proceed with the model analysis.

Table 18: Results of Herman's Single-Factor Test for Common Method Bias

Total Variance Explained

	Initial Eigenvalues			Extraction Sums of Squared Loadings		
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	20.546	47.782	47.782	20.546	47.782	47.782
2	4.514	10.498	58.280			
3	1.976	4.595	62.875			
4	1.878	4.369	67.244			
5	1.507	3.504	70.747			
6	1.341	3.120	73.867			
7	1.252	2.912	76.779			
8	1.138	2.647	79.425			
9	1.114	2.591	82.017			
10	1.028	2.390	84.406			

Extraction Method: Principal Component Analysis.

4.2.5 Non-Response Biases

Careful non-response analyses were applied to ensure the absence of non-response biases. The data set was split into two sections on the basis of reply time: 200 from the early waves of return and 200 from the late waves of return (Table 19). The mean scores of the data groups were compared using t-tests. The results yielded no differences among the questionnaire indicators, which reflects the validity of this study (Tan, 2001). These tests show that non-response bias was not a problem in this study.

Table 19 : Results of the Homogeneity of Variance for Non-Response Biases

	TIME	N	Mean	Std. Deviation	Std. Error Mean
BON	Early	200	3.7120	1.03848	.07343
	Late	196	3.5939	.84511	.06037
PTST	Early	200	3.8375	.96475	.06822
	Late	196	3.7784	.85108	.06079
RECP	Early	200	3.5850	1.14426	.08091
	Late	196	3.7500	1.03466	.07390
EMP	Early	200	3.9678	.98770	.06984
	Late	196	4.0976	.72127	.05152
FAC	Early	200	3.7013	.97316	.06881
	Late	196	3.6939	.84355	.06025
AFF	Early	200	3.7602	1.12665	.07967
	Late	196	3.8667	.85027	.06073
OTST	Early	200	3.7060	1.09304	.07729
	Late	196	3.9357	.71737	.05124
GUAN	Early	200	3.9417	1.06171	.07507
	Late	196	3.5986	.86193	.06157
CSAT	Early	200	4.1050	1.12659	.07966
	Late	196	3.8707	.75051	.05361
CRET	Early	200	3.6460	1.10180	.07791
	Late	196	3.7316	.67453	.04818

The previous section covered the screening of the survey data before statistical analysis. A total of 396 surveys was received from the participants. Overall, the data were found to be of good quality, since the measurements were in the expected range set by a 5-item Likert scale. However, four surveys were eliminated because they reflected outliers.

4.3 Descriptive Analysis

This section presents general information about the participants. The objective is to provide a brief account of the profile of the study sample. Frequency analysis was used to distribute the participants according to the following characteristics:

- Age

- Gender
- Qualification
- Customer Type
- Base of Relationship
- Relationship Length
- Industry Type

4.3.1 Age

The first descriptive analysis began with the age of the respondents. Nearly half of them [59.1%] were between 21 and 40 years old, 19.2% of the respondents were aged between 41 and 50 years old, 10.1% were more than 50 years old, and 11.6% respondents [46 respondents] were 20 years old or younger. Table 20 summarizes the distribution of sample by age.

Table 20 : Age of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20 Years or below	46	11.6	11.6	11.6
	21-30 Years	103	26.0	26.0	37.6
	31-40 Years	131	33.1	33.1	70.7
	41-50 Years	76	19.2	19.2	89.9
	Above 50 Years	40	10.1	10.1	100.0
	Total	396	100.0	100.0	

4.3.2 Gender

Table 21 shows that nearly the same number of replies were collected from females (50.5%) and males (49.5%). This indicates a balance between the genders in the sample.

Table 21: Gender of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	200	50.5	50.5	50.5
	Female	196	49.5	49.5	100.0
	Total	396	100.0	100.0	

4.3.3 Qualifications

Table 22 shows that more than half of the participants (55.8%) had earned either a bachelor's degree (28.5%) or a diploma (27.3%). Approximately 20.7% of the survey participants (82 participants) had earned a postgraduate degree. 15.9% of the survey participants (30 participants) had earned a secondary degree. Only a few participants had received an intermediate degree (7.6%).

Table 22 : Respondents by Level of Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Intermediate	30	7.6	7.6	7.6
	Secondary	63	15.9	15.9	23.5
	Diploma	108	27.3	27.3	50.8
	Bachelor	113	28.5	28.5	79.3
	Postgraduate	82	20.7	20.7	100.0
	Total	396	100.0	100.0	

4.3.4 Customer Type

With respect to the customer type (Table 23), most of the respondents were individual customers (68.7%). 124 were business customers (31.3%). This is normal, since most of the UAE's SBEs are in the Business-to-Customer sector.

Table 23 : Respondents by Customer Type

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Individual Customer	272	68.7	68.7	68.7
	Business Customer	124	31.3	31.3	100.0
	Total	396	100.0	100.0	

4.3.5 Respondents by Relationship Base

In terms of the relationship base, Table 24 shows that 34.8% of the respondents were friends with the business owner (138), 20.5% of the participants were family members (81 participants), followed by colleagues of the owner (13.1%). 12.1% of the respondents were living in the same area as the business owners. 46 respondents were members of the business owners' social club. Only 31 respondents were former classmates of the business owners (31 respondents).

Table 24 : Respondents by Relationship Base

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Family	81	20.5	20.5	20.5
	Friend	138	34.8	34.8	55.3
	Locality	48	12.1	12.1	67.4
	Social Club	46	11.6	11.6	79.0
	Colleague	52	13.1	13.1	92.2
	Former Classmate	31	7.8	7.8	100.0
	Total	396	100.0	100.0	

4.3.6 Respondents by Relationship Length

In terms of relationship duration, Table 25 shows that most of the respondents (65.9%) had had a relationship with the business owner for at least 10 years (261 respondents). 66 respondents had had a relationship with the business owner for 11-15 years (16.7%). 51 respondents had had a relationship with the business owner for 16-

20 years (12.9%). Only 18 respondents had had a relationship with the business owner for more than 20 years (4.5%).

Table 25: Respondents by Duration of the Relationship

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 5 Years	116	29.3	29.3	29.3
	5-10 Years	145	36.6	36.6	65.9
	11-15 Years	66	16.7	16.7	82.6
	16-20 Years	51	12.9	12.9	95.5
	More than 20 Years	18	4.5	4.5	100.0
	Total	396	100.0	100.0	

4.3.7 Industry Type

The target population included SBEs from different industries. The type of industry type for each participant is shown in Table 26, 66 of the respondents were retail sector customers (approximately 17%), while around 19% of the sample were electronics and communications sector customers. The real estate sector was represented by 61 customers (approximately 16%). Similarly, 61 of the respondents were industrial sector customers (approximately 16%). Furthermore, 66 of the respondents were tourism sector customers (approximately 16%). Finally, 43 of the respondents were health sector customers (approximately 11%), while only a few (7.6%) of the sample were media and entertainment sector customers. This distribution reflects the diversity in the sample and, apart from the media and entertainment sector, the fact that more or less equal numbers of customers came from the different sectors. This ensured that the sample represented the research population adequately.

Table 26: Customers by Industry Type

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Retail	66	16.7	16.7	16.7
	Electronics and Communications	74	18.7	18.7	35.4
	Real Estate	61	15.4	15.4	50.8
	Industrial	62	15.7	15.7	66.4
	Tourism	60	15.2	15.2	81.6
	Health	43	10.9	10.9	92.4
	Media and Entertainment	30	7.6	7.6	100.0
	Total	396	100.0	100.0	

4.4 Reliability Analysis

After the entry, recording, cleaning and checking processes had been completed, all the constructs were purified by assessing their reliability and validity. There are a number of reasons for emphasizing the reliability and validity of measurements. First, a reliable and valid measuring instrument improves the methodological rigor of the research. Second, it allows a co-operative research effort and provides support for the triangulation of results. Third, it presents a more significant interpretation of the problems that are being investigated (F. Hair Jr et al., 2014).

In the present research, reliability was assessed using item-to-total correlation. The aim was to delete indicators that had low correlation unless they represented an additional domain of interest. This practice is considered the most common among researchers for ensuring the reliability of a multi-item scale (May, 1997). The aim of the item-to-total correlation assessment is to assess the relationship of a particular indicator to the rest of the indicators in the same construct. The process helps to guarantee that the indicators building up the construct share a common core (May, 1997). In this purification process, each item to be kept for further analysis should have an item-to-total correlation score of 0.30 or above, enough to be considered highly reliable (Cooper & Emory, 1995).

Additionally, the estimation of reliability was also made on the basis of the average correlation among the items in a dimension, which is a matter of "internal consistency" (Nunally, 1978). The basic formula for deciding reliability on the basis of this internal consistency is called the coefficient alpha (Cronbach's Alpha). This technique has proved to be a good estimate of reliability in most research situations. Nunally (1978) suggests that a reliability of 0.60 is generally sufficient.

The following section reports the results of the reliability analyses which were conducted for all the measuring instruments in the questionnaire, namely, Bonding, Empathy, Reciprocity, Personal Trust, Face, Affection, Personal Relationship (Guanxi), Organizational Relationship, Customer Satisfaction and Customer Retention. Computing the item-to-total correlation and also testing with the coefficient alpha constitutes the process of analyzing reliability. Item-to-total correlation and the Cronbach Alpha coefficient are observed to be very popular in the field of social science research (Fershtman & Muller, 1986).

All the items were found to have a high item-to-total correlation, above the acceptable level of 0.30. Only one item from the personal relationship (Guanxi) and one item from customer satisfaction were below 0.30 and they were removed from further analysis. As shown in the last column of Table 27, the reliability coefficients ranged from 0.925 to 0.959 which were significantly higher than the acceptable level of 0.60 (Nunally, 1978). These results confirmed that reliable scales had been used. This study calculated the reliability for every single variable. Table 26 shows the reliability coefficient and item-total correlations for all the study constructs.

Table 27: Reliability Analysis for the Research Variables

Item Code	Item	Item-total correlation	Cronbach's Alpha
A	**Bonding**		**0.911**
A.1	Rely on each other.	.743	
A.2	Interact on a social basis	.799	
A.3	Try very hard to establish a long term relationship	.758	
A.4	Keep in touch constantly	.807	
A.5	Talk openly as friends	.764	
	Empathy		**0.956**
B.1	Understand each other's viewpoint.	.905	
B.2	Understand each other's needs.	.879	
B.3	Show sympathy when each other has problems.	.884	
B.4	Provide support when each other has problems.	.872	
	Reciprocity		**0.953**
C.1	The practice of "give and take" of favors is a key part	.880	
C.2	"Calling in" favors is part of social interaction	.893	
C.3	The favors we do for each other have built good relationships	.895	
C.4	We feel a sense of obligation for doing each other favors	.873	
	Personal Trust		**0.925**
D.1	Is trustworthy	.867	
D.2	Is always honest	.804	
D.3	Is dependable	.811	
D.4	Fulfills his/her promises	.818	
D.5	Does not make any false claims	.867	
	Face		**0.929**
E.1	Pay a lot of attention to how others see us	.822	
E.2	Believe the more respect we receive, the more 'face' we have	.858	
E.3	Feel a 'loss of face' when others turn down our favors	.822	
E.4	Take care not to make each other feel uncomfortable in any situation	.834	
	Affection		**0.956**
F.1	Like each other	.902	
F.2	Enjoy meeting each other in a relaxed environment (e.g. dining out)	.874	

Table 27: Reliability Analysis for the Research Variables (Continued)

Item Code	**Item**	**Item-total correlation**	**Cronbach's Alpha**
F.3	Present gifts to each other (do not have to be expensive)	.814	
F.4	Enjoy communicating with each other	.884	
F.5	Enjoy helping each other	.903	
	Guanxi Relationship		**0.959**
G.1	Doing business includes knowing the right people	.916	
G.2	Returning favor for favor is part of conducting business.	.911	
G.3	Maintaining a good relationship is the best way to enhance relationships.	.910	
	Organizational Trust		**0.953**
H.1	Can be trusted	.868	
H.2	Treats me honestly	.892	
H.3	Provides reliable promises	.884	
H.4	Is consistent in providing quality products and/or services	.857	
H.5	Carries out what the contact person promises	.839	
	Customer Satisfaction		**0.936**
I.1	My choice to book this company was a wise one.	.856	
I.2	I did the right thing when I started dealing with this company.	.888	
I.3	This experience is exactly what I needed.	.856	
	Customer Retention		**0.947**
J.1	I intend to re-purchase from this company in future.	.850	
J.2	I will continue to purchase from this company	.875	
J.3	I recommend this company to all my social network (friends, colleagues and relatives)	.864	
J.4	I expect my relationship with this company to last a long time	.883	
J.5	I usually pay less attention to the competitors' offers	.805	

4.5 Validity Analysis

This section reports the test of measured validity and scale development for the variables included in this study. A sequence of steps was followed through the scale development process. It involved the use of exploratory factor analysis. This type of procedure was undertaken to monitor the reliability and validity of the data.

4.5.1 Personal Relationship (Guanxi) Antecedents

On the basis of the literature review, six factors were identified as antecedents of the formation of a personal-type relationship (Guanxi). These factors are Bonding, Empathy, Reciprocity, Personal Trust, Face and Affection. To validate the constructs, all these items were submitted to factor analysis. The results of the factor analysis are reported below.

Specific requirements need to be met before factor analysis can be successfully carried out. One of the important requirements is to measure the variables by using interval scales. Using a 5-item Likert scale in the survey questionnaire fulfilled this requirement. A number of reasons support this use of Likert scales. First, they communicate interval properties to the respondent, and therefore produce data that can be assumed to be interval scaled (Decamp et al., 1989; Schertzer & Kernan, 1985). Second, in the tourism literature Likert scales are almost always treated as interval scales (see for example (Eid, 2015; Eid & El-Gohary, 2015; Eid & Elbanna, 2018)).

Another important condition is that the sample size should be more than 100 since factor analysis cannot generally be used on fewer than 50 observations (F. Hair Jr et al., 2014). This requirement was met by the 396 responses considered in the present research. The results of the factor analysis tests are briefly discussed below.

4.5.1.1 Bartlett's Test of Sphericity

The 27 items representing the six predictors (antecedents) of the personal-type relationship (Guanxi) were submitted to the factor analysis. The Exploratory Factor Analysis (EFA) yielded a six-factor solution that accounted for 82.889% of the variance extracted. The result for Bartlett's Test of Sphericity (BTS) was high, 11276.576, and the associated significance value was very small (p=0.00). This shows that the data were appropriate for factor analysis (Snedecor & Cochran, 1989a).

4.5.1.2 Kaiser-Meyer-Olkin Measure of Sampling Adequacy

The Kaiser-Meyer-Olkin (KMO) Measurement of Sample Adequacy (MSA) gives the computed KMO as 0.958, which is adequate, and above the acceptable level (Snedecor & Cochran, 1989a) (see Table 28).

