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BUSINESS PROBLEMS RESULTING FROM BUSINESS-FAMILY INTERACTIONS AND SECTORAL CHARACTERISTICS: THE CASE OF MUĞLA

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ABSTRACT

The interaction between the business and the family itself causes some serious problems in the family businesses. These businesses also face with other problems due to the peculiar characteristics of the tourism industry. The objective of the study is to understand problems that the family businesses face in the tourism industry. Data for the study were gathered by way of a self-administered questionnaire with the study sample of family operated accommodation businesses located in Aegean Region (Mugla), Turkey, during the summer of 2018. Study findings evidence that owner/operators place more importance on the problems resulting from the industrial characteristics compared to problems arise from business-family interactions. The paper ends with both practical implications for the family business operators and some theoretical contribution to the growing research of family businesses.

Keywords: Family businesses, business-family interaction, problems.

INTRODUCTION

It is widely held that tourism and hospitality sectors are dominated by small and medium sized businesses and they are mostly small family and owner operated businesses. Although Turkey is not exception to this, research on family business in tourism and hospitality is limited.

Tourism and hospitality as an industry is dominated by small and medium sized firms, many of which are family and owner operated businesses (Andersson, Carlsson and Getz, 2002). Tourism offers many opportunities for family business, often

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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). In many countries, family businesses contribute to gross domestic product and employment (Athanassiou, Crittenden, Kelly and Marquez, 2002) and they have a dominant role in numerous industries. Addressing the importance of micro businesses that employ less than 10 workers in European countries, Middleton (2001:198) believes that these businesses are the basis of entrepreneurship and management culture. 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). Moreover, the money earned remains in local economy and it plays an important role in creating new business space especially in countryside and new city centers. Despite the small amount of employment, small businesses have vital significance in areas that have delicate economy. As a result, it is claimed that family businesses are the most economical force in society (Weidenbaum, 1996). Family related drives may also play an important role in starting such businesses. Unemployment of family members, creating an economic value in the family house, well-being of the family members can initiate an entrepreneurial drive among the individuals. 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. A similar trend is observed for Turkey, and the number of family firms is increasing gradually. 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.

As summarized here, family businesses have their own dynamics and characteristics that are different from other businesses. It is an important necessity to put forward and identify these basic characteristics, and problems that family businesses face, insure their success and provide their sustainability and enhance increasing sustainability of their social and economic contribution. The fact that 3,4 of every 100 first generation family businesses continue until the third generation (Günver, 2002) justifies the necessity of carrying out this type of research. Therefore, it is inevitable to present the basic characteristics, aims, expectations, problems and difficulties of small family businesses that contribute to regional development, distribution of income and employment and that operate in tourism sector. This study includes results of a survey carried out to find the difficulties of small family businesses in order to meet such a need. In conclusion and evaluation parts, results of the survey were evaluated and commented as a whole.

LITERATURE REVIEW

The term 'family business' does not have a generally accepted definition and when the related literature is searched, 34 different definitions have been found (Getz and Carlsen, 2005). The definitions of family business focus on participation to ownership or risk taking. As a general definition, a family business can be described as 'business that is run by only one family' (Barry, 1975). According to another definition, family business is the business that is owned or run by a person, husband-wife or family.

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 (2001) 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 Westhead and associates (2001:370) 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.

Other definitions related to family businesses make definitions that cover social dimensions of entrepreneurial life style. In this respect, it is possible to mention the family businesses in cases where there is interaction between family system and the level of entrepreneurship. According to this definition, the development of family business depends on three items: family of the entrepreneur, ownership and business administration system (Gersick, Davis, Hampton, and Lansberg, 1997). ‘When families have important affects on decision making processes in a business, they are family businesses’ (Peters and Buhalis, 2004). Inevitable relationship between the company and the family creates a special entrepreneurial culture and philosophy, and a business process peculiar to family business (Peters and Buhalis, 2004). In another definition, family businesses are described as the businesses that belong to family at least throughout two generations, and in which business and family have the same purposes and benefits and this is reflected in policies of the business (Günver, 2002).

In the same vein, Birley, Ng and Godfrey (1999:598) list the characteristics of a family business is 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).

