

An exploratory study of family business wellness

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ABSTRACT

Family businesses are rapidly becoming the dominant form of business enterprise in both developing and developed economies. Family businesses are also being recognised as a potential driver of economic growth and wealth creation in the world. Family businesses in particular, have been making a positive contribution towards the South African economy for the last 300 years. Approximately 80% of businesses in South Africa could be classified as family businesses and they comprise 60% of the companies listed on the Johannesburg Stock Exchange.

Family business wellness, which often forms the underlying causes for a lack of family harmony, is, however, a neglected area of research. The primary objective of this study is to explore selected determinants of family business wellness in small and medium-sized family-owned businesses in South Africa and to make recommendations to ensure effective management of these determinants in the family business.

Topics such as the characteristics of the job, work stress and burnout, job engagement, family member commitment, the perceived success of the family business, among others, was investigated.

In order to achieve the primary objective of this study, a survey was undertaken using a structured questionnaire. The reliability of the questionnaire was determined by calculating the Cronbach alpha coefficient, which indicated that the questionnaire used in this study conformed to the criteria of acceptable reliability and can be regarded as internally consistent. The survey yielded 45 usable questionnaires from 17 family businesses restricted to Gauteng and the North-West provinces in South Africa.

Because this study was exploratory in nature, descriptive statistics was then used to analyse the statements that captured the information to measure the selected determinants of family wellness. The correlations between the variables were assessed using Pearson's correlation coefficients and the relationships between the

variables assessing family wellness were used for the discussion and conclusion points.

Practical recommendations are suggested to improve family business wellness and, subsequently, increase the sustainability of such business.

Key words: Family businesses; small and medium-sized businesses; family business wellness; family harmony; family member commitment; family business success

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LIST OF ACRONYMS

CEO	- Chief Executive Officer
FCB's	- Family-controlled businesses
GEM	- Global Entrepreneurship Monitor
GNP	- Gross National Product
GQ	- Gratitude Questionnaire
IFERA	- International Family Enterprise Research Academy
JD-R	- Job Demand-Resources model
MBI	- Maslach Burnout Inventory
MBI-GS	- Maslach Burnout Inventory-General survey
NWI	- National Wellness Institute
RSE	- Rosenberg Self-Esteem scale
SME's	- Small and medium-sized enterprises
USA	- United States of America
UWES	- Utrecht Work Engagement Scale
WLCS	- Work Locus of Control scale

CHAPTER 1

NATURE AND SCOPE OF THIS STUDY

1.1 INTRODUCTION

Family business as a field of study has grown from modest beginnings to a substantial conceptual and theoretical body of knowledge at the start of the 21st century. The family business phenomenon continues to attract research interest across a range of scholarly disciplines (Bawa, 2006: 167).

A family business is a business governed and managed with the intention of shaping and pursuing the vision of the business held by a dominant coalition controlled by members of the same family in a manner that is potentially sustainable across generations (Chua, Chrisman & Sharma, 1999: 25).

The family is, no doubt, the oldest and longest running social unit in our world. Families were formed along with small communities long before commerce began (Zachary, 2011: 26). In fact, families, often in connection with the local communities, sustained themselves by self-sufficient means (Ponzetti, 2003). Although the business enterprise is, of course, integral to the long-run sustainability of the family firm, the family is equally important to the family firm.

For their sustainability, families must provide for their members, earn a living day to day, and, very often, desire to accumulate wealth over time. Family firms are often more concerned with the long-term continuity of the business than non-family firms are (Miller, Le Brenton-Miller & Scholnick, 2008: 52; Short, Payne, Brigham, Lumpkin & Broberg, 2009: 21). They place much emphasis on survival (Distelberg & Sorenson, 2009: 70; Short *et al.*, 2009: 12) and view the business as a long-term resource base to be used by the family – potentially for multiple generations (Distelberg *et al.*, 2009: 75).

For family businesses to be sustainable and to survive over the long-term, they need to be aware of factors that influence family business wellness to ensure family harmony.

1.2 PROBLEM STATEMENT

There is much evidence to suggest that family business is emerging as a significant field of inquiry. According to Steier and Ward (2006: 887), in recent years there have been an increasing number of dedicated conferences in Asia, Europe, and North America and the topic have begun to receive attention in mainstream management journals. Some researchers are of the opinion that family businesses are among the most important contributors to wealth and employment creation in virtually every country of the world (Farrington, 2009: 64; Venter & Boshoff, 2005: 283; Basu, 2004: 13; Morck & Yeung, 2004: 391; Astrachan & Shanker, 2003: 212).

Van der Merwe (1998: 3) points out that family business have been making a positive contribution towards the South African economy for the last 300 years. In the order of 80% of businesses in South Africa could be classified as family businesses (Farrington, 2009: 65; Ackerman, 2001: 325; Dickinson, 2000: 3), which are mostly small to medium-sized (Maas, 1999: 115).

According to Olson, Zuiker, Danes, Stafford, Heck and Duncan (2003), success of family businesses depends on the effective management of the overlap between family and business, rather than on resources or processes in either the family or the business systems. Family businesses are, however, one of the most unique, complex, and dynamic systems in our modern-day society. The blending of two inherently different realms, the performance-based world of business and the emotion-based domain of the family, creates a system potentially fraught with confusion and conflict (McCann, Hammond, Keyt & Fujiuchi, 2004: 203).

Living and working effectively in harmony is a phenomenon few would declare undesirable. For most of us, "our family" is the most important element of our lives. The importance of family harmony to the future success of the business is well

established (DeNoble, Ehrlich & Singh, 2007: 129). According to Rivers (2005: 100), the success and continuity of the family business is all about the family harmony. Astrachan and McMillan (2003: 52) argue that one of the reasons why family members are in business together is that they want to work together and to enjoy the fruits of their labours as a family. However, according to Carlock and Ward (2001: 73), all families experience relationship problems.

Family businesses, however, face even bigger problems because the family work so closely together. This proximity often means that family disputes overshadow work and business, even though the business often continues to function normally (Carlock & Ward, 2001: 73). Thus, family relationships affect the business, and business relationships in turn affect the family (Voeller, Fairburn & Thompson, 2002: 30). Swart (2005: 38) state to survive and to be successful, family members need to nurture their personal relationships with one another.

Wellness is not the mere absence of disease. It is a proactive, preventive approach designed to achieve optimum levels of health, social and emotional functioning. Wellness is an active process through which people become aware of, and make choices toward, a more successful existence (NWI, 2012). According to Rivers (2012), most businesses can survive the threats of competition, economic cycles, changes in technology, or other factors, but the deterioration of interpersonal relationships will devastate the business and tear apart the family. Therefore, the single most important element in success or failure of a family business is the relationship (wellness) among key members of the family business.

A number of determinants of family harmony has been identified in this research and include, among others, commitment, perceived future continuity and perceived success. It is considered that family business wellness often forms the underlying causes for a lack of family harmony, however, this is a neglected area of research which warrants further investigation. Factors like Job characteristics, burnout, work engagement and other determinants of wellness such as self efficacy, internal- and external locus of control, hope, self esteem and gratitude has a direct impact on family harmony.

Therefore, given the relative importance of family businesses in South Africa in general and the desire to live and work effective in harmony and to ensure future success, it is clear that all family business owners and all family involved in the business would benefit from investigating these factors that influence family business wellness. By investigating these factors family business owners and members would be able to manage their family business wellness to assure family harmony.

1.3 OBJECTIVES OF THE STUDY

With all the above information in mind, the objectives of this study are as follows:

1.3.1 Primary objective

The primary objective of this study is to explore selected determinants of family business wellness in small and medium-sized family-owned businesses in South Africa and to make recommendations to ensure effective management of these determinants in the family business.

1.3.2 Secondary objectives

In order to address the primary objective, the following secondary objectives were formulated:

- Define and obtain insight into the dynamics of family businesses by means of literature review.
- To investigate the factors that has an impact on family wellness in small and medium-sized family businesses by means of a literature review.
- To assess the selected factors of family wellness in small and medium-sized family businesses.
- To validate the diagnostic questionnaire by means of statistical analysis.
- To suggest practical recommendations on how to manage the identified family wellness factors in the family business to ensure family harmony among family members and sustainable success of the family business.

1.4 SCOPE OF THE STUDY

The scope of the study is divided into two sections, namely the field of the study and the geographical demarcation of the study.

1.4.1 Field of the study

The field of this study will fall within the subject fields of entrepreneurship, organizational behaviour, with specific reference to family businesses. The main focus of this study will be to investigate selected factors that have an impact on family wellness in small and medium-sized family-owned businesses in South Africa.

1.4.2 Geographical demarcation of the study

The target population for this study includes intergenerational small and medium-sized family businesses in the Gauteng and North-West provinces in South Africa (refer to Figure 1.1: Map of the geographical areas of the study). The target population is not restricted to any specific industry and includes family businesses in different industries.

Figure 1.1: Map of the geographical areas of the study



Source: south_african_map.gif

1.5 RESEARCH METHODOLOGY

To address the primary and secondary objectives of the study, the research was conducted in two phases, namely the literature study (theoretical study) and the empirical study.

1.5.1 Literature and theoretical review

The purpose of the literature study is to gain insight into the determinants identified that have an impact on family wellness in small and medium-sized family-owned businesses in South Africa.

This is done in an attempt to ensure long term sustainability for the family business and to ensure harmony among family members.

The literature study and theoretical review was conducted mainly from:

- Text books.
- Website articles.
- Scientific journals.
- Reports from previous research done.
- Dissertations and theses.
- And internet sources.

The literature review commences in chapter two with an introduction, followed by definitions of the term “small and medium-sized family business”. The uniqueness of family business characteristics and the importance of family business in the economic environment will be discussed. A system overview of a family business will be explained and there after some advantages and disadvantages of family businesses are reviewed.

Current wellness factors will be evaluated and collaborated on in the third chapter. A brief literature overview of each wellness determinant and questions reflected in the questionnaire will be mentioned and discussed. Determinants are categorised in

Family member commitment, Job characteristics, Burnout and work engagement, and other.

1.5.2 Empirical Research

According to Welman, Kruger and Mitchell (2010: 6), quantitative research methods are limited to that which may be observed and measured objectively, that which exists independently of the feelings and opinions of individuals. Research that is empirical is replicable so that it is collected and analysed in a systematic way so that others could repeat the research and achieve similar results (Driscoll, 2009: 195). Empirical research can be qualitative, quantitative or it can be a combination of both mentioned.

The empirical study emanates from the literature review and will be discussed in chapter three. The empirical study includes the research design, development and construction of the questionnaires, defining the study population, data collecting and statistical analysis of data collected.

1.5.2.1 Research design

The empirical research design selected for this study is quantitative research in the form of a structured questionnaire. According to Welman *et al.* (2010: 7), quantitative research is also known as the positive approach to research, this approach can be defined as the study of observable human behaviour. Quantitative research is concerned primarily with data collection in numerical form (Harrison & Reilly, 2011: 11).

1.5.2.2 Development and construction of the questionnaire

According to Zikmund (2000: 310), a questionnaire is “a formalized set of questions for obtaining information from the sampled respondents.” It has several objectives:

- It should convert the information needed into a set of specific questions that the respondents will be willing and able to answer.

- The questionnaire should motivate respondents to cooperate and to complete the interview.
- Response errors and inaccurate answers should be minimised by the questionnaire.
- The questionnaire should collect only the relevant information needed to solve the problem.

Based on the family business wellness determinants, a structured questionnaire was developed by the Potchefstroom Business School, North-West University. The literature research provided valuable insight into the identification of the determinants of family wellness in family businesses. Based on this research, some determinants were identified that could impact family business wellness, namely work engagement, burnout, job characteristics, other wellness factors concerning job satisfaction, family member commitment, and the perceived success of the family business.

For the purposes of this study all the family members that are active in the family business were required to complete the questionnaire. The questionnaire comprises Sections A through G.

Section A aims to investigate the job characteristics in intergenerational small and medium-sized family businesses on a basis of a 5-point Likert type scale ranging from 1 = never to 5 = always.

Section B measures selected aspects concerning how an individual personally evaluates specific aspects of his or her work and work environment in the family business on the basis of a 5-point Likert type scale ranging from strongly disagree (1) to strongly agree (5).

Section C concerns the commitment of the family members to the family business on the basis of a 5-point Likert type scale ranging from 1 = strongly disagree to 5 = strongly agree.

Section D measures the constructs *Perceived future continuity* (6 items), *Family harmony* (8 items) and *Perceived future success* (6 items) of the participating family businesses on a 5-point Likert scale ranging from strongly disagree (1) to strongly agree (5).

Section E utilised the Maslach Burnout Inventory – General Survey (MBI - GS) to measure the Exhaustion (5 items), Cynicism (5 items) and Professional efficacy (6 items) of the active family members in the participating family businesses. A total of 24 items will be assessed on a 7-point Likert scale ranging from Never (0) to Always (6). The ultimate goal of section E is to measure burnout and work engagement.

Section F was included to gather biographical information of the participants and to structure information of the participatory businesses.

The questionnaire also included a **Section G**, which is an extra section that required completion only by the active, senior generation owner-manager of the business to gather structural information of the business.

1.5.2.3 Study population

The target population of this study was small and medium-sized family businesses in the Gauteng and the North-West provinces of South Africa. All the family members that are active in the family businesses participated in the study. The snowball sampling technique was used to identify possible family businesses to participate in this study.

A total of 25 businesses were identified for the study, of which two turned out not to be family businesses and four were family businesses, but did not meet the required criteria for this study, for instance, only one generation is currently active in the business. Two family businesses did not complete the questionnaires before the cut-off date. The end result was that from the 19 family businesses that were contacted a total of 17 family businesses completed the questionnaire. This represents a final

response rate of 89.47%. A total of 45 active family members completed the questionnaire.

1.5.2.4 Data collection

Data collection is one of the most important processes in the study. Data collection proceeds when the design of the questionnaire has been finalised and a suitable sampling strategy has been determined. It is important to ensure an unbiased questionnaire for credibility purposes.

Each questionnaire was sent with a covering letter that guaranteed the confidentiality of the responses. Letters also pointed out the importance of the research and the value of the respondents' participation in the research.

Appointments were made with most business owners to hand deliver the questionnaire and to answer any questions or concerns that might be raised by the owner. In two instances questionnaires were emailed.

1.5.2.5 Statistical analysis

According to Babbie and Mouton (2001: 237), data gathered must be interpreted in order to draw conclusions that reflect on the interests, ideas and theories that initiated query. Therefore collected data were statistically analysed using Statistica (Statsoft, 2010) and SPSS (SPSS, 2010).

Multiple regression analysis was used to determine the relationship between the independent and dependant variables. Factor analysis was used to determine the validity of the measuring instrument. This was followed by measuring the reliability of the data by determining the Cronbach alpha coefficients.

1.6 LIMITATIONS OF THE STUDY

It is important to critically evaluate the results of the whole study. The present study has certain limitations that need to be taken into account when considering the study and its contributions:

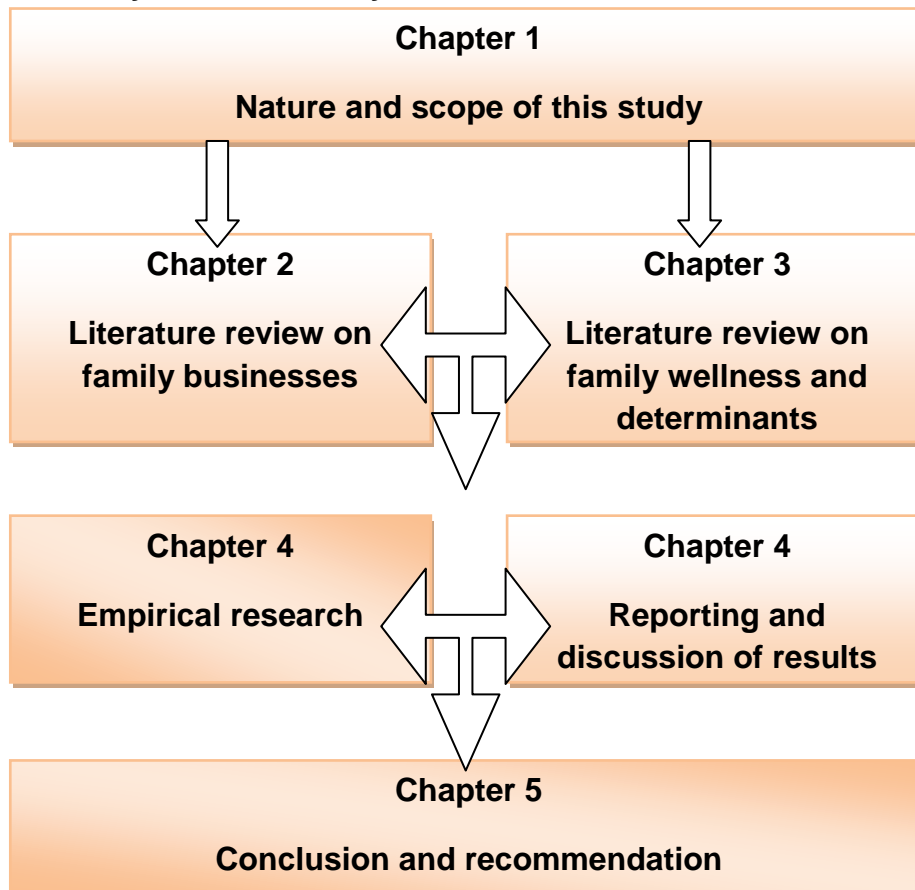
- This study is based upon research that is specific to only 17 family businesses spread across the Gauteng and North-West provinces of South Africa. Approximately 80% of businesses in South Africa could be classified as family businesses (Ackerman, 2001) Therefore, research on 17 family businesses cannot be an accurate representation of all small to medium-size intergenerational family businesses in South African.
- There may be more factors that have an influence on family wellness that may have been overlooked as a result of this broad scope of the study.
- The fact that the data collected depended on the self-report of participants, it is common in everyday life to accept reports as valid, and they cannot always be trusted.
- The fact that there are so many emotional and personal feelings attached to numerous questions in the questionnaire, answers could be affected through the respondent's current emotional state of mind.
- The accuracy of the self-report depends on a number of factors, including an individual's motivation to participate in the research, as well as the individual's ability to communicate and articulate their views through such questionnaire.

A generalisation of this study can therefore not be made to all family businesses in South Africa or to the rest of the world.

1.7 LAYOUT OF THE STUDY

This mini-dissertation consists of five chapters and is presented in graphical form in figure 1.2. The chapter division will be as follow:

Figure 1.2: Layout of the study



Chapter 1: Nature and scope of this study

This chapter serves as an introduction and general orientation to the exploratory study of family wellness determinants in family businesses. It presents the problem statement and objectives in primary and secondary categories.

The scope of the study is divided into two sections, namely the field of the study and the geographical demarcation of the study. Research is done through a literature review and empirical research. The empirical research is accomplished by means of

a questionnaire, completed by the predefined study population after which the gathered data are statistically analysed.

Limitations of the study are stated and, finally, the layout for the study is provided.

- **Chapter 2: Literature review on family business**

This chapter offers a comprehensive literature review which forms the basis of the empirical study. The concept of family business is defined in detail, small to medium sized family businesses are discussed and its importance explored. Uniqueness of a family business is described by looking at the characteristics of a small to medium sized family business, the importance of family business in the economic environment, an overview of family business systems and by looking at strengths and weaknesses of family businesses.

- **Chapter 3: Literature review on family wellness and determinants**

Dependable variables of family business wellness are scrutinised in this chapter. Wellness is defined and the focus is on the factors that influence and determine family wellness in a family business. This includes a literature review of identified factors of family wellness in a family business. Chapter three ends with a broad summary of each wellness determinant.

- **Chapter 4: Empirical research and discussion of results**

This chapter describes the research design and methodology of the study with reference to the literature study in chapters two and three. The nature of the sample, the measuring instruments used, and the statistical analyses performed to analyse the data is discussed. Furthermore it presents a critical assessment of factors that may influence wellness in family businesses.

This chapter also presents the empirical results and the reliability and validity assessments of the measuring instruments used in this study. It is followed by the

results of the empirical assessment of the various factors determining wellness in family businesses.

- **Chapter 5: Conclusions and recommendations**

The final chapter of this study summarises the study, offers some conclusions and considers the limitations of this study. It continues with a section detailing managerial recommendations which, if implemented, should ensure the sustainable success, harmony and wellness in family businesses.

The chapter concludes with a critical evaluation of the achievement of the study objectives and suggestions are made for future research.

CHAPTER 2

LITERATURE REVIEW ON FAMILY BUSINESS

2.1 INTRODUCTION

According to Birley and Godfrey (1999: 598), family businesses are distinguished from other businesses through the fact that its ownership and control of the business overlaps with family membership, making it a very complex form of business organisation. The pervasiveness of family businesses throughout South Africa is equally matched with variation in size.

Family businesses exist in all sizes, from large publicly traded corporations to medium and small-sized family business. In addition to variations in location and size, family businesses can differ on the following dimensions: ownership, management or control, involvement of family members, and potential for intergenerational transfer (Handler, 1989; Heck & Trent, 1999).

Daily and Dollinger (1991: 60) maintain that family businesses are different from other businesses because ownership and control of the business interests infringe on family interests, and hence conflicts occur quite often as the business and family may strive to realise different objectives. According to Daily and Dollinger (1991: 60), the problem is that family businesses have a built-in Achilles' heel. Two systems interact – the family and the business – and these two systems are not necessarily compatible.

Research shows that the very distinguishing factor of family businesses can provide unique advantages and disadvantages which can benefit such companies to outperform non-family business companies (Leach, 2007: 4; Neubauer & Lank, 1998: 9), or it can even result in the early demise of family businesses (Neubauer & Lank, 1998: 14).

In order for any business venture, partnership, and especially a family business to be successful, you need to build and maintain a strong, reliable and responsible team. It

is particularly important for all the family and non-family members to be able to work harmoniously together (Steier, 2001: 353).

This chapter offers a comprehensive literature review which forms the basis of the empirical study. The concept of an intergenerational small to medium sized family business is defined in detail and the uniqueness of family business is discussed.

Other topics reviewed in detail include an overview of family business systems, the importance of family business in the economic environment, advantages and disadvantages of family businesses and the perception of success, measured through the designed questionnaire (refer to Appendix A).

2.2 DEFINING SMALL TO MEDIUM-SIZED INTERGENERATIONAL FAMILY BUSINESS

Internationally, the overwhelming majority of family businesses are small or medium-sized (Bjurren & Sund, 2000: 2; Goldberg, 1991: 2; Hume, 1991: 3; Maas, 1999; Serrano, 2000: 23). To define the term “small to medium-sized intergenerational family business” one can divide it into three different concepts:

2.2.1 Defining small to medium-sized businesses

The South African National Small Business Act 102 of 1996, as well as the National Small Business Amendment Act (29/2004: 2), classify businesses that employ an equivalent of less than 200 full time employees as micro, very small, small and medium-sized businesses.

2.2.2 Defining the concept- Intergenerational

The target population is intergenerational family businesses. For the purpose of this study the definition of Ibrahim and Ellis (2004: 5) has been adopted to define an intergenerational family business as follows:

- A business where at least 51 percent of the business is owned by a single family.

- At least two family members are involved in the management or operational activities in the business.
- Family members of both the senior and next generation are active in the business.
- The transfer of leadership to next generation family members (succession) is anticipated.

2.2.3 Defining family business

Family firms are regarded as a unique group of established businesses (Chua *et al.*, 1999: 22) that make a notable contribution to wealth creation and job generation (Donckels & Fröhlich, 1991; Poutziouris & Chittenden, 1996; Shanker & Astrachan, 1996: 107).

As noted by Bork (1993: 24) and verified by Neubauer and Lank (1998: 3), there is no consensus for the definition of family businesses. Astrachan, Klein and Smyrniotis (2002: 45) state that there is still no widely accepted definition of family business.

Various scholars reviewed existing definitions, and attempted to consolidate thoughts and conceptualised other definitions on family businesses (Chrisman, Chua & Sharma, 2005: 556; Habbershon, Williams & MacMillan, 2003: 451; Chua *et al.*, 1999: 19; Neubauer & Lank, 1998: 5; Goodman & Dreux IV, 1997: 1; Litz, 1995: 71; Brockhaus, 1994: 30; Bork, 1993: 24; Lea, 1991: 5; Handler, 1990: 37).

As a result, instead of a widely accepted definition of a family business, various definitions are reported in literature (Astrachan *et al.*, 2002: 45). According to Sharma (2004: 7), the family business as a field of study is also still relatively new, which is one reason why there are still definitional issues in family business studies.

Family involvement in the business is what makes the family business different. Handler (1989b: 261) interpret family involvement as ownership and management. Researchers have re-examined existing definitions and have attempted, on

numerous occasions, to combine their thoughts and anticipate other, more relevant definitions for family businesses.

Part of the challenge regarding the definition of family business is that it is multidimensional in nature (Litz, 1995: 75). Thus, it is difficult to pinpoint anyone characteristic. However, there do appear to be cumulative effects such that the more characteristics present, the more 'family oriented' the company is likely to be in its objectives, strategies, tactics and corporate culture. For this reason, several researchers have proposed researched definitions based on multiple criteria, to replace the 'broad versus narrow' paradigm (Litz, 1995: 75).

Chua *et al.* (1999: 25) sought to reduce the ambiguity in the field by proposing that the family business is: a business governed and/or managed with the intention to shape and pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families.

In the original business, a family business is an operating business that has been in the family's hands for one or more generations. The family does not necessarily own 100% of the shares, but has at least a controlling interest as well as a significant influence on the key strategic decisions concerning the business (Lank, 1997: 4).

Throughout the years, many definitions have been coined to describe the term and concept of a family business. As mentioned before there is however not a unified consensus on the definition of the term family business. A total of 21 definitions that touch on the degree or nature of family involvement is presented in table 2.1 which reflects some of the research historically done in the field of defining family business:

Table 2.1: Historical perspective of definitions of Family Business

Source	Definition of Family Business
Alcorn (1982: 230)	A profit making concern that is either a proprietorship, a partnership, or a corporation. If part of the stock is publicly owned, the family must also operate the business.
Babicky (1987: 25)	Is the kind of small business started by one or a few individuals who had an idea, worked hard to develop it, and achieved, usually with limited capital, growth while maintaining majority ownership of the enterprise.
Barnes and Hershon (1976: 106)	Controlling ownership is rested in the hands of an individual or of the members of a single family.
Bernard (1975: 42)	An enterprise which, in practice, is controlled by the members of a single family.
Carsrud (1994: 40)	Closely-held firm's ownership and policy making are dominant by members of an "emotional kinship group".
Churchill and Hatten (1987: 52)	What is usually meant by family business is either the occurrence of the anticipation that a younger family member has or will assume control of the business from the elder.
Davis (1983: 47)	Are those whose policy and direction are subject to significance influence by one or more family units. This influence is exercised through ownership and sometimes through the participation of family members in management.
Davis and Tagiuri (1985)	A business in which two or more extended family members influence the direction of the business. (quoted in Rothstein, 1992)
Donckels and Fröhlich (1991: 152)	If family members own at least 60 percent of equity.
Donnelley (1964: 94)	When it has been closely identified with at least two generations of a family and when this link has had a mutual influence on company policy and on the interests and objectives of the family.
Dreux (1990: 226)	Are economic enterprises that happen to be controlled by one or more families (that have) a degree of influence in the organizational governance sufficient to substantially influence or compel action.
Galio and Sveen (1991: 181)	A business where a single family owns the majority of stock and has total control.
Handler (1989: 262)	An organization whose major operations decisions and plans for leadership succession are influenced by family members serving in management or on the board.
Holland and Olivier (1992: 27)	Any business in which decisions regarding its ownership or management are influenced by a relationship to a family or families.
Lansberg, Perrow and Rogolsky (1988: 2)	A business in which members of a family have legal control over ownership.
Leach et al. (1990)	A company in which more than 50 percent of the voting shares are controlled by one family, and/or a single family group effectively controls the firm, and/or significant proportion of the firm's senior management is members from the same family. (Quoted by Astrachan, 1993:341-342).
Lyman (1991: 304)	The ownership had to reside completely with family members, at least one owner had to be employed in the business, and one other family member had either to be employed in the business or to help out on a regular basis even if not officially employed.
Pratt and Davis (1986: 3.2)	One in which two or more extended family members influence the direction of the business through the exercise of kinship ties, management roles, or involved in the business.
Rosenblatt, deMIK, Anderson and Johnson (1985: 4)	Any business in which majority ownership or control lies within a single family and in which two or more family members are or at some stage were directly involved in the business.
Stern (1986: xx1)	Owned and run by the members of one or two families.
Welsh (1993: 40)	One in which ownership is concentrated, and owners or relatives of owners are involved in the management process.