Table 28: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.958
Bartlett's Test of Sphericity	Approx. Chi-Square	11276.576
	Df	351
	Sig.	.000

As the above requirements were met, it could be concluded that factor analysis was appropriate for this data set, allowing the procedures for factor analysis to be performed.

4.5.1.3 Results of Principal Component Analysis Extraction Process

The factor extraction results using Principal Component Analysis (PCA) are given in Table 29. It should be noted that an eigenvalue of 1.0 was used as the benchmark in deciding the number of factors (F. Hair Jr et al., 2014).

Table 29: Results of Principal Component Analysis Extraction

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	14.994	55.535	55.535	14.994	55.535	55.535	4.440	16.446	16.446
2	1.936	7.172	62.707	1.936	7.172	62.707	3.911	14.485	30.931
3	1.678	6.214	68.920	1.678	6.214	68.920	3.783	14.010	44.941
4	1.433	5.306	74.226	1.433	5.306	74.226	3.544	13.126	58.068
5	1.236	4.577	78.803	1.236	4.577	78.803	3.470	12.853	70.920
6	1.103	4.086	82.889	1.103	4.086	82.889	3.232	11.969	82.889

Extraction Method: Principal Component Analysis

4.5.1.4 Extraction Method: Principal Component Analysis

An initial (un-rotated) solution identified 27 items and 6 factors with eigenvalues of more than one, accounting for 82.889% of the variance (see Table 29). As Table 30 shows, all 27 items score communalities that range from 0.701 to 0.891. Therefore, it may be concluded that a degree of confidence in the factor solution is justified.

Table 30: Communalities

	Initial	Extraction
A1	1.000	.701
A2	1.000	.773
A3	1.000	.753
A4	1.000	.790
A5	1.000	.722
B1	1.000	.861
B2	1.000	.808
B3	1.000	.794
B4	1.000	.802
C1	1.000	.878
C2	1.000	.889
C3	1.000	.891
C4	1.000	.873
D1	1.000	.884
D2	1.000	.855
D3	1.000	.860
D4	1.000	.846
D5	1.000	.814
E1	1.000	.820
E2	1.000	.865
E3	1.000	.814
E4	1.000	.826
F1	1.000	.887
F2	1.000	.848
F3	1.000	.775
F4	1.000	.866
F5	1.000	.885

Extraction Method: Principal Component Analysis

4.5.1.5 Factor Rotation and Factor Loading

Once the six chosen factors were found to be satisfactory, the loading of all the items in the eight factors was examined. The Varimax technique for rotated component analysis was used with a cut-off point for interpretation of the factors of 0.50 or greater (Snedecor & Cochran, 1989a). The results are summarized in Table 31 below:

Table 31: Rotated Component Matrix[a]

	Component					
	1	2	3	4	5	6
A1			.693			
A2			.764			
A3			.766			
A4			.772			
A5			.644			
B1						.777
B2						.767
B3						.731
B4						.718
C1					.801	
C2					.803	
C3					.804	
C4					.799	
D1	.818					
D2	.817					
D3	.816					
D4	.811					
D5	.803					
E1				.800		
E2				.855		
E3				.819		
E4				.785		
F1		.761				
F2		.749				
F3		.708				
F4		.777				
F5		.750				

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.[a]

a. Rotation converged in 7 iterations.

All the items were loaded on to the factors for which they were designed. The factor loadings were all higher than 0.60 so that each item loaded higher on its associated variable than on any other variable. As suggested by Hair, Anderson, Tatham, and Black (1998a), a factor loading higher than 0.35 is considered statistically significant at an alpha level of 0.05. This is supported by the discriminant validity of the measurement.

4.5.1.6 Factor Naming and Interpretation Process

The interpretation of the six-factor solutions was accomplished by relating them to the theoretical concepts of marketing literature. The six factors are discussed below.

Factor 1 consists of five items and fits very well with ‘Personal Trust’. This factor comprises the following items (1) The contact person at this company is trustworthy, (2) The contact person at this company is always honest, (3) The contact person at this company is dependable, (4) The contact person at this company fulfills his/her promises, and (5) The contact person at this company does not make any false claims. The values are closely grouped, the highest loading being ‘The contact person at this company is trustworthy’ (.818) and the lowest loading “The contact person at this company does not make any false claims” (0.803).

The second factor consists of five items. This factor represents the customers’ opinions regarding ‘Affection’. It covers the following variables (1) Like each other, (2) Enjoy meeting each other in a relaxed environment (e.g. dining out), (3) Present gifts to each other (do not have to be expensive), (4) Enjoy communicating with each other, (5) Enjoy helping each other. The values are closely grouped, the highest loading being “Enjoy communicating with each other” (0.777) and the lowest loading “Present gifts to each other (do not have to be expensive)” (0.708).

The third factor consists of five items. This factor represents customers’ opinions regarding ‘Bonding’. It covers the following variables (1) I and my contact person at this company always rely on each other, (2) I and my contact person at this company always interact on a social basis, (3) I and my contact person at this company always try very hard to establish a long term relationship, (4) I and my contact person at this company always keep in touch constantly, (5) I and my contact person at this company always talk openly as friends. The values are closely grouped the highest loading being “I and my contact person at this company always keep in touch constantly” (0.773) and the lowest loading being “I and my contact person at this company always talk openly as friends” (0.644).

The fourth factor consists of five items. This factor represents customers' opinions regarding ‘Face’. It covers the following items (1) Pay a lot of attention to how others see us, (2) Believe the more respect we receive, the more ‘Face’ we have, (3) Feel a ‘loss of face’ when others turn down our favors and (4) Take care not to make each other feel uncomfortable in any situation. The values are closely grouped, the highest loading being “Believe the more respect we receive, the more ‘Face’ we have” (0.855) and the lowest loading being “Take care not to make each other feel uncomfortable in any situation” (0.785).

The fifth factor consists of four items. This factor represents customers' opinions regarding “Reciprocity”. It covers the following variables (1) The practice of “give and take” of favors is a key part, (2) Calling in favors is part of social interaction, (3) Favors we do for each other have built good relationships and (4) We feel a sense of obligation for doing each other favors. The values are closely grouped, the highest loading being “Favors we do for each other have built good relationships” (0.804) and the lowest loading being “We feel a sense of obligation for doing each other favors” (0.799).

Finally, the sixth factor consists of four items. This factor represents customers' opinions regarding 'Empathy'. It covers the following variables (1) I and my contact person at this company always understand each other's viewpoint, (2) I and my contact person at this company always understand each other's needs, (3) I and my contact person at this company always show sympathy when each other has problems and (4) I and my contact person at this company always provide support when each other has problems. The values are closely grouped with the highest loading being "I and my contact person at this company always understand each other's viewpoint" (0.777) and the lowest loading being "I and my contact person at this company always provide support when each other has problems" (0.718).

4.5.2 EFA for Personal-Type Relationship (Guanxi) Consequences

In the literature review, three factors were identified as consequences of personal-type relationships, namely, Organizational-Type Relationship, Customer satisfaction and Customer Retention. To validate the constructs, the different items included in the present study were submitted to factor analysis. The Personal-Type Relationship construct was added to the three consequences constructs. The results of the factor analysis are reported below.

4.5.2.1 Bartlett's Test of Sphericity

The 16 items representing personal-type relationship, organizational-type relationship, customer satisfaction and customer retention were submitted to factor analysis. The results of Exploratory Factor Analysis (EFA) yielded a four-factor solution that accounted for 86.235% of the variance extracted. The result for Bartlett's Test of Sphericity (BTS) was high, 7086.358, and the associated significance value was very small (p=0.00). This shows that the data were appropriate for factor analysis (Snedecor & Cochran, 1989b).

4.5.2.2 Kaiser-Meyer-Olkin Measure of Sampling Adequacy

The Kaiser-Meyer-Olkin (KMO) Measurement of Sample Adequacy (MSA) gives the computed KMO as 0.938, which is adequate, and above the acceptable level (Snedecor & Cochran, 1989a) (see Table 32).

Table 32: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.938
Bartlett's Test of Sphericity	Approx. Chi-Square	7086.358
	Df	120
	Sig.	.000

Since the above requirements were met, the researcher concluded that factor analysis was appropriate for this data set and thus the procedures for factor analysis could be performed.

4.5.2.3 Results of Principal Component Analysis Extraction Process

The factor extraction results using Principal Component Analysis (PCA) are given in Table 33. It should be noted that an eigenvalue of 1.0 was used as the benchmark in deciding the number of factors (F. Hair Jr et al., 2014).

Table 33: Principal Component Analysis Extraction Results

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	9.923	62.020	62.020	9.923	62.020	62.020	4.125	25.781	25.781
2	1.531	9.566	71.587	1.531	9.566	71.587	3.987	24.916	50.697
3	1.236	7.724	79.311	1.236	7.724	79.311	2.946	18.415	69.111
4	1.108	6.925	86.235	1.108	6.925	86.235	2.740	17.124	86.235
5	.328	2.049	88.285						
6	.291	1.816	90.101						
7	.264	1.651	91.751						
8	.224	1.403	93.154						
9	.209	1.308	94.462						
10	.155	.969	95.431						
11	.150	.939	96.370						
12	.140	.874	97.244						
13	.127	.793	98.037						
14	.113	.705	98.742						
15	.102	.634	99.376						
16	.100	.624	100.000						

Extraction Method: Principal Component Analysis

4.5.2.4 Extraction Method: Principal Component Analysis

An initial (un-rotated) solution identified 16 items and 5 factors with eigenvalues of more than one, accounting for 86.235% of the variance (see Table 33). As Table 34 shows, all 16 items scored communalities that ranged from 0.763 to 0.927. Therefore, it may be concluded that a degree of confidence in the factor solution is justified.

Table 34: Communalities

	Initial	Extraction
G1	1.000	.849
G2	1.000	.879
G3	1.000	.864
G4	1.000	.821
G5	1.000	.807
H1	1.000	.927
H2	1.000	.921
H3	1.000	.923
K1	1.000	.823
K2	1.000	.855
K3	1.000	.843
K4	1.000	.862
K5	1.000	.763
L1	1.000	.878
L2	1.000	.909
L3	1.000	.874

Extraction Method: Principal Component Analysis

4.5.2.5 Factor Rotation and Factor Loading

When the four chosen factors had been found satisfactory, the loading of all the items in the eight factors was examined. The Varimax technique for rotated component analysis was used with a cut-off point for interpreting the factors at 0.50 or greater (Snedecor & Cochran, 1989a). The results are summarized in Table 35.

Table 35: Rotated Component Matrix[a]

Rotated Component Matrix[a]

	Component			
	1	2	3	4
G1	.826			
G2	.838			
G3	.831			
G4	.777			
G5	.758			
H1			.893	
H2			.877	
H3			.887	
K1		.775		
K2		.808		
K3		.797		
K4		.799		
K5		.756		
L1				.823
L2				.848
L3				.819

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.[a]

a. Rotation converged in 6 iterations.

All the items were loaded on to the factors for which they were designed. The factor loadings were all higher than 0.60 so that each item loaded higher on its associated construct than on any other construct. As suggested by Hair, Anderson, Tatham, and Black (1998b), a factor loading higher than 0.35 is considered statistically significant at an alpha level of 0.05. This is supported by the discriminant validity of the measurement.

4.5.2.6 Factor Naming and Interpretation Process

The interpretation of the four-factor solution was accomplished by relating them to the theoretical concepts of marketing literature. The four factors are discussed below.

Factor 1 consists of five items and fits very well with the ‘Organizational-Type Relationship’. This factor comprises the following items: (1) The contact person at this company can be trusted, (2) The contact person at this company treats me honestly, (3) The contact person at this company provides reliable promises, (4) The contact person at this company is consistent in providing quality products or/and services, and (5) The contact person at this company carries out what the contact person promises. The values are closely grouped, the highest loading being ‘The contact person at this company treats me honestly’ (0.838) and the lowest loading “The contact person at this company carries out what the contact person promises” (0.758).

The second factor consists of five items. This factor represents customers’ opinions regarding “Customer Retention”. It covers the following items: (1) I intend to re-purchase from this company in future, (2) I will continue to purchase from this company, (3) I recommend this company to all my social network (friends, colleagues and relatives), (4) I expect my relationship with this company to last a long time., and (5) I usually pay less attention to competitors’ offers. The values are closely grouped, the highest loading being “I will continue to purchase from this company” (0.808) and the lowest loading “I usually pay less attention to competitors’ offers” (0.756).

The third factor consists of three items. This factor represents customers’ opinions regarding ‘Personal-Type Relationship (Guanxi)’. It covers the following items: (1) Doing business includes knowing the right people, (2) Returning favor for favor is part of conducting business, and (3) Maintaining a good relationship is the best way to enhance relationships. The values are closely grouped, the highest loading being “Doing business includes knowing the right people” (0.893) and the lowest loading being “Returning favor for favor is part of conducting business” (0.877).

Finally, the fourth factor consists of three items. This factor represents customers’ opinions regarding ‘Customer Satisfaction’. It covers the following items (1) My choice to book this company was a wise one, (2) I did the right thing when I started dealing with this company, and (3) This experience is exactly what I needed. The values are closely grouped, the highest loading being “I did the right thing when I started dealing with this company” (0.848) and the lowest loading being “This experience is exactly what I needed” (0.819).

4.6 Chapter Summary

This chapter presented the preliminary analysis of the collected data. This includes, first, encoding, editing and entering the data into SPSS; next, a descriptive analysis of the data providing a clear description of the profile of the respondents. This was followed by the reliability and validity tests, which covered all the research variables to find the extent to which the measurements were reliable and valid. Item-to-total correlation was calculated for each variable. As shown in Table 35, all the variables had acceptable reliability values ranging from 0.853 to 0.928, which was significantly higher than the acceptable level of 0.60 (Nunally, 1978) and therefore, acceptable for further analysis.

Table 36, below, presents a summary of the reliability analysis of the main constructs in this study.

Table 36: Reliability Analysis of Main Constructs in the Study

Basic Constructs	Total Number of Items	Item-Total Correlation	Cronbach Alpha
Bonding	5	.726	0.911
Empathy	4	.700	0.956
Reciprocity	4	.658	0.953
Personal Trust	5	.694	0.925
Face	4	.656	0.929
Affection	5	.724	0.956
Personal-Type Relationship (Guanxi)	3	.693	0.959
Organizational-Type Relationship	5	.633	0.953
Customer Satisfaction	3	.577	0.936
Customer Retention	5	.690	0.947

Content and construct validity were then discussed. The reliability and validity analyses show that the measures chosen were both reliable and valid. Lastly, the study examined the general descriptive analysis of the respondents' profile and their response distribution. In addition, some initial interpretations are also put forward as a start for the data analysis process.

In the next chapter, various statistical techniques are used to explore the relationships between the antecedents and consequences of the Guanxi relationship and the study model and hypotheses are tested.

