

**Curtin Business School  
School of Management**

**Decision-Making for Business Growth:  
Small Family Businesses in Selangor, Malaysia.**

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**This thesis is presented for the degree of  
Master of Philosophy (Management)  
of  
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## **Declaration**

To the best of my knowledge and belief this thesis contains no material previously published by any other person except where due acknowledgement has been made. This thesis contains no material which has been accepted for the award of any other degree or diploma in any university.

**Signed:**

**Dated:**

## **Acknowledgements**

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## **Abstract**

In Malaysia, approximately 90% of the businesses are categorized as small businesses. Although the majority of the small businesses are family owned, they make a significant contribution to the nation's gross domestic product. Therefore, the prevalence of small family businesses has a potential economic and social impact that is realised in terms of reducing unemployment rates and growing the family income.

The objective in this study was to explore and analyse decisions made about business growth in various types of Malay small family businesses in Selangor, Malaysia. The researcher investigated decisions made in both business and family realms. The importance of the study was in adding to the existing knowledge on decision-making about business growth in small family businesses; specifically, the Malay small family business. Furthermore, the results have been used to construct an original research outcomes model (ROM) that provides a unique contribution to the policy and practice of small family business development. Similarly, the ROM can be used to continue research into small family businesses.

A qualitative methodology using a case study approach was a valuable strategy allowing the researcher to obtain in-depth information about decisions for business growth. The participation of seven small family business owners and selected family members by means of face-to-face interview techniques allowed for the collection of insightful data of family and business activities; the first-hand data enhanced the originality of the result. Interview data were transcribed and a thematic analysis technique applied to acquire

research patterns; firstly, using within-case analysis and, secondly, cross-case analysis. Research results supported much of the extant literature that identified the owner of small family business as the key person in decision-making. The findings extended current knowledge by demonstrating how actual decisions are made implemented in small family businesses. Use of family discussion was identified as a main advantage as a precursor to authoritative decision-making by the owner.

Finally, in identifying factors which underlie the decision-making in order to maximise business growth, the results of the study have provided benefits for small business researchers, policy makers, small business advisors, small family business owners and family members involved in the business.

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# CHAPTER 1

## STUDY OVERVIEW

### 1.0 Introduction

In Malaysia, approximately 90% of businesses are categorised as small and medium enterprises (SMEs) with a majority being family-owned; they make a significant contribution to the country's gross domestic product. The prevalence of small family businesses has a potentially positive impact in economic and social terms by reducing unemployment rates and growing family incomes. Consequently, the purpose in this study is to explore how decisions made in businesses and families are related to business growth among various types of Malaysian small family businesses (MSFBs) in Selangor, Malaysia. The outcomes from the study will increase existing knowledge about decision-making in the small family business context and will be of benefit to small business researchers, economists, policy makers, business advisors and small business owners.

A conceptual framework for the research and an overview of the thesis has been provided in Chapter 1; the structure of which is depicted, below, in Figure 1.1.

### 1.1 Defining the topic

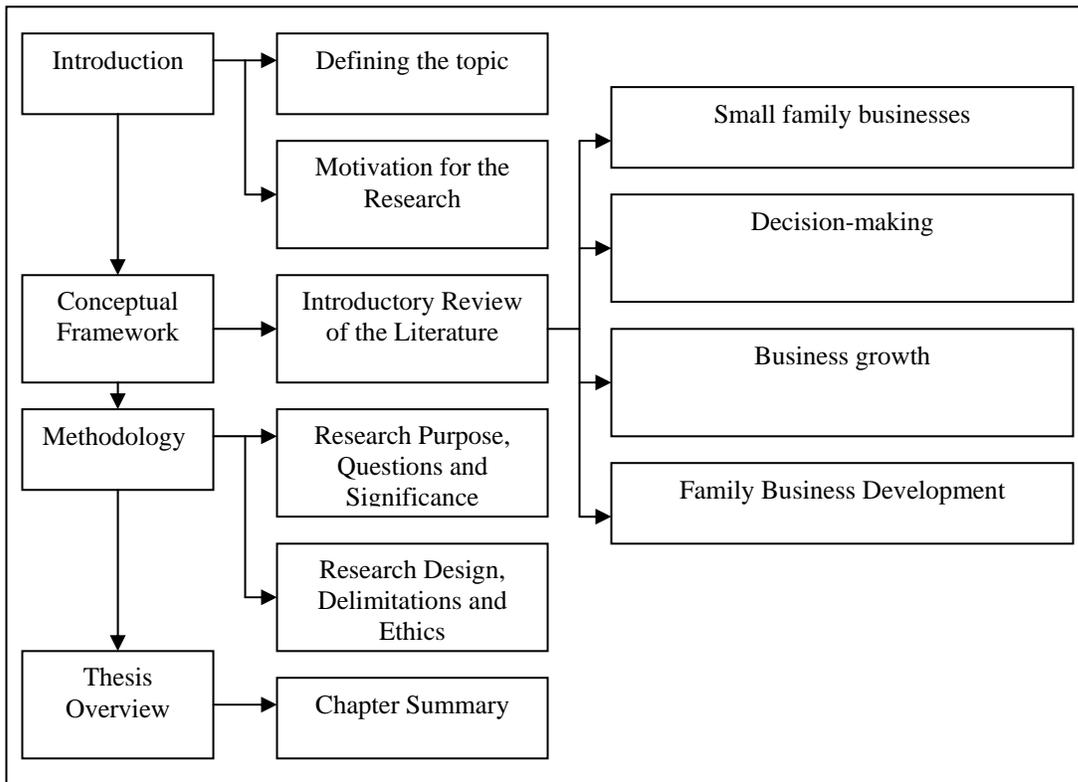
The Malaysian Government policies have supporting mechanisms to encourage business entrepreneurship to reduce the economic inequalities that exist among ethnic groups; the

Malays, Chinese and Indians. 70% of CEOs in Malaysia are Chinese and 20% are Malaysian; typically, Malaysian Chinese earned more income than other ethnic groups and more of their income is generated by self-employment (Ninth Malaysia Plan, 2006). Because most Malays were involved in the low-income, agricultural sector, the New Economic Policy (NEP) of the 1970s encouraged the participation of Malays in the business and corporate sector. Thus, the third national mission (Ninth Malaysia Plan, 2006) was to create a new generation of competitive Malay entrepreneurs and enterprises.

## **1.2 Motivation for the research**

The entrepreneurship environment in Malaysia is a positive one. However, Malays would rather work as employees than be self-employed. This view contrasts with that of the Chinese who have a tradition of being business owners and employers. Evidence from the

**Figure 1.1 Overview of Chapter 1**



Ninth Malaysia Plan (2006) indicates that just 20% of Malays in the private sector progress to the chief executive level (CEO) compared with 70.4% of the Chinese cohort. Therefore, it is the gap between workers in the various ethnic groups that is the motivation for undertaking the current research. Malays need better to understand the operation of family-oriented businesses if they are to become more self-employed, more involved in business development and so reduce the income gap between ethnic groups.

## **1.3 Conceptual framework**

### **1.3.1 Introduction to current literature**

In general, the Malaysian Government has supporting mechanism and policies for entrepreneurs, especially the Malays. Therefore, in the current study, the background emphasis is on four aspects of extant literature; viz., small family business, decision-making, business growth and family business development.

### **1.3.2. Small family business**

Small family businesses in Malaysia have made a significant contribution to the economic and social facets of the country. Nevertheless, small businesses are defined according to two categories, based on industry.

The first category is the case of manufacturing, manufacturing related services and agricultural based industries having a sales turnover of less than MYR 10 million or full-time employees less than 50.

The second category is services, primary agriculture and information/communication technology (ICT) with a sales turnover of less than MYR 1 million or full-time employees less than 20.

Consequently, the definition of small family business in this study is any business owned and managed by members of the same family, employing 1-20 workers.

### **1.3.3 Decision-making**

In addition to decision-making being acknowledged as an important activity in the growth of small business (Byers & Slack, 2001), a number of researchers (Kozan, Oksoy & Ozsoy, 2006; Felham, Felham & Barnett, 2005; Byers & Slack, 2001) have established that it is the owner or founder of the family business that makes the decisions in a business. Moreover, Olson, Zuiker, Danes, Stanfford, Heck and Duncan (2003) have noted that the mutual interaction between family members and owners who are fully involved in the business is very important in growing a family business. Other research about growth in family businesses includes the topics of succession (Chua, Chrissman & Sharma, 1999), finance (Romano, Tanewski & Smyrnios, 2001), investment (Morris & Jonathon, 2007), values (Dumas & Blodgett, 1999), networking, human resources, marketing, access to information and new technology (Yeung, 2000; Brunetto & Wharton, 2007).

One feature of that may be relevant in the current study is the finding of Yeung (2000) that management by an authority figure means that decision-making is more efficient and flexible. This study may well add to current knowledge by testing whether this applies in Malaysia in contrast to western countries where there is more emphasis on democratic decision-making.

### **1.3.4 Business growth**

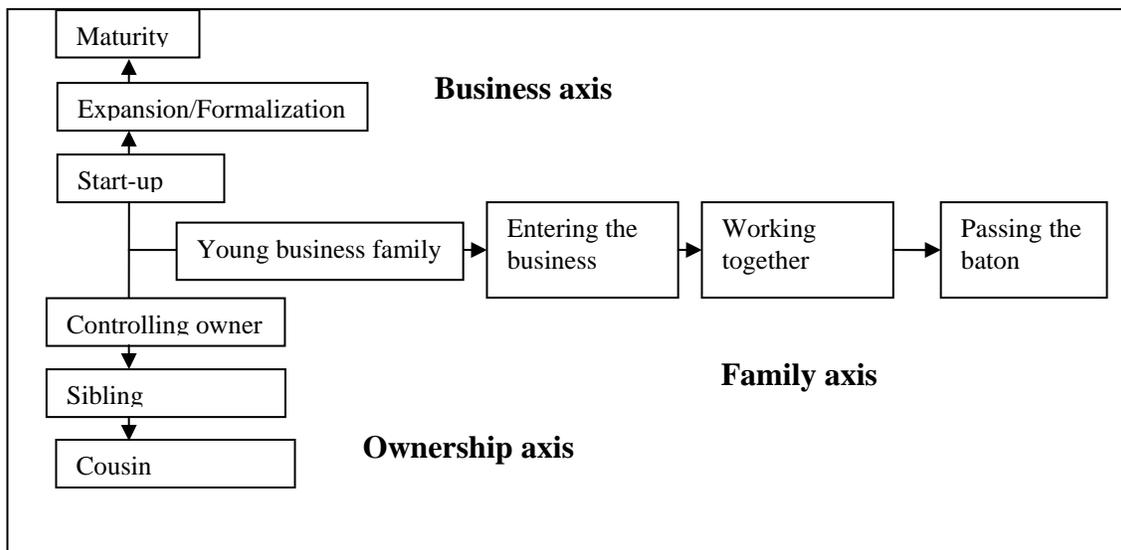
In the vast majority of family enterprises, a decision is made to keep the business small (Carney, 2005; Getz, Carlsen & Morrison, 2004). Zapalska and Broznik (2006), in a

study of small business in New Zealand, demonstrated that it is not easy to grow small business due to a lack of management skills, limited business skills, failure to control or exploit community relationships, lack of financial resources and limited marketing skills.

## 1.4 Family business development

From the brief outline provided, it is considered that an initial conceptual framework in the current research will be the 3-dimensional Family Business Development Model (FBDM) used in the research of Rutherford, Muse and Oswald (2006), Getz, Carlsen and Morrison (2004), and developed by Gersick, Davis, McCollom and Lansberg (1997) as shown in Figure 1.2, below. The three relevant dimensions are those of ownership, business and family; they will be used in the examination of current literature related to the research topic and form a basis on which a hypothetical model can be developed as the basis for research into decision-making issues in Selangor.

**Figure 1.2 Family Business Development Model**



## **1.5 Purpose of the current research**

The purpose for the current study is to analyse decisions made about business growth among various types of Malay small family businesses (MSFBs) in Selangor, Malaysia. Results will be achieved by investigating decisions made in both business and family realms. The results will add specific knowledge to the understanding about decision-making in small family businesses, particularly in terms of business growth.

## **1.6 Research questions**

The major research question is: how are business-related and family-related decisions about business growth actually made and implemented in various types of Malay small family businesses in Selangor, Malaysia?

In order to examine the major question, a number of sub-questions were considered; viz.,

- \* What decisions are made in Malay small family businesses that relate to  
the business growth?
- \* To what extent is each family member involved in business growth decisions?
- \* Does the relevant government agency have a significant affect on decision-making  
about business growth in small family businesses?
- \* What family member values underpin small family business growth decisions?

