Management Practices in Micro and Small Enterprises: The Relationships Between Practices Adopted and Funding

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Abstract
This paper aims to analyze the relationships between management accounting practices and sources of financing in a textile cluster compounded by small business. The sample of this study consists of 52 companies located in the state of Pernambuco. Data were collected from a survey questioning the profiles of the firms, the sources of financing and the management practices adopted. It could be observed that 38,5% of the firms were initially fund-raised by family resources and that 42,3% resorted to the personal funds of the owner. As for usual resources 34% said that use banks resources and 21,2% use own resources to maintain the business. The structure of the questionnaire allowed an analysis applying the U Mann Whitney test. It was found that sources of resources of family origin indicated significant negative associations with the management and control practices scrutinized in this study. A different behavior was detected when personal funds were employed as source of capital, suggesting a proximity to the characteristics of a resource generated internally by the company. This hypothesis can be substantiated by the high concentration of organizations in the hands of the owner/manager, where most of respondents claims to disregard the business entity concept. When the resources came from debt capital, a different behavior was also shown: Relationships between management practices and debt capital present themselves positively, indicating that obtaining credit from these sources is associated with increased use of tools. One limitation of this study is the reduced amount of questionnaires obtained, which prevents a more robust data analysis, such as the verification of the dependency relationships between variables.

Keywords: Management Practices, Costs, Small Business

1. Introduction

Small organizations have increasing significance in the environment of both developed and emerging countries, gaining attention for their ability to create jobs producing significant effects on the economy. In 2013 these companies represented, in Brazil, 98.2% of formal enterprises, 52.1% of total existing jobs and 41.4% of wages (SEBRAE, 2014).

Studies on small businesses began in a seminal manner through the work of Christensen (1953). The author demonstrated that small and medium enterprises had specific characteristics such as a high degree of power centralization, management and ownership. According to Ribeiro, Correa and Souza (2012) only in the 1980s interest in research related to the theme emerged. Boocock (1990) attributes to Bolton Committee the pioneering initiative to provide detailed information on the financing of small businesses in the UK in 1970.

Since then, various themes on the segment have been developed, for instance the remuneration of managers of small companies (Watson, 1994; Watson et al., 1994;. Watson et al, 1996), the process of internationalization (Calof and Viviers, 1995), the use of information systems and technology (Lim and Goh, 1995;. McGregor and Gomes, 1999), training and human resources (Wong et al, 1997), local area networks (Paniccia, 1998), gender (Mukhtar, 1998) successfulness (Lin, 1998) and innovation (Motwani et al., 1999). Particularly, in the area of accounting and finance access to credit, the lack of skilled labor, high taxes and deficiency in understanding financial accounting and management practices are areas that have been explored (Stroeher and Freitas 2008). Other studies emphasize the difficulty that managers have to even take notice of management practices (Albuquerque, 2004; Lucena, 2004; Miranda et al, 2008; Moreira et al, 2013).

In the international context, the recent work of Lopez and Hiebl (2015) analyzed the factors related to a greater or lesser use of financial tools in small and medium size enterprises. The size of the enterprises, its location in developing countries, lack of access to resources (Benjaoran, 2009;. Hudson et al, 2001) the limited availability of credits (Brierley, 2011; Chand and Dahiya, 2010; Howorth and Westhead, 2003; Laitinen, 2011; Marriott and Marriott, 2000) and a high influence of the family on business (Alattar et al, 2009;. Lema and Duréndez., 2007, Neubauer et al, 2012) are associated with lower use of accounting practices.

Accounting and management tools, when used, normally stem from legal or contractual obligation, and not for the purpose of obtaining a better decision making process. In this sense, stakeholders produce significant influence on the management strategies adopted by micro and small enterprises. Cancellier (2000) cites the banks as one of the main stakeholders of these organizations and demonstrates how managers of small businesses seek to meet the demands imposed by the banking system. He also notes the lender position is usually assumed by the own business partners, their family members or even the government.

Aware of the strong influence of stakeholders in conducting business, of the limited resources available and the limited knowledge management in small businesses, this study aims to verify the relationship between the different sources of financing and the management practices adopted by micro and small companies in a textile cluster in Brazil. It should be noted that the creation and development of clusters, composed mainly of small businesses, have, according to Domingues and Paulino (2009), Demajorovic and Silva (2010) and Ribeiro Corrêa and Souza (2012), an invaluable stimulus for regional and local growth.