Chapter 5: Model and Hypotheses Testing

5.1 Introduction

The previous chapter screened and validated the data that were obtained from the survey and has presented an exploratory analysis of the various aspects of the Personal-Type Relationship (Guanxi) in the case of Abu Dhabi's SBEs. This chapter explains the second and main stage of the data analysis, namely, hypotheses testing. SPSS/AMOS version 25 was used to analyze the data. As discussed in Chapter 1, the aim of the thesis is to identify the antecedents (factors) that lead to a Guanxi-type relationship, to find the consequences of a Guanxi relationship for organizational relationships, customer satisfaction and customer retention, to develop and clarify a conceptual model integrating the antecedents, Guanxi relationship, and organizational relationship with customer satisfaction and customer retention, and finally, to specify and test the hypothesized relationships derived from the conceptual framework. Therefore, as discussed in Chapter 1, this research addresses two main questions: first, what role does a Guanxi-type relationship play in the SBEs in Abu Dhabi, especially regarding its impact on customer satisfaction and retention? And, second, which factors may mediate the impact of a Guanxi-type relationship's dimensions on customer satisfaction and retention among the SBEs in the Abu Dhabi context? Chapter 4 answered the previous questions in part, and the present chapter also contributes to a full answer to these questions.

5.2 Measurement Models

It should be noted that, as suggested by Anderson and Gerbing (1982) and Anderson and Gerbing (1988), before examining the complete model, an exploratory factor analysis (EFA) was conducted in Chapter 4 using principal component analysis with Varimax rotation. For the antecedents of the Personal-Type Relationship (Guanxi), the Exploratory Factor Analysis (EFA) yielded a six-factor solution that accounted for 82.889% of the variance extracted (see Chapter 4). For the consequences of Personal-Type Relationship (Guanxi), the results of Exploratory Factor Analysis (EFA) yielded a four-factor solution that accounted for 86.235% of the variance extracted (see Chapter 4). All these items loaded highly on their intended constructs.

5.2.1 Confirmatory Factor Analysis (CFA)

Before examining the model, which considers all the variables together, it is crucial, from a methodological point of view, to highlight that individualized analyses of each of the constructs were made (the measurement model), in order to carry out a prior refinement of the items used in their measurement. Having established the different measures, a Confirmatory Factor Analysis (CFA) was conducted. This research used both a structural model (which includes all the constructs in one model) and a measurement model (in which each construct has a separate model) (F. Hair Jr et al., 2014). Once the eight dimensions of the antecedents of Guanxi were established, a confirmatory factor analysis (CFA) was conducted.

5.2.1.1 Confirmatory Factor Analysis for Personal-Type Relationship (Guanxi) Dimensions

The results, shown in Table 37, below, support the proposed six-factor solution, comprising Bonding, Empathy, Reciprocity, Personal Trust, Face, and Affection.

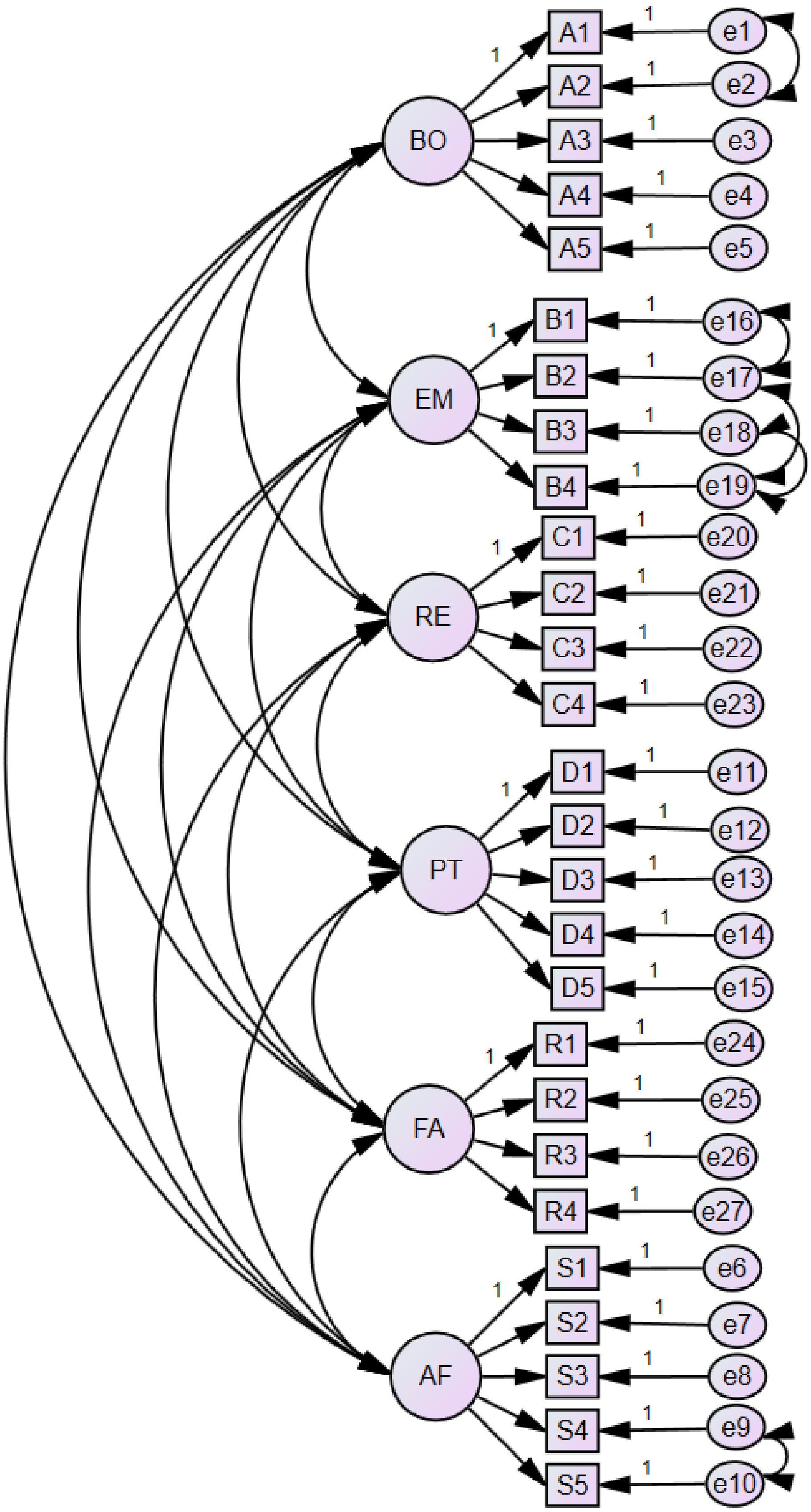

Figure 7: The Main and Sub-Constructs of the Guanxi-Relationship Antecedents

Confirmatory factor analysis (CFA) was conducted to verify the theorized construct of the observed variables namely, Guanxi-Relationship and its dimensions, i.e., Bonding, Empathy, Reciprocity, Personal Trust, Face, and Affection. SPSS AMOS was used to carry out the confirmatory factor analysis. Figure 7 shows the main antecedents of the Personal-Type Relationship (Guanxi).

It was decided that items with a factor loading and R^2 lower than 0.5 would be excluded. All the factor loadings on the main and sub-constructs were high. All the factor loadings and R^2 were reasonably high. The results of the measurement model, which are indicate the latent variables Bian (2011) of Figure 7, are shown in Table 37. All the factor loadings are sufficiently high and the high values of Cronbach's Alpha, Composite Reliability (CR) and Average Variance Extracted (AVE) also reflect the high internal consistency and reliability of the main construct and all the sub-constructs.

Table 37: The Fitness Indices for the Antecedents of the Guanxi Relationship

Statistic	Index value obtained	Suggested acceptable level
Chi-square significance	0.00	>0.01
CMIN/DF	1.734	<3
GFI	0.910	>0.90
AGFI	0.888	>0.80
TLI	0.977	>0.95
CFI	0.980	>0.90
RMSEA	0.043	<0.10

The fitness indices are listed in Table 37. Although the Chi-square index was significant =0.00, the other fit indices reflect their goodness of fit with the suggested measurement model. All the indices show also that the model has a good fit and is aligned with the suggested statistic proposed by experts (Bentler, 1990; Hu, Bentler,

& Hoyle, 1995; Jöreskog & Sörbom, 1982) such as Goodness-of-fit indices for GFI=0.910 (≥0.90), Adjusted goodness-of-fit indices (GFI) for model show the AGFI to be 0.888 (≥0.80), the Comparative fit index (CFI)=0.980 (≥0.90), the CMIN/DF=1.734 (<3), RMSEA=0.043 (<0.10) and TLI=0.977 (>0.95).

Both Cronbach's Alpha and the Composite Reliability Index can take any value between 0 and 1, with values between 0.7 and 0.9 considered satisfactory (F. Hair Jr et al., 2014). Table 38 gives a summary of values for Cronbach's Alpha, the Composite Reliability Index and Average Variance extracted for all the model constructs. The values suggest that all the measurement constructs are both valid and reliable and can be used for path analysis.

Table 38 : Confirmatory Factor Analysis Results Concerning the Antecedents of Personal-Type Relationships

Construct	Scale	S R Weights	Cronbach's Alpha	CR	AVE
Bonding	A.1	.762	0.911	0.908	0.664
	A.2	.811			
	A.3	.802			
	A.4	.856			
	A.5	.840			
Empathy	B.1	.876	0.956	0.918	0.736
	B.2	.817			
	B.3	.857			
	B.4	.881			
Reciprocity	C.5	.909	0.953	0.953	0.835
	C.2	.921			
	C.3	.924			
	C.4	.902			
Personal Trust	D.1	.933	0.925	0.956	0.813
	D.2	.905			
	D.3	.909			
	D.4	.897			
	D.5	.863			
Face	E.1	.865	0.926	0.930	0.768
	E.2	.896			
	E.3	.860			
	E.4	.884			
Affection	F.1	.936	0.929	0.955	0.809
	F.2	.902			
	F.3	.837			
	F.4	.896			
	F.5	.922			

5.2.1.2 Convergent Validity and Discriminant Validity for the Antecedents

Convergent validity describes the extent to which items of a specific dimension or construct converge or share a high proportion of variance (F. Hair Jr et al., 2014; Hair, Hollingsworth, Randolph, & Chong, 2017). Convergent validity can be evaluated by three criteria (Čater & Čater, 2010; F. Hair Jr et al., 2014; Fornell & Larcker, 1981). First, factor loading for an item is at least 0.6 and significant. Second, construct reliability is a minimum of 0.60. Finally, average variance extracted (AVE) for a construct is greater than 0.5. Discriminant validity, in contrast, is the distinctiveness of two conceptually similar constructs (F. Hair Jr et al., 2014; Hair et al., 2017). This indicates that each construct should share more variance with its items than it shares with other constructs. Discriminant validity is present when the variances extracted by the constructs (AVE) from each construct are greater than the correlations.

To check the validity, the assessment tools in the present study included the composite reliabilities (overall internal consistency), and the convergent and discriminant validities (Table 39). The composite reliability of the Personal-Type Relationship antecedents indicated that bonding had a CR>0.90 (great), empathy had a CR>0.90 (great), reciprocity had a CR>0.90 (great), personal trust had a CR>0.90 (great), face had a CR>0.90 (great) and affection had a CR>0.90 (great). The Average Variance Extracted (AVE) for all these constructs was also established since the AVE was >0.50. Finally, all the constructs exhibited discriminant validity, possessing MSV<AVE<AVE (Hair, 2010). Thus, the psychometric properties of these scales were well established here.

Table 39: Reliability and Validity of the Antecedents of Personal-Type Relationships

	CR	AVE	MSV
Bonding	0.908	0.664	0.469
Empathy	0.918	0.736	0.548
Reciprocity	0.953	0.835	0.542
Personal trust	0.956	0.813	0.472
Face	0.930	0.768	0.548
Affection	0.955	0.809	0.381

5.2.1.3 Personal- Type Relationship and its Consequences

Similarly, confirmatory factor analysis (CFA) was conducted to verify the theorized construct of the observed variables of the Personal-Type Relationship (Guanxi) and Guanxi-Relationship Consequences that included Organizational Relationship, Customer Satisfaction and Customer Retention. Figure 8 shows the main construct. The results, shown in Table 40 support the proposed four-factor solution, comprising a Personal-Type Relationship (Guanxi), Organizational Relationship, Customer Satisfaction and Customer Retention.

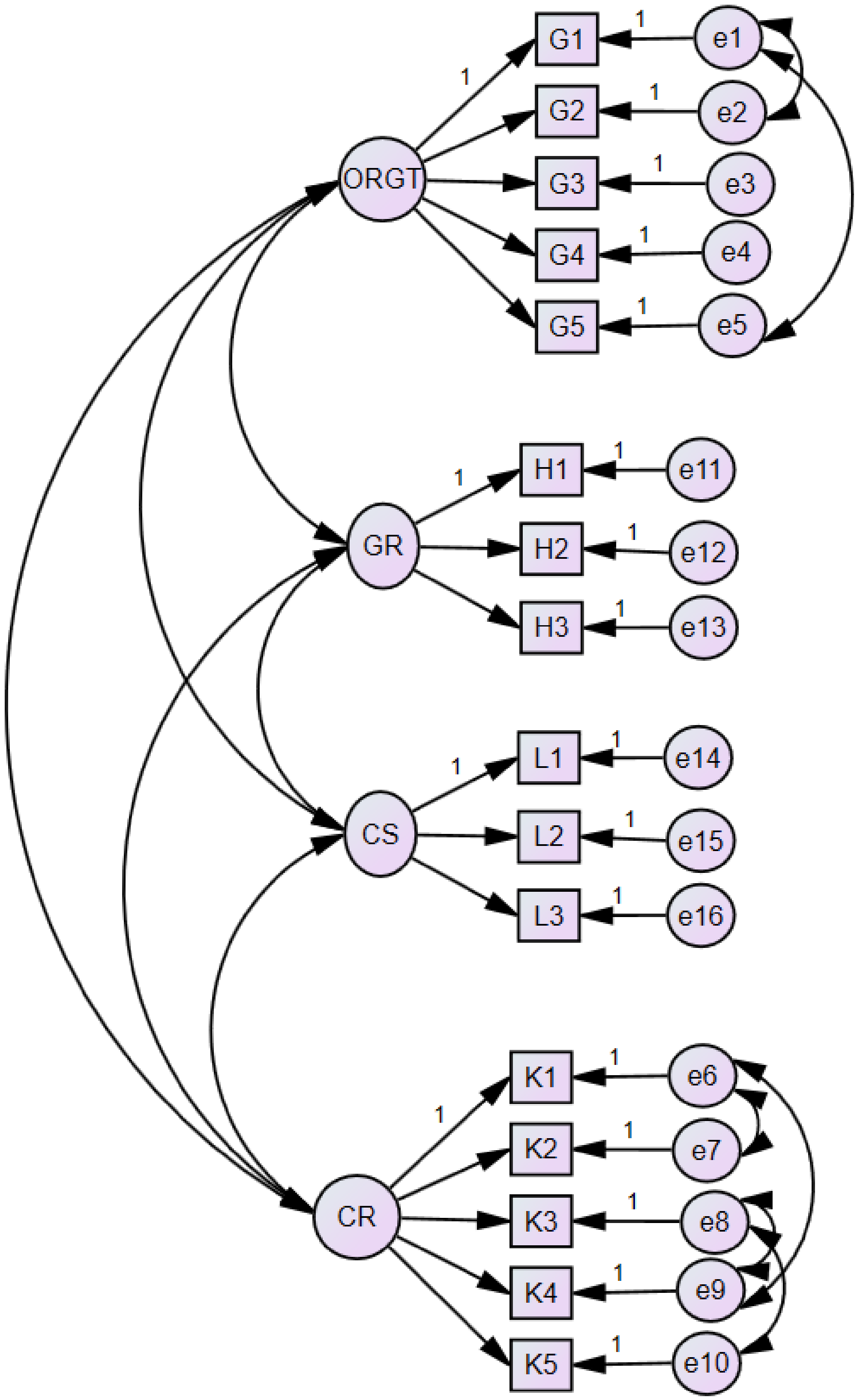

Figure 8: Guanxi Relationship and its Consequences

As was the case with the antecedents of personal relationships, it was decided that items with factor loading and R^2 less than 0.5 would be excluded. All the factor loadings on the main and sub-constructs were high. All the factor loadings and R^2 were reasonably high. The results of the measurement model, indicating the latent variables (Bian (2011) of Figure 8 are shown in Tables 40 and 41. All the factor loadings are sufficiently high and the high values of Cronbach's Alpha, Composite Reliability (CR) and Average Variance Extracted (AVE) also reflect the high internal consistency and reliability of the main construct and all the sub-constructs.

