Journal of Organizational Behavior Review (JOB Review)

Cilt/Vol.: 5, Sayı/Is.: 2
Yıl/Year: 2023, Sayfa/Pages: 148-172
Başvuru Tarihi: 18.06.2023
Kabul Tarihi: 13.07.2023
Araştırma Makalesi/Research Article

Unlocking Success in Family-owned Businesses: An Examination of Personal Qualities, Management Skills and Opportunity Recognition

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Abstract

This research explores the influence of personal qualities, management skills, and opportunity recognition skills on venture performance in family-owned businesses. The study adopts a deductive approach, formulating hypotheses based on existing literature to investigate the relationship between entrepreneurial competencies and business performance. Using a combination of qualitative and quantitative methods, data is collected through semi-structured telephone interviews with family business owners. The collected data is analyzed using descriptive statistics, Pearson correlation coefficient analysis, and regression analysis to examine associations and predictive relationships among the identified competencies. The findings reveal that family business owners exhibit risk-taking tendencies and optimism, with perseverance as a major strength but facing challenges related to decision-making and delegation. Limited emphasis on research and development and market research is observed. The analysis indicates a strong positive association between opportunity recognition skills and managerial skills. Regression analysis confirms significant associations between opportunity recognition skills, managerial skills, and sales growth. However, managerial skills demonstrate an inverse relationship with sales growth.

Keywords: *Family businesses, Personal qualities, Management skills*

Aile İşletmelerinde Başarının Anahtarı: Kişisel Niteliklerin, Yönetim Becerilerinin ve Fırsat Farkındalığının İncelenmesi

Öz

Bu araştırma, kişisel niteliklerin, yönetim becerilerinin ve fırsatları tanıma becerilerinin aile işletmelerinde girişim performansı üzerindeki etkisini incelemektedir. Çalışma, girişimcilik yetkinlikleri ile iş performansı arasındaki ilişkiyi araştırmak için mevcut literatüre dayanarak hipotezler oluşturan bir yaklaşım benimsemektedir. Nitel ve nicel yöntemlerin bir kombinasyonunu kullanarak, veriler aile işletmelerinin sahipleriyle yapılan yarı yapılandırılmış telefon görüşmeleri aracılığıyla toplanmıştır. Toplanan veriler, tanımlanan yetkinlikler arasındaki ilişkileri ve tahmin edici ilişkileri incelemek için tanımlayıcı istatistikler, Pearson korelasyon katsayısı analizi ve regresyon analizi kullanılarak analiz edilmektedir. Bulgular, aile işletmelerinin sahiplerinin risk alma eğilimlerini ve iyimserliklerini sergilediğini, mücadeleci bir özellik olarak azimlerinin olduğunu, ancak karar verme ve görev devretme ile ilgili zorluklarla karşılaştıklarını ortaya koymaktadır. Araştırmada, araştırma ve geliştirme ve pazar araştırmasına yönelik sınırlı bir vurgu olduğu görülmektedir. Analiz, fırsatları tanıma becerileri ile yönetim becerileri arasında güçlü bir pozitif ilişki olduğunu göstermektedir. Regresyon analizi, fırsatları tanıma becerileri, yönetim becerileri ve satış büyümesi arasında anlamlı ilişkilerin olduğunu teyit etmektedir. Bununla birlikte, yönetim becerileri satış büyümesi ile ters bir ilişki sergilemektedir.

Anahtar Kelimeler: *Aile işletmeleri, Kişisel nitelikler, Yönetim becerileri*

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Introduction

Family businesses encompass a network interwoven by the traits of multiple small-scale enterprises, bound together by familial ties or generations linked by consanguinity or legal relationships. The crux of such organizational conduct is the preservation of the initial mission and the adherence to fundamental objectives (Sharma, Chrisman, & Chua, 1997). This inherent distinctiveness posits that family businesses possess traits that set them apart from non-family enterprises, compelling family members to pursue divergent goals in their pursuit of strategic objectives. While the argument can be made that family ownership engenders intricacies within the business realm, it remains irrefutable that family businesses possess unparalleled and inimitable resources, including accumulated capital and human resources, endowing them with competitive advantages. Moreover, empirical evidence proffered by Miller et al. (2007) demonstrates that enterprises devoid of family ties may experience growth and profitability, albeit at a differential pace compared to family businesses. Numerous contributing factors underpin the sustained success of family businesses, prominently featuring the profound engagement of family interests in the enterprise. Owners of family businesses commit substantial investments to their companies, as these enterprises serve as sources of family income, security, pride, present and future career prospects for family members, and bastions of family reputation within the community. Against this backdrop, this research aims to discern the role played by personal qualities, management skills, and opportunity recognition capabilities of family business owners in influencing venture performance.

Family Business

Within the realm of business, the family enterprise emerges as a distinct organizational paradigm wherein family ownership or control exerts a significant sway over the decision-making processes (Upton, Teal, & Felan, 2002, p. 72). As a focal point of inquiry, family firms are characterized by the predominant ownership and operation vested in specific families or interconnected kinship groups, with leadership responsibilities extending beyond the confines of immediate family members. The trajectory of such enterprises hinges on the interplay between the family and the organization, intertwined with the seamless orchestration of succession planning to ensure enduring prosperity across familial generations (Colli, 2003).