Given the importance of regional characteristics, the study aims to investigate the relationship between funding and the use of management accounting practices. The emphasis is on small business in Brazil, given that there is a gap in the literature on this topic. This study contributes to the understanding of the influences of external characteristics in the internal managing the organization

2. Literature Review

2.1 Capital Structure and Small Business Financing

One of the most basic decisions of an organization is its capital structure or its financing decisions. Authors such as Modigliani and Miller (1958) have given a contemporary approach to studies focused on the capital structure through the analysis of its effects on the value of organizations. Authors such as Myers (1984), Myers and Majluf (1984) and Kim (1978), trying to understand the factors that influence a company's capital structure, deepened the theme with the trade-off theory and the pecking order theory. According to the trade-off theory, companies seek for an optimal level of debt, balancing between tax benefits and bankruptcy costs, whereas in the pecking order theory organizations seek debt when funds internally generated are insufficient, being the external resources the last resort.

However, assumptions of this theory, e.g. the efficient and rational market hypothesis and the search for maximum profit, leads to a scenario sometimes not applied to small businesses, or even ignored by studies in Finance, as stated by Keasey, Martinez and Pindado (2015). Many of these papers do not consider, for example, the various limitations that these organizations have, such as restricted access to capital and high sensitivity to external events (Chaganti, Decarolis and Deeds, 1995).

According to these authors, small businesses do not usually look for outside capitals as large companies do, especially because, in those, the role of the manager is associated with the owner's figure, which prefers to safeguard its influence in the company's decision process (Barton and Matthews, 1989; Levin and Travis, 1987). Furthermore, unlike what the theory predicts about the tax benefits of debt, small businesses do not enjoy this feature because they have lower benefits than those of large organizations (McConnel and Petit, 1984). Finally, small businesses have less ability to take risk of failure compared to larger ones.

Therefore, small businesses, in the same way that youngest companies, regularly resort to funding sources of family origin, to commercial credit (trade credit) and to angel investors (business angel finance), as indicated by Berger and Udell (1998). Roman, Tanewski and Smymios (2001), analyzing the capital structure of family businesses, strengthen this connection by negatively relating the time of existence of a company with getting family loans.

Serrasqueiro and Nunes (2014) also found that small hotel companies in Portugal have, as external sources of capital, funds deriving from the very owner, friends or family, especially given the restriction of access to the capital market, as confirmed by Ang (1992).

Nevertheless, these results do not necessarily confirm a widespread tendency of lower use of bank financing. A report published in 2012 shows that the capitalization through financial institutions represented the main source of financing for small and medium-sized eurozone firms, being 33% related to bank loans and 41% arising from lines of credit, as pointed out by Nogueira da Silva and Braga (2014). Still, the authors seems to indicate the difficulty of small business to obtain funing from government and official financial institutions rests, in many cases, on the absence of adequate and formal accounting control and the higher risk of default. La Torre et al. (2010) had already come to the similar conclusion, adding that this difficulty is accentuated in emerging countries, possibly because of the greater centralization of the banking system and lower adaptation of services to small businesses. The study Parisotto and Rose (2004) found that 90% of SMEs is financed from own resources, and that, although 50% of the sample were fund-raised through banks, these were focused on working capital.

Given the variety of funding sources, Mizumoto et al. (2010) sought to identify factors that may be related or not to the business survival in an emerging economy. These factors include the capital stock, or origin of the resources, human capital and management practices. The authors observed that both in a logistic prediction model, as in the Cox bankruptcy prediction model, applying founders' own resources or those originated from family or friends has no significance, in contrast to results obtained from "management practices" analyses.

In Brazil, Miranda et al. (2008) revealed that 57.6% of small grocery stores tend not to seek to financial institutions to obtain funding. One of the reasons may be the low customization of services for the small business sector (Villela and Soares, 2009). The study by Silva et al. (2014) suggested that access to finance is one of the three most important factors considered by small businesses.

