

**CONTRIBUTIONS OF WOMEN TO FAMILY
BUSINESSES AS EVIDENCED IN THE
EASTERN CAPE**

BY

Leonie Billson

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SUPERVISOR: Dr C Adendorff

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DECLARATION

I, Leonie Billson, student number 209 030 286, hereby declare that the work in this research paper is my own and that it has not previously been submitted for assessment or completion of any postgraduate qualification to another University or for another qualification.

Signed:

Leonie Billson

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Any undertaking of this magnitude is impossible to accomplish on one's own and many special people have to be acknowledged for their support and contribution towards this task. I would like to personally thank the following people by name.

- To my Father – Thank you for giving me the courage and confidence to believe in myself.
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- To my husband and son who supported me for three years with encouragement, support and many, many cups of coffee during the night.

ABSTRACT

Family businesses are operating throughout the world and suggested to be the predominant way of doing business. This is also true in South Africa with its unique challenges and informal sector providing work to many South Africans not able to find work in the formal sector.

Women operating in the corporate environment have traditionally encountered challenges in breaking through the glass ceiling in order to be counted as a successful person in her own right. The same scenario seems to be evident in the family Business environment. Women in family business might choose the family business career path as it allows them more flexibility and time to attend to the home and children, but they also face a glass ceiling of another nature and are there other challenges to overcome in order to make their mark in the family business world.

This study's primary objective was to investigate the literature pertaining to women in business and women in family business. Of great importance was to determine what contributions women make in the family business environment allowing them to be successful.

In order to answer this question the secondary objectives supported the primary objective of this study and pertained to the difference between men and women in terms of leadership style and execution of their personalities in business. The inherent strengths and weaknesses displayed by both male and females in the family business environment are investigated in order to link this to their management execution.

A questionnaire was developed to do an empirical study on respondents as identified in the Nelson Mandela Metropole and greater Eastern Cape. The respondents were from varied industries and was selected and interviewed with the support of the questionnaire structure as guidance.

The results were analysed and certain recommendations were made addressing the primary objective. Further recommendations were made relating to future potential research in this area.

An important finding of the research is that women as identified in the Eastern Cape environment still have difficulty in reaching the top. This is true for the corporate world as well as the family business environment. The difficulty might be based in the traditional roles women assume, but in many cases it was found that women are responsible for their downfall or stagnation in the family business environment as women are satisfied to remain in the shadows and do not command their own space and right of existence.

Recommendations were made based on the advice of some of the female respondents which can assist in women stepping up to the role they should take up.

Some of the advice given can be used as a best practice in future research of this nature.

KEY WORDS: Family business, women, leadership, roles, contributions.

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1.1 INTRODUCTION

For many years women were not given the opportunity to showcase their worth in the business environment. They were always seen as secondary to male counterparts. This then confirmed the occupational segregation between women and men that still exists and is valid in today's working world (Yona, 2001: 3).

Family businesses, however, are creating diversity and a broader set of leadership skills as they include female leaders in their top management teams. The fact that female leadership occurs to a greater extent in family rather than non-family firms could be because family business has access to talented women through different networks and are not pressurized by public shareholders to be conventional in terms of board selection. It may also be a sign that the traditionally 'invisible' influence of females in family firms has always been there, but is now beginning to take a modern shape in officially recognized positions of leadership (Dugan, Krone, LeCouvie, Pendergast, Kenyon-Rouvinez and Schuman, 2008: 9).

There have been many books published that address the presence of females in family businesses, including one published in 1981, entitled "*From the other side of the Bed: A woman looks at a life in the family business*", which focuses totally on the woman as being the "wife of the business owner". We have come a long way since 1981, but in many ways there are still connotations as to a woman's place in business. Hopefully, in the very near future, the time will come when no or very few businesses will treat women as inferior beings.

Women have particular qualities that can be vital to the survival and success of family businesses. Conflict and harmony in business influence men and women differently and their ability to handle these influences is also different.

An investigation about women as working individuals, and about the differences between men and women at work, must include family business as an important element, because such businesses are becoming the dominant form of enterprise in both developed and developing countries. Family businesses are amongst the largest contributors to employment and wealth (Eybers, 2010:1).

The social and economic impact that family business has on the global economy cannot be underestimated. Farrington (2009) argued that it is vital that more care be taken by public policy makers everywhere, including in South Africa, to ensure the health, prosperity and longevity of family businesses. The importance of family owned enterprises in South Africa, both economically and socially, cannot be overemphasised, and the continued creation and survival of these businesses is vitally important to the future of the South African economy and the creation of employment opportunities.

1.2 PROBLEM STATEMENT

The future is uncertain; leaders and decision makers are continuously facing challenges relating to macro-economic trends and risks, socio-political transformation, globalisation, technological innovation, regulatory changes, environmental concerns and societal pressures (*Adendorff, 2011*). It is therefore important for South Africa to have a skilled, knowledgeable and evolving workforce to address the challenges presented and, to do this, the contributions of all people are needed, both men and women.

This study set out to identify the critical success factors that women contribute towards family businesses in South Africa and, in particular, the Nelson Mandela Metropole and greater Eastern Cape area.

In order to determine and investigate the total value of women's contributions to the small business and family business environment, the following sub-problems were also investigated in order to fully understand the situation and to suggest future recommendations where necessary:

- a) Is there a difference between the contributions that men and woman bring to the table?
- b) What are the subtle differences between women and men in terms of leadership style, management specifics and execution of their personalities in business?
- c) Are woman being acknowledged for their contribution to the same extent as men are?

1.3 RESEARCH OBJECTIVES

The primary objective of this study was to assess what research the literature provides to determine the factors that impact on the contributions of females to family businesses. Although the reading is wide, the study was narrowed to the Eastern Cape area.

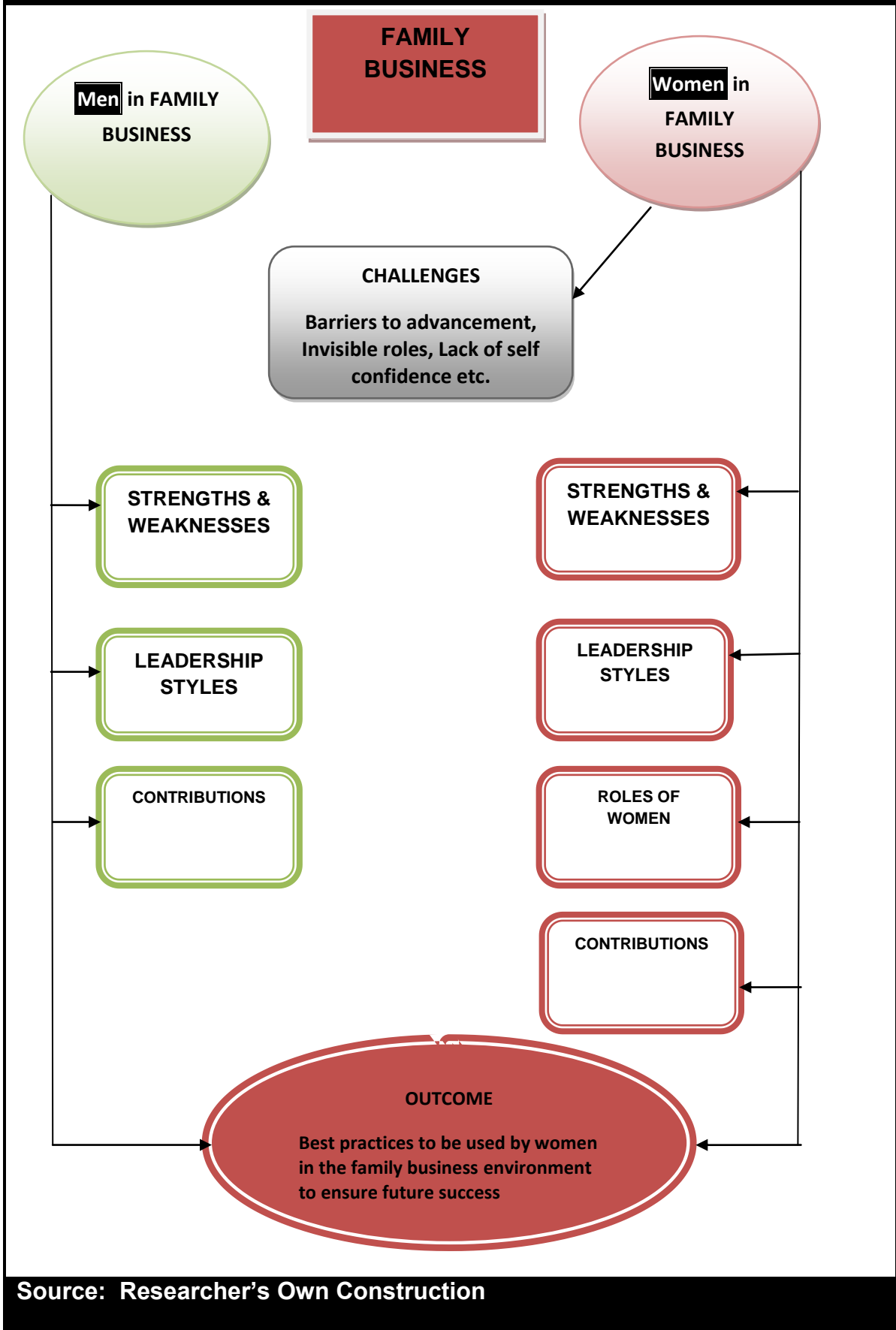
The secondary objectives of this study were: to deliver a literature overview of the value added contribution of woman to the business world; to investigate how and what actions women take to contribute to the business world as opposed to their male counterparts; and also how these influence business differently.

Responses received from respondents, both male and female, were analysed, the results interpreted, and recommendations and conclusions drawn based on both the literature and the input from various women in the industry. An additional aim of this research was that its results may be used as a best practices solution in the future by women in the family business environment.

1.4 CONCEPTUAL FRAMEWORK

In order to improve the understanding of the purpose of this study, a conceptual framework was developed. This framework provides the reader with a view of the different variables that was taken into account in the research and reporting of the results.

Figure 1.1 : CONCEPTUAL FRAMEWORK



Source: Researcher's Own Construction

1.5 DEMARCATION OF THE STUDY

Primary source information was gathered from literature studies based on what has already been written and/or published about the topic or related topics. A survey was done by means of a questionnaire, followed by personal interviews with both male and female individuals in the industry, in order to collect data to compare to the research. A questionnaire with Yes or No answers was used during the interviews to address closed questions, but mostly open questions were used to address the qualitative aspect of analysis. These assisted in obtaining the unique answers of each family business individual interviewed. Both primary and secondary sources were used to obtain the information required for the literature study.

1.6 RESEARCH DESIGN AND METHODOLOGY

The research effort was undertaken in the Eastern Cape province, more specifically in the Nelson Mandela Metropole and surrounding areas. The reason for this focus was that the Eastern Cape is well known for its many small businesses, both franchises and non-franchises, so a study of this region could provide ideal material for the topic.

1.6.1 SAMPLE

The sample consisted of family owned businesses in the Eastern Cape area with branches stretching throughout South Africa. The sample consisted of a variety of industries: retail in food, home ware, furniture and wholesale of cell phone airtime, transport, farming and automotive manufacturing.

A total of fifteen individual businesses were identified from the Nelson Mandela Metropole and greater Eastern Cape area that could provide valuable input in the study of which twelve were prepared to take part in the study.

1.6.2 THE RESEARCH DESIGN

A questionnaire was designed to determine firsthand from males and females in the business what contributions they had made to the industry, and the differences they had experienced in terms of their contributions.

1.6.2.1 The design of the questionnaire

The questionnaire consisted of the following sections:

- Section A contained the biographical information, and requested that participants choose from prescribed options.
- Sections B to H contained open ended questions requesting detailed information inherent to the individual business.

1.6.2.2 The sampling method

A qualitative study was undertaken from about twelve respondents out of the initial fifteen approached. These men and women all play a significant part in the success of their respective businesses.

1.6.3 MEASURING INSTRUMENT

A format questionnaire was developed, taking into consideration the format of questionnaires used in previous dissertations, and incorporating information obtained from the literature study. The actual questions were worded to obtain individual input from each individual business. The validity of the format was confirmed through various previous studies available on this subject.

1.7 SCOPE OF THE STUDY

This research effort was undertaken in the Nelson Mandela Metropole area, as well as Jeffreys Bay, Kirkwood and other towns in close proximity in the Eastern Cape. The reason for this focused research effort was that there was sufficient sample material available and the areas covered gave a good balance of urban and more rural backgrounds, which was conducive to obtaining a varied response.

1.8 CHAPTER OUTLINE

The study will be presented in five chapters:

Chapter one will present the scope of the study and the methods used in obtaining the information that was required in the research effort.

Chapter two will contain the literature overview of the family business, and focus specifically on family businesses within the international sphere, nationally, as well as locally, as found in the Eastern Cape.

Chapter three will discuss women and how they fare in the corporate environment as well as in the family business environment. It will outline the barriers they find and how some women overcome the 'glass ceiling'. It will further present research on the literature about the roles women apply in business as well as their contributions in making a success of business.

Chapter four will deal specifically with the research methodology and provide detail on the sample, the size of the sample, how the questionnaire was drafted, the interviews conducted as well as how many responses were obtained.

Chapter five will present analyses of the results of the surveys done on business in the Eastern Cape. The chapter will interpret the results and makes comparisons to the literature on family businesses and the involvement of women in these businesses.

In **Chapter six** the researcher will deal with the conclusion of the study undertaken and recommend further studies in this area.

2.1 INTRODUCTION

Family businesses are found throughout the world and have been accepted as the predominant form of enterprise in most developed and developing countries. (Cullen 2006). Family businesses represent substantial economic entities within the macro economy whilst also providing significant resources to the micro economy. (Eybers, 2010: 1). The impact that family businesses have on the economy is increasingly being recognised as very important for all countries including South Africa. (Eybers, 2010: 1)

Cullen (2006) introduced the family business as a culmination of two interacting systems, namely the family and the business. Cullen (2006) further confirmed that family businesses are distinguished from other businesses by two factors: concentration of ownership and/or control in the hands of a family, and effective control of the strategic direction of the firm by family members (Cullen, 2006: 60).

Other literature introduced the unique identification of a family business as the ownership of business that can be divided into two broad categories, namely family owned and non-family owned (Adendorff, 2004: 20).

In South Africa small and medium-sized businesses, most of which were founded by families and still exist as family businesses, are vitally important to the economy. According to Eybers (2010), the impact that these businesses have on the South African economy is most evident in two areas, namely their contribution to gross domestic product (GDP) and their contribution to employment.

Eybers (2010: 36) and Gwanya (2007), further argued that, in 2007, small and medium enterprises (SMEs) contributed 32.7 per cent to the South African GDP and 44 per cent of the private-sector employment. These contributions are significant and reflect the importance of these types of businesses to the overall economy of South Africa (Eybers, 2010; Cullen, 2009: 4; Adendorff, 2004: 1).

Small firms have a greater capacity for job creation as they are more labour intensive than larger firms. Larger firms mostly make use of technologies and equipment to enhance efficiencies and assist with economies of scale (Eybers, 2010: 36; Kroon, 1998; Murphy 1996).

Many larger firms that were focused on mass production have relocated large parts of their manufacturing capacities to countries that have the appropriate factors of production to suit their processes. This relocation has led to the exportation of jobs (Eybers, 2010: 36; Kroon, 1998; Murphy 1996). SMEs, on the other hand, create job opportunities for unskilled and untrained workers, as well as commanding large portions of the labour force in remote and rural areas, where large enterprises are not warranted (Eybers, 2010: 36; Kroon, 1998; Murphy 1996). It is therefore clear that the employment and job creation of the SME sector is valuable to the socio-economic development of rural areas, and also ensures that a healthy equilibrium of growth in both urban and rural areas is maintained (Eybers, 2010: 19; Kroon, 1998).

Eybers (2010) also found that SMEs contribute to the development of their communities as they can provide a personal service and a product specifically suited to individual communities' needs, whereas larger firms are not really geared nor focused to provide such service (Eybers, 2010; Du Toit, Erasmus & Strydom, 2007; Kroon, 1998; Megginson, Byrd & Megginson, 2003).

Further to this it was found that SMEs are keener to put profits, time and expertise back into the community in the form of board representation and participation in welfare, cultural and social institutions (Eybers, 2010; Kroon 1998).

Ward (2010) on the other hand found that family businesses have the ability to generate wealth at much greater levels than non-family businesses (Ward, 2010: 6 and Adendorff, 2004). Adendorff (2004) argued that the financial rate of return on family businesses was thirty six percent as opposed to twenty-seven percent for non family owned businesses, showing that family businesses have a greater economic impact than non-family owned businesses. (Ward, 2010: 8; Adendorff, 2004).

2.2 DEFINITION OF A FAMILY BUSINESS

Many definitions of 'family business' exist. In order to correctly define a family business the researcher has taken into account the differences between family business and other business organisations. The following two definitions of family business aptly explain the essence and the complexity of family business: Galliano and Vinturella (1995) reflected on the family business as "a business in which the members of a family have legal control over ownership" (*Galiano & Vinturella, 1995: 178*). Handler (1989) and Adendorff (2004: 22) defined family business as "an organisation whose major operating decisions and plans for leadership succession are influenced by family members serving in management or on the board" (*Adendorff, 2004: 22*).

Chua, Chrisman and Sharma (1992), however, defined the family business as "a business that can be governed by ownership and/or management" and included the following three combinations as determinants of family business:

- Family owned and family managed
- Family owned but not family managed
- Family managed but not family owned (*Chua, Chrisman & Sharma, 1992: 20*)

2.3 DIFFERENCES BETWEEN FAMILY AND NON-FAMILY BUSINESSES

Family businesses are different from other types of business, such as corporate firms, multinational firms or public companies. It is important to understand what makes family businesses different.

Cole (1997) explained that the difference between a family business and a non-family business is reflected in the way money, positions and time are allocated (*Cole, 1997 : 354*).

Gersick, Davis, McCollom, Hampton and Lansberg (1997) argued that family businesses are the predominant form of enterprise throughout the world, and that 65 per cent to 80 per cent of all worldwide businesses are family owned or managed.

Gersick et al (1997) and Adendorff (2004: 30) found, following studies in Ireland, that family businesses were smaller in employment figures as well as in sales turnover than that of non-family businesses. However, in the United Kingdom no major differences in employment and sales turnover were found between family and non-family companies (*Adendorff, 2004: 30*).

According to Gallo and Cappuyns (1999) successful family businesses run their businesses according to generally accepted business rules and that the family culture therefore dominates within the business. Gallo and Cappuyns (1999) argued that family businesses are therefore typically managed with a longer term view than non-family businesses of which the focus is more over a short term and profit driven. The authors further suggest that conflict in a family business is also managed differently as the parents often step in and arbitrate. (*Ward, 2010: 12; Gallo and Cappuyns, 1999*).

Cullen (2006) researched Carlock and Ward (2001: 5) and argued that the fundamental differences between the nature and functioning of family owned and managed businesses and non-family owned and controlled include many obstacles of which management styles, issues of governance and strategic planning need to adapt if the family business is to prosper and survive. Adding to that the finding of a suitable successor to take over the family firm makes it more difficult for the business to survive and prosper. (*Cullen, 2006: 69*).

2.4 CHARACTERISTICS OF FAMILY BUSINESSES

The literature provides ample examples of how family businesses are different from traditional organisations. Cullen (2006) argued that family businesses are controlled or owned by family members and therefore the family can influence strategic decisions. This type of control can force the family business to deal with unique and complex problems not always evident in more traditional businesses, which is one significant difference of character.

Adams (2009) stated that characteristics of family owned and non-family owned business are not dissimilar, but distinguished additional components in family businesses, such as passion, loyalty, trust, shared values, determination, absence of external interference, commitment from stakeholders, as well as opportunities for personal growth (*Adams, 2009:13*).

Curimbaba (2002) additionally found that the experiences of participants in family firms included the spontaneity with which they were included in the business, the integration and the autonomy of operation. These characteristics allowed them to work on their own but occasionally generated confusion between their own objectives and those of the company, although the company tended to be the primary objective of their investments. In this context, Curimbaba referred, in particular, to women as family business managers (*Curimbaba, 2002:247*).

Key characteristics of family businesses are further cited as: trust (*Adendorff, 2004*), shared values (*Ayers and Carter, 1995; Steier, 2011; Van der Merwe, 1999*); and shared vision (*Van der Merwe, 1999*). These three elements are seen as the core determining characteristics of a family firm by these accomplished authors.

Parada, Nordqvist and Gimeno (2010) argued that the main characteristics inherent mostly to family businesses are commitment, legacy transmission, hard work and long-term orientation (*Parada, Nordqvist and Gimeno, 2010: 358; Adendorff, 2004*).

Carlock and Ward (2001) and Cullen (2006) found that different goals apply to family businesses than to other organisations. The family system is concerned with:

- emotions
- family needs
- maintaining stability

The non-family organisations are concerned with the following variables as part of their business system:

- business performance
- business demands
- managing change

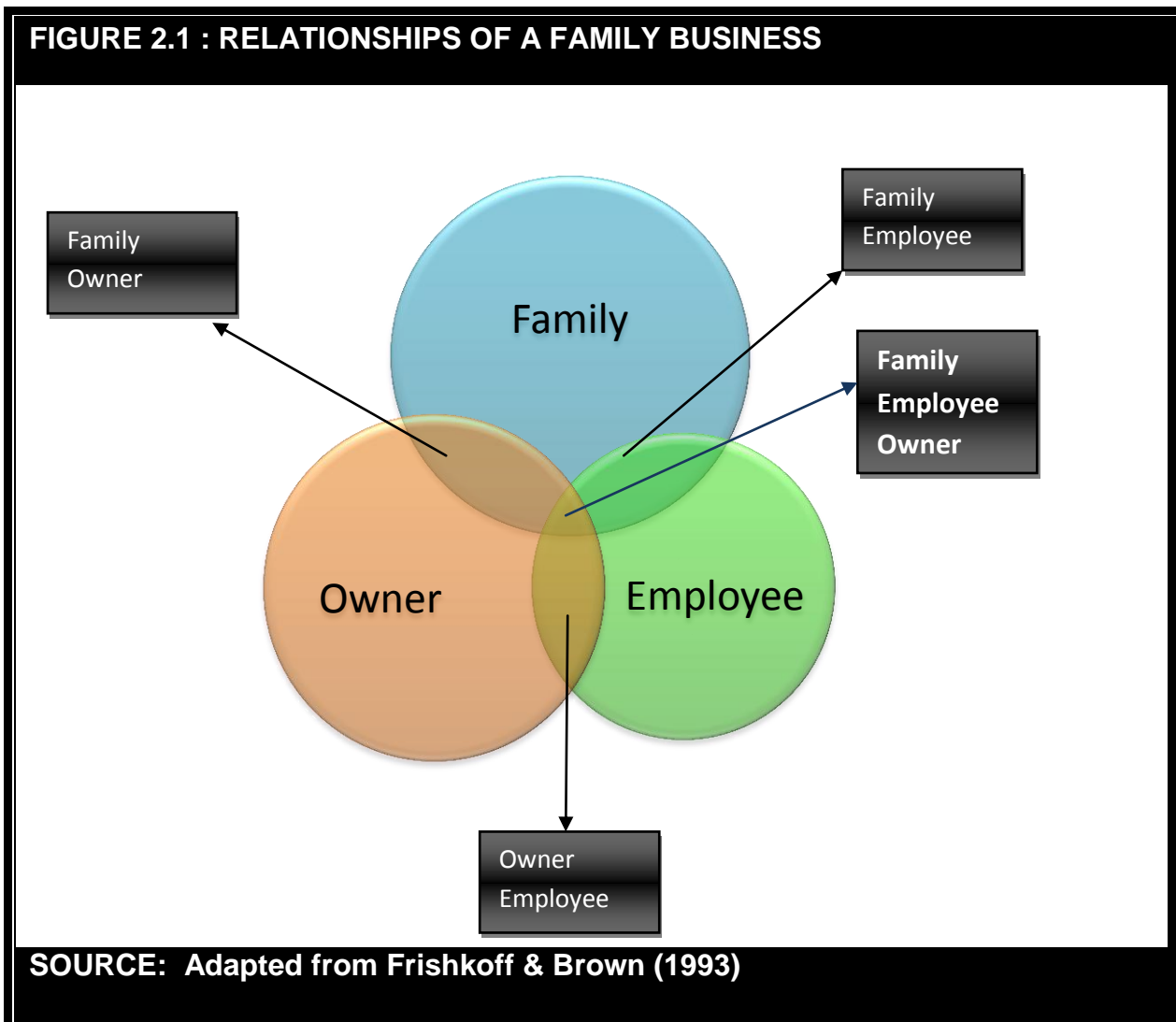
Cullen (2006) argued that family businesses are challenged with managing two systems in order to optimise synergies. Cullen (2006) further found that the lack of balance between family and business issues often results in priorities being skewed. If the business is prioritised, then communication, loyalty and family closeness may be compromised. Conversely, should the family be prioritised, the business's communications, relations, performance and strategic decisions may be compromised (*Cullen, 2006: 67*).