Fundamental to family businesses, as outlined by Kreiser et al. (2006), are two defining attributes: (1) an operational milieu primarily governed by a specific family or consortium of families, and (2) a steadfast aspiration to maintain long-term control over the organization. Building upon this framework, Casson (1999) further delineates typical traits associated with family businesses, encompassing the predilection for modest to moderate scales of operation, eschewing stock market financing, a reliance on organic growth through reinvestment of profits, a dependency on short-term credit facilities from banking institutions, and a proclivity for internal management succession planning. At the heart of the matter, Ward (1988) underscores the inseparability of the family and the family business, wherein the well-being of the former intricately intertwines with the fortunes of the latter. Consequently, the imperative of ensuring the uninterrupted progression of the enterprise looms large during times of succession planning (Rose, 1993). Relative to their non-familial counterparts, family businesses oftentimes exhibit restrained growth rates and grapple with conventional business challenges, necessitating tailored strategies, including conflict management (Ibrahim, Soufani, & Lam, 2003). Moreover, family businesses embody a distinct organizational ethos and priorities that reflect the cherished aspirations and values of the family, transcending conventional business tenets (Peters, 2005). While the unwavering commitment of family ownership instills dynamism within these enterprises, discernible advantages such as distinctive management styles, long-term perspectives, insulation from external influences, cultural preservation, and streamlined bureaucratic structures emerge. Nevertheless, formidable challenges persist, encompassing financing quandaries, limited avenues for expansion, autocratic managerial tendencies, potential nepotism, conservative decision-making proclivities, succession predicaments, and familial disputes (Kreiser et al., 2006). By delving into these intricate dimensions, this research endeavor seeks to enrich the scholarly dialogue on family businesses and equip stakeholders with invaluable insights to navigate the labyrinthine path towards sustained prosperity.

Entrepreneurial Competencies

The study of entrepreneurial competencies is rooted in a thorough examination of competency and competence literature, specifically within the context of entrepreneurship. The definitions and interpretations of key terms such as "entrepreneur," "entrepreneurship," and "entrepreneurial" continue to be subjects of ongoing and vibrant debate within scholarly circles. Consequently, it is imperative to approach the concept of entrepreneurship with careful deliberation, particularly regarding its association with the establishment and management of novel ventures and small-scale enterprises, which distinguishes true entrepreneurial endeavors from mere owner-manager roles and conventional small businesses.

Gibb (1996) posits that entrepreneurship revolves around the inception and administration of fresh ventures and small businesses, thereby emphasizing the distinct nature of entrepreneurial competencies. It is important to recognize that not all owner-managers can be regarded as entrepreneurs, and not every small business embodies entrepreneurial characteristics. The conceptual framework of entrepreneurial competencies revolves around individuals, colloquially referred to as entrepreneurs, who initiate or revolutionize companies, leveraging their resource management skills and capitalizing on emerging opportunities (Bird, 1995). Bird (1995) aligns with existing scholarship on managerial competence, underscoring the significance of differentiating between competencies that drive exceptional performance and those that serve as minimum or baseline standards.

Building upon this foundation, Bird (1995) suggests that the competencies essential for launching a new enterprise or strategically planning its trajectory can be considered baseline competencies, whereas highly accomplished entrepreneurs surpass these foundational attributes, thereby propelling their businesses to unprecedented levels of growth and prosperity. Bird (1995) advocates for the inclusion of various fundamental characteristics within entrepreneurial competencies, including specialized knowledge, motivational factors, personal traits, self-perception, social roles, and abilities, all of which contribute to the establishment, resilience, and expansion of entrepreneurial initiatives. However, it is important to acknowledge the inherent variability of competencies among entrepreneurs, as they may not possess all requisite skills in all circumstances, representing a notable limitation in Bird's (1995) analysis. Empirical investigations conducted by Man, Lau, and Chan (2002) shed further light on the relationship between entrepreneurial competencies and the performance of small and medium-sized enterprises (SMEs). Their research identifies six distinct domains of entrepreneurial competencies: opportunity recognition, relationship building, conceptualization, organizational adeptness, strategic acumen, and unwavering commitment. By employing a combination of interviews with successful owner/managers in Hong Kong and a comprehensive survey of randomly selected owner/managers from the local services industry, Man, Lau, and Chan (2002) demonstrate the pivotal role of these competencies in influencing the overall performance and outcomes of SMEs.

The measurement of entrepreneurial competencies constitutes a vital aspect of both practical applications and scholarly investigations. The establishment of a rigorous framework for understanding these competencies relies heavily on their accurate and reliable measurement. Furthermore, the ability to assess competencies before and after specific actions enables targeted individual development strategies, tailored to the enhancement of requisite skills.

Numerous approaches to competency measurement have emerged, grounded in theoretical predictions and assumptions. Chandler and Jansen (1992) conducted a survey involving a sample of 134 organizations in Utah, employing well-constructed questionnaires to gauge the competencies necessary for technical, entrepreneurial, and managerial roles. This comprehensive inquiry not only facilitated self-evaluation but also yielded compelling evidence validating the reliability of these measurement instruments. Notably, the findings challenge the conventional notion that the length of an individual's tenure as an owner/manager or the number of ventures established directly correlates with entrepreneurial performance.

Conversely, successful entrepreneurs attribute their accomplishments to their exceptional ability to identify and seize opportunities, as discerned from the survey results. The respondents strongly emphasize that their motivation to establish and lead a thriving organization significantly contributes to their success. Chandler and Jansen (1992) contend that although experience per se may not be directly linked to entrepreneurial proficiency, it likely plays a pivotal role in the creation of high-performing enterprises. Moreover, the study underscores that successful founders exhibit a self-perceived high level of managerial performance and possess advanced interpersonal and organizational skills.

Chandler and Jansen (1992) further posit that competencies associated with managerial roles are profoundly influenced by accumulated managerial experience, educational background, and business acumen. In addition, the study illuminates that owners of highly successful organizations accord great importance to technical skills. Consequently, respondents demonstrated not only exceptional expertise within their respective operational domains but also a nuanced understanding of the specific procedures and tools indispensable for delivering superior products and services. The insightful findings from Chandler and

Jansen's (1992) study substantiate the notion that accomplished founders of organizations characterized by remarkable earnings and substantial growth manifest competencies encompassing a synergy of technical, managerial, and entrepreneurial skills. Furthermore, the study underscores the invaluable role played by a combination of education, business acumen, and managerial experience in fostering entrepreneurial success among individuals occupying leadership positions.