In order to verify the funding decisions in family businesses, Keasey, Martinez and Pindado (2015) found that family businesses with large participation of the owner tend to use more debt in order to not dilute the control, and this result is more significant to younger companies. Financial institutions expect the loans to have payment guarantee, requiring a demonstration of solvency capacity. In turn, relatives or family members tend not to require statements and reports to comprehend the financial situation. Both sources are distinguished, principally, by the degree of payment enforceability. The companies operate in accordance with the requirements of each source, performing the corresponding procedures or practices.

The necessity to report to an interested party, be it bank, government, partners or relatives, can trigger changes in the organization's management or the adoption of specific practices. Based on this assumption, this study addresses the management practices and their applications to small business.

2.2 Management Practices in Small Business

The studies on management practices reveal extensive use of variables related to cash management, cost, strategy, people management, and even the technology employed. Thus, despite the immediate association with aspects of organizational control, this topic is not limited to a study of monitoring tools in organizations, but also part of the business strategy as a field of study (Souza and Clement, 1998), giving support to companies and managers to choose a decision profile.

Melo and Leone (2015), exploring management practices related to cost, showed that 91% of the sample – 49 small industries in a Brazilian city – calculated the production costs. Furthermore, among the costing methodologies (ABC, variable or absorption), the absorption was the most used, and the budget was implemented by 86% of respondents. In addition, almost all of the companies (93%) used costs as a basis for setting sales prices, combined or not with mark-up and market prices analysis. In contrast, the work of Parisotto and Rose (2005) found that 25% of a sample of small businesses did not use formulas to calculate the selling price, while 11.8% used only costs and 66.6% adopted the mark-up multiplier.

Carlos Filho (2014) used a Brazilian horticulture and viticulture cluster as sample to observe a greater use of management tools and a greater concern with management, which may be related to the larger-sized nature of the companies in this sample and the greater relevance of exporting activities. Silva Filho (2014) examining a Brazilian plaster cluster, noticed a dominant presence of smaller companies and a lower adoption of management practices. Similar to these findings, the work of Araujo (2015), performed in a garment cluster, also identified low utilization of management artifacts, despite a greater focus on cash control and simple costs controls.

A study in Germany conducted by Lohr (2012) similarly observed a trend of limited use of accounting and management tools. The author noted that the application of these practices is scarce because managers do not believe that the benefits outweigh the costs, and consider their position in the market stable regardless of using such tools.

The importance committed to less robust tools was also depicted in a study by Lima and Imoniana (2008), which, examining a group of companies in other regions of Brazil, found that respondents attach more importance to cash management, accounts payable and receivable and control of costs, in that order.

Although micro and small businesses usually do not demand advanced management practices, studies have confirmed the relevance of certain practices for the success of the enterprise. Santos, Diego and Beuren (2016), as well as Ruendget and Wongsurawat (2010), studied small businesses that were successful (57) and not successful (37) in Thailand, and highlighted two results in the first group (a) tendency to have a clear and systematic division of work performed; (b) tendency to establish control through regular accounting records, especially related to costs and expenses, and (c) tendency to develop business and marketing plans. These data are in line with the findings of Švárová and Vrchota (2013) who comparing 176 companies in the Czech Republic suggested that small and medium companies that established clear strategies demonstrated better financial performance compared to those that did not. Santos, Diego and Beuren (2016) recently furthered this relationship.

Still, the level of adoption of management practices can also be related to business characteristics other than size. Studies suggest that the source of funding can be one of them. Deloof and Jēgers (1999) and Camargos et al. (2010) indicate that the use of external funding sources is positively associated with the application of working capital management and cash management. Oak and Schiozer (2012), however, did not find the same results and claimed that this relationship cannot be confirmed in Brazil, because external funding tend to be sporadic in the country.

Other surveys have revealed a possible relationship of the use of practices with the influence of the family. Motto and Duréndez (2007) showed a trend of non-use of accounting practices by organizations with strong family influence, suggesting a negative association.

3. METHODOLOGY

3.1 Sample

This paper chooses to narrow the management practices to those studied in management and costs accounting. The sample consists of companies located in a large cluster of textile manufacturing in the State of Pernambuco, Brazil, which covers several cities and has been growing significantly for the past years.