It is not surprising to meet a lot of family businesses in an industry since a new business is generally established by close friends who trust one another or relatives who encourage each other (Leenders and Waarts, 2003: 686). ‘Family’ element in family business is an important characteristic that may enable a business to be successful because of the close relations of company members or be unsuccessful because of problems in the take over process (Dyer and Handler, 1994). In general, two thirds of family businesses are long lasting to be left to next generations (Beckhard and Dyer, 1983; Aronoff and Eckrich, 1999).

Although economic growth is important in business life, all businesses are not established to grow, make a lot of profit or provide its continuity, and the basic

reason why many family businesses are established depends on the needs and preferences of owners and their families. This situation makes up the core of family businesses and puts them into a more different place than the other businesses (Getz, Carlsen and Morrison, 2004). On the other hand, sustainability of the business is the combination of functionality of family and the success of the business (Stafford, Duncan, Danes and Winter, 1999). Whole system is directed towards the synchronous success of family and business purposes. Body of purposes are there to improve both the business and the family, and they are not conflicting but in harmony (Danes, Zuiker, Kean and Arbuthnot, 1999; Foley and Powell, 1997). 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. It is stated that family ties and values create a powerful business identity and high level of internal 'connection', and this leads to a better performance in terms of self-confidence and control in the business (Leenders and Waarts, 2003: 689).

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).

Entrepreneurship related to business takes place in social context of family. Family ties in every step of the business are important elements. Sharing sources, even social networks among the family and the business, has important implications on the ability of both the family and the business to get richer, i.e. it makes the business get rich together with the family (Rogoff, Kay and Heck, 2003). Sources of family business and personal relationships are determinative of the sustainability of system or contribute positively (Winter, Danes, Koh, Fredericks and Paul, 2004: 538).

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.

Managers deal with personal aims together with business strategy. In a family business, owner's personal aims include family's financial, security and employment needs. Family values and structure shape business vision and this affects strategic decisions in a great deal. Purposes related to family roles are more important than making a profit. Family businesses are more conscious about surviving, family harmony and family employment than profitability and market position. Family structure, identity, and views about the future of the family directly affect the growth of the business (Athanassiou et al. 2002: 142).

METHODS

The aim of the study is to examine business problems resulting from business-family interactions and sectoral characteristics 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.

Target population of the study are 2566 accommodation companies that have tourism establishment certificates given by the Ministry of Culture and Tourism and 4534 companies that have municipality certificates and they all differ in terms of size and service type (www.kultur.gov.tr). As it was difficult to collect data from all these companies in terms of cost and time constraints, Muğla and its towns in Aegean Region where tourism is developed were chosen to represent the population. Moreover, the questionnaire was applied in 5 companies that are defined as family businesses and the final form of the questionnaire was prepared according to their feedback. The questionnaires were given to the owners and managers of

the accommodation companies that define themselves as ‘family businesses’ in the city and towns since there are no criteria to define and classify family businesses. The questionnaires were administered personally in the districts of Bodrum, Fethiye and Marmaris of Mugla province during June and July, 2018. 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-family interactions and sectoral characteristics of family operated accommodation enterprises. In this part, 5 point likert scale that has 25 items about the difficulties of being the owner of a family business and manager is used. The reliability coefficient (Chronbach alpha) was calculated as 0.8562. This result shows that the scales used in the questionnaire have acceptable reliability degrees.

1. RESULTS

1.1. Demographic Findings

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.

67.6 percent of respondents were married and 58.1 percent have at least one child (the ages of the children were not questioned).

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.

1.2. Frequency Results of Business Problems Resulting from Business-Family Interactions and Sectoral Characteristics

Table 1 shows the details of degrees of importance with each one of the twentyfive 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”.