Cullen (2006) elaborated that "the challenge of dealing with the dynamics or evolution of a business in a dynamic environment is equivalent in family business", but additional dynamics also exist and must be dealt with by the family business on a regular basis. These are:

- leadership
- succession
- governance
- sibling partnerships
- sustaining family ownership (*Cullen, 2006 : 69*)

2.5 RELATIONSHIPS IN THE FAMILY BUSINESS

The literature provides information on the dynamics of a family business, but Davis and Tagiuri (1989) and Gersick et al (1997) explained the three different relationships that exist in a family business. The three relationships are categorised as stakeholders, all of whom have a vested interest in a firm's success. Stakeholders in a family business are identified as the owner, an employee and a family member. An owner financially invests in the family firm through stock or partnership holding, while the employee provides the labour and receives compensation for this. A family member is also seen as part of the blood or extended family that owns the business. Stakeholders, whether male or female, may have a combination of these three relationships with the business. Figure 2.1 below provides an apt picture of the three relationships (*Frishkoff, Brown, 1993*).



The above figure explains the family business system as three independent but overlapping subsystems. Every individual who is a member in the family business will be inserted once into the model and their assumption of their role will determine their priorities. Individuals who have more than one connection to the business will be in one of the overlapping sectors, which fall in two or three of the circles at the same time. An owner who is also a family member but not an employee will be in the sector where Family Owner is earmarked, which is inside both the ownership and family circles. An owner who works in the company but is not a family member will be in the sector where Owner Employee is earmarked and finally an employee, who is also the owner and a family member will be in the middle part of the circle belonging to Employees, Owners and Family.

This figure has been widely accepted as a useful tool in understanding the source of interpersonal conflicts, role dilemmas, priorities and boundaries in family businesses (*Gersick et al, 1997: 7*).

2.6 PROBLEMS AND CHALLENGES FACING THE FAMILY BUSINESS

Eybers (2010) and Farrington (2009) argued that family businesses are threatened by challenges unique to them. Jorrisen, Laveren, Martens and Reheul (2005), and Farrington (2009) identified family conflict, emotional issues, sibling rivalry, autocratic paternalistic cultures, nepotism, confusing organisation, rigidity in innovation, succession and resistance to change as very important problems facing the family business.

Adams (2009), Adendorff (2004), and Timmons (2007) all identified the most important problems or challenges faced by family firms as the following:

- Succession from one generation to the next and the associated change of leadership
- Leadership is seen as a drawback
- The hardworking entrepreneur often does not have time to devote to his family
- Ineffective communication might be an important obstacle in family business operating effectively
- External issues, like international competition, the inability to adjust to market needs , inheritance taxes, union issues or governmental policies
- Conflict
- Families assuming that their past success will guarantee their future success
- Leaders try to balance the risk profile of their shareholders with the risk and investment demands of the market place

- Families do not get rid of unproductive assets and underperforming businesses to reallocate resources to more productive places
- Lack of an exit strategy
- High turnover of non-family members
- Lack of training of new family members who join the business

(Adendorff, 2004: 47-48; Adams, 2009:15; Timmons, 2007:568)

Adams found it important that family business owners are aware of these challenges and should be prepared to seeking assistance from professionals to improve the handling of these problems.

Adams (2009) went on to highlight the advantages and disadvantages of family owned firms.

Table 2.1 : Advantages and Disadvantages of Family Owned Business	
ADVANTAGES	DISADVANTAGES
Strong support from family members	Potential for conflict between family members
Values and ethos shared between family members	Poor governance
Ability to think long-term	Difficulty separating home and work life
Ability to make decisions quickly	Successive generations could prove less committed than founders
Stronger relationships with local community	Reluctance to relinquish control may hamper growth
Focus on future generations creates lasting stability	Difficulty separating family and business finances
High levels of loyalty and commitment from staff	Innovation may be hampered
Source : Adams, 2009	

2.7 CONFLICTS IN FAMILY BUSINESS

Conflicts in family business are relevant. Levinson (1971) argued that the fundamental psychological conflict in family business is found in rivalry, compounded by feelings of guilt, when more than one family member is involved. These conflicts have an abrasive effect on the principles, and Levinson argued that family members need to face up to the impact of conflict and must learn to deal with them to ensure the welfare of the business. Levinson

described the different rivalries that exist between father and son, and brother and brother (*Levinson, 1971: 378-386*).

On the other hand, female successors tend to avoid conflict by teaming up with the founder or by carving out a separate 'playing field' that does not infringe on that of the founder. Hollander and Bukowitz (1990) argued that this avoidance with their fathers might be related to the role of protector that women play within the family. The female might also play the role of buffer between father and son, again a traditional role that women assume in avoiding conflict (Hollander and Bukowitz, 1990: 146). This opinion was shared by Salganicoff (1990b) who argued that women were called in to solve problems, conflicts and tension amongst family members. Salganicoff (1990b) argued that "the major problems women encounter can be grouped in three categories: those that derive from the woman's own sense of self and her experience of conflicting roles and loyalties, those that pertain to relationships with others in the family business, and those that stem from the way women have been socialized to define and view power" (*Salganicoff, 1990b: 58*).

Ward (2010) and Schwass (2008) argued that Family businesses have the additional complexities of ownership and family conflict. Schwass (2008) found that due to these complexities, family businesses may use business models that enable them to achieve greater success, but at the same time family members may also have a negative effect on the performance of the family business, often resulting in conflict and the need to resolve family conflict. (*Ward, 2010: 9; Schwass, 2008*).

2.8 STRATEGIC DECISION MAKING

Adendorff (2004) argued that business and strategic planning are critical for family business success. (*Adendorff, 2004; Brown, 1995, Knight, 1993, Jones, 1982*). Business and strategic planning are further critical for the growth and also importantly the performance of the business. (*Adendorff, 2004*).

Eybers (2010) argued that non family members can complement the skills of the family business owners and assist them in managing the business effectively and successfully in making strategic decisions. Eybers' literature does not differentiate between male and female family owners and refer to owners in general in the decision making process. (*Eybers, 2010: 119*).

The study done by Adendorff on the other hand refer to the linking of national culture to the strategic decision making process in an entrepreneurial organisation and also does not differentiate or discuss how woman are involved in the decision making process in the family firm. (*Adendorff, 2004*).

However research and studies done on strategic planning and practices relating to strategy followed in the family firm, are scarce and not easily found.

2.9 SUCCESSION PLANNING

In keeping with their desire to see their businesses survive and prosper over the long term, some family business owners design an exit strategy for themselves and will eventually transfer ownership and control of the firm to their offspring. However, Galiano & Vinturella (1995) found that few founders plan for the transition of ownership to the second or third generation until they are forced to do so, generally because of the risk involved and also because the process may be uncomfortable. Galiano and Vinturella (1995) recommended that the groundwork for this process be done when the founders are still young, in order to aid the process in the long run.

Another important issue is to ensure that the next generation is well prepared and equipped to assume the leadership/ownership role within the firm when the time comes. The foundation laid by Nancy Higginson (2010) in her literature reflected on the transfer of knowledge from current owners to new owners. Although the literature overflows with research on men in family business, female owned firms and succession planning in these firms has very little literature confirming research in this specific area. However, Higginson (2010) found that, given the uniqueness of mother-daughter versus father-son relationships, it stands to reason that the process of transferring knowledge from mother to daughter follows a different trajectory than in other forms of family business succession. Her research also confirmed the fact that there is not sufficient evidence on this subject in the literature and would warrant future research to fully determine how the next generation of women are prepared for family succession (*Higginson, 2010*).

Shaheena Janjuha-Jivraj (2004), in her work on this subject, also found relatively little research within the family business field that has focused on the role of mothers during succession. Her research was ring-fenced to the Asian community, and she confirmed that most of the models applied to family business succession are based on empirical data drawn predominantly from Anglo-Saxon cases, which do not necessarily allow for differences amongst other ethnic groups. However, some earlier literature have researched the filial obligation to join the family business amongst British Chinese and South Asian communities, and found that filial obligation remains an important aspect of the decision-making process.

This supports the notion that the family is placed on an equal, if not higher status than the individual (*Janjuha-Jivraj, 2004*).

In America it is found that some daughters are willing to join the family business to help the family, to fill a position nobody wanted, to have more flexible schedules and to increase job satisfaction (*Vera and Dean, 2005*).

Dumas (1998) highlighted that women in family owned firms are often been invisible successors, or are not identified as serious contenders for succession. This is seen as a barrier to a women's participation as leader (*Dumas, 1998*).

In South Africa it is difficult to find literature clearly showing the reasons for and how succession planning takes place, especially the variables taken into consideration during the decision making process. The hope is that, with this study, some of the questions might be answered.

2.10 STATISTICS ON FAMILY BUSINESS

2.10.1 INTERNATIONAL STATISTICS

In 1991 the United States Family Business Statistics released information confirming that 90 per cent of all United States firms were family owned or controlled, while 33 per cent of the Fortune 500 companies were family owned. In 2007 the census department released their results confirming that the United States had 27.1 million businesses of which only 805 533 were publicly held, and the difference - a total of 26.2 million businesses - were family owned. The census results excluded agricultural businesses. These family owned businesses provided employment to 57 million people and generated \$11 trillion in turnover (*Businesszenblog, 2011; US Census, 2007*).

These statistical results also confirmed the exceptional growth in family business between 1991 and 2007 in the United States. In identifying only one foreign country as an example, it is evident that family businesses contribute an enormous economic value to the well-being of that country. The concern, however, was that only 30 per cent of family businesses succeeded into the second generation, while only 10 per cent succeeded into the third generation. The reason was identified as the lack of succession planning in most of these family businesses (*Businesszenblog, 2011; US Census, 2007*).

In a number of countries, family businesses form the majority of all businesses and the figures for these countries are: France (60%), Germany (60%), the Netherlands (74%), Portugal (70%), Belgium (70%), United Kingdom (70%), Spain (75%), Sweden (79%), Finland (80%), Greece (80%), Cyprus (80%), Italy (93%), Australia (75%) and the United States of America (96%) (*Adendorff, 2004: 2*).

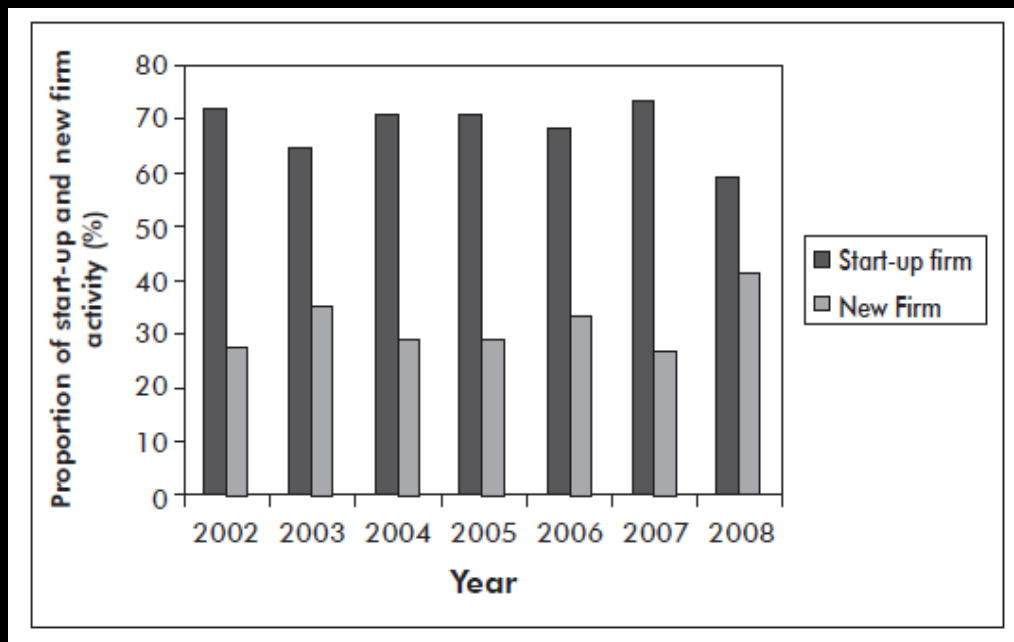
Adams (2009) highlighted the following well established family firms operating successfully all over the world: Walmart, established by the Walton family, Ford, established by Henry Ford; Estee Lauder, established by the Lauder family who currently control 70 percent of the voting shares; and Levi Jeans, established by the Strauss family. These are prime examples of prominent family firms, each providing thousands of jobs and contributing to the growth of the economy (*Adams, 2009; Timmons and Spinelli, 2007*). Adams goes on to say that family firms have also established themselves in areas where they were formerly prohibited, as in the former communist states, and in regions where globalisation is radically restructuring social and economic life, like in Africa and the Middle East (*Adams, 2009: 7*).

2.10.2 NATIONAL STATISTICS

The literature confirms that up to 80 per cent of South African businesses and up to 60 per cent of companies listed on the Johannesburg Securities Exchange (JSE) are family owned (*Adendorff, 2004: 1; Ackerman, 2001: 325; Dickinson, 2000: 30*). The expectation, however, is that the number of family businesses as well as their influence will increase in future (*Adendorff, 2004: 1*).

The Global Entrepreneurship Monitor (GEM) report for 2009 confirmed that entrepreneurial activity in South Africa reduced from around 70 per cent to 60 per cent between 2001 and 2008. This deteriorating percentage can also be attributed to the effects of the recession in 2008 which continued in 2009. (*Herrington, Kew and Kew, 2009*)

FIGURE 2.2 : ENTREPRENEURIAL ACTIVITY IN SOUTH AFRICA



Source: Herrington, Kew & Kew (2009) (GEM Report)

The 2009 GEM report showed that 55 per cent of entrepreneurial activity in South Africa was necessity motivated. The necessity originated from the fact that businesses were started by people who had no other choice and could not find formal employment. Large racial disparities existed also in this area, with 66 per cent of all entrepreneurial activity amongst black adults driven primarily by necessity compared with only 23 per cent amongst whites. More than 60 per cent of entrepreneurs of all races without matric were necessity-driven, compared to 29 per cent of those with a matric and only 14 per cent of those with tertiary education. The 2003 report showed that, despite high unemployment together with worse levels of poverty and higher income inequality in South Africa relative to other developing countries, the level of necessity entrepreneurship moved significantly lower. From 2004 the reports showed a steady increase in the contribution of opportunity motivated entrepreneurial activity as opposed to necessity driven entrepreneurial activity (*Herrington, Kew and Kew, 2009*).

The GEM report further provided information on the ratio of male and female entrepreneurial activities in South Africa clearly showing an improvement in total entrepreneurial activity in 2009. The table below provide information of entrepreneurial activities of all efficiency driven economies as measured from 2001 to 2009. (*Herrington, Kew and Kew, 2009*).

**TABLE 2.2 : RATIO OF MALE AND FEMALE ENTREPRENEURIAL ACTIVITY
IN EFFICIENCY DRIVEN ECONOMIES**

Country		2001	2002	2003	2004	2005	2006	2007	2008	2009
Argentina	Male	14.0	16.5	26.3	16.6	11.6	13.7	17.5	17.2	18.0
	Female	5.7	11.3	13.0	9.0	7.2	6.3	11.3	15.9	11.4
Angola*	Male								20.3	
	Female								25.2	
Brazil	Male	14.3	15.9	14.2	15.6	11.8	13.7	12.7	13.0	14.8
	Female	8.2	11.1	11.7	11.3	10.8	9.6	12.7	11.0	15.8
Chile	Male		21.8	17.8		14.1	11.4	16.4	14.9	17.0
	Female		9.4	15.7		8.2	7.0	10.4	11.2	12.9
China*	Male		13.6	12.0		15.6	18.1	19.3		21.1
	Female		10.9	10.4		11.5	13.6	13.4		16.5
Croatia	Male		5.2	3.7	5.5	9.6	11.8	9.4	10.8	8.8
	Female		1.6	1.4	1.7	2.4	4.8	5.1	4.5	2.8
Hungary	Male	11.1	8.5		5.0	1.4	8.1	9.3	8.0	12.0
	Female	6.6	4.3		3.5	2.1	4.0	4.5	5.3	6.4
Peru	Male				40.5		40.2	25.7	27.5	23.6
	Female				38.8		39.0	26.1	23.6	18.4
Russia	Male	8.6	3.3				6.9	3.8	4.5	4.6
	Female	3.1	1.4				2.4	1.6	2.5	3.2
South Africa	Male	5.9	7.1	4.5	5.5	5.7	5.5		9.6	7.1
	Female	2.7	5.4	3.7	4.7	4.4	4.5		5.9	4.7
Uganda*	Male			35.4	37.6					37.8
	Female			22.3	25.4					30.0
Uruguay	Male						16.2	17.3	15.3	16.9
	Female						8.5	7.2	8.6	7.5

Source: Herrington, Kew and Kew (GEM Report) (2009)

The primary measure of entrepreneurship in South Africa used by GEM is the Total Early Stage of Entrepreneurial Activity (TEA). In 2009, South Africa ranked 35th out of 54 countries, with a TEA rate below the average (11,7%) of all participating countries. South Africa's TEA rate of 59 per cent is significantly lower than the average for all efficiency-driven economies (11,2%) as well as the average for all middle- to low-income countries (14,8%) (Herrington, Kew and Kew, 2009). According to GEM data, a country at South Africa's stage of economic development would be expected to have a TEA rate in the order of 13 per cent, more than double that of South Africa's actual rate of 5,9 per cent (Herrington, Kew and Kew, 2009).

As a further measure to determine the statistics of family businesses the researcher looked at the statistics of non-VAT registered businesses as provided by the Department of Trade and Industry (DTI) and Statistics South Africa. As non-VAT registered businesses mainly originate from informal family business start-ups or entrepreneurs, this information was valuable in providing a breakdown per gender, per population group, per age and per province. Further valuable information was also provided on the industries these entrepreneurs normally operate in, as well as the reasons for starting their businesses and, importantly, their contribution to total economic revenue in South Africa.

Table 2.3: Non-VAT registered business in South Africa

Non-VAT registered business	2001	2005	2009
	Thousand		
By sex	2 258	1 668	1 076
Male	888	743	534
Female	1 370	925	541
By population group	2 258	1 668	1 076
Black African	2 019	1 542	964
Coloured	83	52	44
Indian/Asian	49	16	14
White	107	58	54
By age	2 258	1 668	1 076
15–24 yrs	212	130	71
25–34 yrs	660	462	284
35–44 yrs	631	478	336
45–54 yrs	480	414	258
55–64 yrs	274	184	127
By number of business	2 258	1 668	1 076
1 business	2 217	1 610	1 056
2 businesses	38	56	8
3 businesses	3	1	12
By province	2 258	1 668	1 076
Western Cape	120	93	67
Eastern Cape	227	206	140
Northern Cape	27	12	8
Free State	133	106	60
KwaZulu-Natal	574	334	235
North West	170	124	68
Gauteng	559	426	239
Mpumalanga	222	135	112
Limpopo	226	233	146

Source: STATISTICS SOUTH AFRICA (2009)

The above information shows the decline in non-VAT registered business from 2001 to 2009. The information, however, also reflects the fact that more women were operating these types of businesses, a rise from 1 370 in 2001 to 541 in 2009, as opposed to the figure for males, which dropped from 888 in 2001 to 534 in 2009 (*Statistics South Africa, 2009*). Further research would be important to investigate the reasons for the decline in non-VAT registered businesses.

Information provided by the breakdown in provinces in South Africa in 2009, confirmed that 13 per cent of total non-VAT registered business in South Africa operated in the Eastern Cape (*Statistics South Africa, 2009*).

Table 2.4 : Industries of operation of non-VAT registered businesses

	2001	2005	2009
	Thousand		
South Africa	2 258	1 668	1 076
Agriculture	11	17	10
Manufacturing	242	201	102
Utilities	.	1	.
Construction	71	97	106
Trade	1 571	1 103	614
Transport	76	73	41
Finance	131	59	33
Community and social services	153	116	115
Unspecified	2	1	55

Source: STATISTICS SOUTH AFRICA (2009)

From the above table provided by Statistics SA, we can see that the majority of non-VAT registered businesses operate in the retail and wholesale trade industry. This is followed by community and social services, with a big gap between the two, and followed in turn by the construction and manufacturing industries (*Statistics South Africa, 2009*).

The majority of people starting their own business cite the reason for doing so as being unemployed or having no alternative income source. The high unemployment rate in South Africa therefore necessitates entrepreneurship, as previously reported by the researcher (*Statistics South Africa, 2009*). The above information confirms the reason entrepreneurship is so prominent and important for the South African economy.

Table 2.5 : Reason stated for starting their own business

	2001	2005	2009
	Per cent		
Total	100,0	100,0	100,0
Inherited/family tradition	4,2	3,5	4,7
Unemployed/have no alternative income source	60,6	68,2	68,6
Retrenched	4,7	4,3	3,8
Inadequate income from the other source	12,4	3,8	4,1
I like the activity	4,8	8,2	5,0
I have the skills of this business	5,1	4,1	7,8
I have the equipment for this business	1,2	0,3	0,1
Activity brings high income	2,8	2,6	1,6
Small investment needed	1,8	1,0	0,7
Unhappy with previous work	1,1	1,1	1,9
Other	1,3	2,9	1,7

Source: Statistics South Africa (2009)

From the above information it is evident that the majority advised that Unemployment was the reason for starting their own business. This figure increased from 60 per cent in 2001 to 68 per cent in 2009.

2.10.3 EASTERN CAPE STATISTICS

Statistics on the number of family businesses in the Eastern Cape could not be easily found. However, small to medium enterprises, which are a good indication of family business rates, in the Eastern Cape constituted 13 per cent of the total of 1 076 small businesses or non-VAT registered businesses in 2009. Taking this information into consideration, it is important to note that the Eastern Cape contributes 7,2 per cent in terms of total turnover to the total South Africa economy (*Statistics SA, 2011*).

The GEM provided information on the provincial distribution of SMMEs in the formal and informal sectors, verifying the data provided by Statistics South Africa that 13,4 per cent of informal sector SMME's operate in the Eastern Cape. The Eastern Cape therefore provides the fourth largest percentage of SMME's in the informal sector of South Africa (*Herrington, Kew and Kew, 2009*).