Despite these cities having hundreds of production and sales centers, resistance to answering was high, mainly because of the widespread informality of business, low level of education of entrepreneurs and distrust of confidentiality of information. The sample consisted of 52 companies located in the three main cities in the cluster: Santa Cruz do Capibaribe, Caruaru and Toritama.

3.2 Data

The data was obtained through a questionnaire with questions related to the profile of the respondents, the profile of their firms and to management practices. Due to the large time spent with each respondent, it was also possible to obtain comments and opinions about their management practices, which, at times, became relevant to the analysis. The questionnaires were applied from June to August 2014.

The questions were based mainly on previous studies that examined the control practices and the use of management tools by companies, especially in the Brazilian context. These studies are listed in Table 1.

Table 1: Questionnaire Structure

Drivers	Authors
Cost of Raw Materials	Braga, Braga e Souza (2010);
Production costs	Callado, Miranda e Callado (2003); Almeida, Machado e Panhoca (2012)
Budgets Use and Elaboration	Souza, Lisboa e Rocha (2003); Chenhall e Langfield-Smith (1998); Guilding, Lamminmaki e Drury (1998); Machado e Souza (2006); Almeida, Machado e Panhoca (2012)
Standard Cost Use	Souza, Lisboa e Rocha (2003); Marie, Cheffi, Louis e Rao (2010); Badem, Ergin, Drury (2013); Guilding, Lamminmaki e Drury (1998); Joshi (2001)
Sale Price Formation	Braga, Braga e Souza (2010); Machado e Souza (2006)
Breakeven	Souza, Lisboa e Rocha (2003); Hofer, Rauber, Diesel e Wagner (2006)
Costing Method	Souza, Lisboa e Rocha (2003); Machado e Souza (2006)
Contribution Margin	Souza, Lisboa e Rocha (2003); Machado e Souza (2006); Hofer, Rauber, Diesel e Wagner (2006); Almeida, Machado e Panhoca (2012)
Strategic Management	Chenhall e Langfield-Smith (1998); Spencer, Joiner e Salmon (2009); Aksoylu e Aykan (2013); Cadez e Guilding (2008); Almeida, Machado e Panhoca (2012)
Cash Management	Mbroh (2012)

Respondents could answer whether they used such practices, which were used, and with what frequency.

3.3 Treatment of data

The data did not show a symmetrical behavior, dissociating from the hypothesis of normality, as confirmed by the Kolmogorov-Smirnov test performed. Thus, it was applied the nonparametric Mann–Whitney U test, which serves as an alternative to the Student t-test and bases its analysis on medians. Additionally, Pearson and Spearman correlations were used to check the direction of the associations.

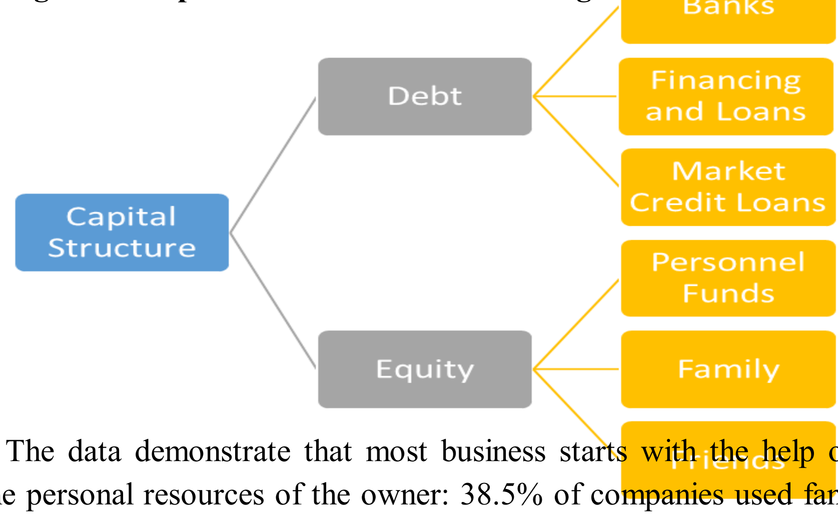
4. Data Analysis

Although the selected studies on small business capital structure are generally limited to the analysis based on data of debt and taxes, this study focuses on the gap of the peculiar composition of the capital structure of these companies in a cluster scope.