Table 40: The Fitness Indices for a Personal-Type Relationship (Guanxi) and its Consequences

Statistic	Index value Obtained	Suggested Acceptable Level
Chi-square significance	0.000	>0.05
CMIN/DF	1.868	<3
GFI	0.948	>0.90
AGFI	0.923	>0.80
TLI	0.985	>0.95
CFI	0.989	>0.90
RMSEA	0.047	<0.10

The fitness indices are listed in Table 40. Although the Chi-square is significant at 0.000, the other indices show that the model has a good fit and is aligned with the suggested statistics proposed by Bentler (1990), Hu and Bentler (1995), Joreskog, and Sorbom (1982). For example, the goodness-of-fit indices (GFI) for the model show that the GFI=0.948 (≥0.90), the Comparative fit index (CFI)=0.989 (≥0.90), the CMIN/DF=1.868 (<3), the Adjusted goodness-of-fit index (AGFI)=0.923 (≥0.80) and the TLI=0.970 (>0.985).

Table 41: Personal-Type Relationship (Guanxi) and its Consequences

Construct	Scale	Factor Loading	Cronbach's Alpha	CR	AVE
Personal-Type Relationship (Guanxi)	H.1	.944	0.959	0.959	0.885
	H.2	.941			
	H.3	.938			
Organizational-Type Relationship	G.1	.883	0.953	0.951	0.796
	G.2	.897			
	G.3	.910			
	G.4	.889			
	G.5	.883			
Customer Satisfaction	L.1	.899	0.936	0.936	0.830
	L.2	.935			
	L.3	.899			
Customer Retention	K.1	.867	0.947	0.946	0.779
	K.2	.889			
	K.3	.900			
	K.4	.907			
	K.5	.849			

5.2.1.4 Convergent and Discriminant Validity for Guanxi Relationship and Consequences

To check the validity, the assessment tools included the composite reliabilities (overall internal consistency), and the convergent and discriminant validities (Table 42). The composite reliability of the antecedents of the Personal-Type Relationship indicated that bonding had a CR>0.90 (great), empathy had a CR>0.90 (great), reciprocity had a CR>0.90 (great), personal trust had a CR>0.90 (great), face had a CR>0.90 (great) and affection had a CR>0.90 (great). The Average Variance Extracted (AVE) for all these constructs was also established since the AVE was >0.50. Finally, all the constructs exhibited discriminant validity, possessing MSV<AVE<AVE (Hair, 2010). Thus, the psychometric properties of these scales in this dissertation were well established.

Table 42: Reliability and Validity of the Guanxi Relationship and its Consequences

	CR	AVE	MSV
Personal-Type Relationship	0.959	0.885	0.356
Organizational-Type Relationship	0.951	0.796	0.566
Customer Satisfaction	0.936	0.833	0.566
Customer retention	0.946	0.779	0.486

5.3 Structural Model and Hypothesis Testing

The structural equation modeling approach is a multivariate statistical technique for testing structural theory (Duncan, 1986; Li, 1975, Tan, 2001). This approach incorporates both the observed and the latent variables and is usually separated into measurement models and a structural model. A two-step modeling approach was taken in the present study. The measurement models (or confirmatory factor models) were tested before the structural model. The method of maximum likelihood estimation was employed (Bagozzi & Yi, 1988). The aim of path analysis is to examine the direct and indirect effects of each hypothesis on the basis of knowledge and theoretical constructs (Pedhazur, 1982). Path analysis does not establish causal relations with any certainty, but is used for the quantitative interpretations of potential causal relationships (Borchgrevink & Boster, 1998). A path diagram represents the proposed antecedents and consequences among the variables in the model. Arrows symbolize the hypothesized relationships and the direction of influence in the model. In specifying a path model, a distinction is drawn between the exogenous variables and the endogenous variables. The influence of exogenous variables comes from outside the model and that of the endogenous variables comes from within the model. In this case, the antecedents of the Guanxi relationship are treated as the only exogenous variables, and Guanxi relationship consequences are treated as the only endogenous variables.

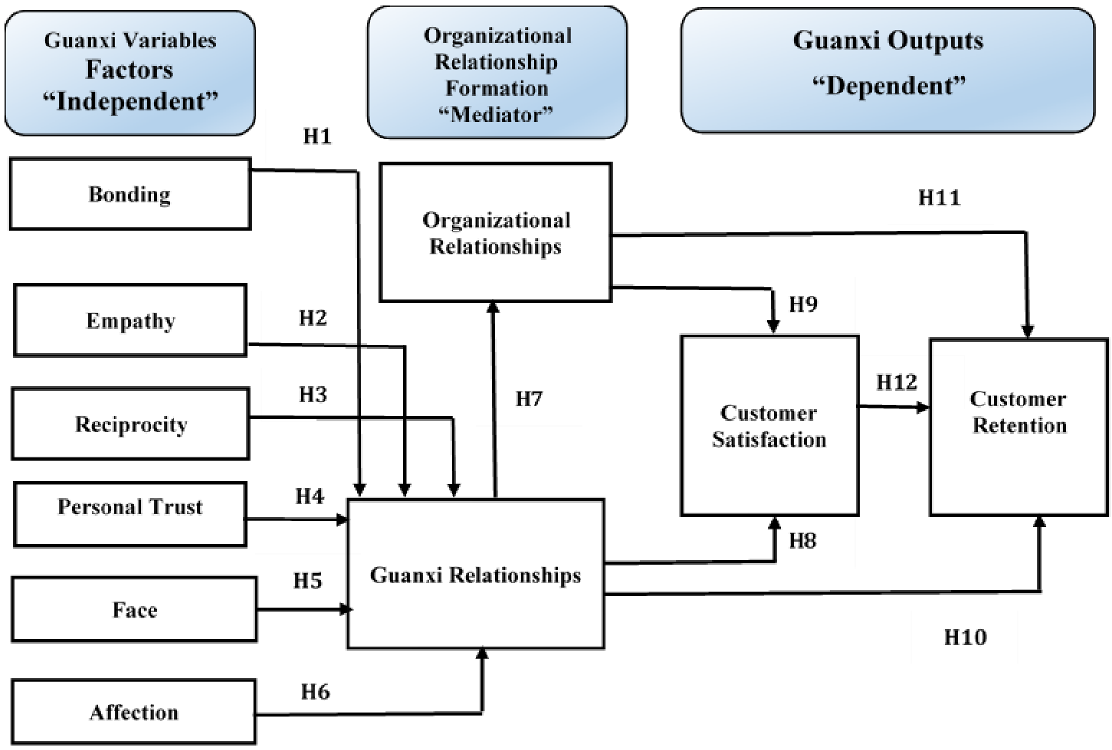

Figure 9: The Proposed Structural Model Reflecting the Relationships between the Variables

The value of the path coefficient associated with each path represents the strength of each linear influence. The structural equation-modelling package, AMOS, was used to test the hypotheses developed in the model (Figure 9). The factor scores were used as single item indicators and a path analysis applied the maximum likelihood estimates (MLE) method, following the guidelines suggested by Jöreskog and Sörbom (1982).

5.3.1 Convergent Validity Analysis for the Structural Model

Convergent validity for the structural model was evaluated according to three criteria (Čater & Čater, 2010; F. Hair Jr et al., 2014; Fornell & Larcker, 1981; Hooper, Coughlan, & Mullen, 2008; Liang & Wen-Hung, 2004). First, factor loading for an item was at least 0.6 and significant. Second, construct reliability was a minimum of 0.60 (see Table 18). Finally, the average variance extracted (AVE) for a construct was larger than 0.5. Table 43 summarizes the results of the convergent validity analysis. Note that all of the scales had an acceptable convergent validity.

Table 43: Convergent Validity Results for the Structural Model

Constructs	**Composite Reliability**	**AVE**
Bonding	**0.908**	**0.664**
Empathy	**0.918**	**0.736**
Reciprocity	**0.953**	**0.835**
Personal trust	**0.956**	**0.813**
Face	**0.930**	**0.768**
Affection	**0.955**	**0.809**
Personal-Type Relationship	**0.959**	**0.885**
Organizational-Type Relationship	**0.951**	**0.796**
Customer Satisfaction	**0.936**	**0.833**
Customer retention	**0.946**	**0.779**

5.3.2 Discriminant Validity Analysis for the Structural Model

As seen in Table 44, all of the constructs had the squared root of AVE higher than their inter-correlation estimates, with other corresponding constructs (the factor scores, as single item indicators, were used to calculate the correlations between constructs; this implied that the constructs were empirically distinct (Fornell & Larcker, 1981). For example, in Bonding the squared root of AVE is 0.814 times greater than any squared correlation between the other constructs, i.e. 0.669, 0.557, 0.603, 0.522, 0.687, 0.497, 0.456, 0.378 and 0.487, which means that Bonding as a construct is empirically distinct.

Table 44: Discriminant Validity Results

Correlations											
		BON	PTST	RECP	EMP	FAC	AFF	GUAN	OTST	CSAT	CRET
BON	Pearson Correlation	**0.814**									
PTST	Pearson Correlation	.669**	**0.857**								
RECP	Pearson Correlation	.557**	.511**	**0.913**							
EMP	Pearson Correlation	.603**	.598**	.529**	**0.901**						
FAC	Pearson Correlation	.522**	.567**	.568**	.510**	**0.876**					
AFF	Pearson Correlation	.687**	.685**	.587**	.659**	.553**	**0.899**				
GUAN	Pearson Correlation	.497**	.469**	.422**	.404**	.417**	.461**	**0.940**			
OTST	Pearson Correlation	.456**	.437**	.444**	.523**	.464**	.454**	.549**	**0.892**		
CSAT	Pearson Correlation	.378**	.342**	.389**	.355**	.361**	.340**	.498**	.632**	**0.939**	
CRET	Pearson Correlation	.487**	.418**	.439**	.478**	.461**	.424**	.572**	.713**	.654**	**0.882**

**. Correlation is significant at the 0.01 level (2-tailed).
Note: Diagonal values (in bold) are the squared roots of AVE; off-diagonal values are the estimates of inter-correlation between the constructs.

5.3.3 Structural-Model Testing

Finally, given that the purpose of the study was to test the hypothesized causal relationships between the constructs of the model, the structural equation-modeling package, AMOS 23 was used (see Figure 9). The factor means were employed as single-item indicators to perform path analysis, employing the maximum likelihood estimates (MLE) method, following the guidelines suggested by Jöreskog and Sörbom (1982). A more detailed report from analyzing the results and measures for model fit can be found in Table 45.

To apply the MLE method for estimating the model, the constructs must satisfy the criterion of multivariate normality (Bagozzi & Yi, 1988. Therefore, for all the constructs, tests of normality, i.e. skewness, kurtosis, (Bagozzi & Yi, 1988, p. 252) were conducted. Table 45 indicated no departure from normality, since most of the results were close to one (i.e. +/- 1) (Bagozzi & Yi, 1988). Thus, once normality was confirmed for all the constructs, it was decided to proceed, using the maximum likelihood estimation (MLE) method to estimate the model. The reliability of the constructs was assessed by item-to-total correlations and Cronbach's alpha reliability coefficient (see Chapter 4).

Furthermore, as discussed in Chapter 4, to assess the presence of multivariate outliers, the analysis of the Mahalanobis distance was been carried out using AMOS to identify any multivariate outliers in the data. The Mahalanobis' distance is a metric for estimating how far each case is from the center of all the variables' distributions (i.e. the centroid in multivariate space) (Mahalanobis, 1927). The Mahalanobis distance test identified 4 outliers, as follows; the Mahalanobis Distance test results were compared with Chi-Square distribution with the degrees of freedom equal to the number of independent variables at a significance level of $p<0.001$. In total, 4 cases were found to exhibit the presence of multivariate outliers see Table 15. All four cases were removed to avoid any bias in the subsequent statistical analysis.

Table 45: Assessment of Normality

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
BON	396	3.6535	.94837	-.793	.123	.374	.245
PTST	396	3.8082	.90960	-.830	.123	.694	.245
RECP	396	3.6667	1.09313	-.665	.123	-.119	.245
EMP	396	4.0320	.86748	-1.090	.123	1.150	.245
FAC	396	3.6976	.91017	-.841	.123	.539	.245
AFF	396	3.8129	.99962	-.886	.123	.419	.245
GUAN	396	3.7719	.98191	-.677	.123	-.007	.245
OTST	396	3.8197	.93230	-1.013	.123	.951	.245
CSAT	396	3.9891	.96501	-.872	.123	.337	.245
CRET	396	3.6884	.91545	-1.099	.123	1.211	.245
Valid N (listwise)	396						

The current study model explained 60.3% for customer retention, 43.1% for customer satisfaction and 30.8% for the Personal-Type Relationship, which indicates that this had the strongest prediction capacity. The results of testing the hypotheses from H1 to H14 using the MLE-SEM approach are illustrated in Figure 10.

Since there is no definitive standard of fit, a variety of indices is provided along with suggested guidelines. The X^2 test was not statistically significant at the 1% level (probability level=0.020), which indicated an adequate fit. The other fit indices, together with the squared multiple correlations, indicated a good overall fit with the data (GFI=0.985, CFI=0.995, AGFI=0.950, NI=0.987, RMSEA=0.046, MR.=0.026) (see Table 46). Since these indices confirmed that the overall fit of the model to the data was good, it was concluded that the structural model was an appropriate basis for hypothesis testing.