## **1.7 Significance of the research**

A number of benefits will accrue from the current research project.

### **1.7.1 Theoretical benefits**

By adding to the current understanding of how decision-making in small family businesses occurs, the new information about the topic will be of benefit to discipline academics and specialists interested in developing theory.

The development of an up-to-date model of family small business decision-making will be valuable in the work of social science and business academics and government agency personnel.

Information derived from the data collected in the study will be available for comparison with other relevant research, either as an individual set of data, or in comparison with data from other research, will be of value to business discipline academics, researchers and students.

The development of suggestions for future research in the discipline will be of value to researchers and research students.

### **1.7.2. Benefits to Practice**

By using the research results to clarify understanding of family small business decision-making, government officers and senior executives will be better placed to improve policies and procedures of decision-making.

The development in the study of improved data on the topic will be useful to business owners and managers.

The identification of decision-making preferences and habits in small family businesses will be available to assist all small business staff to be more aware of appropriate techniques to use to achieve business growth.

## **1.8 Research design**

The nature of the research questions played an important role in determining the most appropriate research methodology. Enquiries into the business- and family-related decisions about business growth were considered to best achieved by the use of a qualitative methodology; i.e., issues needed to be explored in terms of understanding the context in which study participants address such problems or issues (Cresswell, 2007).

The advantages of qualitative research (Cresswell, 2007) were considered to apply to the current research: viz.

- the data collection was undertaken in a natural setting and focussed on people and the research location,
- patterns or themes would emerge during the data analysis stage,
- the report/presentation of results included participants' voices,
- the research problem allowed for complex description and interpretation.

In effect, the current study used a multiple case study design (Cresswell, 2007; Eisenhardt, 2007; Yin, 2003; Thomas & Trevino, 1993). Ten cases were selected for examination following Eisenhardt's (2007) suggestion of between 3 and 10 cases as suitable for multiple-case design. Selection of cases was by purposive sampling using concepts by Patton (2002) and Anderson, Jack and Dodd (2005) who suggested case studies should be selected among potential cases that are information-rich and provide the researcher with deep knowledge and understanding of the research topic. Initially, the researcher interviewed the owner of small businesses and, subsequently, used snowball sampling which relied on the owner suggesting the name of a family member/employee able to respond to questions about business ownership as well as family and business decision-making.

Data analysis is a process of organising, categorising and meaningfully interpreting the data (Cresswell, 2003). Thus, in this study the analysis of data was undertaken by use of a three-stage process; data reduction, data display and conclusion drawing and verification.

## **1.9 Research delimitations**

Delimitations of a study set the boundaries and scope of the research to a central phenomenon, on specific variables relevant to specific participants or sites (Cresswell, 2003). Consequently, the small family business owners and family members who were interviewed as research respondents, identified by the MARA and DOA government agencies, did constitute a small, finite group of Malaysian SME group. However, as

mentioned earlier, the central phenomenon of the study is decision-making for growth in small family businesses; thus, the identified data should be considered 'exploratory' as it is delimited to a particular geographical area and may have inherent paradoxes, insufficient coverage, be inconclusive and/or have contradictory findings when compared to extant research literature.

### **1.10 Research ethics**

Face-to-face interviews with Malay small family business owners and family members were conducted at the participants' preferred places following written permission being granted by the MARA and DOA agencies and the participants themselves. Confidentiality of names of businesses and persons was required by university regulations and a Form C ethical clearance for the study was granted. In addition, participants were able to withdraw, without penalty, at any stage of the research.

### **1.11 Thesis Overview**

The current thesis is comprised of five chapters.

Chapter 1 contained the foundation of the study as noted above.

Chapter 2 contains a more detailed examination of the current literature related to the research topic and questions. At the conclusion of Chapter 2, a hypothetical model of the topic is presented; it represents the extant knowledge about the interaction of decision-making and business growth, small family businesses and their growth; the model is the

basis on which the study was operationalized and the research methodology and interview schedule developed.

Practical aspects of the research design and methodology are listed in Chapter 3 by justifying the qualitative, case study approach and the interview approach used for data collection. Furthermore, the chapter contains a discussion of the selection of appropriate data analysis procedures.

Chapter 4 contains the summary and analysis of the interview results. The resultant information was used to test the hypothetical model developed in Chapter 2, answer the research questions outlined in Chapter 1 and, finally, to develop a Research Outcomes Model (ROM) that was used to demonstrate that the researcher had ‘moved forward’ the extant knowledge of the topic.

The concluding Chapter 5 was used to highlight the specific contributions of the study to the body of knowledge. The main findings and limitations of the study are summarised. Finally, the implications of the study are addressed and the potential for future research is discussed and directions suggested.

## **1.11 Chapter summary**

As demonstrated in Figure 1.1, the current chapter was used to provide an introduction to the research study. The concept of decision-making for growth in Malay small family businesses was defined and the motivation for the research explained.

An initial, conceptual framework for the study was proposed, as a result of a preliminary literature review in which four main aspects of the study were introduced; viz., small family businesses, decision-making, business growth and family business development.

Similarly, an initial approach to a methodology for conducting the research was proposed. The research purpose was discussed and lead to the identification of a major and minor research questions. The significance of the study was discussed by highlighting both theoretical and practical outcomes from the study and noting to whom the outcomes would be useful.

The methodology section concluded with an examination of the proposed research design, its delimitations and related ethical issues addressed by the researcher.

Chapter 1 was concluded with a brief summary of the chapter's contents and an overview of the planning of the thesis outline.

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

It is important to have a general understanding of the current knowledge of the context of small family business before a theoretical framework for a Malay small family business (MSFB) decision-making model is established. Therefore, in Chapter 2 a theoretical review of the role of decision-making in small family businesses is discussed. It commences with an examination of extant literature relating to Malay business and economic development, the definition of a small family business and related networking relationships, the role of decision-making in small family businesses and indications of how decisions about business growth are made in small family businesses. Finally, in Chapter 2, a family business development model and theoretical framework derived from the literature will be outlined as a basis for the current research.

#### **2.1 Malay business and economic development**

Malays are the majority ethnic group living in Malaysia. Almost 60 per cent of the Malaysian population are Malay, followed by Chinese (32%) and Indian (8%) (Bhaskaran & Sukumaran, 2007). The Malay culture and political institutions, including the Malay language, form the framework of Malaysian culture. Culture is not only a set

of outward symbols as exemplified in speech, dance and attire but, more importantly, also a code of behaviour for ordering human action (Chee, 1977). Therefore, culture can be defined as a shared and commonly-held body of general beliefs and values that are learned at an early age in life, the influence of which one is usually unaware (Asma, 2001). Culture is the dominant feature of the society whereby values, attitudes and behaviours of a group are maintained (Munter, 1993).

The concept of being a Malay is associated with the cognitive and value framework (Chee, 1977) which includes the institution of the sultanate at the state level and the institution of the Yang di-Pertuan Agong (king) at the federal level; the identity of Islam with Malay values and life; the traditional indigenous symbols in domestic life including values and etiquette associated with it; and the Malay language. Malays have to show their respect to the sultanate and the king as the head of the Islamic religion and Malay customs. Thus, formalization of Islamic values is important and they are practiced in the life of Malay.

In the early 19th century, Abdullah b. Abdul Kadir Mushi was an analyst from the Malay community. He had begun to impress on Malays the education and economic pursuits vis-à-vis the non-Malay communities. In 1930s the plan to bring Malays back into the economic orbit by using Malay senior Government officers was restrained by the British administration as Malays lacked authority in terms of economic power (Mahathir, 2009). However, according to Chee (1977) as Malays were far distant from economic and business ideologies, they failed to achieve economic emancipation. In addition, even

though the times are changing, economic development continues to be a major concern of Malays up to the present. In the 21<sup>st</sup> century, Malays still do not achieve a successful level of economic accomplishment; e.g., based on results for the New Economic Policy, there are small number of Malays are successful in the Malaysian economy.

Traditionally, there are two main reasons for Malays not participating in business (Chee, 1977). The first reason is that Malays do not have an entrepreneurial attitude or belief. Malays have a high desire to acquire the symbols of social prestige and status, therefore, the aim to attain advancement in entrepreneurship is not culturally motivated. Mahathir (2009) believes that Malays have a business ideology; however, the Malay's ideology towards business has been distorted because the British colonials used race segmentation and Chinese entrepreneurs are not willing to bring Malays into the economic field.

The second reason is that Malays believe business will involve 'riba' (interest). Mahathir (2009) supports the second reason, where orthodox Malays refuse to take a loan from the Malaysian National Bank as they feel the practice of interest collection in banking is against Islamic teachings.

As mentioned earlier, the role of Islam or religious values in Malay life cannot be split. Interestingly, Islam encourages Muslims to go into business. The Prophet was a trader and he is a role model for successful businessmen. However, some Malays with orthodox beliefs believe that working in business always involves 'riba' (interest) and, yet, they believe that interest is contradictory to the Malay way of life. The definition of Al-riba is

to 'exceed' or 'increase'. 'Riba' is a loan with the condition that the borrower will return ([www.inter-islam.org/Prohibitions/intrst.htm](http://www.inter-islam.org/Prohibitions/intrst.htm)) to the lender more than the quantity borrowed. However, most of the Malays believe that 'riba' is illegal and prohibited which is one of the factors leading to the job structure in Malaysia. Business is avoided as a job in Malay families and is dominated by the Chinese. The Malay families prefer working in the government service.

These two reasons form a continuing, unbreakable ideology in the Malay culture. Chee (1977) suggests that the Malays have never questioned the rationality and correctness of their culture and assumes that if there is a breakthrough beyond these two reasons Malays can achieve economic development.

The first Bumiputra Economic Congress, held in Kuala Lumpur in June 1965 (Chee, 1977), identified areas of Malay economic participation and the dominance of the roles of political and bureaucratic elites in the process; including provision by the government for adequate financial facilities and the initiation of a campaign to encourage Malays to participate in business activities. In the second Bumiputra Economic Congress, in 1968, it was recognised that the government has to provide capital resources and facilities to Malay entrepreneurs. In addition, the government's role expanded; it became the chief customer of Malay businesses as well as playing the role of helper, protector, enforcer and promoter of Malay economic development. The Third Bumiputra Economic Congress, held in 1992, resulted in the creation of the Bumiputra Commercial and

Industrial Community (BCIC); a group of financial institutions to provide financial assistance to Malay businesses.

In the Second Malaysia Plan 1971-1975, the Malays desired to acquire greater participation in the Malaysian economy; i.e., the New Economic Policy was developed to encourage the Malays in economic development. The vision was to achieve at least 30 per cent of the total commercial and industrial activities in all categories and scales of operation and the participation by Malays and other indigenous people in terms of ownership and management within 20 years. Generally, the New Economic Policy failed, though it did have some positive impact on Malay participation in business.

The Tun Mahathir era, starting in 1981 and continuing until 2003, was extremely focussed on Malays in economic development. He mentions that through the political context Malays can be encouraged to participate in business (Mahathir, 2009).

Malays see their problem in entrepreneurship as being attributed to several factors (Chee, 1977). First, Malays lack opportunities and facilities because of neglected the economic power in the past. Power in the business arena was dominated by the Chinese (Bhaskaran & Sukumaran, 2007); the colonial era resulted in them being involved in the mining and urban area businesses because of the strong economic values in the Chinese culture and their expectation of receiving monetary rewards (Asma, 2001; Wall, Preston & Zhang, 2009). There is a Chinese proverb that says, 'If you have wealth what you say is regarded as true. If you have no wealth, what you say is regarded as false'. For the Chinese a

wealthy life is important for them to balance their human relationships. In contrast, Malay values are shown in the Malay proverb 'Do not be greedy for worldly possessions. When death comes, follow they will not'. For Malays, the important value is not a wealthy life (Mohammad & Lau, 1988) but 'budi' (good manners). 'Budi' is more important in Malay human relationships than is a wealthy life; in effect, 'budi' is the most important aspect of Malay human relationships (Tham, 1971; Storz, 1999).

Second, Malays perceive the role of non-indigenous entrepreneurs to be entrenched in economic activities. Moreover, Malays believe that they are not likely to acquire unqualified support from the non-Malay entrepreneurs in their efforts to participate in entrepreneurial activities. Rather, because of the lack of interaction between Chinese and Malays, there is a lack of even 'qualified' support for Malays and those that do undertake business activities tend to be regarded as unwanted competitors.