Source: Chua et al. (1999:3)

Bear in mind that the above table of definitions includes three qualifying combinations of ownership and management. Firstly, family owned and family managed; secondly, family owned but not family managed; thirdly, family managed but not family owned.

While various studies (Handler, 1989; Birdthistle & Fleming, 2005: 731; Miller & Le Breton-Miller, 2005) have struggled to demarcate family from non-family business, one aspect of definition that remains unexplored has been how the consumer defines and perceives 'family' business.

Shanker and Astrachan (1996: 107) note that the criteria used to define a family business can include:

- Percentage of ownership.
- Voting control.
- Power over strategic decisions.
- Involvement of multiple generations.
- Active management of family members.

In conclusion consolidated all above mentioned definitions, a family business can simply be defined as any business in which a majority of the ownership or control lies within a family, and in which two or more family members are directly involved. It is also a complex, dual system consisting of the family and the business. Family members involved in the business are part of a task system (the business) and part of a family system.

Familiness' is a term used to characterise those interactions between family members, the business and the community, with the potential to create competitive advantage or disadvantage for the business (Habbershon *et al.*, 2003: 451). While it is a useful abbreviation for what makes family firms different and succeed or fail, as a concept it requires further development if it is to provide a foundation of a theory of the family firm (Chrisman, Chua & Steier, 2005: 238).

The focus of this study was thus small and medium-sized family businesses, as defined above.

2.3 UNIQUENESS OF FAMILY BUSINESSES

2.3.1 Characteristics of family businesses

Fundamental assumptions of any theory of the family business are that family business will behave in ways that differ from non-family businesses.

Family business researchers point to several unique characteristics of family businesses that allow them to strategically organise their business activities efficiently and effectively. According to Hoffman, Hoelscher and Sorensen (2006: 136), the unique characteristic that distinguishes a family business from other businesses is the influence of the family relationships on the business. These relationships are revealed in the following characteristics:

In family businesses there is a paternalistic relationship between the owners/managers and employees (Bertrand & Schoar, 2006: 77), and consist of a cohesive clan cultures in which employees are hired for the long-run and treated generously (Miller & Le Breton-Miller, 2005).

Family businesses have unique capabilities which engender trust, inspiration, motivation and commitment among the workforce. Moreover, there is a strong desire to develop customer relationships and the demonstration of flexibility in decision making (Tokarczyk, Hansen, Green & Down, 2007: 17-31).

The reputation of family businesses are more trustworthy and experience a lower overall transactions cost (Taguiri & Davis, 1996: 199). Family businesses are apt to build social relationships and connections, and are known to have the integrity and commitment to keep those relationships (Miller, Lee, Chang & Le Breton-Miller, 2009).

Families may control their businesses by giving priority to family members in top management and other sensitive positions, and are also selective in their recruitment procedures (Bertrand & Schoar, 2006: 77). This allows family businesses to have lower recruitment and human resource costs, and thus makes them more efficient than other labour-intensive businesses (Levring & Moskowitz, 1993).

These characteristics create a unique and flexible work environment that inspires employees to be motivated, committed and loyal to the business, and focus on the well-being of customers, allowing the business to implement an efficient and effective business strategy.

Other family business studies have identified two important sets of factors that separate family firms from non-family firms and also differentiate among family firms. The first, rooted in the resource based view of the firm, suggests that the essence of a family firm is its "familiness" (Habbershon & Williams, 1999: 5; Habbershon *et al.*, 2003: 460), which can be captured by focusing on the peculiar bundle of resources and capabilities that result from the interactions among the family and business systems. The second is concerned with the involvement and influence of the family on the enterprise and its members (Astrachan *et al.*, 2002: 41; Klein, Astrachan & Smyrnios, 2005: 328), and is comprised of power, experience, and culture.

2.3.2 Uniqueness of resources and attributes of family business

Family business' uniqueness arises from the integration of family and business life (Habbershon & Williams, 1999: 5). The combination of the family and business creates several significant and distinctive characteristics; five recourses that differentiate family business from non-family business will be discussed. Adapted from Sirmon and Hitt (2003: 343-345), they are human capital, social capital, survivability capital, patient capital, and governance structure (refer to Table 2.2). These five recourses will now be discussed further.

2.3.2.1 Human capital

One resource that can give a firm a competitive advantage is human capital—the skills, abilities, attitudes, and work ethic of those employed by the firm (Dyer, 2006: 262).

Where non-family businesses can hire human resources (Sorenson & Bierman, 2009: 193), family firms have a limited pool of potential recruits. Thus, the family may not be able to supply the firm with enough talented employees to manage the key operations (Dyer, 2006: 262).

Family businesses frequently have trouble attracting and retaining highly qualified managers. Qualified managers may avoid family business due to the exclusive succession, limited potential for professional growth, lack of perceived professionalism, and limitations on wealth transfer (Covin, 1994a; 1994b; Burack & Calero, 1981; Donnelly, 1964: 97; Horton, 1986).

However, positive attributes of family business' human capital include extraordinary commitment (Donnelley, 1964; Horton, 1986), warm, friendly, and intimate relationships (*Management Review*, 1981; Horton, 1986), and the potential for deep business-specific tacit knowledge. The potential for the early involvement of children in the family business can produce deeper levels of business-specific tacit knowledge. Tacit knowledge, which is difficult to codify, can be transferred through direct exposure and experience (Lane & Lubatkin, 1998), allowing family business the potential to have deeper levels of firm specific knowledge than non-family business.

Having both negative and positive human capital attributes increases the importance of the management of human capital to the success of family businesses (Astrachan & Kolenko, 1994).

2.3.2.2 Social capital

Nahapiet and Ghoshal (1998: 243) define social capital as the “sum of the actual and potential resources embedded within, available through and derived from the network”. Sorenson *et al.* (2009: 193) is of the opinion that non-family businesses can obtain financial recourses elsewhere, but family social capital cannot be hired or imported; it exists within family relationships.

Social capital can affect a number of important firm activities such as inter-unit and inter-business resource exchange, the creation of intellectual capital, inter-business learning, supplier interactions, product innovation, and entrepreneurship (Adler & Kwon, 2002: 28).

2.3.2.3 Survivability capital

Sirmon and Hitt (2003: 343) believe that family firms with survivability capital, which represents the pooled financial resources of the family, can provide the firm with a competitive advantage compared to those firms without access to such resources. As they note, survivability capital can help sustain the business during poor economic times or, for example, after an unsuccessful extension or new market venture. This safety net is less likely to occur in non-family firms due to the lack of loyalty, strong ties, or long-term commitments on the part of employees. Survivability capital represents the mutual personal resources that family members are willing to loan, contribute, or share for the benefit of the family business (Haynes, Walker, Rowe & Hong, 1999; Horton, 1986; Dreux, 1990).

According to the study Sirmon and Hitt (2003: 343-345) did, potential costs of failure include loss of reputation with suppliers and customers, loss of property equity value (to institutional lenders), organization costs, initial capital investment, and time. Thus, the main business may create a sustained competitive advantage and enhance wealth creation through proper management of survivability capital.

2.3.2.4 Patient capital

Defined by Dobrzynski (1993), patient capital is financial capital that is invested without threat of liquidation for long periods. Dreux (1990) is of the opinion that finances within family business are also unique, having both positive and negative attributes. On the negative side, these family businesses have limited sources of external financial capital because they avoid sharing equity with non-family members. On the positive side, these family businesses provide effective structures to manage financial capital because they generally have a longer time horizon and are not as accountable for short-term results as are many non-family businesses (Dreux, 1990).

2.3.2.5 Governance structure and cost

Early agency theorists suggested that family owned and operated business has highly desirable structures due to the lack of agency costs (Jensen & Meckling, 1976). However, some current scholars argue against this viewpoint (Lubatkin, Lane, & Schulze, 2001; Gomez-Mejia, Nunez-Nickel & Gutierrez, 2001). Lubatkin *et al.* (2001: 245) suggest that family business' agency costs begin to increase dramatically due to owner/mangers' unselfishness.

A summary of the uniqueness' of the five above mentioned recourses are reflected in table 2.2.

Table 2.2: Uniqueness of recourses and attributes of family business

Resource	Definition	Fam. business Positive	Fam. business Negative	Non-family business
Human capital	Acquired knowledge, skills, and capabilities of a person	Extraordinary commitment; warm, friendly, and intimate relationship; potential for deep firm-specific tacit knowledge	Difficult to attract and remain highly qualified managers; path dependencies	Not characterised by the positives, but have fewer limitations
Social capital	Resource embedded in network, accessed through relationships	Components embedded in family; legitimacy with constituencies enhanced; development of human capital	Limited number of networks accessed; often excluded from elite networks	Networks can be more diverse; maybe opportunistic in accessing and leveraging; sometimes used for managers' benefit- agency cost
Patient capital	Invested financial capital without threat of liquidation	Generational outlook; not accountable to strict short-term results; effective management of capital; allows pursuit of creative and innovative strategies	Non-family investors excluded; limited to availability of family's financial capital	Largely do not have the benefits or limitations
Survivability capital	Pooled personal recourses family member loan, contribute, and share with business	Helps sustain the business during poor economic times or redevelopment of the business; safety net	Not all family businesses have it	Do not enjoy due to lack of commitment by employees and stakeholders
Governance structure & cost	Cost associated with control of firm; examples include incentives, monitoring, and controls	Family owned and operated business' structures, trust, and family bonds reduce governance cost	Some family business may not have an effective structure, trust, and strong family bonds, thereby producing greater governance cost	Professional management and capital diversification often increase governance cost

Source: Sirmon and Hitt (2003: 345)

2.4 OVERVIEW OF THE SYSTEMS IN THE FAMILY BUSINESS

A family business is a “business” but also a “family”. Sometimes, those two worlds collide. Other times, the family and the business are a cohesive team. The term family business means different things to different people. The role that the family plays and the influence it has on the business is what distinguishes family businesses from non-family businesses. To understand the uniqueness and complexity of family business, it is helpful to understand the different systems at work in the family business.

The first one that will be discussed is the dual circles of family-based identity. In the early 1960’s the introduction of systems approach to understanding family businesses began as the field of family business research was slowly developing. Ivan Lansberg determined in 1983 that there were two fundamental circles of family business, namely family and business (Lansberg, 1983).

The second system at work is the three-circle model which represents the different interdependent entities of a family business. Tagiuri and Davis elaborated upon the two-circle system with the introduction of a third circle in the early 1980’s. An additional layer of ownership as separate and distinct from business or management was identified (Tagiuri & Davis, 1992).

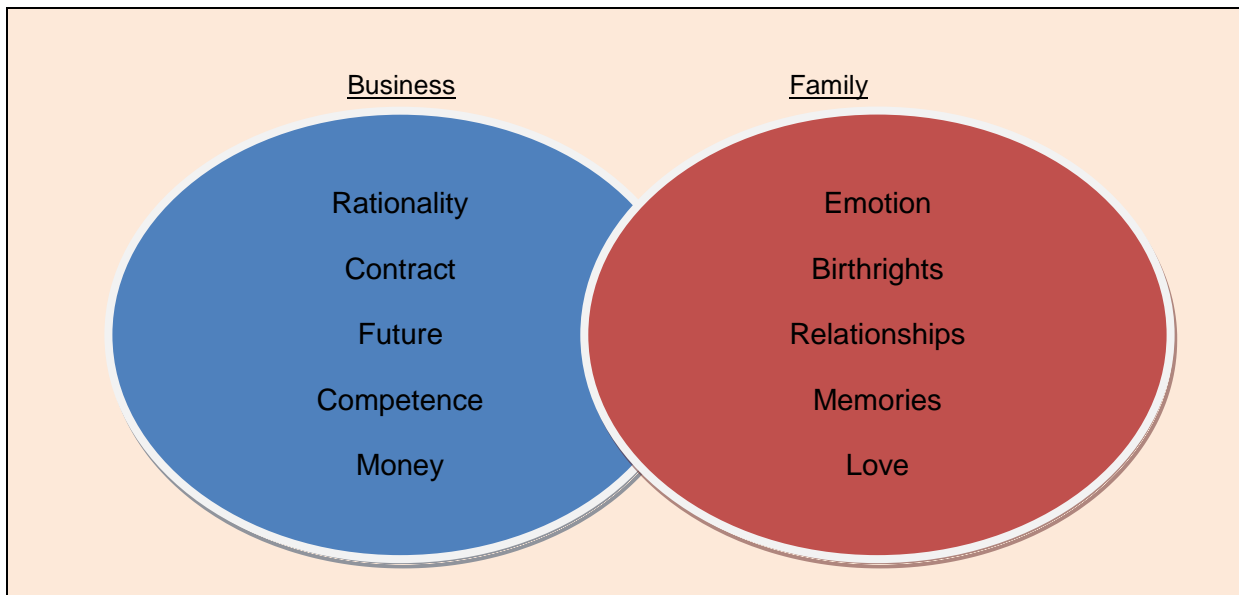
A clarification of both systems will follow:

2.4.1 Duel circles of family-based identity

According to Aronoff and Ward (1996), Ivan Lansberg determined that there were two fundamental circles of family business, namely family and business. For those in family businesses, there were problem areas for those who tried to fulfill obligations in both circles, especially simultaneously. Success was determined by finding strategies or techniques that allowed individuals to understand and satisfy the needs that both systems required (Lansberg, 1983).

Figure 2.1: Duel circle overlap model

The dual system in the family-based identity



Source: Lansberg (1983: 44)

Figure 2.1 illustrates that each part of the family business system, the family and the business, has unique structures, needs and goals. To obtain family harmony within family businesses the family and the business must be equally important and require mutual respect and care (Aronoff & Ward, 1996: 9).

According to Bork (1993: 23), the family system involves emotional acceptance and the business system involves rationality and results. The interaction between the dual systems in the family-based identity can lead to conflict and confusion, which causes stress to relationships and communication.

In the balanced approach the family and the business are equally important and require mutual respect and care (Aronoff & Ward, 1996: 9). Family members should be required to earn their voice in the business environment by showing and developing the right to be heard. The business in return needs to be accountable to the family (Carlock & Ward, 2001: 146).

According to Aronoff and Ward (1996: 9), setting up separate governance processes for the business and the family is the best way to ensure effective management of the family business. Carlock and Ward (2001: 146) also indicate that owners need a sound understanding of the business and family concepts.

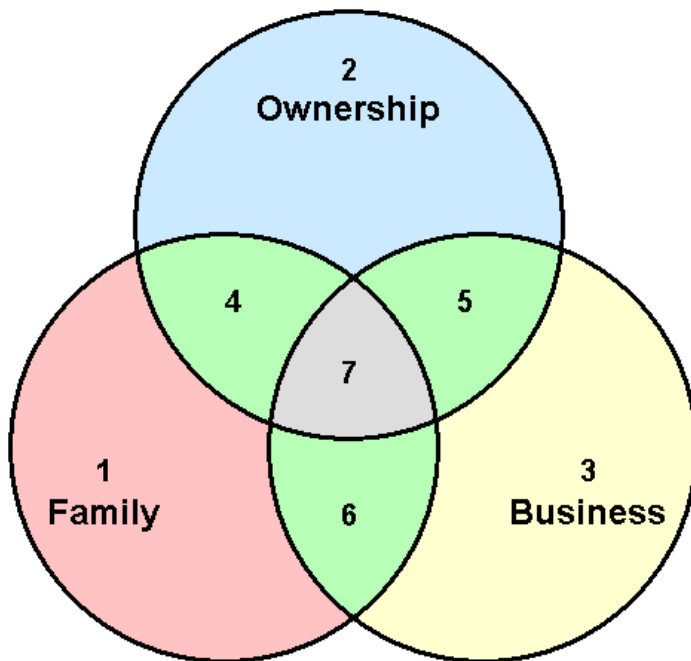
Jaffe (1991: *xiv*) is of the opinion that families that want to succeed both at home and in their businesses have to share certain significant characteristics, which he summarised as follows:

- **Shared values:** Family members working together have shared values with regard to people, work and money.
- **Power:** Power is shared across generations, between spouses and among siblings.
- **Shared activities for maintaining relationships:** Families that maintain their sense of humor, demonstrate their ability to have fun and play together are putting “relationship currency” into the family bank, so there is reserve to draw upon during times of disagreement.
- **Traditions:** Those that differentiate the family from other families.
- **Willingness to learn and grow:** A family that is open to new ideas and approaches is one that, as a group, can solve any problem.
- **Mutual respect:** This is evident in the trust between and among family members that is built on a history of keeping one’s word.
- **Supporting and assisting one another,** especially in times of grief, loss, pain and shame.
- **Respect for one another’s privacy,** individual space and for the private space required in each family unit within the extended family.
- **Well-defined interpersonal boundaries:** To keep individuals from being caught in the middle of the family and the business.

2.4.2 The three-circle model

According to the 3-circle model, a family in businesses can be represented in three circles, each representing one of the three entities (domains) illustrated in figure 2.2: family, business and ownership. The model highlights the interdependence of the three circles (Kenyon-Rouvinez, 2001: 179).

Figure 2.2: Interdependent entities of a family business



Source: Tagiuri and Davis (1992)

People with one connection to the system are:

1. Family members only.
2. Shareholders only.
3. Employees or board members only.

People with two connections to the system are:

4. Family members and owners.
5. Owners and employees or board members.
6. Family members and employees or board members.

People with three connections to the system are:

7. Family members, owners, and employees or board members.

A unique feature of the family business rests in the natural conflicts which arise when members of the business try to deal with family and business commitments, goals and resource requirements. Scholars have advanced the field's understanding of these conflicts (Eddleston, Otondo & Kellermanns, 2008: 464; Stafford, Duncan, Dane & Winter, 1999: 197) by creating models illustrating where and how the conflicts emerge.

Each of the domains has not only different, but inherently divergent needs, rules, and interests. The three-circle diagram originated by John Davis and Morris Taguiri shows how the three domains overlap (Taguiri & Davis, 1996). They noticed an additional layer of ownership as separate and distinct from business or management. This 3-circle model remains the foundation upon which most family business consultation and systems analysis is done today (Vermont FBI, 2011).

As you can readily tell, that figure 2.2 depicts multiple and overlapping relationships: the relationship within each of the three domains, among family members, among employees and managers, and among the owner of the company. In addition, multiple relationships develop among the domains themselves, as each one influence the other two, and vice versa. Each is interlocked with the other two in an intensely interdependent way. At the centre of the family business all three domains are connected in a complex web of relationships. This situation only exists in the world of family business (Hoover & Hoover 1999: 45).

The implications of this model are extremely important to the development of healthy family businesses. It provides a framework for assessing, understanding and developing behaviors that lead to success.

According to the Vermont Family Business Initiative (2011), understanding the three circles of family business is important for three reasons:

- The three circles are connected, yet also at times independent of each other.
- It provides a baseline for understanding complimentary and conflicting perspectives in a family owned business.

- Provides role clarity for employees in the business as well as family members not associated with the business.

2.5 ECONOMIC VALUE AND IMPORTANCE OF FAMILY BUSINESSES

Referring to the first paragraph of the problem statement of this study: “family businesses are among the most important contributors to wealth and employment creation in virtually every country of the world (Farrington, 2009: 64; Venter & Boshoff, 2005: 283; Basu, 2004: 13; Morck & Yeung, 2004: 391; Astrachan & Shanker, 2003: 212). Thus the importance of family businesses to our economy, as well as our society, is only exceeded by the family unit itself. If there is no family, then there is no family business.

The contribution of family businesses is increasingly recognised as a potential driver of economic growth and wealth creation in the world (Basu, 2004: 13; Ibrahim, Soufani & Lam, 2001: 245; Birley & Godfrey, 1999: 598). It is estimated that between 70 and 90 percent of businesses in the United States of America can be classified as family businesses (Bareither & Reischl, 2003: 20; Ward & Aronoff, 2002: 3). Family businesses, furthermore, employ almost half of the workforce and generate between 40 to 60 percent of the gross national product of the United States of America (Fleming, 2000: 113; Leach & Bogod, 1999: viii).

Family businesses worldwide are contributing increasingly to the economic activity in their respective countries. Table 2.3 provides an overview of the economic contributions and proportions of family businesses to total businesses, worldwide. As is indicated in table 2.3, about 96% of businesses in the United States of America (USA) are family businesses, while in that country these businesses contribute as much as 40% to the Gross National Product (GNP) (Timmons & Spinelli, 2009: 595).

Table 2.3: Family businesses representation and contribution towards international GNP

Country	Percentage family business	Gross National Product
Brazil	90%	63%
Chile	75%	50-70%
USA	96%	40%
Belgium	70%	55%
Finland	80%	40-50%
France	>60%	>60%
Germany	60%	55%
Italy	93%	
The Netherlands	74%	54%
Poland	80%	35%
Portugal	70%	60%
Spain	79%	
UK	70%	
Australia	75%	50%
India		65%

Source: Timmons and Spinelli (2009: 598)

Given the importance of family businesses to the economic and social development, their lack of longevity is, however, a cause for concern. It has been estimated that, internationally, only 30% of family businesses survive to the second generation; few of them (estimated 14%) make it beyond the third generation (Bjurren & Sund, 2001: 12; Matthews, Moore & Fialko, 1999: 159). Smaller family businesses are especially vulnerable as they generally survive only 5 to 10 years (Pericone, Earle & Taplin, 2001: 108).

One of the common prejudices of family businesses is that they are only small and medium-sized enterprises (SMEs). Empirical research has found that family businesses are pervasive: they comprise over 90% of all businesses, provide 40 to 50% of all jobs, create over 78% of all new jobs and generate up to 60% of GNP (IFERA, 2003: 237).

One third of Fortune 500 companies are family owned and, in Italy, for example, family controlled businesses comprise 50% of the top 100 companies. Family-owned businesses are one of the foundations of the world's business community. Its creation, growth and longevity are critical to the success of the global economy (Havenga, 2007: 52).

The importance of family businesses is underlined by the European Commission, which identified in its Green Paper on Entrepreneurship in Europe that family businesses play a major role in stimulating entrepreneurial culture (European Commission, 2003) and that the 'small amount of research on the family business sector has been disproportionate' to its economic impact and contribution to nearly every nation (Birdthistle & Fleming, 2005: 733). In Europe, according to research done by the International Family Enterprise Research Academy (IFERA) (2003: 235), family businesses are the majority of all businesses in France, Germany, the Netherlands, Portugal, Belgium, United Kingdom, Spain, Sweden, Finland, Greece, Cyprus and Italy.

It is clear, therefore, that family businesses play a critical important role in economic growth and wealth creation in the world. Families and family businesses are everywhere in our country, from the streets of our largest cities to the most rural countryside. South Africa is no exception from the rest of the world.

Although the 2006 South African Global Entrepreneurship Monitor (GEM) report (Maas & Herrington, 2006) points out that South Africa still has far too few entrepreneurs compared to other developing countries Van der Merwe (1998: 3) is of the opinion that family businesses have been making a positive contribution towards the South African economy for the last 300 years.

The GEM 2006 report highlighted that entrepreneurial activity in South Africa is not sufficient if South Africa wants to sustain economic growth rates that will create prosperity for the people (Maas & Herrington, 2006: 4). This statement might mention that entrepreneurial activity is not enough, but these current entrepreneurial activities are flooded with family businesses.

In the order of 80% of businesses in South Africa could be classified as family businesses (Farrington, 2009: 65; Ackerman, 2001: 325; Dickinson, 2000: 3), which are mostly small to medium-sized (Maas, 1999: 2). Some of the largest and best-known companies are, or were, family owned. Think of Anglo American, one of the leading mining house, Pick 'n Pay, one of the leading retail firms, McCarthy Motor Holdings, one of the largest motor companies, and the Altron group, as some examples of companies who started off as a family owned company and still have a family influence of some kind (Maas, Van der Merwe & Venter, 2005: 8).

Swart (2005: 2) pointed out that acknowledgement of the important contribution of family businesses in South Africa is critical for overall wealth creation.

2.6 ADVANTAGES AND DISADVANTAGES OF FAMILY BUSINESSES

Le Breton-Miller and Miller (2006: 731) argue that family-controlled businesses (FCBs) are more likely to take a long-term orientation in making strategic investments and that the nature of these investments will help FCBs develop sustainable capabilities.

Consistent with the arguments of Carney (2005) concerning personalism, it is suggested that there are at least four attributes of FCBs that make long-term investment orientations possible: (1) long CEO tenures, (2) concern for subsequent generations of the family, (3) discretion in decision making due to voting control, and (4) reduced information asymmetries due to intimate knowledge of the business.

In addition, Le Breton-Miller and Miller (2006: 737) contribute to further understanding FCBs' particularism by suggesting that such business will invest in competencies, people, and outside relationships because of their focus on nonfinancial business missions, a paternalistic interest in providing a legacy for family and non-family stakeholders, and an ability to recognize and exploit the important linkages between the business and the family name.

Overall, it is clear that family businesses vary with respect to their family orientation and this may result in a specific set of advantages and disadvantages from the viewpoint of the organization.

2.6.1 Advantages of family business

Family businesses are likely to benefit from a range of advantages, which you often do not find in other enterprises (Havenga, 2007: 55). According to Leach and Bogod (1999: 5), an advantage for the family business could be to bring family members together in the same working or business environment. This is also an approach that small business owners believe works as an advantage for their family business. The following advantages have been determined through various studies (Swart, 2005: 23; Robberts, 2006: 24):

- **Common values** you and your family are likely to share the same ethos and beliefs on how things should be done giving your business pride and a competitive edge.
- **Strong commitment** building a lasting family enterprise means you are more likely to put in the extra hours and effort needed to make it a success. Your family is more likely to understand that you need to take a more flexible approach to your working hours.
- **Loyalty** - strong personal bonds mean you and family members are likely to stick together in hard times and show the determination needed for business success. Family relationships generate unusual motivation, cement loyalties, and increase trust (Tagiuri & Davis, 1996).
- **Stability** knowing you are building for future generations encourages the long-term thinking needed for growth and success though it can also produce a potentially damaging inability to react to change.
- **Decreased costs** - family members may be more willing to make financial sacrifices for the sake of the business. For example, accepting lower pay than they would get elsewhere to help the business in the longer term, or deferring wages during a cash flow crisis.

- **Unique working environment** that fosters a family-oriented workplace and inspires greater employee care and loyalty (Ward, 1988).
- **Positive customer perceptions** of family ownership and relationship-based business interactions within and between organizations create stakeholder efficiencies (Aronoff & Ward, 1995).

2.6.2 Disadvantages of family business:

According to Van der Westhuizen (2009: 25), there are numerous amounts of disadvantages. These disadvantages should be managed to secure future success:

- Family businesses can be regarded as amateurish.
- Non-family members may not join because they cannot reach the top.
- It can be difficult to raise capital.
- Senior family members may see themselves as having a job for life.
- Decisions may be too emotional.
- There may be a deep-seated aversion to change.
- It can be a struggle to continue the spirit of entrepreneurial flair.
- Generational issues can cause role confusion.
- The problem of succession of the business to a younger generation may exist.

2.7 PERCEPTIONS OF SUCCESS OF THE FAMILY BUSINESS

Family businesses have not only a significant impact on world markets and economies but have a significant impact on South African as mentioned in the section: economic value of family businesses. Ackerman (2001: 325) estimated that 80 percent of businesses in South Africa could be classified as family businesses and that these businesses comprise 60 percent of the companies listed on the Johannesburg Stock Exchange. Furthermore the positive contribution that family businesses are making towards economic performance and stability for those countries in which they reside is well documented (Venter, Boschoff & Maas, 2003: 1; Venter & Boschoff, 2007: 42). Precisely, therefore, family businesses are

increasingly becoming a focus point of attention for many countries, which emphasises the need for the future continuity of these businesses.

2.7.1 Perceived future continuity of the family business

Family businesses face the dilemma of long-term survival by not only overcoming difficulties common to all economic activity but also conflict specifically arising from their family business nature.