Table 2.6 : Provincial distribution of SMME's

Province	Formal sector	Informal sector
Eastern Cape	5.3%	13.4%
Free State	3.2%	6.6%
Gauteng	48.3%	24.6%
KwaZulu-Natal	13.0%	18.8%
Limpopo	2.9%	14.3%
Mpumalanga	4.1%	7.7%
North West Province	3.2%	8.0%
Northern Cape	1.2%	0.7%
Western Cape	19.0%	5.9%
Total	100%	100%

Source: Herrington, Kew and Kew (2009) (GEM Report)

In order to understand the dynamics and the challenges of the Eastern Cape as a province in South Africa, but also because it is the primary geographical focus of this research paper, basic information on the Eastern Cape and its inhabitants are provided herewith:

The Eastern Cape has more than 6,7 million people living on 169 580 km² of land. This constitutes 13,5 per cent of the country's population. The majority of people speak Xhosa, followed by Afrikaans and English (*South African Government, 2011*). Rural development and agrarian transformation are strategic priorities in the Eastern Cape Provincial Government's approved Provincial Cooperative Strategy to establish a cooperative development fund (*South African Government, 2011*). The Eastern Cape's provincial economy is dominated by the tertiary sector, also known as the service industry. It accounts for more than 75 per cent of the total economy. While more than 60 per cent of the province is rural, the primary sector, consisting of extraction (such as mining, agriculture, forestry and fishing) contributes less than 3 per cent to the provincial economy. The province is the hub of South Africa's automotive industry (*South African Government, 2011*). The province is also high in terms of poverty levels and the DTI has confirmed poverty levels of more than 40 per cent, which makes it one of the two poorest regions in the country with an imputed mean monthly household expenditure of R1 702 (*DTI, 2009*). In terms of SMMEs, the Eastern Cape has 13 per cent of the total, with 1 076 small businesses or non-VAT registered business residing locally as at 2009. The Eastern Cape province contributed 8,1 per cent to the national GDP in 2007 (*DTI, 2008*).

2.11 SUMMARY

This chapter examined the reasons why family businesses are so important to the world economy. It reflected on the definitions of family business is, and reviewed the literature in terms of the differences between family and non-family business, as well as the core characteristics of family business. The relationships binding a family business were explained in a graphical explanation provided by Firshkoff and Brown (1993) and Gersick et al (1997). The inherent problems facing a family business were followed by the statistics of family businesses, proof of which was supplied by Statistics in South Africa.

It is important that for a country to be economically efficient and effective, all contributions from its population are necessary. Part of this process is to have managers and leaders that can contribute their very best, not only to survive but mostly to assist in economic contribution. Women cannot be left out as they are an extremely important part of the economic environment for the very reasons that make them different from men.

Chapter 3 will provide insight into the realities of the business world with a specific view on family owned businesses in the Eastern Cape and how women excel within this context as well as in the corporate environment. Comparisons will be done to the research to see how and where best practices can be developed and possibly shared. This will provide a good understanding of what is needed to have a successful family business with women at the helm.

3.1 INTRODUCTION

Many surveys and reports confirm that, internationally as well as locally, the advancement of women in corporate leadership continues to stagnate (*Gilmour, 2009: 2*). The 2009 Fortune 500 Catalyst Census of Women Board Directors indicated that year on year there had been very little change in the advancement of women, and that women only held 15,2 per cent of board director positions in Fortune 500 companies.

In South Africa the records indicate that with 14,6 per cent female board directorships, we do not fare better. The United States holds board directorship record at 15 per cent, Canada at 13 per cent, while Australia recorded eight per cent (*Gilmour, 2009: 2*).

In Europe it was established that, as result of the known talent shortages, it was important to be able to tap into the underutilised pool of skilled women. Studies done by McKinsey's in 2007 have shown that women in Europe have a major influence on purchase decisions and are the driving force behind 70 per cent of household purchases. In Japan 60 per cent of new car purchasers are women, while 47 per cent of personal computer (PC) users in Europe are women. McKinsey's found that also it is well known that diversity have a positive impact on employee motivation. Even capital markets and investors are paying more attention to corporate performance in terms of gender diversity (*Desvaux, Devillard-Hoellinger and Baumgarten, 2007: 4*).

The main objective of this study is to identify the critical success factors women contribute towards family businesses in the Nelson Mandela Metropole and greater Eastern Cape area. In doing this the barriers women in business encounter, their leadership styles as well as the roles they play in the family business environment are researched in order to provide a holistic picture of the variables that form part of the women's world in family business.

Dugan et al (2008) in their study argued that while many women establish themselves in various ways in the business world, some women bring different values to the table than others. For organisations and businesses to be successful, they need to make use of the best human resources available and, in most cases, this includes women. Authors, like Dugan et al, continue the argument that it is important to put gender equality in its proper

perspective, indicating that gains by women do not necessarily reflect losses for men. On the contrary, communities and countries that have given equal access to women and men in the economic sphere have progressed much faster than those that have not been so forward thinking (*Dugen et al, 2008*).

This research aims to prove that women have a purpose and a role in business, and, that all their roles, even those not active in the business but active at home, contribute to the success of the business. This treatise takes into consideration the roles, the leadership styles, the soft attributes as well as the application of their individual personalities of women in family business. This treatise further identifies what women do to distinguish themselves from their male counterparts and how they do this to be successful; the way women treat their subordinates or team members; the relationships women have with their clients and the way in which they attract new customers to their business. This study will conclude in the full understanding of the roles women display in family businesses and how their individual contributions add value in the family business context.

In order to reach a conclusion, the researcher will develop an understanding of how women fit into the global context, where after the researcher will identify the differences in leadership styles between men and women in the business. Ultimately, the researcher will conclude by discussing the roles and contributions of women in family owned businesses as applied in Port Elizabeth and the Eastern Cape.

3.2 WOMEN IN BUSINESS

Kephart and Schumacher (2005) reported on the changing world of work, and the influence women have on it, by presenting the demographic dynamics as follows:

- One out of every four women brings in more income than her spouse (*Heffernan, 2002 and Waggoner, 1998*)
- Women control approximately 80 per cent of household spending and, using their own resources, represent 47 per cent of the investors in today's marketplace (*Heffernan, 2002; Kephart and Schumacher, 2005*)

3.2.1 REASONS WHY WOMEN DO NOT ADVANCE IN BUSINESS

A survey was done by *Leader* magazine in 2009, from a variety of sectors, in which 21 women in high positions were asked why they felt they did not advance in business and why they thought of leaving the corporate world. The answers given by these women all summarised the fact that they “needed to make a difference” in what they did, and did not feel that they were successful in achieving this goal. Political acumen, burnout, and lack of organisation support or mentorship were also major factors, along with clashes in values, intimidation from their male counterparts, as well as the organisation culture, all of which were cited as playing important roles in the lack of their advancement (*Clark, 2007: 4*).

The overall findings of Clark’s study concluded that the essence of the women executives - their pioneering spirit, their competitive nature, their passion for success, the search for and dependence on freedom and autonomy, and the wish to ‘make a difference’ - was what drove their exit from inflexible, staid and, in some cases, unaccommodating organisations (*Clark, 2007: 4*). This confirmed that in the business world there were still unforgiving practices and values that did not support women advancing in business (*Clark, 2007; Galiano and Vinturella, 1995*)

A McKinsey Report (2007) entitled “*Women matter*” found that corporate models, historically designed by men, formed the basic pillars on which the glass ceiling that prevented women from advancing, was supported (*Desvaux, Devillard-Hoellinger and Baumgarten, 2007*). This non-advancement of women was confirmed by a study from Centred Leadership that concurred with this statement in saying that women start careers in business with the same level of intelligence, education and commitment as men, but very few ever reach the top. This gap matters, and is extremely important for survival because the glass ceiling is unfair and because the world has an increasingly urgent need for more leaders (*Leonardi, 2009: 1*).

Hewlett and Rashid (2010), as cited by Chiloane-Tsoka (2010), further argued that the war for talent is extremely prevalent in emerging markets. They felt that “without enough brainpower” multinationals just cannot succeed in these markets. In their opinion, strategies to attract and retain talented women in emerging markets differ from those in maturing markets. (*Chiloane-Tsoka, 2010*).

Apart from the above, women in South Africa encounter more prominent reasons why they struggle to advance in business. Chiloane-Tsoka (2010) found that socio-cultural perceptions and societal values continue to oppress women’s attitudes, which in turn discourage women from taking risks in business and in leadership positions. Chiloane-Tsoka (2010) argued that in the past it was assumed that certain jobs were traditionally designated

exclusively for women, such as child nurturing and cooking, and that many South Africans still consider a woman's place to be at home taking care of the children. This attitude is a direct result of these socio-cultural perceptions. (*Chiloane-Tsoka, 2010*).

On the other hand, Chiloane-Tsoka (2010.) also found that South African managers lacked the commitment to develop women in their employ and this resulted in female leaders taking responsibility in fending for themselves. The absence of sufficient female mentors confirms this as being the case (*Chiloane-Tsoka, 2010.*).

However, Chiloane-Tsoka (2010) also argued that men are slowly changing their viewpoint on women in business, and that a small minority of women do advance to stake their claim in the business world and make names for themselves. This was confirmed by Yona (2001) who argued that, as result of affirmative programmes, more women are being moved into management positions. Still, the research also showed that women face more barriers to their advancement than men, even given the above progress (*Yona, 2001*).

Wilkinson (1995) provided a different stance and mentioned that cultural factors have a great influence in men's attitude towards women. Men saw woman as being emotional, uncommitted, manipulative, lacking in judgement, weak and compliant, whilst men are seen as assertive, powerful and magnetic. According to Wilkinson (1995), this was the reason why women paid a price for success, or did not succeed in promotion, and was, in some instances, motivated to start their own businesses instead. Women were found to be departing from transactional leadership in favour of transformational leadership (*Wilkinson 1995: 9*).

Transactional leadership is explained as a form of leadership that requires information control, effective decision-making, action and confrontation, where good work receives rewards and bad work receives payment - all styles of leadership actively subscribed to by men (*Yona, 2001: 24*) .

Yona reflected that over the years more and more woman have started to take over in the male dominated world, resulting in our economy currently functioning perfectly effectively with the contributions that women do make to business (*Yona, 2001: 24*).

3.2.2 BARRIERS THAT WOMEN FACE

Vera and Dean (2005) found that women felt invisible and had to work harder to prove their abilities. They found that women still had to confront stereotyping and discrimination as a result of societal prejudices (*Vera and Dean, 2005*). This stereotyping confirmed that women had to overcome a myriad of barriers to advance in the business world and to be recognised for their role in the modern economy (*Vera & Dean, 2005*).

Some of the results from the studies of various authors did indicate, however, that some woman still lacked insight into the nature of power politics found in organisations and noted their inability to play political power games. Political structures and power dynamics in management levels are found to be complex and ambiguous and therefore women, as a minority group, can be trapped in these positions. Their lack of knowledge of organisational politics may result in them not being able to apply themselves effectively (*Yona, 2001: 24*).

The research done by Yona found that most women occupy subordinate positions, while just a very few have filtered right to the very top. These individuals are normally seen as “iron ladies”; their subordinates see them as bossy, pushy, power hungry, opportunistic, cold, calculating, unfeminine and possibly even having ‘slept their way to the top’. Again this is a position that prevents women from applying themselves effectively and is a barrier to their advancement (*Yona, 2001: 24*).

3.2.3 DIFFERENCE IN LEADERSHIP STYLES

Leadership is defined as a process of social interaction where performance outcomes are strongly influenced by the leaders’ ability to influence the behaviour of their followers (*Yona, 2001*).

During 1990 many authors published work on two approaches to leadership: the task-oriented style, defined as a concern with accomplishing assigned tasks by organizing task-relevant activities; and the interpersonally-oriented style, defined as a concern with maintaining interpersonal relationships by tending to others’ morale and welfare. This distinction was initially introduced by Bales in 1950 (*Eagly and Johannesen-Schmidt, 2001: 786*).

Another aspect of leadership that has been popular in research is the extent to which leaders behave democratically - and allow subordinates to participate in decision making - or behave autocratically - and discourage subordinates from participating in decision making. This dimension is also referred to as participative versus directive leadership, and also relates to gender roles, because one component associated with these roles is that men are

relatively more dominant and controlling or directive than women are (*Eagly and Johannesen-Schmidt, 2001: 787*).

Later, however, many researches turned their attention to transformation versus transactional leadership styles. These styles include important aspects of effective leadership that may have been neglected (*Eagly and Johannesen-Schmidt, 2001*).

In describing the difference between transactional and transformational styles, Eagly and Johannesen-Schmidt (2001) argued that transactional leaders typically establish exchange relationships with their subordinates. They manage by clarifying the agreed upon responsibilities, monitor work and reward subordinates for meeting objectives but also correct them in the event of failures. Transformational leaders, however, set high standards for behaviour and establish themselves as role models by gaining the trust and confidence of their followers. They develop plans to attain set goals, they are innovative, make use of mentoring abilities and generally empower their subordinates (*Eagly and Johannesen-Schmidt, 2001: 787*).

Yona (2001), in research of the leadership styles of women, found that women's attitudes to their careers is positive and they believe that they can ascribe their advancement to their own efforts, rather than to changes in human resource policies. This is extremely important as women must be proud to be themselves and of the value they can add, and not be satisfied as just another employment equity statistic. (*Yona, 2001: 38*).

Yona (2001) further found that women tend to emulate their management style to their own as well as other women's disadvantage. Yona (2001) proceeded to say that female management style is seen as gentler, more flexible and less ego-invested. The true power of women in business lies in their innate ability to manage change, to be innovative and to demonstrate leadership (*Yona, 2001: 38*).

Rosener (1990) reflected on the fact that women can lead in a very different way than men and that the command-and-control leadership style associated with men is not the only way to succeed. Rosener (1990) felt that women draw on what is unique to their socialization as women and therefore follow a different path to the top (*Rosener, 1990: 120*).

Yona (2001) even advised that women should act confidently and professionally. Whilst competing with their male counterparts, women should observe closely what men do wrong, and do things differently (*Yona, 2001*). She confirmed that women are just as talented, educated and committed to their careers as men. Women employees provide female role

models for younger high potential women, which is of crucial importance in the South African context (Yona, 2001: 38).

In her thesis, Yona (2001) discussed at length the male versus female management styles and explains the intricacies that make women unique:

- a) Women bring sensitivity to relationships – an awareness of right and wrong stemming from their values and intuition
- b) Women need to be more assertive, but show empathy and sympathy more spontaneously than men do
- c) Women are more adaptable and flexible than men
- d) Females underestimate themselves and put themselves down, while males overestimate themselves and escalate their capabilities
- e) Females are receptive, comfortable, sensitive, accommodating, have an open door policy, a welcoming aura, keep an even keel and are more adaptable to change

To give further context to the differences in leadership style between males and females, the following table was adapted from Yona (2001) and highlights the different styles normally applied by males and females in the working environment.

Table 3.1: Comparison of Leadership Styles

VARIABLE	MASCULINE LEADERSHIP STYLE	FEMININE LEADERSHIP STYLE
Operative Style	Competitive, command, control, leader as master	Cooperative, democratic, participative, part of a team
Organisational Culture	Vertical and hierarchical	Horizontal, network, egalitarian
Objective	Winning, have a narrow focus and goal orientated.	Quality product, service, broader focus
Problem solving approach	Rational and objective. Emphasize the facts	Intuitive and subjective. Emphasize feelings and relationships. Attention to detail.
Communication style	Strategise, closed, powerful	Communicate to empower, to equalise power. Open style
Key characteristics	High and visible control, builds own power, Very strategic, unemotional, analytical, dominating, directive and individualistic.	Subtle control, power sharing, empowering, collaborative, empathetic, supportive, high performance, inclusive / collectivistic, co-operative, team leadership
Perceived power base	Focus on organisational position and formal authority. Use of legitimate reward and coercive power and rewards.	Focus on achievement, personal characteristics shared within a group, interpersonal skills, use of persuasion, influencing and networking,
Perspective on leadership style	Social exchange in terms of transactions, transactional & charismatic	Follower leader, commitment relationship, interactional, transformational, relationship building

Source: Adapted from Yona (2001) : 43

McKinseys (2010), in their survey and publication *“Woman matter 3”*, added to this in saying that companies have every reason to strengthen their organizational and leadership dimensions through appropriate behaviour. The ability to foster innovation was seen as an imperative in a period of recovery, much like our recent recession, and organisations should invite leadership styles that encourage questioning, discussion, creativity and risk taking. A higher presence of females in top management could assist to balance and develop the right leadership behaviours (Desvaux, Devillard–Hoellinger and Sancier-Sultan, 2010).

Some very focused and established businesswomen promote the idea of ‘soft power’ as something that women do naturally. This idea of ‘soft power’ was initially developed by Harvard professor, Joseph Nye, who asserted that women consult and listen to varied points of view, and are not drawn to hierarchical or hard leadership styles. These soft skills or leadership styles, together with what men have and still traditionally contribute in terms of leadership styles, should be leveraged off one another in the work place to obtain the very best results for the business (Leader Magazine, 2009: 1).

3.2.4 SUCCESS STORIES

The literature of late reflects on some success stories, in which women have broken through the glass ceilings and become their own. Examples of these are:

- Lira, the pop princess, not only holds a diploma in internal auditing but knows exactly how to balance her income statement and says that the idea of 'being a business' helps you function. She has a healthy investment portfolio, owns listed property companies with interests in shopping malls and in the telecommunications sector (*Naidu, Robertson, Mokgata 2009*).
- Dawn Nathan-Jones started her career as a rental agent for Imperial Car Rental 30 years ago, and today she heads up Europcar in South Africa. She has been instrumental in growing Europcar to its status as the second-largest rental group in South Africa, with a 32 per cent market share through its 120 branches (*Naidu, Robertson, Mokgata, 2009*).
- Maria Ramos, Absa's group chief executive, leads an executive management team made up almost exclusively of men. She holds a Masters in Economic Science and an international diploma in banking. She has filled a number of powerful positions, including that of director general of the National Treasury, and group chief executive of Transnet. When asked about her thoughts on women in the business world, she said that transformation in corporations was absolutely vital. "South Africa has made unbelievable strides in dealing with gender, but we have a long way to go, especially in the corporate environment." She encouraged women to stand up for what they believe in (*Naidu, Robertson, Mokgata, 2009*).

3.3 WOMEN IN FAMILY BUSINESS

Family involvement is a critical defining characteristic of all family businesses. A family is considered to be involved in a business if it actively participates in its ownership, management and governance (*Gupta, Levenburg, Moore, Motwani and Schwarz, 2008: 218*).

Though women are an integral part of the family, the roles and contributions of this 'other half' of the family often remain invisible, both in practice as well as in literature (*Gupta et al, 2008: 217; Dumas, 1998*).

3.3.1 BARRIERS TO WOMEN IN FAMILY BUSINESS

Various authors argue that women are less advantaged than men and, in some cases, it seems that minority women are less advantaged than white women (*Botha, 2006*).

Botha (2006: 17) stated that women confront a variety of challenges in developing and running a business, and that significant barriers still remain to prevent women from success. Some of these barriers include:

- Difficulty to access financial resources
- Lack of support
- Prevailing negative socio-cultural attitudes
- Gender discrimination and bias
- Personal difficulties

Further barriers are more personal and relate to softer basic life skills, such as being, assertiveness, self-motivation, achievement-orientation, reliability and communication skills (*Botha, 2006:18*).

Some of the main barriers for women in South Africa were felt by black women, who were regarded as legal minors before 1948. These women had feelings of fear and inferiority instilled in them, which is totally contrary to the basic feeling of assertiveness needed in business. These women were found to be vulnerable to crime, abuse and violence, in most cases part of their everyday lives. These inherent feelings in women were seen to be a major barrier to women advancing in business in the past. Also in this population group, insufficient access to finance was a major barrier. Governments, however, and specifically in South Africa, did not recognise the role that women play in developing countries and as such support programmes could not assist in their inclusion in the economic world (*Botha, 2006*).

Galiano and Vinturella (1995) argued that although women were accepted into managerial positions more easily in family firms, they did not necessarily escape the 'glass ceiling' so well known in the corporate environment, as they felt that women were seldom seriously included in strategic decisions in the firm (*Galiano and Vinturella, 1995*). This notion was seconded by Jimenez (2009), who said that women who work in family businesses face issues similar to those faced by all businesswomen (*Jimenez, 2009*).

Contrary to the above, Cole (1997) found that a growing number of women prefer to find a career in the family business, but also had to concur that even women in family business have barriers to overcome. These may not be the same as the corporate 'glass ceiling' but instead have a lot to do with overcoming family bias relating with male offspring and the invisible- or multi-role women have to play in family business units (*Cole, 1997*).

Jimenez (2009) argued that contributions of some women in family business remain in the shadows because women normally take on roles as assistants, informal advisors or mediators between members of the family who formally run the company. This relates to the tasks that each partner assume in the firm and the family (*Jimenez, 2009: 54*). The unpaid work, however, to which women contribute both directly and indirectly, aids the economic well-being of the family and the firm (*Jimenez, 2009; Galiano and Vinturella, 1995*).

Rowe and Hong (2000) found that women contributed to the finances of the family and those of the firm in a number of ways and their contribution was found to be substantial and critical. Rowe and Hong (2000) went on to say that the majority of wives made their major contribution to family economic well-being through either market employment or working in the family business and in some cases had the greatest impact on their family's economic well-being earning almost 30% of their household's annual income (*Rowe and Hong, 2000.*)

However, more recently various factors have assisted in providing greater visibility about women in family businesses and have helped advance women into more meaningful leadership roles. These include transformation in family structure, availability of alternative family care, pace of technological change, scarcity of managerial talent, global supply chains integrating home-based businesses, legal and social policy reforms, and women-focused national economic development agendas (*Gupta et al 2008: 226*).

What this transformation means is that children per family have declined, acceptance of the daughter as the only child has grown, and single parenthood is more acceptable. Women now have a greater range of options in rearing their children to adulthood. Women inherently are good learners and demonstrate interpersonal skills required for successful change, especially in the technological field. Many businesses are operated from the house, and

work is therefore scheduled around the family demands, making it easier for women to 'go to work' while still caring for their children (Gupta et al, 2008: 226).

The Wits Business School recently published an article about the myths relating to women entrepreneurs. They confirmed that around 38 per cent of businesses in South Africa are women-owned and more than 25 per cent of these make in excess of R750 000 per annum. Dr Kerrin Myres, who undertook the research, mentioned in his article that women do not start a business as a hobby, but that they are really contributing to the economy and employment. He said that women are motivated mostly by helping others, making a difference and by solving community problems (Myres, 2011: 1).

Dumas (1990) saw the family firm as the ideal environment for preparing daughters for leadership in the sense that the coach is a 'natural' mentor and the environment is completely non-hostile, thereby allowing them to realize their full potential for the benefit of the firm (Jimenez, 2009: 58).

3.3.2 ROLES OF WOMEN IN FAMILY BUSINESS

In the outward division of labour in the 1940s, family business seemed to be split along semantic lines: the family part belonged to the wife, the business part belonged to the husband. Mom formerly focused primarily on meeting the needs of the family for care, intimacy and a sense of belonging. The roles that women played - as mom, spouse, caretaker, sounding board, negotiator or bookkeeper - were typically unrecognized and uncompensated. Was she an employee or shareholder? The consensus was 'no' to both, but women were surely seen as stakeholders in terms of risk, effort and commitment to the enterprise. Roles for women and men in family business were largely defined by societal norms. Dad sustained and directed the business, feeding the bottom line and maximizing return in his venture (Frishkoff and Brown, 1993; Rowe and Hong, 2000). Jimenez (2009) even went as far as saying that women have traditionally played many subtle roles like spouse, parent, in-law and family leader (Jimenez, 2009: 53).