Third, a low motivation for Malays to be involved in business and lack of Malay economic ideology are major reasons for Malays not entering into business. It is different for non-Malays where the capitalist traits and economic value orientations have a history of being identified with their life. For instance, business persons from other cultures tend to respond positively to the profit motive, spend frugally, promote ownership of industries and show a willingness to undertake reasonable risks in economic ventures.

Fourth, Malays rely heavily on traditional resources for capital accumulation to obtain funds. The extended family and friends are the main sources for business financing;

however, as these financial resources are not sufficient to develop the business, generally Malay businesses remain small.

One active government association that focusses on Malay businesses is MARA, the Majlis Amanah Rakyat - The Council of Peoples' Trust (Chee, 1977, Nik Abdul Rashid, 1983). MARA is entirely dependent on government financial support for its operation. The purpose of MARA is to purchase substantial shares from public companies and then re-sell these in small amounts to Malays to ensure that they have a share in the nation's economic development. They began with small rural cultivators in respect of marketing their products and the provision of consumption goods. Nik Abdul Rashid (1983) noted that MARA has links with large corporations; linkages that create opportunities for Malays to develop their business interests and skills. For example, Malay poultry entrepreneurs have an advantage in being the suppliers for KFC Holdings.

In addition, MARA provides small- and medium-sized loans to assist Malays enter the business world. Besides MARA, the Agricultural Bank is a financial institution that provides loans for businesses in the rural areas. In contrast, the Department of Agriculture Malaysia (DOA) provides consultation and technical support for agricultural entrepreneurs. The DOA not only makes loans but provides training for rural people in agricultural and agro-processing industries as a means of increasing the rural family income. Extension service officers always visit the family business-place to see their progress. Sometimes they recommended high technology machines for them; machines

are provided by a grant for the small family agro-businesses to produce quality products in high volume.

## **2.2 Small family business**

### **2.2.1 Small family business definitions**

Small family businesses have made a significant contribution to the country's economic and social development. In Malaysia, small businesses are defined according to two categories based on industry. The first category is manufacturing, manufacturing related services and agro-based industries that have a sales turnover of less than MYR10 million or less than 50 full-time employees. The second category comprises services, information and communication technology (ICT) and primary agriculture that have sales turnover of less than 1 million or less than 20 full-time employees. Therefore, the definition of small family business for the current study is any business owned and managed by members of the nuclear family, employing 1 to 20 workers.

In research literature there are numerous definitions of what constitutes a family business. The operational definition adopted in the current study is based on the researcher's perspective, and the types and size of the business. In their study about family businesses in tourism, Getz, Carlsen and Morrisson (2004) defined the family business as consisting of any business venture owned and/or operated by an individual, couple(s) or family. Olson et al. (2003) defined a family business as that which is owned and managed by one or more members of a household with two or more people related by blood, marriage or adoption. Moreover, Anderson, Jack and Dodd (2005) defined a family business as one

owned and operated by two or more family members and where ownership and policymaking are dominated by members of an emotional kinship group; this definition being based on the family perspective.

Chua, Chrisman and Sharma (1999, p.25) defined family business as “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 single family or a small number of families in a manner that is potentially sustainable across generations of the family or families”.

The across-generation and succession issues are both common and widespread aspects of family influence mentioned in business journals. Sharma, Chrisman and Chua (1997) discussed the succession issue in family businesses by suggesting that there is an untapped potential to anoint a successor from the family. The suggestion was made because the research indicated in some cases that the next generation was being educated to become professionals rather than to continue in the family business.

### **2.2.2 Characteristics of small family businesses**

A major characteristic in small family businesses is that manager owners generally do not view wealth maximization as the primary goal of the business (Sharma, Chrisman & Chua, 1997; Lester & Parnell, 2006). Moreover, family businesses are less growth-oriented than non- family businesses (Gersick et al., 1997); again the reason is that the aim of accumulating wealth is not a major one in all small family businesses. Rather, small family businesses tend to be considered as unique, regardless of size, due to the

long term commitment of the owner and family members involved in management (Reid, Morrow, Kelly, Adams & McCartan, 2000; Kellermanns, Eddleston, Barnett, & Pearson, 2008). In addition, small family businesses can be regarded as being different from entrepreneurial businesses which are more innovative, risk taking and aim to maximize revenue (Kellermanns et al., 2008).

Nevertheless, it has been established that family member involvement in small family businesses is related to entrepreneurial behaviour (Kellermanns et al., 2008), productivity (Kirchhoff & Kirchhoff, 1987), and financial performance (Auken & Werbel, 2006). It is posited that small family businesses are uniquely suited to succeed because of family ties (Castillo & Wakefield, 2006). Even so, Taiguri and Davis (1992) and Holland and Boulton (1984) argued that family involvement increases the complexity and management problems.

The characteristics of Chinese small family businesses have similarities to MSFBs. Wall, Preston and Zhang (2009) found that family business ownership in China is dominated by sole proprietorships. The father or man is the owner of the business, and the eldest son succeeds to be head of the business. As the small businesses grow, it is possible for partnerships to be formed. Partnerships are based on handshakes, with no formal documentation; it is a matter of *quanxi* which can be defined as relationships or connections. Generally, family businesses are sole proprietorships and the owner controls the business management tightly. As businesses grow, there is little need for many levels of decision-makers when most decisions are made by parents, which is often the

matriarch or patriarch. Employee relations in Chinese family businesses are based on bonuses, welfare of the workers' family and fear of unemployment. Marketing promotions are conducted through the same basic media as western businesses in newspapers, magazines and television advertising.

### **2.3 Small family business network**

According to Ahmad (2005, p. 40) the small family business network in Malaysia can be understood by referring to the forms or types of networks that are represented by different linkages; e.g., family and ethnic, place, organizational and buyer-supplier networks. The four types of networking related to small family business influence small family businesses in making decisions (Ahmad, 2005).

First, the family and ethnic networks are based on personal and family contacts in close-knit communities. Dhaliwal and Kangis (2006) have studied second generation small family Asian businesses in Luton, England. They found that other members of the family not in their own business support the family business in terms of morale and finance, whereas friends provide support by giving practical advice and assistance. Dhaliwal and Kangis (2006) support the findings of Ahmad (2005) that family and friends influence small family businesses in decision-making.

Second, networks are based on cooperative and competitive business relations in a geographical locality. Small family businesses operate in places where they can share a common industry, values and goals. Ciocirlan (2008) notes that small family businesses

tend to pay particular attention to forming networking ties with other business people in their place.

Third, organizational networks tie the firm under a common ownership; e.g., as with a business group or joint venture or an association with a larger firm. In the Malaysian case, MARA and DOA agencies have established a relationship with KFC Malaysia Holdings and Nestle. These agencies inform businesses under their supervision about this link so that the small family businesses have an opportunity to develop a relationship with KFC Malaysia Holdings and Nestlé. Finally, the buyer-supplier network is a contract relationship or ongoing relations of exchange whereby, every day, small family businesses meet customers and suppliers and the network influences them in making decisions (Dhaliwal & Kangis, 2006).

In conclusion, family and ethnic networks are the most important networks used by MSFBs; they are based on the strong relationships among family members, especially in the Asian culture.

## **2.4 The nature of decision-making in small family businesses**

Gersick, Davis, McCollum and Lansberg (1997) considered family businesses to be a contextual hybrid, a unique combination of two sets of rules, values and expectations related to the family and to the business. Moreover, Longenecker, Moore, Petty and Palich (2006) have pointed out that decision-making in small family businesses typically is more complex as it involves a mixture of family and business values and interests. In this context, the two components make family businesses different to non-family

businesses. Decisions made in the family influence the decisions made in the business; similarly, decisions made in the business will affect the family. Some decisions in the family and in the business will overlap each other and affect business growth.

Dumas and Blodgett (1999) explained how the family as a social function and the family business as a business function have different goals and expectations. Based on the work of Holland and Boulton (1984), managers of family businesses frequently make strategic and operating decisions that are not related to family interests. In small family businesses, the owner makes decisions to generate profit (business function), as well as decisions that will affect the family members emotionally (social function). Thus, the family and the business are two different contexts and have separate goals.

Goals and values are important in making decisions in small family businesses. Chua, Chrisman and Chang (2004) found family values affect the vision and goals of the family business from the beginning and Dumas and Blodgett (1999) have suggested that the values individuals hold are interrelated with their decision making. The latter indicate that the values are important for two reasons; firstly, values are a source of strength and give people power to take action, and secondly, they are the essence of the family business philosophy for achieving success, giving a common direction and guiding people's behaviour. Based on their research, there are five core values in family business mission statements: quality, commitment, responsibility, fairness and respect. Furthermore, Daily and Dollinger (1993) stated that the goal of most family firms is to provide employment

opportunities for family members. Nevertheless, it is not an easy decision for family members to take because each individual has their own values and goals in their life.

Researchers into family business tend to focus on three components: ownership, business, and family (Getz, Carlsen and Morrison, 2004; Dumas & Blodgett, 1999; Gersick et al., 1997; Ward & Aronoff, 1993). Each component has its goals and responsibilities. For instance, the owner seeks to maintain and further develop family assets, family members hope to maintain opportunities and benefits, and the business aim is to achieve increased profits.

Ward and Aronoff (1993) suggested that learning to communicate is an important asset in family business decisions. Normally, a small business owner exerts total control over decision-making, with little or no opposition from staff members (Byers & Slack, 2001). Decision-making is dominant and controlled by the owner, or based on the authoritarian figure in the family (Yeung, 2000). Communication skills are very important in family businesses because good communication skills can build trust within the family and business, with each other and in developing networks with outsiders (Brunetto & Wharton, 2007).

Yeung (2000) mentioned that one advantage of management by an authority figure is that decision-making is more efficient and flexible. However, In contrast with that finding, Olson et al. (2003) and Kellermans et al. (2008) found that business managers who are solely responsible for decision-making achieve lower gross business revenue. Research

from western countries found that democratic or collective decision styles are regarded as more useful and benefit the family members who are able to take part in the family business; thus, variation is occasioned by cultural values and levels of respect for hierarchy in different countries.

Becherer, Finch and Helms (2005) found that there are more day-to-day decisions made by owners in small family businesses than in larger organizations. Day-to-day decision making is related to the size of the firm, the characteristics of the owner and their previous experience. They mention that there is no strategic decision involvement in the day-to-day decisions. In addition, they found that the managers who inherited the business were less involved in long-term strategic decision-making compared to those who started their own business. The motivation for starting a business has an impact on the owner's involvement in both daily and long-term strategic decisions.

## **2.5 Decisions about business growth in small family businesses**

Business growth can be defined as expanding the business both financially and in terms of labour force (Dhaliwal & Kangis, 2006). The vast majority of family enterprises decide to remain small (Carney, 2005; Getz, Carlsen and Morrison, 2004). Also, there are several reasons for the growth of small family businesses being slow.

First, finances are limited and financial management capacities are not sufficient. Small family businesses and owners who do not have formal planning processes in place tend to rely on family loans as a source of finance (Romano, Tanewski & Smyrnios, 2001). Zapalska and Brozik (2006) studied Maori small businesses in New Zealand and

demonstrated that it is not easy to grow businesses because of the lack of sufficient financial resources and limited marketing skills.

Second, when family businesses decide to grow the business, this involves a risk. Simon, Houghton and Aquino (1999) have explained that decisions to grow the business involve considerable risk. However, based on their research findings, entrepreneurs may not perceive the riskiness of starting ventures. Dumas and Blodgett (1999) found there have been cases in which there was a desire to grow the family business, but after launching a new product the business had not operated as imagined, almost breaking the family apart. This is one of the risks that family businesses have to face when they decide to grow.

Third, the strength of networking relationships among small family businesses is limited (Yeung, 2000). Networking is important with communities, support agencies and others who are related with small family businesses; they help the family to grow the business. In China, networked entrepreneurship is a distinct feature of small business and enterprise development (Li & Matlay, 2006). Networking is a contributory factor to business growth. Through networking, the owner and family members have access to useful sources of information for decision making.

Additionally, Morrison, Breen and Ali (2003) suggested that the motivating factors for owner-managers are driven by the need, desire and confidence to achieve and by overcoming challenges presented in order to realize opportunities. This was supported by Morris, Miyasaki, Watters and Coombes (2006) who pointed out that when an

entrepreneur is more motivated by achieving wealth and long-term financial security, or the need to achieve or meet a challenge, the desire for growth is greater. Moreover, family business leaders should be concerned about the continuity of their enterprise (Ward & Aronoff, 1993), and this will help the small family business's growth.