Relationship between Entrepreneurial Competencies and Business Performance

The interplay between entrepreneurial competencies and organizational performance has emerged as a significant focus of both scholarly inquiry and practical application. This research endeavor stems from the recognition of the pivotal role these competencies play in driving organizational growth, performance, and, ultimately, economic development. Performance measurement research has made profound contributions to the realms of organization theory and strategic management. In the context of organization theory, the assessment of organizational effectiveness has evolved through three fundamental approaches. The goal-based approach emphasizes evaluating organizations based on internally set goals (Etzioni, 1964). These perspectives are harmoniously integrated through strategic research, as expounded by Venkatraman and Ramanujam (1986). Financial performance, representing the primary approach, assumes a central position in assessing organizational effectiveness. Nonetheless, it falls short of providing a comprehensive understanding of the multifaceted dimensions of effectiveness (Chakravarthy, 1986). In addition to financial indicators, performance measures related to operations, such as market share and product quality, assume significance as they underpin enhanced financial performance (Hofer and Sandberg, 1987). The final approach transcends performance measurements to encompass the interests of diverse stakeholders (Zammuto, 1984).

Venkatraman and Ramanujam (1986) propose a holistic framework that classifies performance measures, providing a structured overview of the current state of research in this domain. This comprehensive two-dimensional framework delves into financial and operational measures as its primary aspect, and primary versus secondary data sources as its secondary aspect. The performance dimensions it encompasses include growth, efficiency, size, profit, market share, leverage, and success/failure. Building upon this framework, Murphy, Trailer, and Hill (1996) undertook an empirical investigation examining performance measures within the context of small businesses and new ventures. Their study involved a sample of 1,798 organizations with 500 or fewer employees, drawn from the compact disclosure database. Employing exploratory and confirmatory factor analyses, they analyzed two distinct subsamples comprising 995 and 803 organizations, respectively. The findings revealed a myriad of correlations, both positive and negative, among performance measures, such as return on equity, debt to equity, and return on assets. Furthermore, the confirmatory analysis underscored the substantial impact of diverse financial and operational measures, including current ratio, quick ratio, return on investment, net income, earnings per share, sales, and number of employees, on the performance of small businesses and new ventures. It is noteworthy that studies focusing on small and medium-sized enterprises (SMEs) and entrepreneurship highlight the influential role of behavioral characteristics, psychological attributes, demographic factors, as well as technical expertise and skill knowledge on performance outcomes.

Prominent scholars such as Bird (1995) and Chandler and Jansen (1992) emphasize three distinct areas where competencies exert a profound impact on performance. First, entrepreneurs endowed with a diverse range of competencies are better positioned to exploit prevailing opportunities. Based on this the first hypothesis of this study is set as: *there exists a positive relationship between the personal qualities, managerial skills, and opportunity recognition skills of family business owners*.

Second, venture strategy is intricately intertwined with management competencies. Moreover, resource-based theorists argue that entrepreneurs' competencies, as well as their individual abilities, assume the mantle of invaluable resources within organizations (Mitchelmore and Rowley, 2010). Bird (1995) posits that the very essence of competency lies in the quality of an entrepreneur's actions, which, in turn, directly influences venture outcomes. Based on this the second hypothesis of this study is set as: *venture performance is positively associated with the personal qualities and managerial skills of family business owners.*

In a similar vein, Chandler and Jansen (1992) delineate three pivotal roles of founders' competencies: technical functional role, traditional entrepreneurial skills, and managerial roles. Their study provides compelling evidence linking venture performance to founders' self-assessment of competencies. Furthermore, the competencies exhibited by SMEs are intricately tied to the entrepreneurial stage of the firm's lifecycle, wherein it transitions from an entrepreneurial management approach to a professionally managed one (Churchill and Lewis, 1983). During this pivotal juncture, shifts in competencies occur not only at the individual level but also permeate the organizational level. Hofer and Charan (1984) contend that organizations transitioning from entrepreneurial management to professional management must possess substantial managerial skills including opportunity recognition skills and undergo rigorous managerial training (Mitchelmore and Rowley, 2010) which all jointly effect the organisational performance. However, opportunity recognition skills is most influential one among others. Based on this the third hypothesis of this study is set as: *a positive relationship exists between the opportunity recognition skills of family business owners and venture performance*.

Another study conducted by Sambasivan, Abul, and Yusop (2009) examined the influence of entrepreneurs' opportunity recognition skills, personal qualities, and management skills on venture performance. Specifically, they explored the mediating role of opportunity recognition skills in connecting qualities-skills with three performance measures: profits, sales growth, and sales volume. This empirical investigation was conducted in Malaysia, drawing upon a random sample of 1,275 SMEs obtained from the Small-Scale Industries Development Corporation (SMIDEC) publication. By employing a comprehensive framework encompassing venture performance, qualities-skills, and opportunity recognition skills, the study shed light on the intricate dynamics underlying venture success. Based on this the final hypothesis of this study is set as: *opportunity recognition skills of family business owners act as a mediating factor between the qualities and skills (personal qualities and management skills) of family business owners and venture performance*.