Cole (1997) explained that women in family business had a struggle to distinguish between the expected family role and the expected business role. As women automatically accept the role of nurturer and soundboard, they are also expected to be able to make sound business decisions and act in a way a business man should. This then, according to Cole, results in a no-win choice for females in family business as they have to accept either a more traditional role or a self-promotional role in order to bring respect to her business role (Cole, 1997: 355).

A further concept in terms of women's role in the business is that of invisibility. Cole (1997) argued that women felt invisible as other people did not view their role as being equally important in relation to that of male business owners (Cole, 1997; Hollander and Bukowitz, 1990). Sharma (2004) concurred with this, saying that a majority of women in family firms continue to remain in the background and are satisfied to occupy the role of household manager (Sharma, 2004: 14).

Iannarelli (1994) studied work from Kohlberg (1981) and Gilligan (1982), and established that women define themselves in terms of their relationships towards others. This understanding is also shared by Galiano and Vinturella (1995) who argued that this leads to the female automatically accepting the role of nurturer and peacemaker, while males are taught to be self reliant and self assertive. According to them, the roles played by men display spontaneous aggressiveness, dominance and competitiveness, and result in the male defining himself in line with his relative accomplishments (Iannarelli, 1994; Galiano and Vinturella, 1995).

Women, on the other hand, played perhaps the most important traditional role by automatically caring for the peace and harmony in the family, by easing conflicts and so acting as mediator. Jimenez (2009) calls this assumption of the role of the women, "mother to the workers" (Jimenez, 2009).

As part of her role as 'wife' she might be her husband's confidante in business as well as family matters; she might be his personal advisor because she is more intuitive about people; she may nurture employees, or act as public relations representative (Gillis-Donovan and Moynihan-Bradt, 1990).

It can be difficult to understand that a woman can play a very important role in the family business, whilst not being actively involved in the day to day running of the business. In her role as a wife and part of the true partnership, the woman understands that her family's quality of life is defined by the success or the failure of the family business, and that her role is therefore important to her husband's success. She needs to be informed and be well read, and can be influential in her role as the wife in the family business (Annino, Davidow, Harrison and Davidow, 2009).

As a mother, Annino et al (2009) found that a woman's role had a powerful impact on the family business. To the extent that she raises her children to take responsibility for their actions, she can make an extraordinary contribution to the business. Likewise any family dysfunction in which she plays a role will also express itself in the business (Annino et al, 2009).

As a daughter, the woman faces both challenges and opportunities. She has to learn to communicate effectively with other family members and separate sufficiently from the father, as the founder, to become her own person. The family business, however, provides her with the flexibility to create a fulfilling, balanced life as a mother and career women. The woman has to find her place within the relationship with her father and the relationship with her husband as part of her direct family (*Rowe and Hong, 2000; Salganicoff, 1990b*).

These are just some of the roles highlighted by the researcher. Further roles include those of the widow, the step-mother, the sister and the sister-in-law. In investigating the different roles of women in the family business environment, the roles of women in a few different ethnic communities are also highlighted.

In the Asian business community, it was found that the role of the mother was and still seems to be that of a buffer between generations, whilst at the same time acting as trusted advisor. The role of buffer between generations reinforces the hidden nature of maternal involvement in familial dynamics, as a result this is a status often unrecognised by family members. (*Janjuha-Jivraj, 2004*).

In Greece, the other side is also true as women were in the past the owners of vast assets inherited from their fathers or husbands. Here, on some occasions, mothers became the dominant partners when the father was no longer there. They sought out investments to secure a stable income for their families by granting loans to male relatives that ran merchant businesses. In her study, Ioanna Minoglou (2007) found that in Greece women acted as vital sources of finance, despite their subordinate positions. They were instrumental in developing the delivery of services in their family businesses: mothers supervised the early teaching of the family scions; women instilled the work habits and ethos required of future merchants. Women were also uniquely placed to perform some of the socioeconomic functions that have maintained the Greek entrepreneurial typology, business organisations and networks. Their hidden female services have persisted in the increasingly complex economy of today, coexisting with the more recognizable functions now undertaken by women working outside the home. Women have, therefore, long been seen as an integral part of the survival of the Greek business (*Minoglou, 2007*).

In the Indian culture, it was found by Adams (2009) that the woman's place was definitely at home and her duty was primarily that of nurturing the children and tending to household chores. In some instances women could assist in the shops with menial tasks, but this was definitely not the norm. Women were not involved in any decision making and did not at all enjoy the same privileges as men (*Adams, 2009*).

In America, Carolina Vera (2005) found that daughters would join the family business and fill a position in order to enjoy the freedom a flexible schedule would bring and also to improve overall job satisfaction (Vera, Dean, 2005).

In South Africa, the role of females in the family business were seen to be firstly as wives, mothers and daughters before they were seen as part of management or as employees. Eybers (2010) found that males mostly still played the dominant role while women mostly support in co-preneurial relationships, or both are found to be equal in the roles they play. Some even confirmed that inferiority of the women was not a feature of the business at all (Eybers, 2010). Farrington (2009) confirmed this research in his study and found that women were seeking more active roles in their family businesses and being considered for top positions. It was however found that the position of the women could differ depending on their ethnic and/or religious ties (Farrington, 2009).

From the above research, it is evident that the roles women play in family owned businesses vary from culture to culture. It could even be seen that in emerging markets like South Africa, with its own unique set of challenges, women can play a more prominent role than in developed countries depending on their ethnic and religious connections.

Dugan et al (2008) further argued that women have always played roles in their family business. The difference now is that women are much more active and visible in much greater numbers than before. Another difference is that women are being recognized for what they do (Dugan et al, 2008).

3.3.3 THE CONTRIBUTIONS OF WOMEN IN FAMILY BUSINESS

Both Jimenez (2009) and Salganicoff (1990b) argued that women possess particular characteristics and qualities that are vital for the success of business, and that therefore women are a valuable resource. The researchers found that recent changes in management practices suggest that such characteristics are becoming more valued in firms and that firms are seeking so-called 'holistic managers', with traits that ideally fall within the scope of what women contribute in family businesses (Jimenez, 2009: 60; Salganicoff, 1990b). Women's skills include the ability to multitask, the ability to overcome contradictions and the ability to trust instinct and intuition, rather than just analysis and rationality. Women are found to be better in team leadership roles than men because women are sensitive to their colleagues' needs for consideration and affection, which could help to make the management of the family firm more efficient. Daughters that succeed their fathers in business should choose the most appropriate and effective leadership style for them and adapt it to meet the needs

of the business in their generation, not the needs of the business in their predecessor's generation (*Jimenez, 2009: 60*).

Dugan et al (2008) realised in their literature that family businesses were creating diversity and introducing a broader set of leadership skills as a result of including women leaders into their fold of management. They found that this might be a sign that the traditionally invisible influence of women in family businesses has always been there, but is now being openly recognized in legitimate leadership positions (*Dugan et al, 2008*).

Some of the most prominent women in United States history have focused on certain key aspects that resulted in their success in business:

- Preparation – Marcy Syms, from Syms Corporation, felt that woman needed to prepare for the roles they wished to play. The size and stage of the company, as well as the size and stage of the family, would influence the amount and kind of preparation required. Her study further found it wise not to focus the preparation too narrowly, but to develop some skills that are fundamental to any role. (*Syms, Lebenthal, Sheehan, 1993*)
- Teamwork – Martha Jahn Martin, from Chicago Metallic, argued that setting goals and employing your whole team together to reach these goals is of the essence.
- Asking the right questions - Martha Jahn Martin also argued that women did not necessarily have to have all the right answers, but must be able to ask the right questions. "It pays to seek out the best," she said.
- "You must have the passion, luck and be extremely positive", according to both Mickie Siebert, the first woman to have a seat on the New York Stock Exchange, and Mary Lawrence, the first woman CEO to be listed on the New York Stock Exchange as part of an advertising agency. (*Jennings, 2002*)

Rachel van Doorene (2011) advised on even more tangible contributions of women to a company's competitiveness in an article written in *Women Inc*. She also laid out five themes she had discovered in her research, in a book entitled "*How remarkable women lead*":

- Framing – Women reframe a problem into an opportunity, especially in a crisis. Key to this framing is self awareness, learned optimism and no rumination.
- Connection – Women tend to build deeper relationships. However, while women tend to have deep but narrow networks, men develop networks that are shallower but broader.
- Engagement – Women find their inner voice and remain authentic. This has enabled women to take ownership and also empower them to take big steps.

- Energy – Women move out of the silos of work and life, and find ways of integrating their personal and professional life. Key to this was living in flow; restoration and rest is critical.
- Meaning – Women display happiness, performance and engagement. They find something bigger than they are.
- Transcendent purpose – Women frame their purpose around achieving something beyond their personal success. Inspiration is key (*Van Doorene, 2011*).

3.3.4 EMOTIONAL INTELLIGENCE

Emotional intelligence is defined as “the subset of social intelligence that involves the ability to monitor one’s own and others’ feelings and emotions, to discriminate among them and use this information to guide one’s own thinking and actions (*Pope and Singer, 1990, as cited by Alston et al, 2010: 62*).

Previously, intelligence quotient (IQ) tests were considered adequate measures of intelligence, however, as early as 1920, Thorndike hypothesized that true intelligence was composed not only of an academic component, but also of emotional and social components. Bar-On (1997), as cited by Mandell and Pherwani (2003), argued that emotional and social intelligences were better predictors of success in life. This was confirmed by Chen, Jacobs and Spencer (1998), as cited by Alston et al (2010), while other authors, like Antonakis (2003) did not agree and felt that emotional intelligence was not a determinant of leadership success. Skills such as flexibility, conflict management, persuasion and social reasoning became more important as leaders advanced in the hierarchy (*Mandell and Pherwani, 2003*).

Mandell and Pherwani (2003) reflected on the two models of emotional intelligence that emerged: the ability model, that defines emotional intelligence as a set of abilities that involves perceiving and reasoning abstractly with information that emerges from feelings; and the mixed model, that defines emotional intelligence as ability with social behaviours, traits and competencies (*Mandell and Pherwani, 2003*).

Burns (1978), as cited in Mandell and Pherwani (2003), proposed that the leadership process occurs in one of two ways, either transactional or transformational. Transformational leadership occurs when the leader stimulates the interest among colleagues and followers to view their work from a new perspective. The transformational leader generates an awareness of the mission or vision of the organization, and develops colleagues and followers to higher levels of ability and potential. The transformational leader also motivates colleagues and followers to look beyond their own interests towards interests that will benefit

the group. Bass (1997), as cited by Mandell and Pherwani (2003), suggested that transformational leaders achieved higher levels of success in the workplace than transactional leaders.

In relation to gender differences, Mayer, Caruso and Salovey in 1999, and Mayer and Geher in 1996, as cited by Mandell and Pherwani (2003), indicated that women score higher on measures of emotional intelligence than men. Mandell and Pherwani (2003) did an analysis and found a significant relationship between transformational leadership style and emotional intelligence, but found no significant interaction between gender and emotional intelligence while predicting transformational leadership style. They did, however, find a significant difference in the emotional intelligence scores of male and female managers, reflecting that females scored higher than males (*Mandell and Pherwani, 2003*).

Further research by Katie Dearborn (2002) put emotional intelligence in context and reflected on the competencies displayed as part of the application of emotional intelligence by males and females. These were:

- Self awareness
- Self management
- Social awareness
- Relationship management.

Dearborn argued that a leader should have the following attributes as part of his/her repertoire:

- Have a vision
- Be able to coach
- Be affiliative
- Democratic management style
- Pace-setting abilities
- Commanding

Dearborn highlighted the fact that emotional intelligence competencies are not innate talents, but learned abilities, each of which has a unique contribution to making leaders more resonant, and therefore more effective. However, the possession of underlying emotional intelligence capacities does not guarantee the demonstration of such competencies while managing a team (*Dearborn, 2002, 527-528*).

3.3.5 WHAT WOMEN CAN DO TO ADVANCE IN LIFE AND BUSINESS

Dugan et al (2008) and Galliano and Vinturella (1995) argued that women can help themselves to advance in life. They need to know that they should concentrate on building their credibility. Their inherent strengths and weaknesses allow or prevent them to advance in the business world. The tangible things women can do to advance in their family business were highlighted by Dugan et al as well as Galiano & Vinturella as follows:

- Expect to earn the right to the position you desire.
- To win people's respect and attain your goals, you have to prepare. Avoid running the risk of being passed over because you are not prepared. Earning degrees and getting outside experience will encourage attention from people in your family and its business..
- Work outside the business. Gain experience by working elsewhere. It will allow you to build your skills and develop credibility (*Dugan et al, 2008; Galiano and Vinturella, 1995*).
- Find a set of role models, mentors who can help you navigate the waters of a family business, captains and leaders in your industry. Try to include women in this mix of leaders.
- Network. If you aspire to leadership, surround yourself with people who can help you get there.
- Always think in terms of career development, no matter what role you are aiming for (*Dugan et al, 2008: 32-33*).

Gupta et al (2008) concurred with the above tangible things women can do to advance in business, but elaborated on women's inherent strengths:

- Women appear to be more resilient, because of their emphasis on steady growth and adaptability to market changes.
- Women can multi-task and are versatile as they can successfully perform the 'double shift' of family care and business leadership.
- In many cases, women go on regardless of 'me time', which can be stressful, but women can also be energized by their ability to take care of the family and business.
- Women improve their self-confidence by achieving 'small wins', by being diligent and persistent.
- Women play an important role, fully utilising their emotional intelligence and looking at issues differently to men.

- Women tend to rely on social influence, support networks and relational resources in their decision making and execution. Their approach is nurturing and their leadership is informative, engaging, collaborative, participative, egalitarian, democratic and humanistic.

The author went on to say that what distinguishes women within family business most is their “invisible presence”. Women socialize by viewing their identity through connection with other family members, while men are socialized in differentiation of self from other family members (*Gupta et al, 2008*).

Yet, despite the growing number of women entrepreneurs, Dugan et al (2008) argued that there was very little known about female entrepreneurs’ business practices, their individual survival and growth strategies, and their perceptions of their entrepreneurial careers. Dugan et al (2008) highlighted the fact that studies on women entrepreneurship are mostly limited to:

- The breeding ground of female entrepreneurship
- Patterns of female entrepreneurship
- Barriers against female entrepreneurship
- Motivations of woman entrepreneurs

Other differences between male and female entrepreneurs were found by Dugan et al to be:

- Women entrepreneurs head businesses which are smaller than those of their male counterparts
- Women forge relatively strong ties, while men forge weak ties
- Women forge relatively egalitarian coalitions, while men forge relatively hierarchical coalitions. The stronger ties of women reduce the need for monitoring and for systems of explicit incentives (*Dugan et al, 2008*).

3.4 SUMMARY

If a country is to be economically efficient and effective, all contributions from its population should be encouraged. Part of this process is to have managers and leaders, both men and women, which can contribute their very best to a thriving economic environment.

Recent articles on South African career women done by the University of Cape Town School of Business have confirmed that the Business Women's Association has called for various measures to be put in place in an effort to make corporate South Africa more gender representative, such as the inclusion of a clause about gender diversity for all companies who want to be listed on the Johannesburg Stock Exchange. This might assist with gender transformation, but research has confirmed that women will never be fully empowered unless some other things shift as well. These researchers have called for men to become equally empowered in the home so that there are fewer expectations placed on women and more support is offered to women. Equally importantly, women need to work on their own perspectives about themselves (*MBA, 2011*).

As this chapter has explained, it is a matter of 'two halves making a whole'. Where men fall short, woman can step in and contribute, and where woman fall short, there men can provide the necessary skills to pull them through.

The different leadership styles of men and women were identified by means of a table. The chapter additionally identified the things that make woman different, and what values they bring to the table.

In this chapter, the roles of women in business were highlighted, as well as their specific contributions, what they can do to add value and how succession planning or the lack thereof are commonly addressed.

Chapter 4 will discuss the research methodology used to give insight into the type of research conducted and the approach in obtaining the necessary data to test the theory on contributions of women to family owned businesses in the Eastern Cape.

Chapter 5 will provide insight into what really happens in the business world with a specific view on family owned businesses in the Eastern Cape and how woman excel within this context.

Comparisons will be done to the research to see how and where best practices can be developed and possibly shared. This will provide a good understanding of what is needed to have a successful family business with women at the helm.

4.1 INTRODUCTION

Cullen (2006) argued that research is the systematic process of collecting and analysing information in order to increase the researcher's understanding of the topic of concern and interest (*Cullen, 2006; Leedy and Ormrod (2001: 4)*).

The aim of this chapter is to discuss the research approach and the research methodology dealing with the questionnaire construction, testing of the questionnaire and contents. It will look at how the sampling was administered and analysed in keeping with the framework, and lastly discuss and summarise any problems that occurred during the research and sample process.

4.2 RESEARCH FRAMEWORK

The researcher reviewed the existing dynamics of family owned businesses as presented in the Nelson Mandela Metropole and the greater Eastern Cape.

The review process included the history of each business, the structure and relationships within the business, the different leadership styles, strengths as well as weaknesses of the sample. The researcher further reviewed the application of these styles in the context of how women conduct themselves in times of internal conflict between family members and non-family members, and, lastly, assessed the contributions made by women in their particular family business environments.

The nature of the research was exploratory with the main aim to investigate the contributions made by women in the family business context and how those contributed to the success, failure or advancement of the family businesses.

4.3 RESEARCH METHODOLOGY

Research methodology has two primary functions:

1. To control and dictate the acquisition of data
2. To correlate the data after its acquisition and extract meaning from it

The objective here is to describe what research methodology was used in this study. The researcher will start by:

1. Defining the objectives of the research study
2. Discussing the design,
3. Discussing the empirical study, and
4. Discussing the data collection methods.

Thereafter the researcher will analyse the evidence collected and conclude with remarks and recommendations.

4.3.1 RESEARCH OBJECTIVES

The objectives of the research consisted primarily in assessing the literature to determine any and all factors that will have an impact on the contributions of women to family businesses. Second to the primary objective was to deliver a literature overview of the value added contributions of woman to the family business environment and what actions women would follow to execute these identified contributions taken into consideration the barriers they face, the roles they have to play as well as their leadership style.

4.3.2 RESEARCH DESIGN

In order to achieve the research objectives of this study, a qualitative study methodology was chosen. The reason for using this study methodology was to identify and understand the aspects and components of family businesses as well as the impact women and the critical factors they contribute has on the survival and success of the family business.

From the aspects and components of family business identified in the literature, a questionnaire was drafted, which was also used as the structure for interviews with the individual family business owners identified in the sample. According to Santiago (2000) in the field of family business, family owners tend to participate in personal interviews more readily than responding to a survey. The use of personal interviews allows for a level of trust to develop as well as achieving the depth of information required in this kind of study (Cullen, 2006).

4.3.3 THE EMPIRICAL STUDY

The researcher randomly selected family businesses in various industries in the Nelson Mandela Metropole and greater Eastern Cape as a sample basis. Twenty randomly selected family businesses were chosen of which fifteen were approached to participate in the questionnaire. Twelve respondents agreed to complete the questionnaire and participate in an interview and formed the basis of the study.

4.3.4 DATA COLLECTION METHOD

Data collection was done by means of a prepared questionnaire, which was distributed to family owned businesses in Port Elizabeth and further afield in the Eastern Cape. In some cases further interviews were of an unstructured nature, but within the structure of the prepared questionnaire, mainly to obtain in-depth knowledge of the individual business participants and obtain their opinions about the contributions of individual women in their roles in the family owned business.

4.3.5 QUESTIONNAIRE CONSTRUCTION

The questionnaire was drafted following the structure of previous family business literature and comparing for suitability with other like questionnaires in previous dissertations.

According to Cullen (2006: 154) and Leedy (1997) a questionnaire structure should use simple and concise language, not demand unrealistic responses, refer to only one topic, not allow the respondent to respond in a “don’t know”, no comment way, be polite, be straight forward and not ambiguous, correctly ordered, layout must be easy, instructions must be clear and easy to understand and be tested first.

4.3.6 QUESTIONNAIRE TESTING

Leedy (1997) states that reliability and validity are encountered frequently in research methodology, are concerned with the measuring instrument and contribute to the integrity of the research. Leedy (1997) states that reliability, is the consistency with which the measuring instrument performs while validity is concerned with the soundness and effectiveness of the measuring instrument. (Leedy, 1997). Riley et al (2000) highlighted whether the measuring instrument measures what it was intended to measure. (Riley, M., Wood, R.C., Clarke, M.A., Wilkie, E., Szivas, E. 2000).

The questionnaire was tested for validity and applicability to the literature study by sending it to the researcher’s promoter, an expert in the area of family business, to confirm conformance.

4.3.7 LAYOUT AND CONTENTS OF THE QUESTIONNAIRE

The questionnaire consisted of 8 sections.

Section A consisted of questions regarding biographical information that merely required the participant to mark the correct block.

Sections B to H consisted of a combination of open-ended questions and closed questions, to evoke the participant's own view or opinion relating to inherent and individual issues in his or her own business. The nature of the questions was taken from the literature study covering the roles women play in a business, the execution of their leadership styles, and the strengths and weaknesses they display as opposed to that of their male counterparts. The questions were also designed to identify best practices that could help other women in family businesses to strengthen and improve their own leadership styles.

The questionnaire format appears in Appendix B.

4.3.8 SAMPLING METHOD

Collis and Hussey confirmed the definition of a sample to be a subset of a population. The process of collecting information from a sample is referred to as sampling (*Collis, Hussey, 2009*).

Private family-owned businesses in the Nelson Mandela Metropole and greater Eastern Cape were selected at random. No fixed selection structure was followed. The businesses selected operate in the food retail, airtime wholesale trade, transport, automotive manufacturing and in the home ware retail. Men and women were interviewed depending on their role in the family business and in order to get a varied response and a specific viewpoint from each gender.

The questionnaire was completed in total confidentiality and although some of the participants were known to the researcher the participant's anonymity was guaranteed.

4.3.9 QUESTIONNAIRE ADMINISTRATION

The questionnaire was e-mailed to the selected participants to allow them time to prepare and to feel at ease with the questions that were being asked. Twenty family businesses in the greater Eastern Cape Area were identified, of which fifteen were approached and twelve agreed to complete the questionnaire and, in some cases, be interviewed. The interviews undertaken were semi-structured as drafted questionnaires that followed in the interviewing process. Most interviews took an hour to ninety minutes to complete and, in one instance,

the interview took two hours to complete as the participants had to summarise the results of five individual businesses all relating to each other.

4.3.10 ANALYSIS

Cullen confirmed that an analysis of the data must include the reviewing and categorising, whereafter the data must be tabled in a constructive manner to answer to the initial problem statement (*Cullen, 2006: 157*).

Known software programmes were used to record and analyse the data. The data was captured on Microsoft Excel from Section A to H in order to obtain totals and determine any discrepancies or non-completion of any sections of the questionnaire.

Much of the analysis relied on the in-depth dissection of each individual answer of each individual business in order to compare it with other answers in identifying any similarities or any differences in terms of the variables in the questionnaire.

Full analysis, providing the results of the questionnaire, will be discussed in Chapter 5, with recommendations and a summary in Chapter 6.

4.3.11 PROBLEM AREAS

As the questionnaire was not restricted to women only, in order to obtain a varied view on the contributions of women, the respondents took their time in completing the questionnaire. One can argue that they were not too sure of the actual roles that women do play in the business. However the researcher saw this as an ideal opportunity in the case of male respondents to investigate at length how men and women view the different roles that women do play in the family business context and possibly recognise it for that very fact.

The researcher found it easier and less time consuming to spend time on an individual basis with some businesses owners in order to obtain acceptable turnaround times. This process was therefore followed as the researcher assumed that people in general do not find time to complete a questionnaire and could also pose questions directly to the researcher where they required clarity before answering.