Table 46: Standardized Regression Weights

Predictor variables	Criterion Variables	Hypothesized Relationship	Standardized coefficient	R^{2a}
Bonding	Personal-Type Relationship	**H1**	0.181***	**0.308**
Empathy	Personal-Type Relationship	**H2**	0.026 ns	
Reciprocity	Personal-Type Relationship	**H3**	0.128***	
Personal trust	Personal-Type Relationship	**H4**	0.109**	
Face	Personal-Type Relationship	**H5**	0.153***	
Affection	Personal-Type Relationship	**H6**	0.083 ns	
Personal-Type Relationship	Organizational Relationship	**H7**	0.994***	**0.104**
Personal-Type Relationship	Customer Satisfaction	**H8**	0.216***	**0.431**
Organizational Relationship	Customer Satisfaction	**H9**	0.513***	
Personal-Type Relationship	Customer Retention	**H10**	0.196***	**0.603**
Organizational Relationship	Customer Retention	**H11**	0.421***	
Customer Satisfaction	Customer Retention	**H12**	0.291***	
Statistic				**Obtained**
Chi-Square Significance			≥0.01	0.020
Goodness-of-fit index (GFI)			≥0.90	0.985
Adjusted Goodness-of-fit index (AGFI)			≥0.80	0.950
Comparative fit index (CFI)			≥0.90	0.995
Normed Fit Index (NFI)			≥0.90	0.987
Root Mean Square Residual (RMSR.)			≤0.05	0.026
Root mean square residual (RMSR)			≤0.10	0.046

**P<0.05, ***P<0.01, ns is not significant

The causal effects of the Personal-Type Relationship (Guanxi) and Organizational-Type Relationship on customer retention may be direct or indirect (i.e., mediated via the effect of customer satisfaction), or both; in this case, the total causal effects were calculated. More specifically, the indirect effects are the multiplicative sum of the standardized path coefficients. The total effects are the sum of the direct effect and all the indirect effects.

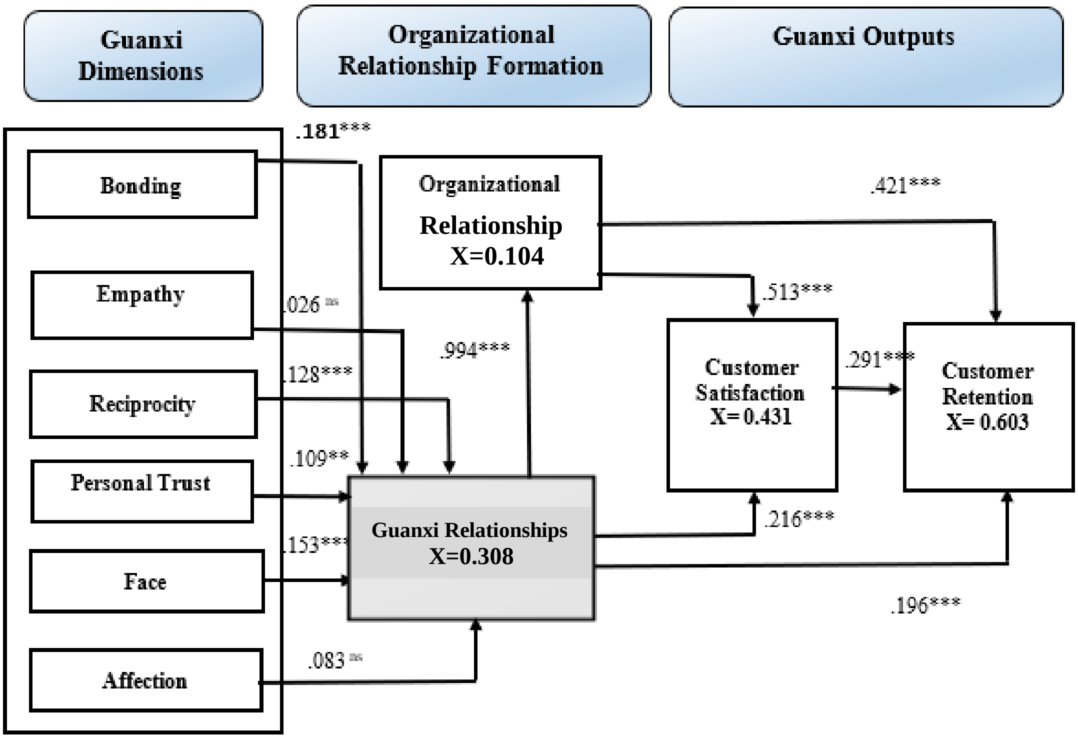

Figure 10: The Tested Model

To test the 12 hypotheses, a structural model was used. The results give support to most of the hypotheses. Table 5.8 shows the estimated standardized parameters for the causal paths. First, apart from the hypotheses of *Empathy* (H2) (Standardized Estimate=0.026, P>0.10) and *Affection* (H6) (Standardized Estimate=0.083, P>0.10) that were rejected, Hypotheses 1, 3, 4 and 5 were supported and they were accepted as valid. Therefore, the suggested factor positively affected the formation of the *Personal-Type Relationship*, namely in *Bonding* (H1) (Standardized Estimate=0.181, P<0.01), *Reciprocity* (H3) (Standardized Estimate=0.128, P<0.01), *Personal Trust* (H4) (Standardized Estimate=0.109, P<0.05), and *Face* (H5) (Standardized Estimate=0.153, P<0.01).

The results from the path analysis show that, among all independent variables, Bonding was the key driver behind the formation of the Personal-Type Relationship because bonding has the strongest effect on the formation of this Relationship (β=0.181). The second in importance was Face, which affects the formation of a Personal-Type Relationship in the regression value of 0.153. Finally, Reciprocity and Personal trust also affect the formation of a Personal-Type Relationship.

Second, the *Organizational-Type Relationship is* significantly influenced by the Personal-Type Relationship, (H7) (Standardized Estimate=0.994, $P<0.01$). Therefore, Hypotheses 7 was accepted. This supports the findings of Nicholson, Compeau & Sethi (2001), which claims a strong positive association exists between these variables. Interestingly, the link between personal relationship and organizational relationship had the highest coefficient in the model (0.994), which supported the theoretical view in the dissertation of the crucial role that is played by the personal relationship in the development of the organizational relationship. This finding shows that in the UAE a personal relationship is a key antecedent of organizational trust. In other words, without a personal relationship and the formation of Guanxi-type relationships, organizational relationship may not develop.

Third, customer satisfaction is significantly influenced by the specified factors, namely, a Personal-Type Relationship (H8) (Standardized Estimate=0.216, $P<0.01$) and an Organizational-Type Relationship (H9) (Standardized Estimate=0.513, $P>0.01$). Therefore, Hypotheses 8 and 9 were accepted.

Finally, the following suggested factors positively affected customer retention, namely, a Personal-Type Relationship (H10) (Standardized Estimate=0.196, $P<0.01$), an Organizational-Type Relationship (H11) (Standardized Estimate=0.421, $P<0.05$) and customer satisfaction (H12) (Standardized Estimate=0.291, $P>0.01$). Therefore, Hypotheses 10, 11 and 12 were accepted.

Since the causal effects of the suggested factors may be either direct or indirect, i.e., mediated via the effects of other variables, or both, the total causal effects were computed. More specifically, the indirect effects are the multiplicative sum of the standardized path coefficients. The total effects are the sum of the direct effect and all the indirect effects. Table 47 shows the direct, indirect and total effects of the suggested factors.

Table 47: Direct, Indirect and Total Effect

Criterion Variable	Predictor variables	Direct Effect	Indirect Effect	Total Effect
Personal-Type Relationship	Bonding	0.181	0.000	0.181
	Empathy	0.026	0.000	0.026
	Reciprocity	0.128	0.000	0.128
	Personal trust	0.109	0.000	0.109
	Face	0.153	0.000	0.153
	Affection	0.083	0.000	0.083
Organizational Relationship	Personal-Type Relationship	0.994	0.000	0.994
Customer satisfaction	Personal-Type Relationship	0.216	0.000	0.216
	Organizational Relationship	0.513	0.000	0.513
Customer Retention	Personal-Type Relationship	0.196	0.630	0.826
	Organizational Relationship	0.421	0.149	0.570
	Customer Satisfaction	0.291	0.000	0.291

It was surprising, however, to find that personal-type relationships had less effect on customer retention. However, this, it seemed, should have been predicted. This lower direct effect (0.196) is enhanced by the indirect positive effect (0.630) of Guan^{x}i-type relationships on customer retention. This means that results which are perceived positively by customers do not come from personal-type relationships, but rather from the efforts of the employees to use these personal-type relationships.

5.4 Conclusion and Summary of Key Findings

This chapter reports on the inferential statistics that widen the permissible conclusions beyond those of the immediate data. This chapter describes the procedures and findings of the confirmatory factor analysis, path analysis, and hypothesis testing, which were used for analytical purposes. Confirmatory factor analysis for all six Personal-Type Relationship dimensions was undertaken mainly, first, to validate the measures at each stage and, second, to reduce the specific factors tested to a more general classification that might enrich the development of theories about Personal-type Relationships (Guanxi) in Abu Dhabi's SBEs. Regarding the consequences of Organizational-Type Relationships and Personal-Type Relationships, confirmatory factor analysis showed four variables. These factors were then taken to be the most interpretable and thus were accepted as the final factor solution. The 10 factors support the findings in the literature review (Chapter 2) and may be listed as:

1. Bonding,
2. Empathy,
3. Reciprocity,
4. Personal Trust,
5. Face,
6. Affection,
7. Personal Relationship (Guanxi),
8. Organizational Relationship,
9. Customer Satisfaction, and
10. Customer Retention,

After the confirmatory factor analysis, the hypotheses of each stage were tested. The results summarizing the hypothesis testing presented in Table 48.

Table 48: Results of Hypotheses Testing

Hypotheses	**Results**
H1. Bonding has a positive impact on the Guanxi relationship.	Accepted
H2. Empathy has a positive impact on the Guanxi relationship.	Rejected
H3. Reciprocity has a positive impact on the Guanxi relationship.	Accepted
H4. Personal trust has a positive impact on the Guanxi relationship.	Accepted
H5. Face has a positive impact on the Guanxi relationship.	Accepted
H6. Affection has a positive impact on the Guanxi relationship.	Rejected
H7. Guanxi relationship positively impacts on the organizational relationship.	Accepted
H8. Guanxi relationship positively impacts on customer satisfaction.	Accepted
H9. Organizational-Relationship positively impacts on customer satisfaction.	Accepted
H10. Guanxi relationship positively impacts on customer retention.	Accepted
H11. Organizational- Relationship positively impacts on customer retention.	Accepted
H12. Customer satisfaction positively impacts on customer retention.	Accepted

Source: Analysis of Survey Data

Chapter 6: Discussion and Conclusion

6.1 Overview

The main objective of this research study is to address the knowledge gaps discussed previously in the literature review chapter and explore guanxi-type relationships and its impact on the organisational relationship, customer satisfaction and customer retention. More specifically, the study also aimed to empirically tests the suggested framework “Model” of Guanxi’s antecedent and its consequences on customer satisfaction and customer retention in the UAE context with a strong focus on SBE’s in Abu Dhabi City. This chapter will be devoted to explain and interprets the results generated from the data analysis chapters. Thus, this chapter will discuss main findings and their implications on SBE’s strategic decisions.

To aid answering the research questions, and to achieve what this study aimed for, the author developed a conceptual model which is drawn from three streams of research: First, Guanxi & Relationship Marketing literature, Second, Social exchange theory, Social Capital theory (Hwang, 1987) and Third, the life-cycle theory, which assumes that relationship development goes through stage-by-stage deterministic and irreversible growth over time (Van de Ven, 1992).

Three groups of hypothesis on the research topic were proposed:

a) The First group this research examined the variables that may affect the development of personal relationship (Guanxi), namely bonding, personal trust, reciprocity, empathy, face and affection on a personal relationship (Guanxi).

b) The second group of the hypothesis that was tested, the effect of personal relationship (Guanxi) on the organizational relationship.

c) The third group of the hypothesis were testing the effect of both personal relationship (Guanxi) and organizational trust on customer satisfaction and retention.

6.2 Discussion

6.2.1 Guanxi-Type Relationships

There was 419-survey questionnaire collected and analyzed, to enable the researcher to test the hypothesis and the model empirically and extract from these data, significant knowledge to add to the existing literature.

The results showed that 4 out of 6 Personal-Type Relationship dimensions were accepted that empirically supported and accepted for the most of the related hypotheses i.e. H1, H3, H4 and H5. Therefore, the suggested factors that positively affects the formation of Personal-Type Relationship, namely Bonding (H1) (Standardized Estimate=0.181, P<0.01), Reciprocity (H3) (Standardized Estimate=0.128, P<0.01), Personal Trust (H4) (Standardized Estimate=0.109, P<0.05), Face (H5) (Standardized Estimate=0.153, P<0.01). However, 2 out of 6 dimensions of Personal-Type Relationship were rejected, e.g. Empathy (H2) (Standardized Estimate=0.026, P>0.10) and Affection (H6) (Standardized Estimate=0.083, P>0.10). Apart from the rejected hypothesis, the accepted Personal-Type Relationship dimensions and hypothesis supports the views of (Sin et al., 2005) and were found to have a significant effect on the foundation of guanxi-relationships.

The results from the path analysis show that among all the independent variables, Bonding was a key driver behind the formation of Personal-Type Relationship as the bonding has the strongest effect on the formation of Personal-Type Relationship (β=0.181). This finding was predicted, as Abu Dhabi society is closely connected together through families and tribes and considered as Collectivist culture, in such cultures, connecting with other members of the group and the interactions between people play a central role in each person's identity and the quality of their personal relationships with others. This findings also supports the same view for many researchers who had claimed that bonding is a key driver in developing a strong interpersonal relationship (Abosag & Naudé, 2014; Hawke & Heffernan, 2006; Kiong & Kee, 1998; Nicholson et al., 2001). Historically and not long time ago, prior to the establishment of the United Arab Emirates in 1971, there was not sufficient legislation that dictates many of the day to days business practices, as results, naturally people taped on to their networks to get things done. Now a days even after having in place a robust legislation system, yet people try to use their personal network in many tasks.

The second priority in the model was given to Face, which positively affects the formation of Personal-Type Relationship in the regression value of (0.153). This shows that self-importance of how an individual feels towards maintaining a pride social status and good reputation on self-image among his/her network. Thus, keeping promises and deliveing upon them is critical within Abu Dhabi’ society.

