

Relational Capital's Support in Innovating a Female-Run Business: The Case of an Italian Organic Farm



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1 Introduction

Recently, the global debate has paid attention to the theme of gender equality. Two of the main indicators that could be used to examine the actual women's situation are their presence in the labour market and the growing number of female entrepreneurs (Martínez-Rodríguez et al., 2021). Female-run enterprises have some peculiarities compared with male-run businesses, such as differences in funding and motivations, difficulties in starting a business and so on (Cesaroni & Sentuti, 2016; Itani et al., 2011; McGowan et al., 2012; Moss-Racusin et al., 2018; Wu et al., 2019). To all of these, it is possible to add the peculiar intellectual capital—comprising human capital (HC), structural capital (SC) and relational capital (RC)—that exists in female-run companies (Paoloni et al., 2019). Focusing on RC, it could produce cooperation and innovation, improving trust, confidence and transfer of knowledge (Walecka, 2020). In fact, this relational aspect is more significant in female-run enterprises than in male-run ones because in the first case, their networks could support businesswomen and help them handle new ventures' complexity, overcoming the major difficulties associated with this phenomenon (Paoloni & Dumay, 2015; Cesaroni & Paoloni, 2016; Paoloni & Lombardi, 2017). Regarding this matter, several scholars have focused on the types of relations established by female entrepreneurs (e.g. Cesaroni & Paoloni, 2016; Churchill et al., 1987; Paoloni, 2021; Rodriguez & Santos, 2009) yet leaving in the shadows the kinds of relations that could support innovation in female-run enterprises. This theme could be significant, considering both the prejudice and the discrimination that women still suffer in

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entrepreneurship (Sarri & Trihopoulou, 2005), as well as their greater motivation to pursue innovative change (Fu et al., 2021).

In this light, the present work aims to examine this literature gap by answering this research question (RQ):

RQ. What relationships are able to support an innovation process in a female-run enterprise?

To answer the RQ, a female-run Italian enterprise that has undergone an innovation process (namely the shift to organic agriculture) is chosen as the case study (Yin, 1984). The data were collected through semi-structured interviews (Runeson & Höst, 2009). The obtained information is related to the firm, focusing on the support that RC has provided to the young female entrepreneur to convert traditional agriculture production to organic farming.

The paper is structured as follows. In Sect. 2, a literature review is presented. Then, in Sect. 3, the research protocol is described, and the adopted interpretative model is illustrated. Next, the findings related to CAOS model (Sect. 4) and the types of relations (Sect. 5) are shown. Finally, the discussion and the conclusions are presented (Sect. 6).

2 Literature Review

Female entrepreneurship is significantly increasing over the last few decades and pushing the scholars' attention to this topic in the recent past (Deng et al., 2020; Paoloni, 2021). This growing phenomenon is due to the re-evaluation of the female figure in society, which started in the 1980s, witnessing women transform themselves from housewives to new businesswomen. This new vision is also supported by the keen interest that the gender equality theme has gained, especially in the most recent global debate (see, e.g., the UN Agenda 2030, goal no. 5), where gender equality is considered able to produce significant macroeconomic effects on GDP growth and productivity (Ostry et al., 2018).

In this long journey to female emancipation, some policies have been set up to support female entrepreneurship at both national and international levels¹ (Skonieczna & Castellano, 2020). However, even if there has been a slight increase, especially in small-sized firms (McManus, 2017), the presence of female-run enterprises is still limited compared with male-owned firms (Kiefer et al., 2020). This finding is mainly due to the complications that women still face on their path to independence (Dal Mas & Paoloni, 2020); suffice it to think of the first difficulties that a female entrepreneur may encounter in accessing the funds to start her own business or in balancing her work with her historical role in the family or in obtaining

¹See, for example, European programmes and actions, such as the WEgate platform and the gender-smart financing.

a specific and qualified education, especially in science, technology, engineering and mathematics (STEM) disciplines (Cesaroni & Sentuti, 2016; Itani et al., 2011; McGowan et al., 2012; Moss-Racusin et al., 2018; Wu et al., 2019). Such issues could arise despite the fact that because of their historically peripheral role in entrepreneurship, female entrepreneurs are more likely to engage in an innovation process (Prabowo & Setiawan, 2021), or at least, they could have a positive impact on increasing different kinds of organisational innovation (Fu et al., 2021). Therefore, to be successful, the innovative process should be supported by specific characteristics of female entrepreneurs that can enable minimising all the difficulties and discrimination that could affect women (Sarri & Trihopoulou, 2005).

