ABSTRACT. Middleton (2001) noted that in Europe 95 percent of tourism businesses, generating perhaps one-third of total tourism revenue, are micro-business and most of these are family businesses (Getz, Carlsen and Morrison, 2004). Contrary to their importance in the economic well-being of the country, they suffer a wide range of strategic disadvantages and weaknesses preventing them from a sustainable development and yielding desired outcomes (Yolal and Emeksiz, 2007). At the most basic level a family business can be defined as “... an enterprise which, in practice, is controlled by members of a single family” (Barry, 1975). The dominance of small and medium sized enterprises in the tourism industry calls for extensive research on the businesses and it is important to expand the knowledge family businesses and the entrepreneurial business goals of these firms. The paper aims at examining business goals of family operated accommodation enterprises. The sampling frame for the survey is the family-operated accommodation enterprises employing 1 to 10 employees. A total of 105 questionnaires were collected in February and March 2009. The results of the study showed that almost two third of the entrepreneurs were first generation in the family business. The results revealed that the business goals of the family businesses in the study are growth, retirement and slow down. The results also indicated that the entrepreneurs are mostly lifestyle entrepreneurs. The study concludes with discussions based on the findings.

Keywords: family business, accommodation, business goals, Turkey.

JEL Classification: M10

1. INTRODUCTION

Tourism offers many opportunities for family business, often embodying direct host-guest interactions in a more formal environment like family home or property. They are often vital to customer experiences and satisfaction, and to destination and community development (Getz and Carlsen 2005). Tourism and hospitality as an
industry is dominated by small and medium sized firms, many of which are family and owner operated businesses. They are predominantly started or purchased for lifestyle and autonomy reasons (Andersson, Carlsen and Getz, 2002). Contrary to their importance in the economic well-being of the country, they suffer a wide range of strategic disadvantages and weaknesses preventing them from a sustainable development and yielding desired outcomes (Yolal and Emeksiz, 2007). However, interest in and research on family business has been increasing rapidly due to their scale and importance in most countries. Middleton (2001) noted that in Europe 95 percent of tourism businesses, generating perhaps one-third of total tourism revenue, are micro-business and most of these are family businesses (Getz, Carlsen and Morrison, 2004). In Turkey, the total number of accommodation operations certified by the Ministry as small and medium sized hotels (SMHEs) is 1,730 including one, two, and three star-rated hotels, motels, pensions, camping, chalets and hostels, which results in 74.5 percent of total number of all the enterprises. When the municipality certified hotels and family businesses are included, the figure rises to 95 percent (Ministry of Culture and Tourism, 2005).

In Turkey, however, studies on the family businesses in tourism are very limited compared to their dominance in the tourism and hospitality sector of the country and their contribution to both the development of tourism industry and the economy. As it is suggested by Getz and Carlsen (2000), it is important to business development and destination planning programs to understand what motivates entrepreneurs and investors, and what their values are in starting a business. Thus, the main objective of this paper is to examine characteristics and business goals of family operated accommodation enterprises using data from Mugla, Turkey.

2. LITERATURE REVIEW

At the heart of any discourse is the notion of definition. In this regard, family business definitions focus around variables such as ownership participation or risk assumption. Broader definitions also include social aspects of entrepreneurial life. Wherever family systems strongly interact with the entrepreneurial level of the enterprise system, the enterprise shows a family business character. This implies that the development of a family business depends on three factors, namely: the entrepreneurs’ family, ownership, and enterprise system (Gersick, Davis, Hampton, and Lansberg, 1997). Family ties and values are often said to create a strong business identity and a high level of internal ‘closeness’, which may lead to better performance of the firm in terms of internal trust and control (Leenders and Waarts, 2003). While defining family businesses Westhead, Cowling and Howorth (1998) refers to a discussion in Chua, Christman and Sharma (1999) noting that ‘previous studies have tried to define the family business by its ownership and management but companies with the same level of family involvement in ownership and management may or may not consider themselves family businesses and, more importantly, may or may not
behave as family businesses’, and Cowling and associates (1998:370) regarded a family business if more than 50 percent of ordinary voting shares are owned by members of the largest single family group related by blood or marriage, and if the company is perceived by the chief executive/managing director/chairman to be a family business. Evidently, the owner/manager’s determination of what his or her business is more important than how others define it. In the same vein, Birley, Ng and Godfrey (1999:598) list the characteristics of a family business as follows:

- family owners consider the business to be a source of income for all members, whether or not they work in the business,
- children usually start at the top, don’t know what they are doing, and so manage badly,
- parents apply pressure to their children under the assumption that they will automatically join the business,
- parents never know when to retire and never give their children any responsibility,
- owner-managers can’t separate family and business affairs, and
- most children regret joining the family business.

Family dynamics is a crucial factor in the family business. This is true even for sole proprietors, because their business activities frequently involve other family members, and they often have to balance business and family interests (Getz and Carlsen, 2005). To many, the main advantages of the family business seem to be related to trust, control, and employee motivation. Family ties and values are often said to create a strong business identity and a high level of internal ‘closeness’, which may lead to better performance of the firm in terms of internal trust and control (Leenders and Waarts, 2003: 689). However, family businesses are different from other businesses because ownership and control of the business overlaps with family membership and, as such, are “the most complex form of business organization”. As a result, conflicts and contradictions can occur as the business and the family strives for different objectives (Birley et al., 1999). The interaction between family dynamics and business operations are important, including such topics as gender roles, dealing with family issues, ownership, family involvement, and evolution of the business within the family lifecycle (Getz and Carlsen, 2000).

In general, having a good corporate atmosphere is considered an important advantage for a company (Hudson, 2001; Schulz, 2001). The mental environment of a firm reflects the attitudes of the managers and choices of the firm (Leenders and Waarts, 2003: 689). It is often assumed that for family business, profits may be sub-optimal because keeping a happy family sometimes outweighs creating more value and profits. This can create a good corporate atmosphere if the dominance of the family emphasis is generally accepted in the firm (Kets de Vries, 1993). By contrast, if members of the organization know that actions are strictly evaluated on financial criteria, the atmosphere can also be good (Leenders and Waarts, 2003: 690).
A regularly mentioned issue regarding family businesses concerns conflict resolution when conflicts between organizational members occur. If conflicts occur between organizational members, they may be more difficult to handle if the family orientation is strong (Morris, Williams, Allen and Avila 1997; Holland and Boulton, 1984). A strong business orientation may be more beneficial for conflict resolution because it can provide some objective criteria to solve possible problems and to evaluate solutions (Leenders and Waarts, 2003: 689).

A number of researchers have determined that entry barriers in tourism are usually low, and many owners lack pertinent experience or training (Morrison, Rimmington, and Williams, 1999). Consequently, lack of professionalism is a frequent complaint leveled at family businesses in tourism and hospitality (McKercher and Robbins, 1998; Szivas, 2001). Shaw and Williams (1990 cf. Getz and Carlsen, 2005) observed that noneconomic reasons existed for many tourism/hospitality owners entering business in UK coastal resorts. For example, they wanted to be self-employed, hate their previous occupation, sought a better lifestyle, had personal reasons for making a change, or preferred the location (often after vacationing there). Semi-retirement was also a big motive, and in some cases owners had been made redundant from their previous jobs and were forced to seek a new source of income (Getz and Carlsen, 2005: 243).

Family businesses display a relatively low growth rate, compared to non-family firms. They often face typical management and growth problems that call for specific training areas such as succession or conflict management issues (Ibrahim, Soufani and Lam 2003). Furthermore family firms have particular priorities and structures like family concerns that often reflect the lifestyle that the family wants to follow, rather than rational business principles (Peters and Buhalis, 2004).