Third priority comes Reciprocity, as in a collectivism culture returning favor for a favor is considered a moral obligation (Abosag & Lee, 2013). Having said that, it is important to note that return of favors does not happen immediately, as a quick repayment might be insulting and could perceived as bribery that could be insulting and damaging of the relationship. The repayment of favors are only due when its highly needed, as keeping another party in your debt is always a good idea to maintain the relationship (Yau et al., 2000). Worth mentioning that return of favor will become less central as the relationship gets stronger as more trust is developed between parties (Abosag & Lee, 2013).

Finally, Personal trust also positively affect the formation of Personal-Type Relationship.

Rotter (1967) one of the early trust theorists who defined interpersonal trust "as an expectancy held by an individual or a group that the word, promise, verbal or written statement of another individual or group can be relied upon". As previously mentioned when discussing the positive impact of Face on personal relationship, self-image and reputation among personal network is of a great importance for the people in Abu Dhabi. Therefore, maintaining credibility and positive social status is important within the society as it will allow for trusting relationship development (Abosag & Lee, 2013; Ganesan, 1994; Morgan & Hunt, 1994; Wang, 2007).

Empathy and Affection were proposed as antecedence of guanxi relationship. However, after data analysis, it turns out that they have been rejected. In other words, in the context of Abu Dhabi, they do not influence the development of personal type relationship (Guanxi) especially in the business context i.e. B2C. This finding contradicts with many studies that have supported Empathy and affection as a construct that effect the personal relationship e.g. (Shaalan et al., 2013) Sin, Tse, Yau, Lee, & Chow, 2002). Having said that, accourding to Standifird (2006) despit the absentce of emotional attachment, the guanxi relationship can still exist and be affective as long as both parties maintain their commetments and obligations normally associated with guanxi relationships.

Accourding to (Hwang (1987); Wang (2007)) empathy is to have feelings and emotions when dealing with others. Additionally, Empathy is the willingness to help and support others when needed. Abosag and Lee (2013) sated Empathy means understanding a situation from a partner's point of view and providing emotional and financial support as needed. Which means Empathy will mostly be essential/applicable within b2b relationships and or individual's relationships. However, since the data in this research's survey collected form customer, the results showed that customers would not sympathize with organizations or show Empathy and affection. Instead, they will hold their contact person accountable for what the organizations have to offer and promised them as customers. Although, at the beginning, customers are introduced to companies through their guanxi "personal network", yet when customers start interacting with the organization i.e. in a B2C form, they tend to keep it formal and not accepting low quality service or products. In other words, customer satisfaction will play a significant role in determining the customer's retention.

Customers will not stay connected to the organization if they are not been satisfied by the product or services that the organization had to offer. The relationship starts as individual and personal relationships so Empathy and Affection at this stage will be at a high level between individuals. Nevertheless, soon as the relationship moves towards an organizational relationship, i.e. B2C (business to customer), customers dents to show less Empathy and Affections toward the organization. Moreover, noticeably customer's behavior in Abu Dhabi has shifted to become more business oriented and practical when dealing with organizations. Abu Dhabi's Customers' demands are high in terms of the quality of service and product provided. Hence, the rejection of Empathy and Affection as Guanxi's constructs.

6.2.2 Organizational Relationship

RQ1: What role does guanxi-type relationship play in SBE's in Abu Dhabi, especially regarding its impact on customer satisfaction and retention?

One of the most substantial objectives of this study is to find out if personal relationships would affect business in terms of customer satisfaction and customer retention within Abu Dhabi. Additionally, whether or not it will facilitate a better and stronger relationship between customers and organizations. The results from the analysis showed that Organizational-Type Relationship is significantly influenced by the Personal-Type Relationship, (H7) (Standardized Estimate=0.994, P<0.01). Therefore, Hypotheses 7 was accepted. This supports the findings of Nicholson et al. (2001), which report a strong positive association between these variables. Noticeably, the link between personal relationship and organizational relationship had the highest coefficient in the model (0.994), which supported our theoretical view of the crucial role that personal relationship plays in the development of organizational relationship. This finding show that personal relationship is a key antecedent of organizational Relationship in the Abu Dhabi. In other words, personal and individual network is the first and the strongest method used to introduce customers to an organization. The existence of guanxi-type relationships makes it easier and faster to build relationship between organization and customers, which might be harder to establish without the personal connections.

6.2.3 Customer Satisfaction

RQ2: Which factors may mediate the impact of guanxi's-type relationship dimensions on the customer satisfaction and retention SBE's in the Abu Dhabi context?

In this study, the model hypnotized that customer satisfaction could be influenced by three factors, guanxi-type relationships and organizational relationship. After data analysis, the results showed customer satisfaction is significantly influenced by the specific factors, namely, Personal-Type Relationship "Guanxi" (H8) (Standardized Estimate=0.216, P<0.01) and Organizational-Type Relationship (H9) (Standardized Estimate=0.513, P>0.01). This is aligned to what was found on literature e.g. (Abosag & Naudé, 2014; Sin et al. (2002)), who concludes that organizations must invest in gaining and developing the highest level possible of trust with their customers, as this will influence and result in possibly more satisfaction among customers. This finding was predicted in this study, as many existing study argues that collectivism cultures will normally depends on their personal networks in achieving customer satisfaction when compared with other cultures e.g. the western cultures.

6.2.4 Customer Retention

The results indicates that customer retention is directly influenced by personal-type relationship, organizational relationship and customer satisfaction, as follows Personal-Type Relationship (H10) (Standardized Estimate=0.196, $P<0.01$), Organizational-Type Relationship (H11) (Standardized Estimate=0.421, $P<0.05$) and customer satisfaction (H12) (Standardized Estimate=0.291, $P>0.01$). The results show that both personal-type relationship and organizational relationship they have a direct and indirect effect on customer retention. Although, the direct estimate of guanxi's impact on customer retention was relatively low (0.196) as supposed to when compared with the other two factors i.e. Organizational-Type Relationship (0.421) and customer satisfaction (0.291). Which confirms what has been discussed earlier in this chapter, that customer be introduced to the organization though personal network but this will not result also in retaining customers and the final determent will be customer satisfaction and the organizational ability to convert the personal relation to organizational one. However, after including estimates result of both, direct and indirect effects, the effect raised to be the highest (0.826) comparing to (0.57) and (0.291) for organizational relationship and customer satisfaction respectively.

The presented results can suggest that business owners could highly leverage on their personal network to attract customers, specially that those customers are originally connected in a way or another with the business owner or employees through guanxi, which make it easier to communicate and cooperate with them to further enhance the relationship, hence retaining customers.

These results, also shows that business owners could rely on personal connections as an effective strategy in conducting business within Abu Dhabi market. However, it should also be noticed, that drawing on personal relationship could achieve the desire results of customer retentions for a limited level only. Therefore, it is highly recommended to ensure satisfaction of services and products are at the right level of customer expectation to avoid loss of loyal customers.

This is mainly become the role of the employees working for the organization and the organization's internal CRM policy, that should ensure satisfaction is included into the formula and in all aspect of the customers experience. This will definitely results on transforming the personal relationship to become a robust organizational relationship and ensure retention rate is kept high. In other words, guanxi will play an important role to attract customers to the business as a first stage, but then to ensure customers retention and customer satisfaction must be met as prerequisite.

6.3 Academic and Managerial Implications

6.3.1 Academic Implication

This research has contributed into both the academic and the practical knowledge, which suggests several applications. Academically, this research has contributed and advanced the current knowledge and the existing literature of guanxi theory in the GCC region. Additionally, this research is responding to many calls made by different researchers, which is to further narrowing the existing gap on literature and to further explore the guanxi formation and its impact on business within the Middle East (Abosag & Naudé, 2014). The research investigated the nature of development of interpersonal relationship (Guanxi) and its effects on customer retention within Abu Dhabi context. Furthermore, this study was not limited to one industry only, in fact the researcher addressed as many different business industries as possible to ensure representation of the data and hence the findings.

Relevant variables to personal-type relationships were reflected on the proposed model in the present research. This had enabled the researcher to deeply understand the phenomena within UAE in particular in Abu Dhabi. Which means both academics and practitioners could benefit from the outcomes and the implications.

Since the dimensions were originally driven from the guanxi theory which is a Chinese concept, another objective of this studies was to test whether or not the identified dimensions will be applicable and will have the same influence on building Guanxi relationship with in Abu Dhabi’s context or not. Therefore, such results bring in a new insight to the existing literature, that when investigating guanxi type relationship the same dimensions might not be applicable and researchers must not generalize those dimensions to represent the Guanxi-type relationship in different regions. Thus, the dimensions must be relevant to the culture that the study is been carried on. Furthermore, the reliabilities, factor structure and validity tests are also critical to confirm those dimensions are suitable and valid.

6.3.2 Managerial Implications

The study shows that personal type relationship plays significant role into the businesses successes particularly when it comes to customer attraction and retention.

Thus, it is strategically important that business owners and managers, understands that guanxi type relationship and it positive influence on business success. That been said, business owners and managers should consider incorporating personal network it into their marketing strategy to attract new customers (Shaalan et al., 2013). Additionally, while managers and business owners leveraging on their personal network, they should also encourage their own employees to tap into their personal network in order to attract new customers. Once new customer are attracted to the business, managers should be implementing different tactics for relationship marketing programs to ensure customer satisfaction, which is also essential to be maintained to safeguard customer retention and to avoid loss of customer loyalty. Managers and their employees must work on building trusting relationship and show empathy to customers as this will strengthen the organizational relationship.

As a result of customer satisfaction and retention this would mean that the personal relationship had been transformed from personal relationship level to organizational relationship level, and that the organization have been successful in retaining and building loyal customers (Zhang & Zhang, 2006). Additionally, those satisfied, retained customers will help to promote and recommend the company’s products or services within their personal networks and society, this will create a positive word of mouth and results in attracting new customers and generating additional revenue.

On the other hand, if an organization were not successful in transforming those new customers who were introduced to the business through the guanxi type relationship, this would make the business vulnerable to lose customers once their contact person leaves the organization.

Using the personal-type relationship (guanxi) can play a role in encouraging greater performance (Sheng et al., 2011). Fan (2002) list some more of Guanxi benefits such as securing rare resources, bypassing or short-cutting the bureaucratic maze, obtaining information and privilege, selling otherwise unsellable goods, providing insurance against uncertainty and assistance when problems arose. Guanxi network can also improve efficiency by reducing transaction costs (Davies et al., 1995; Lovett et al., 1999). The benefit of Guanxi is not an immediate one, in some cases the retune of favour may never happen if not needed. It's mostly a benefit that is saved for future when most needed, the exchange of favours process is an informal and often involve more than two parties (Fan, 2002).

6.4 Conclusion

Despite the increasing attention paid to the guanxi theory and its implications on business practices across different cultures, and after a detailed literature review. To date, there have been no academic studies carried out in the UAE in particular in Abu Dhabi context that addresses the implications of guanxi relationship or any similar special type of personal relationship on customer satisfaction and customer retention. Thus, this is the first study to empirically investigate the guanxi theory and its implications on businesses practices within the context of Abu Dhabi city.

The researcher draw on existing literature and guanxi theory to identify total of six antecedents (factors) that lead to guanxi-type relationships formation, namely; Bonding, Empathy, Reciprocity, Personal Trust, Face, and Affection. Even though these constructs were originally identified as what constitute a guanxi relationship in China, however, drawing on (Hofstede, 2011) findings, who studied and compared cultures, claiming that there should be a universal categories of cultures, he had categorized and grouped China and the Arab world under the same group of cultural characteristics. Hence, we could use what has being established and recognized as valid and reliable constructs to start with.

Another four factors were identified to explain the consequences of guanxi relationship on organizational relationship, customer satisfaction and customer retention, namely Personal Relationship (Guanxi), Organizational relationship, Customer Satisfaction, and Customer Retention. Consequently, twelve hypotheses were developed regarding the relations between various constructs in the theoretical model.

This study discusses in chapter one the aim of this study, which is to identify antecedents (factors) that lead to Guanxi type relationship. Additionally, to find out the consequences of Guanxi relationship on the organizational relationship, customer satisfaction and customer retention.

Hence, in order to narrow the gap in knowledge and research surrounding the topic of guanxi-type relationships impact on SBE’s, the study aimed to achieve the following research objectives:

RO1: Identifying the antecedents (factors) that lead to guanxi-type relationships.

RO2: Studying the consequences of guanxi relationship on organizational relationship, customer satisfaction and customer retention.

RO3: Developing and establishing a conceptual model that integrates antecedents, guanxi relationship, organizational relationship with customer satisfaction and customer retention.

RO4: Stipulating and testing hypothesized relationships derived from the conceptual framework.

Two research questions (RQ) were also set in order to challenge the research problem:

RQ1: What role does guanxi-type relationship play in SBE's in Abu Dhabi, especially regarding its impact on customer satisfaction and retention?

RQ2: Which factors may mediate the impact of guanxi's-type relationship dimensions on the customer satisfaction and retention SBE's in the Abu Dhabi context?

The author discusses first, the nature of the development of the personal relationships, and second, the cultural transformation process of the personal relationship to become an organizational relationship. Drawing on different studies on literature and existing theories e.g. Guanxi theory (Hwang, 1987), Social capital theory, nepotism theory, life cycle theory (Van de Ven, 1992). These are all theories that emphasis on the importance of capitalizing of personal relationships and how it can bring to businesses a competitive advantages (Chen et al., 2017; Luo, 2007).

To help answering the research questions, and to achieve what this study aimed for, the author developed a conceptual model which is drawn from three streams of research: First, Guanxi & Relationship Marketing theories, Second, Social exchange theory, Social Capital theory (Hwang, 1987) and Third the life-cycle theory, which assumes that relationship development goes through stage-by-stage deterministic and irreversible growth over time (Van de Ven, 1992). Three groups of hypothesis on the research topic were proposed.

The First group this research examined the variables that may affect the development of personal relationship (Guanxi), namely bonding, personal trust, reciprocity, empathy, face and affection on a personal relationship (Guanxi). The second group of the hypothesis that were tested, the effect of personal relationship (Guanxi) on the organizational relationship. The third group of the hypothesis were testing the effect of both personal relationship (Guanxi) and organizational relationship on customer satisfaction and retention.

Figure 1: shows the conceptual model with the hypothesized linkages between the constructs. These linkages deal with sets of hypotheses proposed as follows:

The effect of bonding, personal trust, reciprocity, empathy, face, and affection on personal relationship (Guanxi).

H1: Bonding has a positive impact on Guanxi relationship

H2: Empathy has a positive impact on Guanxi relationship

H3: Reciprocity has a positive impact on Guanxi relationship

H4: Personal trust has a positive impact on Guanxi relationship

H5: Face has a positive impact on Guanxi relationship

H6: Affection has a positive impact on Guanxi relationship

Guanxi on Organizational Relationship

H7: Guanxi relationship positively impact organizational relationship

Guanxi and Org. trust on Customer satisfaction

H8: Guanxi relationship positively impact customer satisfaction

H9: Guanxi relationship positively impact customer retention

H10: Organizational relationship positively impact customer satisfaction

H11: Organizational relationship positively impact customer retention

H12: Customer satisfaction positively impacts customer retention.