Perceived as the moment of change for a company, the innovative process could be well supported by some intangible assets, such as intellectual capital,² especially RC (Bode & Macdonald, 2016; Jia et al., 2020; Li et al., 2021; Prasad et al., 2014). In fact, the literature analysis makes it possible to understand that intellectual capital, particularly RC, helps in handling new venture complexity, overcoming the major complications associated with this phenomenon and contributing to an innovative process (Ryu et al., 2021), above all, in female enterprises. RC may even increase an organisation's flexibility, especially when facing difficulties, crises or unexpected disruptions (Jia et al., 2020; Johnson et al., 2013; Kuminova & Bykova, 2014).

RC is also considered a key factor that enhances knowledge sharing among both intra-organisational and inter-organisational stakeholders (Cabrito et al., 2018; Chesbrough, 2003; Inkinen et al., 2017). In fact, in contrast to the past, organisations may not be regarded as isolated, but they produce knowledge and therefore innovate, due to their continuous relations with external stimuli (Nonaka, 1994; Ryu et al., 2021). This is particularly true when considering the female-owned enterprises that used to be more supported by RC, especially composed of family or close-friend relations (Cesaroni & Paoloni, 2016; Dal Mas & Paoloni, 2020; Paoloni & Dumay, 2015; Paoloni & Lombardi, 2017). Considering all the discrimination and prejudice that women may suffer (Sarri & Trihopoulou, 2005), RC plays a key role in supporting female entrepreneurs, providing more stability, security, organisational and moral aid, and helping them succeed (Paoloni, 2021). They benefit more from RC than men because women who are more likely to engage in any kind of innovation process (Fu et al., 2021) are also more able to exploit firms' relations, reflecting a more cooperative leadership style (Shapiro & Sokol, 1982). In this context, some authors (Cesaroni & Paoloni, 2016; Churchill et al., 1987; Dal Mas & Paoloni, 2020; Paoloni & Dumay, 2015; Rodriguez & Santos, 2009) have focused on the differences between the relationships built by female entrepreneurs and those created by male entrepreneurs, finding differences in the composition as well, since the networks built by women are made up of a larger number of females than males

²Intellectual capital comprises human capital, that is, the codified knowledge, skills, innovation and abilities of individual employees; structural capital, consisting of hardware, software, databases, patents and trademarks; and relational capital, identified with the relationships that an entrepreneur can establish and manage with customers, institutions, financiers and other stakeholders (Bontis et al., 1999; Edvinsson & Malone, 1997; Walecka, 2021).

and tend to be of a modest size. The reason for these differences lies in the diverse ways of building both personal and professional relationships (Paoloni, 2021) and above all, in the need to find a balance between these two worlds to reach the goal of reconciling work and family (Aldrich et al., 1989; Anderson et al., 1994; Cinamon & Rich, 2002). On the contrary, the RC literature seems to pay no attention to understanding what type of RC composition, created and managed by female entrepreneurs, could support innovation. In this light, this study aims to fill this literature gap.

3 Research Protocol

3.1 *Research Method, Case Selection and Data Collection*

In the present research, a qualitative single case study is performed (Yin, 1984). It is suitable for examining a complex phenomenon in its real-life context and it could be used at all levels of research, starting with generating hypotheses to build theories and generalise results (Eckstein, 1975; Flyvbjerg, 2006).

The term “qualitative” means that this study uses “interpretive techniques directed at describing, translating, analysing, and otherwise inferring the meanings of events or phenomena occurring in the social world” (Covaleski & Dirsmith, 1990, p. 543). This type of methods has been already used in different papers (e.g. Cosentino et al., 2021; Paoloni et al., 2020; Paoloni & Dumay, 2015) that applied the CAOS (C—Caratteristiche personali, A—Ambiente, O—Organizzazione and S—start-up) model (Paoloni, 2021), which is an approach used to analyse the type of relationships.