When the difficulties of the participants in terms of being the owner of family businesses were questioned, some problems stemming from the difficulty of accommodation were accepted by all the participants such as stating “working hours are too long” (100%) and “customers always expect good service” (100%). Apart from these, some problems stemming from being a family business are stated as problems by the owners of businesses such as “family members are always privileged in the business” (99%), “responsibilities and authorizations of workers and family members who work in the business are clearly stated” (95,2%), “in case of promotion, family members always have top priority” (89,5%), “issues related to family and business are dealt with separately” (89,5%), “sources are distributed among family members fairly (83,8%) and “family members have different expectations and desires about the money owned and earned” (72,2%). Some choices are not accepted as difficulties such as the following: “money that the family

members take from the business create problems” (97,2%), “there is competition among the family members in the business” (95,2%), “there may be some problems because of working with some people outside family” (95,2%) and “sharing private life with the customers may create problems” (89,6%) (Table 1).

Table 1. Frequency Results of Business Problems Resulting from Business-Family Interactions and Sectoral Characteristics

	Not all important/	Not decided	Important	Mean	St. Deviation
* It is difficult to spend time together as a family.	64.8 %	1.0 %	34.2 %	2,505	1,202
* There are different aims and expectations among family members.	32.4 %	3.8 %	63.8 %	3,333	1,016
* Always seeing each other may cause some problems.	85.7 %	3.8 %	10.5 %	2,143	,777
* Sharing private life with the customers creates problems.	89.6 %	6.7 %	3.7%	1,933	,654
* Working hours are too long.	-	-	%100.0	4,410	,494
* Customers always expect good service.	-	-	%100.0	4,838	,370
* Family members have different expectations and desires about the money owned and earned	24.0 %	3.8 %	72.2 %	3,567	,953
* There are conflicts about the solution of the problems among family members.	83.8 %	8.6 %	7.6%	2,124	,743
* It is difficult to keep harmony among family members and other workers who are not family members.	68.6 %	8.6 %	22.8 %	2,486	1,001
* Working with people outside family cause problems.	95.2 %	1.9 %	2.9%	1,657	,705
* In the decision making process about the business, having to consult to family members cause problems.	70.4 %	8.6 %	21.0 %	2,324	1,033

* When time is due, management of the business is left to next generation willingly.	10.5 %	45.7 %	43.8 %	3,65 7	1,04 5
* Family members are always privileged in the business.	1.0 %	-	99.0 %	4,28 6	,567
* There is competition among the family members in the business.	95.2 %	1.9 %	2.9% %	1,55 3	,682
* There are problems among wives/husbands and children because of work.	61.9 %	17.2 %	20.9 %	2,46 7	1,02 0
* Staff working in every level of the business should be a family member or relative.	62.0 %	12.3 %	25.7 %	2,64 8	,920
* Family and business issues are evaluated separately in the business.	7.6 %	2.9 %	89.5 %	3,85 7	,595
* Sources in the business are distributed fairly among family members.	3.8 %	12.4 %	83.8 %	3,95 2	,656
* Money that the family members take from the business create problems.	97.2 %	-	2.8% %	1,59 1	,730
* When the salaries are determined, workers' performance are evaluated more than their being family members.	73.3 %	23.8 %	2.9% %	2,26 7	,609
* Responsibilities and authorizations of workers and family members who work in the business are clearly stated.	-	4.8 %	95.2 %	4,13 3	,461
* Discharging some family members and relatives cause problems in the family.	10.5 %	26.0 %	63.5 %	3,59 6	,807
* Working together with family members cause problems	58.7 %	15.4 %	25.9 %	2,63 5	,976
* In terms of promotion, family members always have priority.	4.8 %	5.7 %	89.5 %	4,10 5	,706
* People who join the family later (such as bride, groom) cause problems in the business.	42.9 %	29.5 %	27.6 %	2,81 0	1,03 9

Most of the participants do not accept that “people who join the family later (such as bride, groom) cause problems in the business” (62%) as a problem. This can be because of the youngness of the owners of the businesses. Most of the owners do not accept the following as difficulties: “people who work for our company are supposed to be family members and relatives” (%60), “discharging some family members and relatives cause problems in the family” (%59), “always seeing each other may cause some problems”(%58).

