

Goals and characteristics of family-owned small businesses:

An international replication and comparison between

Middle America and Western Australia

Hospitality Providers

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**Abstract:** This paper reports the results of an exploratory survey of family-owned small business operations in four Middle America states: Kansas, Oklahoma, Arkansas and Missouri. The survey was partially based on an earlier exploratory study done in rural Western Australia by Getz and Carlsen [1]. The results of the two sets of responses from the two regions of the world are compared and discussed including the impact of the

Hofstede cultural dimensions. The surveys incorporated a series of questions related to starting the business, operational goals, succession goals, the nature of the business and family-related issues and goals. The implications for future research and for practitioners are discussed.

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## **1. Introduction**

An exploratory survey of family-owned small-business operations was conducted in four Middle America states: Kansas, Oklahoma, Arkansas and Missouri. The results of this exploratory study are reported in this paper. The survey was partially based on an earlier exploratory study done in rural Western Australia by Getz and Carlsen [1]. In

addition to reporting the new four USA state results, responses from the two regions of the world are compared and discussed. The exploratory study survey incorporated a series of questions related to goals for starting the business, family-related goals of the business, and business goals of the family-owned small businesses.

Any study comparing two widely separated regions of the world must consider possible differences in culture that may exist between the two regions. Hofstede [2] provides a framework for making such a comparison using five dimensions. Culture, to Hofstede, “is the collective programming of the mind which distinguishes one group or category of people from another (p. 89).” The five dimensions of culture included in his framework are: Power Distance, Individualism, Masculinity, Uncertainty Avoidance and Long-term versus Short-term Orientation.

The first section of this paper provides a review of family-owned small business literature followed by a review of the relevant cultural dimension issues. This is followed by a discussion of the research questions. A description of the current USA study, along with a description of relevant material from the Australian study is presented next. The results of the current study along with a comparison to the prior study are discussed in the following three sections grouped by study emphasis areas. The final section presents discussion and implications for the practitioner and for future research.

## **2. Literature Review**

### *2.1 Family-owned small businesses*

Although family-owned and operated businesses dominate the rural tourism and hospitality sectors, research has only recently begun to understand the characteristics and

goals of this group. Both business development and destination planning programs can benefit from a better understanding of what motivates entrepreneurs and investors in rural businesses and what impact their values and goals might have on the nature and performance of these sectors.

Literature on family businesses overlaps in many ways with that of small businesses but there are differentiating components. One of these is the issue of intergenerational ownership transfer (succession) that accounts for about 20 per cent of the family business literature [cf., 3]. The interactions between family dynamics and business operations, including such topics as gender roles, dealing with family issues, ownership, family involvement, and the evolution of the business within the family cycle is important [1]. In addition, business goals and their impact on business performance are affected by the family situations.

There are two distinct types of family businesses: the family-centered, where the business is a way of life, and the business-centered family, where the business is a means of livelihood [4]. Whereas economic theory postulates the decision to establish a business should be based on an assessment of the best alternative use of the entrepreneur's time, decisions to begin a family business are driven by a desire to provide employment for family members and to ensure independent ownership of the business [5]. It is not uncommon for family businesses to accept lower returns or longer paybacks on their investments or to sustain a lifestyle rather than to maximize profits or personal revenue [6].

Gersick, Davis, Hampton and Lansberg [7] found that small businesses in the start-up stage were characterized by informal organizational structures, owner-manager

control and having a single product. When it was also a family-owned business they are more likely to be associated with personal, family or lifestyle dreams than with objective business projections. Problems and failures can result from long hours, minimal financial rewards, disruption to family and community life, and privacy issues [1, 8, 9]. Managers in larger firms may leave those firms, for various reasons, to pursue entrepreneurial goals, including the family-owned business [10, 12, 13].

Poza [13] has added to the family business literature with his presentation of the systems theory model of family business which suggests that the subsystems of ownership, management and family have interactive effects of the operation of each family business.