The selection of the case study, a fundamental issue that could determine the rigour and the validity of the research (Flick et al., 2004), is attributable to the information-oriented selection (Flyvbjerg, 2006). Following the expectations about its information content, the chosen case is an organic farm situated in the south of Italy because it is a clear example of a female-run enterprise where a woman could produce a significant and innovative change, switching from traditional to organic agriculture.

The information was collected through semi-structured interviews since they would allow the entrepreneur to specify the concepts and the ideas that she values the most (Horton et al., 2004), ensuring flexibility and freedom for both her and the researcher (Runeson & Höst, 2009). The two interviews were conducted remotely, each lasting 45 minutes on average. The required information concerns some specific firms’ aspects, its organisation and the environment where it operates, as well as information related to the personal characteristics of the female entrepreneur, according to the information required by the CAOS model (Paoloni, 2021).

3.2 *The Model for Analysing the Case Study: CAOS Model*

The interpretative model used, the CAOS model (Paoloni, 2021), is useful for the aim of this paper, because it facilitates describing the main characteristics of the firm, the entrepreneur and the environment. Therefore, it would be able to describe the existing relationships.

The determinants of the model are as follows:

- *The entrepreneur's personal characteristics (C)* includes the distinguishing traits of the female entrepreneur that help her perform her role in the firm, as well as influence her capability to build networks and gain advantages from them (Dal Mas & Paoloni, 2020). In this element, personal information about the entrepreneur (complete name, age, education and previous experience) and the firm's information (denomination, legal status, sector, size and location), business vision and governance are included.
- *The environment (A)* refers to external characteristics, namely the firm's socio-economic and cultural context that could influence its behaviour.
- *The organisational and managerial aspects (O)* includes, among others, the role assignments, the responsibility identification and the definition of the operative and management procedures.
- *The observation period (S)* originally identifies the start-up phase and here, is considered the moment of the observation.

These variables are strictly interrelated and can create several types of links that can vary, considering their intensity/nature (formal or informal) and stability (durable or temporary). Formal relationships are characterised by the presence of a need or an obligation of different natures: legal (e.g. employees' contracts), managerial (e.g. links between the company and the consultants or professionals) and economic (e.g. links characterised by commercial exchanges with customers, suppliers and lenders) (Mercuri et al., 2021). Informal relationships are those that indirectly help the entrepreneur without creating constraints or obligations, such as relationships with relatives, family, friends or colleagues (Paoloni, 2021).

Based on the frequency with which the relationship is activated, it is possible to recognise permanent relationships, which indicate the existence of lasting and prolonged bonds over time, due to mutual trust and confidence (Luo et al., 2004; Paoloni & Dumay, 2015). These relationships arise from a loyalty process that generates lifetime value and brings competitive advantage (Nooteboom, 2002; Williamson, 1993). Building and maintaining a high degree of trust, the entrepreneur can keep the relationship stable and collaborative (Costabile, 2001; Luo et al., 2004). In contrast, temporary relationships are characterised by occasional exchanges where there is no strong confidence between the stakeholders and the company (Cosentino et al., 2021).

Within these bonds, it is possible to identify the cardinal links that are the cornerstones of all business relationships (Paoloni et al., 2020), focusing on a

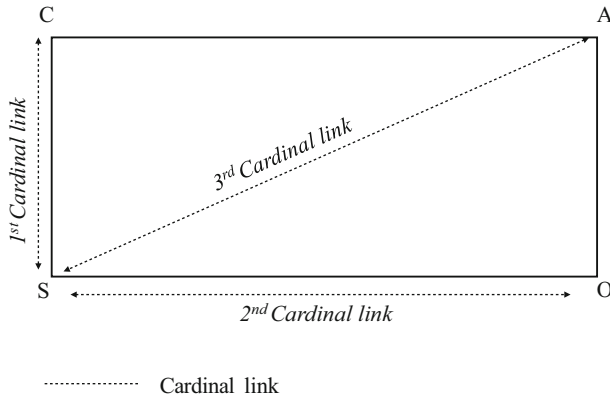


Fig. 1 CAOS model (Paoloni, 2021)

specific moment of the analysis (S) to understand the causes and the effects of the relations' establishment.