The sad news, however, is that very few family businesses survive to the second generation, and considerably fewer make it to the third (Lee, 2006: 104; Bareither & Reischl, 2003: 21; Venter, 2003: 70; Ibrahim & Ellis, 2004: 223). Wang, Watkins, Harris and Spicer (2004: 59) confirm that there are alarmingly deteriorating “survival rates” of family businesses being handed over from the first generation to the second. One third of businesses survive the first generation, and only one third of those that have survived make it to the second generation transition.

A variety of maladies can lead to their downfall, but none is more lethal than the lack of proper succession planning. Ward (2004: 3) estimate that approximately half of all family businesses fail to make it to the next generation owing to inefficient succession. Another factor that plays a role in the continuity of the family business is the ability of the family members to handle stress and disruptions which, according to Astrachan (2003: 570), is a clear indication of sustainability and continuity. When there are stress and disruption the manner in which such conflict is handled and the quality of the communication between the family members are factors influencing the likelihood of continuity of the family business.

Carlock and Ward (2001: 54) stress that the commitment of the family to business continuity is a priority discussion for the family, as it supports the development of the shared future vision and the family business continuity plan. Aligned family commitment usually requires a series of meetings including a complete discussion of critical issues that the family will face regarding core values, family business philosophy and the family vision (Carlock & Ward, 2001: 54; Ward, 2004: 20). In

order to align family members' vision for the future of their business, Ward (2005: 47) suggests that family meetings should be held in order to generate a family vision. These should not be business meetings and all the family members must be present. This is to ensure that all are clear as to each individual's expectations and involvement in the family business and to clear out any ambiguities that may exist.

Malone's (1989) study has revealed a positive correlation between perceived family harmony and continuity planning. Communication and conflict resolution, however, are not the only role-players in future continuity. It is important to note that all the determinants influencing family harmony and family wellness could affect the continuity of the family business in some way or form as the harmony factors influence the relationship between the owner-manager, the family and the successor, to name only a few (Van der Merwe, 2007: 2). Lansberg (1999: 96) adds that the most productive way to define a feasible destination is to undertake the often difficult task of unearthing, articulating and sharing individual needs, fears and dreams in order to decide whether or not it makes sense to further pursue the dream. Families must therefore learn to talk openly about their needs, fears and dreams.

It is, according to Lansberg (1999: 96), crucial for families to clearly envision their future role in the family business, and members of the senior and younger generation of the family must agree on why it is significant to be in the business and why it is an activity worth perpetuating (Lansberg, 1998: 57). Sharing their personal dreams, fears and needs with one another will also provide the family members with the feeling that they have control over their destiny, and they will thus be more able to support and encourage one another (Leach & Bogod, 1999: 40; Shanker, 2000: 14; Ward, 2004: 20). The involvement of all the family members in the process to generate the family vision could ensure an aligned commitment to perceived future family business continuity.

Another key challenge for future business continuity is the issue of corporate governance. It is the ability to set up structures, processes, systems and more, to ensure the continuity of the business (Chow Hou, 2009).

The variable *Perceived future continuity*, will be evaluated by a 5-point Likert-type scale ranging from 1 = strongly disagree to 5 = strongly agree. The following items will be used:

- I see our family business as continuing into the future.
- I see our family business as a legacy to be handed over to future generations.
- I see our family business as a means to create wealth for future generations.
- I see our family business as a means to sustain harmonious family relationships for future generations.
- Continuing the business into the future will give future generations the opportunity to be involved in the family business.
- Continuing the business into the future will provide employment opportunities for future generations.

2.7.2 Perceived success of the family business

Success is such a troublesome word. How does one know if you are successful as a family business? When it is ambiguous, it can be frustrating, to never know for sure if one finally achieved success. How can one define success? Could it be just about fame and money?

The problems associated with measuring the success in a small business are primarily caused by a lack of comparable data due to the ambiguity of “success” and by subjective biases (Hienerth & Kessler, 2006: 115). Wakoh and Collins (2001: 32) debate that there is no official data available in identifying an appropriate success criteria, evaluating success are especially important in the study of small (family) businesses, and this lack of a criteria can make internal measurement challenging and time consuming.

Because of the uncertainty of elements of success in the family business and unclear objectives, it makes it hard to compare success measures across multiple companies. At the same time, the variety of company objectives leads to various isolated success measures that produce different results. Hienerth and Kessler

(2006: 115) state that ambiguity and lack of comparability give rise to an absence of adequate reference values, which itself favors the emergence of biased perceptions of success on the entrepreneurs' part and for these reasons, missing, incomparable, or biased information about the performance of small companies creates shortcomings in the ensuing analysis of those companies' strengths and weaknesses.

As mentioned before Steier (2001: 353) mentioned that in order for any business venture, partnership, and especially a family business to be successful, one needs to build and maintain a strong, reliable and responsible team. It is particularly important for all the family and non-family members to be able to work harmoniously together. Empirical evidence suggests that harmonious relationships between family members are important for successful successions and successful family businesses (Malone, 1989; Santiago, 2000: 20; Venter, 2003). Farrington, Venter and Boshoff (2011) agree, stating that it is highly unlikely that family members involved in a family business characterised by disharmonious family relationships and poor financial performance will find their involvement to be satisfying, let alone want to continue being involved.

According to Olson *et al.* (2003: 648), success of family business depends on the effective management of the overlap between family and business, rather than on resources or processes in either the family or the business systems. Furthermore, Stafford *et al.* (1999: 204) also define success in family businesses as ambiguous and that business aim to achieve a variety of financial and nonfinancial goals.

Zellweger and Nason (2009: 205) define performance outcomes in family business as financial and non-financial. Swart (2005: 38) state to survive and to be successful, family members need to nurture their personal relationships with one another. Niehm and Miller (2006: 76) consider the degree of personal satisfaction that family members derive from their involvement in the business to be the perceived success of the family business. They suggest that both the perceived success and the financial success should be considered when attempting to determine the success of a family business.

Positive familiness can contribute to the longevity and future success within family businesses. Familiness is the unique bundle of resources a firm has as a result of the interaction of the family, the firm and individual family members with one another (Habbershon & Williams, 1999: 8). It can be seen as a distinctive advantage the family business has to any other form of business. Familiness is regarded as a capability, in the sense that it is firm specific and is embedded in the firm and its processes, and is not transferable to other business. Familiness originates with a founder, so the founder as a resource to the business (founder capital) needs to be considered before investigating the family as a resource (family capital). In a successful family business, founder capital and family capital interact to create superior business performance. Distinctive familiness exists when family involvement in a family business provides a firm with a sustainable competitive advantage (Habbershon & Williams, 1999: 20).

In alignment with Hoogendyk's (2011: 61) point of view, it is clear that a link exists between family business wellness and family harmony, where the former often forms the underlying causes for a lack of the latter, the perceived success of a family business by the involved family members should give a good indication as to the degree of wellness that exists within the family business under scrutiny.

The construct, *Perceived success of the family business* will be evaluated by a 5-point Likert-type scale (1 = strongly disagree; 5 = strongly agree) based on the following items:

- Our family business has experienced growth in turnover over the past two years.
- Our family business has experienced growth in employee numbers over the past two years.
- Our family business is profitable.
- Our family business has experienced growth in profits over the past two years.
- I regard our family business as being financially successful.
- The financial wellbeing of our family business is secure.

2.8 SUMMARY

This chapter addressed a literature review that formed the basis of the empirical study. Topics discussed include an introduction, definition of an intergenerational small to medium sized family business, uniqueness of family businesses, characteristics of a family business, the importance of family business in the economic environment, advantages and disadvantages of family businesses and the perception of success.

The main purpose of this chapter was to discuss the different literature components of a family business.

Family businesses exist in all shapes and sizes; it ranges from as small as one to four employees to international companies listed on stock exchanges across the globe. For the purpose of this study, however, only small and medium-sized family businesses were considered.

Globally, family-owned businesses make up for the majority of businesses worldwide. Therefore, it is of utmost importance for economies across the world. It can be seen as the single biggest provider of jobs and economic growth in the international economy today. In South Africa, it is no different with approximately 80% of all businesses having family owner involvement. Family businesses constitute a substantial part of the existing businesses in South Africa. Family businesses therefore play a significant role in the strength and dynamism of the South African economy.

The long-term sustainability of these family-owned businesses is therefore very important for future economic growth and job creation, not just in South Africa but all across the globe. Governments can play a big role in the sustainability of family businesses by putting in place certain rules and regulations that would rather be helpful than challenging. The development of entrepreneurship can also play a huge part in the start-up process of new family businesses. One of the biggest factors of sustainability, however, is not the political or economic environment, but rather the

ability of all the family members, active or inactive, to maintain harmonious family relationships over very long periods of time. To maintain family harmony in the long run the family members must adhere to certain constructs promoting family harmony within family businesses.

High level of trust, mutual support, care about each other's well-being, closeness of family members, mutual respect, the understanding of others' views, and a willingness to acknowledge others' achievements are some of the keys to resolving most family business problems, especially in very important or sensitive matters like, who takes the company over when the current leader retires, who is responsible for what duties, and whether the business is run as a family-first business or a business-first business. Good communication can be seen as the essence of family and business relationships. Poor communication on the other hand can cause severe problems in family businesses and the absence of well thought out channels of communication can be blamed as a profound source of family conflict.

Perceptions of the **success** of the family business where alienated and measured through two determinants:

A variety of problems can lead to the downfall of a family business, but none is more lethal than the lack of proper succession planning. Ward (2004: 3) estimate that approximately half of all family businesses fail to make it to the next generation owing to inefficient succession. Another factor that plays a role in the continuity of the family business is the ability of the family members to handle stress and disruptions which, according to Astrachan (2003: 570), is a clear indication of sustainability and continuity. Commitment of the family to the future continuity of the business is a priority because it supports the development of the shared future vision and the family business continuity plan.

Positive familiness can contribute to the longevity and future success within family businesses. Perceived successes the degree of personal satisfaction that family members derive from their involvement in the business can be regarded as the perceived success of the family business. In family business research, together with

financial performance and growth, the satisfaction of family members involved in a family business is commonly associated with success. The perceived success of a family business by the involved family members should therefore give a good indication as to the degree of wellness that exists within that family business.

CHAPTER 3

LITERATURE REVIEW ON FAMILY WELLNESS AND DETERMINANTS

3.1 INTRODUCTION

The core of this chapter focuses on the factors that influence and determine family wellness in a family business. This includes a definition of wellness and a literature review of selected determinants of family wellness in a family business.

Some of these determinants include an evaluation of specific aspects of work and work environment through job characteristics, family members' perceptions of job challenges measured through burnout and work engagement, and other determinants of attitudes and feelings about one self and performance. These other determinants include: self efficacy, internal locus of control, external locus of control, hope, self esteem and gratitude.

Other topics reviewed include the different types of family commitment and family harmony in the family business. This chapter concludes with a brief summary on all topics discussed.

3.2 DEFINING WELLNESS

The truth is wellness is a tough word to define. According to Charles B. Corbin wellness is a multidimensional state of being describing the existence of positive health in an individual as exemplified by quality of life and a sense of well-being (Anon., 2012).

There is no universally-accepted definition of wellness. There is, however, a set of common characteristics seen in most thoughtful attempts at a definition of wellness. It is generally seen as a reference to a "state of well-being," which is vague, to say the least. Also frequently seen is a "state of acceptance or satisfaction with our present condition."

According to the National Wellness Institute (NWI, 2012), the term wellness has been applied in many ways, although there might be different views on what wellness encompasses, the National Wellness Institute - along with the help of leaders in health and wellness - shared many interpretations and models of wellness. Through this discussion, there appears to be general agreement that:

- Wellness is a conscious, self-directed and evolving process of achieving full potential.
- Wellness is multi-dimensional and holistic, encompassing lifestyle, mental and spiritual well-being, and the environment.
- Wellness is positive and affirming.

The definition of wellness, long used by the National Wellness Institute is consistent with these tenets. Wellness is not the mere absence of disease. It is a proactive, preventive approach designed to achieve optimum levels of health, social and emotional functioning. Wellness is an active process through which people become aware of, and make choices toward, a more successful existence (NWI, 2012).

Dwyer (2004: 20) argue that many participants in family-owned businesses are dying inside because they are being oppressed, manipulated, hurt and abused both psychologically and financially; and they have nowhere to turn to. According to Rivers (2012), most businesses can survive the threats of competition, economic cycles, changes in technology, or other factors, but the deterioration of interpersonal relationships will devastate the business and tear apart the family. Thus, the single most important element in success or failure of a family business is the relationship (wellness) among key members of the family business.

3.3 SELECTED DETERMINANTS OF WELLNESS

A broad description of wellness' determinants would be a feeling of control of destiny, health practices, spirituality, family, environment, work, money and security, health services, social support and leisure (NWI, 2012).

In terms of assessing personal feelings through the wellness determinants of a family business, the researcher needs to be sensitive towards these determinants. Some of these determinants will appear to be fundamental determinants towards wellness for family and among family business other may appear to be underlying. The idea for the selected determinants was to emphasise the management of these determinants in an integrated manner to ensure family wellness in the family business.

Each of these determinants can encompass numerous topics, all of which can be considered to be determinants of wellness in their own right. A selected few of these determinants are being investigated as part of this study to explore its relevance and effects on family businesses. These determinants will be clustered in three main clusters: Job characteristics; Burnout and work engagement; and other determinants.

- Evaluation of specific aspects of work and work environment (**Job characteristics**):
 1. Overload
 2. Organizational support
 3. Growth opportunity
 4. Job insecurity
 5. Advancement

- Perceptions of job challenges (**Burnout and work engagement**):
 1. Exhaustion / Burnout
 2. Cynicism
 3. Professional efficacy
 4. Vigor
 5. Dedication

- **Other determinants** of attitudes and feelings about one self and performance:
 1. Self efficacy

2. Internal locus of control
3. External locus of control
4. Hope
5. Self esteem
6. Gratitude

Several determinants are linked to each other, for example: self-esteem to job satisfaction which has an effect on work engagement. It can also be linked with performance outcomes, but for this study it's worth noting that the determinants above can be interconnected, even interdependent, to a significant degree. In the next section all the above variables will be discussed and the questions regarding the measurement of these determinants in the questionnaire (Appendix A) will be highlighted.

3.4 DEPENDABLE VARIABLES AND ITS MEASUREMENT

3.4.1 Job characteristics

During the past three decades, many studies have shown that job characteristics can have a profound impact on employee well being for example job strain, burnout and work engagement. Research has revealed that job demands such as a high work pressure, emotional demands, and role ambiguity may lead to sleeping problems, exhaustion, and impaired health (Doi, 2005: 5; Halbesleben & Buckley, 2004: 865), whereas job resources such as social support, performance feedback, and autonomy may instigate a motivational process leading to job-related learning, work engagement, and organizational commitment (Demerouti, Bakker, Jonge, Janssen & Schaufeli, 2001: 279; Salanova, Agut & Peiro, 2005: 22; Taris & Feij, 2004). Although these previous studies have produced a long list of possible antecedents of employee well being, theoretical progress has been limited. Many studies have either used a laundry-list approach to predict employee well being, or they have relied on one of two influential job stress models, namely the demand-control model (Karasek, 1979: 285) and the effort-reward imbalance model (Siegrist, 1996: 28).

Demerouti, Bakker, Nachreiner and Schaufeli (2001) developed the Job Demands-Resources (JD-R) model. One central assumption of the JD-R model is that, although every occupation (or organization) may have its own specific work characteristics associated with well-being, it is still possible to model these characteristics in two broad categories, namely job demands and job resources.

Job demands represent aspects of the job that could potentially cause strain in cases where they exceed the employee's adaptive capability. More specifically, job demands refer to physical, social or organisational aspects of a job that require sustained physical and/or psychological effort on the part of the employee and that are therefore associated with certain physiological and/or psychological costs (Schaufeli & Bakker, 2004: 3). Job demands are not negative, but may lead to job stress when employees are confronted by demands which require effort when they have not recovered from stress caused by previous demands (Meijman & Mulder, 1998). Karasek (1979) identifies various influential demands and recognises a restricted definition of job demands that are mainly quantitative in nature, such as workload and time pressure. The JD-R model supports this view by recognising that demanding characteristics of the working environment, work pressure, overload, emotional demands, and poor environmental conditions may lead to the impairment of health and ultimately to absenteeism (Schaufeli & Bakker, 2004: 3; Semmer, Zapf & Dunckel, 1995: 106; Zapf, Vogt, Seifert, Mertini & Isic, 1999).

Job resources concern the extent to which the job offers assets/opportunities to individual employees. Job resources refer to those physical, psychological, social or organisational aspects of the job that: (1) reduce job demands and the associated physiological and psychological costs, (2) are functional in achieving work goals, and/or (3) stimulate personal growth, learning, and development (Demerouti *et al.*, 2001). Hence, resources are not only necessary to deal with job demands, but they also are important in their own right. This agrees with Hackman and Oldham's (1980) job characteristics theory that emphasizes the motivational potential of job resources at the task level, including autonomy, feedback, and task significance.

The Job Demand-Resources (JD-R) model (Demerouti *et al.*, 2001) was utilised in this study and the model was validated and tested in the South African environment by Jackson (2004:122) and Rothmann, Mostert and Strydom (2006: 84), among others. The model utilised in this study evaluates the five constructs measuring the job characteristics in the participating family businesses. These constructs are *Overload*, *Organisational support*, *Advancement*, *Growth opportunities* and *Job insecurity*. The instrument assesses the five constructs with 50 statements on the basis of a 5-point Likert type scale ranging from 1 = never to 5 = always. In respect of each statement, subjects have to indicate the degree to which they agree or disagree on a certain statement (Welman & Kruger, 1999: 155).

Overload refers to the pace and amount of work, mental load and emotional load. For the purpose of this study, the construct will be measured by the following statements or questions:

- Do you have too much work to do?
- Do you work under time pressure?
- Do you find that you do not have enough work?
- Do you have to be attentive to many things at the same time?
- Do you have to give continuous attention to your work?
- Do you have to remember many things in your work?
- Are you confronted in your work with things that affect you personally?
- Do you have contact with difficult clients/suppliers in your work?
- Does your work put you in emotionally upsetting situations?

The construct **Organisational support** refers to the relationship with supervisors and colleagues (and in this study family members), flow of information, communication role clarity and participation in decision-making. The construct will be measured by the following statements or questions:

- In your work, do you repeatedly have to do the same things?
- Does your work make sufficient demands on all your skills and capacities?
- Do you have enough variety in your work?

- Does your job offer you opportunities for personal growth and development?
- Does your work give you the feeling that you can achieve something?
- Does your job offer you the possibility of independent thought and action?
- Do you have freedom in carrying out your work activities?
- Do you have influence in the planning of your work activities?
- Can you participate in the decision about when a piece of work must be completed?

The construct ***Growth opportunities*** refers to having enough variety, opportunities to learn and independence in the job. The following questions will be used to measure the construct:

- Can you count on family members when you come across difficulties in your work?
- If necessary, can you ask family members for help? Do you get on well with family members?
- Can you count on your supervisor (or other family members) when you come across difficulties in your work?
- Do you get on well with your supervisor (or other family members)?
- In your work, do you feel appreciated by other family members?
- Do you know exactly what other people expect of you in your work?
- Do you know exactly what you are responsible for and which areas is not your responsibility?
- Do you know exactly what your direct supervisor (or other family members) thinks of your performance?
- Do you receive sufficient information on the purpose of your work?
- Do you receive sufficient information on the results of your work?
- Do you receive sufficient feedback on your work performance?
- Does your direct supervisor (or other family members) inform you about how well you are doing your work?
- Are you kept adequately up-to-date about important issues within the family business?
- Is the family business's decision-making process clear to you?

- Is it clear to you whom you should address within the family business for specific problems?
- Can you discuss work problems with your direct supervisor (or other family members)?
- Can you participate in decisions about the nature of your work?
- Do you have a direct influence on the family business' decisions?
- Do you have contact with family members as part of your work?
- Can you have a chat with family members during working hours?
- Do you find that you have enough contact with family members during working hours?

Job insecurity refers to uncertainty about the future. For the purpose of this study, the construct *Job insecurity* will be measured by the following statements or questions:

- Do you need to be more secure that you will still be working in one year's time?
- Do you need to be more secure that you will keep your current job in the next year?
- Do you need to be more secure that next year you will keep the same function level as currently?

Advancement includes items such as remuneration, career possibilities and training opportunities and the construct will be measured by the following questions:

- Do you think that the family business pays good salaries?
- Can you live comfortably on your pay?
- Is there a direct link between work performance and compensation in the family business?
- Do you think you are paid enough for the work that you do?
- Does your job offer you the possibility to progress financially?
- Does the family business give you opportunities to follow training courses?
- Does your job give you the opportunity to be promoted?

3.4.2 Burnout and work engagement

Work engagement is a concept relevant for employee well-being and work behaviour for several reasons. First, work engagement is a positive experience in itself (Schaufeli, Salanova, Gonzalez-Roma & Bakker, 2002: 75). Second, it is related to good health and positive work affect (Demerouti *et al.*, 2001; Rothbard, 2001). Third, work engagement helps individuals derive benefits from stressful work (Britt, Adler & Bartone, 2001). Fourth, work engagement is positively related to organizational commitment (Demerouti *et al.*, 2001: 280) and is expected to affect employee performance (Kahn, 1990).

As mentioned above work engagement is 'a positive, fulfilling, affective-motivational state of work-related wellbeing' (Bakker, Schaufeli, Leiter & Taris, 2008: 188). It is defined and operationalised as 'a positive, fulfilling work-related state of mind that is characterised by vigour, dedication and absorption' (Schaufeli *et al.*, 2002: 74). *Vigour* is characterised by high levels of energy and mental resilience; *dedication* is experienced when individuals are enthusiastic, inspired and challenged whilst doing their work; and *absorption* is characterised by fully concentrating on, and being deeply engrossed in one's work, where time passes quickly and one has difficulty detaching oneself from work (Bakker *et al.*, 2008: 188).

Recent research reveals that the main dimensions of work engagement are vigour and dedication (González-Romá, Schaufeli, Bakker and Lloret, 2006). Employees that are engaged experience high levels of energy and strong identification towards their work (Bakker *et al.*, 2008: 188; Bakker & Demerouti, 2008). They are also better enabled to handle job demands (Schaufeli, Taris & Van Rhenen, 2009: 173).

Two drivers of work engagement:

3.4.2.1 Job resources

Previous studies have consistently shown that job resources such as social support from colleagues, performance feedback, skill variety, autonomy, and learning

opportunities are positively associated with work engagement (Albrecht, 2010; Bakker & Demerouti, 2008).

As mentioned in section 3.4.1 above *Job resources* refer to those physical, social, or organizational aspects of the job that may (a) reduce job demands and the associated physiological and psychological costs; (b) be functional in achieving work goals; or (c) stimulate personal growth, learning, and development (Schaufeli & Bakker, 2004: 9). Hence, resources are not only necessary to deal with (high) job demands—they also are important in their own right.

Job resources are assumed to play either an intrinsic motivational role because they foster employees' growth, learning, and development or an extrinsic motivational role because they are instrumental in achieving work goals. In the former case, job resources fulfill basic human needs, such as the needs for autonomy, relatedness, and competence (Deci & Ryan, 1985; Bakker & Demerouti, 2008: 211). For instance, proper feedback fosters learning, thereby increasing job competence, whereas decision latitude and social support satisfy the need for autonomy and the need to belong, respectively (Bakker, 2011: 266).

Job resources may also play an extrinsic motivational role, because resourceful work environments foster the willingness to dedicate one's efforts to the work task. In such environments, it is likely that the task will be completed successfully and that the goal will be attained. For instance, supportive colleagues and performance feedback increase the likelihood of being successful in achieving one's work goals. In either case, be it through the satisfaction of basic needs or through the achievement of work goals, the outcome is positive, and engagement is likely to occur (Schaufeli *et al.*, 2004; Bakker & Demerouti, 2008: 212).

3.4.2.2 Personal resources

Personal resources are positive self-evaluations that are linked to resiliency and refer to individuals' sense of their ability to successfully control and have an impact on their environment (Hobfoll, Johnson, Ennis & Jackson, 2003: 632). It has been

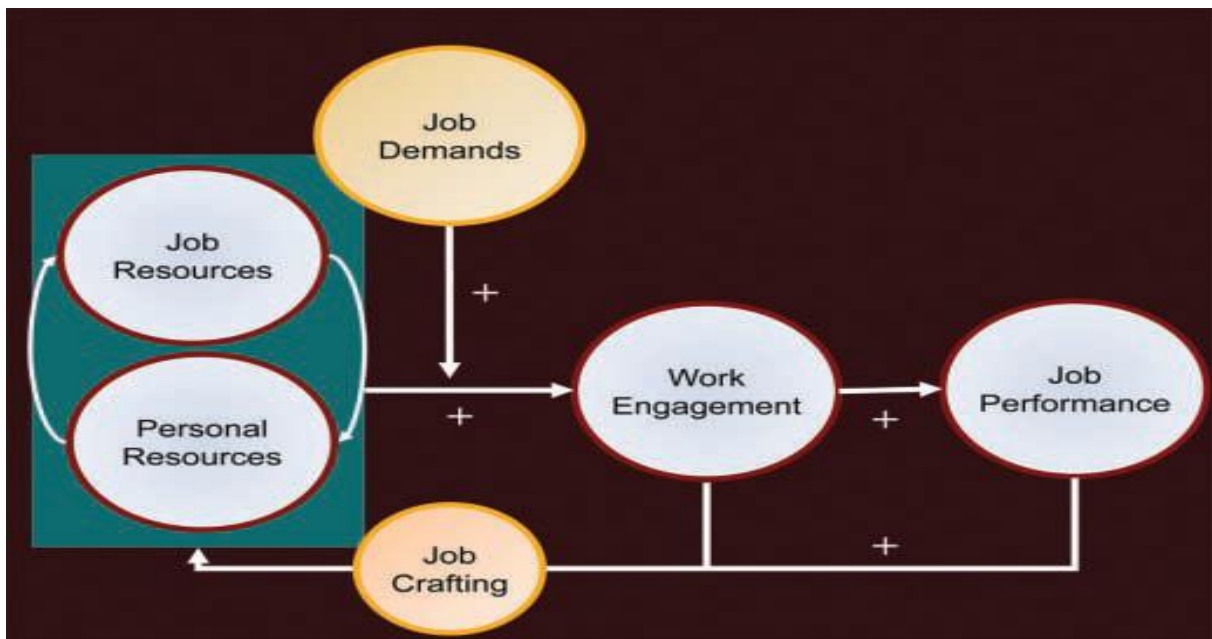
convincingly shown that such positive self-evaluations predict goal setting, motivation, performance, job and life satisfaction, and other desirable outcomes (Judge, Van Vianen & De Pater, 2004: 326). The reason for this is that the higher an individual's personal resources, the more positive the person's self-regard and the more goal self-concordance is expected to be experienced.

Several authors have investigated the relationships between personal resources and work engagement. For example, it has been shown that self-esteem; self-efficacy; locus of control; and the abilities to perceive and regulate emotions are positive predictors of work engagement (Albrecht, 2010).

In their longitudinal survey and diary studies, Xanthopoulou, Bakker, Demerouti and Schaufeli (2009a; 2009b) examined the role of three personal resources (self-efficacy, organizational-based self-esteem and optimism) in predicting work engagement. Results showed that engaged employees are highly self-efficacious; they believe they are able to meet the demands they face in a broad array of contexts. In addition, engaged workers have the tendency to believe that they will generally experience good outcomes in life (optimistic) and believe they can satisfy their needs by participating in roles within the organization (self-esteem).

With reference to Figure 3.1, job and personal resources independently or together predict work engagement and have a particularly positive impact on engagement when job demands are high; engagement, in turn, positively affects job performance. Importantly, the feedback loop in the model shows how employees who are engaged and perform well are able to create their own resources (job crafting), which then foster engagement over time and create a positive gain spiral (Bakker, 2011: 267).