Increasingly, family-owned small business formation is hindered by lack of sufficient technology infrastructure capabilities [14]. In addition, many such firms lack appropriate management leadership capabilities [15]. These issues need to be explored.

In the next section, we will look at the implications of cultural dimensions.

## *2.2 Cultural Dimensions*

Cultural differences affect perceptions, understanding, and behavior. Each country has a national culture with a unique set of shared values and beliefs. After becoming aware of relevant cultural differences, the next step is deciding the impact this will have on business success [16].

Hofstede [2] discusses the latest iterations and applications of the five cultural dimensions in a review of the concept of management around the world. He labels the first dimension as Power Distance and defines it as “the degree of inequality among

people which the population of a country considers as normal: relatively equal (that is, small power distance) to extremely unequal (large power distance). All societies are unequal, but some are more unequal than others (p. 89).”

The second dimension, labeled Individualism, is the degree to which people in a country prefer to act as individuals rather than as members of groups. The opposite of individualism is Collectivism, which is also seen as low Individualism, for measurement purposes. The USA consistently measures high on Individualism. Australia, Great Britain and Canada also measure high on Individualism [2, 17]. Though separated by half a world, it is likely cultural differences will be minimal between the two groups in the studies reported here. The Shire of Augusta-Margaret River, in the southwestern corner of Western Australia, the setting of the Australia study cited here, is largely populated by descendants of persons of United Kingdom origins [18].

The third dimension is called Masculinity and is the degree to which tough values like assertiveness, success and competition (nearly all societies associate these characteristics with men) prevail over tender values like the quality of life, maintaining warm personal relationships, service, care for the weak, and solidarity (nearly all societies associate these characteristics with women).

Uncertainty Avoidance is the fourth dimension and can be defined as the degree to which people in a country prefer structured over unstructured situations.

The fifth dimension was added from additional studies after the earlier studies Hofstede had conducted with IBM locations around the world. It has been labeled Long-term versus Short-term Orientation. On the long-term side are values oriented toward the

future, like thrift (savings) and persistence. On the short-term side are values oriented toward the past and present, such as respect for tradition and fulfilling social obligations.

Based on the available information, it is likely that, from a cultural dimension perspective, that there will not be much difference between the Middle America and the Western Australian samples. If this is confirmed, by this study and elsewhere, this suggests that practitioners in both countries may adopt similar approaches to establishing this type of new business in each location.

### **3. Research Questions**

The research questions addressed by this study are:

1. How will the Middle America sample answer the questions about goals and characteristics of family-owned small business? If the answers are similar, it will suggest that similar techniques may be employed in developing new businesses. To the extent that difference are noted, these will inform practitioners on how to apply different business-building techniques required in the American setting.
2. How will the Middle America sample responses compare to the Western Australian sample responses? Where ever differences are noted, they will provide a foundation for seeking additional information to better understand each cultural approach.

## **4. The Study**

### *4.1 Method*

Each of the statements in the questionnaire used in the current survey was drawn from the work of Getz and Carlsen [1] who studied the Australia tourism and hospitality industry. The sample for the e-mail survey in this current study consisted entirely of owner-operators of bed and breakfast operations (B&Bs) in four Midwestern USA states. The initial sample for the study was identified from each state's list of licensed B&Bs, from which those with neither a web-page nor an email address were excluded for this survey (89 of 367 or 24.9%). This left a total sample of 278 operations. E-mail messages requesting participation in the study were sent, and then resent once, to each of these operations in the four states. 76 of these 278 initial requests responded for a response rate of 27.3%. Those who responded positively completed the questionnaire reported in this paper (50 of 76 for a response rate of 65.8%).

All respondents indicated they were "family-owned business." This self-selection method is advantageous because it is easily understood by the survey respondents and does not impose too narrow a definition.