In summary, comprehending the intricate relationship between entrepreneurial competencies and organizational performance necessitates a comprehensive examination of diverse dimensions and factors. Through the integration of performance measurement frameworks and empirical studies, researchers can gain deeper insights into the intricate interplay between competencies, venture strategy, and organizational success. Such investigations hold immense promise in advancing our understanding of the critical role entrepreneurial competencies play in shaping the performance landscape of organizations. Sambasivan, Abul, and Yusop (2009) devised a questionnaire that revealed the mediating role of opportunity recognition skills in influencing venture performance. Their findings indicated that opportunity recognition skills served as a genuine mediator in the relationship between venture performance and personal qualities. Furthermore, the relationship between venture performance and management skills was mediated by prior knowledge, while the relationship between venture performance and personal qualities was mediated by alertness.

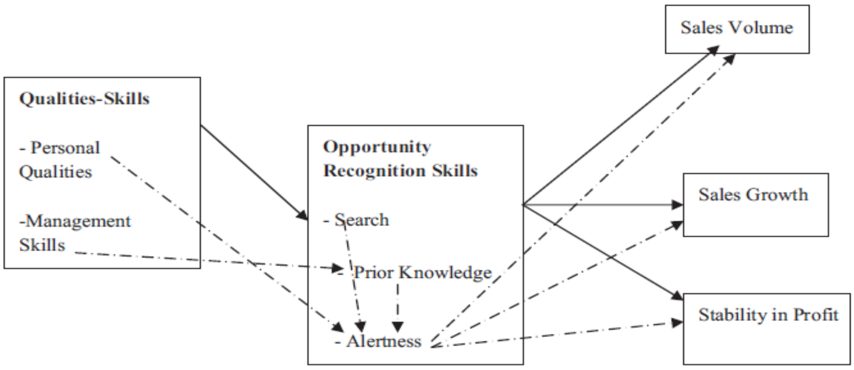

Figure 1: Sambasivan, Abul and Yusop's (2009) Framework

Methodology

A deductive approach was employed in this study to test the relationship between entrepreneurial skills and the performance of selected family businesses, based on the framework developed by Sambasivan, Abul, and Yusop (2009). The hypotheses were derived from the existing literature, and the aim was to examine whether these hypotheses hold true.

Regarding the data collection method, this study utilized interrogation/communication techniques by directly engaging with family business owners. In terms of time dimension, the study can be classified as cross-sectional since the data was collected once within a specific timeframe, from 03/06/2019 to 03/08/2019.

A combination of qualitative and quantitative methods was employed to explore the impact of family business owners' competencies on their businesses' performance. Hindle and Yencken (2004) suggest that qualitative methods, such as in-depth interviews, are valuable for examining process and behavioral perspectives of management competencies. Such an approach provides insights into competencies from a process-oriented perspective that may not be revealed through traditional quantitative methods.

Adhering to the recommended methodology, this study employed a semi-structured interview technique. This approach allowed for the collection of quantifiable information through predefined questions based on the work of Sambasivan, Abul, and Yusop (2009). Likert scale responses ranging from strongly disagree to strongly agree were used. Additionally, open-ended questions were included to explore other competencies that contributed to the success of family business owners.

The interview questionnaire consisted of four parts. Part 1 focused on gathering participant profiles, including gender, age, education, and experience in the business. It also captured information about the business, such as industry, the interviewee's position, the establishment year of the business, and the number of employees. Furthermore, this section addressed the venture's performance, including sales growth, profit stability, motivation for starting the business, and the financing used in establishing it.

Part 2 comprised three questions aimed at determining the personal qualities of the interviewees. Participants were asked to describe themselves as entrepreneurs and identify their strengths and weaknesses in terms of personal qualities. This section also presented six statements in which interviewees were asked to rate themselves based on specific personal quality variables, as explained in the subsequent section.

Parts 3 and 4 mirrored Part 2 but focused on managerial and opportunity recognition skills, respectively. These sections included two open-ended questions each, prompting respondents to describe their skills in these areas. Similar to Part 2, six statements were provided in each section, where interviewees were asked to rate themselves according to the variables developed to measure managerial and opportunity recognition skills. The interviews were conducted via phone calls due to the busy schedules of the participants. Each interview lasted approximately 30 minutes. A total of 35 interviews were conducted for this study.

Hypotheses and Variables Employed to Test Hypotheses

The primary objective of this research endeavor is to examine the influence of personal qualities, management skills, and opportunity recognition skills possessed by family business owners on venture performance. This article presents the hypotheses formulated to explore the relationships between these variables and the methodology used to assess them. Additionally, the dimensions of personal qualities, management skills, and opportunity recognition skills are defined based on the framework proposed by Sambasivan, Abul, and Yusop (2009). The following hypotheses have been formulated:

H0: There is no relationship between the personal qualities, managerial skills, and opportunity recognition skills of family business owners.

H1: There exists a positive relationship between the personal qualities, managerial skills, and opportunity recognition skills of family business owners.

H0: There is no relationship between venture performance and the personal qualities and managerial skills of family business owners.

H2: Venture performance is positively associated with the personal qualities and managerial skills of family business owners.

H0: There is no relationship between the opportunity recognition skills of family business owners and venture performance.

H3: A positive relationship exists between the opportunity recognition skills of family business owners and venture performance.

H0: Opportunity recognition skills of family business owners do not act as a mediating factor between the qualities and skills (personal qualities and management skills) of family business owners and venture performance.

H4: Opportunity recognition skills of family business owners act as a mediating factor between the qualities and skills (personal qualities and management skills) of family business owners and venture performance.