Small family businesses are different in terms of size and structure, and Carney (2005) has pointed out that agency theorists suggest that large family firms are well-structured compared to small family businesses. In contrast, small family businesses are less structured and make decisions informally. Family-owned businesses are likely to have a less formal mode of operating and have fewer formal policies, rules and codes to govern employee behaviour than do non-family owned firms (Dumas & Blodgett, 1999). Family businesses are also very dependent on a single individual or the owner manager (Felham, Felham and Barnett, 2005; Winter et al., 1998). The intensity of the small business owner's personal characteristics is a strong predictor of growth intentions (Kozan, Oksoy and Ozsoy, 2006).

The advantage for small family business is the connectedness of the 'family system' in the business; i.e., the mutual interaction between each individual member in the same family. Lee (2006) explained how the family system can exist in two forms: (1) balanced family system, and (2) unbalanced family system. The balanced family system has structure and is flexible; it can be characterized by democratic leadership, the sharing of roles and democratic decision making. An unbalanced family system has a rigid system in which one individual is in control and negotiations are restricted. The unbalanced

family system is related to most Malay families, which have an autocratic or partial system (Kusago & Barham, 2001).

Small family businesses or home-based businesses characteristically take on a less formal structure (Dumas & Blodgett, 1999) and small profit (Olson et al., 2003) which should enable the business to develop. However, the facilities offered and support given by the government agencies have an impact on the capacity of small family businesses to grow. For instance, the Council of Trust for the Indigenous People (MARA) and Department of Agriculture (DOA) district officers develop a relationship with the owner, thereby influencing the owner and family members in decision-making.

Each family-business relationship can be described in terms of the emphasis the family places on the business and its position in the family's survival (Holland & Boulton, 1984; Byers & Slack, 2001). Decisions made need to grow the family business (Olson et al., 2003). Even though managing and operating a small family business is not as complex as a large family business, the owner and family members have to make decisions to manage both the business and family in a way that effectively and efficiently leads to business growth.

## **2.6 Family business development model**

As shown in Figure 1.2 (see page 6), the Family Business Development model is a valuable effort by Rutherford, Muse and Oswald (2006), Getz, Carlsen and Morrison (2004) and Gersick, Davis, McCollom and Lansberg (1997); it illustrates how family businesses can grow from one stage to another, and suggests inter-relationships among

ownership, family and business axes. Despite each stage having issues and challenges faced by family businesses, the model has been well received by family business researchers and the consultant community (Rutherford, Muse & Oswald, 2006; Getz, Carlsen and Morrison, 2001; Burke, 2007). The model is adopted in the current study to explain the initial developmental of understanding of the present knowledge relevant to MSFB participants.

**The ownership axis** evolves from the controlling owner, through sibling partnerships to a cousin consortium. Due to ownership, family members enjoy certain control rights over the firm's assets and use these rights to exert influence over decision-making processes in an organization (Carney, 2005). In addition, the owner and family members sometimes make decisions according to the degree of power they have within the family (Holland & Boulton, 1984). Based on their research, business-related power often depends on one's position in the management hierarchy, larger percentages of ownership, and experience in the business. The structure of the business of first-generation owners differs from that of multi-generation owners (Westhead, Howorth & Cowling, 2002).

**The family axis** starts with the young business family and evolves from children in the business, to working together, and succession or business termination. Normally, the young business family is controlled completely by the owner and then evolves when family members become involved in the business (Chua, Chrisman & Chang, 2004). Family member involvement in the business makes it unique compared to non family business because this kind of business relates to ownership and business management.

The most important issue in family business literature is succession, which is the ‘passing the baton’ stage ( Lars-Göran & Per-Olof, 2007; Griffeth, Allen & Barrett, 2006; Chua, Chrisman & Chang, 2004; Chua, Chrisman & Sharma, 2003; Sharma, Chrisman & Chua, 2003a, 2003b; Westhead, 2003; Dyck et al., 2002; Sharma, Chrisman, Pablo & Chua, 2001; Per-Olof & Lars-Goran, 2001; Chua & Chrisman, 2000; Chua, Chrisman & Sharma, 1999).

All family businesses must face the problem of ownership succession; decisions must be made whether to let a younger generation of family members take over or sell the shares to an outsider. In Sweden, the choice of transition mode is dependent on the tax law system (Per-Olof & Lars Goran, 2001).

Growing up within a family business gives an inside perspective which can yield specific knowledge about the business operation to the owner’s children; Per-Olof and Lars Goran, (2001) believe that a family member has a high degree of loyalty to the family, the company and the local community, which is beneficial for business. Entering the business provides the younger generation with unique opportunities to learn the business.

**The business axis** begins with the start-up and moves to expansion and formalization to maturity. Each development stage requires very specific decisions to be made. For example, Harris and Gibson (2006) indicated that the key challenges facing small businesses are related to decisions concerning administrative, strategic and operational

issues. Operational decisions concern the owner's access and distribution of limited resources, people and skills (Byers & Slack, 2001).

Byers and Slack (2001) note that, generally, small business owners who started their business as a hobby or personal interest make business decisions on a day-to-day basis. Consequently, owners often lack strategic decision-making skills due to their desire to continue participation in their hobby and make only an adequate profit from that business to support themselves and their family. Similarly, small family businesses tend to rely on family loans for start up and growth, which is related to their intention to retain control and to minimize financial risk (Romano, Tanewski & Smyrnios, 2000).

## **2.7 Theoretical framework for the study**

The intention in the current study is to explore how business and family-related decisions about business growth are actually made and implemented in various types of Malay small family businesses (MSFBs). This will be achieved by investigating decisions made in both business and family realms. The findings are expected to add to knowledge about decisions made in small family businesses, in terms of how they lead to business growth. Thus, findings will contribute to the understanding of owners, family members, support agencies and other factors influencing the decision-making processes in MSFB.

### **2.7.1 The nature of the decision-making process in MSFB**

The decision-making process refers to factors influencing factors decisions in MSFB. Often, factors that influence decision-making among Malays is related to culture and may

rely more on intuitive rather than rational processes; also, decisions may be due to personality traits (nature) or cultural influences (nurture) of the decision maker (Shephard, 2001). Intuitive decision-making is useful when the decision maker does not have enough time or information available (Kakkonen, 2005). Although Chinese businessmen are rational and pragmatic in their approach in making decisions about their business growth (Chin, 1998; Bhaskaran & Sukumaran, 2007), Malay businessmen tend to rely on short-term decisions (Ismail, 1983) and the advice of the elderly (Asma, 2001; Kusago & Barham, 2001).

The Asian decision-making model reflects authoritative decision-making (Haley, 1997; Kusago & Barham, 2001). It is supported by Shephard (2001) and Jocumsen (2002) who believe decisions are made on the basis of one person's thought processes; e.g., the owner of a small family business makes a decision based solely on his or her own thoughts. While in group-oriented cultures such as the Middle East that follow Islamic teachings (Ali, Taqi and Krishnan, 1997) decisions could be made by a committee member, in contrast, the authoritarian approach is used in the Malay culture even though it follows the teachings of Islam. The family members may participate in the decision-making process and discussion, but the final decisions are made by the owners or elders. Ali, Taqi and Krishnan (1997) highlight this decision making style as pseudo-participative.

Shephard (2001) found some common observations that impact on the way Malays make decisions. First, the responsibility to make the final decision often rests with the older people, because elders are often associated with seniority, experience, wisdom and

authority. Second, religion also influences Malays in making decisions; as Muslims, Malays believe that religion guides them in making decisions. Third, the consensus or 'mesyuarah' in the decision-making process is important to achieve the right balance in the family member relationships.

### **2.7.2 The values underpinning the Malay Small Family Business (MSFB)**

Family businesses struggle to establish the values that generate behaviour that is jointly adapted to the needs of both the family and business systems (Davis & Stern, 1980). In the current study, value is defined as giving MSFBs the power to take action to achieve their goal. Values are used not only to motivate and determine outcomes; they also organise and integrate forces in personality, society and culture (Ismail, 1983). Nevertheless, values are the unseen aspects of culture and cannot be observed directly but only inferred from people's behaviour (Asma, 2001). Consequently, the researcher highlights four Malay values as obstacles to business growth and four values underlying the decision-making processes used by Malays.

Culturally, Islamic values are an important factor that influences economic and business behaviour; however, not all Malays follow Islamic values (Chee, 1977). For example, Munter (1993) notes that one Muslim value is that human efforts are determined by the will of Allah and though Malays believe in fate and the will of God, at the same time they have to work progressively to achieve their desire. Malays in small family businesses, as Muslims, have to work and schedule to succeed in the business.

There are four values seen as barriers to Malay businessman in competing with non-Malay businessman; e.g., Ismail (1983) mentions four value orientations among Malay businessman that are barriers for them in growing their business. First, values related to wealth accumulation. Malays express the desires to accumulate wealth for short-run purposes such as consumption, comfort and security rather than long-run orientations. In contrast, the Chinese value wealth accumulation for the long run orientation (Bhaskaran and Sukuman, 2007). Islam encourages people to accumulative wealth, but Malays consider working with the government services is superior to participating in high risk businesses.

Second, the Malay culture has a structure of social cohesion that is very strong; values concerning the sharing of wealth are generally important and siblings, neighbours and friends will financially support a Malay businessman who wants to develop or grow his business. Nevertheless, the capital and resources available from the informal social network is limited.

Third, values towards independence from traditional authority. The Malay businessman feels that independence from traditional norms of authority is crucial for them to succeed in business. However, the cohesiveness in the family and society is very strong in the Malay culture and the elderly are respected and are shared decision-makers in Malay families (Asma, 2001; Kusago & Barham, 2001).

Fourth, values towards optimism and aggressiveness such as possessed by Chinese businessmen are often lacking among Malay businessmen. As Muslim businessmen, Malays believe in fate and the will of God (Ismail, 1983; Munter, 1993); they prefer to work modestly in operating their business compared to the Chinese.

Ethical and cultural values have to be recognized, understood and shared between the business owner and family members if they are to support the goals and objectives of the family business; e.g., Asma (2001) conducted a qualitative study about the ethnic values of managers in Malaysia and found that Malays value other people and the elderly more than do other ethnics.

There are four main values that underlie the decision-making process among Malay managers; face, respect for age, relationships and harmony (Asma, Surjit & Saran, 2001). Firstly, 'face' is important in most Asian societies and giving face or causing loss of face can make or break deals (Wall, Preston & Zhang, 2009). Secondly, they identified 'respect for age'. Thirdly, 'relationships' (quanxi) are highlighted in Chinese family businesses and is similar to Malay values. Fourthly, 'harmony' in decisions was noted in Bhaskaran and Sukumaran's (2007) study concerning Malay family enterprises with collectivist decision-making included adult children involved in the business. On the other hand, they found that Chinese family enterprises have high power distance and the owner-manager is usually the sole decision-maker who tends to make decisions based on 'gut feeling'. Yan and Sorento, 2006, and Wall, Preston and Zhang (2009) supported the

findings that the owner of a Chinese family business is the sole decision-maker because of the matriarch and patriarch systems.

### **2.7.3 The network relationship influences decision making**

There are three entrepreneurial groups in Malay society (Chee, 1977). First, the Malay aristocracy participated in business indirectly during the pre-colonial era and has the grant of rights to carry out business and commerce activities. Second, the middle level of Malay business participation consists of those who have no connection with the aristocracy but entered business as small-scale traders and have grown their business to a modest scale; their businesses tend to have a high degree of rigidity and lack of innovation. The third group of Malay businessman is comprised of those who became engaged in small-scale business activities with support and assistance from MARA and the Federal Government.