The statements to which the business-owners were asked to respond were grouped into three sections related to the following general questions: 1) How important were the following goals to you when getting started in this business? 2) How important were the following family-related goals for you? 3) To what extent do you agree or disagree with the following statements related to business management goals? A 5-point Likert scale response was used in this study (See Appendix A). For items 1 through 21 the response scale ranged from: 1 = Not at all important to 5 = Very important. For items 22 through

37 the response scale ranged from: 1 = Totally disagree to 5 = Totally agree with the statements.

Age and gender demographic information was collected for the “principal business decision-maker.” Age was collected in six categories: Under 25 (0%), 25-34 (6.3%), 35-44 (10.4%), 45-54 (33.3%), 55-64 (43.8%), and 65 and over (6.3%). The gender of the “principal decision-maker” was female on 61.4% of the usable questionnaires, male on 34.1%, and “both” on 4.5%.

In the Australian business survey, 75% of the businesses were accommodation operators (25.1% were guest ranches or farm-stays, 22.6% were campground/resort/self-catering operations, and 21.4% were bed and breakfast operations). In the USA study, 100% of the businesses were bed and breakfast operations.

#### *4.2 Getting started in this business*

The first twelve statements each related to some aspect of getting started in the business each respondent was conducting at the time of the survey. All had self-qualified as “family-owned” businesses in both the Australian and the USA studies. In Table 1 percent distribution of responses, overall mean and the standard deviation are reported for each of the first twelve statements (listed at the end of the table) for both the Australia study [1] and this USA study.

**Table 1** Means, Standard Deviations, and Percent Distribution of Responses:

Australian Study [1] and USA Study

Goals When Started In Business													
Item #	1		2		3		4		5		Mean		
	AUS	USA	AUS	USA	AUS	USA	AUS	USA	AUS	USA	AUS	USA	
1	7.4	6.0	8.4	14.0	12.6	4.0	26.3	32.0	45.3	44.0	3.94	3.94	
2	11.7	26.0	6.9	8.0	22.3	16.0	16.5	12.0	42.6	38.0	3.71	3.28	
3	22.7	38.0	4.3	4.0	16.2	22.0	18.9	12.0	37.8	24.0	3.45	2.80	
4	2.1	14.0	1.1	10.0	8.5	10.0	20.7	26.0	67.6	40.0	4.51	3.68	
5	11.5	16.0	11.0	12.0	23.6	14.0	17.3	32.0	36.6	26.0	3.57	3.40	
6	2.1	4.0	1.1	10.0	12.1	12.0	26.8	42.0	57.9	32.0	4.37	3.88	
7	17.9	12.0	18.4	28.0	32.1	26.0	20.5	32.0	11.1	2.0	2.88	2.84	
8	45.8	40.0	16.1	14.0	19.8	22.0	13.0	18.0	5.2	6.0	2.16	2.36	
9	5.7	4.0	5.7	12.0	13.5	6.0	36.5	36.0	38.5	42.0	3.96	4.00	
10	11.0	12.0	9.9	14.0	25.7	18.0	18.8	22.0	34.6	34.0	3.56	3.52	
11	5.8	8.0	6.8	12.0	16.2	16.0	31.4	40.0	39.8	22.0	3.93	3.52	
12	7.8	8.0	5.2	18.0	15.1	14.0	26.0	24.0	45.8	36.0	3.97	3.62	

- Item 1. To be my own boss
- Item 2. To keep my family together
- Item 3. To keep this property in the family
- Item 4. To live in the right environment
- Item 5. To support my/our leisure interests
- Item 6. To enjoy a good lifestyle
- Item 7. To make lots of money
- Item 8. To gain prestige by operating a business
- Item 9. To meet interesting people
- Item 10. To provide a retirement income
- Item 11. To provide me with a challenge
- Item 12. To permit me to become financially independent

Column Headings reflect: 1 = Not at all important to 5 = Very important

There was much agreement between the Australian and USA respondents on the first set of questions relating to “getting started in this business.” The first question, in

particular, generated exactly the same mean and similar dispersion (represented by the standard deviation). Both the Australian and USA respondents agreed that they wanted to be their own boss.