To verify the differences in management practices in relation to the type of source of funding, this study sought to segregate sources into two groups: debt capital and equity.

The debt capital comprehends sources mainly characterized by the occurrence of interest, such as the funds raised through banks, credit institutions and other forms of financing. In turn, "equity" includes the funds obtained through personal connections of the manager (partner). Figure 1 illustrates the composition of capital structure of the companies of the sample.

Figure 1: Capital Structure of the Clothing Cluster SMEs



The data demonstrate that most business starts with the help of family resources or with the personal resources of the owner: 38.5% of companies used family assistance to start the business, while 42.3% used personal funds. Only 15% of respondents said that make use of a source of credit, such as loans or overdraft. 34% said they rely on banks as a source of subsequent resources, i.e. resources used during the course of business, and 21.2% use personal resources to continue the business.

Considering the possible relationships between management practices and fund-raising by small companies, this study presents the following hypothesis:

H: The source of funding has significant relationships with the use of management controls.

4.1 Equity sources

The first analysis to verify the correlations between the instruments of control derives from the variable “family, personal background and friends as initial and subsequent funding sources”. The results are displayed in Table 2.

Table 2 - Mann-Whitney U test for Family as Subsequent Resources Source

	Demons.	*Prod.Cost*	*Budget*	*Mark.Pric*	*CostMethod*	*C.Margin*	*CshMngmt.*	*CshFlo*	*SalTerm*	*CashBudg*
Mann-Whitney U	84,000	124,000	121,500	138,000	103,500	139,500	117,500	110,500	108,500	130,500
Wilcoxon W	129,000	169,000	166,500	1084,000	148,500	184,500	162,500	155,500	153,500	175,500
Z	-2,737	-1,942	-2,178	-2,629	-2,583	-1,790	-2,519	-2,346	-2,388	-1,983

Asymp. Sig. (2-tailed)	,006	,052	,029	,009	,010	,074	,012	,019	,017	,047

The fact that the subsequent source of resources comes from family origin has relationship with the use of management controls. The first is the use of statements: those who do not use family resources make more use of statements. The same negative relationship can be applied to the measurement of production costs, budget, cash management, cash flow, contribution margin* and cash budget. It is worth noting that the contribution margin only has significance at 10%.

Regarding the sales practices, companies with family funding have positive relationship with the use of market prices to determine the value of products and to define a smaller deadline for the receipt of sales. Such firms do not usually negotiate the terms of receipt, often applying the market price method instead of the cost plus profit approach to define the value of their products. Though some respondents claimed that the market price was “not the best method”, they did not know how to properly determine the value using the calculation of costs, even if, according to them, it was the "correct" method.

In relation to family support as a source of initial resources, four variables presented significant relationships, namely: budget*, contribution margin, cash management and cash budget. Only budget showed marginal significance.

Table 3 - Mann-Whitney U test for Family as Initial Resources Source

	Budget	*Contribution Margin*	*Cash Management*	*Cash Budget*
Mann-Whitney U	238,000	226,000	190,000	232,000
Wilcoxon W	448,000	436,000	400,000	442,000
Z	-1,929	-2,422	-2,553	-2,154
Asymp. Sig. (2-tailed)	,054*	,015	,011	,031

All these relationships show a negative correlation, indicating that the fact of obtaining financing through family implies lower usage of tools.

When observing the personal fund as a subsequent source of resources, only four variables were statistically representative: budget, cash budget, cash flow, and, related to sales, market price plus profit margin, as shown in Table 4. It should be noted that two of the variables (cash flow and budget) * showed marginal significance (above 5%).

Table 4 - Mann-Whitney U test for Personnel Fund as a Subsequent Source of Resources

	Market Price plus Profit Margin	*Cash Flow*	*Cash Budget*	*Budget*
Mann-Whitney U	137,000	156,500	120,500	157,500
Wilcoxon W	998,000	1017,500	981,500	1018,500
Z	-2,440	-1,806	-3,062	-1,906
Asymp. Sig. (2-tailed)	,015	,071*	,002	,057*

However, the trend of the correlation inverted its direction, indicating increased use of management accounting systems. Moreover, firms tend to use the market price method to set the value of the product, alone or in conjunction with a profit margin on the calculated cost. Potential associations with the use of personal fund to initiate business were also found, as shown in Table 5.