The dimensions of personal qualities, management skills, and opportunity recognition skills are based on the framework proposed by Sambasivan, Abul, and Yusop (2009). Personal qualities encompass six dimensions: "energetic, optimistic, goal-oriented, innovativeness, self-motivation, and risk-taking attitude." Similarly, management skills are classified into six dimensions, including "active involvement in product/service management, leadership with delegation skills, proactive engagement in productivity improvement measures, active pursuit of market development, efforts towards expanding the customer base, and accurate identification of strategic approaches." Furthermore, opportunity recognition skills are divided into six dimensions: "market research, customer interactions, planning and performance reviews, detection of industry changes, adaptability to changing circumstances, and experience in dealing with unexpected challenges." To assess the aforementioned skills, a five-point Likert scale ranging from "strongly disagree" to "strongly agree" was utilized, following the approach employed by Sambasivan, Abul, and Yusop (2009). The same scaling methodology was adopted in this study. Venture performance was measured using three performance measures developed by Sambasivan, Abul, and Yusop (2009): "sales growth over the past five years" and "profit stability over the past five years." The response categories used for structuring the answers to these questions were consistent with those utilized by Sambasivan, Abul, and Yusop (2009). For sales growth, the categories included "0% and below, 0-1%, 1-2%, 2-5%, and above 5%," while for profit stability, the categories consisted of "experienced negative profit for more than 3 years, experienced negative profit for 3 years, experienced negative profit for 2 years, experienced negative profit for 1 year, and experienced positive profit for 5 years." Convenience sampling, a non-probability sampling approach commonly referred to as accidental sampling, was employed for this study. The units of investigation were selected based on the researcher's convenience. This research investigates the influence of personal qualities, management skills, and opportunity recognition skills of family business owners on venture performance. The hypotheses formulated aim to establish relationships between these variables. The measurement of skills and venture performance is based on a Likert scale, following the methodology proposed by Sambasivan, Abul, and Yusop (2009). The findings of this study contribute to the understanding of the factors that impact venture performance in family businesses.

Method for Analysis

For the analysis of the data gathered through interviews, two statistical techniques were employed. The first technique involved the use of descriptive statistics to provide a frequency distribution of the obtained responses. These statistical measures were utilized to present the empirical findings. To test the research hypotheses, the second technique employed the Pearson correlation coefficient followed by regression analysis. The Pearson correlation coefficient is a widely used statistical method for examining associations among variables, specifically venture performance, personal qualities, management skills, and opportunity recognition skills. This analytical approach enables the assessment of both the strength and direction of these relationships (Saunders, Lewis, and Thornhill, 2007). It is important to note, however, that the Pearson correlation coefficient does not establish causality between the dependent variable, venture performance, and the independent variables, namely personal qualities, management skills, and opportunity recognition skills. To explore causality, regression analyses were conducted. The regression coefficient and its associated p-value were examined to determine the influence of the independent variables. Due to the challenge of including all six dimensions of each competency for every participant, composite scores were computed by averaging the six dimensions. Subsequent tests were then conducted based on these composite scores.

Data Analysis

Profile of Interviewees

Table 1: Profile of the Interviewees

Characteristic		Percentage	Characteristic		Percentage
Gender			**Education**		
	Male	100%		Higher Secondary Education	17%
				Technical/Vocational	33%
Age	20-29	32%		Bachelor Degree	33%
	30-39	17%		Post-graduate Degree	17%
	40-49	17%	**Years of Experience**		
	50-59	17%	**in Business**	Less than 5 Years	17%
	60 and Over	17%		5-10 Years	66%
				More than 10 Years	17%

The table presented above reveals that all the participants in the study are male, with a majority falling within the 20-29 age range. Furthermore, the participants possess a university degree and exhibit 5-10 years of experience in the business sector.

Profile of the Participated Businesses

In this study, a comprehensive analysis was conducted on a diverse range of companies in the business sector. The findings reveal several key trends and characteristics among the participants. The majority of these companies have established themselves in the industry, with an impressive track record of 7-9 years of operation. Additionally, a substantial number of the participating companies are small-scale enterprises, employing fewer than 50 individuals.

One notable highlight is the remarkable sales growth observed in a significant proportion of the companies included in the study, surpassing an impressive 5%. Furthermore, a substantial majority of these companies have consistently demonstrated positive profit performance over the past five years, showcasing their resilience and adaptability in the market.

The study also examined the motivations of business owners, shedding light on their entrepreneurial journeys. For a significant majority of owners, the driving force behind venturing into entrepreneurship was the identification of lucrative market opportunities. On the other hand, a smaller proportion of participants entered the business world with the objective of maximizing available resources, showcasing a different perspective and approach. Moreover, an intriguing finding emerged regarding the funding of these enterprises. It was discovered that a conspicuous majority of business owners had allocated funds for their ventures through personal savings, underscoring their commitment and personal investment in the success of their businesses.

Personal Qualities

Self – Description of Interviewed Entrepreneurs

In this section of the study, participants were asked to provide a self-description as entrepreneurs, highlighting their strengths and weaknesses. The findings reveal a range of notable strengths among the owners. Firstly, there is a demonstrated propensity for calculation, showcasing their ability to make informed decisions based on careful analysis. Additionally, many owners exhibit a combination of risk aversion and cautious optimism, striking a balance between prudence and embracing opportunities. Perseverance, an unwavering commitment to achieving their goals, is also a prominent strength observed among the participants.

Furthermore, the study identifies a diligent work ethic, motivation, and patience as key attributes of the participating owners. Many of them are willing to invest long hours in the office and sacrifice their rest and leisure time, displaying their dedication and drive. Moreover, an optimistic mindset prevails among the majority of owners, as they believe that even in challenging situations, there is always an opportunity for a positive outcome.

In terms of goal orientation, all the participating owners are driven by a strong desire to achieve specific objectives in their personal and professional lives. This ambition serves as a guiding force for their entrepreneurial endeavors. Additionally, a significant number of owners display an innovative mindset, acknowledging that mistakes can pave the way for valuable innovations and improvements. Self-motivation is another characteristic observed among the majority of participants. They consistently find ways to keep themselves motivated and driven, even in the face of obstacles and setbacks. Lastly, a noteworthy trait among the participating owners is their willingness to take risks and embrace new and unconventional situations. This inclination toward risk-taking demonstrates their openness to exploration and their ability to navigate uncharted territories.