Figure 3.1: The model of work engagement



Source: Bakker and Demerouti (2008)

To measure the levels of work engagement of the family members participating in the study, the Utrecht Work Engagement Scale (UWES) (Schaufeli *et al.*, 2002) was used. Two dimensions of work engagement, *Vigour* and *Dedication*, were included in the questionnaire (refer to Appendix A): *Vigour* refers to high levels of energy and resilience, the willingness to invest effort, not being easily fatigued, and persistence in difficulties. *Dedication* refers to deriving a sense of significance from one's work, feeling enthusiastic and proud about one's job, and feeling inspired and challenged by it.

The dimension *Vigour* will be measured by the following items:

- At my work, I feel bursting with energy.
- At my job, I feel strong and vigorous.
- When I get up in the morning, I feel like going to work.
- I can continue working for very long periods at a time.
- At my job, I am mentally very resilient.

The dimension ***Dedication*** will be measured by the following items:

- I find the work that I do full of meaning and purpose.
- I am enthusiastic about my job.
- My job inspires me.
- I am proud of the work that I do.
- To me, my job is challenging.

Job burnout is a concept known to negatively affect job satisfaction and organizational commitment, and creates such undesired behaviours as personnel turnover and absenteeism (Lee & Ashforth, 1996: 128), although it's relationship with an organisation's most important outcome namely, job performance, has hardly received any research attention.

Burnout is also a work-related stress syndrome that was originally observed among those who do "people work" (Maslach & Jackson, 1986). However, research of the past decade has shown that the core dimensions of burnout which is *exhaustion* and *cynicism* or disengagement from work, can be observed in virtually any occupational group (Bakker, Demerouti & Schaufeli, 2002; Demerouti *et al.*, 2001; Leiter & Schaufeli, 1996: 230).

According to Jackson (2004: 30), the Maslach Burnout Inventory (MBI) dominates the field of burnout research. The model is based on the principle that burnout is a multidimensional syndrome of free cognitive/affective components, emotional exhaustion, depersonalisation or becoming callous towards and withdrawn from clients and colleagues (in this case family members), and a lack of sense of accomplishment at work (Jackson, 2004: 31).

The three original burnout dimensions were redefined and an alternative version of the MBI, the General Survey (MBI-GS) was developed that can also be used outside the human services (Jackson, 2004: 32): *Exhaustion* as operationalised in the MBI-GS refers to severe fatigue irrespective of its cause; *cynicism* reflects an indifferent or distant attitude towards work instead of people; and lack of *professional efficacy*

encompasses both social and non-social aspects of occupational accomplishments (Jackson, 2004: 32).

For the purposes of this study, family member employee burnout will be measured by the Maslach Burnout Inventory-General survey (MBI-GS).

The burnout dimension **Exhaustion** will be measured by the following items:

- I feel emotionally drained by my work.
- I feel used up at the end of the workday.
- I feel tired when I get up in the morning and have to face another day on the job.
- Working all day is really a strain for me.
- I feel burned out because of my work.

Cynicism will be measured by the following items:

- I have become less interested in my work since I started this job.
- I have become less enthusiastic about my work.
- I have become more cynical about whether my work contributes anything.
- I doubt the significance of my work.

The dimension **Professional efficacy** will be measured by the following six items:

- I can effectively solve the problems that arise in my work.
- I feel I am making an effective contribution to what this organisation does.
- In my opinion, I am good at my job.
- I feel exhilarated when I accomplish something at work.
- I have accomplished many worthwhile things in this job.
- At my work, I feel confident that I am effective at getting things done.

3.4.3 Measuring other determinants of family business wellness

Because there are limited research and studies on the determinants of family business wellness, it was decided to investigate other selected determinants of family business wellness. These determinants and the instruments that will be used to assess the chosen determinants will be discussed in the next sections.

3.4.3.1 Self-efficacy

Self-efficacy theory (Bandura, 1977; 1982) has been given considerable attention over the past decades as useful conceptual model for understanding various aspects of the career development process. Self-efficacy as espoused by Bandura (1977) is concerned with people's judgments of their capabilities to execute action that the required to deal with prospective situation and the relationship between these judgment and subsequent behavior. In other words self-efficacy represents an individual's belief that they can successfully accomplish a goal (Bandura, 1977).

Although the theory as conceived by Bandura is task-oriented, Judge, Locke, Durham and Kluge (1998) had established the globality of the concept. Viewing from a generalised perspective, self-efficacy was defined by Judge *et al.* (1998) as one's estimate of one's capabilities to mobilize the motivation, cognitive resources and courses of action needed to exercise general control over events in one's life. If life itself is regarded as series of tasks, then generalized self-efficacy can be seen as reflecting one's perception of one's fundamental ability to cope with life's exigencies.

Various researchers have found that high self-efficacy underlies most human performance (Bandura, 1999; 1993). Therefore, without a strong sense of self-efficacy, "...an individual has little incentive to act or to persevere in the face of difficulties" (Bandura, 2002: 269). Perceived self-efficacy is concerned with people's beliefs that they can exert control over their motivation and behaviour and over their social environment. People's beliefs about their capabilities affect what they choose to do, how much effort they mobilize, how long they will persevere in the face of difficulties, whether they engage in self-debilitating or self-encouraging thought patterns, and the amount of stress and depression they experience in taxing

situations. When people lack a sense of self-efficacy, they do not manage situations effectively, even though they know what to do and possess the requisite skills.

Self-efficacy serves as an excellent measure of perceived behavioural control, since the degree to which a person can have confidence in their ability to start a business is directly related to their perceived control in executing that behaviour (Ajzen, 1991). Perceived behavioural control refers to the perception of resource availability, but this concept also includes the individual's perceived ease/difficulty in completion of a task. Individuals will intend to participate in tasks that they believe can be accomplished (Bandura, 1997); therefore higher levels of self-confidence regarding the accomplishment of entrepreneurial tasks can be positioned as increased volitional control. For the purpose of this study, the construct **Self efficacy** will be measured by the following items:

- I can always manage to solve difficult problems if I try hard enough.
- If someone opposes me I can find means and ways to get what I want.
- It is easy for me to stick to my aims and accomplish my goals.
- I am confident that I could deal efficiently with unexpected events.
- Thanks to my resourcefulness, I know how to handle unforeseen situations.
- I can solve my problems if I invest the necessary effort.
- I can remain calm when facing difficulties because I can rely on my coping solutions.
- When I am confronted with a problem, I can usually find several solutions.
- If I am in trouble, I can usually think of a solution.
- I can usually handle what comes my way.

3.4.3.2 Locus of control

This refers to people's disposition to perceive one's reinforcement either as contingent on one's effort or on factors beyond one's control. It has to do with people believe in the extent to which they are able to control events in their lives (internal locus of control) as well as the belief that forces external to them are responsible for their plights (Rotter, 1966: 609). This disposition partitions people into two namely,

internally and externally controlled. Rotter (1966: 609) differentiate internal locus of control as those who believe that they are the masters of their fate and, therefore, often are confident, alert, and directive in attempting to control their external environments. Further, they often perceive a strong link between their actions and consequences. As a general principle “internal control” refers to the perception and/or negative events as being a consequence of one’s own action and thereby under personal control. “External control” is the perception of positive and/or negative events as being unrelated to one’s own action in certain situation and therefore beyond their personal control. External locus of control on the other hand, is those who believe that they do not have direct control of their fate and perceive themselves in a passive role with regard to the external environment. They, therefore, tend to attribute personal outcomes to external factors or luck (Rotter, 1966: 609).

A person’s locus of control therefore is a measure of belief about whether his success or failure can be attributed to internal or external forces. Although, Judge *et al.* (1998) pointed out that locus of control and self-efficacy are theoretically related, the two concepts differ in one important respect. Self-efficacy pertains to confidence with respect to actions or behaviors whereas locus of control is more concerned with confidence in being able to control outcomes. In the expectancy theory, self-efficacy pertains more to expectancy and locus of control more to instrumentality. Both self-efficacy and locus of control have been linked to job satisfaction (Judge *et al.*, 1998: 21; Judge & Locke, 1993: 480).

The Work Locus of Control scale (WLCS) (Spector, 1988), comprising of 16 statements, was utilised in this study. The WLCS is a specific scale that refers to diverse sources of control related to the workplace (self, powerful others and chance). The answers are noted on a 5-point Likert-type scale that goes from 1 = strongly disagree to 5 = strongly agree. Note that the original WLCS scale used a 6-point Likert scale. Half of the answers are expressed in an external form and the other half in an internal form to decrease the influence of social desirability. For the purpose of this study, the internal locus of control was separated from the external locus of control.

An **internal locus** of control will be measured by the following items (WLCS; Spector, 1988):

- A job is what you make of it.
- On most jobs, people can pretty much accomplish whatever they set out to accomplish.
- If you know what you want out of a job, you can find a job that gives it to you.
- If employees are unhappy with decisions made by their boss, they should do something about it.
- Most people are capable of doing their jobs well if they make the effort.
- Promotions are given to employees who perform well on the job.
- People who perform their jobs well generally get rewarded for it.
- Most employees have more influence on their supervisors than they think they do.

An **external locus** of control, for the purpose of this study, will be measured by the following eight items (WLCS; Spector, 1988):

- Getting the job that you want is mostly a matter of luck.
- Making money is primarily a matter of good fortune.
- In order to get a really good job you need to have family members or friends in high places.
- Promotions are usually a matter of good fortune.
- When it comes to really getting a good job, who you know is more important than what you know.
- To make a lot of money you have to know the right people.
- It takes a lot of luck to be an outstanding employee in most jobs.
- The main difference between people who make a lot of money and people who make a little money is luck.

3.4.3.3 Hope

The importance of hope has long been recognized. The typical dictionary definition of hope emphasizes the perception "that something desired may happen". According to Snyder, Harris, Anderson, Holleran, Irving, Sigmon, Yoshinobu, Gibb, Langelle and Harney (1991), recent scholarly writings on the topic of hope have amplified this definition principally by emphasizing the importance of goals. Most authors have suggest that hope is a unidimensional construct involving an overall perception that goals can be met (Cantril, 1964; Erickson, Post & Paige, 1975).

The predominant view is that greater hope is generally associated with positive outcomes and as such is not irrational. Although the previous conceptualisations of hope have assumed that people are goal directed and that such goal directedness is adaptive, they generally have not detailed the means by which goals are pursued (Snyder *et al.*, 1991). In an expansion of these earlier views, the present analysis draws upon goal concepts (Lee, Locke & Latham, 1989; Pervin, 1989) to elucidate the cognitive set of hope. Within a goal-setting framework, Snyder *et al.* (1991), propose that there are two major, interrelated elements of hope.

Firstly the authors hypothesise that hope is fuelled by the perception of successful *agency* related to goals. The agency component refers to a sense of successful determination in meeting goals in the past, present, and future. Secondly the authors hypothesise that hope is influenced by the perceived availability of successful *pathways* related to goals. The pathways component refers to a sense of being able to generate successful plans to meet goals (Snyder *et al.*, 1991).

More formally, hope is defined as a cognitive set that is based on a reciprocally derived sense of successful (a) agency (goal-directed determination) and (b) pathways (planning of ways to meet goals) (Snyder *et al.*, 1991).

The Adult Dispositional Hope Scale developed by Snyder (Snyder *et al.*, 1991) is a self-report, 12 item inventory designed to tap dispositional hope in adults. For the purpose of this study a 5-point Likert-type was used to measure the following items:

- I can think of many ways to get out of the jam.
- I energetically pursue my goals.
- I feel tired most of the time.
- There are lots of ways around any problem.
- I am easily drowned in an argument.
- I can think of many ways to get the things in life that are most important to me.
- I worry about my health.
- Even when others get discouraged, I know I can find a way to solve the problem.
- My past experiences have prepared me well for my future.
- I've been pretty successful in life.
- I usually find myself worrying about something.
- I meet the goals I set in life.

3.4.3.4 Self-esteem

Self-esteem is the evaluative aspect of the self-concept that corresponds to an overall view of the self as worthy or unworthy (Baumeister, 1998). This is embodied in Coppersmiths' (1967: 4) classic definition of self-esteem that the evaluation which the individual makes and customarily maintains with regard to himself: it expresses an attitude of approval and indicates the extent to which an individual believes himself to be capable, significant, successful and worthy. In short, self-esteem is a personal judgment of the worthiness that is expressed in the attitudes the individual holds towards himself. In other words, self-esteem is an attitude about the self and is related to personal beliefs about skills, abilities, social relationships, and future outcomes.

Also self-esteem can be described as the overall value that one places on oneself (Harter, 1990). From a theoretical perspective, Locke, McClear and Knight (1996) argued that the most plausible theory of Rand, which state that self-esteem is reliance on one's power to think (Rand, 1993: 181), which implies the relentless use of one's conceptual faculty (reason), which implies an active mind, a mind focused on reality, integration, understanding, grasping connection, thinking long range, making deduction and inferences and increasing the sums of one's knowledge

(Bisiwanger, 1991). Some schools of thoughts (Judge *et al.*, 1998; Calvin & Block, 1994) are of the opinion that the construct is fundamentally rooted in reality as opposed to illusion of delusion. Several studies have linked self-esteem to job satisfaction (Locke *et al.*, 1996; Judge *et al.*, 1998; Nwagwu & Salami, 1999; Judge & Locke, 1993). It has also been linked with performance outcome (Adebayo, 1999).

It is believed that there are many benefits to having a positive view of the self (Heatherton & Wyland, 2003: 219). Those who have high self-esteem are presumed to be psychologically happy and healthy (Branden, 1994; Taylor & Brown, 1988) whereas those with low self-esteem are believed to be psychologically distressed and perhaps even depressed (Tennen & Affleck, 1993). Heatherton and Wyland (2003: 219) declared that having high self-esteem apparently provides benefits to those who possess it: they feel good about themselves, they are able to cope effectively with challenges and negative feedback, and they live in a social world in which they believe that people value and respect them. Although there are negative consequences associated with having extremely high self-esteem (Baumeister, 1998), most people with high self-esteem appear to lead happy and productive lives. By contrast, people with low self-esteem see the world through a more negative filter, and their general dislike for themselves colours their perceptions of everything around them (Heatherton & Wyland, 2003: 219).

The Rosenberg Self-Esteem scale (RSE; Rosenberg, 1965) is the most widely used measure of global self-esteem (Demo, 1985). The RSE is a 10-item Guttman scale with high internal reliability (Heatherton & Wyland, 2003: 226) and will be used in this study. For the purpose of this study, the following 10 items will be measured on a 5-point Likert-type scale with 1 = strongly disagree and 5 = strongly agree. The items measuring self-esteem are the following:

- I feel that I am a person of worth, at least on an equal plane with others.
- I feel that I have a number of good qualities.
- All in all, I am inclined to feel that I am a failure.
- I am able to do things as well as most people.
- I feel I do not have much to be proud of.

- I take a positive attitude toward myself.
- On a whole, I am satisfied with myself.
- I wish I could have more respect for myself.
- I certainly feel useless at times.
- At times, I think that I am not good at all.

3.4.3.5 Gratitude

Happy people tend to be grateful people (Watkins, 2004). Gratitude has been conceptualised as an emotion, an attitude, a moral virtue, a habit, a personality trait, and a coping response (Emmons, McCullough & Tsang, 2003: 327). Gratitude can also be defined as “a sense of thankfulness and joy in response to receiving a gift, whether the gift be a tangible benefit from a specific other or a moment of peaceful bliss evoked by natural beauty” (Peterson & Seligman, 2004: 554).

From the perspectives of moral philosophy and theology, gratitude is seen as a human strength that enhances one's personal and relational well-being and is beneficial for society as a whole (Simmel, 1950). McCullough, Kilpatrick, Emmons, and Larson (2001) theorised that gratitude is a moral affect—that is, one with moral precursors and consequences. As an emotion, gratitude stems from the perception that one has experienced a positive outcome that has been intentionally provided by another person or “moral agent,” often but not necessarily a person (Emmons & McCullough, 2003).

Two self-report measures of gratitude as a personality disposition have been constructed, the GRAT (Watkins, Grimm & Hailu, 1998) and the Gratitude Questionnaire (GQ; McCullough, Emmons and Tang, 2002). These measures emphasise the emotional component more than the moral component of reciprocity (Emmons *et al.*, 2003: 327).

For the purpose of this study, the GQ-6 measuring scale developed by McCullough *et al.* (2002) was used to measure the construct *Gratitude*. Respondents have to endorse each item on a five point Likert-type scale (where 1 = strongly disagree and

5 = strongly agree). Note that the original GQ-6 scale was validated on a seven point Likert-type scale. The following six items appear in the final version of the GQ-6 scale:

- I have so much in life that I can be thankful for.
- If I have to list everything that I feel thankful for, it would be a very strong list.
- When I look at the world, I don't see much to be thankful for (reverse scored).
- I am thankful to a wide variety of people.
- As I get older I find myself more able to appreciate the people, events and situations that have been part of my life history.
- Long amounts of time can go before I feel thankful to something or someone (reverse scored).

3.5 FAMILY MEMBER COMMITMENT

Organisational commitment refers to employees, in this study specifically family members, having pride in the family business, an emotional attachment and a sense of belonging to the family business, and a willingness to put in a great deal of effort to ensure its success (Letele-Matabooue, 2012: 16). Family member commitment therefore forms one of the pillars on which a successful family business is built and is critical for fostering family harmony and ensuring the future continuity of the business.

Some researchers state that commitment is one of the fundamental pillars on which much of the positive approach towards family business research is built. It has also been identified as one of the most desirable characteristics in next generation family members to contribute towards ensuring the continued success of such businesses (Eddleston, Morgan & Pieper, 2011: 113; Sharma & Irving, 2005: 14).

Meyer and Herscovitch (2001: 300) conclude that commitment is characterised by distinguishable 'mind-sets' that shape the behaviour of an individual. Based on these mind-sets, five types of commitment are identified, namely affective, continuance,

normative, calculative and imperative commitment (Sharma & Irving, 2005). A short discussion of each of these types of commitment follows:

3.5.1 Affective commitment

Affective commitment is conceptualised as the individual's "positive feelings of identification with, attachment, and involvement in, the work organisation" (Meyer & Allen, 1984: 375). Another definition of Meyer and Allen (1991) stated that affective commitment is based on an individual's "emotional attachment to, identification with, and involvement in the organisation". Thus, affective commitment is characterised by a desire to follow a course of action of relevance to the target. An individual with a high level of affective commitment to an organisation portrays a strong belief in, acceptance of and an excitement about the organisation's goals. Such individuals exhibit a strong desire to contribute to these goals, as there is a perception of alignment between organisational and individual goals. Such alignment, in turn, leads to a belief that the career aspirations of an individual can be satisfied in the context of the organisation. In other word affective commitment develops if employees are able to meet their expectations and fulfil their needs within the organisation (the employee wants to stay in the organisation).

For the purpose of this study, will *Affective commitment* be measured by a 5-point Likert-type scale ranging from 1 = strongly disagree to 5 = strongly agree. This construct will be measured by the following eight items:

- I would be happy to spend the rest of my career with the family business.
- I enjoy discussing the family business with people outside it.
- I feel as if the family business' problems are my own.
- I do not think I could become as attached to another organisation as I am to the family business.
- I feel like "part of the family" at the family business.
- I feel emotionally attached to the family business.
- The family business has personal meaning for me.
- I feel a strong sense of belonging to the family business.

3.5.2 Continuance commitment

Continuance commitment is based on an individual's awareness of the costs associated with leaving the family business and is based on the 'cost-avoidance' mind-set (Sharma & Irving, 2005: 20; Meyer & Allen, 1984). This is the extent of employees' tendency to engage in consistent lines of activity based on their awareness of the costs associated with discontinuing the activity (Becker, 1960: 33). According to McGee and Ford (1987) and Meyer and Herscovitch (2001), there is some disagreement concerning whether continuance commitment is a unidimensional or multidimensional construct, however some studies suggest that continuance commitment is unidimensional (Dunham, Grube & Castaneda, 1994; Ko, Price & Mueller, 1997), and others provide evidence for the presence of two dimensions (McGee & Ford, 1987; Meyer, Allen & Gellatly, 1990).

One dimension of continuance commitment reflects perceived sacrifices or costs associated with leaving. It is argued by Meyer *et al.* (1990) that continuance commitment develops when employees realise that they have accumulated investments or side bets that would be lost if they left the organisation (the employee needs to stay in the organisation). Sharma and Irving (2005: 21) label this dimension of continuance commitment as 'calculative commitment'. The second dimension is the recognition of a lack of alternative employment opportunities, which Sharma and Irving (2005: 21) call 'imperative commitment'.

Continuance commitment will be measured by an eight item 5-point Likert-type scale. These items are:

- It would be hard for me to leave the family business right now even if I wanted to.
- My life would be disrupted if I decided I wanted to leave the family business now.
- I am afraid of what might happen if I quit my job without having another one lined up.
- It would be costly for me to leave the family business now.

- Right now, staying with the family business is a matter of necessity as much as desire.
- I feel that I have few options to consider leaving the family business.
- One of the serious consequences of leaving the family business would be scarcity of available alternatives.
- One of the major reasons I continue to work with the family business is that leaving would require personal sacrifice – another organization may not match the overall benefits I have.

3.5.3 Normative commitment

Normative commitment is based on an individual's feeling of obligation to pursue a course of action of relevance to one or more targets (Meyer & Herscovitch, 2001; Morrison, 1994). Furthermore normative commitment is the belief that employees have a responsibility to their organisation. Wiener (1982: 421) defined commitment as the "totality of internalised normative pressures to act in a way which meets organisational goals". In the case of organisational commitment, an individual with high levels of normative commitment would feel obligated to remain with the organisation (Meyer & Allen, 1991), though they may not perceive this negatively. Rather, they may accept the influencing force and wish to establish and maintain satisfying relationships. An employee with a high level of normative commitment believes that commitment to the organisation is an appropriate, if not a moral, obligation (Wiener & Vardi, 1980; Wiener, 1982: 421).

As with affective commitment, the focal behaviour exhibited in the case of normative commitment is a decision to pursue a career in the business. However, unlike affective commitment, the push factor is an experienced obligation to do so rather than an intrinsic desire to engage in the behaviour. Normative commitment develops from experiences (e.g. culture management, benefits, training, study allowances), or family factors that fill employees with a sense that they ought to reciprocate with loyalty to the organisation (Vardi & Wiener, 1989). This component of commitment has attracted little empirical research (Meyer & Allen, 1997).

Two factors that might be antecedents to normative commitment are: (a) familial norms related to gender and birth-order, and (b) institutionalisation of norms (Sharma & Irving, 2005). Normative commitment will be measured by the following eight items:

- I think that people these days move from organisation to organisation too often.
- I believe that a person must always be loyal to his/her organisation.
- Jumping from organisation to organisation seems unethical to me.
- I believe that loyalty is important and therefore I feel a strong sense of moral obligation to remain.
- If I get another offer for a better job elsewhere I would not feel it was right to leave the family business.
- I was taught to believe in the value of remaining loyal to one organisation.
- Things were better in the days when people stayed with one organisation for most of their careers.
- I think that wanting to be “a company man” or “company women” is sensible.

3.5.4 Calculative commitment

Geyskens, Steenkamp, Scheer and Kumar (1996) have shown that there is a positive relationship between dependence and calculative commitment. Calculative commitment, a negatively oriented type of motivation, refers to a firm’s motivation to continue the relationship because it cannot easily replace its current partner and because it cannot obtain the same resources and outcomes outside its current relationship. This dimension posits commitment as a calculative act in which costs and benefits are examined. Likewise, because calculative commitment is based on cost–benefit considerations, it has been shown that a positive relationship between perceived switching costs and risk on the one hand and calculative commitment on the other exists in business relationships (Venetis, 1997). In the context of a family business, it would be if a family member adopts the mind-set where he or she believes that they have to pursue a career in the family business.

3.5.5 Imperative commitment

Vinton (1998) noted that young heirs who leapfrog non-family employees to get coveted positions in family business tend to experience self-doubt. These individuals feel guilty for their positions being the result of their bloodlines and wonder whether they could succeed outside the protected family business environment (Vinton, 1998). In order to clearly distinguish this type of commitment from that based on the mind-set of cost avoidance, we label this dependence-based commitment as imperative commitment.

Summary of the five types of commitment that were discussed: Regardless of the mind-set that forms the basis of family-member commitment, by its very nature, committed next-generation members will be compelled to join their family business. Meyer and Herscovitch (2001) suggest that when various individuals follow a similar course of action or focal behaviour, their performance will vary significantly based on why they chose to pursue that course of action. Individuals with different motivators leading them to the focal behaviour will exert different amounts of discretionary behaviour on the job. Discretionary behaviour is defined as any behaviour that is not clearly specified within the terms of the commitment, but can be included within these terms at the discretion of the committed individual (Meyer & Herscovitch, 2001: 312).

Thus, the strength of the commitment-behaviour relationship will likely vary as a function of the basis of that commitment (Sharma & Irving, 2005: 25). Each form of commitment leads to different power or strength of the binding force of an individual with the organisation. In this regards (and specifically with regards to family business successors) Sharma and Irving (2005) found that:

- Those whose decision to follow a career in the family business is based on desire (affective commitment) will display the highest strength in the commitment-focal behaviour relationship.
- Those whose decision is based on their mind-set of obligation (normative commitment) will display a commitment-focal behaviour relationship that is

stronger than if the decision were based on perceived costs (calculative) or need (imperative), but weaker than if it were based on the mind-set of desire (affective).

- Those whose decision is based on their mind-set of perceived opportunity costs (calculative), will display a commitment-focal behaviour relationship that is stronger than if the decision is based on need (imperative), but weaker than if it were based on the mind-sets of desire (affective) or obligation (normative).
- Those whose decision to pursue a career in the family business is based on their mind-set of need (imperative) will display the lowest strength of the commitment-focal behaviour relationship.

Furthermore Sharma and Irving (2005) showed that:

- Affective commitment will have the strongest positive relationship to discretionary behaviours (on the part of successors) that lead to the effective functioning of the family business.
- Normative commitment will have a strong positive relationship to discretionary behaviours that lead to the effective functioning of the family business.
- Calculative commitment will be unrelated or negatively related to discretionary behaviours that lead to the effective functioning of the family business.
- Imperative commitment will be unrelated or negatively related to discretionary behaviours that lead to the effective functioning of the family business.

Thus, as an example, when the predominant motivator for a family business successor's decision to pursue a career in his or her family business is a feeling of desire (affective commitment), he or she is most likely to continue such career and devote maximum amounts of discretionary efforts to the job. Based on the aforementioned, the level of commitment from the family members that are active in a family business could clearly impact on the overall wellness and continued success of the business.

3.5.6 Other measures of commitment

Although family members may share a common focal behaviour, namely to pursue a career in the family business, the motivation for such behaviour can vary significantly. Meyer and Herscovitch (2001) suggest that when various individuals follow a similar course of action or focal behaviour, their performance will vary significantly based on why they chose to pursue that course of action. Individuals with different motivators leading them to the focal behaviour will exert different amounts of discretionary behaviour on the job. Discretionary behaviour is defined as any behaviour that is not clearly specified within the terms of the commitment, but can be included within these terms at the discretion of the committed individual (Meyer & Herscovitch, 2001: 312).

Therefore, the strength of the commitment-behaviour relationship will likely vary as a function of the basis of that commitment (Sharma & Irving, 2005: 25). Each form of commitment leads to different power or strength of the binding force of an individual with the organisation. Various components of commitment impact on family harmony and ultimately the future continuity of family businesses (Hoogendyk, 2011; Rowland, 2011).

The construct measuring family member commitment, labeled for the purpose of this study as *General commitment* will be measured by the following items:

- I am deeply committed to continuing the business.
- I am dedicated to ensuring the success of the family business.
- I am willing to make personal sacrifices to ensure the success of the business.
- I am willing to put in a great deal of effort beyond that which is normally expected of me in order to help the family business to be successful.
- I am proud to tell others that I work for the family business.
- I really care about the future of the family business.
- I can realise my personal goals through my involvement in our family business.
- I can realise my ambitions through my involvement in our family business.
- It is my own choice to be involved in our family business.

- I prefer to work in the family business even if I have other career options to choose from.
- My career needs and interests are closely aligned with opportunities within the family business.
- My involvement in the family business provides me with job security.
- I am able to influence the family business or effect change in it.
- I find my involvement in the family business fulfilling.

3.6 FAMILY HARMONY IN FAMILY BUSINESS

Bernardus (1997) points out that most people consider family harmony as one of the most important things in their lives. Scott and Perren (1994: 4), in similar vein, observe that: "Family events were by far regarded as the most important aspects of people's lives".