4.4 SUMMARY

Chapter 4 discussed the research methodology used to give insight into the type of research conducted and the approach in obtaining the necessary data to test the theory on contributions of women to family owned businesses in the Eastern Cape.

The problem areas were identified and the sample was discussed to provide insight as to how the family businesses were selected.

Randomly selected businesses, representative of those in the Eastern Cape, were used in completing a questionnaire that consisted of eight sections. The sections consisted of open questions as well as closed questions requiring a mere mark in the correct block. The businesses selected mainly represented the wholesale, retail, automotive manufacturing and transport trade industries.

In Chapter 5, the analysis of the data will be fully discussed.

CHAPTER 5: EMPIRICAL RESULTS AND INTERPRETATIONS

5.1 INTRODUCTION

Chapter 4 described the research approach, the questionnaire used as well as the respondents to the questionnaire. The purpose of Chapter 5 is to discuss the results of the empirical study and how they relate to the key drivers identified in the literature.

The key objective of the study was to determine what contributions women made to family businesses as identified in the Nelson Mandela Metropole and greater Eastern Cape. The results of this study can be taken further in compiling best practices, enabling and empowering women in the family business environment to be successful and to overcome any barriers or challenges they may face in executing their goals and aspirations.

5.2 REPORTING FORMAT

Yin (2003) identified various forms of research, however for the purpose of this study the researcher has chosen multiple respondents in the process and summarised in the analysis. The respondents can be likened to case studies, as they were identified because of the industry they operate in as well because they have founded and operated as a family business. In some cases, the businesses are well known to the researcher.

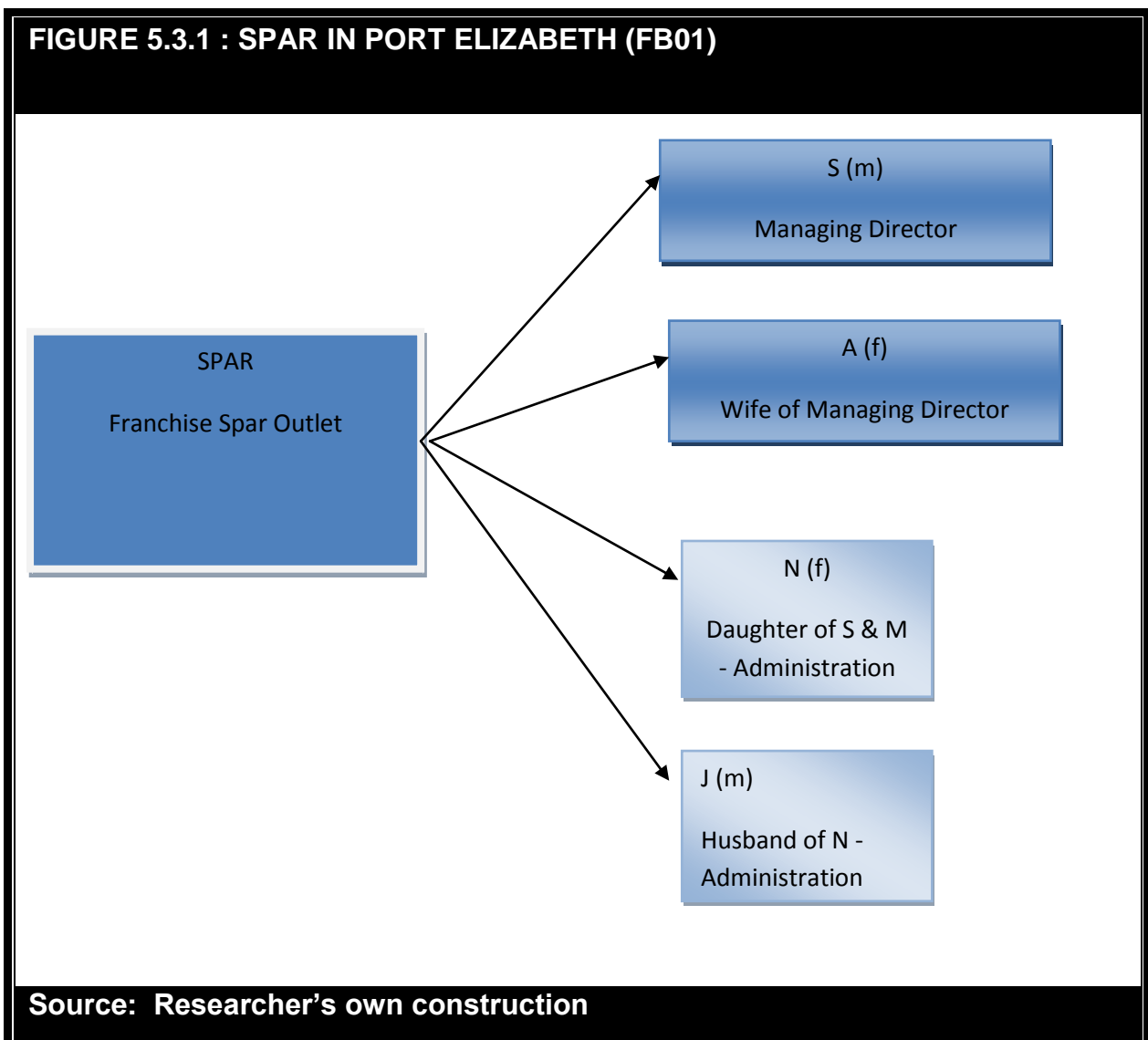
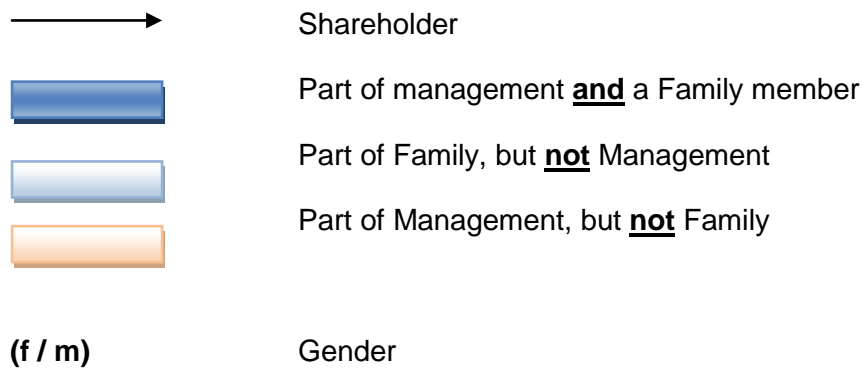
The survey started with the researcher confirming the anonymity of the respondents as well as the reason for the research. The researcher thanked them for their time and assured them that their contribution was valuable to the overall result of the study.

The respondents were provided with the questionnaire and a cover letter by e-mail before the survey was conducted. This was done to enable the respondents to prepare where it was necessary and to set them at ease as to the type of questions that would be asked and information that would be required to answer the questionnaire.

A set meeting was then arranged at the premises of the respondents, where the survey commenced. Once the respondents were at ease, the researcher asked the questions as laid out in the questionnaire annexed hereto as Annexure B. The answers to the questionnaires are set out in the same format followed in the interviews and are reported forthwith. In reporting the results the researcher will first provide a group structure on each individual family business and provide background information on the businesses.

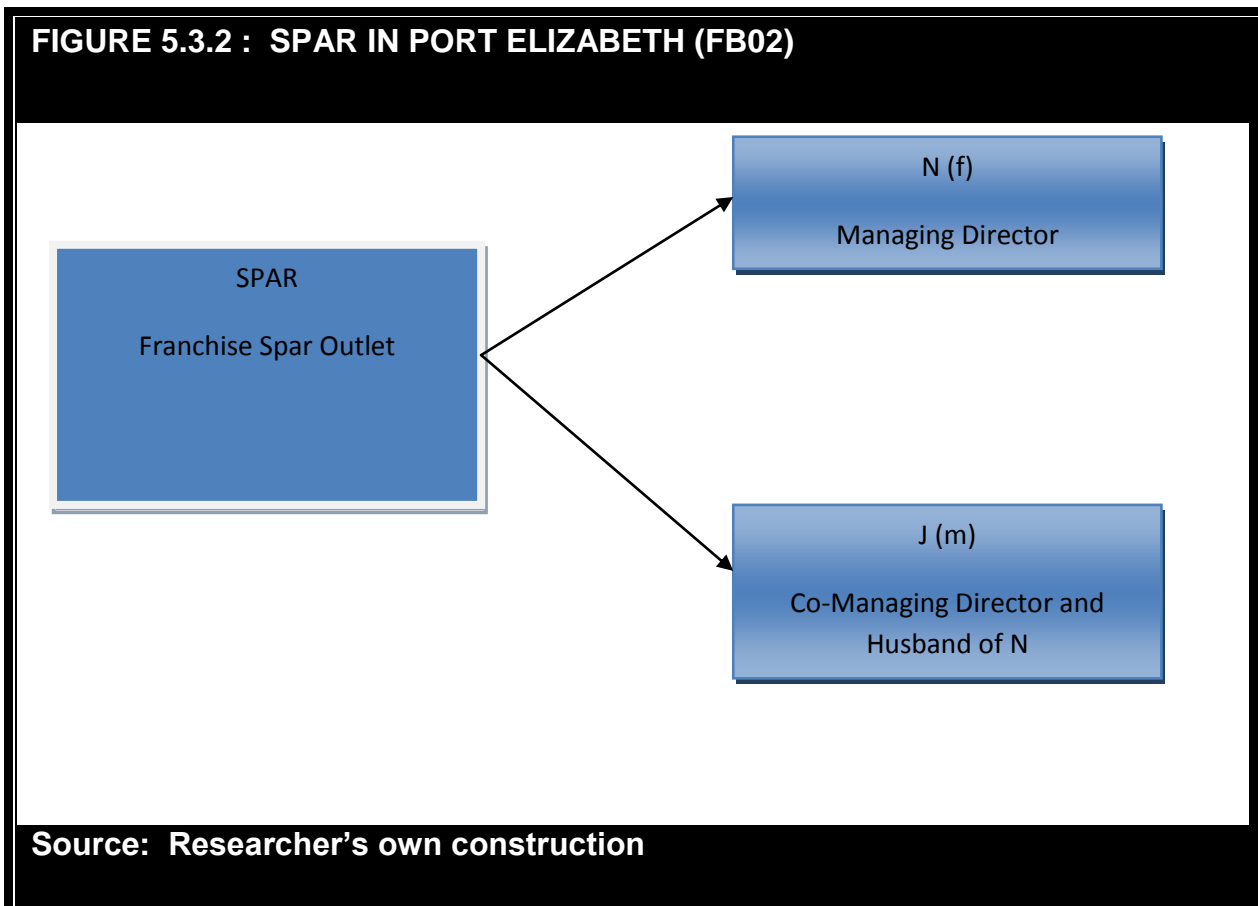
5.3 FAMILY STRUCTURES

The family structures are described in the form of an organogram of each respondent. Following this, a description of the business, the industry and characteristics are provided. The connections are explained as follows:



This family business was started 21 years ago and operates as a Superspar franchise in the Nelson Mandela Metropole. The Spar is very well known for its friendly service, special and rare delicacies and Greek owners. This family business services a market consisting of middle to upper class working people in a residential node divided by a main thoroughfare from the east to the west of Port Elizabeth.

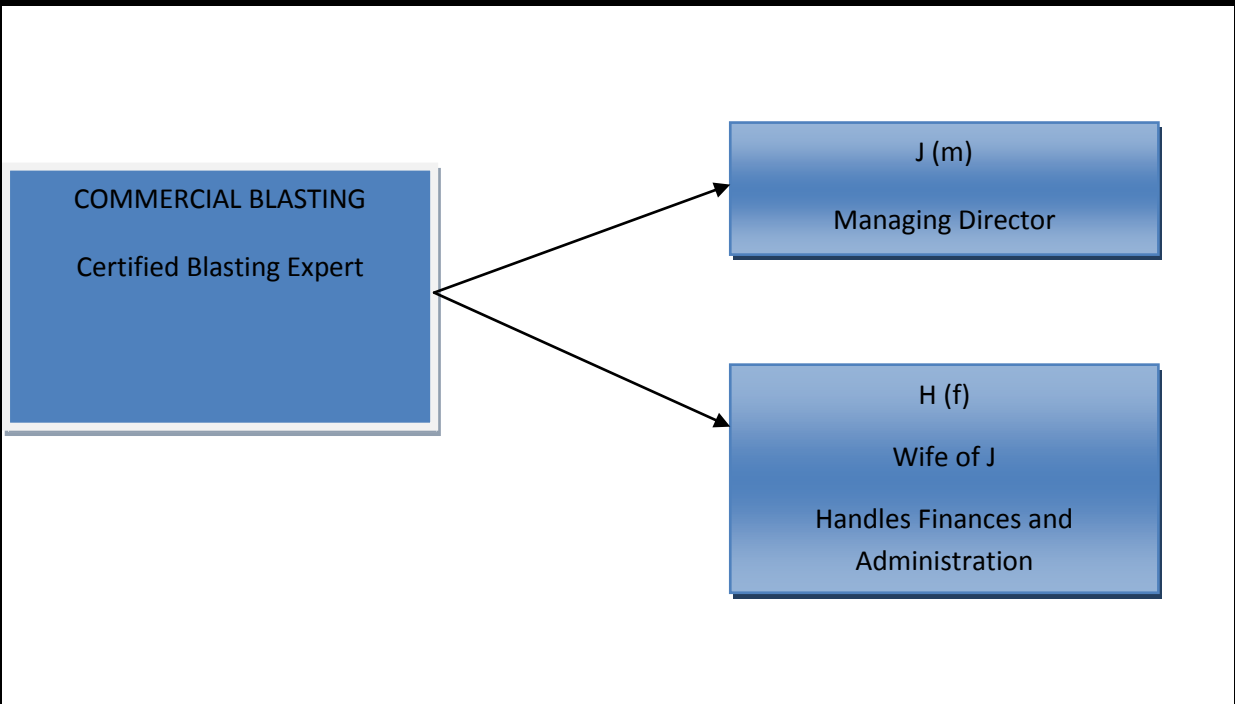
The owners are a husband and wife team, who were recently joined by their daughter and her husband.



This family business is a spar outlet situated in an area frequented for its restaurants and line retail outlets.

The business was started in 2003 by the young couple and is well known for its convenience, service and variety.

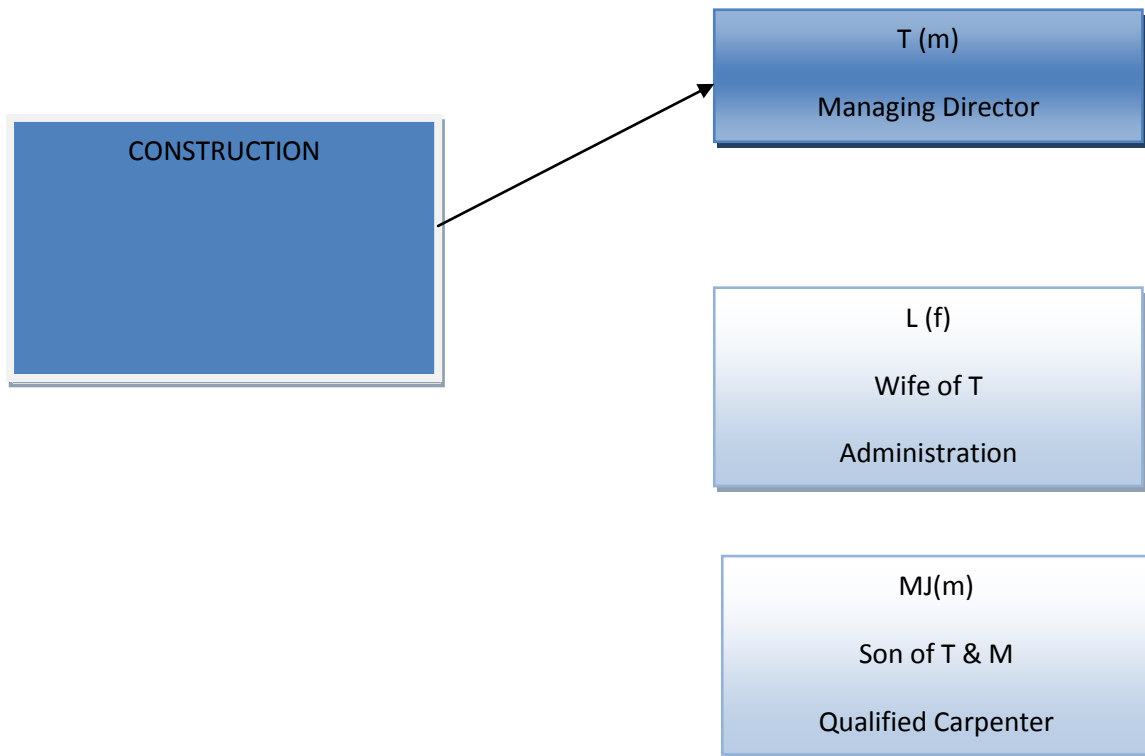
FIGURE 5.3.3 : COMMERCIAL BLASTING COMPANY (FB03)



Source: Researcher's own construction

This family business was started in 1997 by a husband and his wife. The husband has the controlling share and is a key factor to the success of this business as he holds the qualification and experience. The business does commercial blasting for mostly quarries located in the greater Eastern Cape, but also for deepwater port excavations. Although the client operates mainly in the Eastern Cape area, his expertise from time to time calls him to the East Rand where he assists with blasting and excavations for mining operations.

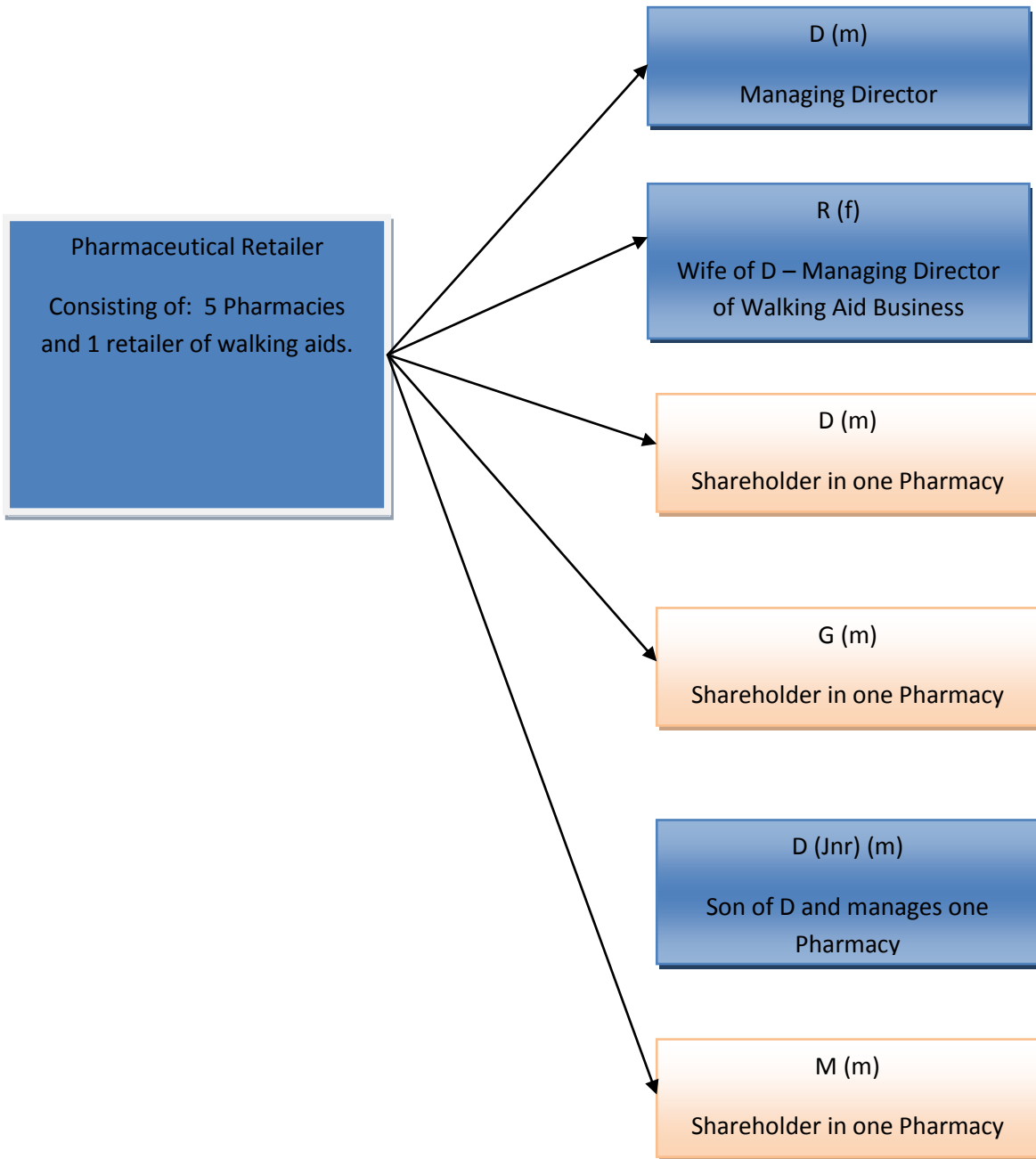
FIGURE 5.3.4 : CONSTRUCTION COMPANY (FB04)



Source : Researcher's own construction

This family business was started in 1991 and operates in the construction industry. It builds finished structures for mainly government departments which are used as schools, hospitals and the like. The husband has the qualifications and was recently joined by his son, while the mother handles all the administration. All three individuals are part of the management structure.