Management Skills

Self – Description of Interviewed Entrepreneurs

In this section of the study, owners were invited to describe their management styles and identify their respective strengths and weaknesses. The findings shed light on a range of notable strengths exhibited by these entrepreneurs in their management approaches. Firstly, many owners display a strong, results-led orientation, emphasizing their commitment to achieving positive outcomes. They adopt a supportive yet critical stance, providing guidance and feedback to their employees while maintaining a focus on delivering results.

Moreover, the participating owners demonstrate a comprehensive understanding of all aspects of their businesses. This broad knowledge base enables them to make informed decisions and navigate various challenges effectively. Additionally, they establish themselves as supportive and influential figures within their organizations, fostering a positive work environment and nurturing productive relationships with their employees.

The study also reveals that many owners prioritize support and interaction with their workers. They engage in close supervision of employees, ensuring that tasks are carried out with precision and attention to detail. Furthermore, these owners are recognized for their trustworthiness, fostering an environment of reliability and dependability. Their approachability and openness encourage effective communication and collaboration throughout the organization.

On the other hand, the study highlights certain weaknesses reported by the owners. Some individuals tend to engage in micromanagement, excessively involving themselves in every aspect of the business, potentially hindering the autonomy and growth of their employees. Conversely, a few owners express a need to strike a balance by adopting a more authoritative approach, providing clearer direction and accountability within their teams.

Another weakness identified among some owners is the challenge of delegating work effectively. They may struggle with relinquishing control and entrusting tasks to others, potentially leading to an overwhelming workload for themselves. Furthermore, a tendency to become emotional in certain situations is reported as a weakness, as it can impact decision-making and overall team dynamics. Lastly, some owners mention the potential challenge of adapting to new technologies or modern business practices due to their age or resistance to change. This highlights the importance of remaining open to innovation and continuously updating skills in a rapidly evolving business landscape.

Active in Product/Service Management

The study investigates the perspectives of participating owners on various aspects related to product/service management and its significance within their organizations. The findings reveal a diverse range of opinions among the owners, highlighting the nuanced nature of their viewpoints.

While some owners firmly believe that product/service management is one of the most important activities within their organizations, others express disagreement or uncertainty regarding its level of importance. This variation in perspectives reflects the diverse range of business contexts and priorities among the participants.

Moreover, the study uncovers that a portion of the participating owners are not actively involved in product and service management, while an equal number of owners are actively engaged in these activities. This discrepancy may be attributed to different business models, industry dynamics, or individual preferences.

Another noteworthy finding is that a majority of the participating owners do not delegate product and service management tasks to their employees. This suggests a tendency to retain control over these critical aspects of their businesses, potentially limiting the development of their employees' skills and growth opportunities.

Furthermore, a substantial majority of owners recognize the significance of labor productivity in effective business management. This acknowledgment emphasizes the importance of optimizing employee performance and efficiency in achieving overall organizational success.

In terms of market expansion, a significant majority of owners exhibit a natural inclination towards implementing specific strategies aimed at expanding their customer base. However, the responses to this inquiry demonstrate a mixed pattern, with some owners actively undertaking measures to broaden their customer base, while others refrain from doing so. Interestingly, a subset of owners displays a natural inclination towards assuming an active role in expanding their customer base. Additionally, a significant majority of the participating owners utilize financial outcomes as a key metric for evaluating the effectiveness of their strategic decision-making. The financial results serve as a critical determinant in assessing whether their chosen strategies have yielded favorable outcomes or not.

Opportunity Recognition Skills

Self – Description of Family Business Owners

In this section of the study, participants were invited to describe their perceptions and strategies for identifying business opportunities. The responses obtained provide valuable insights into the approaches employed by owners in recognizing and capitalizing on potential prospects.

One key strategy highlighted by owners is their ability to promptly seize opportunities. They demonstrate agility and a proactive mindset in identifying and acting upon favorable circumstances as they arise. Additionally, the acquisition of new customers is seen as a vital avenue for uncovering opportunities, indicating a focus on expanding their customer base to drive growth.

Research and development activities are also emphasized by some owners as a means of identifying opportunities. They engage in innovative practices and invest resources in exploring new ideas and technologies that can lead to promising business prospects. Furthermore, some owners capitalize on existing opportunities without actively seeking new ones, maximizing the potential of their current operations.

Strategic timing of investments is another approach employed by owners to identify advantageous opportunities. They carefully assess market trends and economic conditions, making strategic decisions to allocate resources at the most opportune moments. Additionally, adopting a contrarian approach is highlighted, indicating a willingness to explore unconventional paths and identify prospects that may be overlooked by others.

Market research emerges as an area of variation among owners. It is evident that a significant majority of owners do not prioritize conducting market research as a primary means of identifying potential opportunities. However, a substantial majority of owners engage in strategic planning activities aimed at vigilantly monitoring and identifying emerging business opportunities, suggesting a proactive and forward-thinking mindset.

Customer interactions are highly valued by a significant majority of owners, emphasizing the importance of direct engagement with customers. They prioritize meeting with customers, seeking feedback, and understanding their needs to uncover potential opportunities for improvement and growth.

Furthermore, owners demonstrate a keen awareness of the potential impact of rapid technological advancements on their business operations. They acknowledge the need to stay informed and adapt to technological changes to remain competitive in the evolving landscape. The study also reveals that a significant majority of owners believe their organizational structure possesses the necessary flexibility to effectively accommodate and respond to dynamic changes. They demonstrate confidence in their ability to navigate and adapt to unanticipated transformations within the industry, reflecting their adaptive capacity and resilience.