1.3. Factor Analysis of Business Problems Resulting from Business-Family Interactions and Sectoral Characteristics

Table 2. Factor Analysis of Business Problems Resulting from Business-Family Interactions and Sectoral Characteristics

Subscales	Eigen values	Reliability Coefficient	Variance Explained	Factor Loading
<i>The Effect of Family on Business</i>				
	5.536	,75	22.145	
There are different expectations and purposes among family members				,814
Family members have different expectations and desires about the money owned and earned.				,814
It is difficult to spend time together as a family.				,718
Discharging some family members and relatives cause problems in the family.				,645
<i>The Effect of Business on Family</i>				
	3.062	,79	12.247	
Always seeing each other may cause some problems.				,761
In the decision making process about the business, having to consult to family members cause problems.				,749
There are problems among wives/husbands and children because of work.				,655
Sharing private life with the customers creates problems.				,639

Working together with family members cause problems				,520
<i>Conflicts Between Family Members and Outsiders</i>				
2.396 ,72 9.585				
Working with people outside family cause problems.				,795
It is difficult to keep harmony among family members and other workers who are not family members.				,792
Staff working in every level of the business should be a family member or relative.				,776
Money that the family members take from the business create problems.				,572
<i>Conflicts Among Family Members</i>				
1.961 ,55 7.843				
People who join the family later (such as bride, groom) cause problems in the business.				,686
There is competition among the family members in the business.				,657
When time is due, management of the business is left to next generation willingly.				- ,739
<i>Management Approach</i>				
1.843 ,68 7.372				
When the salaries are determined, workers' performance are evaluated more than their being family members.				,759
Family members are always privileged in the business.				- ,656
In terms of promotion, family members always have priority.				- ,838
<i>Sectoral Difficulties</i>				
1.394 ,48 5.577				
Working hours are too long.				,861
Customers always expect good service.				,639

Responsibilities and authorizations of workers and family members who work in the business are clearly stated.				- ,541
<i>Fairness</i>				
1.163	,45	4.650		
Sources in the business are distributed fairly among family members.				,769
Family and business issues are evaluated separately in the business.				,714

The twenty five perceptual items were factor analyzed with varimax rotation to delineate the underlying dimensions of business problems resulting from business-family interactions and sectoral characteristics. Each dimension had an Eigenvalue at least one or higher and explained more than 3 percent of the variance. The total variance explained was 69.4 percent. The total Cronbach's alpha value indicated that the model was internally reliable ($\alpha=0.813$). The appropriateness of factor analysis for business problems resulting from business-family interactions and sectoral characteristics were determined by Barlett's test of sphericity=547,520 and the test KMO = 0.575, Sig 0.000. The factor analysis of these items resulted in seven factor groupings. The seven dimensions were then labeled according to the variables that carried higher factor loadings within each particular factor (Table 2). The reliability coefficients for seven factors were as 0.750 for *effect of family on business*, 0.790 for *effect of business on family*, 0,720 for *conflicts between family members and outsiders*, 0,550 for *conflicts among family members*, 0,680 for *management approach*, 0,480 for *sectoral difficulties*, 0,450 for *fairness*. The comments about the factors in this study are discussed in detail in the conclusion section of the article.

CONCLUSION

Family businesses have important places in many industries and Turkey is not an exception. There are hardly any studies on family business industries especially tourism that depend on service. There is need for comprehensive studies in order to understand these businesses and to solve their operation and relations because of their economic and social importance. This study is on family businesses that have a crucial place in accommodation sub-sector in tourism industry.

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. At the end of the study, it has been found out that most of the family-operated accommodation businesses are new and their founders are young. Moreover, it has been observed that more than half of the participants are the first generation business owners. Thus, it has been detected that conflicts between generations and takeover problems that shorten the lifetime of family businesses are not experienced.

It has been observed that most of the managers/owners are males. However, studies on both entrepreneurs and employment data reveal that women take part in employment sector as workers or entrepreneurs less than men. According to 2008 data, participation to work force in Turkey was 70,1 % for men and 24,5% for women (Turkish Statistical Institute, 2009). Therefore, our findings reflect a similar situation. Besides it is not wrong to say that women have other roles apart from work and these roles make them go far away from business life. It has been found out that the rate of women entrepreneurs is 20% in Aegean Region. It can be said that socio-cultural system among the regions has an effect. Women's participation rate to work force in the west of Turkey are more compared to other regions. It is anticipated that supporting women entrepreneurs may be beneficial in order for them to contribute to Turkish economy as entrepreneurs with the help of special credits and incentives.