Seasonality has been an inescapable aspect of tourism and the fluctuations in demand are more acute due to perishability of the product, and the effects of seasonality are more drastic for the small or family businesses in the industry limiting tourism business creation, profitability and growth. A study of seasonality revealed some of the pressures that are generated on family businesses. They found that owners relied heavily on summer student workers to meet peak demand, and often worked themselves 100 hours a week over a 16-20 week season. Some took another job in the off-season, while others had to sustain the business (repairs, marketing, etc.) (Getz and Carlsen, 2005: 241). Getz and Nilsson (2004) detected a number of strategies used by family businesses to either counter cyclical demand or adapt to it, and all of the options have impacts on family life.

The National Survey of Small Tourism and Hospitality Firms in the UK (Thomas, Friel, Jameson and Parsons, 1997) questioned owners on their motives. Fully 90 percent of owners gave non-economic reasons for being in business. Few were motivated by the anticipation of greater financial rewards than could be expected from paid employment. The most common reasons given for business ownership were to do what they enjoyed (45%) and the desire for independence (30%). Only 4
percent considered ownership of their small business to be a form of semi-retirement, while 10 percent believed they had been driven to self-employment (Getz and Nilsson, 2004). Sharma and associates (1996) observed that family business goals “are likely to be quite different from the firm-value maximization goal assumed for the publicly traded and professionally managed firms”. In a study of small tourism businesses in Victoria, Australia, Bransgrove and King (1996) found that the top goals of owners/managers were challenge/stimulus, business opportunity, lifestyle, and long-term financial gain (accounting for 18-24 % each). But lifestyle goals were twice as frequent in rural areas. Other rural tourism researchers have pointed to the goals or rewards of improved social lives (Pearce, 1990), and social standing (Pearce, 1990). In the same manner, the paper examines characteristics and business goals of family operated accommodation enterprises using data from Mugla, Turkey.

3. METHODS

The aim of the study is to examine business goals of family operated accommodation enterprises. The sampling frame for the survey was the family-operated accommodation enterprises employing 1 to 10 employees. A questionnaire is an efficient data-collection mechanism when the researcher knows exactly what is required and how to measure the variables of interest (Sekaran, 1992). The questionnaire used in the study was developed on the basis of Getz and Carlsen’s (2000) and Gunver’s (2002) previous studies, considering the specific conditions of Turkey and the tourism businesses. The questionnaires were administered personally in the districts of Bodrum, Fethiye and Marmaris of Mugla province during January and February, 2009. Almost 127 businesses were conducted but 22 of them refused to respond. The response rate was 82.6 percent.

The questionnaire has three parts. The first part includes demographic questions about the owner-managers of the family firms. The second part questions about the characteristics of the family firms. And finally third section includes questions about the business goals.

4. RESULTS

All 105 respondents indicated that they had a family-owned business, and at least a member of the family was employed in the business. The ownership among the respondents proves the domination of males in the business life. Females merely accounted for 20 percent in the respondents. However, this is larger than expected, since the female entrepreneurs accounted for only 13.8 percent in Turkey according to 2007 figures (www.koniks.com).

67.6 percent of respondents were married and 58.1 percent have at least one child (the ages of the children were not questioned). Of the 69 respondents who had children, 21.7 percent had one child followed by 43.5 percent having two children, 21.7 have three children 10.1 percent have four children and finally 2.9 percent have five children.
In terms of education, the largest group (35.2 %) of the respondents had a university degree, 24.8 percent had high school qualifications, 15.2 had a college diploma, 14.3 percent primary school and 7.6 percent had secondary school diploma. Merely 2.9 percent had advanced degrees.

The dominant age category of respondent was 31-40 (32.4 %), followed by 41-50 (23.8 %). The 21-30 age category accounted for 18.1 percent and the 51-60 category was 15.2 percent. Only 8 respondents were between 61-70 (7.6 %) and only 3 (2.9 %) were over 71.