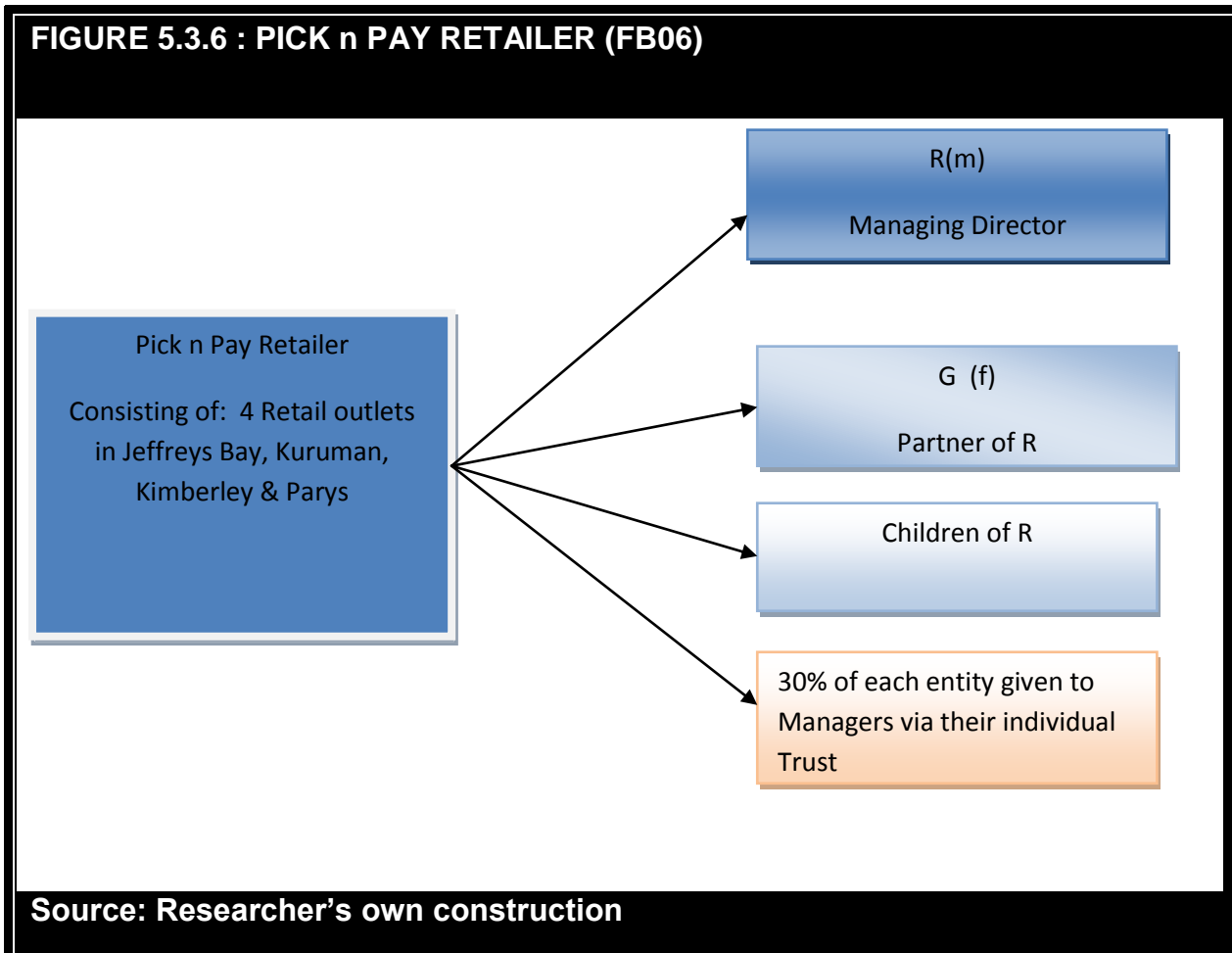
FIGURE 5.3.5 : PHARMACEUTICAL RETAILER (FB05)



Source: Researcher's own construction

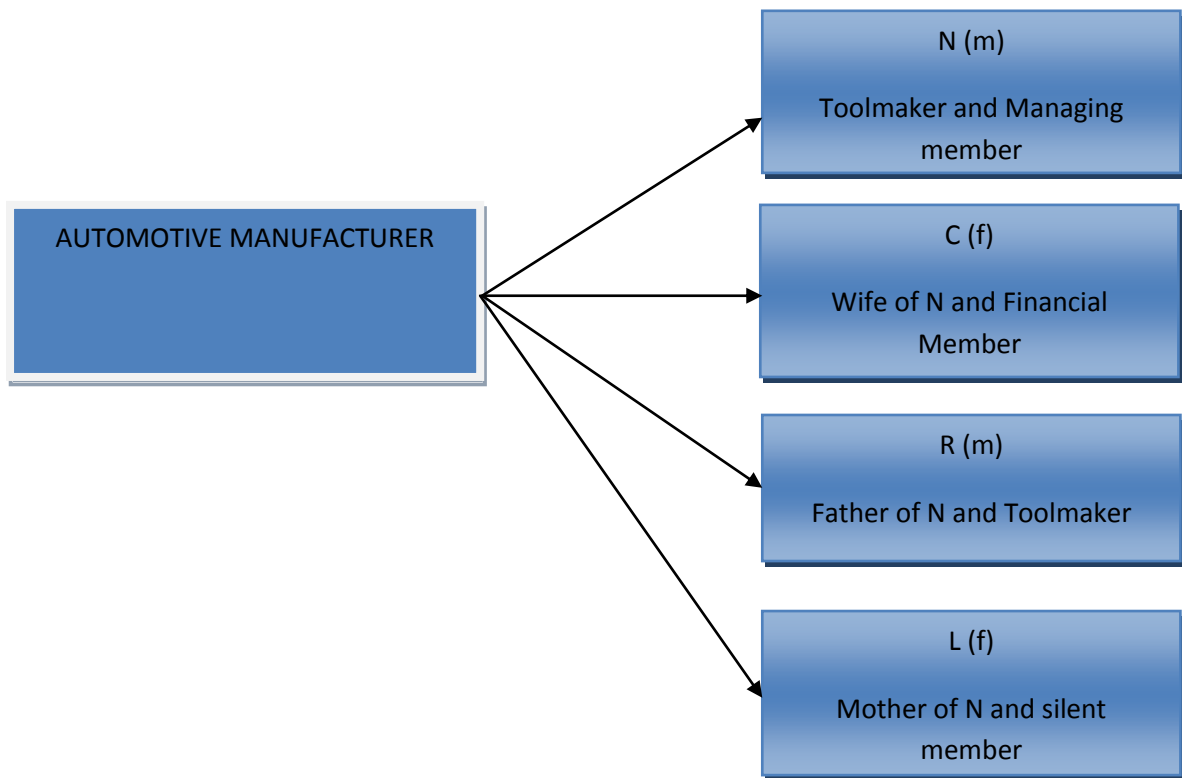
This family business has been in existence for 30 years and operates in the pharmaceutical industry in the urban area of the Nelson Mandela Metropole. The management structure consists of a mixture of family and non-family members. The wife of the founder is in control of her own business, which acts as a supplementary business to the main pharmaceutical

business. The business consists of six outlets which are all located in a main residential and commercial node in Port Elizabeth, servicing middle to upper class individuals. The business is very well known for its friendly service, making its customers feel welcome and at home.



This food franchise was initially started in 1996 and was expanded by purchasing outlets, which are now located in Jeffreys Bay, Kuruman, Kimberley and Parys. The management structure consists of a mixture of family and non-family members. The founders of the business are a man and women partner team, who gave shareholding to prospective individuals that proved themselves worthy to run the individual outlets as managers.

FIGURE 5.3.7 : AUTOMOTIVE COMPONENT MANUFACTURER (FB07)

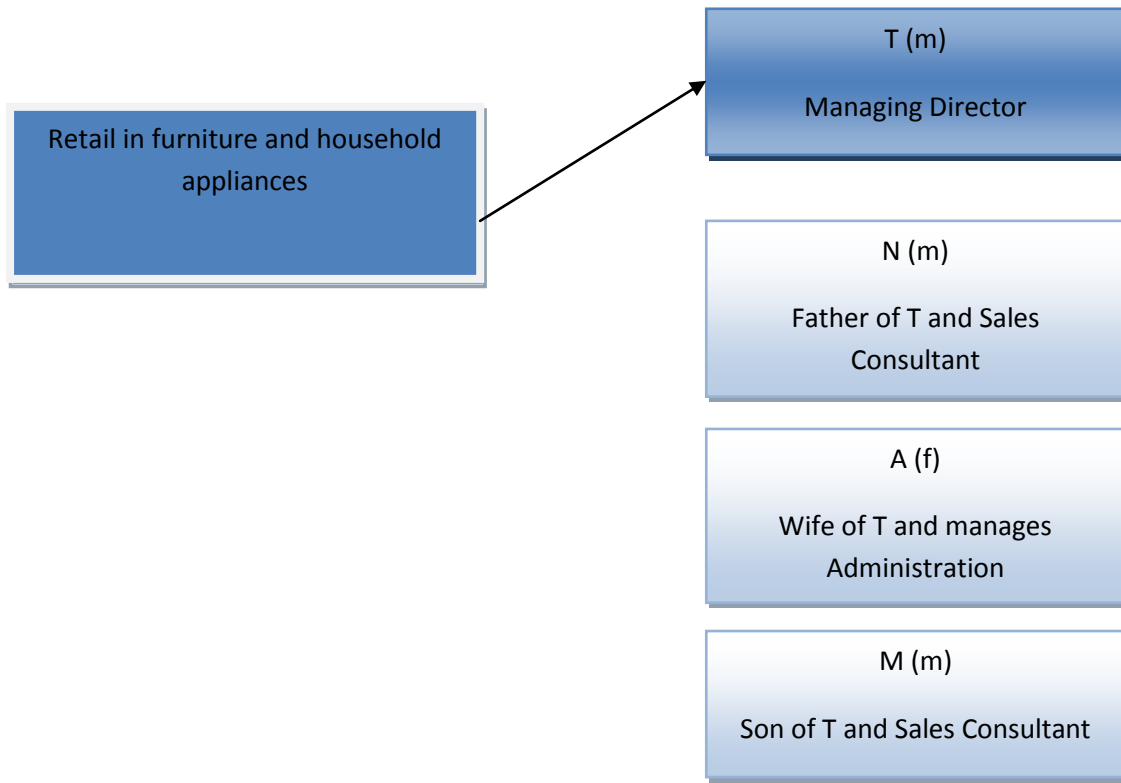


Source: Researcher's own construction

This family business was started in 2004 and operates as a Tier 1 supplier to original equipment manufacturers (OEMs) like Volkswagen South Africa, General Motors and the like. The business manufactures components from plastic which are used inside motor vehicles as door consoles, roof consoles, seat adjusters and so on.

The husband and wife team was recently joined by the husband's father and mother as part of the management structure. The husband and father have suitable qualifications, while the wife handles all the administration. The mother is not actively involved in the business.

FIGURE 5.3.8 : RETAILER OF HOME APPLIANCES (FB08)

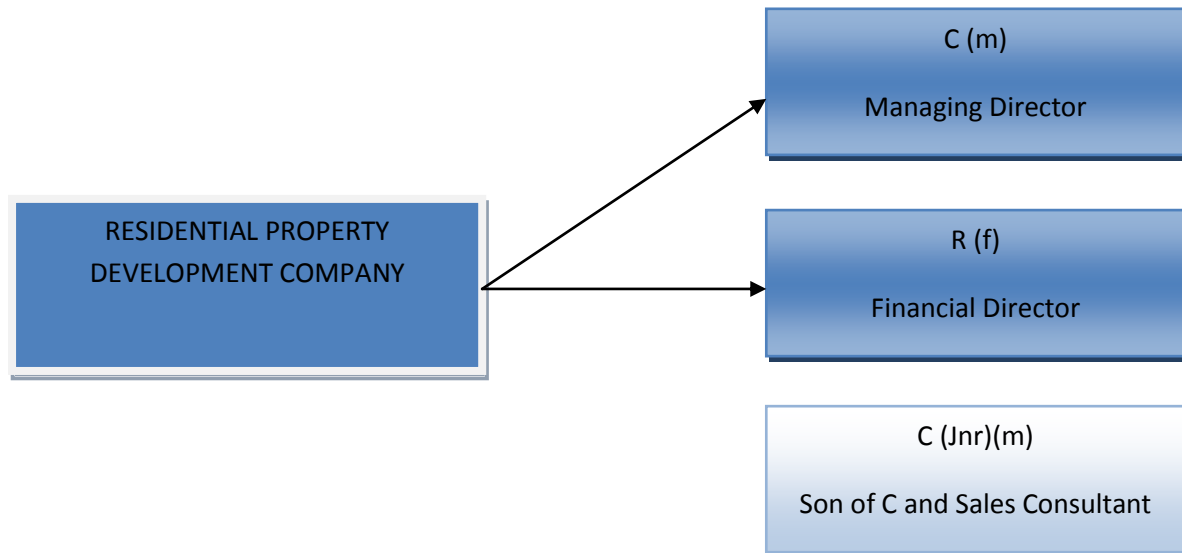


Source: Researcher's own construction

This retailer of home appliances specialises in the supply of upmarket home ware, and stocks the Miele, Smeg and Whirlpool ranges for its distinctive customer base. Situated in Port Elizabeth, it has been in operation since 1998. The controlling member is male and he is supported by his father in sales, his wife in administration and his son also in sales.

The husband, who previously was part of a global home ware chain, has a vision to be selective in the product ranges in order to be known as a retailer of choice and quality and not necessarily price.

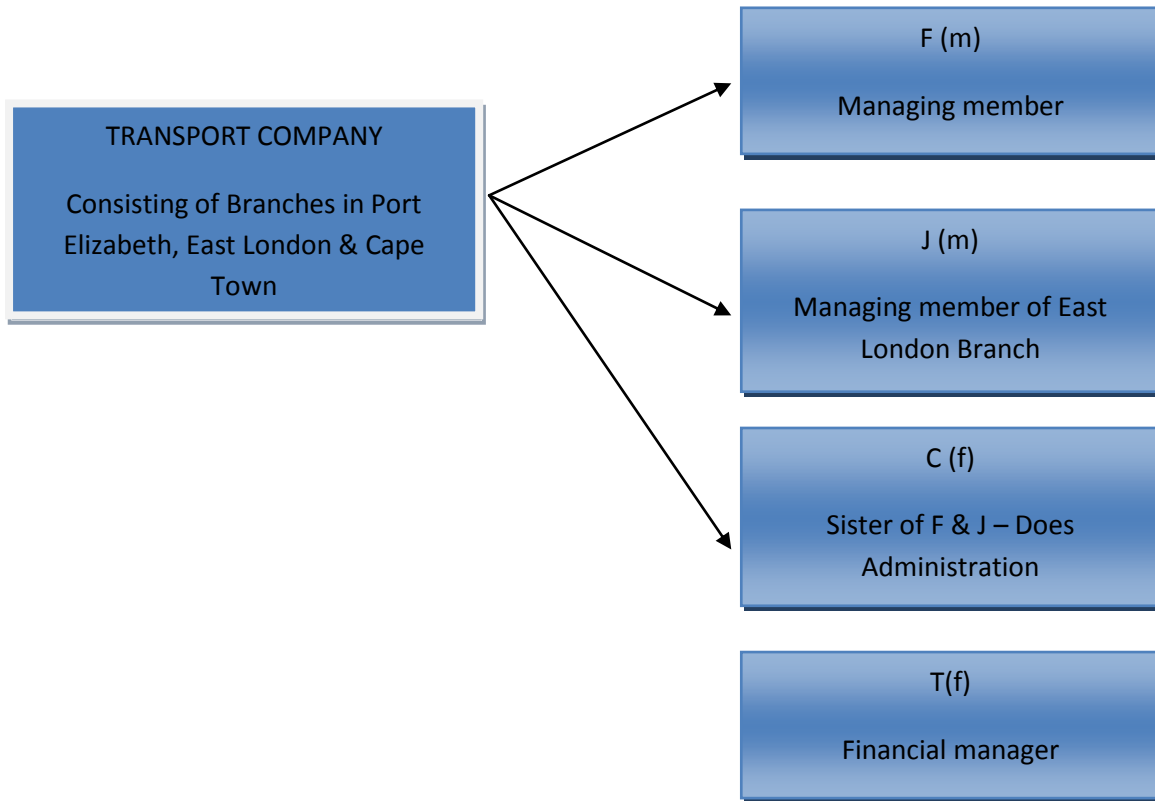
FIGURE 5.3.9 : RESIDENTIAL PROPERTY DEVELOPER (FB09)



Source: Researcher's own construction

This family business initially started in 2004 and has been well known in the Nelson Mandela Metropole ever since for providing outstanding service and products. They specialise in giving their customers above-average products at an average price. The managing director is assisted by his wife, who is responsible for the finances, but also for the interior decorating of the residential units they sell. They have a niche market in that they can deliver a fully furnished residential unit, and have found fame with recently married couples for this reason. The couple's son, who will also be the successor, is not yet part of the management structure.

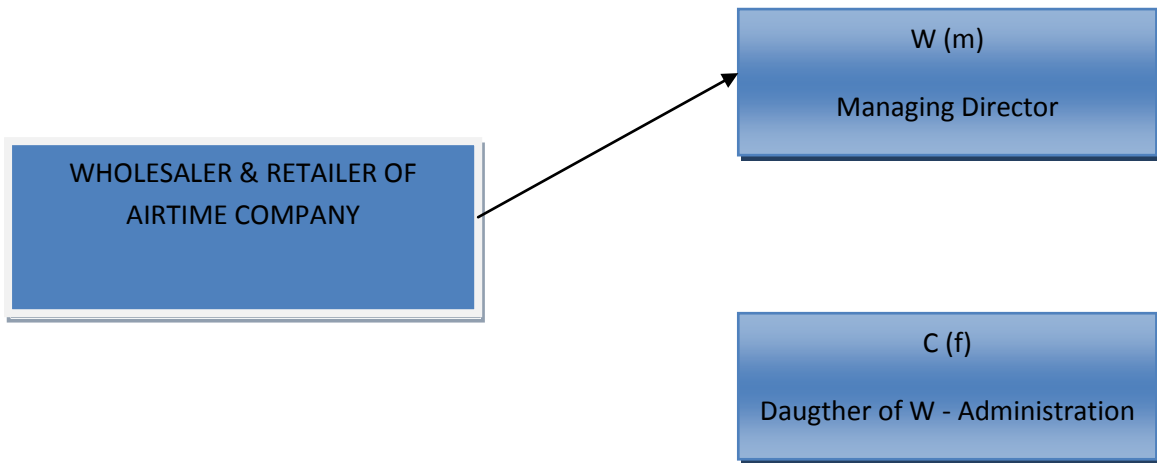
FIGURE 5.3.10 : TRANSPORT COMPANY (FB10)



Source: Researcher's own construction

This business was started initially in East London by the managing member's father has been in operation for the past 10 years as a transporter of mainly containers for big shipping lines like Maersk, P&O Nedlloyd and others. The business has grown from strength to strength, increasing its turnover from a couple of thousand rand per month to in excess of R100 million currently. This business operates as a family business in the true sense of the word, providing employment opportunity not only for the direct family but also for extended family members

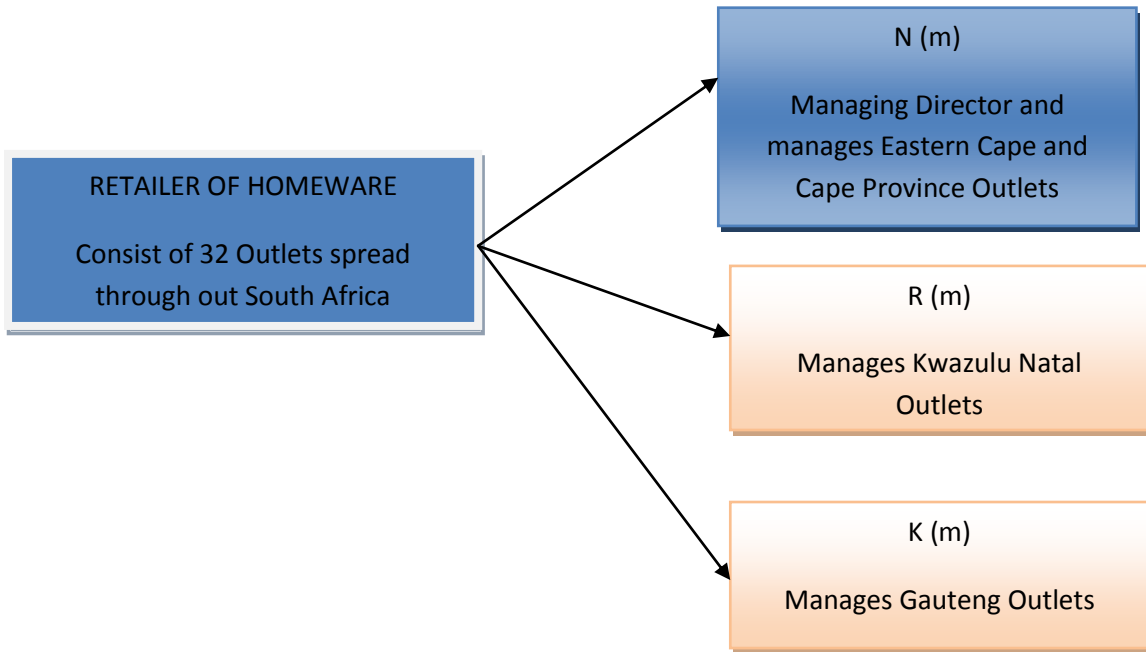
FIGURE 5.3.11 : WHOLESALER & RETAILER OF AIRTIME (FB11)



Source: Researcher's own construction

This wholesaler and retailer of cell phone airtime started initially in 1973 as a residential estate agent. The business has grown from strength to strength, providing employment for 22 employees of whom 10 are family and extended family. The business has high revenue levels and services clients all over South Africa with its unique range of solutions. Its customer base consists of wholesalers as well as very small corner outlets known as “spaza shops”. The managing director has the support of his daughter, who is also his successor and part of the management structure.

FIGURE 5.3.12 : RETAILER OF HOME WARE (FB12)



Source: Researcher's own construction

This business was initially started by the managing director's wife in 1989, while he was in the employ of a government parastatal. Initially only one outlet existed, providing home ware like cutlery, glassware et cetera, and was located in Port Elizabeth. The business expanded and, over time, two to three outlets per year were added. No women are part of the management structure, but the three managing directors are each responsible for their areas: Eastern Cape, Western Cape, Kwazulu Natal and Gauteng respectively. They are supported by their wives who, as said, are not part of the management structure or active in the business, but provide the support at home and accompany the men when goods are sourced, mostly in China. The women are therefore very important as they provide information on market trends and the buying patterns of women.

5.4 RESULTS

In reporting the findings, the individual coding of the family businesses are provided as per Table 5.1.

Table 5.1: Family Business Coding	
FAMILY BUSINESS	CODE
Spar – Port Elizabeth	FB01
Spar – Port Elizabeth	FB02
Commercial Blasting – Port Elizabeth	FB03
Construction Company – Port Elizabeth	FB04
Pharmaceutical Group – Port Elizabeth	FB05
Pick n Pay Outlets – Various outlets	FB06
Automotive Component – Port Elizabeth	FB07
Home Appliances Retailer – Port Elizabeth	FB08
Property Developer – Port Elizabeth	FB09
Transport – Port Elizabeth, East London & Cape Town	FB10
Wholesaler of Airtime – Port Elizabeth	FB11
Home ware Retailer – Throughout SA	FB12

The findings will be reported following the order of the questionnaire. Questions were reported on individually, however, where there is a common theme, the responses were grouped together.

5.4.1 QUESTIONNAIRE SECTION A: BIOGRAPHICAL INFORMATION

5.4.1.1 Gender of founder

There were twelve male founders and six female founders.

Two of the family businesses had both a male and female founder while one family business had two male and two female founders (four founders in total).

5.4.1.2 Age of founder

The ages of the founders were grouped as per Table 5.2 below:

Family Business	20-30 Yrs	31-40 Yrs	41-50 Yrs	51-60 Yrs	Over 60 Yrs
FB01				1	
FB02		1			
FB03				1	
FB04				1	
FB05				1	
FB06			1		
FB07		2		2	
FB08			1		
FB09				1	
FB10			1		
FB11					1
FB12			1		2
TOTAL		3	4	7	3

From the above table it can be noted that most of the founders are above 30 years of age while seven of the founders fall within the 51 to 60 age group, followed by four founders between 41 to 50 years of age. Three founders each fall within the 31 to 40 as well as the over 60 age group.

All founders in the respondent group started their business and are therefore first time business owners.

5.4.1.3 Education

Table 5.3: Education Levels					
Family Business	Matric	Diploma	Certificate	Degree	Post Graduate
FB01		1			
FB02					1
FB03	1				
FB04	1				
FB05					1
FB06				1	
FB07		1		3	
FB08	1				
FB09				1	
FB10				1	
FB11	1				
FB12		3			
TOTAL	4	5	0	6	2

In terms of qualification levels, six respondents have a degree while five respondents each are shared between Matric qualification and a Diploma. Only two respondents have a post graduate qualification. The questionnaire did not request detailed information on the qualifications held by the respondents.

5.4.1.4 Tenure in the Business

Table 5.4: Tenure in the business (years)					
Family Business	1 – 5	6 – 10	11 – 15	16 – 20	Over 20
FB01					1
FB02		1			
FB03			1		
FB04				1	
FB05					1
FB06			1		
FB07	1	1			
FB08	1				
FB09			1		
FB10		1			
FB11					1
FB12				1	
TOTAL	2	3	3	2	3

In terms of tenure in the business, the respondents are almost evenly spread from one to more than 20 years in the business.