The importance of family harmony to the future success of the business is well established (DeNoble *et al.*, 2007: 129). Living and working effectively in harmony is a phenomenon few would declare undesirable. For most of our lives, "our family" is the most important element of our lives. Yet most family business research has failed to recognise family harmony as a variable for perceived good governance (Neubauer & Lank, 1998).

Family harmony refers to relationships among family members characterised by a high level of trust, mutual support, care about each other's well-being, closeness of family members, mutual respect, the understanding of others' views, and a willingness to acknowledge others' achievements (Neubauer & Lank, 1998: 142; Seymore, 1993: 268; Handler, 1989: 213). Other characterised are support, appreciation, care, emotional attachment and cooperation (Farrington, 2009; Seymour, 1993: 268; Van der Merwe & Ellis, 2007; Venter, 2003). A lack of these characteristics in the relationships among family members in a family business will negatively influence the long-term sustainability of the business (Van der Merwe & Ellis, 2007: 2; Van der Westhuizen, 2009: 26).

The existence of family harmony influences the relationship between the owner-manager, the family and the successor, to name just a few. This is one of the reasons why longevity of family businesses is a major concern (Van der Merwe & Ellis, 2007: 2). Lack of family harmony within family businesses will influence the long-term sustainability of the family business.

The acceptance of family members of their individual roles in the family business is important for successful succession. The literature has suggested that the relationships between family members in general are also important for the succession process (Sharma, 1997: 64). It can be debatable that a high degree of familiness, such as mutual respect, trust and understanding within many family businesses makes succession more tolerable. Harmonious relationships may reinforce the importance of succession planning in the owner's mind. The greater the family harmony, the higher the probability that business continuity plans will be planned for. These results are consistent with the findings of Handler (1994: 213).

This questionnaire that is used in this research is designed to collect information to measure the position of various aspects concerning family business wellness. It may form the basis for assisting family businesses in the light of their very important role in the economy to take corrective and proactive steps in order to be successful. The findings of this research could therefore contribute to the body of knowledge regarding family business wellness and could enable advisors to support family businesses to manage this sensitive issue.

In this study, family harmony has been defined as the living and working effectively in harmony within the family business context. This includes respect and appreciation for each other, trust, decision-making contributions, conflict resolution, support, and having concern for each other's welfare.

For the purpose of this study, *Family harmony* will be measured by a 5-point Likert-type scale ranging from 1 = strongly disagree to 5 = strongly agree. The construct will be measured by the following eight items:

- Our family members prefer to cooperate with each other rather than compete with one another.
- Our family members acknowledge each other's achievements.
- Our family members encourage each other to put in their best efforts.
- Our family members are emotionally attached to one another.
- Our family members support each other.
- Our family members appreciate each other.
- Our family members care about each other's wellbeing.
- Our family members get along well both inside and outside the working environment.

3.7 SUMMARY

This chapter addressed a literature review that formed the basis of the empirical study. Topics discussed include an introduction, definition of wellness, dependable variables that influence family wellness and the measures of such variables, family member commitment and measures of the five commitments, and family harmony in the family business.

The main purpose of this chapter was to discuss the different independent variables (constructs) towards achieving family wellness (dependant variable) within family businesses. This included all family members who are actively involved in the day-to-day business activities.

Various aspects have been selected during the literature review that affect family business wellness and these determinants will also be statistically tested by means of a questionnaire. These determinants are as follows:

- Evaluation of specific aspects of work and work environment (**Job characteristics**):

Job characteristics can have a profound impact on employee well being for example job strain, burnout and work engagement. Job demands such as a high work

pressure, emotional demands, and role ambiguity may lead to sleeping problems, exhaustion, and impaired whereas job resources such as social support, performance feedback, and autonomy may instigate a motivational process leading to job-related learning, work engagement, and organizational commitment. When a job has meaning for the individual performing it, autonomy (responsibility) is experienced and he or she receives feedback on performance, the individual would be more motivated to perform his job well. This in turn would promote wellness of the business.

- Perceptions of job challenges (**Burnout and work engagement**):

Work engagement is a concept relevant for employee well-being and work behaviour for several reasons:

1. Work engagement is a positive experience in itself.
2. It is related to good health and positive work.
3. Work engagement helps individuals derive benefits from stressful.
4. Work engagement is positively related to organizational commitment.

Work engagement is a positive, fulfilling, affective-motivational state of work-related wellbeing. It is defined and operationalised as a positive, fulfilling work-related state of mind that is characterised by vigour, dedication and absorption. Vigour is characterised by high levels of energy and mental resilience; dedication is experienced when individuals are enthusiastic, inspired and challenged whilst doing their work; and Absorption is characterised by fully concentrating on, and being deeply engrossed in one's work, where time passes quickly and one has difficulty detaching oneself from work. Factors that impact negatively on employees' well-being include poor supervisor-subordinate relationships, poor communication, and a lack of feedback; will have a negative impact on work engagement.

Job burnout is a concept known to negatively affect job satisfaction and organizational commitment, and creates such undesired behaviours as personnel turnover and absenteeism, although it's relationship with an organization's most

important outcome—namely, job performance—has hardly received any research attention. This determinant of family wellness is considered to be the opposite pole of work engagement and is the result of chronic occupational stress. Similar to work-related stress, the occurrence of burnout among family members active in the family business could be a clear indication of a lack of wellness in the family business.

- **Other determinants** of attitudes and feelings about one self and performance:

Self-efficacy is concerned with people's judgments of their capabilities to execute action that is required to deal with prospective situation and the relationship between these judgments and subsequent behavior. In other words self-efficacy represents an individual's belief that they can successfully accomplish a goal. It therefore has a direct influence on the individual's state of wellness and could, therefore, also impact family business wellness.

Locus of control refers to people's disposition to perceive one's reinforcement either as contingent on one's effort or on factors beyond one's control. It has to do with people believe in the extent to which they are able to control events in their lives (internal locus of control) as well as the belief that forces external to them are responsible for their Plights. In other word internal and external locus of control refers to the extent to which individuals consider themselves to be in control of events that affect them. Internal locus means that the individual believes that he or she is in control of their life, whilst external locus means that the person believes that external factors, such as the environment or other people control their decisions and their life.

Hope emphasizes the perception "that something desired may happen. Hope is a unidimensional construct involving an overall perception that goals can be met. Predominant view is that greater hope is generally associated with positive outcomes and as such is not "foolish". Hope has been identified as goal-directed thinking in which people perceive that they can produce routes of desired goals (pathways thinking) and the requisite motivation to use those routes (agency thinking).

Self esteem expresses an attitude of approval and indicates the extent to which an individual believes himself to be capable, significant, successful and worthy. In short, self-esteem is a personal judgment of the worthiness that is expressed in the attitudes the individual holds towards himself. In other words, self-esteem is an attitude about the self and is related to personal beliefs about skills, abilities, social relationships, and future outcomes.

Gratitude can be defined as “a sense of thankfulness and joy in response to receiving a gift, whether the gift be a tangible benefit from a specific other or a moment of peaceful bliss evoked by natural beauty. It is a human strength in that it enhances one’s personal and relational well-being and it could also be beneficial for society as a whole.

Attitude towards the family business was also discussed through different types of **Commitment:**

Family member commitment forms one of the pillars on which a successful family business is built and is critical for fostering family harmony and ensuring the future continuity of the business. Commitment is one of the fundamental pillars on which much of the positive approach towards family business research is built. It has also been identified as one of the most desirable characteristics in next generation family members to contribute towards ensuring the continued success of such businesses.

Commitment in the workplace can be seen as the desire to continue relationships at work to ensure its continuance. Affective commitment can also be explained in terms of the congruence of valuing goals among participants. This means that family members must have common beliefs regarding behaviour, goals, and policies. This means that commitment is only meaningful if a vision, and a goal, exists and that the committed family members, old and young, have a strong intention to achieve the same goal and invest large amounts of physical, emotional and intellectual energy in pursuit of this goal. In the case of the founder of a family business, this goal is a vision of success that is potentially sustainable across generations, and could

therefore be seen as his/her legacy for future generations. But to achieve family commitment is very important.

Family **harmony** was discussed and the measures of family harmony in the questionnaire:

Family harmony refers to relationships among family members characterised by a high level of trust, mutual support, care about each other's well-being, closeness of family members, mutual respect, the understanding of others' views, and a willingness to acknowledge others' achievements. A lack of these characteristics in the relationships among family members in a family business will negatively influence the long-term sustainability of the business. Family business wellness is considered too often form the underlying cause for a lack of family harmony.

CHAPTER 4

EMPIRICAL RESEARCH AND DISCUSSION OF RESULTS

4.1 INTRODUCTION

As stated in Chapter 1, the primary objective of this study is to identify related factors that have an impact on family wellness in small and medium-sized family-owned businesses in South Africa.

The purpose of the chapter is to discuss the second phase of this study, the empirical research. A structured questionnaire formed the basis of the empirical research and the questionnaire was administered and returned successfully by 17 family businesses within South Africa, restricted to Gauteng and the North-West provinces (refer to Figure 1.1: Map of the geographical areas of the study).

The first step in the data analysis exercise was to capture and summarise all data. The data is then presented in tabular form and appropriate graphs to allow accurate analysis of the data.

In this chapter, the development and construction of the questionnaire, the process to collect the data and the response of family businesses will be discussed. The results of the empirical study will then be presented and discussed in the latter part of this chapter.

4.2 GATHERING OF DATA

In this section the development and construction of the questionnaire will be discussed, as well as the study population and the process of gathering information.

4.2.1 Development and construction of the questionnaire

Based on the discussion of the family business literature and family wellness literature in chapters two and three, a structured questionnaire was developed, which

reflected factors that provided valuable insight into the identification of some of the determinants of family wellness in the family business.

One approach of quantitative research is the use of a questionnaire, which is the most common method of data collection in field research (Stone, 1978). According to Slater and AtuaheneGima (2004: 227), the survey-based (questionnaire) approach is in many cases the only appropriate method for gathering data in order to address some strategy research questions. Frazer and Lawley (2000: 110) have argued that questionnaires should be simple, to the point, and easy to read.

Frazer *et al.* (2000: 110) added that the overall length of the questionnaire should be well below 12 pages. The questionnaire that was administered to the 17 family businesses comprised 6 pages.

According to Zikmund (2000: 310), a questionnaire is “a formalised set of questions for obtaining information from the sampled respondents.” Zikmund (2000: 310) further state that it has several objectives namely:

- It should convert the information needed into a set of specific questions that the respondents will be willing and able to answer.
- The questionnaire should motivate respondents to cooperate and to complete the questionnaire.
- Response errors and inaccurate answers should be minimised by the questionnaire.
- The questionnaire should collect only the relevant information needed to solve the problem.

For the purposes of this study all the family members that are active in the family business were required to complete the questionnaire. The questionnaire comprises Sections A through G.

Section A of the questionnaire aims to investigate the job characteristics in intergenerational small and medium-sized family businesses. The job characteristics

can be divided into job demands and the lack of resources and the Job Demand-Resources (JD-R) model (Demerouti *et al.*, 2001) was utilised in this study. The model assesses five constructs measuring the job characteristics in the participating family businesses with 50 statements on the basis of a 5-point Likert type scale ranging from 1 = never to 5 = always. These constructs are *Overload*, *Organisational support*, *Advancement*, *Growth opportunities* and *Job insecurity*.

Section B of the questionnaire measures selected aspects concerning how an individual personally evaluates his or her work and work environment in the family business. These aspects are *Self efficacy*, *Internal locus of control*, *External locus of control*, *Hope*, *Self-esteem* and *Gratitude*. The instrument assesses the selected attitudes with 54 statements on the basis of a 5-point Likert type scale ranging from strongly disagree (1) to strongly agree (5).

Section C of the questionnaire concerns the commitment of the family members to the family business. The instrument assesses the *Affective commitment* (8 items), *Continuance commitment* (8 items), *Normative commitment* and another construct labelled *General commitment* (14 items). The instrument assesses the constructs with a total of 38 statements on the basis of a 5-point Likert type scale ranging from 1 = strongly disagree to 5 = strongly agree.

Section D of the questionnaire measures the constructs *Perceived future continuity* (6 items), *Family harmony* (8 items) and *Perceived future success* (6 items) of the participating family businesses on a 5-point Likert scale ranging from strongly disagree (1) to strongly agree (5).

Section E of the questionnaire utilised the Maslach Burnout Inventory – General Survey (MBI - GS) to measure the *Exhaustion* (5 items), *Cynicism* (5 items) and *Professional efficacy* (6 items) of the active family members in the participating family businesses. A total of 25 items will be assessed on a 7-point Likert scale ranging from Never (0) to Always (6).

Section F of the questionnaire was included to gather biographical information of the participants to assist with the statistical analysis of the data for comparisons among different interest groups.

The questionnaire also included a **Section G**, which is an extra section that required completion only by the active, senior generation owner-manager of the business to gather structural information of the business.

4.2.2 Data collection

The target population of this study was small and medium-sized family businesses in the Gauteng and the North-West provinces of South Africa. All the family members that are active in the family businesses participated in the study.

Each questionnaire was sent with a covering letter that guaranteed the confidentiality of the responses. Letters also pointed out the importance of the research and the value of the respondents' participation in the research. Pre-notification calls were made to the identified family businesses to establish if the businesses do in fact comply with the criteria as discussed in Chapter 2, section 2.2 "definition of small to medium-sized intergenerational family business". Also, the eagerness of the owner/senior family member to participate in the study was evaluated.

Appointments were made with all business owners to deliver the questionnaire and to answer any questions or concerns that might be raised by the owner. Questionnaires were mostly hand delivered and in two instances emailed. The time frame for collection was discussed with the owner in an attempt to increase reaction time on the completion of the questionnaires. A follow-up phone call or personal visit to explain exactly what was required and why it was vital that all active family members were required to complete the questionnaire.

Three weeks' time was given to the participants to complete the questionnaire. After that, all family businesses were visited in person to collect the completed questionnaires. Although the collection date was communicated to all specific

contact persons within the different family businesses, many questionnaires were received late and some were still outstanding one week after the initial due date. Some of the questionnaires that were sent out were never received back.

A final cut-off date was determined and family businesses who did not respond at the time were contacted to inform them that the time to complete the questionnaire has elapsed. They were thanked in person for their efforts to take part in the survey. Family businesses that failed to complete the questionnaire were recorded accordingly as non-participants in the study.

4.2.3 Statistical analyses of the questionnaire

Statistical analysis was carried out with the help of the Statistica (Statsoft, 2010) and SPSS (SPSS, 2010) statistical programs. This part of the questionnaire (refer to Appendix A) is exhibit through descriptive statistics that were used to analyse the data. Descriptive statistics includes: means, standard deviations, skewness and kurtosis. The values of skewness and kurtosis are used to check that the distribution of scores is approximately normal.

A positive value of skewness indicates too many low scores in the distribution and indicates a right skewness, whereas negative values indicate a build-up of high scores and a left skewness. The further the value is from zero, the more likely it is that the data are not normally distributed (Field, 2005: 139).

Also according to Field (2005), positive values of kurtosis indicate a pointy and heavy-tailed distribution, whereas negative values indicate a flat and light-tailed distribution. Again, the further the value is from zero, the more likely it is that the data are not normally distributed.

In order to establish the internal consistency between the items of the questionnaire, Cronbach alpha coefficients are calculated (Page & Meyer, 2000: 292). An instrument that produces different scores every time that it is used on the same person under the same conditions has low reliability (Field, 2005: 666). The

Cronbach alpha coefficient is based on the average correlation of variables within a test (SAS Institute Inc., 2005: 295). The greater the Cronbach alpha coefficient, the more reliable is the scale. A Cronbach alpha coefficient greater than 0.70 could be interpreted as reliable and internally consistent (SAS Institute Inc., 2005: 295).

4.3 RESPONSE TO THE SURVEY

The snowball sampling technique was used to identify possible family businesses to participate in this study. A total of 25 businesses were identified for the study, of which two turned out not to be family businesses and four were family businesses, but did not meet the required criteria for this study, for instance, only one generation is currently active in the business. Two family businesses did not complete the questionnaires before the cut-off date. The end result was that from the 19 family businesses that were contacted a total of 17 family businesses completed the questionnaire. This represents a final response rate of 89.47%. A total of 45 active family members completed the questionnaire.

4.4 RESULTS OF BIOGRAPHICAL DATA

As mentioned before, only those family members that are active in the family business were required to complete the questionnaire. The questionnaire is divided into seven sections. The demographical data that were obtained (section F of the questionnaire), such as age, gender, marital status, relationship to the senior generation family member, highest academic qualification and previous jobs or careers of individuals prior to joining the family business can have an influence on the results of this study.

Section G of the questionnaire was only to be completed by the senior generation executive manager of each family business. This section comprises questions on the structure of the family business.

4.4.1 Age group categories of family members

- **Purpose of the question**

The purpose of question F1 in Section F of the questionnaire (refer to Appendix A) was to determine the age group classifications of participants. The results were predefined to five age groups.

- **Results obtained**

Table 4.1 presents the age group classification of all the family members that responded to the survey.

Table 4.1: Age groups of participating family members

Age group	Total	Percentage
<29	14	31.11%
30-39	10	22.22%
40-49	6	13.33%
50-59	11	24.45%
60+	4	8.89%
Total	45	100%

- **Analysis of the results**

The majority (55.56%) of the respondents represent two age groups, namely less than 29 years and 50-59 years, which gives a clear indication of the biographical age structure of the majority of the intergenerational family businesses studied. The older generation is between 50 and 59 years of age, with the second generation now in their twenties. This younger generation is still new to the family business. A total of 22.22% of respondents are between 30-39 years of age. Only six respondents (13.33%) are in their forties, and 4 respondents (8.89%) are over 60 years of age. The latter would be the group that is preparing themselves to retire.

4.4.2 Gender of family members

- **Purpose of the question**

The purpose of question F2 in Section F of the questionnaire (refer to Appendix A) was to determine and differentiate between the number of male and female participants. The respondents had to select between the male and female categories in the questionnaire.

- **Results obtained**

Table 4.2 presents the respondents' gender distribution.

Table 4.2: Gender distribution of family members

Gender	Total	Percentage
Male	29	64.44%
Female	16	35.56%
Total	45	100%

- **Analysis of the results**

Table 4.2 above indicates the ratio of male (64.44%) and female (35.56%) participants in the study.

4.4.3 Marital status of family members

- **Purpose of the question**

The purpose of question F3 in Section F of the questionnaire (refer to Appendix A) was to determine the marital status of all the participants. Participants had to choose between four marital status groupings: single, married, divorced and widow/er. It is important when analysing the statistics to know if active family members are married

or not, as marriage influences the decision-making process and the way the family business is managed.

- **Results obtained**

The marital status of respondents is presented in Table 4.3.

Table 4.3: Marital status of family members

Marital Status	Total	Percentage
Single	5	11.11%
Married	39	86.67%
Widow/er	1	2.22%
Total	45	100%

- **Analysis of the results**

Table 4.3 reflects the data of the marital status of respondents. The vast majority (86.67%) of respondents are married, whilst 11.11% are single. Only 1 respondent (2.22%) is a widow/er.

4.4.4 Relationship to the family

- **Purpose of the question**

The purpose of question F4 in Section F of the questionnaire (refer to Appendix A) was to determine the relationship of all active family members to the senior generation owner-manager. This information indicates if the family members are directly or indirectly related to the senior generation owner-manager. This relationship and the birth order of siblings can have a huge impact on the way family businesses are managed. Participants had to indicate their relationship to the owner-manager by selecting the applicable relationship in the questionnaire.

- **Results obtained**

The relationship between all active family members to the senior generation owner-manager is presented in Table 4.4 below.

Table 4.4: Active family members' relationship to the senior generation owner-managers

Relationship	Total	Percentage
Owner	17	37.78%
Spouse	3	6.67%
1 st Son	9	22.00%
2 nd Son	5	11.11%
1 st Daughter	5	11.11%
2 nd Daughter	1	2.22%
In-Law	5	11.11%
Total	45	100%

- **Analysis of the results**

From the results it is clear that approximately 38% of the respondents are senior generation business owners. Nearly seven percent of the respondents are married to the owners. Nine of the respondents (22%) are first born sons, whilst five (11.11%) are second born sons that are active in the business. Five respondents (11.11%) are the first daughters of owner-managers; only one respondent (2.22%) is a second daughter of the owner-manager. Five respondents (11.11%) are married into the family of the owner-manager.

4.4.5 Highest academic qualification

- **Purpose of the question**

The purpose of question F5 in Section F of the questionnaire (refer to Appendix A) was to determine the highest academic qualification of the participants. Participants had to choose between the different qualifications categories: lower than matric,

matric, certificate, technical college or Technicon diploma, university degree or post graduate degree. Formal qualification levels of family members have an impact on their way of thinking and the way they make decisions, which influence the management of the business. Participants were asked to indicate their highest academic qualification by selecting the applicable qualification category in the questionnaire.

- **Results obtained**

The highest academic qualifications of all participants are presented in Table 4.5 below.

Table 4.5: Highest academic qualifications of family members

Qualification	Total	Percentage
Matric	25	55.56%
Certificate	4	8.89%
Diploma	7	15.56%
Degree	5	11.11%
Post graduate degree	4	8.89%
Total	45	100%

- **Analysis of the results**

The results show that the majority of 25 (55.56%) of respondents completed their schooling up to matric. The remaining respondents qualified themselves further, either for a certificate (8.89%), a diploma (15.56%), a degree (11.11%) or a post graduate degree (8.89%). No respondent had a qualification less than matric.

4.5 RESULTS OF STRUCTURAL INFORMATION OF FAMILY BUSINESSES

Section G of the questionnaire was only completed by the senior generation owner-manager of the participating family businesses. This section gathered information such as the number of permanent employees in the business, family business turnover, the business industry, the age of the business, the number of generations that have owned the family businesses, and the businesses' legal status.

4.5.1 Number of permanent employees

- **Purpose of the question**

The purpose of question G1 in Section G of the questionnaire (refer to Appendix A) was to obtain the number of employees employed in the family business and to determine whether the family business can be classified as a small or a medium-sized business.

- **Results obtained**

The number of employees employed by the participant businesses is presented in Table 4.6.

Table 4.6: Permanent employees employed by family businesses

Number of employees	Total	Percentage
1 to 4	3	17.65%
5 to 10	6	35.29%
11 to 25	3	17.65%
26 to 50	1	5.88%
51 to 100	2	11.76%
101 to 200	2	11.76%
Total	17	100%

- **Analysis of the results**

Family businesses with one to four permanent employees were represented by three (17.65%) of the participating family businesses. Six (35.29%) of the participating family businesses had five to ten permanent employees. These businesses with between one and 10 permanent employees can be classified as very small businesses and consist of almost 53% of the statistical population. Three family businesses (17.65%) had 11 to 25 permanent employees, whilst one family business (5.88%) had between 26 and 50 permanent employees. These businesses with between 11 and 50 employees can be classified as small businesses and comprise 23.53% of the statistical population. Two (11.67%) of the participating family businesses had between 51 and 100 employees, and another two (11.67%) family businesses had between 101 and 200 permanent employees. Thus, four of the 17 respondent family businesses, or 23.52%, can be classified as medium-sized businesses (between 51 and 200 permanent employees).

4.5.2 Annual family business turnover

- **Purpose of the question**

The purpose of question G2 in Section G of the questionnaire (refer to Appendix A) was to obtain information on the financial success of the family businesses. Turnover also gives an indication of the size of each of the businesses.

- **Results obtained:**

Table 4.7 presents the annual turnover of family businesses in this study.

Table 4.7: Annual turnover of family businesses

Turnover	Total	Percentage
Less than R1m	1	5.88%
R1m to R2.5m	8	47.06%
R2.5m to R10m	4	23.53%
R10m to R50m	3	17.65%
R50m to R100m	1	5.88%
Total	17	100%

- **Analysis of the results**

Only one (5.88%) of the family businesses' annual turnover was less than R 1 million. The greatest number of family businesses that responded (8 or 47.06%) had an annual turnover of between R 1 million and R 2.5 million. Four businesses (23.53%) had an annual turnover of between R 2.5 million and R 10 million. Three businesses (17.65%) had an annual turnover of between R 10 million and R 50 million, and only one (5.88%) had an annual turnover of between R 50 million and R 100 million.

4.5.3 Family business industry focus

- **Purpose of the question:**

The purpose of question G3 in Section G of the questionnaire (refer to Appendix A) was to obtain information on the industry that the family business operates in. The various industries may have an impact on the number of permanent employees required to operate the business. The type of industry also determines the academic qualifications that employees require, as well as the expected annual turnover.

- **Results obtained**

Table 4.8 presents the industries in which the respondent family businesses operate in.

Table 4.8: Family businesses' industry focus

Industry focus	Total	Percentage
Automotive	2	11.76%
Farming	2	11.76%
Construction	3	17.65%
Food	3	17.65%
Retail	1	5.88%
Wholesale	2	11.76%
Service	2	11.76%
Engineering	1	5.88%
Hospitality	1	5.88%
Total	17	100%

- **Analysis of the results**

A total of two (11.76%) of the participating family businesses operate in the automotive industry, two (11.76%) in the agriculture industry, three (17.65%) in the construction industry and the same number (3 or 17.65%) in the food industry, only one (5.88%) in the retail industry, two (11.76%) in the wholesale industry and the same number (2 or 11.76%) in the service industry, both the engineering and hospitality industry were represented by one (5.88%) participating family business respectively.

4.5.4 Age of family businesses

- **Purpose of the question**

The purpose of question G4 in Section G of the questionnaire (refer to Appendix A) was to determine age distribution of the participating family businesses. The age distribution analysis could be an indication of the possibility of the family businesses to survive towards the next generation.

- **Results obtained**

Table 4.9 presents the age distribution of the participating family businesses.

Table 4.9: Age of family businesses

Age	Total	Percentage
0-5 years	3	17.65%
6-10 years	6	35.29%
11-15 years	4	23.53%
16-20 years	1	5.88%
21-25 years	0	0%
26-30 years	1	5.88%
31 to 35 years	2	11.76%
Total	17	100%

- **Analysis of the results**

Of the participating family businesses, three (17.65%) are not older than five years, six (35.29%) are from six to ten years old which is the majority, four (23.53%) are from 11 to 15 years old, one (5.88%) are from 16 to 20 years old, no participating family businesses are between the age of 21 to 25, only one (5.88%) are from 26 to 30 years old, and two (11.76%) businesses are between 31 to 35 years old.

4.5.5 Number of generations that has managed and owned the family businesses

- **Purpose of the question**

The purpose of question G5 in Section G of the questionnaire (refer to Appendix A) was to obtain information on the number of generations which have owned and managed the family business, and to determine which generation is currently managing the business. This could give an indication as to the likelihood of the family business surviving into the next generation.

- **Results obtained**

Table 4.10 presents the number of generations that has owned and managed the respondents' family businesses.

Table 4.10: Number of generations that has managed and owned family businesses

No. of Generations	Total	Percentage
1 st Generation	9	52.94%
2 nd Generation	7	41.18%
3 rd Generation	1	5.88%
Total	17	100%

- **Analysis of the results**

The majority (9 or 52.94%) of the family businesses that responded is still owned and managed by the first generation. Seven businesses (41.18%) are in the second generation and only one business (5.88%) has continued into the third generation.

4.5.6 Legal status of the family business

- **Purpose of the question**

The purpose of question G6 in Section G of the questionnaire (refer to Appendix A) was to obtain information on the legal status of the family businesses that participated in this study. The legal status of the family business is important when succession planning in the family business takes place.

- **Results obtained**

Table 4.11 presents the legal statuses of the respondent family businesses.

Table 4.11: Legal statuses of family businesses

Legal status	Total	Percentage
Company (private)	9	52.94%
Close Corporation	8	47.06%
Total	17	100%

- **Analysis of the results**

Only two legal statuses represent the participating family businesses. Nine (52.94%) of the family businesses are registered as private companies and eight (47.06%) are registered as close corporations.