The Australians preferred to keep their family together as a reason to start a business slightly more than the USA respondents. It may be that the USA “Not at all important” category is largely owners who are single or older couples where the “family issue” is simply not a critical factor. This condition also applies to Item #3. Similar to the previous question, over a third of the USA owners were not at all interested in, “To keep the property in the family,” as reported in Table 3. The bimodal response, high at both ends, for both sets, likely reflects the difference in the demographics of the samples. Those having no interest in keeping the property in the family would include the single persons, perhaps, as well as the couples that own the business as an investment (or a hobby) and expect to sell at the best price when they have met their current needs. On the other node, there would be the businesses, especially the family-centered businesses {FCB}, where “passing the property to the children” was a primary reason for getting into the business in the beginning.

The question, “To live in the right environment,” in Item # 4, generated the greatest “spread” of means in this set of questions: .83 (4.51 vs. 3.68). The Australian owners were much more interested in the kind of environment in which they lived than were the USA owners. For the USA owners, the differences by age category were statistically significant at the .039 level, using an ANOVA.

There was general support of about the same level from both groups with respect to the question reported in Item # 5, “To support my/our leisure interests,” Item # 6, “To enjoy a good lifestyle,” and Item # 10, “To provide a retirement income.”

Neither the Australian nor the USA group found the issue “To make lots of money” important to them. The mean responses were almost identical and reflected a “less than neutral” response. For the USA groups, in fact, only 2% said it was “very important;” compared to only 11.1% for the Australian group. Most responses were in the middle ranges for this question. These responses appear to support the theory that many of these “family-owned businesses” are not in this particular business as a means of seeking the “best alternative use” of the family financial resources, as suggested by economic theory, but rather to sustain a chosen lifestyle.

There was even less enthusiasm by both groups for the issue in Item # 8: “To gain prestige by operating a business.” Both groups registered over 40% in the “not at all important” category and barely 5% in the “very important” category.

Both groups also agreed with some enthusiasm to the issue “To meet interesting people,” as shown in Item # 9. The categories “somewhat important” and “very important” totaled 75% for the Australian group and 78% for the USA group. This seemed to be a critical issue for both groups.

“To provide me with a challenge” was more important to the Australian group as they were getting started in their business, as reported in Item # 11, than it was to the USA group. Again, the USA group had the highest response, 40%, only on the “somewhat important” category.

Finally, in the issues related to getting started in their business, the Australian group rated “To permit me to become financially independent,” as reported in Item # 12, more important than did the USA group. 45.8% of the Australian business owners rated this issue as “very important.”

In summary then, the issues related to getting started in their business found considerable agreement between the Australian and the USA groups, with only three or four of the twelve issues showing wide differences, such as: “to enjoy a good lifestyle,” “to live in the right environment,” “to keep this property in the family,” and “to keep my family together.” These last two issues also relate to the next set of nine issues, family-related goals of the business. Not surprisingly, more differences were displayed in this set.

#### *4.3 Family-related goals*

This set of nine issues revolves around family-related goals in operating the business whereas the final set of twelve issues revolve around the business-related goals of running their businesses for both the Australian and the USA groups surveyed. In this set, the “family-centered business” (where the business is a way of life) versus the “business-centered family” (where the business is a means of livelihood) types described by Singer and Donahu [4] are prominent in several issues. In Table 2, percent distribution of responses, overall mean and the standard deviation are reported for each of the second group of statement for both the Australia study [1] and this USA study.