Table 5 - Mann-Whitney U test for Personal Fund as an Initial Source of Resources

	Low Cost Strategy	*Cash Management*
Mann-Whitney U	216,000	243,500
Wilcoxon W	651,000	708,500
Z	-2,289	-1,673
Asymp. Sig. (2-tailed)	,022	,094*

Only the adoption of low-cost strategy offered significance, while the cash management falls as marginally significant. Table 7 demonstrates that respondents who used personal funds as an initial source tend to have a low-cost strategy, and show evidence of use of cash management.

The variable "friends" had not been offered as an alternative in the questionnaire, but was included by the very appointment of the respondents.

Table 6 - Mann-Whitney U test for Friends as a Subsequent Source of Resources

	Cash Management	*Cash Flow*
Mann-Whitney U	69,500	68,500
Wilcoxon W	84,500	83,500
Z	-2,041	-1,777
Asymp. Sig. (2-tailed)	,041	,076*

As observed in the variable "family", "friends" as a source of resources leads to a tendency of not using management practices, although only in two of them can be confirmed a statistically significant association, and marginal one in the case of cash flow. The negative correlation between the variables can be seen in Table 7.

The summary of the associations is displayed in Table 7, where the direction of the correlations is exposed, as well as the results obtained using the Pearson Correlation and its respective p-values.

Table 7: Source of Funds - Equity

Source of Resources		Association	Pearson Correlation
Family	Statements (Demons.)	-	-,383 (0,000)
	Production Cost (ProdCost)	-	-,272 (0,051)
	Budget	-	-,305 (0,028)
	Costing Method (CostMethod)	-	-,362 (0,008)
	Contribution Margin (C.Margin)	-	-,251 (0,073)*
	Cash Management (CshMngmnt)	-	-,353 (0,010)
	Cash Flow (CshFlo)	-	-,328 (0,017)
	Cash Budget (CashBudg)	-	-,278 (0,046)
	Market Price (Mark.Pric)	+	,368 (0,007)
	Sales Terms (SalTerm)	-	-,321 (0,020)
Family (initial source)	Budget	-	-,270 (0,053)*
	Contribution Margin	-	-,339 (0,014)
	Cash Management	-	-,348 (0,011)
	Cash Budget	-	-,302 (0,030)
Personal Fund	Budget	+	,267 (0,056)*
	Market Price plus Profit Margin	+	,342 (0,013)
	Cash Budget	+	,429 (0,002)
	Cash Flow	+	,253 (0,070)*
Personal Fund (initial source)	Low Cost Strategy	+	,327 (0,020)
	Cash Management	+	,248 (0,076)*
Friends	Cash Management	-	-,286 (0,040)
	Cash Flow	-	-,249 (0,075)*

Table 7 reveals that, albeit there is a difference between the use of certain management tools among those who obtained funds through personal and family sources, the level of use of the practices has a negative correlation with most of the variables. Hence, one may indicate that funds obtained without encumbrance lead to less use of management tools, despite a slight difference concerning personal funding.

4.2 Debt Sources

Debt Capital is represented mainly by banking fund-raising (34% of respondents), though it also includes loans and credits provided by financial institutions.

Table 8 shows that banks are associated with the use/preparation of statements, production costs*, profit margin and the selling price method by market prices plus profit margin.

Table 8 - Mann-Whitney U test for Bank as Subsequent Source of Resources

	Statements	*Production Cost*	*Profit Margin*	*Market Price plus Profit Margin*
Mann-Whitney U	199,500	226,500	193,000	205,000
Wilcoxon W	794,500	821,500	788,000	376,000
Z	-2,117	-1,655	-2,511	-2,391
Asymp. Sig. (2-tailed)	,034	,098*	,012	,017

The results presented in the table referred to those associations that were significant, and through these it is possible to observe a difference in the use of statements, the measurement of the cost of production and the method of setting the values of the products.

According to Table 11, those firms where the resource comes from banks show a positive association with the use of statements, and only at 10% significance level, also with the measurement of production costs. As for the definition of the method of pricing, the profit margin (i.e. using costs plus a profit margin) is the most widely used approach. Some of the respondents said that this practice was satisfactory, because, despite using the sale price, a method considered “not suitable” for them, somehow they would use the product cost for price setting.

