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## Perceived entrepreneurial ability and business relationships among minority business owners in the Midwest

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This is a study of perceived entrepreneurial ability and perceived obstacles to important business relationships of business managers/owners in the Midwest. It was expected that the self perceived entrepreneurial ability of these owner/managers would lead to formation of stronger business relationship network and enhanced business performance. Also it was expected that entrepreneurs that perceived major obstacles to forming important business relationships with buyers, suppliers, and investors would report reduced firm performance. In contrasting minority and non-minority businesses it was expected that minority entrepreneurs would report greater obstacles to forming key business relationships but that these obstacles would decrease with increasing firm age. It was also expected that they would report lower levels of business performance. Finally, it was expected that minority entrepreneurs would do a better job of finding alternative paths to increase firm performance in the face of relationship obstacles than their counterparts in non-minority firms. Over 900 firms were contacted in two waves over a one year period to participate in an online survey, 68 surveys have been collected from these firms and responses are still being received. From the analysis of the respondents it was found that Entrepreneurial Self-Efficacy had a negative effect on relationship obstacles and a positive effect on firm performance as expected. Our hypothesis which stated that having high levels of perceived relationship obstacles would lead to lower performance was supported. Counter to expectations, it was found that minorities did not report a higher level of relationship obstacles overall. Also surprising, relationship obstacles increased rather than decreased with firm age for minority-owned firms. Minority firms did have lower performance as expected. They also found ways to lessen the negative performance effects of relationship obstacles as expected.