5.4.1.5 Age of Family Business

Table 5.5 : Age of Family Business (Years)					
Family Business	1 – 5	6 – 10	11 – 15	16 – 20	Over 20
FB01				1	
FB02		1			
FB03			1		
FB04				1	
FB05					1
FB06				1	
FB07		1			
FB08	1				
FB09		1			
FB10			1		
FB11					1
FB12					1
TOTAL	1	2	2	3	3

Most of the family businesses interviewed were more than 15 years old. This could again confirm well established businesses that have stood the test of time, with well experienced owners that assisted the business since formation through the normal cycles to being well established and possibly very profitable.

5.4.1.6 Annual Turnover of Business

Table 5.6 : Annual turnover of business (Rands)						
Family Business	Up to R1m	R1 to R10m	R11 to R20m	R21 to R50m	R51 to R100m	Over R100m
FB01						1
FB02				1		
FB03					1	
FB04				1		
FB05					1	
FB06						1
FB07					1	
FB08			1			
FB09				1		
FB10						1
FB11						1
FB12					1	
TOTAL	0	0	1	3	4	4

All of the respondents' businesses generated revenues in excess of R11 million rand per annum while over 60 per cent of the businesses interviewed generated revenues of over R51 million per annum. These businesses can therefore be seen to be in the medium to large business space and very important in terms of economic contribution to the overall economy of the Eastern Cape.

5.4.1.7 Reason for starting the Business

The majority of the owners confirmed that the challenges of entrepreneurship were appealing to them and were their reason for starting their business. Following this, no formal acceptable employment for them was stated as another reason for following the entrepreneurial route. What was evident was that the respondents who liked the challenges of entrepreneurship mostly featured in the retail environment. This was confirmed by the Spar owners, Pick n Pay owners, home ware owners and then the property developer and automotive component manufacturer. The age group of these respondents falls mostly between 30 to 40, which makes them younger on average and possibly more dynamic in facing the challenges of business and entrepreneurship.

The reason for starting their businesses as provided by the respondents in the Eastern Cape does not concur with the literature, as the literature as provided by Statistics South Africa stated that 68 per cent of entrepreneurs started their business because of unemployment or needing the money. Of importance however is that concrete information specifically applying to the Eastern Cape could not be found in the literature and only national information was provided.

5.4.2 QUESTIONNAIRE SECTION B – History of the business

5.4.2.1 Year current business was started and gender of Founder

Table 5.7: Year business was started and gender of founder			
Family Business	Year Business Started	Male	Female
FB01	1991	1	1
FB02	2003		1
FB03	1997	1	1
FB04	1991	1	
FB05	1971	1	
FB06	1996	1	
FB07	2004	1	
FB08	1998	1	
FB09	2004	1	
FB10	1991	1	
FB11	1973	1	
FB12	1989		1
TOTAL		10	4

From the above results we can see that two of the family businesses were started more than 30 years ago, while 7 businesses were 20 years and older, and 3 family businesses were in the 10 year age bracket.

Two of the respondents were founded by both male and female, husband and wife, while there were 10 male founders and only 4 female founders.

5.4.2.2 Family members in the management structure

At the start of this chapter, the researcher discussed each individual family business in terms of the industry, market and management structure. An organogram presenting the management structure of each individual business with information on family connections and shareholder control should provide the reader of this study with sufficient background on each respondent. Further to this the researcher provides information on the construction of the business management structure in terms of the gender of the participants, as the objective of this study is to determine the contributions women make to family businesses as part of the management structure of the business.

FB01 – The management structure consists of the original founder, who is the managing director, and his wife. Their daughter and her husband are also shareholders but not part of the management. This business therefore has 1 woman as part of the management structure and 1 woman, family, as part of the employee base.

FB02 – This business was founded by a women and her husband. They are both shareholders and the only members of the management structure.

FB03 – The management structure consists of a man and his wife. They own the business and no other people are involved in the management structure.

FB04 – This business was founded by a man, who still runs it as the managing director. He has the help of his wife and their son, but they are not part of the management structure.

FB05 – This business is rather large. The business was founded by a man who still runs it as the managing director. His wife is part of the management and managing director of a separate company, which is part of the group. They are the only two family members part of the management structure. Their son runs one outlet of the business but is not part of the management structure or a shareholder. There are 5 other shareholders, each running their own outlet and therefore part of the management structure, yet they are not family and are all men.

FB06 – This business has various outlets in different areas of South Africa. The founder is a man who still owns the majority shareholding. His female partner holds minor shareholding via her business trust. The rest of the shareholding in each outlet, which is housed each in its own entity, is held by the managers of the outlets. These are all men and not family members.

FB07 – This business is in the automotive industry and was founded by the managing director and his wife. His mother and father joined the business and equal shareholding is held by the four family members, of which two are women.

FB08 – This business is situated in Port Elizabeth, founded by a man who still holds 100 per cent shareholding and is the only member of management. His father joined the business as an employee, as did his wife and his son.

FB09 – This is a property development business founded by a man and co-run by his wife. Their son joined the business as an employee.

FB10 – This business has 3 branches, located in Port Elizabeth, East London and Cape Town. The business is a family affair, with one brother, the managing director, running the Port Elizabeth outlet while the other brother and the sister run the other two outlets. The managing director's wife joined the business but is not a shareholder. The business therefore has two females as part of the management structure

FB11 – This business was founded by a man who is now in his sixties. He still manages the business as the sole shareholder while his daughter, who is also his successor, assists him on the administration side. No females are part of the management structure.

FB12 – This business has outlets in all four provinces of South Africa. The managing director successfully runs the Eastern Cape and Cape Town outlets while his two partners, who are not family members, run the Gauteng and Kwazulu Natal outlets. Although their wives are not formally part of the business they play an important role as sounding boards for their husbands.

5.4.2.3 Female members in the management structure

Table 5.8 : Female members in the management structure				
Family Business	Up to 25%	Up to 50%	Up to 75%	100%
FB01		1		
FB02	1			
FB03	1			
FB04	1			
FB05	1			
FB06	1			
FB07		1		
FB08	1			
FB09	1			
FB10	1			
FB11		1		
FB12	1			
TOTAL	9	3	0	0

The above table is very important and forms part of the essence of the paper. This confirms that, at most, 25 per cent of the management structure consists of women. One can therefore make the assumption that men might still rule the family business as part of the management structure. This confirms the literature statements that women still struggle to advance to management level.

5.4.2.4 Total employees and females in the employee force

Table 5.9 : Total employees and breakdown of family members and women employees			
	Total employees	Family members	Women employees
FB01	130	5	92
FB02	58	2	46
FB03	16	2	1
FB04	50	3	1
FB05	145	3	116
FB06	400	1	240
FB07	156	4	31
FB08	18	6	9
FB09	74	7	4
FB10	120	9	33
FB11	22	10	7
FB12	150	1	142
TOTAL	1339	53	722

The above table confirms that the 12 respondents give employment to 1 339 people. 53 of these are family members, but, most importantly 53,9 per cent of the total employees are women. This is in stark contrast to the previous table confirming that, in most cases, only 25 per cent of the management structure consists of women. This confirms then the literature that women employees do not always make it to the top or get a chance to be promoted to an executive decision, even in the family business as evidenced in the Eastern Cape.

5.4.2.5 How the business has grown and changed since opening

FAMILY BUSINESS	Growth & Change since opening
FB01	Turnover increased by 75%, while profits increased up to 50%. Assets in the form of stock more than doubled. Clients measured by baskets increased by up to 25%. Competitive advantage remained static while strategy was amended to adopt trends favoured by the market. Both owners were responsible for strategic changes in the business. Male and Female.
FB02	Turnover increased with 75% while profits increased up to 50%. Assets in the form of stock increased by up to 75%. Clients measured by baskets increased by up to 75%. Competitive advantage decreased as result of competition opening in the area. Strategy changed as trends were adopted that were favoured by the market. Both owners were responsible for strategic changes in the business. Male and Female.
FB03	Turnover and profits doubled since opening. Assets consisting of equipment increased by up to 75%. Clients more than doubled, measured by debtors. Competitive advantage increased as result of technology and more equipment. Strategy the responsibility of the only shareholder, male, was changed by adopting trends brought about by technology.
FB04	Turnover doubled, while profits increased by up to 75%. Assets consisting of equipment and property increased by up to 75%. Clients measured by debtors doubled. Competitive advantage increased and is the result of the honesty, cleanliness and quality service by the business. Strategy was changes to accommodate new legislation in the construction business which. Strategy changes are the responsibility of the male managing member.
FB05	Turnover, profits and assets doubled since opening. Assets consisting mostly of stock. Clients increased by more than 100% and the reason for this is the service which gives the business its competitive advantage. Strategic changes in the business were brought about by market trends as well as legislation. Strategic changes are the responsibility of the male managing director.
FB06	Turnover increased by 50%, while profits and assets consisting of stock more than doubled. Clients also more than doubled as other outlets were opened. Competitive advantage increased and was the result of increased footprint. Strategic changes in the business were as a result of technological advancements, for which both the male managing director and his female partner were responsible.

FB07	Turnover, profits, assets and clients increased by around 75% since opening not too long ago. Competitive advantage increased as result of pricing strategies, quality and reputation in the industry. Strategic changes were made around pricing while two of the members, both male and female, were responsible for driving these changes.
FB08	Turnover, assets and client base increased by up to 75% while profits only increased by 50%. Competitive advantage increased and was the result of the service delivery to their customer base. Strategy and business model were adapted to address competition in the market and the sole shareholder, being male, was and is responsible for any strategic changes.
FB09	Turnover increased by at least 75%, but profits, assets consisting of property temporarily held only increased by 50%. Client base first increased but remained static at 50% as result of the recession of late. Competitive advantage is increasing as a result of the product being above average while price remained average. Strategy is continuously changed to accommodate market trends for which both the male managing director and his wife are responsible.
FB10	This business more than doubled in all the base criteria of turnover, profit, assets and client base. Their increasing competitive advantage they attribute to service delivery to their customer base. Their strategy continuously evolves as a result of technology while strategic changes are the responsibility of the managing member as well as his wife, who is not part of the management structure.
FB11	Turnover increased by 100% while profits only increased by 50% and assets consisting of stock increased by 75%, as did their client base. Their competitive advantage has increased mainly as result of tight cost structure and timing of pricing increases to their customer base. The client confirms their strategy is continuously changing and is the result of pricing, market trends, technology and market. The only shareholder, who is male, is responsible for strategic changes, but he takes family members' motivations and reasoning into consideration upon making these changes.
FB12	This business had only 75% increase in all basic aspects of a business while competitive advantage remained static as result of the pressure on margins and subsequent tight cost structure in this industry. Strategy is amended and the drivers are trends in the market, pricing, technology and competition. There being only male shareholders, they are jointly responsible for strategic changes in this business.

5.4.3 SECTION C – BUSINESS STRUCTURE, RELATIONSHIPS, CONFLICT

HANDLING AND STRATEGIC DECISION MAKING

The researcher has previously discussed the business structures and relationships and this area will be dedicated to discussing how each business handles conflict in the family business environment and who is involved in strategic decision making.

5.4.3.1 Conflict Handling

Family Business	How do you handle conflict
FB01	Conflict is always heated and loud. This differs however when non-family is involved. The family agreed that they had to work to change to constructive discussion and decision making. No rivalry between family members is present
FB02	Conflict is always heated and loud and also differs when non-family members are involved in the discussion. The family agreed that they have to set up more efficient boundaries and respect. Only wife and husband team involved
FB03	Conflict is always heated and loud but is different when non-family members are involved. The family confirms that no rules and boundaries are the reasons why there is problem with conflict in the family. No rivalry, only husband and wife team.
FB04	Conflict is handled in a calm and reserved way. Transparency however is more evident at home than at work. Son still new to the business. Mother act as buffer, but not openly.
FB05	Conflict is handled in a calm and reserved way. Conflict results more in an open discussion with all present.
FB06	Conflict is handled in a calm and reserved way. Management takes a long time to decide. They analyse the issue, and respect and listen to each other. No rivalry. Female partner do act as buffer/mediator on an informal basis.
FB07	Conflict is handled calmly and is the same when non-family members are involved. Like-minded individuals involved in the business, and all issues are discussed.
FB08	Conflict is calm and reserved and does not differ when non-family members are involved. MD is the only decision maker and decisions are mainly done in an autocratic manner.
FB09	Conflict is calm and reserved and is the same when non-family members are involved. The female is often the mediator.
FB10	Conflict calm and reserved. MD is the only decision maker, but input is asked from all involved.

FB11	Conflict is handled in a heated and loud way. This does not differ when non-family members are involved. Everybody is free to express their feelings and conflict can be very verbal.
FB12	Conflict is conducted calmly and it does not matter who is involved. Tolerance is the order of the day and they revisit issues regularly.

Conflict resolution is commonly dealt with through informal communication and strong family leadership in the family business environment (Cullen, 2006: 184).

The research on the 12 family businesses confirmed this fact. Some families handle conflict calmly while others have no problem in making conflict a verbal fight. The researcher, however, found that in most cases this depends on the culture of the family and their family upbringing.

A common thread is that it is important to have boundaries and rules in the family environment, as is clearly the guiding factor in the corporate environment. Some families were of the opinion that, should this be part of every management meeting, conflict resolution might be easier and more structured without feelings forming part of the discussion and/or result.

5.4.3.2 Decision making

FAMILY BUSINESS	How are business decisions arrived at
FB01	Business decisions are a family discussion and non-family members, such as the production manager, are involved in the decision making
FB02	Debate, sometimes only one is left to make the decision. Non-family members, like production manager, involved in the decision making
FB03	Managing director has the only decision and only family is involved in decision making
FB04	Managing director makes the decision and non-family members are involved in the decision when their expertise is called upon
FB05	Discussion and all input, including that of other parties, is invited
FB06	Open discussion and all decisions are arrived at together. Non-family members are invited.
FB07	Open discussion but managing director will lead. Non-family members are invited in the process.

FB08	Managing director makes the decision.
FB09	Discussion, wife is used as sounding board and inputs are valued from all applicable parties, inclusive of non-family members.
FB10	Discussion with extended family, however only family is involved in the process.
FB11	Managing director has the vision but bounces it off management to obtain their input.
FB12	Discussion between all role players and no final decision unless all accept decision together.

Formal decision making in the family business environment can also be very informal and unstructured. The common theme in the families interviewed was that discussion, transparency and value of inputs were the guiding factor when decisions are made that influence the business.

5.4.3.3 Prioritising family and business objectives

In this area, 8 out of the 12 family businesses confirmed that business objectives have priority over family objectives. It is evident that this happens mostly where the woman has little or no say in the business.

5.4.3.4 Succession planning

FAMILY BUSINESS	IN PLACE OR NOT	WOMAN WILL FORM PART	COMMENTS
FB01	Yes	Yes	Children will take over.
FB02	No	Yes	No plan in place yet. Owners still young.
FB03	No	Unknown	No plan in place.
FB04	No	No	Son qualified, daughter not interested.
FB05	Yes	No	Son already part of the business.

FB06	Yes	Yes	Trusts of partners include the wives.
FB07	Yes	Yes	Non-family member are being groomed.
FB08	Yes	No	Male child will take over.
FB09	Yes	Yes	Children will take over.
FB10	No	No	No plan in place yet.
FB11	Yes	Yes	Daughter already part of the business.
FB12	Yes	Yes	Wives of directors will take over.

The above table confirms that in 8 of the family businesses, succession planning is in place and seven of those will allow females as part of the succession plan.

Succession planning seems to be an important objective in the bigger size family businesses and also where the sons or daughters are already being employed in the business in some minor way. Where this is not present, succession planning seems not to be an important factor. All of the families, however, took note and agreed that this is something that must be addressed and form part of their strategy.

5.4.4 SECTION D – ROLES OF WOMEN IN BUSINESS

5.4.4.1 Roles of women in the business

FAMILY BUSINESS	ROLES OF THE WOMEN IN THE BUSINESS
FB01	Wife is co-owner and 100% involved also as sounding board and mediator. Daughter is involved in the decision making and provides innovative ideas in the business. Both women are very visible and prominent in the business.
FB02	Women is the business owner and is the decision maker
FB03	Wife is co-owner but only involved in the finances as well as taking care of the children
FB04	Wife is the sounding board, looks after the children. No prominent role in the business except that of wife and administration.
FB05	Wife owns part of the business, is an influencer and sounding board. She is also an extremely good listener and provides sound advice
FB06	Female partner is 100% involved as co-owner. She makes decisions on her own, is an influencer and a successor
FB07	Wife is a co-owner, strategic decision maker, and influences decisions. Mother provides support, but is not actively involved in the business.
FB08	Wife is only the sounding board and looks after the children. No decision maker and no active strategic role.
FB09	Wife is co-owner, 100% involved in all decision making and a strategic influencer
FB10	Wife is a strategic influencer, looks after the children and involved in the day to day business activities
FB11	Wife is not involved at all. Daughter is the successor, strategic decision maker and sounding board
FB12	Wives are only sounding boards and looks after the children. Could however be the successors if need be, but no active plan in place

Seven of the family businesses have wives as co-owners, while 5 are decision makers and strategic influencers. Six business owners regularly use their wives to bounce decisions off and one appreciates the wife as a mediator. The results concur with the literature in confirming that women are used for a myriad of very important activities that are not always linked to traditional business activities, like looking after the children, providing support or being a sounding board.

5.4.5 SECTION E – LEADERSHIP / MANAGEMENT STYLES

FAMILY BUSINESS	JOB PROFILE	GENDER	LEADERSHIP STYLES
FB01	MD Co-Owner	Male Female	<p>Operative Style - Control, Problem Solving Style – Delegate problems to wife, Communication Style - Strategise, Power Base - Authority, Leadership Style - charismatic.</p> <p>Operative Style - Democratic, participative, Problem Solving Style - Focus on the facts Communication style - Is open and communicates to empower. Power Base - Focus on achievement, Leadership Style - takes the lead and is Assertive.</p>
FB02	MD Co-Owner	Female Male	<p>Operative Style - Autocratic Problem Solving – Intuitive Communication Style – Powerful & Closed Power Base - Authority. Leadership Style – Assertive</p> <p>Operative Style - Cooperative. Problem Solving – Subjective Communication Style – Closed Power Base - Focus on achievement and group enhancement. Leadership Style - Is softly spoken but charismatic.</p>
FB03	MD Co-Owner Administrative	Male Female	<p>Operative Style - Cooperative, democratic, participative. Problem solving - Focus on the facts and detail. Communication Style - Is open and inviting. Power Base - Believe in group enhancement and support. Leadership style - build relationships and is non assertive.</p> <p>Operative Style - Cooperative, democratic, part of a team. Problem Solving - Objective, focus on the facts. Communication Style - Communicate to empower. G Power Base - Group enhancement, support and influencing decisions. Leadership Style - Is assertive, believes relationship building and is soft spoken.</p>

FB04	MD Administrative	Male Female	<p>Operative Style - Competitive, commanding, control, cooperative, democratic. Problem Solving - Is rational, objective and focus on the facts and detail. Communication Style - Is open and inviting and communicates to empower. Power Base - Believe in group enhancement and give support. Leadership Style - Is softly spoken and believes in relationship building</p> <p>Operative Style - Part of a team. Problem solving - Focus on detail. Communication Style - Is open and inviting. Power Base - Believes in group enhancement and gives support. Leadership Style - Is normally a follower and relationship building</p>
FB05	MD MD of separate business	Male Female	<p>Operative Style - Cooperative, democratic, participative, teamwork. Problem Solving - Is objective. Focus on the facts and detail. Communication Style - Strategise, is open and inviting and communicate to empower. Power Base - Focus on achievement, group enhancement and support. Leadership Style - Take the lead but is softly spoken.</p> <p>Operative Style - Competitive, commanding, control. Problem Solving - Objective and intuitive. Communication Style - Open and inviting yet analytical. Power Base - Focus on achievement, support and influencing decisions. Leadership Style - Is assertive, but a follower and relationship building</p>
FB06	MD	Male	<p>Operative style - Competitive, commanding, democratic and participative. Problem solving - Rational, objective focus on the facts and feelings and is intuitive. Communication style - Powerful, factual, inviting and communicate to empower. Power base - Authority, focus on achievement, group enhancement and influencing decisions. Leadership style – Take the lead, charismatic, confident, assertive, and softly spoken.</p>

	Co-Owner	Female	<p>Operative style – Cooperative, democratic, participative.</p> <p>Problem Solving – Rational, objective, intuitive, focus on feelings.</p> <p>Communication style – Strategise, closed, powerful, factual</p> <p>Power base – Focus on achievement, group enhancement, influencing decisions</p> <p>Leadership style – Confident, assertive, relationship building</p>
FB07	MD General manager	Male	<p>Operative style – Competitive, control, participative, part of a team.</p> <p>Problem solving – Rational, objective, focus on the facts and detail, intuitive.</p> <p>Communication style – Closed, communicate to empower</p> <p>Power Base – Focus on achievement, group enhancement, influencing decisions</p> <p>Leadership style – Take the lead, confident, assertive, relationship building</p>
	Co-owner Systems Manager	Female	<p>Operative style – Competitive, control, cooperative, participative, part of a team.</p> <p>Problem solving – Rational, focus on the facts and detail.</p> <p>Communication style – Strategise, Factual, communicate to empower</p> <p>Power Base – Focus on achievement, group enhancement, support, influencing decisions</p> <p>Leadership style – Take the lead, confident, assertive.</p>
	Co-owner Technical manager	Male	<p>Operative style – command, control, participative</p> <p>Problem solving – Subjective, focus on feelings</p> <p>Communication style – Strategise, factual, open</p> <p>Power base – Authority, focus on achievement, influencing decisions.</p> <p>Leadership style – Take the lead, non assertive, softly spoken</p>
	Co-owner Non active	Female	<p>Operative style – None</p> <p>Problem solving – Rational, subjective, focus on feelings.</p> <p>Communication style – Strategise, factual, open</p> <p>Power base – Authority, status, support</p> <p>Leadership style – Follower, relationship building, non assertive</p>

FB08	MD	Male	<p>Operative style – Autocratic, cooperative, participative, part of a team</p> <p>Problem solving – Rational, objective, focus on the facts</p> <p>Communication style – Strategise, powerful</p> <p>Power base – Focus on achievement</p> <p>Leadership style – Take the lead, confident, assertive</p>
FB09	<p>MD</p> <p>Co-owner – Does the interior decorating</p>	<p>Male</p> <p>Female</p>	<p>Operative style – competitive, control, cooperative, democratic, part of a team.</p> <p>Problem solving – Objective, focus on facts and detail.</p> <p>Communication style – Communicate to empower, inviting</p> <p>Power base – Focus on achievement, group enhancement, support, influencing decisions</p> <p>Leadership style – Take the lead, confident, assertive, relationship building.</p> <p>Operative style – competitive, democratic, cooperative, participative, part of a team.</p> <p>Problem solving – Intuitive, focus on facts, feelings and detail.</p> <p>Communication style – Strategise, powerful, open, inviting, communicate to empower</p> <p>Power base – Focus on achievement, group enhancement, support, influencing decisions</p> <p>Leadership style – Take the lead, charismatic, confident, assertive, softly spoken, relationship building</p>
FB10	<p>MD</p> <p>Wife – Administration</p>	<p>Male</p> <p>Female</p>	<p>Operative style – Competitive, commanding, control, cooperative, democratic, part of a team.</p> <p>Problem solving – Rational, objective, focus on the facts</p> <p>Communication style – Open, inviting, communicate to empower</p> <p>Power base – Focus on achievement, influencing decision.</p> <p>Leadership style – Take the lead, confident, relationship building</p> <p>Operative style – cooperative, democratic, participative, part of a team.</p> <p>Problem solving – Intuitive, subjective, focus on feelings</p> <p>Communication style – Open, inviting</p> <p>Power base - Support</p> <p>Leadership style – Follower, relationship building, softly spoken</p>

FB11	MD	Male	<p>Operative style – cooperative, control. Problem solving – Rational, objective, subjective, focus on detail Communication style – Open, inviting, factual Power base – Focus on achievement Leadership style – Take the lead, charismatic, confident, assertive</p>
	Daughter, successor, Administrative	Female	<p>Operative style – Democratic, participative Problem solving – Rational, focus on detail Communication style – Open, inviting Power base – Focus on achievement, group enhancement, influencing decisions Leadership style – Assertive, relationship building</p>
FB12	MD	Male	<p>Operative style – Competitive, control, cooperative, democratic, participative, part of a team. Problem solving – Rational, objective, focus on feelings and the facts Communication style – Strategise, communicate to empower Power base – Focus on achievement, group enhancement, support Leadership style – Take the lead, confident, relationship building</p>
	Co-owner Marketing	Male	<p>Operative style – Command, cooperative, hands on Problem solving – Rational, focus on the facts and detail Communication style – Factual, Open, Inviting Power base – Authority, Influencing decisions, involved Leadership style – Follower, relationship building.</p>
	Co-owner Buyer	Male	<p>Operative style – Commanding, autocratic Problem solving –Intuitive, Focus on feelings Communication style – Closed, Factual Power base – Focus on position Leadership style – Focussed</p>

The results concurred with the literature that the leadership styles of males are normally more assertive, confident and focussed on the facts, whereas female leaders normally focus on the feelings, detail and are overall more open and inviting as they automatically fill the supportive and group enhancement role.