Analysis

Pearson Correlation Coefficients

In order to conduct a rigorous analysis, it was imperative to ascertain the presence of associations among the variables employed in this study. To achieve this, Pearson correlation coefficients were computed and subsequently presented in the matrix displayed below.

Table 2: Correlation Matrix

	SGRWTH	*STBPROF*	*PERSQUA*	*MANSKLL*	*OPPRECSKLL*
SGRWTH	1				
STBPROF	-0.29449	1			
PERSQUA	-0.54233	-0.04563	1		
MANSKLL	-0.37226	0.020607	0.010626	1	
OPPRECSKLL	0.27735	-0.08168	-0.19554	0.744466273	1

The table depicted above presents the computed correlation coefficients for the variables examined in this study, including sales growth (SGRWTH), stability of profits (STBPROF), personal qualities (PERSQUA), managerial skills (MANSKLL), and opportunity recognition skills (OPPRECSKLL). Notably, the results indicate that, apart from OPPRECSKLL, all other variables demonstrate a negative correlation with SGRWTH. The association between OPPRECSKLL and SGRWTH is characterized by weak strength (r=0.27735). Similarly, the relationships between SGRWTH and STBPROF, PERSQUA, and MANSKLL exhibit weak correlations (r=-0.29449, r=-0.54233, r=-0.37226), albeit stronger than the association between OPPRECSKLL and SGRWTH. Analyzing the connections between STBPROF and PERSQUA, MANSKLL, and OPPRECSKLL reveals a weak negative correlation for PERSQUA and OPPRECSKLL (r=-0.04563, r=-0.08168), while the association between MANSKLL and STBPROF displays a very weak positive correlation (r=0.020607).

Of particular interest is the noteworthy finding of a robust positive association between OPPRECSKLL and MANSKLL (r=0.744466273). This observation suggests a parallel increase in opportunity recognition skills and managerial skills, and vice versa. To ascertain the significance of these findings, regression analyses were employed.

The regression analyses in this study are grounded in several assumptions:

• A positive relationship exists between the personal qualities, managerial skills, and opportunity recognition skills of family business owners.

• Venture performance demonstrates a positive association with the personal qualities and managerial skills of family business owners.

• A positive relationship is present between the opportunity recognition skills of family business owners and venture performance.

• The opportunity recognition skills of family business owners act as a mediating factor between the qualities-skills (personal qualities and managerial skills) of family business owners and venture performance.

To examine the validity of these assumptions, a total of nine regression analyses were conducted. The summarized outcomes of these regression analyses are provided below:

Table 3: Summary of Regression Analyses

Dependent Variable	Independent Variable	Rsquare	Sig. F	Coefficient	P Value
SGRWTH	PERSQUA	0.294	0.266	-0.882	0.266
	MANSKLL	0.139	0.467	-0.219	0.467
	OPPRECSKLL	0.077	0.595	0.231	0.595
	OPPRECSKLL, PERSQUA, MANSKLL	0.918	0.120	0.91552, -051176, -069833	0.0744, 0.27705, 0.06264
OPPRECSKLL	PERSQUA, MANSKLL	0.596	0.257	0.397865, 0.52743	0.61808, 0.134885
STBPROF	PERSQUA	0.00208	0.931	-0.352941	0.931
	MANSKLL	0.00042	0.9690	0.05758	0.9690
	OPPRECSKLL	0.00667	0.8777	-0.3230	0.87775
	OPPRECSKLL, PERSQUA, MANSKLL	0.0304	0.99467	-1.0402, -0.7685, 0.6076	0.83254, 0.9043, 0.8582

This article presents the findings of a regression analysis conducted to explore the relationships between opportunity recognition skills, personal qualities, managerial skills, and venture performance in family businesses. The study aimed to provide insights into the factors influencing sales growth and to examine the potential mediating effect of opportunity recognition skills on the relationship between managerial skills and venture performance. The summary of the regression results reveals that only one model yielded statistically significant findings. In this model, sales growth was regressed against opportunity recognition skills, personal qualities, and managerial skills. The results indicate that the variables included in this model account for 91% of the variation in sales growth. The coefficients and p-values demonstrate a significant positive association between opportunity recognition skills and sales growth, suggesting that an increase in opportunity recognition skills leads to a corresponding increase in sales growth. Conversely, managerial skills exhibit an inverse relationship with sales growth, indicating that an increase in managerial skills is associated with a decline in sales growth. The findings of the regression analysis provide insights into the hypotheses formulated in the study. The first two hypotheses, which posited significant positive associations between the independent variables and sales growth, were rejected as the analyses did not yield statistically significant results. However, the final hypothesis proposed that opportunity recognition skills mediate the relationship between managerial skills and venture performance. This hypothesis is supported by evidence demonstrating that the negative impact of managerial skills on performance is mediated by the presence of opportunity recognition skills. The occurrence of sales growth can be attributed to the mediating role played by opportunity recognition skills. The conclusions drawn from the regression results contribute to the understanding of the complex relationships within family businesses. Although the initial hypotheses were not supported by the data, the identification of a mediating effect highlights the importance of opportunity recognition skills in mitigating the adverse impact of managerial skills on business performance. These findings have practical implications for fostering the success and growth of family enterprises. Further research is encouraged to explore additional factors and dimensions that may influence venture performance in family businesses. The regression analysis conducted in this study provides insights into the factors influencing venture performance in family businesses. The findings reveal the significant role of opportunity recognition skills in driving sales growth and highlight the mediating effect of these skills on the relationship between managerial skills and venture performance. These results contribute to the existing literature and offer practical implications for enhancing the success and growth of family enterprises. Further research is warranted to expand our understanding of the complex dynamics within family businesses and explore additional dimensions of performance and competencies.