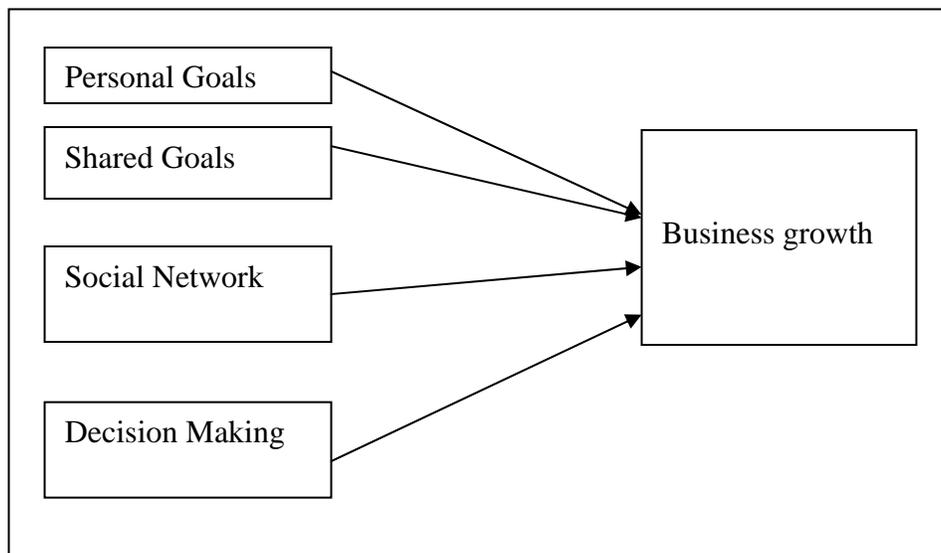
The current research targets the third group of Malay small family businesses that received facilities and networks with the government agencies to gather resources for growing their business. Based on research by Mohammad and Lau (1988), the Malay entrepreneur was successful because of government subsidies while the Chinese success was related to the inheritance factor. It was found that Malay entrepreneurs develop networks with the government agencies because it is the only place that they can obtain substantial capital and resources, whereas Chinese entrepreneurs have a variety of strong Chinese associations to facilitate them in business matters (Chin, 1998).

A network relationship among Malay small family businesses is more likely to be informal and have social links to more immediate individuals such as family, friends and acquaintances (Ahmad, 2005). In addition, the government agencies provide facilities such as loans and machinery for the Malay small family business owners to start up and grow their business. Jocumsen (2002) classifies family involvement in the decision-making process as ‘internal networking’ and assistance from outside small family businesses as ‘external networking’. Thus, networking relationships can be informal and formal for the Malay small family business.

#### 2.7.4. Hypothetical research model

As a result of the examination of extant literature, a basic model of aspects of MSFB decision-making is suggested in Figure 2.1 as underpinning the current study; research being undertaken to collect up-to-date data on the topic.

Figure 2.1 Basic Hypothetical Research Model



## **2.8 Chapter summary**

In Chapter 2, past studies of decision-making in small family businesses were reviewed from Western and Asian perspectives. The decision-making in Asian family businesses is a more authoritarian approach whereas the Western family business is based on more democratic approaches. The authoritarian approach means that the owner has sole power and control in making decisions about the family business; family members have to listen to, and obey, the decisions made by the owner. On the other hand, in Western family businesses making a decision is related more to the professional roles of family members. It is quite usual for the owner to make decisions, but they are based on a degree of power sharing and a result of seeking a consensus among family members in the business. The major dissimilarity in Asian family businesses is the issue of age; the father or family elder is the decision-maker for the family business.

Because extant literature on the topic of decision-making in MSFB is scarce, a basic model hypothetical model of the thrust of was developed. It comprised the concepts of personal goals, shared goals, social network and decision-making as the major areas to be investigated in the current study of the aspects of decision-making in MSFB likely to influence business growth.

How the study will be progressed by means of a qualitative research strategy to explore the research questions and an explanation of the data gathering and analysis methods are discussed in Chapter 3.

## **CHAPTER 3**

### **METHODOLOGY**

#### **3.0 Introduction**

Chapter 3 is used to address the issue of an appropriate research methodology for use in testing the relevance of the hypothetical model (Chapter 2) derived from existing literature related to existing knowledge about the current research topic. The chapter commences with a clarification of the current research and a statement of the precise research questions. The qualitative type of research and case study design adopted as suited to the research problem and to achieve valid, reliable data are presented. Next, a statement of the procedures used to gather data by means of case study interviews is presented. A specific method for analysing the interview data is suggested prior to the formal conclusion of the chapter.

#### **3.1 Research problem**

With limited literature on decision-making in small family businesses, the current study of business growth in MSFB adds to existing knowledge in the academic discipline of small business. In Malaysia, the Malay family culture is changing due to gender equal rights in education and employment; some families adapt the democratic system rather than implement the autocratic or paternal system in their family. In addition, Islam encourages individuals to confer with family members before decisions are made.

However, not all Malays who embrace Islam adhere to and implement Islamic teachings in their family. This is due to the paternalistic culture, which is fundamental in Malay families, where the father or man has an authority as a decision-maker (Kusago, 2001). The thesis is expected to add knowledge about decision-making by investigating how decisions about business growth are actually made and implemented in various types of Malay small family businesses (MSFB) in Selangor, Malaysia.

### **3.2 Research questions**

The main research question in the current study is:

How are business and family-related decisions about business growth actually made and implemented in various types of Malay small family businesses (MSFB) in Selangor, Malaysia?

In order to answer the main question, it is suggested that there are a number of minor, sub-questions that can be addressed; viz.,

- What decisions are made in Malay small family businesses that relate to business growth?
- To what extent are family members involved in business growth decisions?
- Does the support agency have a significant effect on decision-making about business growth in Malay small family businesses?
- What family member values underpin Malay small family business growth decisions?

### **3.3 Justification for qualitative research methodology**

To answer the major research question as to how business and family-related decisions about business growth are actually made and implemented in various types of Malay small family businesses in Selangor, qualitative research has been chosen as the basic method because the issue needs to be explored in terms of understanding the context in which study participants address such problems or issues (Creswell, 2007). In addition, qualitative research is suitable for studying problems in which the researcher does not know the variables (Creswell, 2009). Consequently, the selected qualitative research strategy fits well with the exploratory nature of the current study.

The advantages of qualitative research in the study are that collection of data occurred in a natural setting, it focussed on the people in a specific location, patterns or themes emerged during the data analysis stage, the report or presentation contained the participants' voices and the researcher was reflective about complex descriptions and interpretation of the research problem (Creswell, 2007). Thus, the qualitative research was a useful way of capturing the intensity and richness of the participants' MSFB data as to how business and family-related decisions about business growth were made; each business constituted one 'independent' case. The following section justifies the use of case study in answering the research question.

### **3.4 Justification for case study research design**

Case study research design is a qualitative approach in which the researcher “explores a bounded system (a case) or multiple bounded systems (cases), through detailed, in-depth data collection involving multiple sources of information, and reports a case description and case-based themes” (Creswell, 2007, p. 73). There are three types of qualitative case study research design; viz., the single instrumental case study, the collective or multiple case studies, and the intrinsic case study (Creswell, 2007; Stake, 1994; 2005). Multiple case studies were chosen for the current study; the purpose being to find unique perspectives on the issue from a variety of types of family business. The design required the logic of replication (Yin, 2003) with the researcher replicating the procedure for each case so that, by using a common interview schedule, the collected data were shown to have some comparability and relevance.

Yin’s (2003) considered opinion is that case study strategy is comprised of the logic of design, data collection techniques and specific approaches to data analysis. The following sections describe each of the strategies.

#### **3.4.1 The Logic of Design**

The aim in using multiple case study design (Creswell, 2007; Eisenhardt, 1989; 2007; Yin, 2003; Thomas & Trevino, 1993) was to increase generalizability (Miles & Huberman, 1994, pp. 172). Yin (2003) suggested that less than three cases may produce similar results, whereas four to six cases will create contrasting results and different patterns. Eisenhart (1989, 2007) recommended the selection of between four and ten

cases as suitable for multiple case studies design. Furthermore, based on Cunneen and Meredith (2007), if there are more than 15 cases the data analysis will be too complex to analyse, especially when performing cross-case analysis.

In the current study, the method of enquiry was implemented within a context of discovery rather than within the quantitative context of verification (Giorgi 1985). Giorgi (1986; 1992) used a descriptive phenomenological approach (Giorgi & Giorgi 2003); a method that used an average sample size of 8.3 cases across seventy-six published studies (Russell 2006). Therefore, because cross-case analysis is important for generalizability, and to deeply understand the issue (Miles & Huberman, 1994), the Giorgi concept of eight purposively selected cases was decided upon.

Selection of the cases was based on purposeful sampling among potential cases that were potentially information-rich to provide the researcher with deep knowledge and understanding of the research issues (Patton 2002; Anderson et al. 2005). The researcher approached the Department of Agriculture (DOA) and Majlis Amanah Rakyat (MARA) officers in December 2008 to gain access to the list of small family businesses (Brunette & Wharton, 2007). Purposeful sampling was criterion-based; e.g., criteria such as the family business was owned and managed by the member of the nuclear family, in receipt of an award or loaned equipment/facilities from support agencies and the number of workers was between 1 and 20. Also, the researcher's choice of cases relied on recommendations made by experienced small business experts. The small business

experts were senior DOA and MARA officers who had knowledge of family business development.

Because participants were mostly the owners who owned and managed their own business, the research process began with interviews with the owner and a snowball sampling strategy was used to enable owners to suggest the name of a family member he or she recommended to be interviewed.

The unit of analysis in the study was the family. The interview schedule contained questions about family as well as business background and decisions about business growth.

### **3.4.2 Data Collection Techniques**

The data collection techniques used in the research relied basically on interview questions; supplementation from documentation and direct observation was considered but not used because of a lack of written records of the small businesses. Interviewing is the major method for data collection in qualitative research (Yin, 2003), used largely to encourage respondents to explain their views and enable probing for responses to explore issues in greater detail (Schaper & Volery, 2004).

Interviews were held in consecutive stages; viz. initially with the business owner, and a follow-up interview with a family member involved with the business. In effect, in-depth interviews were held with the business owner; as the owner was considered to have a full,

rich appreciation of the dynamics of the family in business (Anderson et al., 2005) and be able to provide relevant documents, if available. In the second stage, a family member involved in the business, and recommended by the owner, was interviewed in order to clarify issues related to the interview questions and provide specific, deeper responses and enriched descriptions of the family view of decision-making employed in the business (Patton, 2002).

The primary method of data collection involved use of standardized, open-ended questions on an interview schedule. The interview was recorded by tape-recorder and captured by a video camera; a digital camera was used to take photos of persons and the small business site. Being open-ended (Brunette & Wharton, 2007), the list of ten standard questions was used to focus answers on specific aspects of small business family decision-making; i.e., participants were required to address issues related to the defined research topic (Cadieux, 2007). Also, the method fitted the recommendation by Patton (2002) who suggested that standardized, open-ended interviewing is needed for cross-case analysis of responses. The duration of both the owner and family member interviews was planned to take no longer than one hour each.

### **3.4.3 The types of interviews**

The standardized open-ended interviews consist of a set of questions carefully worded and arranged with the intention of asking each participant the same questions with essentially the same words (Patton, 1990; p.280). There are several reasons that standardized open-ended questions were used in the study. First, it minimized the

variation of questions related to the data analysis; i.e., the researcher felt more organised in locating the participant's answer based on the questions. Second, it reduced the possibility of bias that could arise through the use of different participants and different types of business. Third, the interview was highly focused so that the participant's time was used carefully. Fourth, the researcher knows exactly what question is going to be asked because the standardized open-ended question guides the researcher. Fifth, the researcher was still able to use additional questions as a probe for further explanation or clarification.

The standardized open-ended instrument was constructed carefully before the researcher proceeded with the fieldwork. The original instrument was in English and then translated into the Malay language by the researcher on the basis of personal understanding and experience.

#### **3.4.4 Interview schedule**

Preparation for the interviews involved the construction of four items; an information sheet (Appendix 2), a consent form (Appendix 3), an interview schedule for use with owners (Appendix 1) and an interview schedule for use with family members (Appendix 1).

The information sheet provided an introduction to the researcher and provided an overview of the study, explained the owner's role in the research, described the 'consent to participate' form and the researcher's commitment to 'confidentiality', listed the

research ethics approval number and the names and addresses of the research supervisors. The associated consent form was prepared for owners and the researcher to sign prior to the commencement of the interview.

The two interview schedules were designed to match the concepts in basic hypothetical model (Chapter 2), with the four major MSFB concepts in mind. Primarily, the two schedules differed only in that the owner was asked to provide a background to the family business.

### **3.4.5 Digital recording**

A digital recorder is an essential tool for researchers using qualitative methods because it is useful for increasing the accuracy of data collection; a digital recorder does not change the conversations and records all the words spoken (Patton, 1990). There are two types of equipment used as research tools – digital voice recorder and digital video recorder. The researcher followed Patton's (1990) suggestion to acquire good quality recordings.

### **3.4.6 Transcribing interviews**

The main raw material for the research was the interview data recorded on the digital voice recorder. After each interview, the researcher transferred the raw material from the digital voice recorder to the computer using Windows player software. The process began by typing in the Word program all the words from the interview session in the computer.