4.6 ANALYSIS OF THE JOB DEMAND-RESOURCES (JD-R) QUESTIONNAIRE

The JD-R model was tested in Section A of the questionnaire (refer to Appendix A) measuring job characteristics through the constructs *Overload*, *Organisational support*, *Advancement*, *Growth opportunities* and *Job security*. The model is based on the principle that job demands are the main predictors of work-related stress, whilst job resources are the main predictors of work engagement. The Likert scale type questionnaire (e.g. where 1 = never and 5 = always), that was used represent disagreement with the statement when the score is low (closer to 1). A higher score (closer to 5) therefore suggests that the statement is perceived to be true by the respondents.

The alpha coefficients and descriptive statistics of the constructs measuring the JD-R model are given in Table 4.12.

Table 4.12: Results of the analysis of the Job Demand-Resources model

Construct	Alpha	n	Mean	Minimum	Maximum	s	Skewness	Kurtosis
Overload	0.820	45	3.104	1.333	4.222	0.743	-0.505	-0.792
Support	0.501	45	3.998	3.000	5.000	0.445	-0.054	-0.153
Growth	0.923	45	4.296	3.091	5.000	0.547	-0.515	-0.725
Insecurity	0.239	45	2.644	1.000	5.000	1.226	0.271	-0.702
Advancement	0.792	45	3.448	1.429	5.000	0.862	0.068	-0.486
Total		45	3.498	2.824	4.778	0.405	0.697	1.005

Inspection of Table 4.12 revealed that the scores on the factors of the model are normally distributed.

The results furthermore indicated that the construct **Growth opportunity** yielded the highest average mean value ($\bar{x} = 4.296$). This means that the family members rated this construct as the most positive in direct comparison with the other constructs. The other constructs yielded the following mean scores ranked from second highest to lowest: **Organisational support** ($\bar{x} = 3.998$), **Advancement** ($\bar{x} = 3.448$), **Overload** ($\bar{x} = 3.104$), and **Job insecurity** ($\bar{x} = 2.644$).

Overload refers to the pace and amount of work, mental load and emotional load. Overload obtained a score of $\bar{x} = 3.104$ and $s = 0.743$ (variation around the mean). Considering that the scale is one to five, this results show that the majority of the respondents consider their work load to be more than average.

Organisational support refers to the relationship with supervisors and colleagues, flow of information, communication role clarity and participation in decision-making. Support obtained a score of $\bar{x} = 3.998$ and $s = 0.547$. This represents a perception by the majority of the respondents that they get sufficient support from family members in performing their daily, work-related tasks.

Growth opportunities refer to having enough variety, opportunities to learn and independence in the job. **Growth opportunities** obtained a score of $\bar{x} = 4.296$ and $s = 0.547$. Considering that the scale is one to five, and the minimum score is 3.091 these results strongly indicate that all the respondents consider their family

businesses to accommodate, at least to some extent, for their need for personal growth and development.

Job insecurity refers to uncertainty about the future. It obtained a relatively low score of $\bar{x} = 2.644$ and $s = 1.226$. These results suggest that respondents generally have an average feeling of insecurity in their positions within the family businesses. Considering however that the scale is from one to five, with values closer to five indicating insecurity, the mean of 2.644 indicates that respondents do not feel a complete sense of security. Although the variation around the mean is 1.226, one should still consider this as a red flag.

Advancement includes items such as remuneration, career possibilities and training opportunities. Advancement obtained a score of $\bar{x} = 3.448$ and $s = 0.862$. These results indicate that the majority of respondents feel the family business allow to some extent for advancement, although, possibly not as much as necessary.

Table 4.12 shows that acceptable Cronbach alpha coefficients were obtained on all the scales except on **Job insecurity** (0.239). Although the Cronbach alpha coefficient for **Support** is below the cut-off value of 0.70, however, at 0.501, it is still above the critical value of 0.50 (Cortina, 1993: 98).

To investigate the relationship between the five constructs, namely **Overload**, **Organisational support**, **Growth opportunities**, **Job insecurity** and **Advancement**, the Pearson correlation coefficients (r) were calculated and are presented in Table 4.13 (refer to Field, 2005: 111). Factor scores for each participant were computed as the average of all items contributing to the relevant factor. This means that missing values for an individual were automatically replaced by the average of the other responses contributing to the relevant factor for the specific individual.

In order to determine whether the effect of the relationship between two constructs is important or meaningful, the size of the effect should be measured. Effect sizes are useful because they provide an objective measure of the importance of an effect

(Field, 2005:32). A correlation coefficient of 0 means there is no visible relationship, and a value of 1 means that there is a perfect relationship. Cohen (1992:155-159) gave the following widely accepted guidelines about the interpretation of effects:

- $r = 0.10$ (small effect): in this case, the effect explains 1% of the variance
- $r = 0.30$ (medium effect): the effect accounts for 9% of the variance
- $r = 0.50$ (large effect): the effect accounts for 25% of the variance (refer to Field, 2005:32; Cohen, 1992:155-159).

Table 4.13: Results of the Pearson correlation coefficients (r) between constructs

Variable	Mean	STD	Overload	Support	Growth	Insecurity	Advancement
Overload	3.104	0.743	1.000				
Support	3.998	0.445	0.295**	1.000			
Growth	4.296	0.547	0.004	0.349**	1.000		
Insecurity	2.644	1.226	0.104	-0.119	-0.187	1.000	
Advancement	3.448	0.862	-0.114	0.464**	0.621**	-0.079	1.000

** Correlations significant at the $p = 0.05$ level (2-tailed)

The results in Table 4.13 indicate that there are statistical significant ($p < 0.05$) correlations between the following construct combinations: **Overload** and **Organisational Support** ($r = 0.295$); between **Organisational support** and **Growth opportunities** ($r = 0.349$) and **Advancement** ($r = 0.464$) respectively; and between **Growth opportunities** and **Advancement** ($r = 0.621$).

Furthermore, practical significant (large effect: $r > 0.500$) correlations between the construct combination **Growth opportunities** and **Advancement** ($r = 0.621$) were calculated. Medium effects were obtained between the construct combinations **Organisational support** and **Growth opportunities** ($r = 0.349$) and **Advancement** ($r = 0.464$) respectively (Cohen, 1992:155-159).

4.7 ANALYSIS OF SELECTED DETERMINANTS OF FAMILY BUSINESS WELLNESS

Selected determinants of family business wellness were tested in Section B of the questionnaire (refer to Appendix A). Cronbach alpha coefficients and descriptive statistics for respondents ($n = 45$) are reported in Table 4.14.

The Likert scale type questionnaire (e.g. where 1 = strongly disagree and 5 = strongly agree), that was used in Section B of the questionnaire represent disagreement with the statement when the score is low (closer to 1). A higher score (closer to 5) therefore suggests that the statement is perceived to be true by the respondents.

The alpha coefficients and descriptive statistics of the constructs measuring the determinants of family business wellness are given in Table 4.14.

Table 4.14: Results of the analysis of selected determinants of family business wellness

Construct	Alpha	n	Mean	Minimum	Maximum	s	Skewness	Kurtosis
Self efficacy	0.845	45	4.249	3.300	5.000	0.453	0.052	-0.592
Locus internal	0.609	45	4.167	3.250	5.000	0.364	-0.012	-0.031
Locus external	0.844	45	2.185	1.125	3.875	0.799	0.130	-1.087
Hope	0.871	45	4.069	3.250	5.000	0.512	0.340	-0.883
Self esteem	0.817	45	4.284	2.600	5.000	0.576	-0.624	0.321
Gratitude	0.648	45	4.511	3.000	5.000	0.511	-0.914	0.273
Total		45	3.911	3.413	4.639	0.316	0.412	-0.706

Self-efficacy refers to the beliefs in one's capabilities to organise and execute the courses of action required to produce given attainments. The construct obtained a score of $\bar{x} = 4.249$ and $s = 0.453$ (variation around the mean). Considering that the scale is one to five, and the minimum score is 3.300, this results show that all the respondents consider themselves to have relatively high levels of self-efficacy.

Internal locus of control refers to when a subject perceives that the outcome of an event is dependent upon his own behaviour or his own relatively permanent characteristics. The subject thus feels that his actions can have a direct influence on the outcome of the event. **Internal locus of control** obtained a score of $\bar{x} = 4.167$, $s = 0.364$, and a minimum score of 3.250. This indicates that all the respondents have a relatively high internal locus of control.

External locus of control is when reinforcement is perceived by the subject as following some action of his own but not being entirely contingent upon his action, then, in our culture, it is typically perceived as the result of luck, chance, fate, as under the control of powerful others, or as unpredictable because of the great complexity of the forces surrounding him. The construct obtained a score of $\bar{x} = 2.185$ and $s = 0.799$ meaning that the minority and relatively low number of respondents are people with a predominantly external locus of control.

Hope relates to an individual's attitude and outlook on life or events. According to the theory of hope, discussed in Chapter 3, hope can be defined as goal-directed thinking, coupled with a person's perception that he/she can produce the required motivation to follow this goal. **Hope** obtained a score of $\bar{x} = 4.069$, $s = 0.512$, and minimum score of 3.250 on a 5-point Likert-type scale, which indicates that all the respondents has this positive attribute.

Self-esteem influences a person's psychological well-being. People with high self-esteem are presumed to be psychologically happy and healthy, whilst those with low self-esteem are believed to be psychologically distressed. The Rosenberg Self-esteem scale was used on a 5-point Likert-type scale to measure self-esteem among respondents. High results (closer to five) indicate high self-esteem, whilst results closer to one indicate low self-esteem. Self-esteem obtained a score of $\bar{x} = 4.284$ and $s = 0.576$, which thus indicates a greater dominance of high self-esteem among respondents.

Gratitude has been conceptualised as an emotion, an attitude, a moral virtue, a habit, a personality trait, and a coping response which enhances one's personal and

relational well-being and which can also be beneficial for society as a whole. It is a positive emotional reaction to the contribution of other moral agents towards positive experiences and outcomes that one obtains. Through the use of the GQ-6 measuring scale, Gratitude obtained a score of $\bar{x} = 4.511$ and $s = 0.511$, which indicates a high existence of this construct among respondents.

Field (2005: 675) notes that questionnaires designed to measure 'knowledge' and 'intelligence' should have Cronbach alphas above the customary cut-off value of 0.70, but concedes that instruments designed to measure 'attitudes' may have lower alphas and still have acceptable levels of reliability.

Table 4.14 shows that acceptable Cronbach alpha coefficients were obtained on all the scales. Only the Cronbach alpha coefficients for **Internal locus of control** (0.609) and **Gratitude** (0.648) are below the cut-off value of 0.70, however, in both cases, the difference is considered to be insignificant. It is also, based on the concession by Field (2005: 675) acceptable. It is, therefore, concluded that the instrument used to measure the selected determinants of family business wellness is reliable with acceptable internal consistency.

Further inspection of Table 4.13 revealed that the scores on the factors of the model (Skewness and kurtosis) indicate possibly a normal distribution of scores. With the exception of **Internal locus of control**, **Self esteem** and **Gratitude**, all the constructs have negative values of skewness, indicating possibly high scores in the distribution. The construct **Internal locus of control** has a skewness value nearest to zero, namely -0.012, and **Gratitude** the furthest from zero, namely -0.914. The construct **External locus of control** has the furthest value for kurtosis to zero, namely -1.087 and **Internal locus of control** the nearest, namely -0.031.

To investigate the relationship between the selected determinants of family business wellness, the Pearson correlation coefficients (r) were calculated and are presented in Table 4.15.

Table 4.15: Results of the Pearson correlation coefficients (*r*) between constructs

Variable	Mean	STD	Self-efficacy	Locus internal	Locus external	Hope	Self-esteem	Gratitude
Self-efficacy	4.249	0.453	1.000					
Locus internal	4.167	0.364	0.578**	1.000				
Locus external	2.185	0.799	-0.069	-0.190	1.000			
Hope	4.069	0.512	0.769**	0.639**	-0.268	1.000		
Self-esteem	4.284	0.576	0.425**	0.413**	0.008	0.537**	1.000	
Gratitude	4.511	0.511	0.170	0.398**	0.044	0.184	0.464**	1.000

** Correlations significant at the $p = 0.05$ level (2-tailed)

The results in Table 4.15 indicate that there are statistical significant ($p < 0.05$) correlations between the following construct combinations: **Self-efficacy** and **Internal locus of control** ($r = 0.578$), **Hope** ($r = 0.769$) and **Self-esteem** ($r = 0.425$) respectively; between **Internal locus of control** and **Hope** ($r = 0.639$), **Self-esteem** ($r = 0.413$) and **Gratitude** ($r = 0.398$) respectively; between **Hope** and **Self-esteem** ($r = 0.537$); and between **Self-esteem** and **Gratitude** ($r = 0.464$).

Practical significant (large effect: $r > 0.500$) correlations were computed between the construct combinations **Self-efficacy** and **Internal locus of control** ($r = 0.578$) and **Hope** ($r = 0.769$) respectively; between **Internal locus of control** and **Hope** ($r = 0.639$); and between **Hope** and **Self-esteem** ($r = 0.537$).

4.8 ANALYSING FAMILY MEMBER COMMITMENT

Section C of the questionnaire (refer to Appendix A) measures the commitment of family members to the family business. The Likert scale-type questionnaire (e.g. where 1 = strongly disagree and 5 = strongly agree), that was used in Section C of the questionnaire represent disagreement with the statement when the score is low (closer to 1). A higher score (closer to 5) therefore suggests that the statement is perceived to be true by the respondents.

The alpha coefficients and descriptive statistics of the constructs to analyse family member commitment are given in Table 4.16.

Table 4.16: Descriptive results of the analysis of family member commitment

Construct	Alpha	n	Mean	Minimum	Maximum	S	Skewness	Kurtosis
Affective Commitment	0.912	45	4.101	2.375	5.000	0.725	-0.442	-0.645
Continuance commitment	0.808	45	3.742	2.375	5.000	0.703	0.054	-1.003
Normative commitment	0.767	45	4.416	3.000	5.000	0.554	-0.769	-0.185
General commitment	0.942	45	3.931	2.500	5.000	0.576	-0.216	-0.031
Total		45	4.047	3.161	5.000	0.495	0.207	-0.946

The results in Table 4.16 indicated that the construct **Normative commitment** yielded the highest average mean value ($\bar{x} = 4.416$). This means that the family members rated this construct as the most positive in direct comparison with the other constructs. The other constructs yielded the following mean scores ranked from second highest to lowest: **Affective commitment** ($\bar{x} = 4.101$), **General commitment** ($\bar{x} = 3.931$) and **Continuance commitment** ($\bar{x} = 3.742$).

Affective commitment obtained a score of $\bar{x} = 4.101$ and $s = 0.725$. Considering that the scale is one to five, this represents a very high agreement with the statements/items concerned with the affective commitment of the participating family members.

Also on a scale of one to five, the construct, **Continuance Commitment** obtained a score of $\bar{x} = 3.742$ and $s = 0.703$. Although the lowest mean of all the constructs, it represents a relatively high agreement with the statements/items concerned the continuance commitment of the participating family members to the family business.

The **Normative commitment** of the active family members obtained a score of $\bar{x} = 4.416$ and $s = 0.554$. This represents an above average agreement with the statements/items concerned with the normative commitment of the family members to the family business.

The last construct measuring commitment in this study, labelled as **General commitment**, yielded a score of $\bar{x} = 4.047$ and $s = 0.495$, meaning that the family members to a great extent agree with the statements measuring the construct.

Scores on all the dimensions seem to be distributed normally (skewness and kurtosis were smaller than one) with the exception of the kurtosis of *Continuous commitment*. However, these scores are not considered extreme.

The instrument measuring the commitment of family members has acceptable reliability and internal consistency with all the calculated Cronbach alpha coefficients above the customary cut-off value of 0.70.

The results of the Pearson correlation analysis assessing the relationships between the constructs measuring family member commitment are presented in Table 4.17.

Table 4.17: Results of the Pearson correlation coefficients (*r*) between constructs

Variable	Mean	STD	Affective commitment	Continuance commitment	Normative commitment	General commitment
Affective commitment	4.101	0.725	1.000			
Continuance commitment	3.742	0.703	0.486**	1.000		
Normative commitment	3.931	0.576	0.271	0.564**	1.000	
General commitment	4.416	0.554	0.815**	0.404**	0.178	1.000

** Correlations significant at the $p = 0.05$ level (2-tailed)

The Pearson correlation results indicate statistical significant correlations ($p < 0.05$) between the construct **Affective commitment** and **Continuance commitment** ($r = 0.486$), and **General commitment** ($r = 0.815$) respectively; between **Continuance commitment** and **Normative commitment** ($r = 0.564$), and **General commitment** ($r = 0.404$) respectively. The results furthermore, indicate a practical significant correlation (large effect: $r > 0.500$) between **Affective commitment** and **General**

commitment ($r = 0.815$) and between **Continuance commitment** and **Normative commitment** ($r = 0.564$).

4.9 ANALYSIS OF THE CONSTRUCTS FUTURE CONTINUITY, FAMILY HARMONY AND PERCEIVED BUSINESS SUCCESS

In Section D of the questionnaire, three constructs measuring the success of the family business, were investigated. The Likert scale type questionnaire (e.g. where 1 = strongly disagree and 5 = strongly agree), that was used in Section D of the questionnaire represent disagreement with the statement when the score is low (closer to 1). A higher score (closer to 5) therefore suggests that the statement is perceived to be true by the respondents.

The, alpha coefficients and descriptive statistics of the constructs measuring the determinants of family business success are given in Table 4.18.

Table 4.18: Descriptive results of the analysis of family business success

Construct	Alpha	n	Mean	Minimum	Maximum	s	Skewness	Kurtosis
Continuity	0.926	45	4.356	3.333	5.000	0.541	-0.183	-1.269
Harmony	0.930	45	4.292	3.375	5.000	0.553	0.119	-1.561
Success	0.918	45	4.122	2.833	5.000	0.642	-0.192	-0.560
Total		45	4.256	3.222	5.000	0.498	0.016	-1.165

Table 4.18 shows that acceptable Cronbach alpha coefficients were obtained on all the scales. All the Cronbach alpha coefficients are well above the cut-off value of 0.70. This suggests that Section D of the questionnaire, used in this study to measure the perceived future success of the family business by the active family members, has acceptable reliability and is internally consistent.

Perceived future continuity, obtained a score of $\bar{x} = 4.356$ and $s = 0.541$ (variation around the mean). Considering that the scale is one to five, this represents general agreement with the statements/items concerned with future continuity of the family business.

Also on a scale of one to five, the construct, **Family harmony**, obtained a score of $\bar{x} = 4.292$ and $s = 0.55$. This represents a relative high agreement with the statements/items concerned with family harmony.

The **Perceived success** of the family business by the respondents obtained a score of $\bar{x} = 4.122$ and $s = 0.642$. This represents an above average agreement with the statements/items concerned with perceived success of the family business.

The kurtosis values of construct **Perceived future continuity** and **Family harmony** indicate an abnormal distribution of scores, ranging from -1.269 for the construct **Perceived future continuity**, to a maximum of -1.561 for the construct **Family harmony**. The negative values indicate a flat and light-tailed distribution.

The results of the Pearson correlation analysis assessing the relationships between the constructs measuring the success of family businesses are presented in Table 4.19.

Table 4.19: Results of the Pearson correlation coefficients (*r*) between constructs

Variable	Mean	STD	Continuity	Harmony	Success
Continuity	4.356	0.541	1.000		
Harmony	4.292	0.553	0.666**	1.000	
Success	4.122	0.642	0.576**	0.591**	1.000

** Correlations significant at the $p = 0.05$ level (2-tailed)

The correlation results indicate significant correlations ($p < 0.05$) between all the construct combinations. There was furthermore, a practical significant correlation with a large effect calculated between all the constructs: **Perceived future continuity** and **Family harmony** ($r = 0.666$), and **Perceived success** ($r = 0.576$); and between **Family harmony** and **Perceived success** ($r = 0.591$).

4.10 ANALYSIS OF THE CONSTRUCTS MEASURING FAMILY MEMBER BURNOUT (MBI-GS) AND THE ENGAGEMENT (UWES)

In Section E of the questionnaire the MBI-GS measuring instrument was used to assess the burnout of family members in the participating family businesses. The Constructs measuring burnout are **Exhaustion**, **Professional efficacy** and **Cynicism**. In addition, the UWES instrument was utilised to measure work engagement with the constructs **Vigour** and **Dedication**. The Likert scale type questionnaire (e.g. where 1 = never and 6 = always) represented disagreement with the statement (the family member never or seldom experienced that feeling) when the score is to low (closer to 1). A higher score (closer to 6) therefore suggests that the statement is perceived to be true by the respondents meaning that the family members very often or always have that feeling concerning the challenges of their job.

The alpha coefficients and descriptive statistics of the constructs measuring the MBI-GS and UWES measuring instruments are given in Table 4.20.

Table 4.20: Results of the analysis of the MBI-GS and UWES instruments

Construct	Alpha	n	Mean	Minimum	Maximum	s	Skewness	Kurtosis
Exhaustion	0.739	45	8.578	0.000	23.000	5.319	0.732	0.311
Professional efficacy	0.752	45	26.267	18.000	30.000	3.473	-0.596	-0.856
Cynicism	0.488	45	3.467	0.000	11.000	3.328	0.697	-0.470
Vigour	0.679	45	24.133	15.000	30.000	4.088	-0.566	-0.844
Dedication	0.655	45	25.556	15.000	30.000	3.870	-0.906	0.435

Table 4.20 shows that most Cronbach alpha coefficients were either above the cut-off value of 0.70, or so close to the cut-off value (*Vigour & Dedication*) that it still has acceptable levels of reliability. It is evident that *Cynicism* does not consist of a reliable Cronbach alpha coefficient (Cortina, 1993: 98).

Exhaustion (measuring *burnout*, measured by the MBI-GS instrument) obtained a score of $\bar{x} = 8.578$ and $s = 5.319$ indicating a low response to members experiencing exhaustion within the family business.

The construct, **Professional efficacy** (measuring *burnout*, measured by the MBI-GS instrument) obtained a score of $\bar{x} = 26.267$ and $s = 3.473$ scored the highest of all the burnout constructs, indicating that there is a lot of effectiveness, professionalism and value experienced in the family business. This is an indication of a lack of burnout.

Cynicism (measuring *burnout*, measured by the MBI-GS instrument) with $\bar{x} = 3.467$ and $s = 3.328$ scores, indicates that there is almost no cynicism, doubt and distrust in these businesses.

The construct **Vigour** ($\bar{x} = 24.133$ and $s = 4.088$), that measures work engagement (measured by the UWES instrument) reveals the energy and drive that exists in these family businesses. It shows that there is commitment and alignment between the family members to reach a common goal.

Dedication (measuring *work engagement*, measured by the UWES instrument) with $\bar{x} = 25.556$ and $s = 3.870$ scores, indicates that there is total dedication to making the business work. It shows loyalty and perseverance in making the family business work.

It seems thus that the family members that participated in this study, in general, have a feeling of both, high work engagement rather than burnout.

To investigate the relationship between the five constructs, the Pearson correlation coefficients (r) were calculated and are presented in Table 4.21.

Table 4.21: Results of the Pearson correlation coefficients (*r*) between constructs

Variable	Mean	STD	Exhaustion	Professional efficacy	Cynicism	Vigour	Dedication
Exhaustion	8.578	5.319	1.000				
Professional efficacy	26.267	3.473	0.015	1.000			
Cynicism	3.467	3.328	0.060	-0.532**	1.000		
Vigour	24.133	4.088	-0.352**	0.609**	-0.299**	1.000	
Dedication	25.556	3.870	-0.047	0.721**	-0.619**	0.553**	1.000

** Correlations significant at the $p = 0.05$ level (2-tailed)

The results in Table 4.21 indicate that there are statistical significant correlations ($p < 0.05$) between the constructs **Exhaustion and Vigour** ($r = -0.352$); between **Professional efficacy and Cynicism** ($r = -0.532$), **Vigour** ($r = 0.609$), and **Dedication** ($r = 0.721$) respectively; between **Cynicism and Vigour** ($r = -0,299$) and **Dedication** ($r = -0.619$) respectively; and between **Vigour and Dedication** ($r = 0.553$).

Practical significant correlations with a large effect were calculated between the following constructs: **Professional efficacy and Cynicism** ($r = -0.532$), **Vigour** ($r = 0.609$), and **Dedication** ($r = 0.721$) respectively; between **Cynicism and Dedication** ($r = -0.619$); and between **Vigour and Dedication** ($r = 0.553$).

4.11 SUMMARY

The empirical study was conducted by means of a field study using a structured questionnaire. The purpose of the literature review was to gain insight into and to align selected determinants of family business wellness according to the structured questionnaire. The questionnaire was divided into seven different sections designed to collect the information to fulfill the requirements of the study. These seven sections are categorised as follows:

- Biological data
- Structural information of family business
- Job demand-resources
- Selected determinants of family business wellness
- Family member commitment
- Future continuity, family harmony and perceived business success
- Family member burnout

These sections are discussed in more detail in this summary.

The constructs were applicable to family members that are active in intergenerational family businesses. Section G of the questionnaire was applicable only to the senior generation owner/manager of each business to supply information on the structure of the business. The data collected from the completed questionnaires were processed by the Statistical Consultation Services at the North-West University using Statistica Statsoft (2010) and SPSS (2010).

Chapter four presented and analysed the empirical results of this study where a total of 25 businesses were identified for the study. The end result was that 17 family businesses completed the questionnaire. This represents a final response rate of 89.47%. A total of 45 active family members completed the questionnaire.

The statistical analyses of the data were done by the North-West University and comprised the following: the Cronbach alpha coefficients, the mean (\bar{x}), the standard deviation (s), and the coefficient of correlation (r). All the above mentioned statistical analyses are tabled in chapter four (refer to Table 4.1 to Table 4.21).

The reliability of the research instrument, the questionnaire, was determined by means of the Cronbach alpha coefficient of each of the constructs. Most of the constructs' Cronbach alpha coefficients were acceptable except for *Support*, *Insecurity* and *Cynicism*.

The evaluation of the biographical data discussed in section 4.4 revealed that the majority (55.56%) of the respondents represent two age groups, namely less than 29 years and 50-59 years, which gives a clear indication of the biographical age structure of the majority of the intergenerational family businesses studied. The gender split of the family businesses surveyed was male (64.44%) and female (35.56%). The results showed that the vast majority (86.67%) of respondents were married, whilst 11.11% were single. In the relationship category approximately 38% of the respondents were senior generation business owners and 22% were first born sons. Reported in the academic qualification section, all had some form of academic qualification.

The structural information on the family business was evaluated as follows: The majority (6 participating businesses) had between 5 to 10 employees. Four of the 17 respondent family businesses, or 23.52%, can be classified as medium-sized businesses (between 51 and 200 permanent employees). The turnover of the family businesses varied with 47.06% reporting between R 1 million to R 2.5 million and only one (5.88%) had an annual turnover of between R 50 million and R 100 million. The industry focus was varied and very subjective to the area selected for the survey and could have been very different in other areas. In the category of age it was found that the majority (6 or 35.29%) of the family businesses were between six to ten years old. The majority (52.94% of the family businesses that responded) were in their first generation, 41.18% were in the second generation and only one business (5.88%) had continued into the third generation. Nine (52.94%) of the family businesses are registered as private companies and eight (47.06%) are registered as close corporations.

The analysis of the job demand-resource questionnaire revealed that **Growth opportunities** yielded the highest average mean value ($\bar{x} = 4.296$) and **Job insecurity** the lowest ($\bar{x} = 2.644$). Statistical significant correlations were found between **Overload** and **Organisational Support** ($r = 0.295$); between **Organisational support** and **Growth opportunities** ($r = 0.349$) and **Advancement** ($r = 0.464$) respectively; and between **Growth opportunities** and **Advancement** ($r = 0.621$) table 4.13.

Of the selected determinants of family business wellness, **Gratitude** obtained the highest score ($\bar{x} = 4.511$ and $s = 0.511$) for the respondents in this section which indicates a high emotional and moral component of reciprocity amongst them. **External locus of control** obtained a score of $\bar{x} = 2.185$ and $s = 0.799$ meaning the respondents feel to a lesser extent the external factors influence the result or outcome that affect them. A statistically significant correlation was found between most of the construct combinations, with some practical significance between some of the constructs.