As an entrepreneurial characteristic, 68.6 percent of the respondents indicated that they were the first generation in the family business, while 30.5 percent were the second generation. These findings can be interpreted in several ways. First, it is seen that the respondent 67 percent of the firms were open for 2 to 15 years, and most of the businesses are being operated by their founders. Secondly, the analysis of age groups of the respondents revealed that 50.5 percent of them were between 21-40 age groups, and this age group is not suitable to transfer the business to the second generation. Finally, 70.3 percent of the firms were founded after 1990s, and they can be regarded as new in the business life.

The founder of the surveyed businesses has a limited variety. 55.2 percent of the respondents stated that they were the founder of the business themselves. 33.4 percent explained that the founder of the family business was their parents, and they had inherited the business. In 32.4 percent of the businesses only a member of the family was the owner of the business. Seventy percent noted that ownership of the business was a form of partnership among the family members.

The ownership of the real estate in which the business operates defines the managerial style. The study findings showed that the building belonged to the family (the respondent himself/herself, spouse, children, and parents) in 85.7 percent of the respondents. On the other hand 13.3 percent of the businesses were being operated in a rented building. Only one respondent stated that the building belonged to a relative. These buildings could also be used as a place of residence for the family. And it was also found that 23.8 percent of the respondents were living in the family business building.

It is known that small businesses, especially family businesses offer limited service. In this vein, it is surprising to find out that 70.5 percent of the respondent businesses offer restaurant facilities, and they serve both lunch and dinner. Besides, 24.8 percent of the respondents operate bed and breakfast. Finally, 4.8 percent did not offer any food and beverage facilities.

As mentioned above at least a member of the family was employed in the business. The number of family members employed in the businesses varies one to six. The largest group (30.5 %) of the respondents indicated that two family members were employed in the business, followed by 27.6 percent employed three and 25.7 percent employed just one family member. 10.5 percent had four members and 4.8 percent had five members. Merely one respondent business had six family members employed in the business.
Another important finding of the study is that 59 percent of the respondents did not rely on solely their accommodation business. They also had other sources of income except the accommodation business. In this regard, 61.9 percent of the respondents evaluated their income level as good, and 25.7 percent very well. The rest of the respondents (11.4%) evaluated their income levels as moderate. Although satisfaction from the income levels is relative, it is understood that all the respondents were earning satisfactory in their businesses. However, this does not guarantee the future well-being of the family businesses.

The future of such firms was also questioned. The respondents were asked to indicate whether they prepare someone for the future transfer of the business. Forty percent of the respondents stated that they trained some family members for future transfer of the business. Although this rate seems to be low, when it is compared with the age groups of the respondents, this is not surprising and exceptional since more than half of the respondents are between 21-40 age groups. Similarly, they were asked about the transfer of the businesses. 25.7 percent of the respondents stated that they would transfer the business to their sons, while only 4.8 percent would transfer to their daughters. The parents were inclined to transfer their businesses to their sons rather than their daughters. However, 13.3 percent of the respondents indicated that they were planning to transfer the business the one who was talented. This finding is also important for the sustainability of the business and safer generation shift.

Table 1 shows the details of degrees of importance with each one of the eleven statements provided in the third part of the questionnaire. For simplicity, attributed agreement levels were summarised in group percentages as “strongly agree or agree” and “strongly disagree and disagree”. The overall mean value was 2.36 out of 5, which means the agreement level of the respondents towards business goals, in general, was neither favourable nor unfavourable.

As can be seen in Table 1, 80.0 percent of the respondents agreed with the goal “prefer a quite life far from the crowd of the city” with a mean value of 3.65, while 51.4 percent of the respondents agreed with the goal “to increase the number of employees”. However the mean value of “to increase the number of employees” was found to be 3.32, which is in the undecided area. The respondents are also neither agree nor disagree with the goals of “meeting new people rather than making lots of money”, “to grow business”, “to increase the number of rooms” and “pass on the responsibility to children”. These findings can be read as that the respondents in the survey are lifestyle entrepreneurs.