The interview sessions were in the Malay language; therefore, the researcher had to send the transcript to the translation services at Curtin University. The researcher contacted the Curtin translator who is an Indonesian, but has Australian citizenship. She agreed to do the translation with a charge of \$25 per 100 words. She asked the researcher to send the file for translation. After sending the transcripts written in the Malay language, the translator refused to do it because the spoken language was quite different from the written language. The researcher contacted the Faculty of Language and Communication, University Putra Malaysia (UPM) and asked about translation services offered by the Department of Language. The Malay transcripts, then, were sent for translation into English; a total of ten transcripts, 66 pages and almost 17 thousand words.

### **3.5 Data collection**

The case study data collection procedures involved three main stages. It began with designing and preparing the case study protocol, followed by the conduct of a pilot case study and ended with the collection of data from the field.

#### **3.5.1 Case study protocol**

Case study protocol was planned based on the data collection process which not only included the interview instrument, but also the procedures and actions required in using the instrument. As a necessary part of the case research, the case study protocol established the entire data collection process, Yin (2003) considers that case study protocol involves four main sections:

- 1) An overview of the case study research project that consists of objectives, issues and topics being investigated (noted in the research Information Sheet).
- 2) Field procedures include gaining access to sites, source of information, and timetable of data collecting activities (requiring a tentative timeline).
- 3) Case study questions include a list of ten questions (derived from the hypothetical model in Chapter 2).
- 4) A guide for case study reports using a narrative format as follows:
  - History of the business
  - Developmental stages
  - Management team
  - Nature of MSFB decision making about business growth
  - MSFB values influencing the decision making about business growth
  - Networking relationships influencing the decision making about business growth.

### **3.5.2 Research location selection**

The research location was Selangor, Malaysia. Selangor is located on the west coast of Peninsular Malaysia. The state capital of Selangor is Shah Alam and the royal capital is Klang. The state's ethnic composition consists of Malay-Muslim (60%), Chinese-Buddhist (32%) and Tamil-Hindu (8%) (Bhaskaran & Sukumaran, 2007). The state religion is Islam, but there is freedom of worship. Selangor was declared as being the first developed state in Malaysia on 27<sup>th</sup> August 2005. Its geographical position in the centre

of Peninsular Malaysia (see Figure 3.1) and the nearest to Kuala Lumpur was an attraction for people to become involved in economic activities. Political stability is one of the most important factors for economic growth and business prosperity (Khaliq & Surjit, 2001).

**Figure 3.1: Research location**



### **3.5.3 Selection of agencies**

Yin (2003) mentions the importance of gaining access to do a research as an important part of research protocol. Therefore, the researcher needed to choose agencies that could assist in gaining access to Malay small family businesses in various sectors. The DOA focusses on the food processing businesses and agriculture base, so if it was the only agency approached the researcher would not gain access to other types of business. Therefore, the researcher decided to contact the MARA agency which provides loans and training to Malay entrepreneurs in various types of business such as contracting, restaurant and grocery businesses.

### **3.5.4 Case selection**

Patton (2002) introduced the concept of purposeful sampling, suggesting that case studies should be selected from among potential cases that are information-rich and provide the researcher with deep knowledge and understanding about the research issues; factors understood by DOA and MARA agents. Each case has a unique background, which produced the commonalities and differences between cases as noted in the 'logic of design' section.

### **3.6 Preliminary data collection**

Yin (2003) mentions that the use of a preliminary study is determined by the three main criteria of convenience, access and geographic proximity; features checked by the DOA Sepang district agents in December 2008.

Yin (2003) also indicated that a pilot case study could be conducted to assist the researcher in refining the interview instrument and improving data collection procedures and research design. Following use of a small pilot study with two family business owners in an alternative district in Selangor, the researcher –

1. introduced a slight change to the question about what decisions are made in MSFB that are related to business growth,
2. decided to ask about family background and business history in order to obtain the information about how decisions are made in family businesses.
3. practised asking the open ended question and using probe to encourage the participant to communicate.

4. prepared and practised with the interview equipment; e.g., ensuring that the devices worked in various situations.

## **3.7 Data Analysis**

### **3.7.1 Case study data analysis procedures**

Because there are numerous means of investigating and interpreting the findings of a research project, a decision had to be made as to how the qualitative research data on participants' experiences could be analysed.

There are several very up-to-date strategies that provide holistic measures for analysing impression management (Brennan et al. 2009); however, it was determined that the use of 'thematic analysis' would be appropriate for analyzing and interpreting the data in a 'constructivist' way. At the same time, attention was given to the caution from Brennan et al. (2009) that positive information is exaggerated while negative information is either ignored or underplayed. Thus, a procedure for the use of thematic analysis was adapted from Aronson's (1994) pragmatic approach to focusing on identifiable themes and patterns of experience; the primary tasks being to identify (tag), combine (link) and catalogue (code) related word patterns into sub-themes, gather sub-themes into a comprehensive view of the information and build a valid argument for choosing the themes.

### **3.7.2 Methods of analysing case study**

Case analysis involves organizing the data by specific cases for in-depth study and comparison (Patton, 2002); in the current case, descriptive analysis was undertaken sequentially by within-case analysis and cross-case analysis. Creswell (2007) stated that a typical format is to provide a detailed description of each case and themes within the case (within-case analysis), and follow it by a thematic analysis across the cases (cross-case analysis).

### **3.7.4 Triangulation**

Triangulation is an important strategy to strengthen case study design. The Denzin (2003) approach identifies four basic types of triangulation: (1) data triangulation, (2) investor triangulation, (3) theory triangulation, and (4) methodology triangulation, of which the current researcher focused on data triangulation.

In this study, data triangulation was considered in three ways; viz., the data collection being by means of (1) interview, (2) documentation and (3) direct observation. Interview was the major method, with face-to-face interview information available for comparison and follow-up available, where necessary, by telephone interview. Documentation refers primarily to the participant's business files that are kept by MARA and DOA; information was used to verify the family business background. Direct observation took place during the interview session, and digital video camera evidence of the interview and business site was used to capture the feelings and gestures of participants. Patton

(1990) argued that, while recording the language of participants, the researcher needs to observe various non-verbal forms of communication to enrich understanding of the interview data. Thus, the research used multiple data sources to provide cross-data validity checks.

### **3.8 Chapter Summary**

Chapter 3 has provided the justification of the qualitative methodology and case study approaches. Also, participant selection and the development of an instrument to gather the data by using the interview method have been described. Finally, a description of the analyses used with the data collected at the interviews with owners and one of the family members has been outlined. In the next chapter, results produced by the thematic analysis approach are presented and discussed in two ways; the within-case analysis and cross-case analysis are used to clarify the results and establish their meaning.

# **CHAPTER 4**

## **RESULTS AND ANALYSES**

### **4.0 Introduction**

In Chapter 4, findings from the interviews are presented; findings relevant to decision-making for business growth among Malay small family businesses (MSFBs) in Selangor, Malaysia. Analyses are presented on how business-related and family-related decisions concerning business growth actually are made and implemented in various types of MSFBs.

The chapter is divided into three parts. Part one is used to describe the demographics of the seven types of business investigated and of the seven owners interviewed. Part two is used to present the interview findings of information derived from the owner interviews. Initially, the results are presented on a case-by-case basis and, then, a cross-case analysis is undertaken; thematic analysis being used to determine substantial outcomes of the research.

The third part of Chapter 4 contains an explanation of the meaning of results. Firstly, the findings are compared with the extant research literature described in Chapter 2. Secondly, the findings are used to answer the research questions from Chapter 1. Finally, the findings are placed in a Research Outcomes Model as a substantial response and addition to the hypothetical model proposed at the conclusion of Chapter 2.

## 4.1 Demographic information

Interviews are important to find out what is in the participant's mind (Patton, 2002). The researcher started interviewing the participants in January 2009 and continued until to July 2009. After discussions with personnel at the MARA and DOA district offices, eight names of potential research participants were selected from a list. A total of eight MSFBs were identified. The officers gave information about participants and an initial approach to participants was made by telephone to inform them about the research purpose. The researcher made appointments with the seven participants that were willing to be interviewed. Consequently, the interviews were conducted at a date and time most convenient to the participants; Table 4.1 outlines the seven cases included in the research.

**Table 4.1: Research Cases**

Case No.	Type of business	Business started	Full time (non-family) employees	Support agency	Interviewed
1	Resort	2005	2	MARA	Father (owner) & first son
2	Chocolate Factory	2006	5	MARA	Mother (owner) & third daughter
3	Petrol Station	2007	5	MARA	Husband (owner) & wife
4	Cosmetic	1999	2	MARA	Wife (owner)
5	Cookies Factory	1989	10	DOA	Mother (owner) & daughter
6	Food Factory (Chips)	1991	8	DOA	Mother (owner) & fourth son
7	Biscuit Factory	1995	6	DOA	Mother (owner) & daughter

From the interviews, other demographic information was identified that related directly to the owner of the business; items included age, gender and level of education (Table 4.2).

**Table 4.2: Owner Information**

Case No.	Type of business	Age	Gender	Education Level
1	Resort	50	Male	University Diploma
2	Chocolate Factory	58	Female	Malaysian Certificate of Education (Completed High School)
3	Petrol Station	38	Male	Certificate – Industrial Training Institute
4	Cosmetic	48	Female	Malaysian Certificate of Education (Completed High School)
5	Cookies & Catering	50	Female	Lower Certificate of Education (3 Years of High School)
6	Food Factory (Chips)	53	Female	Malaysian Certificate of Education (Completed High School)
7	Biscuit Factory	46	Female	Malaysian Certificate of Education (Completed High School)

With seven cases in the study, the age of owners ranged from 38 to 58 with an average of 49 years; of the seven participants, only two were males. Four businesses were related to the food industry, two were service organisations and the cosmetic business was sales oriented.

Of the two male owners, one had trade (Industrial Institute) and the other professional (University of Technology) qualifications. Four of the five women owners had completed high school and received their Malaysian Certificate of Education (MCE) and the other had completed high school at 15 years of age and received a Lower Certificate of Education (LCE).

Overall, it can be concluded that the average MSFB owner is about 50 years of age, has a moderate level of education equivalent to the conclusion of secondary schooling and, in all cases, encourages his/her spouse and children to be involved in the business.

## **4.2 Within-case analysis**

As planned in Chapter 3, Aronson's (1994) thematic analysis technique was used to analyse the interview data. Once the interview data was transcribed into English, the researcher began to analyse responses one case at a time. The initial task was to examine the responses for each question asked in the interview and identify the key words that appeared in the responses. The key words were 'tagged' and counted for each question. The results, then, were collated for each case (see Tables 4.3 to 4.9) to demonstrate the research question, its major topic, the number of key words (tags) per question response and a typical comment to illustrate the lived experiences of the MSFB respondents.

**Case 1:** The male owner operated a small resort near the Congkak River and employed two full-time workers. All family members, including his mother-in-law, were recruited to assist in the resort business.

The resort business owner's goal is to build the family business. He avoids sharing his business with non-family members. The first son was drawn into his business and the other children help during the weekends. The resort land is registered under his name and that of his wife; this is to keep the business ownership in their family. He has strong social networking with a general manager of finance company, a family member's friend

**Table 4.3: Case 1 – Interview Responses**

<b>Question</b>	<b>Topic</b>	<b>No of Tags (Key Words)</b>	<b>Example of Owner Response</b>
<b>1</b>	Personal goals	6	First choice is my family
<b>2</b>	Shared goals	4	All my family members come over to the resort during weekend
<b>3</b>	Decisions	13	One is due to financial; I build this place like people with no money; when I am going to purchase anything I bring my mum; I took her words
<b>4</b>	Owner decisions	14	Owner is general manager of finance company; lots of opportunities to buy land; sometimes I went out with him.
<b>5</b>	Change	5	I want to do it different from others
<b>6</b>	Ownership	3	Those unable to do so are tied to a third party. In my case the land is registered under my name and my wife's
<b>7</b>	Business growth	15	That's why I diversified; I can't just stay in construction field
<b>8</b>	Agency	1	I met MARA Kajang officer when I wanted to build more rooms and facilities
<b>9</b>	Family involvement	3	My children know their roles. They come and work during the weekend
<b>10</b>	Advantages of family	2	I am in full control

and siblings. The social network is an advantage for him in growing his business; they have family discussions before decisions are made, but, as a father in a Malay family, he has the authority in making decisions in the family and business.

**Case 2:** The female owner began the business in 2006 after 20 years' experience in the cookies business. Following a change to the chocolate business, she employed five full-time workers on the production side of the company and makes use of her third daughter in marketing the products.