5.4.6 SECTION F – STRENGTHS, WEAKNESSES AND EMOTIONAL INTELLIGENCE

5.4.6.1 Strengths and weaknesses

The most common theme in the respondents' answers is that it seems as if males and females in most cases possess the same strengths. Of more importance are the weaknesses. In males the only weakness mentioned by four of the respondents was "no patience". In the case of the females, "no patience" was mentioned by four respondents while the following weaknesses were also mentioned:

- Lack of confidence
- Nervousness
- Feeling inferior

5.4.6.2 Emotional Intelligence

In the question of which gender group possess the most emotional intelligence skills, eight out of the twelve respondents confirmed that females display this skill the most, while four respondents confirmed that males displays emotional intelligence the most of the two genders.

Various researchers had different views on which gender possess this leadership skill the most and also differed on their approaches to emotional intelligence. Katie Dearborn (2002) argued that emotional intelligence skills can be learned and therefore the findings concurred with the literature that both women and men can possess this skill.

5.4.7 SECTION G – CONTRIBUTIONS OF WOMEN IN THE FAMILY BUSINESSES

Each individual business was asked how women can contribute to business, based on their experience.

The following were the answers received:

- Follow through on everything until the end. Do not give up.
- Women can multi-task, have the vision to do two things at once and be organised. This means you are prepared to deal with all aspects in the business no matter what your area of expertise.
- Remain positive, keep doing what you are doing well.
- In our industry, women are not recognised. Trust, however, that women can be their own.
- Be a good listener if you are in a supportive role. Be assertive, however, if you are in a management role.
- Be ethical, honest, hard working and stay on the top of our game. Be assertive without being aggressive. Read widely.
- A woman who is suitably knowledgeable and confident in her position and who is bold enough to give her opinion without fear of being over-ruled becomes a valued team player among men.
- Women seem to have a calming effect on men when the above is the case. They are often called upon for their opinion in not only their field of operation but all aspects of business, including conflicts and strategic decision making.
- Give service to the customer. Build relationship with customers and your colleagues will value you.
- Keep your own identity. Live out your inherent strengths.
- Know what you do. Be consistent and build your self confidence.
- Be consistent. Make use of the inherent qualities and lose the weaknesses.
- Be a good listener. Women are good at calming a conflict situation.

In comparing the above results with the literature and also the success stories as provided in Chapter three it is clear that the contributions of women are varied and valued in the family business environment. Women are valued for their inherent strengths, but at the same time asked to step up and be counted.

5.4.8 SECTION H – ADVANCEMENT OF WOMEN IN BUSINESS

Lastly, the individual business owners were asked what women can do to advance in business, and any advice to women in family businesses.

The following answers were received:

- Have absolute clear boundaries. Clear rules to eliminate any conflicts.
- Women need to step up. Be your own man and be recognised.
- Do not act in an emotional manner. It is still a man's world, but things are changing so persevere and believe in yourself.
- Be resilient and enhance your skills. Do not stand back for men, do what you are good at.
- Take ownership, communicate, build experience and exposure elsewhere.
- Be a sounding board, give advice. Show keen interest, be consistently part of a team.
- Obtain sufficient knowledge to carry out your position independently. Do not fear to ask advice when needed. A quiet contributor who does not compete for control or opportunities to be heard is a well respected one.
- Lead by example and be gracious when carrying out your position even when it requires a level of conflict.
- Do not bring emotions to work. Keep home separate from work.
- Take the lead. Women can achieve more than men as men is egotistical.
- Build your personality and work hard.
- Be consistent. Women are weak at this. Keep emotions in check. Set a high standard and prove that you can do the job.
- Execute your personality. Take more risks and be assertive.
- Support the men in the business as best you can. It is important that it is not a contest, but rather a pooling of skills and personalities to collectively achieve a common goal.
- Lose your fear to take risks. Take opportunities. Do not always worry about security.
- Keep the bigger picture in mind and do not get lost in the midst of what is happening at the moment.

The results again concur with the literature confirming that women can advance, not to the detriment of the man, but as a collective effort for the overall well being of the family business.

5.5 SUMMARY

In this chapter, the researcher analysed and interpreted the results obtained from the questionnaire and interviews executed. The results supported the literature in confirming that overall women in family business still take the back seat in many areas. The advice received from the respondents further tried to provide focus on what women can do in future to advance in business and this advice will be carried over to the recommendations in Chapter 6.

Chapter 5 in more than one way confirmed that women still have a long way to go to feel equal to men, also in a family business environment. The results highlighted that the change, however, should happen within each woman in order for the external attitudes to change.

Chapter 6 will focus on the conclusions and recommendations based on the findings in the literature study and the analysis obtained from the empirical study.

Proposals will be provided for future study going forward.

6.1 INTRODUCTION

The working life of a woman, whether in a family business context or in the corporate environment, is not an easy one. The literature provides proof that apart from her working responsibilities she also has responsibilities at home, many of which she is expected to carry on her own.

In the previous chapter the findings of the empirical study were integrated with the literature study on the different levels of contributions that women make to the family business environment. This integration was done by looking at each response from the individual businesses in the sample and how the collective responses relate to the literature.

Chapter 6 will summarise the research conclusions in relation to the research objective. The advice obtained from the twelve family business respondents can be used as proposed research going forward but more importantly as a guide of best practices for future family businesses that will no doubt struggle with the same issues and might find guidance and comfort in knowing how to address and resolve issues of this nature.

6.2. STUDY OBJECTIVES

The primary objective was to study the information provided in the literature relating to the main problem statement. The main problem statement was to assess what contributions women bring to the table in South African businesses as identified in the Nelson Mandela Metropole and greater Eastern Cape area. The aim was also to investigate any and, where possible, all factors that impact on the contributions that women do make.

The first step was to undertake a comprehensive literature study in the following fields:

- **Family business** - Chapter 2 was dedicated to exploring the definitions of family business, the differences between family businesses and normal businesses as well as the history and statistics of family businesses.
- **Women in business and women in family businesses** - Chapter 3 was dedicated to exploring the literature in terms of the barriers that women face in the business environment, the differences in their leadership styles to that of men, as well as the

successes that are proof of women making it beyond the glass ceiling. The different roles that women play in the family business environment were researched, as well as the barriers they might face to advance. Lastly, the skills they can adopt that would assist them to advance in the business environment were investigated.

- Chapter four discussed the methodology of the research while Chapter five reported on the findings. Chapter six will serve to make concluding remarks, provide recommendations relating to the study and report on any limitations or problems experienced.

6.3 ANALYSIS AND INTERPRETATION

After analysing the responses received the following interpretations of the most important findings can be made:

6.3.1 REASON FOR STARTING THE BUSINESS

Six of the respondents confirmed that the challenges of entrepreneurship were the reason for them starting their own business. Two respondents each respectively confirm family tradition, have the skills and enjoyed working for family was the deciding factor. Two respondents confirmed that pending unemployment was what forced them to become entrepreneurs.

This does not integrate with the literature as the statistics on a National basis confirmed in Chapter two that unemployment was the reason 68 percent of South African businesses owners became entrepreneurs. Followed by this, 7 percent confirmed that they had the skills to start their own business. Our sample represents the Eastern Cape, traditionally one of the poorest provinces and therefore does not constitute a National representation, as taken from the literature. The results show that the respondents from both genders have the knowledge and skills to be a successful entrepreneur.

6.3.2 FEMALE MEMBERS AS PART OF THE MANAGEMENT STRUCTURE

Nine of the respondent family businesses confirmed that only up to 25 percent of their management structure consists of women, while three family firms have up to 50 percent of their management structure consisting of women. No management structure has only women running the family businesses in its entirety. This compare with the literature that women, also in a family business environment, still have many barriers to overcome and are not able to advance to management level on their own.

6.3.3 CONFLICT HANDLING

In most cases conflict are resolved in a calm and reserved manner and in one instance only the woman in the business normally act as mediator. In four family firms conflict can become heated and loud and the individual families agreed respectively on setting boundaries and rules to their formal meetings in order to discuss and resolve conflict differently. In at least three of these family firms the involvement of non family management members does not make a difference in the event of conflict between management members.

In none of the results the researcher could determine if conflict occurs as result of rivalry between siblings or specifically friction between father and son or daughter. This result does not concur with the literature of Levinson (1971), but the researcher takes into consideration that the family firm sample are all first time owners or first generation and such conflict situations might only occur in future when the second generation will take over or advance to that stage.

Some of the respondents confirmed that the women act as buffer in some instances, but that this was very informal and not openly acknowledged. This concur with the literature specifically that of Hollander and Buckowitz (1990).

6.3.4 STRATEGIC DECISION MAKING

In at least 50 percent of the family firms interviewed it was noted that women are normally part of the decision making process without placing emphasis on gender. The automotive component manufacturer confirmed that from the very beginning it was important for her to establish her presence and the result is that in all decisions she is called in as her input is valued in strategic decisions. This would not have been possible did she not stand her ground at the very beginning. In only one case the managing director, being male does not allow any influence or input from his wife or any other team members and acts autocratically in terms of decision making. It was evident that this member was quite elderly.

As the responses to this important factor is varied, the researcher can only conclude that in some cases the age of the founder does play a role in including female management to discuss strategies.

6.3.5 SUCCESSION PLANNING

In more than 50 percent of the family firms interviewed the respondents will include women as successors, however only eight of the twelve respondents have a succession plan in place. The researcher established that succession planning or an exit strategy was in place in the bigger size family firms, where it was an important objective.

In at least 90 percent of the family firms interviewed the children that will take over are still very inexperienced and therefore not yet equipped to be a successor. This refer to the literature of Higginson (2010) confirming that knowledge transfer is very important in the succession planning process. Further research on the process of succession planning in family firms will be important to fully understand and review this critical success factor in the family business environment.

6.3.6 ROLES OF WOMEN IN FAMILY BUSINESS

The empirical study of the subject sample provided varied results regarding the different roles that women play in the family firm. In most cases women play a very visible role as influencer, decision maker or sounding board. It is evident that in younger families women are more active and prominent than in older families, where the women tend to be the mother, the caregiver and in extreme cases the sounding board. The empirical results seem to confirm that in the event of a mother in the family business, the role is more subdued than when a daughter is active in the family firm, where the latter is more accomplished, active and plays a prominent role. As some of the respondents were from the Greek community, it was evident that these women were very prominent and in some cases took the lead in the business. This concurs with the literature of Minoglou (2007) confirming that in the Greek community women historically were the drivers of the economy and therefore a part of the survival of the Greek family business.

The results further concurred with Dugan et al (2008) in that women are much more active and visible in much greater numbers than before, which is a result of the evolution of women and business in general.

6.3.7 LEADERSHIP STYLES

From the results of the subject sample it is evident that men and women display different leadership styles, just as they display and have different strengths. The results confirm that men are by nature more assertive, authoritative and powerful, whereas women are more participative, cooperative and can be subjective to name but a view of the responses received by the respondents in describing the leadership style of management. There are a few respondents where the women are standing out in being more forceful and assertive, and again this is evident in the younger generation as opposed to the older generation, however the actions by these women in executing their leadership abilities are softer, yet having the same result than their male counterparts. The idea of “soft power” relates to the publication in Leader Magazine (2009) where best practices of leaders, are distributed for public consumption. The overall conclusion however is that both male and female strengths are needed for the survival of a family business and leadership skills can be learned to the advantage of both the women and the family business.

6.3.8 CONTRIBUTIONS OF WOMEN TO FAMILY BUSINESS

To highlight the influence women has over the success of the family business the following individual female attributes that are inherent but can also be learned were provided by the respondents as part of women’s contributions to the family business:

- Women can multitask and are organised.
- Women must remain positive and keep doing what she is doing well.
- Be a good listener if you are in a supportive role, but be assertive when this is needed.
- Be ethical, honest, hard working and stay on top of your game. Do not be aggressive, but be knowledgeable and confident.
- Embrace the fact that women have a calming effect on men, as this is important in conflict situations.
- Keep your own identity, but do not be afraid to learn other attributes that can and will assist you in being successful.

6.4 CONCLUSION

Based on the research as noted above, it can be concluded that this study has addressed the research problem and answered it within the confines of the study.

The study was based on interviewing twelve family businesses within the Eastern Cape. The interviews were guided by a structured questionnaire provided to the identified respondents before the interview commenced. The sample was taken from a variety of industries in order to obtain a diversified response.

Based on the empirical study it can be concluded that women in family business, as identified in the Eastern Cape environment have difficulty in reaching the top. The difficulty might be based in traditional roles women are forced into, or the refusal of male counterparts to see them as equals, but the empirical study concurred with the literature study, that women are, in many cases, responsible for their own stagnation in the business environment.

This conclusion is based on the results found in the empirical study. In some cases, women are fighting their way to the top and some realise their own shortcomings, which they actively work on. In other cases, the women are happy to be in the shadow of the man or to take on the menial task of being the administrator of the business and leave the man to be the strategist.

The conclusions are further based on the differences in leadership styles between men and women which again concurred with the literature study. In most cases, women are the mediator, the follower, the democrat or part of the team, while men take control, command attention and strategise.

The research further highlighted the fact that it might be easier for women to be part of the management structure in a family business environment than in a formal corporate environment, but it is more difficult for her to take command or control in this environment, as she is automatically forced into the mediator role or being the buffer in a conflict situation.

From the results of the study it was evident that there are changes in the roles women play as well as the views of men in the family business environment. These changes however are more evident in the younger generation of family business owners than in the older generation.

6.5 RECOMMENDATIONS

The study was undertaken in order to make an important contribution to the body of knowledge relating to family business and the roles of women in the family business environment. The advice given by women and men as part of the empirical study is very valuable in recommending best practices to other women in the business environment.

This can be summarised in the following basic recommendations and best practices for women in family business:

- Women need to execute their own personalities. The business environment is not a competition between male and female, but the different strengths can be utilised to build a strong competitive advantage over the real competition.
- Respect yourself and the strengths in others. Take the calculated risks and be responsible for them and for their execution.
- Step up in more ways than one. Gain the knowledge, the experience and the self confidence to be your own.
- Have a dream and goal, draft a strategy to attain the goal, plan with absolute precision, execute and celebrate your successes.

6.6 AREAS FOR FURTHER RESEARCH

The following are some suggestions for future research:

- How women can execute their roles in different ways to streamline the workload
- Best practices of women that have overcome the stereotypes and how to execute them
- The learning that will allow women to adopt male dominated skills without losing their own unique abilities

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INTRODUCTION

This questionnaire has been developed to obtain valuable information from family businesses operating in Port Elizabeth and the Eastern Cape. The information required is to determine and understand the Roles women play in family owned businesses, their inherent Leadership styles and above all the contributions they make to assist the business in its ultimate survival and growth.

INSTRUCTIONS

The questionnaire consist of the following sections

Section A Biographical information requesting mainly a tick in the correct box
This will be for the managing director, CEO etc

Section B to G will require more detailed information inherent to your business.

Section B History of the business requiring more relevant information
Section C Business Structure & Relationships
Section D Roles of Women in the Business
Section E The various styles management employ in the business
Section F The strengths, weaknesses & emotional intelligence of management
Section G Contributions of women in family business
Section H Advice you can provide to women in advancing themselves to succeed

SECTION A - BIOGRAPHICAL INFORMATION

1	GENDER	MALE	FEMALE
2	AGE	20 to 30	
		31 to 40	
		41 to 50	
		51 to 60	
		Older than 60	
3	EDUCATION	MATRIC	
		DIPLOMA	
		CERTIFICATE	
		DEGREE	
		POST GRADUATE DEGREE	
4	TENURE IN THE BUSINESS	1 - 5 YEARS	
		6 TO 10 YEARS	
		11 TO 15 YEARS	
		16 TO 20 YEARS	
		21 YEARS & ABOVE	
5	OTHER EXTERNAL EXPERIENCE	FIELD	TENURE IN THIS FIELD
		Agriculture, Fishing	
		Mining	
		Manufacturing	
		Construction	
		Wholesale trade	
		Resale Trade	
		Transport	
		Accomodation	
		Finance	
		Real Estate	
		Community Service	
		Other	
		Please explain	

6 AGE OF FAMILY BUSINESS	1 - 5 YEARS	
	6 - 10 YEARS	
	11 TO 15 YEARS	
	16 TO 20 YEARS	
	OLDER THAN 20 YEARS	
7 ANNUAL TURNOVER OF BUSINESS	Up to R1million	
	R1 to R10 million	
	R11 to R20 million	
	R21 to R50 million	
	R51 to R100 million	
	Above R100 million	
8 REASON FOR STARTING YOUR BUSINESS	Inherited	
	Family Tradition	
	Unemployed	
	Additional Income	
	Like the challenges	
	Have the skills	
	Provide work for Family	
	Unhappy previous work	
	Other	

SECTION B - HISTORY OF THE BUSINESS

1 Please describe how your family business was started

Year	
Who was the founder	
Any other information	

2 Please describe how your family business has evolved since starting

Management Structure

How many of these are family members?	
How many are women?	
How many employees?	
How many of these are family members?	
How many employees are women?	
How has your share of the market grown?	

How has your business grown financially in terms of

a) Turnover	
b) Profits	
c) Assets	
d) Clients	

How has your business changed in terms of competitive advantage in your target market?

How has your business changed in terms of strategy/business model?

**Who has been responsible for strategic changes in your business over the years.
Has this changed?**

SECTION C - BUSINESS STRUCTURE AND RELATIONSHIPS

1 Please describe the structure of your business

Managing Director/ Manager	MALE	FEMALE
Financial Director	MALE	FEMALE
Purchasing Director / Manager	MALE	FEMALE
Any other	MALE	FEMALE
Strategic Decisionmakers	MALE	FEMALE

2 Please describe the responsibilities of each of the family members working in the business?

3 Please describe the relationship among family members in the business in terms of how they handle conflict?

4 Please describe how business decisions are arrived at?

5 Are there any non family members involved in strategic decisions

Yes	No
-----	----

6 How are conflicts in the business resolved. Does this differ when family is involved or non-family is involved? If yes - How does it differ?

7 Do family objectives have priority over business objectives?

Yes	No
-----	----

8 Does your business have a specific succession plan?

Yes	No
-----	----

**9 Please describe how succession will occur in your business
Will women be part of the succession plan?**

SECTION D - ROLES OF WOMEN IN THE BUSINESS

Literature about the subject explains that women has different roles they can play in a family business. Some play active roles as part of the management team, others are influencers, others tend to the house and children, whilst others are not actively involved but provide advice which are highly valued by the business.

1 How would you describe the role each of the following individuals play in your business

a) Wife

b) Daughter

c) Son

d) Daughter in Law

e) Son in Law

f) Any other female family members

SECTION E - LEADERSHIP / MANAGEMENT STYLES

The literature explains that women and men have different leadership styles. Apart from having different leadership styles, they also apply themselves differently in the workplace and/or place of business.

1 Please use words that best describe the observed leadership style of each decisionmaker in your business

JOB DESCRIPTION OF DECISIONMAKER :		
GENDER		
	MALE	FEMALE
<u>Operative style</u>		
Competitive, Command, control, autocratic		
Cooperative, democratic, participative		
Part of a team		
<u>Problem solving approach</u>		
Rational, objective, Focus on the facts		
Intuitive, subjective, Focus on feelings		
Focus on detail		
<u>Communication style</u>		
Strategise, Closed, Powerful, Factual		
Communicate to empower, Open, Inviting		
<u>Power Base</u>		
Focus on position, authority, status		
Focus on achievement, group enhancement,		
Support, Influencing decisions		
<u>Leadership Style</u>		
Take the lead, charismatic, confident, assertive		
Follower, relationship building, non assertive,		
softly spoken		

JOB DESCRIPTION OF DECISIONMAKER :

GENDER

MALE

FEMALE

Operative style

Competitive, Command, control, autocratic
Cooperative, democratic, participative
Part of a team

Problem solving approach

Rational, objective, Focus on the facts
Intuitive, subjective, Focus on feelings
Focus on detail

Communication style

Strategise, Closed, Powerful, Factual
Communicate to empower, Open, Inviting

Power Base

Focus on position, authority, status
Focus on achievement, group enhancement,
Support, Influencing decisions

Leadership Style

Take the lead, charismatic, confident, assertive
Follower, relationship building, non assertive,
softly spoken

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GENDER

MALE

FEMALE

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Rational, objective, Focus on the facts
Intuitive, subjective, Focus on feelings
Focus on detail

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Focus on detail

Communication style

Strategise, Closed, Powerful, Factual
Communicate to empower, Open, Inviting

Power Base

Focus on position, authority, status
Focus on achievement, group enhancement,
Support, Influencing decisions

Leadership Style

Take the lead, charismatic, confident, assertive
Follower, relationship building, non assertive,
softly spoken

SECTION F - STRENGTHS, WEAKNESSES AND EMOTIONAL INTELLIGENCE

1 Please describe what observed strengths and/or weaknesses are evident in decisionmakers relating to males and females

MALES

Creativity, Bravery, Persistence, Zest, No patience
 Kindness, Emotional Intelligence.lack confidence
 Fairness, Leadership, Teamwork, feeling inferior
 Forgiveness, Modesty, Prudence, Sensitivity
 Self Regulation, Gratitude, Humor, Inspiration
 Resilience, Nervousness

FEMALE

Creativity, Bravery, Persistence, Zest, No patience
 Kindness, Emotional Intelligence.lack confidence
 Fairness, Leadership, Teamwork, feeling inferior
 Forgiveness, Modesty, Prudence, Sensitivity
 Self Regulation, Gratitude, Humor, Inspiration
 Resilience, Nervousness

2 Emotional Intelligence are described as an ability, skill or even self-perceived ability to identify, assess and control the emotions of oneself, others and groups

In your opinion who in your business in terms of gender possess the above skill the most?

MALE	FEMALE
------	--------

|

SECTION G - CONTRIBUTIONS OF WOMEN IN FAMILY BUSINESS

1 Please take the time to explain in your opinion what contributions women can make to your business. Best practices that might assist in the future successes of family businesses

SECTION H - ADVANCEMENT OF WOMEN IN FAMILY BUSINESS

1 What in your opinion can women do to advance in a family business

2 Any advice you can give ot women in family businesses?

**Thank you for your kind participation in this questionnaire
It is much appreciated**