Analysing the area of **Commitment** the average score obtained was $\bar{x} = 4.047$ and $s = 0.495$. Considering that the scale was one to five, this represents high general agreement with the statements/items concerned with all areas of **Commitment** of the participating family members. A statistically significant correlation was found between most of the construct combinations, with some practical significance between some of the constructs.

Perceived future continuity, obtained a score of $\bar{x} = 4.356$ and $s = 0.541$ a general agreement with the statements/items concerned with future continuity of the family business was evident. **Family harmony**, obtained a score of $\bar{x} = 4.292$ and $s = 0.55$, this showed a relative high agreement with the statements/items concerned with family harmony. The **Perceived success** of the family business by the respondents obtained a score of $\bar{x} = 4.122$ and $s = 0.642$. This indicates an above average agreement with the statements/items concerned with perceived success of the family business. The negative kurtosis values for **Perceived future continuity** and **Family harmony** indicate a flat and light-tailed distribution.

Lastly the constructs measuring the family member's work engagement and burnout revealed that three constructs were evident and had a positive effect on the family business; these were **Professional efficacy**, **Vigour** and **Dedication**. Two constructs, **Exhaustion** and **Cynicism** were less obvious in the family business as indicated in table 4.20. This is an indication that the family members that participated in this study do not have a feeling of burnout, but they have a positive emotion towards their work (work engagement).

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

In this chapter conclusions and recommendations will be discussed based on the constructs determining family business wellness as discussed in the literature study (Chapter 2 and Chapter 3) and investigated in the empirical study (Chapter 4). There after the achievements of the objectives will be evaluated. The chapter will be concluded by suggestions for future research and a summary.

5.2 CONCLUSIONS ON THE EMPIRICAL STUDY

The empirical research included 17 small to medium-sized intergenerational family businesses located and restricted in the South African provinces of the North-West and Gauteng. Based on the literature review presented in Chapter 2 and Chapter 3 and the results of the empirical study presented in Chapter 4, it is now possible to make conclusions on the determinants that influence family business wellness.

5.2.1 Conclusions of the biographical data

A total of 45 family members from 17 family businesses participated in the research study. All of the participants were actively involved in their respective family businesses at the time of their participation in the study. The following biographical factors were analysed namely: age; gender; marital status; relationship to the senior generation owner/manager; and highest academic qualification. A short summary of these factors follows:

Approximately 31% (most) of the respondents are younger than 29 years, which represents the family members that are still relatively new to the business. Approximately 22% of respondents fall between the ages of 30 and 39 years of age and approximately 13% of the respondents fall between the age of 40 and 49. The majority of these respondents between the age of 30 and 49 can be considered to be

the potential future successors of the businesses. Almost 34% of the respondents fall in the age group from 50 to 60+ years old. This group would be dominated by senior generation family members. Of this age group, 9% of the respondents are 60 years old or older and for these businesses, succession should be the next step for the family business.

The family members that are active in the family business investigated are predominantly male (64.44%). Only 35.56% of the active family members are female. In the distribution for the relationship to the senior generation owner/manager it is evident that the potential business successors are predominantly sons. The number of active sons (14) is more than double that of active daughters (6). Also of interest is the fact that 64% of the sons that are active in the family businesses are first born sons and 36% are second born sons, which could potentially be an indication of the existence of the traditional view of birth order, where the first born son would be expected to continue the family business. In such cases, the first born son may experience normative commitment to the family business in that his commitment would be based on his feeling of obligation to remain with the business.

When analysing the businesses it is important to know whether active family members are married or not, as marriage influences the managing of the business and several decision-making processes in the business. Unmarried family members can more easily leave the family business, which would put pressure on successful succession. Married people, on the other hand, tend to be more risk reluctant and would therefore be more likely to remain with the business. Being married, however, also influences the family members' judgment and commitment towards other family members. 86.67% of the respondents are married, whilst 14.33% are single (one of which is a widow).

The level of formal qualification can have an impact on the way that businesses are managed. Almost 55.56% of respondents have only a matric qualification. A total of 44.44% of family members have secondary qualifications, such as certificates, diplomas and university degrees. The latter group could ensure that the family

business is built on a solid platform of expertise, skills and knowledge. However, due to the relatively large percentage of respondents without qualifications further than matric, some family businesses may find it necessary to utilise external sources of expertise and advice to fill the educational gap that may occur as a result of a lack of further education to ensure sustainable competitive advantage.

5.2.2 Conclusions of the structural information of family businesses

The 17 family businesses that participated in the study are located and restricted to the South African provinces of the North-West and Gauteng. Section G of the questionnaire that was handed out to the active family members was only to be completed by the owners/managers of the businesses in order to gather structural information of the participating family businesses. Conclusions based on this information are as follows:

The size-classification of family businesses in this study is determined by the number of permanent employees employed in the business. Of the participating family businesses, 17.65% are micro family businesses with 1 to 4 permanent employees. The majority (58.82%) of family businesses that participated in this study can be classified as small family businesses, having from 5 to 50 permanent employees, whilst 23.52% of the businesses can be classified as medium-sized family businesses with 51 to 200 permanent employees.

Even though annual turnover is a sensitive issue, all of the family businesses that participated in this study did indicate their annual turnover. Only one (5.88%) of the family businesses' annual turnover was less than R 1 million. The greatest number of family businesses that responded (8 or 47.06%) had an annual turnover of between R 1 million and R 2.5 million. Four businesses (23.53%) had an annual turnover of between R 2.5 million and R 10 million. Three businesses (17.65%) had an annual turnover of between R 10 million and R 50 million, and only one (5.88%) had an annual turnover of between R 50 million and R 100 million. Even though turnover is not an absolute measure of business success, it clearly is a positive indication of the business size and financial health.

The family businesses that participated in the study operate in a variety of industries, namely automotive, farming, construction, food, retail, wholesale, services, engineering and hospitality. The various industries may have an impact on the number of permanent employees required to operate the business, it would determine the academic qualifications that employees require and would also, to some extent, dictate turnover. A total of two (11.76%) of the respondent family businesses operate in the automotive industry, two (11.76%) in the agriculture industry, three (17.65%) in the construction industry and the same number (3 or 17.65%) in the food industry, only one (5.88%) in the retail industry, two (11.76%) in the wholesale industry and the same number (2 or 11.76%) in the service industry, both the engineering and hospitality industry were represented by one (5.88%) respondent family business respectively.

A relatively large percentage (52.94%) of the participating family businesses is no more than 10 years old. A total of 29.41% family businesses have been operating between 10 and 20 years. A total of 17.64% of all participating family businesses have been in business for more than 26 years. One family business (5.88%) have survived succession twice and are currently being owned and managed by the third generation. Further more from the research compiled, 52.94% of participating family businesses are still owned by the first generation and 41.18% are in their second generation ownership.

The legal status of a family business has a significant impact on the business and is particularly important when it comes to transferring ownership from one generation to the next. Only two types of legal statuses represent the participating family businesses. The majority of the respondent family businesses (close to 53%) are registered as private companies, the tendency is that businesses that grow larger transform their structures into private companies. Approximately 47% of the responding family businesses are registered as close corporations and this is in line with the fact that most micro and small businesses are registered as such.

5.2.3 Conclusions of the Job Demand-Recourse (JD-R) questionnaire

In the literature review conducted in Chapter 3 it was noted that employee well-being can be attributed to characteristics of work environments. Job demands were identified as the main predictors of job-related stress, whilst job resources were identified as the main predictors of work engagement. Based on a literature review, a measuring instrument was compiled, partly to assess the constructs determining job characteristics. Section A of this measuring instrument, in the form of a questionnaire (Appendix A), was utilised to assess five constructs measuring job characteristics in participating family businesses. For this purpose the relevant section of the questionnaire is based on the Job Demand-Resources Model (Demerouti *et al.*, 2001). The five constructs are *Overload*, *Organisational support*, *Advancement*, *Growth opportunities* and *Job insecurity*.

The respondents mostly agree with the statements measuring each of the constructs. With the exception of the construct *Job insecurity*, all the constructs yielded average mean values greater than 3 (on a 1 to 5 Likert-type scale). *Growth opportunities* yielded the highest average mean value ($\bar{x} = 4.296$) and *Job insecurity* yielded the lowest ($\bar{x} = 2.644$). Thus, respondents rated the construct *Growth opportunities* as the most positive and *Job insecurity* as the least positive in direct contrast with the other constructs meaning that it is an issue in the family business on longevity and perceived future. The other constructs yielded the following mean scores: *Organisational support* ($\bar{x} = 3.998$), *Overload* ($\bar{x} = 3.104$), and *Advancement* ($\bar{x} = 3.448$).

This means that most of the respondents feel that they have enough variety, opportunities to learn and independence in their job. Furthermore one can conclude that there's a relative good relationship between family members with a good flow of information, role clarity and good communication channels. Although the results of this study reveal good communication channels, it is of utmost importance to ensure continuous good communication channels to ensure the absence of ambiguity and to eliminate misunderstanding.

Table 4.13 presented the Pearson correlation coefficients (r) which were calculated to investigate the relationships between the five constructs measuring job characteristics. The results indicate practically significant relationships of a large effect between *Growth opportunities* and *Advancement* ($r = 0.621$). Thus, each of these constructs will have a significant effect on the other constructs. Table 4.13 also indicates practically significant relationships of medium effect between the constructs *Organisational support* and *Growth opportunities* ($r = 0.349$) and *Advancement* ($r = 0.464$) respectively.

5.2.4 Conclusions of the selected determinants of family business wellness

During the literature review (Chapter 3) selected determinants of family business wellness were identified as *Self efficacy*, *Internal locus of control*, *External locus of control*, *Hope*, *Self-esteem* and *Gratitude*. It is considered that these constructs, which relates to family members' attitudes and feelings towards themselves and their performance on a variety of tasks, would impact family business wellness. The identified determinants were assessed by means of a measuring instrument included in the questionnaire (Section B, Appendix A) and the results were reported in Section 4.7, Table 4.14 and Table 4.15.

Acceptable Cronbach alpha coefficients were obtained on all the scales, indicating that the items measuring the constructs in the questionnaire is reliable with acceptable internal consistency. The Cronbach alpha coefficients for *Internal locus of control* and *Gratitude* are below the cut-off value of 0.70, however, in both cases, the difference is considered to be insignificant (Cortina, 1993: 98).

Overall, the scores on all the constructs, with the exception of *External locus of control*, were quite high, with average means of between 4.069 and 4.511 on a 5 point Likert-type scale. This indicates that respondents for the most part have positive experiences of the determinants of family business wellness on a personal level and showed further a positive and uplifting atmosphere in the family business with the belief to make things happen.

Respondents evaluated the construct *Gratitude* ($\bar{x} = 4.511$) the most positive, with *Self-esteem* ($\bar{x} = 4.284$), *Self efficacy* ($\bar{x} = 4.249$), *Internal locus of control* ($\bar{x} = 4.167$) and *Hope* ($\bar{x} = 4.069$) also scoring high. In general, however, they disagree with the statements measuring *External locus of control* ($\bar{x} = 2.185$).

Table 4.15 presented the Pearson correlation coefficients (r) which were calculated to investigate the relationships between the five constructs measuring family business wellness. The results indicated practically significant relationships of large strength between the construct combinations *Self-efficacy* and *Internal locus of control* ($r = 0.578$) and *Hope* ($r = 0.769$) respectively; between *Internal locus of control* and *Hope* ($r = 0.639$); and between *Hope* and *Self-esteem* ($r = 0.537$). Increased levels of *Hope* would therefore have a positive effect on *Self-esteem* and *Gratitude* and an increase in *Self-esteem* would positively affect *Gratitude*. No statistically significant relationship was found between *External locus of control* and any of the other constructs.

Since it is the family members' attitudes and behaviour that combine to influence the wellness of the family business, members could assess themselves individually through introspection against the determinants of family business wellness. In the first instance, this may be useful for the individual to understand his or her contribution to the family business and family business wellness. Also, this could help the individual to identify his or her strengths, which could then more effectively be applied to the benefit of the business.

5.2.5 Conclusions of the family member commitment

In the literature review (Chapter 3), family member commitment was defined as having pride in the family business, an emotional attachment and a sense of belonging to the family business, and a willingness to put in a great deal of effort to ensure its success (Letele-Mataboee, 2012: 16). The motivation behind the commitment can however vary from person to person and as a result of various factors. The motivation behind the commitment of an individual would also determine the degree of commitment and can be classified according to the constructs used to

determine family member commitment. The constructs are *Affective*, *Continuance*, *Normative* and *General Commitment* and the results were reported in Section 4.8 and Table 4.16.

The Cronbach alpha coefficient analysis was used to evaluate the internal consistency of items measuring the constructs for family member commitment in the questionnaire. Acceptable Cronbach alpha coefficients were obtained for all the constructs.

Overall, respondents generally agreed with the statements measuring family member commitment in the questionnaire (Section C in Appendix A) indicating relatively high levels of commitment from the respondents to their respective family businesses. *Normative commitment* received the highest score ($\bar{x} = 4.416$) on a Likert-type scale of 1 to 5 which could most probably correlate to the percentage of first born sons who's commitment would be based on their feelings of obligation to remain with the family business and could have a sense of being 'locked into' the organisation, though they may not perceive this negatively. *Continuance commitment* received the lowest score ($\bar{x} = 3.742$). although there might be a feeling of obligation to remain in the family business, the construct *Affective commitment* with a mean of 4.101 indicates a strong desire that exist within family members to be part of the family business.

Scores on all the dimensions seem to be distributed normally (skewness and kurtosis were smaller than one) with the exception of the kurtosis of *Continuous commitment* (-1.003). However, this score are not considered extreme.

The Pearson correlation coefficients (r), which indicates the relationships between the constructs determining family member commitment, are presented in Table 4.17. Practically significant relationships of medium to large strength have been identified between all the constructs, with the exception of *Affected commitment* and *Normative commitment* and between *Normative commitment* and *General commitment*. No statistically significant relationship was found between these constructs.

From the abovementioned results of the various constructs of family member commitment, it is clear that respondents feel themselves to a great extent committed to their family businesses. More importantly, however, is the mind-sets that form the basis of this commitment, since this would also influence the amount of effort an individual would put in for the benefit of the business. In this regard it is interesting to note that the scores of *affective*, *continuance*, *normative* and *general commitment* do not vary a great deal. This indicates that the mind-sets underlying each of these concepts all play a joint role in determining the respondents' commitment to their businesses.

5.2.6 Conclusions on the constructs future continuity, family harmony and perceived business success

During the literature review (Chapter 3) insight were gained on the importance of family harmony to ensure continuity and sustainability of family businesses. The constructs measuring family business success were identified as *Perceived future continuity*, *Harmony* and *Perceived success* and was measured in Section D of the questionnaire (Appendix A). The results were reported in Section 4.9 and Table 4.18.

Overall, respondents generally agreed with the statements measuring the constructs of family business success. Response rates yielded high average means on a Likert-type scale from 1 to 5 as follows: *Perceived continuity* ($\bar{x} = 4.356$), *Harmony* ($\bar{x} = 4.292$) and *Perceived success* ($\bar{x} = 4.122$). The Cronbach alpha coefficients confirmed the internal consistency and reliability of the items on the questionnaire relating to these constructs.

The results of the Pearson correlation analysis assessing the relationships between the constructs measuring the success of family businesses were presented in Table 4.19. The results indicate practically significant relationships with a large effect calculated between all the constructs measuring family business success. The strongest relationship exists between the constructs *Harmony* and *Perceived continuity* ($r = 0.666$), and the weakest relationship between *Perceived continuity* and *Perceived success* ($r = 0.576$).

Referring to the above mentioned results, family members have a desire to see the family business continuing into the future and as a legacy to be handed over to future generations. It is clear that a link exists between family business wellness and family harmony, where the former often forms the underlying causes for a lack of the latter, the perceived success of a family business by the involved family members gives a good indication as to the degree of wellness that exists within the family business under scrutiny.

5.2.7 Conclusions on the constructs measuring family member burnout (MBI-GS) and work engagement (UWES)

In the literature review (Chapter 3), burnout was defined as a crisis in one's relationship with work in general. It is based on the principle that burnout is a multidimensional syndrome of free cognitive/affective components, emotional exhaustion, dedication, or becoming callous towards and withdrawn from clients and colleagues, and a lack of sense of accomplishment at work. Section E of the questionnaire (Appendix A), was utilised to assess three constructs measuring family member burnout and two constructs measuring family member work engagement. For this purpose the relevant section of the questionnaire is based on the Maslach Burnout Inventory-General Survey (MBI-GS) and the Utrecht Work Engagement Scale (UWES). The five constructs are *Exhaustion*, *Professional efficacy*, *Cynicism*, *Vigour* and *Dedication*.

The results were reported in Section 4.10 and Table 4.20 show that most Cronbach alpha coefficients were either above the cut-off value of 0.70, or so close to the cut-off value (*Vigour & Dedication*) that it still has acceptable levels of reliability (Cortina (1993: 98). It was evident that *Cynicism* did not consist of a reliable Cronbach alpha coefficient (Cortina, 1993: 98).

Exhaustion obtained a score of $\bar{x} = 8.578$ and $s = 5.319$; *Professional efficacy*, $\bar{x} = 26.267$ and $s = 3.473$; *Cynicism*, $\bar{x} = 3.467$ and $s = 3.328$; *Vigour*, $\bar{x} = 24.133$ and $s = 4.088$; and *Dedication*, $\bar{x} = 25.556$ and $s = 3.870$.

From the results it is clear that the family members rated the constructs measuring work engagement high (*Vigour* and *Dedication*). This reflects that there is commitment and alignment between the family members to reach a common goal and further shows loyalty and perseverance in making the family business work.

Two burnout constructs, *Exhaustion* and *Cynicism* were measured low meaning that the family members did not perceived to be burnt out. The other construct measuring burnout, *Professional efficacy* obtained a high mean score meaning that the respondent perceived their professional efficacy as high. That is also an indication that family members, in general, perceived to be not burnt out. A conclusion could be drawn from the results that the family members in general feel a greater sense of work engagement, and have in a lesser extend a feeling of burnout.

Pearson correlation coefficients were calculated to determine the relationships between the five constructs and the results were reported in Table 4.21. The results indicated that there are statistically significant correlations between all the construct combinations except between *Exhaustion* and *Professional efficacy*, *Cynicism*, and *Dedication* respectively.

Strong negative correlations were reported between those constructs identified as core dimensions of job engagement and those constructs that form the core dimensions of burnout. For example, the results indicate practically significant negative relationships of large effect between *Cynicism* and the constructs *Professional efficacy* ($r = -0.532$), and *Dedication* ($r = -0.619$). Thus, increased levels of cynicism would lead to decreased levels of dedication and professional efficacy (or, to a lack of professional efficacy). Similarly, negative relationships of medium effect are indicated between *Exhaustion* and *Vigour* ($r = -0.352$), and between *Cynicism* and *Vigour* ($r = -0.299$).

5.2.8 Conclusions on the Cronbach Alpha coefficients

To be able to evaluate items measuring the constructs the Cronbach alpha coefficients were used to assess the reliability and internal consistency of all the

factors. The greater the Cronbach alpha coefficient, the more reliable is the scale. A Cronbach alpha coefficient greater than 0.70 could be interpreted as reliable and internally consistent (SAS Institute Inc., 2005).

The results on the reliability of all the constructs measured in Chapter 4 (displayed in tables 4.12, 4.14, 4.16, 4.18 and 4.20) show reliability and internal consistency above the required coefficient of 0.70 except the following constructs: *Operational support*, *Job insecurity*, *Internal locus of control*, *Gratitude*, *Cynicism*, *Vigour* and *Dedication*. Most of these constructs is still within an acceptability range from the required (0.70) coefficient (Cortina, 1993: 98).

5.3 PRACTICAL RECOMMENDATIONS

The primary objective of this study is to explore selected determinants of family business wellness in small and medium-sized family-owned businesses in South Africa and to make recommendations to ensure effective management of these determinants in the family business.

Family businesses play a huge role in the global economy in the twenty-first century. Family businesses can be seen as one of the largest contributors to jobs and wealth creation worldwide. Without family businesses the world would be a much poorer place. Therefore, continuity of family businesses across the world is extremely important. Without family harmony within family businesses, it would be difficult to obtain future continuity of family businesses especially in the fast-paced world we live in today.

The importance of family harmony for the continued existence of family businesses has been established. Furthermore, family business wellness has been identified as an underlying factor influencing harmony. Therefore, family business wellness is crucial for harmony within family businesses and to give such businesses the best chance to be successful on a continuing basis - also when ownership transfers from one generation to the next. The following recommendations are based on the

analysis that was done and conclusions that were drawn from the information gathered from the literature review and the empirical study.

5.3.1 Job demands-resources

The results from the JD-R model indicated that family members generally consider their workloads to be average. Some family members might consider their workloads to be high. The reasons for this could be attributed to multi-skilling and limited resources. It would be expected that this result would contribute towards work-related stress, however, for the respondent families this do not appear to be the case, since the respondents also rated the constructs measuring work engagement relatively high. It is considered, therefore, that job resources, such as organisational support, growth opportunities and advancement can counter, at least to some extent, the negative effects of overload.

Family members should, however, place a greater emphasis on increasing job resources within their businesses as it predicts work engagement and work-based identity. This can be done through the implementation of structures within the business conducive to the advancement of these constructs, such as good communication channels, support structures and family forums. Additionally, the empowerment of family members' personal resources may also be profitable. According to Seligman (1991), employees (family members) who learn how to respond to adverse situations with optimism have greater persistence, a requirement for success.

5.3.2 Establish good communication and family forums

In order to ensure that the necessary job resources are available to counter work-related stress and promote work engagement and, ultimately, promote the success of the family business, clear communication channels are required.

Job insecurity relates to family members being uncertain about the future of the family business, or their future role therein. Although job insecurity did not have a high rating in the JD-R model as other constructs, it is important to address this issue

on a continuous basis. A lack of communication can easily result in some family members not being fully aware of what is happening in the family business which can lead to misunderstandings, and ultimately, conflict.

Misunderstandings and potential areas of dispute in family businesses can be avoided if good communication channels are in place. Effective communication is one of the keys for good family relationships and conflict resolution. Although good communication does not eliminate conflict, it will certainly contribute to managing a business effectively and efficiently.

To avoid the pitfalls of poor communication, an atmosphere in which open discussion is welcomed must be promoted. A very effective way to promote a climate for open communication is to use the direct approach method. In other words, if it becomes necessary, the whole family should convene (active and inactive) at a neutral venue, to discuss family related issues in the family business.

There are a number of practical things that can be done to promote effective communication:

- A lack of communication can be addressed through regular formal meetings held with all the family members, or by establishing and maintaining a family forum in the family business. Family forums can, therefore, serve as a means of sharing experiences, acculturating new family members such as in-laws, discussing the family's welfare, and sharing the joys and spirit of family philanthropy (Ward, 2004: 114).
- In larger family businesses personal issues should be eliminated from business discussions by holding all meetings in a work environment rather than in a home environment.
- In smaller first-and second-generation family businesses, effective communication can be facilitated through annual family meetings, family forums or retreats, guided by an effective communication process for both family and business matters.

- Families that have grown to a multigenerational stage may require a formal structure, such as a family council and/or a family office.
- Create mechanisms for providing constructive feedback to family and non-family members, this can help prevent employees and inactive family members from feeling excluded and later de-motivated.
- On occasion the business' strategic goals and way forward can be discussed in a relaxed environment at an out of office location.
- Appoint a non-family member to the board to act as arbitrator and help prevent the emotions of family members to influence business decisions.
- Clear policies and procedures must be put in place, consisting of a vision, mission, goals, job descriptions and duties.

Jaffe (1991: 122) describes the family meeting as the vehicle to address and explore family concerns that influence the family and the business. It is a valuable tool to enhance family relationships and improve communication (Jaffe, 1991: 122). An ongoing process of communication and discussions between family members will guide the family relationship within the business and ultimately promote success within the business.

5.3.3 Succession planning in family businesses

This unique characteristic of succession and succession planning are certainly concerning factors for the family business and has very different challenges facing them with the transfer of business from one generation to the next. This is so because of the unique process of intergenerational family business transfer, vastly different to non-family businesses (Wang *et al.*, 2004: 59).

Succession in family businesses is a very challenging task and can be seen as one of the main drivers of conflict in family businesses nearing the transition stages. Families need to make the right decisions for the family, the owner and the family business.

Although not part of this study, family business succession is a vital link to the sustainability and longevity of family businesses, and therefore is included into the

recommendations. There are ways of proactively addressing this issue of succession planning by addressing the following two factors:

- Willingness of the owner manager to hand-over the business.
- Trust in the successor's abilities and intentions.

The succession planning process should start early and should include, among others, the following:

- The key goals and requirements for the succession process.
- A schedule of the transition stages; for example, identifying a successor, training him or her to become the successor, transferring full responsibilities and letting go.
- An alternative plan in case something happens to the successor, like death or failure.

The following is important in finding a successor:

- The successor must have the right skills and abilities.
- The successor must be willing to take over the family business.
- The succession plan must be fair to all family members.
- The decision must minimize conflict.

The determinants of family member wellness, as well as family member commitment, family harmony, amongst others, are thus good indicators of the suitability of prospective successor that could successfully manage the business in the future.

5.3.4 Commitment to the family business

The commitment of family members towards each other, as well as to the family business and its vision, is vital for the future continuity of the business. A continuity plan can play an important role to clarify expectations and obligations towards the family business.

Family member commitment has a direct impact on family business wellness and effort should therefore be made to nurture commitment that is based on the family members' strong identification with, and desire to contribute to the family business. In order to do so, the family has to have a common goal and aligned vision that will ensure a continuing legacy in which the family's traditions, identity and culture are embodied. The family must be clear about the positive link between the longevity of the business and the wellbeing of the family (Van Heerden, 2009:109).

Family businesses should establish and maintain family forum meetings, family retreats, as well as systems or structures to promote, facilitate and assure the effective and ongoing sharing of information, ideas, opinions, attitudes and feelings. Family members should be part of the planning and decision-making processes in the family business. Family members of the younger generation should have a voice in the business, should be developed and trained to improve their competency and work performance, should receive regular feedback on their work performance and should be compensated fairly.

The above mentioned recommendations could strengthen the feeling that family members are part of the family, which could ultimately lead to a stronger sense of the commitment by family members to the family business. Family businesses that invest time and effort to foster harmonious family relationships based on the commitment of family members to the family business, can ensure the future continuity and success of the family business.

5.3.5 Managing conflict in family businesses

There is a much greater potential for conflict in family businesses than in any other form of business. The reason for this is due to a clash between the business or financial aspects and the emotional aspects of active and inactive family members.

Conflict between family members in the working environment is not always necessarily bad and can sometimes have a positive effect on decision-making, like the strategic direction of the family business; for example, if conflict results in a

much-needed rethinking of, for example the business plan, vision or mission of the family business, then it is positive. This, however, will only be possible if negative conflict is managed, resolved or avoided.

Some practical recommendation how to avoid and manage conflict in the family business follows:

- One person must not dominate the whole family business.
- There must be appropriate mechanisms in place that allow all the employees, family and non-family, to contribute to discussions and decisions regarding the business.
- Emotional issues from family members must not cloud business decisions.
- One of the best ways of avoiding conflict is to avoid misunderstandings as the result of poor communication from happening in the first place.
- Drawing up a family charter and code of good conduct can help achieve this.
- A written structure must be developed on how to handle conflict and disagreements and this must be laid out in the family-business charter.
- When minor disputes occur, regular management meetings may be appropriate for disputes resolution with decisions being made by ways of a majority vote.
- For more serious matters an independent mediator can be appointed.

5.3.6 Use of external expertise

The use of outside advice in assisting the family business is an important factor that influences both the governance structures and the planning of the management succession process. Because family members are hired to manage certain departments/divisions in the family business, sometimes without the necessary knowledge, it is important to identify the shortcomings of each managing division in the family business. If there are a shortage of know how it is important to involve outsiders' expertise (i.e. lawyers, accountants and the use of advising consultants) to assist with its governance.

Since family members may lack objectivity in certain business decisions and have emotional attachments to the core business, family businesses need outside advice in addition to family board members, to obtain more varied and objective advice.

5.3.7 General family business diagnosis

It is important to be aware that family businesses are not all the same. Various internal and external factors unique to each business' environment contribute to making businesses unique in structure, operations and management, to name but a few aspects.