**Table 4.4: Case 2 – Interview Responses**

<b>Question</b>	<b>Topic</b>	<b>No of Tags (Key Words)</b>	<b>Example of Owner Response</b>
<b>1</b>	Personal goals	8	I have to instil hard work, bold in taking risks and self-confidence in my children; It is better to take our own children into the business
<b>2</b>	Shared goals	8	The third daughter is involved; she said she wanted to make chocolate
<b>3</b>	Decisions	8	Workers were given incentives because they wanted to be paid
<b>4</b>	Owner decisions	4	My mum refused to work with the bank; I rented an outlet for her
<b>5</b>	Change	8	I wonder about having a bigger business; I thought I could do it; Malaysians would be looking for our product
<b>6</b>	Ownership	3	My children want to make chocolate and take over
<b>7</b>	Business growth	9	When we use human energy the product is inconsistent so we need bigger machines
<b>8</b>	Agency	9	Aid from MARA was used to buy machines; MARA helped us move the premises
<b>9</b>	Family involvement	9	Understanding; My mum and I always argue; from there we work; mum won't blindly obey me
<b>10</b>	Advantages of family	6	My husband was the one who gave the information; it is easier to discuss

The small chocolate factory owner operates the business with her third daughter, both having an interest in the chocolate business and the common dream of growing the business. The decision to have a high technology machine for making chocolate was an important one for the owner. The owner's goal is to instil an entrepreneurial characteristic into her children because she wants her children to inherit the business. Discussions and arguments regularly occur between her and her third daughter, and that is how decisions are made in this family business. The owner's sibling and her husband always support her business in financial terms, gathering information and helping to market their products.

**Case 3:** The youngest of the research participants, the male owner started the petrol station in 2007. He operates the facility with his wife and five full-time workers.

**Table 4.5: Case 3 – Interview Responses**

<b>Question</b>	<b>Topic</b>	<b>No of Tags (Key Words)</b>	<b>Example of Owner Response</b>
<b>1</b>	Personal goals	16	I wanted to open another branch of the service station
<b>2</b>	Shared goals	3	Sometimes we don't agree on things, but we go home and think it over carefully
<b>3</b>	Decisions	17	I myself decided to open the service station; my husband took a month of unpaid leave and focussed on the work while I was in confinement
<b>4</b>	Owner decisions	8	I don't have human resource experience so I ask my friend at my former officer; she did everything
<b>5</b>	Change	6	My plan was to build more petrol stations; I continue my interest in fashion and sewing
<b>6</b>	Ownership	2	Hand over the business to the children; we could see the interest of the children
<b>7</b>	Business growth	6	The operation is 24 hours due to customer demand; previously it was only 18 hours
<b>8</b>	Agency	7	If Petronas is interested in the site we proposed they would build a Petronas petrol station
<b>9</b>	Family involvement	26	If there is a big problem I discuss with my brother
<b>10</b>	Advantages of family	8	We could ask for their opinions; discussion

The petrol station owner operates the business with his wife in the busy area of Bangi. Even though they are a young married couple, they have developed strong business networks with Petronas and MARA. In addition, they also have social networks with people who have experience in human resource management and experience in the operation of petrol stations. They are dedicated to open another branch of their petrol

station. The owner’s wife has a plan to diversify the boutique business, but at the moment the decision is to start by operating another petrol station branch. Eventually, they want the business to be inherited by their children. Business growth greatly depends on the customer demand. Now, the petrol station operates 24 hours per day.

**Case 4:** A female owner operates a cosmetics products distribution company with her husband and second daughter. Starting in 1999, the business employs two full-time workers and has stockists in Malaysia and Brunei.

**Table 4.6: Case 4 – Interview Responses**

<b>Question</b>	<b>Topic</b>	<b>No of Tags (Key Words)</b>	<b>Example of Owner Response</b>
<b>1</b>	Personal goals	7	Want to hand over this business to the first daughter
<b>2</b>	Shared goals	7	The eldest son is interested in business
<b>3</b>	Decisions	11	Whatever I wanted to do I said yes; later I didn’t want to exclude my husband so I asked him
<b>4</b>	Owner decisions	9	I encourage eldest son to work at night or during holidays; I said to first daughter to quit working and work in my business
<b>5</b>	Change	6	We want to open a gold shop before Eid festival
<b>6</b>	Ownership	2	Want to hand the business over to first daughter; the son couldn’t work for me ... it’s difficult
<b>7</b>	Business growth	13	Husband is in charge of my agents and stockists; he takes care and manages my marketing
<b>8</b>	Agency	1	I got aid from MARA; it is already second loan from MARA
<b>9</b>	Family involvement	5	My husband suggest to me to get shop; there is no need for us to move around
<b>10</b>	Advantages of family	9	We discuss at home while lying down; we still discuss business matters

The owner of the cosmetic business is a female entrepreneur; her cosmetic business is growing and she has decided to diversify into selling gold. Generally, she makes

decisions herself, but she does discuss things with her husband and feels comfortable operating the family business with him. Her husband gives her the freedom to make her own decisions about her business. The second child, a daughter, is helping her in the business and will inherit the cosmetic business and the eldest son, who is very passionate in about business has been encouraged to venture into a new business in which he is interested. A non-family member is employed as a marketing manager and one of their extended family members acts as a clerk. The first daughter's roles include one of managing account files and following the marketing manager in dealing with the stockist. As an active businesswoman, the owner has networked with the MARA agency which provides an opportunity for her to get financial loans from MARA in order to develop the business.

**Case 5:** Operating a cookies and catering business since 1989, the owner and her daughter run the production section and her husband and youngest son are responsible for marketing. Twenty full-time workers are employed in the production side of the business. A main aim for the owner is to achieve family wealth; also, she is keen for her children to inherit the business. Each family member has a role in the business. The owner prefers to discuss family and business matters with her first daughter than her husband. As a mother and pioneer in the business, she has the power to make decisions and give advice about the business. Family discussion is important to get information and ideas. In the family business, a democratic approach is applied when they make decisions. Neither the owner nor her husband considered that they were the dominant person. Their children are able to discuss issues with them and make personal decisions. Because it is a rural family

**Table 4.7: Case 5 – Interview Responses**

<b>Question</b>	<b>Topic</b>	<b>No of Tags (Key Words)</b>	<b>Example of Owner Response</b>
<b>1</b>	Personal goals	6	Life will be more prosperous
<b>2</b>	Shared goals	4	The youngest son played the role of marketing; Agro market with his dad
<b>3</b>	Decisions	6	First I usually discuss with my daughter, then with my husband
<b>4</b>	Owner decisions	9	I said ‘don’t do business’; If you want to do business, don’t have it a big scale
<b>5</b>	Change	4	I want to expand my building and my market
<b>6</b>	Ownership	2	If it was time to rest Linda would inherit
<b>7</b>	Business growth	11	Linda would manage finances; son plays the marketing role
<b>8</b>	Agency	2	15 acres rented from the agriculture DOA
<b>9</b>	Family involvement	3	Helping each other; project to project and asking for ideas
<b>10</b>	Advantages of family	4	The excitement is helping each other; so the work becomes lighter

business, the Department of Agriculture (DOA) provided a processing machine and equipment to produce a large quantity of their product; similarly, they rent land from DOA to plant pineapples and tapioca which are the main ingredients of their products.

**Case 6:** The female operator has run the food manufacturing company since 1991. Currently, she operates the business with her husband and fourth son. The husband runs the business finances, the son is the marketing person and the wife operates the production section.

The business owner is a proactive, rural business woman; her business was selected as one of the nine successful rural businesses in Selangor state. The Selangor state allowed

her to use a government property for her food processing factory at Morib; for financing, she prefers to utilize the Agrobank facilities.

**Table 4.8: Case 6 – Interview Responses**

<b>Question</b>	<b>Topic</b>	<b>No of Tags (Key Words)</b>	<b>Example of Owner Response</b>
<b>1</b>	Personal goals	14	I just followed my capabilities; couldn't wish for something too big
<b>2</b>	Shared goals	14	We don't want many debts; we consider our limits
<b>3</b>	Decisions	4	His father told the third son to continue study but I asked him to open his mind; Look at what he has, look at what I have
<b>4</b>	Owner decisions	16	If there is something that I couldn't do, only then would I ask for opinions; I asked my husband to help manage the financial side.
<b>5</b>	Change	7	We want to hire only those who are expert
<b>6</b>	Ownership	5	I pulled the third son in the business;
<b>7</b>	Business growth	8	We want to increase the number of expert workers
<b>8</b>	Agency	3	After 3 years in the business I got to know agriculture people – DOA
<b>9</b>	Family involvement	10	Once I came back from Agrobank to apply a loan, but my husband told me there is no need; I can borrow his money without interest.
<b>10</b>	Advantages of family	9	Whatever I did, I did it on my own; the decisions were my own..

She has seen the potential for her business to increase to a large scale, but she doesn't want to be caught in taking a higher risk. She decided to pull her fourth son into her business in order to manage the factory at Morib and be responsible for marketing the business. For her part, she manages the small factory beside her house. A major recent decision has been to employ more expert workers because she believes that business success relies on the skills of talented, experienced workers. Although there are high technology machines to produce the food products, the workers need a high degree of

skill to produce a product of the desired quality. Because the business is growing, they have to keep producing high quality food. In this case, as a woman, the owner has to obey her husband directions even though she claims that she is the decision-maker in the family business. After retiring from his position in the government services, her husband helps her in financial management, and she admits that running the business is more manageable since her husband and son have become involved in the business.

**Case 7:** Since 1995 the owner has operated the biscuit factory with her first and second daughters. Six full-time workers are employed in the business.

**Table 4.9: Case 7 – Interview Responses**

<b>Question</b>	<b>Topic</b>	<b>No of Tags (Key Words)</b>	<b>Example of Owner Response</b>
<b>1</b>	Personal goals	6	I wanted to be rich. Wanted a comfortable place to stay. Children needed money to study, so happy working for children.
<b>2</b>	Shared goals	5	The two daughters were good; they were very understanding
<b>3</b>	Decisions	11	Every drop of energy that is used, there would be payment
<b>4</b>	Owner decisions	5	When people already liked my product, then only I made a registered business licence.
<b>5</b>	Change	3	I chose to produce the only product I could; monthly income over 6-7 thousand; if God permits it will be more
<b>6</b>	Ownership	4	I wanted my business to be inherited
<b>7</b>	Business growth	12	I looked for people who could use my products – Petronas station, hospitals, shops, bakeries
<b>8</b>	Agency	5	After registration DOA gave me aid to buy equipment; MYR 10,000 to improve workshop
<b>9</b>	Family involvement	13	Husband gave me 100% finance to build the workshop
<b>10</b>	Advantages of family	4	Encouragement from husband; He gave me capital for the workshop; gave me a lot of guidance

The business owner in Case 7 has the aim of using the business income to improve the quality of her family's life; thus, she is happy working with her two daughters in the business where they are able to discuss business matters in the home or in the workplace. The second daughter is living with her in the same house and the first daughter lives in the house next door. The small factory is located beside their house. The owner keeps her daughters close to her and applies a democratic approach in making decisions. Her daughters do have chance to make their personal decisions and she guides them in learning how to operate with good business management. Even though they are using her small factory facilities and produce the same products, they do split the business account. Each of them has their own customers and market places. They go to business exhibitions together but they keep their business accounts individually. She has decided that she wants her only son, who is waiting currently for the MCE result, to inherit the business. Mostly, she makes decisions based on finance and customer needs. Her husband is the person that supports her in terms of motivation and has financed her business from the beginning.

### **4.3 Cross-case analysis**

Eisenhardt (1989) argued that cross-case analysis should be used in searching for patterns. To her, the overall idea is to force the researcher to go beyond the initial impressions using structured and diverse lenses on the data; as a result, the likelihood of achieving an accurate and reliable overview is improved. By dividing case-by-case data according to the research questions the intention was to exploit "unique insights possible from different types of data collection" (Eisenhardt 1989, pp. 540-541).

Thus, the second procedure for the use of thematic analysis was adapted from Aronson’s (1994) pragmatic approach to focusing on identifiable themes and patterns of experience. Commencing with question topics and the initial number of key words (tags) identified in participants’ responses, the total number of tags were combined (linked) into word patterns sub-themes. From the list of links, ideas were catalogued (coded) by gathering sub-themes into a comprehensive view of the information and building a valid argument for choosing the themes. As shown in Tables 4.10 to 4.19, for each research question the number of tags, links and categories are listed and the categories listed according to each case. Following each table, categories are listed in their order to indicate their relative importance in accord with the research question.