Table 4: Hypotheses

1	H_0: There is no relationship between the personal qualities, managerial skills, and opportunity recognition skills of family business owners.	Accepted
	H_1: There exists a positive relationship between the personal qualities, managerial skills, and opportunity recognition skills of family business owners.	Rejected
2	H_0: There is no relationship between the personal qualities, managerial skills, and opportunity recognition skills of family business owners.	Accepted
	H_2: Venture performance is positively associated with the personal qualities and managerial skills of family business owners.	Rejected
3	H_0: H_0: There is no relationship between the personal qualities, managerial skills, and opportunity recognition skills of family business owners.	Rejected
	H_3: A positive relationship exists between the opportunity recognition skills of family business owners and venture performance.	Accepted
4	H_0: H_0: There is no relationship between the personal qualities, managerial skills, and opportunity recognition skills of family business owners.	Rejected
	H_4: Opportunity recognition skills of family business owners act as a mediating factor between the qualities and skills (personal qualities and management skills) of family business owners and venture performance.	Accepted

Conclusion

Summary of the Research

The primary objective of this research was to examine the influence of personal qualities, management skills, and opportunity recognition skills possessed by family business owners on venture performance. To achieve this objective, a deductive approach was adopted, whereby hypotheses were formulated based on the existing literature to investigate the relationship between entrepreneurial skills and business performance. The research design employed an exploratory method, allowing for the testing of hypotheses while also exploring new dimensions that had not been previously investigated. This approach provided flexibility in the investigation process by utilizing both qualitative and quantitative techniques.

Data collection in this study was conducted through direct interrogation and communication with family business owners, employing a semi-structured telephone interview method. The study adopted a cross-sectional approach, collecting data at a single point in time without longitudinal follow-up. Convenience sampling, a non-probability sampling method, was utilized, enabling the selection of participants based on the convenience of the researcher.

The analysis of the collected interview data involved two distinct statistical analyses. Descriptive statistics were employed to demonstrate the frequency distribution of responses and present the findings. To test the research hypotheses, Pearson correlation coefficient analysis was initially conducted, followed by regression analysis. These statistical analyses aimed to determine the associations and predictive relationships between the identified competencies, namely personal qualities, managerial skills, and opportunity recognition skills.

Practical Implications

The findings of this study revealed that family business owners exhibited a propensity for risk-taking and optimism, considering their major strengths as perseverance while identifying involvement in too many businesses as a significant weakness. Furthermore, the owners recognized their management style as directive and autocratic, facing challenges related to emotional decision-making and a lack of trust in delegating tasks. The study also revealed a limited emphasis on opportunities identified through research and development or market research, as only a small number of owners reported utilizing such methods for recognizing opportunities.

Likewise, it was observed that family business owners demonstrated limited engagement in product/service management and customer base improvement. The Pearson correlation coefficients indicated a strong positive association between opportunity recognition skills and managerial skills (r=0.744466273). This suggests that an increase in opportunity recognition skills is likely to correspond with an increase in managerial skills, and vice versa. Regression analysis results indicated significant associations between opportunity recognition skills, managerial skills, and sales growth at a 10% confidence level. Specifically, opportunity recognition skills displayed a direct positive relationship with sales growth, indicating that an increase in opportunity recognition skills leads to a corresponding increase in sales growth. Conversely, managerial skills exhibited an inverse relationship, indicating that an increase in managerial skills may result in a decline in sales growth. In this context it can be said that training and development are important for the managers in order for them to improve their skills and positively effect the organisational performance. However, this is rather difficult for family businesses which are not operating professionally. In fact this is considered as one of the most important barriers in front of the development of family businesses. It is because, they mostly managed by the family members and the decisions are taken mostly based on the views of the older generation or the father of the family. This is clearly negatively effecting the performance of the organisation.

Theoretical Contribution

Many studies found a positive relationship between managerial skills and opportunity recognition skills and positive relationship between managerial skills and organisational outcomes (i.e.: Sambasivan, Abul, and Yusop, 2009). However, in this study, no significant relationship was found between managerial skills and opportunity recognition skills. In addition, it was found that managerial skills are negatively affecting the organisational outcomes. Therefore, it can be said that in a family business' perspective the literature works differently due to the nature of the family businesses. This is an important finding that supports the argument regarding the differences of family firms compared to other businesses.

Limitations

Despite the rigorous approach employed, this study has several limitations. One limitation pertains to the small number of participants, as only 35 interviews were conducted due to the challenges of accessing busy business owners. Additionally, the sampling method and use of telephone interviews introduce further limitations, as the sample may not be fully representative of the target population, and the inability to observe body language during telephone interviews may restrict the depth of understanding. Time constraints also affected the study's scope, suggesting that more extensive research would yield further insights. Future studies are recommended to employ a scientifically rigorous sampling method with broader geographical coverage to obtain a more comprehensive understanding of family business owner behavior.

Further Research Recommendation

In addition to the aforementioned findings and implications, several avenues for further investigation emerge from this research: Firstly, longitudinal studies could be conducted to examine the dynamic nature of personal qualities, management skills, opportunity recognition skills, and venture performance in family businesses over an extended period. Such studies would provide valuable insights into the causal relationships and long-term effects of these factors.

Furthermore, comparative analyses across diverse industries and geographical locations would enable researchers to discern the contextual influences on the relationship between personal qualities, management skills, opportunity recognition skills, and venture performance within family businesses. This approach would allow for a comprehensive exploration of the distinct challenges and opportunities encountered by family-owned enterprises in different settings. By pursuing these research directions, scholars can deepen their insights into the intricate interplay between personal qualities, management skills, opportunity recognition skills, and venture performance within the realm of family-owned businesses. These investigations hold great potential for informing both academic knowledge and practical strategies to foster the success and sustainability of family enterprises.

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