On the other hand, it seems that the respondents disagree with the goals of “enjoying the property by not accepting customers in a near future”, “transfer the management to other people”, and “sell the business when a reasonable price occurs”. Besides they strongly disagree with “go on service by diminishing the number of rooms”, and “close this business and open a new one”. These findings reveal that the respondents like to work in the tourism industry but they do not intend to grow their family businesses.
Table 1. Business Goals of Family Operated Accommodation Enterprises

<table>
<thead>
<tr>
<th>GOALS</th>
<th>Strongly disagree/disagree</th>
<th>Neither agree nor disagree</th>
<th>Strongly agree/agree</th>
<th>Mean</th>
<th>St. D</th>
</tr>
</thead>
<tbody>
<tr>
<td>prefer a quite life far from the crowd of the city in a small business.</td>
<td>19.0</td>
<td>1.0</td>
<td>80.0</td>
<td>3.65</td>
<td>.96</td>
</tr>
<tr>
<td>to increase the number of employees.</td>
<td>23.1</td>
<td>25.0</td>
<td>51.4</td>
<td>3.32</td>
<td>.93</td>
</tr>
<tr>
<td>meeting new people rather than making lots of money.</td>
<td>46.7</td>
<td>22.9</td>
<td>30.5</td>
<td>2.85</td>
<td>.90</td>
</tr>
<tr>
<td>to grow business.</td>
<td>44.8</td>
<td>31.4</td>
<td>23.8</td>
<td>2.80</td>
<td>1.02</td>
</tr>
<tr>
<td>to increase the number of rooms.</td>
<td>46.7</td>
<td>29.5</td>
<td>23.8</td>
<td>2.79</td>
<td>1.06</td>
</tr>
<tr>
<td>pass on the responsibility to children.</td>
<td>51.4</td>
<td>19.0</td>
<td>29.6</td>
<td>2.69</td>
<td>1.25</td>
</tr>
<tr>
<td>enjoying the property by not accepting customers in a near future.</td>
<td>75.2</td>
<td>3.8</td>
<td>21.0</td>
<td>1.95</td>
<td>1.36</td>
</tr>
<tr>
<td>transfer the management to other people.</td>
<td>85.7</td>
<td>2.8</td>
<td>11.5</td>
<td>1.67</td>
<td>1.01</td>
</tr>
<tr>
<td>sell the business when a reasonable price occurs.</td>
<td>76.2</td>
<td>19.0</td>
<td>4.8</td>
<td>1.66</td>
<td>1.03</td>
</tr>
<tr>
<td>go on service by diminishing the number of rooms.</td>
<td>95.2</td>
<td>2.9</td>
<td>1.9</td>
<td>1.34</td>
<td>.63</td>
</tr>
<tr>
<td>close this business and open a new one.</td>
<td>96.2</td>
<td>1.8</td>
<td>1.0</td>
<td>1.26</td>
<td>.63</td>
</tr>
</tbody>
</table>

The eleven perceptional items were factor analyzed with varimax rotation to delineate the underlying dimensions of business goals of the family businesses. Each dimension had an Eigenvalue at least one or higher and explained more than 3 percent of the variance. The total variance explained was 60.3 percent. One item, ‘meeting new people rather than making lots of money’, which was removed from further analysis, had a loading of less than 0.45. The total Cronbach’s alpha value indicated that the model was internally reliable (α=0.770). The appropriateness of factor analysis for business goals was determined by Barlett’s test of sphericity=467,623 p<0.001 and the test KMO = 0.625, Sig 0.000. The factor analysis of these items resulted in three factor groupings. The three dimensions were than labeled according to the variables that carried higher factor loadings within each particular factor (Table 2). The reliability coefficients for three factors were as 0.893 for growth, 0.716 for retirement, and 0.706 for slow down.
Table 2. Factor Analysis Results of Business Goals