**Table 2** Means, Standard Deviations, and Percent Distribution of Responses:  
Australian Study [1] and USA Study

Family-Related Goals													
	1		2		3		4		5		Mean		
Item #	AUS	USA	AUS	USA	AUS	USA	AUS	USA	AUS	USA	AUS	USA	A
13	11.3	8.5	3.8	10.6	11.8	17.0	16.1	14.9	57.0	48.9	4.04	3.85	
14	4.8	8.6	2.7	12.8	11.2	17.0	16.6	12.8	64.7	48.9	4.34	3.81	
15	34.8	51.1	8.8	6.4	22.1	25.5	17.7	6.4	16.6	10.6	2.72	2.19	
16	42.1	61.7	12.0	6.4	16.9	14.9	18.0	6.4	10.9	10.6	2.44	1.98	
17	14.7	31.3	8.7	4.2	18.5	29.2	20.1	14.6	38.0	20.8	3.58	2.90	
18	35.2	57.4	12.6	6.4	24.2	17.0	12.6	8.5	15.4	10.6	2.60	2.09	
19	11.9	22.4	7.6	8.2	12.4	20.4	18.9	14.3	49.2	34.7	3.86	3.31	
20	60.7	61.2	9.8	10.2	19.1	14.3	6.6	6.1	3.8	8.2	1.83	1.90	
21	14.8	25.0	6.6	16.7	28.4	22.9	25.1	29.2	25.1	6.3	3.39	2.75	

- Item 13. Prevent disharmony among family members
- Item 14. Share all key decisions with the spouse or family
- Item 15. Train the children for future ownership of the business
- Item 16. Provide family members with jobs
- Item 17. Share the work equally with my spouse
- Item 18. Pass on the family business to children/family
- Item 19. Earn enough to support the family
- Item 20. Elevate our family position in society
- Item 21. Ensure the family has lots of free time together

Column Headings reflect: 1 = Not at all important to 5 = Very important

As reported in Item # 13, “Prevent disharmony among family members” was one issue on which there was general agreement between the two groups of “family-owned” business operations. “Share all key decisions with the spouse or family” was more important to the Australian group than to the USA group, as shown in Item # 14. 64.7% of the Australian respondents considered this issue “very important,” compared to less than 50% for the USA group. In addition, the USA group responses were more widely

dispersed across all five choices. This possibly reflects more “business-centered family” type operations in the USA group and more “family-centered business” type operations in the Australian group.

Neither group saw the next two issues as very important to them: Item # 15, reporting the issue, “Train the children for future ownership of the business,” and Item # 16, reporting the issue, “Provide family members with jobs.” These probably closely represent the number of “families” where children are involved in the operation of the business. This is no more than about 30% for the Australian group and 17% for the USA group. “Provide family members with jobs” as reported in Item # 16 for the Australian group has the third lowest mean of the whole report (only the “To gain prestige by operating the business” reported earlier on Item # 8 and “Elevate our family position in society” reported in Item # 20 below, rank lower). 61.7% of the USA respondents rated this issue as “not at all important.”

The issue “Share the work equally with my spouse” reported in Item # 17 ranks somewhat more important to the Australian group than to the USA group. The high percentage (31.3) of “not at all important” for the USA group most likely reflects single persons (that is, a person who is single, or, where one or the other of a married couple carries the full responsibility) running the operation. The numbers for “Pass on the family business to children/family” reported in Item # 18 mirror very closely the numbers reported for both groups in Item # 16 where the issue was “Provide family members with jobs.” There is not strong support from either group on either issue.

There is some separation between the Australian respondents and the USA respondents on the issue “Earn enough to support the family” reported in Item # 19. It is

“very important” to nearly 50% of the Australian group, whereas 22.4% of the USA group reports that it is “not at all important.” The latter number for the USA group would reflect those operations where the bed and breakfast is a side business to the family, or a retirement “hobby,” not relied on for full support, in either case.

This issue, “Elevate our family position in society,” as reported in Item # 20, received very little support in either group. This is shown by over 60% in each group reporting “not at all important” as well as both means under 2.0.

The final issue in this set of family-related goals for the family-owned business has an interesting dispersion. No reply category received as much as 30% support from either group, but, there were three out of five sets of responses in the twenty-something percent for each group: Australia in the 3,4,5 and USA in the 1, 3, 4 replies. This made the issue average less important than neutral for the USA respondents, only 6.3% listing it as “very important.”

In summary, then, the family-related goals responses did reflect some difference between the two sets of sample groups as well as some difference within each of the groups. We move now to the business management goals results.