This aversion to uncertainty in sales prices is also seen in the negative correlation between companies with bank resources and the "market price plus profit margin" practice, contrary to what was found in the previous section (personal fund). There were also found significant associations with the credit market.

Table 9 - Mann-Whitney U test for Credit as Subsequent Source of Resource

	Budget	*Costing Method*	*Contribution Margin*	*Cash Budget*
Mann-Whitney U	31,500	66,500	95,500	76,500
Wilcoxon W	1066,500	1101,500	1130,500	1111,500
Z	-4,225	-2,808	-2,277	-2,826
Asymp. Sig. (2-tailed)	,000	,005	,023	,005

All variables showed statistical significance: budget, use of costing method, contribution margin and cash budget. In all cases, as seen in Table 11, there is a positive correlation between this type of source of resources and the use of management practices.

It also tested the credit as the first resource in order to understand if such significances also exist. As seen in Table 10, it was obtained an association with budget and costing method.

Table 10 - Mann-Whitney U test for Credit as Initial Source of Resources

	Budget	*Costing Method*
Mann-Whitney U	14,000	18,000
Wilcoxon W	1289,000	1293,000
Z	-2,142	-1,807
Asymp. Sig. (2-tailed)	,032	,071*

Despite costing method, in this case, being marginally significant, budget, as in the case subsequent sources, presented a significance level below 5%. In both cases, the credit indicated a positive association with such practices (Table 11).

Table 11: Subsequent Source of Resources - Debt Capital

Fonte de Recursos		Associação	Correlação de Pearson/Spearman
Bank	Statements	+	,296 (0,033)
	Production Cost	+	,232 (0,098)*
	Profit Margin	+	,352 (0,011)
	Market Price plus Profit Margin	-	-,335 (0,015)
Credit	Budget	+	,592 (0,000)
	Costing Methods	+	,383 (0,005)
	Contribution Margin	+	,319 (0,021)
	Cash Flow	+	,396 (0,004)
Credit (initial resource)	Budget	+	,300 (0,031)
	Costing Methods	+	,253 (0,070)*

Even though these sources of resources did not disclose many significant associations as what was exposed in the source of funds through equity, it is clear that there is an indication of increased use of tools of control when the capital is burdensome and interest is incurred.

During the application of questionnaire, it could be perceived that the respondents, in general, have qualms about resorting to banks and only do so when there is no other option, mainly due to high interest rates and to payment capacity requirements.

5. Conclusion

The aim of this study was to verify the existence of relationships between management practices and the source of funds obtained by companies, since previous studies have found evidence of influence from sources in the management approach.

Some studies suggest that small businesses have limited access to credit, either because of their own management characteristics or the low customization of services by financial institutions, though Deelof and Jēgers (1999) propose the existence of a positive relationship between management practices and obtaining external funding. Additionally, when the family is involved with the management, be it through financial aid or by exercising family control, there is evidence of a less systematic management, as suggested by Lema and Duréndez (2007).

Based on these characteristics, this study used the data obtained through questionnaires applied in a textile cluster, characterized by the predominance of micro and small enterprises, in an emerging economy setting. It could be observed that sources of resources of family origin, classified as equity sources, showed significant negative associations with the management and control practices scrutinized in this study. When analyzing "personal funds" as source of capital, a different behavior was detected, indicating a proximity to the characteristics of a resource generated internally by the company. This hypothesis can be substantiated by the high concentration of organizations in the hands of the owner / manager, where most of respondents claims to disregard the business entity concept.

When the resources came from debt capital, a different behavior was shown. Relationships between management practices and debt capital present themselves positively, indicating that obtaining credit from these sources is associated with increased use of tools.

One limitation of this study is the reduced amount of questionnaires obtained. This amount prevents a more robust data analysis, preventing, for example, the verification of the dependency relationships between variables.

Nevertheless, this study intends to contribute to further work with its observation of the influence of the source of resources on small business. The authors expect to expand the sample and improve the collection instrument to support the existence of dependency relationships, and also increasing the control variables applied in the study.

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