The CAOS model, highlighting the cardinal links, is presented in Fig. 1.

Cardinal links are classifiable into three groups, also mapped based on the Paoloni's matrix (Paoloni, 2021). The first cardinal links (S–C/C–S) identify all contacts that the entrepreneur activates in the observed period. These are strictly related to the entrepreneur's characteristics, needs and motivations. These could be both formal relationships (e.g. all the contacts that connect the enterprise to the lenders, customers, suppliers, financial administration and other stakeholders) and informal ones (familiar relations). The second cardinal links (S–O/O–S) are activated to organise the enterprise, defining roles, tasks and responsibilities. The third cardinal links (S–A/A–S) concern the relationship between the firm and the external environment where it operates.

4 Application of the CAOS Model in the Selected Case Study

The variables of the CAOS model are separately analysed in this paragraph.

4.1 Personal Element (C)

The young entrepreneur was the owner of a family farm located in the south of Italy. She officially assumed the qualification of a professional agricultural entrepreneur in

September 2005, at the age of 28, after taking over the reins of the company with a generational change from her father. Although she represented the fourth generation of a family of farmers, there was no continuity between her studies and the role she has decided to play in the company. Indeed, she began her studies at the Faculty of Pharmacy, University of Bari, until she decided to drop out to completely devote her time to the family business. The motivation that has led her to abandon her studies was linked to the loss of her only brother. This event has made her think that all the sacrifices of her parents and before them, of her grandparents, converging in her brother's dreams, could be repaid with her full dedication to the family farm. However, the young woman not only inherited the firm but also decided to innovate it, following a specific direction—she wanted to convert all productions into organic farming, continuing the process that her father has already had applied to the olive groves. In consolidating the idea of transforming the entire company production into organic farming, the entrepreneur also felt flanked and supported by a group of people who were, at the time, part of her personal relationship sphere, such as her parents and boyfriend, who have emotionally and practically supported her in facing the organic challenge. Indeed, her father dealt with the application of organic policies in the olive production, whereas her boyfriend helped her by working as an employee of the company. This choice to completely convert to organic agriculture represented a real challenge because of the various difficulties involved in immersing herself in this sustainable practice. First, lots of technical changes had to be made about land, seeds and machinery. Second, the entrepreneur was aware that she would obtain lower production in terms of quantity, even if it would have higher quality, and it would favour the well-being of the soil, plants, humans and the planet in general. It was, therefore, extremely important to invest in machinery that is in line with the needs related to the composition of the soil, but first, to work in order to manage well the healthiness and cleanliness of the soil, free from weeds, and therefore, to be able to sow within the month. In the interview with the entrepreneur, she said:

Doing organic is literally different than doing conventional. You are immersed in a completely new world, you have to forget about chemistry, you just have to operate in a way that is according to time and that favours time.³

To support this process in the best way, she decided to resort to external experts who would help her in evaluating and implementing the innovation process.

4.1.1 Macro-Business Element (A)

The new agricultural entrepreneur thus found herself managing a plot of land equal to 101 hectares, 97 of which are still nowadays intended for arable land (wheat,

³All the quoted texts that are written in italics are extracted from the interview with the female entrepreneur.

barley, oats and legumes) and two for olive groves. The farm is in South Italy, a typical agricultural landscape of hills and arable land.

Nevertheless, in recent years, climate change has represented a source of great discomfort, making the fields clayey and difficult to cultivate. This phenomenon has led the entrepreneur to make important decisions to make her farm more adaptive to these new challenging conditions, such as buying modern machinery that is more suited to the current soil conditions. It has significantly contributed to her decision to convert the production into pure organic agriculture.

Organic agriculture is “a holistic production management system which promotes and enhances agro-ecosystem health, including biodiversity, biological cycles, and soil biological activity. It emphasises the use of management practices in preference to the use of off-farm inputs, considering that regional conditions require locally adapted systems. This is accomplished by using, where possible, agronomic, biological, and mechanical methods, as opposed to using synthetic materials, to fulfil any specific function within the system” (Codex Alimentarius, 1999, Art. 7). By using organic methods, dangerous global threats can be countered, such as the impoverishment of soil and natural resources, climate change and other risky issues related to decreasing soil fertility (Lockeretz, 2007). Those who decide to invest in the organic sector are also increasingly growing in number, recognising a significant market opportunity in it and taking advantage of the financial incentives made available by the Common Agricultural Policy (CAP).⁴ Therefore, this investment choice was done also by the female entrepreneur.