#### *4.4 Business management goals*

For as much agreement as there was on many of the issues in the previous two sets of issues, there is even more agreement on views expressed between the Australian respondents and the USA respondents on the final twelve issues related to business

management goals of these family-owned businesses. In Table 3, percent distribution of responses, overall mean and the standard deviation are reported for each of the third and final set of statements for both the Australia study [1] and this USA study.

**Table 3** Means, Standard Deviations, and Percent Distribution of Responses: Australian Study [1] and USA Study

Business Management Goals													
Item #	1		2		3		4		5		Mean		
	AUS	USA	AUS	USA	AUS	USA	AUS	USA	AUS	USA	AUS	USA	
22	2.1	2.0	2.6	0.0	7.3	14.0	18.2	8.0	69.8	76.0	4.51	4.56	
23	4.2	2.0	7.3	4.0	10.4	8.0	16.1	14.0	62.0	72.0	4.24	4.50	
24	2.1	0.0	5.7	10.0	19.8	18.0	29.7	44.0	42.7	28.0	4.05	3.90	
25	18.2	8.0	19.3	26.0	26.6	24.0	18.8	26.0	17.2	16.0	2.97	3.16	
26	3.1	4.0	20.3	30.0	26.0	8.0	31.8	30.0	18.8	18.0	3.43	3.08	
27	13.6	12.0	26.2	32.0	25.1	18.0	21.5	28.0	13.6	10.0	2.95	2.92	
28	2.1	8.0	7.3	14.0	14.1	8.0	20.3	24.0	56.3	36.0	4.21	3.76	
29	5.7	4.0	13.5	12.0	25.5	28.0	24.0	28.0	31.3	28.0	3.61	3.64	
30	34.9	18.4	10.4	8.2	20.8	10.2	7.8	14.3	26.0	49.0	2.80	3.67	
31	9.3	6.0	13.0	32.0	17.1	12.0	26.4	38.0	34.2	12.0	3.63	3.18	
32	11.3	6.0	8.2	14.0	9.3	6.0	19.6	16.0	51.5	58.0	3.92	4.06	
33	7.3	6.0	14.7	18.0	17.8	12.0	32.5	36.0	27.7	28.0	3.59	3.62	
34	2.6	2.0	0.0	0.0	5.7	4.0	21.2	16.0	70.5	78.0	4.57	4.68	
35	0.5	2.0	0.0	0.0	2.1	0.0	11.3	6.0	86.1	92.0	4.83	4.86	
36	1.0	2.0	0.5	0.0	3.6	8.0	8.2	10.0	86.6	80.0	4.79	4.66	
37	31.8	36.0	15.1	26.0	25.5	12.0	17.2	20.0	10.4	6.0	2.59	2.34	

Item 22. It is crucial to keep this business profitable

Item 23. I want to keep the business growing

Item 24. Enjoying the job is more important than making lots of money

Item 25. In this business customers cannot be separated from personal life

- Item 26. This business currently meets my performance targets
- Item 27. It should run on purely business principles
- Item 28. I would rather keep the business modest and under control than have it grow too big
- Item 29. My personal/family interests take priority over running the business
- Item 30. Eventually the business will be sold for the best possible price
- Item 31. This business is highly seasonal
- Item 32. I come into daily contact with customers
- Item 33. It is hard to separate work and family life in a tourism business
- Item 34. I want to present a good public/corporate image
- Item 35. Delivery of a high-quality product or service is a high priority
- Item 36. This business runs on high moral standards
- Item 37. It is not necessary to have formal business goals

Column Headings reflect: 1 = Totally disagree to 5 = Totally agree with the item.

This similarity begins immediately with the simple issue of “it is crucial to keep this business profitable,” as reported in Item # 22. The results of the Australian respondents for “somewhat agree” and “totally agree” total 88% and the USA respondents for “somewhat agree” and “totally agree” total 84.0%. On the issue, “I want to keep the business growing,” reported in Item # 23, while the USA respondents “totally agree” at the rate of 72% the Australian respondents “totally agree” at a 62% rate.