Another striking difference gained in the study is preference of owners to transfer their business mostly to boys. It can be said that some social values have roles on this preference because it is known that boys are valued more than girls in traditional Turkish family system. Apart from that, the interviews revealed that sons are preferred to take over the business more than grooms in order to keep the business in the family. However, 13,3% of the participants stated that they can leave the business to children who are talented without thinking sex discrimination. This situation shows that substantial number of owners behave professionally but not emotionally to plan to leave the business to suitable people regarding the future and success of the business.

More than half of the owners have stated that they do not prepare their students to transfer the business in future. This can be because of the newness of the businesses and the youngness of the owners. However, planning transfer process beforehand has an important role in order for a family company to be longlasting. Many family businesses have problems and short lifespan because they do not plan transfer process and founders may behave emotionally to leave the business to the next generations.

It has been found out that a substantial amount of participants deal with other businesses apart from accommodation services. Business owners deal with other types of income-generating businesses because of the shortness of tourism season in this region, lack of variety in tourism in Turkey and not spreading tourism to 12 months.

Most of the business owners have stated that the most important problems are customers' expectations of good service stemming from the characteristic of service business and long working hours. Other problems are because of being family businesses and problems among family members. The most striking problems are transfer issues in future, responsibilities and authorization of family members, fair distribution of sources, privileged status of family members, share of earned money, etc. Apart from these, a substantial amount of participants have pointed out that there is no competition among family members and the money taken from the company does not create a trouble.

According to the statistical analysis, it was found out that owners who run the business regard negative effects of family on business as a difficulty in running of a company. The biggest difference of family businesses is that family relations have great influences in running of the business. As Athanassiou et.al (2002) state family structure and values shape the vision of the business and this affects strategic decisions extensively. In family businesses, survival, family harmony and family employment are more important than profitability and market position.

Contrary to this, business has important effects on family and owners have great troubles. When business creates negative effects on family, it may create a situation that influence the success of the business negatively since family ties are important elements in every stage of the business (Rogoff, Kay and Heck, 2003).

Yet, issues that are regarded as important difficulties can be collected under the same title as "conflict between family members and the others". In businesses that are not family businesses, it is crucial to have a fair management style. However, family members' having more privilege than the other workers can have a negative impact on motivation and efficiency so it affects the success of the business adversely.

Another difficulty of owners of businesses is the conflict between family members. In fact, competition among family members and people who join family later create problems and they cause negative effects on business. Here the factor load of the expression "when time is due, management of the business is left to next generations without hesitation" is negative. That means that owners/managers are not positive on this topic. That can be because of two reasons. Owners of the businesses who participated in the study are young so they do not think about the transfer of the company. Moreover, there are a lot of owners who state that they do not prepare their children for the transfer. Thus, it can be thought that the topic

is not in their agenda. However, there is a need to comprise a family council to make decisions beforehand about transfer issues and not to have bigger problems. When the expressions in another factor “management approach” are investigated, factor load of two expressions related to the privileged status of family members are seen as negative. This finding means that owners/managers do not see the privileged status of family members as a difficulty. In frequency analysis, owners stated that they agree with this expression, that is, they expressed that they behaved family members as privileged people. Yet this attitude is an attitude that may affect other workers’ mood and motivation negatively so it may affect efficiency in the business. Furthermore, owners do not agree frequency analysis that the decision of the salaries depend on the performance. In factor analysis this situation is also seen as a problem.

Difficulties stemming from the sector (such as long working hours) are accepted as problems by the participants. Besides, owners/managers have stated that they behave fairly to family members but in factor analysis they have been found to see this as a trouble.

In spite of the importance of family businesses, studies in tourism sector are limited so this study contributes to the field in terms of defining the characteristics and problems of family businesses. This study reveals family-owned accommodation companies’ troubles and difficulties in running the business. Future studies may be carried out on family businesses that operate in catering, travel, entertainment sectors so these businesses and problems in the sectors may be known better and constructive and long lasting solutions may be offered.

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