Concerning the category associations, it seemed that in the specific analysed case, they did not represent valid support in the phase of conversion to organic farming. Her experiences with this category had started with her membership in “Confagricoltura Youth”.⁵ Growing up over the years, the entrepreneur realised that Confagricoltura did not provide valid help to the territory. Furthermore, her father had contacts with Coldiretti,⁶ but, as the entrepreneur explained during the interview, the organisation turned out to be completely absent. Hence, she decided to break up with it. Instead, the help of external experts who have supported her in the actualisation of her choice was much more important.

On the one hand, to compile and submit the CAP application in order to obtain the economic support that the EU reserves for farmers, the woman was followed by a local accountant, whose father had already been supporting the company before her takeover.

⁴It represents the set of rules that the European Union, since its inception, has intended to issue to itself, recognising the centrality of the agricultural sector for a fair and stable development of the member countries (Ministry of Agricultural, Food and Forestry Policies, 2021). In Italy, these policies are in the hands of the Ministry of Agricultural, Food and Forestry Policies that manages funding on behalf of the European Community.

⁵Confagricoltura is one of the main farmers' organisations in Italy. It is committed to the development of farms and the primary sector in general, for the benefit of the community, the economy, the environment and the territory.

⁶Coldiretti is the largest association of representation and assistance of Italian agriculture.

On the other hand, two additional figures who provided her with valuable help were two agronomist technicians, friends of the family, whom the female entrepreneur still considers her brothers:

For 16 years, they have always had the “right words” for me, the most suitable solution for me, and they also supported me with the CAP question.

Additionally, in 2007, through the 2006 INAIL⁷ contribution, she made a huge conversion that involved the following: the disposal of asbestos from workplaces, the adjustment of the electrical system, the waterproofing of the roofs and, to reduce the risk of falls and falling debris, the facade renovation with plaster and painting, as well as the floor upgrade with a monolithic anti-slip trim.

Although the prevailing source of this type of investment was that made available by the 2006 INAIL contribution, the entrepreneur also resorted to the use of equity and financing by a local bank, which has always helped her since her takeover. Indeed, there is evidence that the territorial presence of local banks drives a more stable relationship between small lenders and borrowers (Modina & Polese, 2008).

Finally, concerning the production and sale of organic products, the company could count on the networks of suppliers and customers that have always trusted it and its brand.

4.2 *Business Element (O)*

The case under study was an individual company whose ownership, control, management and decision-making process were carried out by the young female entrepreneur, supported by her boyfriend, who held the position of agricultural family assistant. The entrepreneur played an operational role, had high technical-administrative skills and took care of the relationships with the various stakeholders linked to her business. Her boyfriend devoted himself completely to the “practical” part, but since the agricultural sector was characterised by predominantly male rather than female protagonists, he was also responsible for communicating with some male stakeholders.

The company's vision was to continue the family tradition—oriented towards the development of organic practices—which usually avoids the use of preservatives; respects the environment, the territory and biodiversity; and has no negative impact on future generations, promoting the importance and wealth produced by agriculture as the foundation of life. As a result, the company's mission was to prepare the healthy and well-kept soil, able to accommodate seeds that would sprout and produce good, safe and controlled outputs in full compliance with organic production standards.

⁷The INAIL (Istituto Nazionale per l'Assicurazione contro gli Infortuni sul Lavoro) is an Italian statutory corporation overseen by the Ministry of Labour and Social Policies.

As asserted by the protagonist in this case study, profit was not her main purpose as the entrepreneur. In fact, she preferred implementing organic agriculture, which was not a convenient choice in terms of money but was more in line with her ethics.

Furthermore, from the dialogue with the entrepreneur, it can be affirmed that her purposes were not limited to mere profits. On the contrary, her aim was to achieve full and long-term customer satisfaction that would allow her to maintain the ancient traditions, the sharing and care of the territory and human responsibility.