This is the first study that takes place in Abu Dhabi that examine the determinants of personal type relationship (Guanxi) and the possibilities to transform personal relationships to an organizational relationship within SBEs in Abu Dhabi. The conceptual arguments and empirical findings also contribute to the existing literature on Guanxi, relationship marketing and marketing literature in general. This study offers new and useful recommendations for business owners and practitioners on the importance of personal network and what value it may add to a business in Abu Dhabi's local market. It also draws a roadmap for future research to explore other aspects of personal relationship within SBEs in particular in Abu Dhabi's context.

Overall, this research strongly reflects the nature of Abu Dhabi's society in terms of building personal relationships and leveraging on them for personal and business benefits. In fact, pulling on personal network to achieve some personal needs is considered to be ethical, acceptable and part of the daily activities with in Abu Dhabi society as it has been historically and traditionally imbibed within the society. Furthermore, practically, customers do prefer to deal with someone whom they know and trust and given their satisfaction, retention will always be the result.

6.5 Deliverables

Given the importance of the private sector and the role it plays towards the developing economy of Abu Dhabi, this research offered a better and wide understanding on the nature of the personal relationship (Guanxi) and its impact on the SBE's in Abu Dhabi and its influence on organizations customer retention. The proposed model shows the link between personal relationship (guanxi) and the organizational relationship on customer satisfaction and retention adds to existing literature insightful knowledge on the impact of personal relationship on SBEs in the context of Abu Dhabi.

Therefore, all main deliverables of this research are met:

1. Valuable findings that enlighten the SBEs in understanding the importance of personal relationship (guanxi) in achieving customer satisfaction and retention.
2. A report summary, which will be provided to the organizations that are part of the study, containing findings on how SBEs can maintain customer satisfaction

and retention through social networks into organizational trust.

3. Recommendations to the newcomer investors to the UAE SBEs privet sector on the key factors that positively impact customer satisfaction and retention
4. Published papers in conferences, journals, and international reports

6.6 Applicability and Significance

This is the first study in the UAE, Abu Dhabi context that examines the Guanxi relationship from a B2C perspective. One study was conducted in the Kingdom of Saudi Arabia which explored Guanxi from a B2B perspective by (Abosag & Naudé, 2014). However, in terms of B2C relationship, this research is the first kind of research to be carried out in the whole GCC, UAE and Abu Dhabi city that examines the impact of personal relationship on customer satisfaction and retention in SBEs. Furthermore, and from a practical perspective, this research proposes a unique model and after empirically tested and validated. This will contribute and expand the knowledge on guanxi theory, customer relationship marketing theory and others literature in the specific context of Abu Dhabi. Another important calculation is that this research offers and enlighten foreigner investors that might be interested in entering the SBEs Abu Dhabi market, on the importance of personal relationship before market entry. Academically, the research will add to the existing literature while conceptualizing the identified constructs in the context of Abu Dhabi, which have resulted in removing non-relevant constructs e.g. Empathy and affection.

6.7 Limitation and Future Research

The research has contributed significantly to the current literature on personal relationship (Guanxi) and its impact on customer retentions by empirically testing the relationship between antecedents and consequences within Abu Dhabi contexts.

However, the finding are limited to Abu Dhabi city, and should not be generalized on other cities with in the UAE. Therefore, it is recommended that further studies may be carried out to cover the other major cities e.g. Dubai and Sharjah to further support the generalizability prospects of the findings.

Furthermore, this research targeted SBEs (privet sector) in Abu Dhabi, to further widen the knowledge of the Guanxi influence, it would be interesting to learn more about the role of guanxi within the local government organizations and institutions. Additionally, internally within an organization, how guanxi influences personal carrier development.

Given the percentage of expatriates living in Abu Dhabi when compared to the local e.g. 9:1, one should neglected such a high percentage and the role that these expats are playing when it comes to the economical benefits that they bring back to the country. When analyzing the data collected for this study, the author have noticed that the demographics did not include nationality as one of the categories. Hence, the author recommends that such category to be included i.e. Emirate Vs Expacts, can help to distinguishing how does Guanxi relationship impacts both Emirates who are assumed to be highly connected with better network Vs Expacts who supposedly to be less connected, hence using minimal or no guanxi at all.

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Appendix A: Copy of the Survey Questionnaire Document

UAEU Faculty of Business and Economics

استخدام العلاقات الشخصية من نوع (غوانشي) لجذب العملاء والاحتفاظ بهم في المشاريع التجارية الصغيرة

دراسة تجريبية في الإمارات العربية المتحدة/ أبوظبي

عزيزي المشارك في الدراسة

نود منك أن تشارك في هذه الدراسة لفهم تأثير العلاقات الشخصية على المؤسسات التجارية الصغيرة في دولة الإمارات العربية المتحدة / امارة أبوظبي. هذا البحث هو جزء من استكمال درجة الدكتوراه في إدارة الأعمال في جامعة الإمارات العربية المتحدة وتهدف هذه الدراسة إلى فهم دور العلاقات الشخصية وتأثيرها على جذب والاحتفاظ بالعملاء في المشاريع التجارية الصغيرة في دولة الإمارات العربية المتحدة / أبوظبي.
كما سيتم توفير موجز للتقرير لجميع المشاركين المهتمين، يرجى الإشارة إلى اهتمامك بتزويدنا بعنوان بريدك الإلكتروني في القسم المحدد.

يرجى ملاحظة أن المشاركة طوعية، وبالتالي يمكنك الانسحاب في أي وقت من الدراسة، هناك خطر ضئيل في المشاركة في هذه الدراسة لأن جميع البيانات التي تم جمعها ستكون مجهولة المصدر.

إذا كانت لديك أسئلة بخصوص هذه الدراسة، يرجى عدم التردد في الاتصال بالباحث مباشرة وفقاً لمعلومات الاتصال أدناه.

شكرا لكم مقدماً على مساهمتكم القيمة في هذه الدراسة الهامة.

تعليمات عامة لاستكمال المسح

• لمساعدتك في الإجابة على الأسئلة فكر في أحد المشاريع الصغير التي تتعامل معها حاليًا، والتي تم تقديمها لك من خلال أحد معارفك الشخصية.

• يرجى وضع علامة على العبارة التالية إذا وافقت على المشاركة :-

أوافق على المشاركة الطوعية في الدراسة ___ أوافق

هادي البادي
دكتوراه في إدارة الأعمال
كلية الأعمال والاقتصاد
جامعة الإمارات العربية المتحدة (جامعة الإمارات العربية المتحدة)
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من يجب عليه ان يكمل هذا الاستبيان ؟

يجب الإجابة على الأسئلة التالية من قبل عملاء الشركات والمشاريع الصغيره، وسيتم ذلك من خلال سؤال المشاركين:-
1- اختر الاجابه في المربع المناسب .
2- الاشاره الى مدى الاتفاق حول قضايا مختلفة، حيث تم تصميم مقياس الاجابه الى خمس نقاط (1- 5) على النحو التالي :

أولا : معلومات أساسيه

يرجى وضع علامة فى المربع المناسب

1.1 العمر

☐ 28-18 سنه	☐ 39-29 سنه	☐ 50-40 سنه	☐ 60-50 سنه	☐ فوق 60 سنه

1.2 الجنس

ذكر ☐	☐ أنثى

1.3 المؤهلات الدراسيه

☐ متوسط	☐ ثانوي	☐ دبلوم	☐ بكالريوس	☐ دراسات عليا

1.4 الصله اوالعلاقة التي تجمعك مع الشخص الذي اتصل بك لتكون المستهلك / العميل لهذه الشركة هي؟ (الرجاء اختيار إجابة واحدة فقط)

☐ الأسرة	☐ صديق	☐ النادي الأجتماعي	☐ محليه	☐ زميل سابق	☐ زميل دراسه

1.6. تقريباً كم من الوقت تعرف هذا الشخص؟

☐ أقل من 5 سنوات	☐من 5-10سنوات	☐ من 11-15سنة	☐ من 16-20 سنة	☐ أكثر من 20 سنة

1.7 فكر في أحد المشاريع الصغيرة ، التي تتعامل معها حاليًا ، والتي تم تقديمها لك من خلال أحد معارفك الشخص الي أي قطاع يمكن تصنيف نشاط هذه الشركة؟

الرمز	1 ☐	2 ☐	3 ☐	4 ☐	5 ☐	6 ☐	7 ☐
	التجزئة	تكنولوجيا المعلومات والإلكترونيات والاتصالات	العقارات	الصناعة	السياحة	الصحة	وسائل الإعلام والترفيه

1.8 كم تقريبًا وانت عميلاً في هذه الشركة؟

☐ أقل من سنة	☐ من 1-3 سنوات	☐من 4-6 سنوات	☐ من 7-9 سنوات	☐ أكثر من 10 سنوات

ثانيا: علاقتك مع الشخص الذي من خلاله تعرفت على الشركة

الأسئلة في الجزء التالي قد تفسر علاقتك مع الشخص الذي من خلاله تعرفت على الشركة.
الرجاء تحديد مدا موافقتك أو رفضك لكل مما يلي.
قم بذلك عن طريق وضع دائره حول واحد من الأرقام الخمسة بعد كل عبارة وفقا للجدول التالي:-

1	2	3	4	5
أرفض بشده	أرفض	محايد	أوافق	أوافق بشده

A. الرابطه **أنا والشخص الذي أعرفه في هذه الشركه دائماً:-**					
أ.1 نعتمد على بعضنا.	1	2	3	4	5
أ 2 نتفاعل اجتماعيا.	1	2	3	4	5
أ 3 نحاول بشدة إقامة علاقة طويلة الأمد.	1	2	3	4	5
أ 4 على اتصال باستمرار.	1	2	3	4	5
أ.5 نتحدث بصراحة كأصدقاء.	1	2	3	4	5
B. العطف **أنا والشخص الذي أعرفه في هذه الشركه دائماً:-**					
ب.1 نفهم وجهة نظر بعضنا.	1	2	3	4	5
ب.2 نفهم احتياجات بعضنا.	1	2	3	4	5
ب.3 نظهر التعاطف عندما يواجه احدنا مشاكل.	1	2	3	4	5
ب.4 نقدم الدعم لبعضها في المشاكل.	1	2	3	4	5
C. التبادل **ضمن العلاقة بيني وبين والشخص الذي أعرفه في هذه الشركه:-**					
ت.1 ممارسة "الأخذ والعطاء" او تبادل المنافع هي جزء أساسي في علاقتنا.	1	2	3	4	5
ت.2 طلب خدمه من الشخص الذي اعرفه في هذه الشركه هو جزء من التفاعل الاجتماعي	1	2	3	4	5
ت.3 الخدمات التي نقدمها لبعضنا وطدت علاقتنا بشكل جيد .	1	2	3	4	5
ت.4 نشعر بالألتزام بتقديم الخدمات لبعضنا.	1	2	3	4	5
D. الثقة الشخصية **الشخص الذي أعرفه في هذه الشركه:**					
ح.1 جدير بالثقة.	1	2	3	4	5
ح.2 صادق جدا.	1	2	3	4	5
ح.3 يمكن الاعتماد عليه.	1	2	3	4	5
ح.4 يفي بوعوده.	1	2	3	4	5
E. الهيبة **أنا والشخص الذي أعرفه في هذه الشركة دائماً:-**					
ج 1. نولي الكثير من الاهتمام لكيفية رؤية الأخرين لنا.	1	2	3	4	5
ج 2. نعتقد أن المزيد من الاحترام الذي نتلقاه يفرض علينا مبادلته بالمثل.	1	2	3	4	5
ج 3. نشعر بالخجل اذا لم يقدر الشخص المعروف الذي نقدمه له.	1	2	3	4	5
ج 4. نحرص على ألا يشعر الطرف الاخر بعدم الراحة في التعامل.	1	2	3	4	5
F. العاطفة **دائما أنا والشخص الذي أعرفه في هذه الشركة:-**					
خ.1 نستلطف بعضنا.	1	2	3	4	5
خ.2 نستمتع بلقاء بعضنا في بيئة مريحة.	1	2	3	4	5
خ.3 تقديم الهدايا الرمزية.	1	2	3	4	5
خ.4 نستمتع بالتواصل مع بعضنا.	1	2	3	4	5
خ.5 نستمتع بمساعدة بعضنا.	1	2	3	4	5

ثالثا : نوع العلاقة

العبارات التاليه تصف نوع العلاقة بينك وبين الشركة (وليس علاقتك بالشخص الذي تعرفه في هذه الشركه والذي انت على اتصال به) وتشير إلى مستوى الاتفاق أو الرفض مع كل من العبارات التالية.

1	2	3	4	5
أرفض بشده	أرفض	محايد	أوافق	أوافق بشده

A. الثقه فالشركة					
ذ.1 هذه الشركة يمكن الوثوق بها.	1	2	3	4	5
ذ.2 هذه الشركة تعاملني بصراحة.	1	2	3	4	5
ذ.3 هذه الشركة يمكن الوثوق في وعودها.	1	2	3	4	5
ذ.4 متناسقة في تقديم منتجات ذات جودة عالية و الخدمات المميزة.	1	2	3	4	5
ذ.5 الشركة تنفذ ما وعدة به.	1	2	3	4	5
B. العلاقات الشخصية					
ر.1 ممارسة الأعمال الحره/الأنشطه التجاريه تشمل معرفة الأشخاص المناسبين.	1	2	3	4	5
ر.2 رد الخدمه (المجامله) هو جزء من ممارسة الأعمال الحره / الأنشطه التجارية.	1	2	3	4	5
ر.3 الحفاظ على علاقة شخصية جيدة هو أفضل وسيلة لتعزيز العلاقة واستمرارها.	1	2	3	4	5
C. التعاطف: **موظفي الشركة دائماً**					
ز.1 تفاهم في وجهات النظر.	1	2	3	4	5
ز.2 اظهار التعاطف عند المشاكل.	1	2	3	4	5
ز.3 تقديم الدعم المطلوب في وقته.	1	2	3	4	5
ز.4 اعطاء الاهتمام الشخصي.	1	2	3	4	5
D. التبادل					
س.1 ممارسة "الأخذ والعطاء" بيننا.	1	2	3	4	5
س.2 التعامل مع هذه الشركة سهل وبسيط .	1	2	3	4	5
س.3 تؤمن الشركة بتعامل بصدق.	1	2	3	4	5
E. المحافظة على العملاء					
ش.1 لدي نية لإعادة الشراء او التعامل مع هذه الشركة في المستقبل.	1	2	3	4	5
ش.2 سأواصل الشراء او التعامل مع هذه الشركة.	1	2	3	4	5
ش.3 أوصي على هذه الشركة لجميع من اعرف في المستوي الاجتماعي (الأصدقاء والزملاء والأقارب).	1	2	3	4	5
ش.4 أتوقع أن يستمر تعاملي مع هذه الشركة لفترة طويلة.	1	2	3	4	5
ش.5 لا أعير أي اهتمام لعروض المنافسين.	1	2	3	4	5
F. رضا العملاء					
ص.1 اختياري للتعامل مع هذه الشركة كان حكيماً.	1	2	3	4	5
ص.2 فعلت الشيء الصحيح عندما بدأت التعامل مع هذه الشركة.	1	2	3	4	5
ص.3 هذه التجربة هي بالضبط ما كنت بحاجة إليه.	1	2	3	4	5

رابعا: المأثيرات

أ. إذا كان الشخص الذي قد عرفك على هذه الشركه قد ترك عمله او ارتباطه بالشركة، هل سوف تستمر تتعامل مع هذه الشركة؟

العبارات التاليه تكشف تأثير وجود الشخص الذي تعرفه فالشركة على نية الأستمرارية فالتعامل مع الشركه، وتشير إلى مستوى الاتفاق أو الرفض مع كل من العبارات التالية.