<table>
<thead>
<tr>
<th>Subscales</th>
<th>Eigenvalues</th>
<th>Reliability Coefficient</th>
<th>Variance Explained</th>
<th>Factor Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>2.854</td>
<td>.893</td>
<td>25.958</td>
<td></td>
</tr>
<tr>
<td>- to grow business.</td>
<td></td>
<td>.955</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- to increase the number of rooms.</td>
<td></td>
<td>.955</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- to increase the number of employees.</td>
<td></td>
<td>.790</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retirement</td>
<td>2.725</td>
<td>.716</td>
<td>18.701</td>
<td></td>
</tr>
<tr>
<td>- to enjoy the property by not accepting customers in a near future.</td>
<td></td>
<td>.851</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- pass on the responsibility to children</td>
<td></td>
<td>.772</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- prefer a quite life far from the crowd of the city in a small business.</td>
<td></td>
<td>.539</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- transfer the management to other people</td>
<td></td>
<td>.523</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Slow Down</td>
<td>1.725</td>
<td>.706</td>
<td>15.680</td>
<td></td>
</tr>
<tr>
<td>- sell the business when a reasonable price occurs.</td>
<td></td>
<td>.806</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- close this business and open a new one.</td>
<td></td>
<td>.787</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- go on service by diminishing the number of rooms.</td>
<td></td>
<td>.677</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5. CONCLUSION

The study reports on a field survey on the family-operated accommodation businesses in Mugla. The analysis reveals that the family-operated accommodation enterprises in the region are relatively new, most of which are in the business life between 2 to 15 years. And most of them are being operated by their first generation founders in the age group of 30-40. This can be explained by the rapid development of tourism industry in Turkey as a result of Tourism Encouragement Law of 1982. An elaborate incentive system, using Ministry of Culture and Tourism and the Tourism Bank as main instruments, was introduced backed by sufficient resources at least until the end of 80 (Goymen, 2000).

Female entrepreneurship is also found to be as low as 20 percent. In their study, Cetinel, Yolal and Emeksiz (2009) found a similar ownership pattern in small and medium sized hotel enterprises that merely 10.5 percent of the businesses are owned by females. This is the result of male dominance in the business life in Turkey. In a similar manner, transfer plans of the owners are also problematic. They mostly plan to transfer their businesses in the future to their sons. However, it is expected them to transfer the businesses to the talented children. At this point it may
be argued that it is too early for the owner managers of the family businesses to plan for a transfer due to their younger ages and mostly their being the founder of the family businesses. On the other hand, the owner-managers of the family-operated accommodation businesses are found to be well educated. Though, it is expected that these people would follow a more professional approach in the management of their family firms, and contribute to the sustainability of their businesses.

The property of the firm belongs to over 85 percent of the families. This is important for the financial well-being of the businesses. On the other hand more than half of the families did not rely solely on their accommodation businesses and this diminishes over-dependence of the families on the family accommodation business. This also helps families to overcome problems caused by seasonality of demand. Contrary to expectations, most of the businesses offer restaurant facilities.

When the business goals are examined, it is seen that 80 percent of the respondents prefer a quite life far from the crowd of the city in a small business. They also place emphasis on increasing the number of employees. They may wish to create employment for the family members. The results of the study also indicated that the respondents planning to continue their family business without any intention to transfer or sell or grow their business. It is understood that the owner managers of the surveyed family businesses are mainly lifestyle entrepreneurs. Three factors dominate their business goals: growth, retirement and slow down. These three dimensions of business goals demonstrate that a kind of retirement with limited service and limited guest, enjoying the property or passing on the responsibility to children and slowing down the business are important goals for the family businesses. These findings can also be read as the proofs for lifestyle entrepreneurship.

The study is limited to only one destination in Turkey, and the study areas should be diversified in order to evaluate the country as a whole. Further studies would also contribute greatly to the understanding of the family firms and present insights on the characteristics and strategic orientations of family firms.

REFERENCES