4.3 *Time Element (S)*

The examined temporal element is the moment when the female entrepreneur decided to expand the entire cultivation to organic farming techniques, already introduced by her father in the cultivation of olive groves. Organic agriculture is fundamental to accomplishing sustainable development. In fact, adopting truly sustainable organic agriculture systems on a broad scale is one of the best opportunities for ensuring both food and ecosystem security (Reganold & Wachter, 2016). In absolute terms, Italy represents the third country by organically cultivated area (two million hectares), preceded by Spain (2.35 million hectares) and France (2.24 million hectares (Nomisma, , 2020)).

5 Analysis of Relationships

5.1 *Cardinal Bonds of the First Kind (S-C/C-S)*

When the female entrepreneur decided to convert all production to organic agriculture, she was supported by her family members and her partner, with her father and her boyfriend playing the most significant roles in the innovation process. She also found valid help from external experts, such as the agronomists and the accountant, who shared with her the important information necessary to evaluate the challenging choice in the best way and to complete the CAP application.

All the above-mentioned people represent informal and permanent relationships. If it seems quite natural that her father and boyfriend have supported her, help from others was just as important. For example, the accountant has collaborated with her for a long time, even before she took over the company from her father. Moreover, the agronomists were already linked to her through a deep friendship.

5.2 *Cardinal Bonds of the Second Kind (S-O/O-S)*

Cardinal bonds of the second type include the relations set to organise the company and clearly define the functions, roles, tasks and responsibilities associated with it, as well as the various relations between corporate bodies (lines of influence) (Paoloni, 2021). The analysed case is an individual company that outsources every activity that is not strictly linked to the productive process. As a result, the link of the second kind simply involves the bond between the entrepreneur and her only employee (her boyfriend), which can be defined as an informal and permanent bond.

5.3 *Cardinal Bonds of the Third Kind (S-A/A-S)*

Coming from an already well-established reality, the agricultural entrepreneur has found herself immediately surrounded by a network of contacts that her father had already established some time before, such as those with suppliers (of equipment and seeds), customers (who buy oil directly from the company) and the accountant. They remained close to the entrepreneur even during the innovation process, supporting her values and still trusting her. Additionally, the new relationships that belong to this third kind—and have been established by the young woman—involve the link with the local bank, which has always been a faithful lender since she took over the company, and with the two agronomists, who were family friends. All these relationships are identified as permanent and informal since they have been linked to the woman for a long time through friendship bonds. The only exception is represented by the relationship that emerged in the moment when the entrepreneur applied to the CAP, with the aim to obtain financing to support the organic agriculture investment. In this case, it can be asserted that the relationship is formal and temporary, considering that the application has been submitted to the European Community, through the Ministry of Agricultural, Food and Forestry Policies.

The relationships identified during the analysis are shown in Fig. 2.

6 Discussion and Conclusion

Even if female entrepreneurship is extremely important in the global economy and is relevant to achieving gender equality, the presence of female-run enterprises is lower than that of male-owned firms (Kiefer et al., 2020). This is caused by various characteristics of women's businesses, such as the difficulties to obtain external financing (Dal Mas & Paoloni, 2020), balance a woman's work with her family role (Itani et al., 2011; McGowan et al., 2012) and access and attend STEM education (Moss-Racusin et al., 2018; Wu et al., 2019).