1. ☐ **نعم** يرجى الانتقال إلى الأسئلة **(ب)**
2. ☐ **لا** يرجى الانتقال إلى الأسئلة **(ج)**

ب- سأظل أشتري من هذه الشركة لعدة اسباب (يمكنك اختيار أكثر من إجابة واحدة) ملاحظة: يرجى الإجابة على هذا السؤال إذا كانت إجابتك عن السؤال (أ) نعم.

- ☐ أنا راض عن هذه الشركة حتى لو كان الشخص الذي أعرفه سوف يغادر هذه الشركة.
- ☐ لن اقبل التعامل مع شركه اخرى حتى لو كان الشخص الذي أعرفه سوف يطلب مني التبديل معه / معها إلى شركة أخرى.
- ☐ بنت الشركة علاقة جيدة معي الشركة تعطيني عروض جيدة مقارنة مع شركة أخرى.
- ☐ احترافية تعامل الشركة.
- ☐ هذه الشركة هي أفضل خيار متاح بنسبة لي.
- ☐ لم يطلب مني شخص الذي أعرفه أن انتقل الى الشركة الجديدة الذي انتقل هو اليها.

أسباب أخرى (يرجى التحديد)

- ______________________
- ______________________
- ______________________

ج- سأترك هذه الشركة لعدة اسباب (يمكنك اختيار أكثر من إجابة واحدة).

ملاحظة: يرجى الإجابة على هذا السؤال إذا كانت إجابتك عن السؤال "أ" لا.

- ☐ أنا لا أريد أن أتعامل مع هذه الشركة طالما أن الشخص الذي أعرفه سوف يغادر الشركة.
- ☐ لن اتعامل مع الشركة اذا طلب مني الشخص الذي أعرفه التبديل او الانتقال معه / معها الي شركة جديدة.
- ☐ أنا لا أريد أن أتعامل مع هذه الشركة حتي ان لم يطلب مني الشخص الذي أعرفه ترك هذه الشركة
- ☐ أنا غير راضٍ عن هذه الشركة.
- ☐ الشركة لم تبني علاقة جيدة معي.
- ☐ لم تقدم الشركة لي الكثير مقارنة مع الشركات الأخرى.
- ☐ ما فعلته الشركة بالنسبة لي لا يكفي للحفاظ علي كعميل.
- ☐ هذه الشركة ليست الخيار الأفضل المتاحة الآن.

أسباب أخرى (يرجى التحديد)...

تعليقات اضافية :
…………………………………………………………………………………………………
…………………………………………………………………………………………………
…………………………………………………………………………………………………
…………………………………………………………………………………………………

نشكركم على حسن تعاونكم ،،،

إذا كنت ترغب في الحصول على نسخة من تقرير الدراسة يرجى تقديم عنوان بريدك الإلكتروني أدناه.

البريد الالكتروني : ……………………………………………………………………………

Using Personal-type Relationships (Guanxi) to attract and retain customers in Small Business Enterprise (SBE): An Empirical Study in UAE, Abu Dhabi.

Dear Survey Participant,

We would like you to participate in this study to understand the **Chinese concept of "Guanxi" which means personal relationships** and its impact in attracting and retaining customers in Small Business Enterprises (SBE) in the UAE/ Abu Dhabi city. This research is conducted as part of completing the Doctorate of Business Administration (DBA) Degree in the United Arab Emirates University (UAEU). A summary of the report will be available to all the interested participants. Please indicate your interest by providing us with your email address in the specified section.

Kindly note that participation is voluntary, and accordingly you may withdraw at any time from the study. There is minimal risk in participating in this study since all data collected will be anonymous.

If you have questions regarding this study, please do not hesitate to contact the researcher directly as per the contact information below.

Thank you in advance for your valuable contribution to this important study.

General instructions to complete the survey

- **To help you answer the questions, think of a (SBE) which you are currently dealing with. This SBE was introduced to you by a personal contact who is directly or indirectly connected to that SBE.**
- Please tick the following statement if you agree to participate:

  I agree to voluntarily participate in the study ___ Agree

Hadi Al Badi
Doctorate of Business Administration (DBA) Student
College of Business and Economics
United Arab Emirates University (UAEU)
E-Mail: 201590090@uaeu.ac.ae

Who should complete this questionnaire?
The following questions should be answered by customers of SBE. This will be done through asking respondents:
1. To choose an answer in an appropriate box.
2. To indicate their extent of agreement about different issues. A five-point scale (1-5) has been designed as follows:.

First: Background information

Please tick in the appropriate box

1.1. Age Category

Less 20 yrs	21-30 yrs	31-40 yrs	41-50 yrs	More than 50 yrs

1.2. Gender

Male	Female

1.3. Qualifications

Intermediate	Secondary	Diploma	Bachelor	Postgraduate

1.4. Are you

Individual consumer	Business consumer

1.5. The basis of your relationship with the person who contacted you to be a consumer/customer for this company is? (Please choose only one answer)

Family	Friend	Locality	Social Club	Former colleague	Former classmate

1.6. Approximately, how long you have known this person for?

Less than 5 yrs	5-10 yrs	11-15 yrs	16-20 yrs	More than 20 yrs

1.7 **Think of a Small Business Enterprise (SBE), which you are currently dealing with, that was introduced to you through your personal contact.**

Which industry does this Small Business enterprise (SBE) belongs to:

Code	1	2	3	4	5	6	7
	Retail	IT, Electronics and Communications	Real Estate	Industrial	Tourism	Health	Media & Entertainment

1.8 Approximately, how long you have been a customer with this company?

Less than 1 yr	1-3 yrs	4-6 yrs	7-9 yrs	10 yrs and more yrs

………………………………………………………………………………………………………

Second: Contact Person

Questions in the next part might explain your relationship with the contact person.
Please indicate the level of agreement with each statement. Do this by circling one of the five numbers after each statement according to the following scale**:**

1	2	3	4	5
Strongly Disagree	**Disagree**	**Neutral**	**Agre e**	**Strongly Agree**

Bonding					
A. Me and my contact person at this company always:					
A.1 Rely on each other.	1	2	3	4	5
A.2 Interact on a social basis	1	2	3	4	5
A.3 Try very hard to establish a long term relationship	1	2	3	4	5
A.4 Keep in touch constantly	1	2	3	4	5
A.5 Talk openly as friends	1	2	3	4	5
Empathy					
B. Me and my contact person at this company always:					
B.1 Understand each other's viewpoint.	1	2	3	4	5
B.2 Understand each other's needs.	1	2	3	4	5
B.3 Show sympathy when each other has problems.	1	2	3	4	5
B.4 Provide support when each other has problems.	1	2	3	4	5
Reciprocity					
C. Within the relationship between me and the contact person at this company:					
C.1 The practice of "give and take" of favors is a key part	1	2	3	4	5
C.2 "calling in" favors is part of social interaction	1	2	3	4	5
C.3 The favors we do for each other have built good relationships	1	2	3	4	5
C.4 We feel a sense of obligation for doing each other favors	1	2	3	4	5
Personal Trust					
D. The contact person at this company:					
D.1 Is trustworthy	1	2	3	4	5
D.2 Is always honest	1	2	3	4	5
D.3 Is dependable	1	2	3	4	5
D.4 Fulfills his/her promises	1	2	3	4	5
D.5 Does not make any false claims	1	2	3	4	5
Face					
E. Me and my contact person at this company always:					
E.1 Pay a lot of attention to how others see us	1	2	3	4	5
E.2 Believe the more respect we receive, the more 'face' we have	1	2	3	4	5
E.3 Feel a 'loss of face' when others turn down our favors	1	2	3	4	5
E.4 Take care not to make each other feel uncomfortable in any situation	1	2	3	4	5
Affection					
F. Me and my contact person at this company:					
F.1 Like each other	1	2	3	4	5
F.2 Enjoy meeting each other away from business environment (e.g. dining out)	1	2	3	4	5
F.3 Present gifts to each other (does not have to be expensive)	1	2	3	4	5
F.4 Enjoy communicating with each other	1	2	3	4	5
F.5 Enjoy helping each other	1	2	3	4	5

Third: Type of relationship

Please circle the one number for each question that comes closest to reflecting your opinion. The questions in this section of the questionnaire are concerned with **describing the type of relationship between you and the company (not your contact person)**.

1	2	3	4	5
Strongly Disagree	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**

G. Guanxi Relationship: or Personal Relationship					
G.1 Doing business includes knowing the right people.	1	2	3	4	5
G.2 Returning favor for favor is part of conducting business.	1	2	3	4	5
G.3 Maintaining a good relationship is the best way to enhance relationship.	1	2	3	4	5
H. Organizational Relationship: the company:					
H.1 Can be trusted	1	2	3	4	5
H.2 Treats me honestly	1	2	3	4	5
H.3 Provides reliable promises	1	2	3	4	5
H.4 Is consistent in providing quality products and/or services	1	2	3	4	5
H.5 Carries out what the contact person promises	1	2	3	4	5
I. Empathy: The company employees always					
I.1 Understand my viewpoint	1	2	3	4	5
I.2 Show sympathy when I have problems	1	2	3	4	5
I.3 Provide support when I have problems	1	2	3	4	5
I.4 Give me personal attention	1	2	3	4	5
J. Reciprocity:					
J.1 The practice of ‘give and take’ of favors is a key part of the relationship between me and this company	1	2	3	4	5
J.2 In the relationship between me and this company we feel a sense of obligation for doing each other favors	1	2	3	4	5
J.3 The company believes in “never forget a good turn” for me	1	2	3	4	5
J.4 I believe in “never forget a good turn” for the company	1	2	3	4	5
K. Customer Retention:					
K.1 I have an intention to deal with this company in future.	1	2	3	4	5
K.2 I will continue to deal from this company	1	2	3	4	5
K.3 I recommend this company to all my social network (friends, colleagues and relatives)	1	2	3	4	5
K.4 I expect my relationship with this company to last a long time	1	2	3	4	5
K.5 I usually pay less attention to the competitors offers	1	2	3	4	5
L. Customer Satisfaction:					
L.1 My choice to deal with this company was a wise one.	1	2	3	4	5
L.2 I did the right thing when I started dealing with this company.	1	2	3	4	5
L.3 I am enjoying my experience in dealing with this company.	1	2	3	4	5

Fourth: Effects

A. If the person who introduced this company to you left the company, would you still deal with this company?

1. ☐ Yes Please go to questions B
2. ☐ No Please go to questions C

B. I will still deal with this company because one or more of the following reasons
(you can choose more than one answer)
Note: please answer this question if your answer for question **A** was **yes,**

☐ I am satisfied with this company, even if the contact person will leave this company
☐ I am satisfied with this company, even if the contact person will ask me to switch with him/her to another company.
☐ The company built a good relationship with me, the company gives me good offers comparing to other company.
☐ What the company did for me is enough to keep me as a customer.
☐ This company is the best option available now
☐ The contact person did not ask me to switch with him/her

Other reasons (please specify)

____

C. I will leave this company because one or more of the following reasons
(you can choose more than one answer)
Note: please answer this question if your answer for question **A** was **No,**

☐ I do not want to deal with this company as long as the contact person will leave the company
☐ I cannot deal with this company, if the contact person will ask me to switch with him/her
☐ I do not want to deal with this company even, the contact person will not ask me to switch with him/her
☐ I am not satisfied with this company
☐ The company did not build a good relationship with me
☐ The company did not offer me a lot comparing to other companies
☐ What the company did for me is not enough to keep me as a customer
☐ This company is not the best option available now

Other reasons (please specify)

____

Any additional comments:
………
………
………

Thank you for your co-operation
If you would like a copy of the study results report, please complete the following details:
Name: ……………………………………………………………………………………………
E-mail: ……………………………………………………………………………………………

Appendix B: Copy of the Ethical Approval

Social Sciences Research Ethics Committee
-Approval-

Proposal number: *ERS_2018_5713*

Title of Project: Using Personal-type Relationships (Guanxi) to attract and retain customers in Small Business Enterprise (SBE): An Empirical Study in UAE, Abu Dhabi

PI: Hadi Al Badi

Co-PI:

The above proposal has been reviewed by:

☒ one member of the Social Sciences REC
☐ two members of the *Social Sciences REC*

And the decision is:

☒ Favourable
☐ Favourable with Additional Conditions
☐ Provisional Opinion
☐ Unfavourable Opinion
☐ No Opinion (Proportionate Review* only)

Reason:

After evaluating this proposal, we see no major ethical concerns. Therefore, the proposal is approved for one year.

Please ensure that you indicate to research participants that your study has received ethical approval from UAE University by referring to the proposal number.

Name (Chair or designee): Clara Morgan

Clara Morgan

Signature

February 22, 2018

Date

The decisions available to the Committee are defined as follows:

"**Favourable** with standard conditions" means that the study has ethical approval to proceed, as long as local management approval is in place prior to the study starting.

"**Favourable with Additional Conditions**" means that the study has ethical approval in principle but there are certain issues, which need to be addressed prior to the study starting such as a minor change to participant documentation. It is the responsibility of the Principal Investigator to ensure that additional conditions are met.

"**Provisional Opinion**" means that there are more substantial changes, which need to be made before the study starts. These changes would require further ethical review on the basis of which a favourable or unfavourable opinion would be given by the Ethics Committee.

Unfavourable Opinion means that the study does not have ethical approval to proceed and a further application would need to be submitted should the applicant choose to proceed with the study. Advice and guidance will be provided by the Committee setting out the reasons for their decision and suggesting changes which would mean that a favourable opinion on resubmission would be more likely. For applications processed through the Proportionate Review* Service an unfavourable opinion is only given where the application is of such poor quality that it is probable that an unfavourable opinion would be given if it were to be reviewed at a full meeting.

No Opinion (Proportionate Review* only), means that the Proportionate Review sub-committee (3 members) have deemed that the proposed study does have material ethical issues and will therefore need to be reviewed by a full committee.

**The aim of proportionate review is for studies which present minimal risk or burden for participants to be reviewed by a proportionate review sub-committee within 14 days of receipt of a valid application.*