For the family business, irrespective of internal and external differences, it is important to implement support structures for family members that incorporate mentoring, coaching and training to nurture family members' self efficacy, self-esteem and internal locus of control within their work environment, ultimately promoting family business wellness. This could even be beneficial for preparing the younger generation for future ownership and management of the family business.

The contribution of this study however, is that it can be utilised by individual family businesses as a tool to diagnose any existing or potential future problem areas that may have an effect on the wellness of that particular family businesses, thus jeopardising the continued success and longevity of the business. By identifying such issues, steps can be taken towards addressing these problem areas to the benefit of the long term success of the business.

It is thus suggested that family business can utilise consultants to assess the determinants of family business wellness in their respected family businesses, and then use the results of the diagnosis to plan interventions to reinforce positive aspects and manage the negative aspects (such as, for instance, burnout or a low self-esteem) that could play an important role to ensure the continuity of the family business.

5.4 CRITICAL EVALUATION OF THIS STUDY

The success of this study is based upon realizing the primary and secondary objectives, as indicated in section 1.3 of this study.

5.4.1 Primary objectives

The primary objective of this study was to explore selected determinants of family business wellness in small and medium-sized family-owned businesses in South Africa and to make recommendations to ensure effective management of these determinants in the family business.

5.4.2 Secondary objectives

As indicated in section 1.3.2, the following secondary objectives were formulated and had to be met in order to achieve the primary objective:

- Define and obtain insight into the dynamics of family businesses by means of literature review.
- To investigate the factors that has an impact on family wellness in small and medium-sized family businesses by means of a literature review.
- To assess the selected factors of family wellness in small and medium-sized family businesses.
- To validate the diagnostic questionnaire by means of statistical analysis.
- To suggest practical recommendations on how to manage the identified family wellness factors in the family business to ensure family harmony among family members and sustainable success of the family business.

The first secondary objective namely, to define and obtain insight into the dynamics of family businesses by means of a literature study, was achieved by means of the literature review presented in chapter 2 where the definition of small to medium-sized intergenerational family businesses, uniqueness of family business, overview of the systems in the family business, economic value and advantages and disadvantages of the family business was discussed.

The second secondary objective namely, to investigate the factors that have an impact on family wellness in small and medium-sized family businesses by means of a literature study, was achieved by means of the literature review presented in

chapter 3 where wellness was defined and selected determinants of wellness was reported and studied.

The third secondary objective namely, to assess the selected factors of family wellness in small and medium-sized family businesses, was achieved by means of a detailed literature review on selected determinants in chapter 3, followed by an evaluation for these determinants in chapter 4 and concluded in chapter 5.

The fourth secondary objective namely, to validate the diagnostic questionnaire by means of statistical analysis, was achieved by means of the Cronbach alpha coefficients calculations in chapter 4 and conclusions were put forward in chapter 5. These calculations concluded that the existing questionnaire has acceptable reliability.

The fifth secondary objective namely, to suggest practical recommendations on how to manage the identified family wellness factors in the family business to ensure family harmony among family members and sustainable success of the family business, was achieved through the empirical research discussed in chapter 4 and by the practical recommendations presented in chapter 5 (section 5.3).

Through the achieving of all secondary objectives it can therefore be concluded that the primary objective namely, to explore selected determinants of family business wellness in small and medium-sized family-owned businesses in South Africa and to make recommendations to ensure effective management of these determinants in the family business, was achieved.

5.5 SUGGESTIONS FOR FUTURE RESEARCH

Research on family businesses, especially research on wellness determinants within family businesses, is lacking behind other fields of study. This can be evident in the fact that the definition of family businesses is still widely disputed. This study attempted to make a contribution to the body of knowledge on family business

wellness in small and medium-sized intergenerational family businesses. The following are some recommendations for future studies:

The study only consisted of family businesses in the Gauteng and the North-West provinces. Future research can be done in other provinces, or ideally include all the provinces in South Africa.

Because of the convenience sampling technique the sample used in the study could not be a true representation of family businesses in South Africa. Future studies may use other sampling techniques and bigger sample sizes. Findings in this study could not be generalised, since it does not represent all the business industries in an equal way. Future research can be done on one industry at a time until all the industries are covered equally.

The predetermined constructs used in this study to determine wellness within family businesses cannot be seen as the only determinants of wellness. New research might suggest finding more valid determinants of wellness within family businesses. More advanced statistical procedures like structural equation modelling can be used to further develop the instrument.

One can consider an extension to this study by doing research on factors that influence family business wellness. This can include work place issues, such as work place bullying, unfair remuneration, inequitable benefits and discrimination in the context of family businesses.

5.6 SUMMARY

In this chapter, conclusions and recommendations were discussed based on the constructs determining family business wellness as evaluated in the literature review (Chapter 3) and the empirical study (Chapter 4). An empirical study included 17 family businesses within South Africa, restricted to the Gauteng and the North-West provinces of South Africa. After the administration of structured questionnaires it was

possible to make conclusions on the factors that could ensure family business wellness.

A response rate of 89.47% of the family businesses originally identified participated in this study. A total of 45 active family members completed the questionnaire. Biographical variables such as age, gender, relationship to the owner, highest academic qualification and marital status were analysed and conclusions were made based upon these results. All the information relating to the participating family business was analysed in Chapter 4. The analyses included the size classification of the family business, the age of the family business, annual turnover, the industry in which the family business operates, the number of generations that has managed and owned the family business and the legal entity of the business. The results obtained were discussed in Chapter 5.

Analysis of the constructs relating to family business wellness was made and the relationship between the constructs were analysed in chapter 4. The Cronbach alpha coefficient of each construct was calculated to evaluate the reliability and internal consistency of the questionnaire in chapter 4. Conclusions on the results obtained from the empirical study was drawn and presented in chapter 5.

Based on information gathered from the literature review and the empirical study, practical recommendations were made to ensure effective management of these wellness determinants in the family business. The achievement of the primary and secondary objectives of this study was evaluated and, finally, suggestions were made for future research.

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APPENDIX A

Code number:

FAMILY BUSINESS WELLNESS DIAGNOSTIC QUESTIONNAIRE



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FAMILY BUSINESS WELLNESS DIAGNOSTIC QUESTIONNAIRE

Family businesses make an important contribution to economic growth and wealth creation in the world. Family businesses employ approximately 50% of the total workforce and produce between 40 and 60% of the gross national product in Northern America and Europe. South Africa is no exception. Family businesses have been making a positive contribution towards the South African economy for the last 300 years. Approximately 80% of businesses in South Africa could be classified as family businesses and they comprise 60% of the companies listed on the Johannesburg Stock Exchange.

After extensive research on family businesses during the past decade, it is my view that family harmony is vital to the success and future continuity of the family business. Factors influencing family harmony, such as open communication, conflict management, mutual trust and respect, commitment, just to list a few, were investigated and analysed during previous research projects under my guidance. **If anyone of you participated in previous research projects, thank you for that.** The results of the research formed the basis of various journal articles and conference papers.

Family business wellness, which often forms the underlying causes for a lack of family harmony, is, however, a neglected area of research. The main aim of this study is to gather information on this very sensitive issue in family businesses. Topics such as the characteristics of the job, work stress and burnout, job engagement, family member commitment, the perceived success of the family business, among others, will be investigated.

The target population is intergenerational family businesses. For the purpose of this study, an **intergenerational family business is defined** as a business where at least 51 percent of the business is owned by a single family; at least two family members are involved in the management or operational activities in the business; family members of both the senior and next generation are active in the business, and the transfer of leadership to next generation family members (succession) is anticipated.

All family members employed by the family business (active members) should complete the questionnaire – including members of the senior and next (younger) generation family. Inactive members (not employed by the business) do not have to complete the questionnaire.

This questionnaire is designed to collect information to measure the position of various aspects concerning family business wellness. It may form the basis for assisting family businesses in the light of their very important role in the economy to take corrective and

proactive steps in order to be successful. The findings of this research could therefore contribute to the body of knowledge regarding family business wellness and could enable advisors to support family businesses to manage this sensitive issue.

Once you have completed the questionnaire, please place it in the envelope provided. Seal the envelope. **Your opinion is confidential.** The person who co-ordinates the survey in your business (or the student) will collect the envelopes and return them to the Business School.

Please read the full instructions and make sure that you complete all the sections. It is also important that you complete all the questions in all the sections. Take note of reverse questions. These questions are included to make sure that you read every statement attentively before marking the applicable one. Section G, concerning information about the structure of the family business, should be completed or validated by the senior generation executive owner-manager of the business.

I hereby declare that the students conducting the research are enrolled for the MBA degree at the Potchefstroom Business School. This research is conducted as partial fulfilment of the requirements for the MBA degree (either for the Entrepreneurship course or the MBA dissertation).

Thank you in anticipation for your co-operation. We hope that you will find the questionnaire interesting and stimulating.

PROF STÉPHAN VAN DER MERWE

SECTION A

The purpose of this questionnaire is to obtain an accurate picture of how you personally evaluate specific aspects of your work and work environment in the family business. Please read each statement carefully and decide if you feel this way. Please do not skip any questions.

Please rate the extent to which you agree or disagree with the following statements by making an "X" over the appropriate number on the 1 to 5 point scale next to the statement.

1 = Never	2 = Sometimes	3 = Neutral view	4 = Often	5 = Always
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	STATEMENT	SCALE				
		1	2	3	4	5
A1	Do you have too much work to do?					
A2	Do you work under time pressure?					
A3	Do you find that you do not have enough work?					
A4	Do you have to be attentive to many things at the same time?					
A5	Do you have to give continuous attention to your work?					
A6	Do you have to remember many things in your work?					
A7	Are you confronted in your work with things that affect you personally?					
A8	Do you have contact with difficult clients/suppliers in your work?					
A9	Does your work put you in emotionally upsetting situations?					
A10	In your work, do you repeatedly have to do the same things?					
A11	Does your work make sufficient demands on all your skills and capacities?					
A12	Do you have enough variety in your work?					
A13	Does your job offer you opportunities for personal growth and development?					
A14	Does your work give you the feeling that you can achieve something?					

1 = Never	2 = Sometimes	3 = Neutral view	4 = Often	5 = Always
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A15	Does your job offer you the possibility of independent thought and action?	1	2	3	4	5
A16	Do you have freedom in carrying out your work activities?	1	2	3	4	5
A17	Do you have influence in the planning of your work activities?	1	2	3	4	5
A18	Can you participate in the decision about when a piece of work must be completed?	1	2	3	4	5
A19	Can you count on family members when you come across difficulties in your work?	1	2	3	4	5
A20	If necessary, can you ask family members for help?	1	2	3	4	5
A21	Do you get on well with family members?	1	2	3	4	5
A22	Can you count on your supervisor (or other family members) when you come across difficulties in your work?	1	2	3	4	5
A23	Do you get on well with your supervisor (or other family members)?	1	2	3	4	5
A24	In your work, do you feel appreciated by other family members?	1	2	3	4	5
A25	Do you know exactly what other people expect of you in your work?	1	2	3	4	5
A26	Do you know exactly for what you are responsible and which areas are not your responsibilities?	1	2	3	4	5
A27	Do you know exactly what your direct supervisor (or other family members) thinks of your performance?	1	2	3	4	5
A28	Do you receive sufficient information on the purpose of your work?	1	2	3	4	5
A29	Do you receive sufficient information on the results of your work?	1	2	3	4	5
A30	Do you receive sufficient feedback on your work performance?	1	2	3	4	5
A31	Does your direct supervisor (or other family members) inform you about how well you are doing your work?	1	2	3	4	5
A32	Are you kept adequately up-to-date about important issues within the family business?	1	2	3	4	5
A33	Is the family business's decision-making process clear to you?	1	2	3	4	5
A34	Is it clear to you whom you should address within the family business for specific problems?	1	2	3	4	5
A35	Can you discuss work problems with your direct supervisor (or other family members)?	1	2	3	4	5
A36	Can you participate in decisions about the nature of your work?	1	2	3	4	5

1 = Never	2 = Sometimes	3 = Neutral view	4 = Often	5 = Always
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A37	Do you have a direct influence on the family business' decisions?	1	2	3	4	5
A38	Do you have contact with family members as part of your work?	1	2	3	4	5
A39	Can you have a chat with family members during working hours?	1	2	3	4	5
A40	Do you find that you have enough contact with family members during working hours?	1	2	3	4	5
A41	Do you need to be more secure that you will still be working in one year's time?	1	2	3	4	5
A42	Do you need to be more secure that you will keep your current job in the next year?	1	2	3	4	5
A43	Do you need to be more secure that next year you will keep the same function level as currently?	1	2	3	4	5
A44	Do you think that the family business pays good salaries?	1	2	3	4	5
A45	Can you live comfortably on your pay?	1	2	3	4	5
A46	Is there a direct link between work performance and compensation in the family business?	1	2	3	4	5
A47	Do you think you are paid enough for the work that you do?	1	2	3	4	5
A48	Does your job offer you the possibility to progress financially?	1	2	3	4	5
A49	Does the family business give you opportunities to follow training courses?	1	2	3	4	5
A50	Does your job give you the opportunity to be promoted?	1	2	3	4	5

SECTION B

The following statements concern attitudes and feelings you might have about yourself and your performance on a variety of tasks.

Please rate the extent to which you agree or disagree with the following statements by making an "X" over the appropriate number on the 1 to 5 point scale next to the statement.

1 = <i>Strongly disagree</i>	2 = <i>Disagree</i>	3 = <i>Neutral</i>	4 = <i>Agree</i>	5 = <i>Strongly agree</i>
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	STATEMENT	SCALE				
		1	2	3	4	5
B1	I can always manage to solve difficult problems if I try hard enough.	1	2	3	4	5
B2	If someone opposes me I can find means and ways to get what I want.	1	2	3	4	5
B3	It is easy for me to stick at my aims and accomplish my goals.	1	2	3	4	5
B4	I am confident that I could deal efficiently with unexpected events.	1	2	3	4	5
B5	Thanks to my resourcefulness, I know how to handle unforeseen situations.	1	2	3	4	5
B6	I can solve my problems if I invest the necessary effort.	1	2	3	4	5
B7	I can remain calm when facing difficulties because I can rely on my coping solutions.	1	2	3	4	5
B8	When I am confronted with a problem, I can usually find several solutions.	1	2	3	4	5
B9	If I am in trouble, I can usually think of a solution.	1	2	3	4	5
B10	I can usually handle what comes my way.	1	2	3	4	5
B11	A job is what you make of it.	1	2	3	4	5
B12	On most jobs, people can pretty much accomplish whatever they set out to accomplish.	1	2	3	4	5
B13	If you know what you want out of a job, you can find a job that gives it to you.	1	2	3	4	5
B14	If employees are unhappy with decisions made by their boss, they should do something about it.	1	2	3	4	5

1 = Strongly disagree	2 = Disagree	3 = Neutral	4 = Agree	5 = Strongly agree
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B15	Getting the job that you want is mostly a matter of luck.	1	2	3	4	5
B16	Making money is primarily a matter of good fortune.	1	2	3	4	5
B17	Most people are capable of doing their jobs well if they make the effort.	1	2	3	4	5
B18	In order to get a really good job you need to have family members or friends in high places.	1	2	3	4	5
B19	Promotions are usually a matter of good fortune.	1	2	3	4	5
B20	When it comes to really getting a good job, who you know is more important than what you know.	1	2	3	4	5
B21	Promotions are given to employees who perform well on the job.	1	2	3	4	5
B22	To make a lot of money you have to know the right people.	1	2	3	4	5
B23	It takes a lot of luck to be an outstanding employee in most jobs.	1	2	3	4	5
B24	People who perform their jobs well generally get rewarded for it.	1	2	3	4	5
B25	Most employees have more influence on their supervisors than they think they do.	1	2	3	4	5
B26	The main difference between people who make a lot of money and people who make a little money is luck.	1	2	3	4	5
B27	I can think of many ways to get out of the jam.	1	2	3	4	5
B28	I energetically pursue my goals.	1	2	3	4	5
B29	I feel tired most of the time.	1	2	3	4	5
B30	There are lots of ways around any problem.	1	2	3	4	5
B31	I am easily drowned in an argument.	1	2	3	4	5
B32	I can think of many ways to get the things in life that are most important to me.	1	2	3	4	5
B33	I worry about my health.	1	2	3	4	5
B34	Even when others get discourage, I know I can find a way to solve the problem.	1	2	3	4	5
B35	My past experiences have prepared me well for my future.	1	2	3	4	5

1 = Strongly disagree	2 = Disagree	3 = Neutral	4 = Agree	5 = Strongly agree
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B36	I've been pretty successful in life.	1	2	3	4	5
B37	I usually find myself worrying about something.	1	2	3	4	5
B38	I meet the goals I set in life.	1	2	3	4	5
B39	I feel that I am a person of worth, at least on an equal plane with others.	1	2	3	4	5
B40	I feel that I have a number of good qualities.	1	2	3	4	5
B41	All in all, I am inclined to feel that I am a failure.	1	2	3	4	5
B42	A am able to do things as well as most people.	1	2	3	4	5
B43	I feel I do not have much to be proud of.	1	2	3	4	5
B44	I take a positive attitude toward myself.	1	2	3	4	5
B45	On a whole, I am satisfied with myself.	1	2	3	4	5
B46	I wish I could have more respect for myself.	1	2	3	4	5
B47	I certainly feel useless at times.	1	2	3	4	5
B48	At times, I think that I am not good at all.	1	2	3	4	5
B49	I have so much in life that I can be thankful for.	1	2	3	4	5
B50	If I have to list everything that I feel thankful for, it would be a very strong list.	1	2	3	4	5
B51	When I look at the world, I don't see much to be thankful for.	1	2	3	4	5
B52	I am thankful to a wide variety of people.	1	2	3	4	5
B53	As I get older I find myself more able to appreciate the people, events and situations that have been part of my life history.	1	2	3	4	5
B54	Long amounts of time can go before I feel thankful to something or someone.	1	2	3	4	5

SECTION C

The following statements concern your attitude towards the family business.

Please rate the extent to which you agree or disagree with the following statements by making an "X" over the appropriate number on the 1 to 5 point scale next to the statement.

1 = Strongly disagree	2 = Disagree	3 = Neutral	4 = Agree	5 = Strongly agree
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	STATEMENT	SCALE				
		1	2	3	4	5
C1	I would be happy to spend the rest of my career with the family business.	1	2	3	4	5
C2	I enjoy discussing the family business with people outside it.	1	2	3	4	5
C3	I feel as if the family business' problems are my own.	1	2	3	4	5
C4	I do not think I could become as attached to another organization as I am to the family business.	1	2	3	4	5
C5	I feel like "part of the family" at the family business.	1	2	3	4	5
C6	I feel emotionally attached to the family business.	1	2	3	4	5
C7	The family business has personal meaning for me.	1	2	3	4	5
C8	I feel a strong sense of belonging to the family business.	1	2	3	4	5
C9	It would be hard for me to leave the family business right now even if I wanted to.	1	2	3	4	5
C10	My life would be disrupted if I decided I wanted to leave the family business now.	1	2	3	4	5
C11	I am afraid of what might happen if I quit my job without having another one lined up.	1	2	3	4	5
C12	It would be costly for me to leave the family business now.	1	2	3	4	5
C13	Right now, staying with the family business is a matter of necessity as much as desire.	1	2	3	4	5
C14	I feel that I have few options to consider leaving the family business.	1	2	3	4	5
C15	One of the serious consequences of leaving the family business would be scarcity of available alternatives.	1	2	3	4	5

1 = Strongly disagree	2 = Disagree	3 = Neutral	4 = Agree	5 = Strongly agree
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C16	One of the major reasons I continue to work with the family business is that leaving would require personal sacrifice – another organization may not match the overall benefits I have.	1	2	3	4	5
C17	I think that people these days move from organization to organization too often.	1	2	3	4	5
C18	I believe that a person must always be loyal to his/her organization.	1	2	3	4	5
C19	Jumping from organization to organization seems unethical to me.	1	2	3	4	5
C20	I believe that loyalty is important and therefore I feel a strong sense of moral obligation to remain.	1	2	3	4	5
C21	If I get another offer for a better job elsewhere I would not feel it was right to leave the family business.	1	2	3	4	5
C22	I was taught to believe in the value of remaining loyal to one organization.	1	2	3	4	5
C23	Things were better in the days when people stayed with one organization for most of their careers.	1	2	3	4	5
C24	I think that wanting to be “a company man” or “company women” is sensible.	1	2	3	4	5
C25	I am deeply committed to continuing the business.	1	2	3	4	5
C26	I am dedicated to ensuring the success of the family business.	1	2	3	4	5
C27	I am willing to make personal sacrifices to ensure the success of the business.	1	2	3	4	5
C28	I am willing to put in a great deal of effort beyond that which is normally expected of me in order to help the family business to be successful.	1	2	3	4	5
C29	I am proud to tell others that I work for the family business.	1	2	3	4	5
C30	I really care about the future of the family business.	1	2	3	4	5
C31	I can realise my personal goals through my involvement in our family business.	1	2	3	4	5
C32	I can realise my ambitions through my involvement in our family business.	1	2	3	4	5
C33	It is my own choice to be involved in our family business.	1	2	3	4	5

1 = Strongly disagree	2 = Disagree	3 = Neutral	4 = Agree	5 = Strongly agree
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C34	I prefer to work in the family business even if I have other career options to choose from.	1	2	3	4	5
C35	My career needs and interests are closely aligned with opportunities within the family business.	1	2	3	4	5
C36	My involvement in the family business provides me with job security.	1	2	3	4	5
C37	I am able to influence the family business or effect change in it.	1	2	3	4	5
C38	I find my involvement in the family business fulfilling.	1	2	3	4	5

SECTION D

The following statements concern your perception of the success of the family business.

Please rate the extent to which you agree or disagree with the following statements by making an "X" over the appropriate number on the 1 to 5 point scale next to the statement.

1 = <i>Strongly disagree</i>	2 = <i>Disagree</i>	3 = <i>Neutral</i>	4 = <i>Agree</i>	5 = <i>Strongly agree</i>
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	STATEMENT	SCALE				
		1	2	3	4	5
D1	I see our family business as continuing into the future.	1	2	3	4	5
D2	I see our family business as a legacy to be handed over to future generations.	1	2	3	4	5
D3	I see our family business as a means to create wealth for future generations.	1	2	3	4	5
D4	I see our family business as a means to sustain harmonious family relationships for future generations.	1	2	3	4	5
D5	Continuing the business into the future will give future generations the opportunity to be involved in the family business.	1	2	3	4	5
D6	Continuing the business into the future will provide employment opportunities for future generations.	1	2	3	4	5
D7	Our family members prefer to cooperate with each other rather than compete with one another.	1	2	3	4	5
D8	Our family members acknowledge each other's achievements.	1	2	3	4	5
D9	Our family members encourage each other to put in their best efforts.	1	2	3	4	5
D10	Our family members are emotionally attached to one another.	1	2	3	4	5
D11	Our family members support each other.	1	2	3	4	5
D12	Our family members appreciate each other.	1	2	3	4	5
D13	Our family members care about each other's wellbeing.	1	2	3	4	5
D14	Our family members get along well both inside and outside the working environment.	1	2	3	4	5

1 = Strongly disagree	2 = Disagree	3 = Neutral	4 = Agree	5 = Strongly agree
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D15	Our family business has experienced growth in turnover over the past two years.	1	2	3	4	5
D16	Our family business has experienced growth in employee numbers over the past two years.	1	2	3	4	5
D17	Our family business is profitable.	1	2	3	4	5
D18	Our family business has experienced growth in profits over the past two years.	1	2	3	4	5
D19	I regard our family business as being financially successful.	1	2	3	4	5
D20	The financial wellbeing of our family business is secure.	1	2	3	4	5

SECTION E

The following statements concern your perception of the challenges of your job. Indicate to what extent does you agree or disagree with the statements. Mark the applicable block with a cross (X).

0 = Never	1 = A few times a year	2 = Once a month or less	3 = A few times a month	4 = Once a week	5 = A few times a week	6 = Always
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E1	I feel emotionally drained by my work.	0	1	2	3	4	5	6
E2	I can effectively solve the problems that arise in my work.	0	1	2	3	4	5	6
E3	I have become less interested in my work since I started this job.	0	1	2	3	4	5	6
E4	At my work, I feel bursting with energy.	0	1	2	3	4	5	6
E5	I find the work that I do full of meaning and purpose.	0	1	2	3	4	5	6
E6	I feel used up at the end of the workday.	0	1	2	3	4	5	6
E7	I feel I am making an effective contribution to what this organisation does.	0	1	2	3	4	5	6
E8	I have become less enthusiastic about my work.	0	1	2	3	4	5	6
E9	At my job, I feel strong and vigorous*.	0	1	2	3	4	5	6
E10	I am enthusiastic about my job.	0	1	2	3	4	5	6
E11	I feel tired when I get up in the morning and have to face another day on the job.	0	1	2	3	4	5	6
E12	In my opinion, I am good at my job.	0	1	2	3	4	5	6
E13	I have become more cynical* about whether my work contributes anything.	0	1	2	3	4	5	6
E14	My job inspires me.	0	1	2	3	4	5	6
E15	When I get up in the morning, I feel like going to work.	0	1	2	3	4	5	6
E16	Working all day is really a strain for me.	0	1	2	3	4	5	6

* **vigorous:** to experience high levels of energy and being invested in one's work

* **cynical:** Doubtful as to whether something will happen or is worthwhile

0 = Never	1 = A few times a year	2 = Once a month or less	3 = A few times a month	4 = Once a week	5 = A few times a week	6 = Always
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E17	I doubt the significance of my work.	0	1	2	3	4	5	6
E18	I feel exhilarated* when I accomplish something at work.	0	1	2	3	4	5	6
E19	I am proud of the work that I do.	0	1	2	3	4	5	6
E20	I can continue working for very long periods at a time.	0	1	2	3	4	5	6
E21	I feel burned out because of my work.	0	1	2	3	4	5	6
E22	I have accomplished many worthwhile things in this job.	0	1	2	3	4	5	6
E23	At my work, I feel confident that I am effective at getting things done.	0	1	2	3	4	5	6
E24	To me, my job is challenging.	0	1	2	3	4	5	6
E25	At my job, I am mentally very resilient*.	0	1	2	3	4	5	6

* **exhilarated:** a feeling of happiness or excitement

SECTION F

The following information is needed to help us with the statistical analysis of the data for comparisons among different interest groups. All your responses will be treated confidentially. Individual responses will not be seen by anyone in the business. We appreciate your help in providing this important information.

Mark the applicable block with a cross (X). Complete the applicable information.

F1	In which age group do you fall?	≤ 29	30 - 39	40 - 49	50 - 59	60+
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F2	What is your sex?	Male	Female
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F3	What is your marital status?	Single	Married	Divorce	Widow(er)
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F4	What is your relationship to the family? (Owner/senior generation executive as the basis)						
	Owner	Spouse	Brother	Sister	1 st son	2 nd son	3 rd son
	1 st daughter	2 nd daughter	3 rd daughter	In-law	Other: Specify:		

F5	State your highest academic qualification. Mark the applicable block with a cross (X).	
	Lower than matric	
	Matric	
	Certificate	
	Diploma (Technical College or Technicon)	
	University degree	
	Post graduate degree	

F6	State other jobs/careers before you entered the family business (if applicable)
	Specify

SECTION G

This section should be completed by the **senior generation executive manager** of the family business.

Mark the applicable block with a cross (X). Complete the applicable information.

G1	How many permanent employees are employed by the family business?							
	1-4	5-10	11-25	26-50	51-100	101-200	201-500	500+

G2	What is the turnover of the family business per year?					
	< R1 m	R1 – R2.5 m	R2.5 – R10 m	R10 – R50 m	R50 – R100 m	> R100 m

G3	In which industry does the business operates?				
	Automotive	Agriculture	Farming	Construction	Food
	Real estate	Retail	Wholesale	Manufacturing	Services
	Other: (Specify):				

G4	What is the age of the business (years)?
	Specify:

G5	How many generations of the family managed and owned the family business over the years (number)?
	Specify:

G6	What is the legal status of the business?			
	Proprietorship	Partnership	Company (private)	Company (public)
	Close Corporation	Co-operative	Business Trust	Franchise
	Other or combination (specify):			

THANK YOU FOR YOUR TIME.