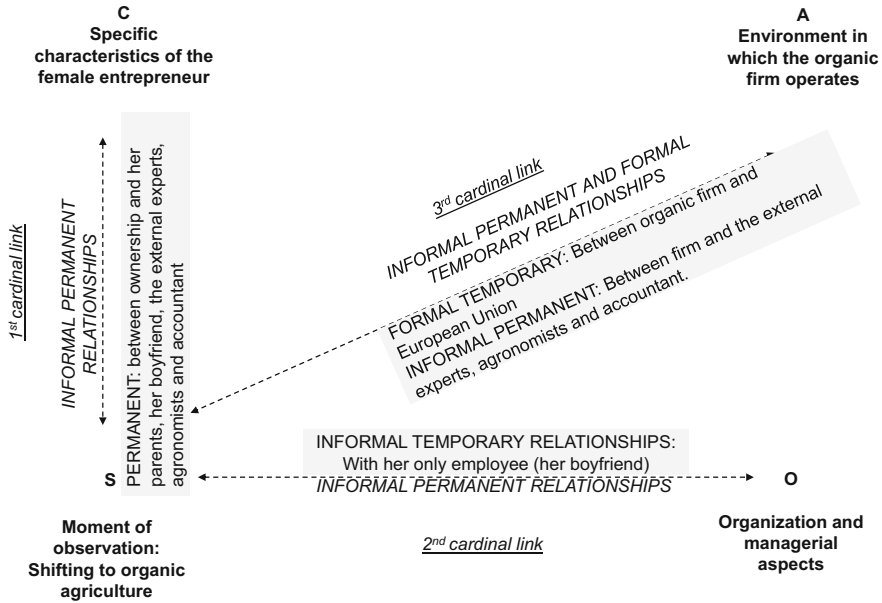


Fig. 2 Relationships of the Italian organic firm identified by the CAOS model

Nonetheless, female entrepreneurs possess some strengths that could give them competitive advantage in business rivalry. One of these is represented by the RC created by these owners that could contribute, if well created and managed, to supporting the changes (Bode & Macdonald, 2016; Jia et al., 2020; Prasad et al., 2014), such as the introduction of the innovative process.

The literature analysis reveals that some authors (Cesaroni & Paoloni, 2016; Churchill et al., 1987; Dal Mas & Paoloni, 2020; Paoloni & Dumay, 2015; Rodriguez & Santos, 2009) have focused on the qualitative interpretation of relationships. However, in many cases, the theme of the types of links that are useful to overcome the challenges in the female-run companies is left in the shadows.

For these reasons, in the present study, the aim is to understand what relationships could support female-owned companies during a critical change, consisting of the innovation process that requires new knowledge and competencies to support new investments.

From the analysis, it can be stated that a valid network is an essential element that must be considered in such a crucial phase. This assertion is supported by the analysis, based on the CAOS model (Paoloni, 2021), that allows an interpretation of the relationships of the firm under study.

As explained in the present work, there still remained some stakeholders' mistrust in women's businesses; in fact, the girl interviewed confirmed that, sometimes, she has left the floor to her boyfriend when there was the necessity to dialogue with suppliers because "they are men, they better understand each other". Indeed, it was easier for him to gain trust, even if he was an employee, while she entirely managed every aspect of the company. Nevertheless, the entrepreneur's friendly and

determined behaviour, combined with her competencies, allowed her to establish a rich and very important network. Indeed, observing this entrepreneur, it is possible to identify a “visionary” and “democratic” leadership (Goleman, 2013) towards her only employee, namely her boyfriend, as well as towards all external experts whom she consults. On the other hand, it is interesting to notice that even if the category associations should represent a major landmark for enterprises, small and medium enterprises (SMEs) in general and this firm in particular used to show little interest in them. The entrepreneur considered them absent and useless to her, and she decided to break up each previous bond.

As it emerges from the analysis, the network that supported the company's innovation process is mainly composed of permanent and informal relationships, typical of female-owned SMEs (Paoloni, 2021). Indeed, SMEs, rather than large firms, usually resort to informal relationships that are often based on familiar and personal links (Paoloni, 2021). As a result, these entrepreneurs feel the need to establish longer relationships with their stakeholders in order to reach their goals (Lombardi, 1996), and a strategic role is played by their personal contacts. Therefore, the preference for informal and permanent relationships is even higher, typical of women's businesses. Differently from men, the reason why female entrepreneurs prefer informal relationships is linked with how the women live personal relationships and the professional world. Hence, they look for relationships that reflect their personal needs as entrepreneurs, such as the needs for stability, security and organisational and moral support.

As for the duration of the relationships, the consequence of the above statements is that female entrepreneurs prefer persons whom they can trust and always rely on, therefore referring to people who already belong to their personal and social spheres.

This paper contributes to the existing literature, trying to fill its gap by connecting the RC in female-owned firms to the innovative process. Other contributions concern the methodological part since this study represents an application of the CAOS model, in which, for the first time, the moment of observation is an innovation process.

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