With the issue “Enjoying the job is more important than making lots of money,” reported in Item # 24, there is a nearly identical response. This again reinforces the “sustaining a lifestyle” theory – sustaining a lifestyle is preferred over maximizing profits or personal revenues. There was general agreement across the board on the issue reported in Item # 25, “In this business customers cannot be separated from personal life.” There was a bit more dispersion of the responses of the Australian group, but not much.

“This business currently meets my performance targets,” as reported in Item # 26, is an issue where the “somewhat agree” and “totally agree” figure is greater for the Australian group, 51.6% to 48.0 %, but the mean for both groups is relatively low, near “neutral.” Item # 27 reports an issue where there was, again, general agreement: “It

should run on purely business principles.” Not all agreed, and not all disagreed – the opinions of both groups were spread across the spectrum from one end to the other about evenly!

An issue where there is a distinct difference of opinion between the two groups is that in Item # 28, “I would rather keep the business modest and under control than have it grow too big.” The USA group totally agreed or somewhat agreed at a 70% rate, but the “totally agree” is only 36%. This is contrasted with “totally agreed by the Australian group at a 56.3% rate. The “less enthusiastic” USA response, overall, appears to be modified by the number of Bed and Breakfast owners who are satisfied with current size and do not expect or want future growth, at all. They got into this business to run this size business, where maintaining the level of business over a period of time is the goal, not growing the business by additional investments or acquisitions. This difference is sometimes used to characterize “small business management” as contrasted with “entrepreneurship” where the emphasis would be on “growing the business.”

In Item # 29, reporting “My personal/family interests take priority over running the business,” the two groups are near identical, again.

Sale of the business, as reported in Item # 30, “Eventually the business will be sold for the best possible price,” brought a widely dispersed set of replies from both groups, as might be expected. Agreement exceeded disagreement with both groups, with the USA group just a little stronger.

Reflecting the broad mix of business environments in both surveys, Item # 31, “This business is highly seasonal” got a very mixed set of responses. While the

Australian response definitely leaned toward agreement, the USA response is bimodal, with “somewhat agree” and “somewhat disagree” being the highest categories. This most likely reflects location, with the rural sites, in colder climates being more seasonal than, perhaps, a more urban setting with steady, year-around activity.

The owners of the businesses in these surveys had generally similar responses to the issue, “I come into daily contact with customer,” reported in Item # 32. Australian respondents somewhat or totally agreed at a 71.1% rate, whereas the USA respondents agreed, somewhat or totally, at a 74% rate!

Items # 33, Item # 34, Item # 35, and Item # 36 each had agreement in the 90 plus percent range from both groups.

As might be expected, there was a diversity on opinions in both groups on our final issue, “It is not necessary to have formal business goals,” as reported in Item # 37. While the Australian group supported the idea of formal business goals somewhat more than the USA group, as shown by the mean responses, 2.59 versus 2.34, this support was at a generally low level for both groups.

In summary, the diversity within and between the two generally homogeneous groups from two different parts of the world did reveal itself in this third set of responses. While there was general agreement on major issues, there were occasional disagreements where the specific issues impinged on individual differences in the owners’ approach to their businesses.

## **5. Discussion of Implications for Management Practice and for Future Research**

This paper has reported the results of an exploratory study survey of family and owner-operated Bed and Breakfast operations in four Middle American states (Kansas, Oklahoma, Arkansas and Missouri) and compared them to similar results obtained earlier for a sample of rural tourism and hospitality sites in Western Australia. These results reported on responses to questions related to goals during the start-up of the business, family-related goals of each business, and business-related goals for each business. The results of the exploratory study suggest that despite many similarities, sufficient differences were noted to justify further study of a number of the issues where additional demographic data might be collected to allow additional analysis of interest to both the academic and practitioner researcher. In particular, there were several differences noted where the family-centered versus business-centered family business appeared to take different directions. These need to be clarified. The issue of whether or not expansion of the current business size was another issue where additional study would be of interest [cf. 19].

The issue of seasonality raised more questions than were answered. Additional research on this issue would likely bear fruitful results. Also, the issue of succession to next generation of family members needs to be explored further. The results of this exploratory study only touched on a tiny portion of succession issues that might be explored in these businesses.

The results, in general, were quite similar, with variations generally attributable to the characteristics of identifiable demographics of the respondents. These corresponded

to characteristics identified in the literature review of these types of family owned and operated small business entities.

Limitations of the study include the small sample size, the homogeneity of the USA sample (all B&Bs), and missing demographic information (e.g., number of children in the home; number of employees (both family members and non-family members) that might have been useful for more detailed analysis. These limit the generalizability of the study. They also suggest changes to be made and incorporated into future studies of wider populations and broader business categories.

These results suggest that there may be more similarity than differences in sample populations across international lines than some researchers may have expected. This USA sample, of course, was chosen because it was perceived to represent a USA version of the “rural tourism and hospitality sector” used in the Australian study. Even though the USA sample was all of one style of hospitality venue, and some of the USA respondents (e.g., Oklahoma City) resented being included as “rural,” the results were quite similar and compatible by most measures.

The results of this exploratory study suggest that future studies, including some suggested by Getz and Carlsen [1], should include the following questions:

- Do family goals for their businesses change over time, particularly with regard to involvement of children or other family members and to succession?
- What are the demographic backgrounds of the business owners? (i.e., types of education; previous work and business experience; rural or urban upbringings; children of parents with a family-owned business)

- Do more urbanized destinations attract and sustain different types of family businesses, with different goals, than do more rural locations?
- Are family businesses different when comparing geographic regions and cultures?
- How do the goals of family business owners and owner-operators compare with each other and with the operational goals of professionally managed businesses and public-sector agencies in rural areas?
- Do these goals vary between tourism attraction venues compared with tourism hospitality venues?
- Is business failure or success linked to motives, operational goals or lifestyle preferences?

The study of family-owned and operated businesses in the tourism and hospitality industry is in its infancy. Unique aspects of this industry sector must be revealed through specific study and comparisons with other types of business. This exploratory study has been one step in that direction.

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## Appendix A

### Questionnaire Items\*

“When Getting Started in this Business” used: 1=Not at all important; 5=Very important	
Item #	Item Wording
1	To be my own boss
2	To keep my family together
3	To keep this property in the family
4	To live in the right environment
5	To support my/our leisure interests
6	To enjoy a good lifestyle
7	To make lots of money
8	To gain prestige by operating a business
9	To meet interesting people
10	To provide a retirement income
11	To provide me with a challenge
12	To permit me to become financially independent
“Family-related goals” used: 1=Not at all important; 5=Very important	
13	Prevent disharmony among family members
14	Share all key decisions with the spouse or family
15	Train the children for future ownership of the business
16	Provide family members with jobs
17	Share the work equally with my spouse
18	Pass on the family business to children/family
19	Earn enough to support the family
20	Elevate our family position in society
21	Ensure the family has lots of free time together

\* Items 1-37 from Getz & Carlsen, [1], replicated in the current study

“Business management goals” used: 1=Total disagree; 5=Totally agree	
22	It is crucial to keep this business profitable
23	I want to keep the business growing
24	Enjoying the job is more important than making lots of money
25	In this business customers cannot be separated from personal life
26	This business currently meets my performance targets
27	It should run on purely business principles
28	I would rather keep the business modest and under control than have it grow too big
29	My personal/family interests take priority over running the business
30	Eventually the business will be sold for the best possible price
31	This business is highly seasonal
32	I come into daily contact with customer
33	It is hard to separate work and family like in tourism business
34	I want to present a good public/corporate image
35	Delivery of a high-quality product or service is a high priority
36	This business runs on high moral standards
37	It is not necessary to have formal business goals

\* Items 1-37 from Getz & Carlsen, [1], replicated in the current study