**Question 1: What were your personal goals in the family business?**

**Table 4.10: Personal Goals**

Case	Tags	Links	No. and Categories
1	6	3	[3]: Family, commitment, decision-making
2	8	4	[4]: Family, product, finance, decision-making
3	16	9	[5]: Family, employment, commitment, finance, decision-making
4	7	4	[4]: Decision-making, customer, finance, lifestyle
5	6	3	[3]: Family, decision-making, lifestyle
6	14	4	[4]: Decision-making, employment, reduce risk, finance
7	6	3	[3]: Family, finance, decision-making

In all seven cases, it is evident that the owner considers the ability to be the decision maker is an important personal goal in the family business. For the business owner, decision-making is the most common means of showing that they have the ability to

manage business resources and have control of the family resources; e.g., decision-making is related to succession, investment and products. In five of the seven cases it is evident that the family and finance are personal goals of the owner of the family business; i.e., owners are motivated in their business because it is a source of income that can provide financially for their family. Outlier categories include the business product, concerns of the customer and the need to reduce business risk: Case 2 mentions that her personal goal in family business is to produce a quality chocolate; Case 4 focuses on customer realisation about her cosmetic products; Case 6 wants to follow her capabilities and avoid high risk.

Overall, there are nine different categories of personal goals. In order of frequency across the seven cases they are:

7. Decision-making
5. Finance  
Family
2. Commitment  
Employment  
Lifestyle
1. Product  
Customer  
Reduce risk

The highest level of personal goals is decision making, followed closely by the second level of family and finance. Generally, then, it can be argued that Malay small family business owners make personal decisions based largely the three concepts of decision-making, finance and family circumstances. There is a gap to the third level, where owners mention commitment, employment and lifestyle as personal goals in running the family

business. In the family business, commitment among family member is needed to make the business competitive and develop. The current research findings show that the Malay small family business provides employment to family members and other people. This result contributes to policy making practice which emphasises reducing the unemployment rate among Malays. Similarly, the owner is involved in business to achieve their own preferred lifestyle with outcomes such as a wealthy life, self satisfaction and preparing property for their children. The lowest level in personal goals is that of products, customer and reducing risk. Owners are keen to produce quality products because, nowadays, customers are aware of, and expect a quality product; also, by producing a high quality product, the owners' intention is to develop customer loyalty. Even though the owner needs to grow their business but they tend to avoid unreasonable risk for their business. The rural woman whose business is food processing suggests owners take less risk based on their capabilities compared to the business woman who operates the cosmetic business. Family background may influence the owner's approach, even though their level of education is the same; in addition, the cosmetic businesswoman has experience living in England. At that time, she followed her husband who was studying overseas. During that time, she was working in bookshop while her children attended school. Her experiences made her more independent and willing to take a risk. In addition, her husband has a doctorate in econometrics, which may have encouraged her to be more confident in taking higher risks.

**Question 2: What was the family member shared goals?**

**Table 4.11: Shared Goals**

<b>Case</b>	<b>Tags</b>	<b>Links</b>	<b>No. and Categories</b>
<b>1</b>	4	2	[2]: Cooperative, commitment
<b>2</b>	8	4	[4]: Commitment, common interest, finance, family
<b>3</b>	3	2	[2]: Cooperative, committed
<b>4</b>	7	2	[2]: Common interest, commitment.
<b>5</b>	4	4	[3]: Cooperative, commitment, common interest
<b>6</b>	14	4	[4]: Common interest, family, finance
<b>7</b>	5	2	[2]: Cooperative, common interest

In order of frequency across the seven cases, the shared goals in Malay small family businesses are:

5. Common interest  
Commitment
4. Cooperation
2. Finance  
Family

Commitment and common interest were reported among Malay small family business owners as equally important shared goals; commitment as a shared goal is synonymous with the cohesiveness in Malay culture, and common interest as a shared goal between the owner and family members supports business growth. The second level relates to cooperation, a common feature of Malay culture with the expectation that family members will work together to achieve their shared goals in the family business. Finally, finance and family are listed as shared goals in Malay small family business. In the shared goals theme, commitment and common interest are much more important for the owner and family member compared to those of finance and family. It seems that,

without commitment and common interest, the Malay small family business cannot be considered as providing a good income for the family.

**Question 3: How were the decisions actually made in the family business?**

**Table 4.12: Decisions made in the family business**

Case	Tags	Links	No. and Categories
1	13	4	[4]: Financial, friend, elder, personal
2	8	2	[2]: Family discussion, personal
3	17	5	[5]:Family discussion, personal, financial, elder, agency
4	11	3	[3]:Family discussion, personal, financial
5	6	2	[2]:Personal, family discussion
6	4	1	[1]:Family discussion
7	11	3	[3]:Financial, personal, agency

In order of frequency across the seven cases, the manner of making decisions in Malay small family businesses are:

6. Personal
5. Family discussion
4. Financial
2. Elder  
Agency
1. Friend

Six of the seven cases indicate that personal decision-making is the main way of making decisions made in Malay small family businesses. It is followed by family discussion which is a cultural influence in Malaysia; generally, in Malay culture, family members have a meeting and discussion before the crucial decision is made by the father or the

elder in family. Family discussion or ‘musyawarah’ is considered a good practice because it shows cohesiveness in the family. Based on the research findings, four cases indicated that financial issues are associated with making decisions; it is not unusual for Malay small family business decisions to be based on the availability or need for financial resources. The agency, the elderly and friends are also indicated as connected to decision making in Malay small family businesses; nevertheless, the tendency for owners to make a personal decision is higher after giving due consideration to the feedback from others.

**Question 4: What was your involvement in decision making?**

**Table 4.13: Owners involvement in decision making**

Case	Tags	Links	No. and Categories
1	14	4	[4]: Family, personal decision, information seeking, group discussion, customer needs.
2	4	2	[2]: Information seeking, personal decisions
3	8	3	[3]:Information seeking, personal decision, customer needs
4	9	3	[3]:Personal decision, family , information
5	9	2	[2]: Family, advisor
6	16	5	[5]: Personal decision, information, family, advisor
7	5	1	[1]:Personal decision

In order of frequency across the seven cases, the owners’ involvement in making decisions in Malay small family businesses are:

- 6. Personal decision
- 5. Information/information seeking
- 4. Family
- 2. Customer needs  
Advisor
- 1. Group discussion

The results confirm that Malay small family business owners have a strong tendency to make personal decisions; generally, the males or elderly have the power to make personal decisions. However, in this study there were several women business owners and they have indicated they have right of way in making decision about the family business; this is because they are the founder of the business, have particular experience and earn the income. Thus, there is no gender bias between male and female business owners in making personal decisions among Malay small family businesses in this study. The female business owners have mention that they don't want their husband left behind. For example, statement Case 4:

*My husband is a soft person and he doesn't know how to make decision ... So, whatever I want to do, I said yes ... later I didn't want to exclude him. I asked him, he would say "If you feel the thing is right ... then it is right". My husband is the kind of person who is behind the screen; he doesn't know how to be in front.*

In five cases, the owners' indicated that their involvement in decision-making was closely allied to information or information seeking; it is acknowledged that getting access to the information is an essential feature in decision-making. Then, there are four cases showing the importance of family involvement in making decisions; beside that, the owner always thinks about family and customer needs when there are making decision about the family business. Two cases show that listening to customer needs or acting as an advisor family members are important aspects of the owners' involvement in decision-making. One case highlights the involvement of the owner's role in group discussion; group discussion can involve the extended family member such as parents and siblings, friends and others to get more information before the decision is made. Group discussion provides more

information, ideas and financial support for the owner and family member as well as providing opportunities for sharing business goals.

**Question 5: What do you want to see happen in your business, including your involvement in the business?**

**Table 4.14: Owners want to see something happen in their business**

Case	Tags	Links	No. and Categories
1	5	3	[3]: Business, lifestyle, build family business
2	8	5	[2]: Family, business
3	6	3	[3]: Business, business growth, build family business
4	6	4	[3]: Business, build family business, business growth
5	4	2	[2]: Build family business, business growth
6	7	5	[3]: Business, business growth, family
7	3	3	[3]: Family, quality, finance

Table 4.14 shows what the owner wants to achieve in their business; in order of frequency across the seven cases, the owners in Malay small family businesses are seeking:

- 5. Business
- 4. Business growth  
Build family business
- 3. Family
- 1. Lifestyle  
Quality  
Finance

The results from this question can be interpreted in at least two ways. Firstly, of the seven categories, four items relate directly to growing the business (viz., business, business growth, quality and finance). Owners want their business to be successful, different from

that of other competitors, develop expert employees able to produce a quality product, build new facilities/buildings and improve their skill in business. In addition, three items relate to family outcomes (viz., build family business, family and lifestyle). Owners want family members to be working together and their children to work in the family business; i.e., the business is fundamental to the lifestyle of the owner's family.

The second way to interpret the results is to interpret the five 'business' items as indicating the owner wants to maintain the business as it is whereas 'business growth' and 'build family business' can be combined to total eight responses about the concept of 'growth'; growing the business would become, then, the most important category of response. For example, the owners want something different for their business. For the service business, they want the business to look unique compared with other competitors whereas, for the food processing, the concern about the quality product. Also, the owner aims to build the family business and growing the business. The other major aspect of the results is where owners have an expectation for family matters to change; e.g., they want family members interested and involved in the business with appropriate outcomes of lifestyle, quality and finance. The owner has a preferred lifestyle that they want to achieve and the quality of their products must be improved to get customer acceptance and loyalty to provide the financial outcomes needed for the family.

**Question 6: Do you want the business remain in the family?**

**Table 4.15: Business remain in the family**

Case	Tags	Links	No. and Categories
1	3	3	[2]: Family, undecided
2	3	1	[1]: Family
3	2	1	[1]: Family
4	2	2	[2]: Family, independent
5	3	1	[1]: Family
6	5	1	[1]: Family
7	4	2	[1]: Family

Table 4.15 shows what owners prefer in relation to the long term future of their business; the unanimous response is that, in all seven cases, the owner wants the business to remain in the family rather than be sold to non-family interests. In two cases, the owner has indicated some uncertainty about whether or not their preference can be achieved. In Case 1, despite the aim of building an on-going family business, the owner felt that he doesn't know whether a family member will operate it as a family business or sole entrepreneur after he passes away; cross-check analysis showed that his first son is starting to build his own business. In Case 4, the owner wants her daughters to be in the family business, but her son has started up his own business.

**Question 7: What decisions have you made related to business growth?**

Table 4.16 shows what types of decisions related to business growth are made by owners; in order of frequency of categories across the seven cases, the owners in Malay small family businesses make decisions regarding;

- 5. Finance
- Employment
- Marketing

- 4. Family
  - Customer service
- 3. Products
- 2. Ownership
  - Roles
- 1. Diversity
  - Networking
  - Competitors
  - Machines
  - Production
  - Advertisements
  - Business law
  - Human resources
  - Business certificate
  - Buildings
  - Investments

**Table 4.16: Decisions made related to business growth**

Case	Tags	Links	No. and Categories
1	15	12	[9]: Diversity, finance, ownership, family, employment, networking, marketing, competitor, customer service
2	9	7	[7]: Family, product, machine, production, marketing, employment, advertisement
3	6	4	[4]: Employment, business law, human resource, customer service
4	13	7	[5]: Roles, product, certificate, customer service, finance
5	11	6	[5]: Finance, Roles, products, marketing, building
6	8	5	[4]: Employment, family, marketing, finance
7	12	7	[7]: Family, finance, ownership, employment, investment, customer service, marketing

The finance, employment and marketing areas cover the three main areas where owners make decisions related to business growth in Malay small family businesses. Decisions about finance are important because they are related to the sustainability of the business, the number of workers employed and the expansion and penetration of the market.

Normally, the owner is able to employ more workers once more income has been generated and the market expands.

Family and customer service issues rate highly as the next most important decision areas; Malay small family business owners are concerned about their family and the services to customers while making decision to grow their business and family factors have an affect on decisions about business growth. Decisions related to products are critical in terms of the quality of business outcomes as a basis for growing their business. At the next level, as the business grows, organisation charts appear and each family member has a role to play. Normally, if the business is still small, the owner will play multiple roles by themselves but as the business grows, each family member takes a role in the development of the business. Lastly, there are eleven specific variables that emerged from the interviews as being typical of the areas of decision-making required in growing the business.

**Question 8: Which agencies influenced your decisions related to business growth?**

**Table 4.17: Agencies influence owner’s decisions related to business growth**

Case	Tags	Links	No. and Categories
1	1	1	[1]: MARA
2	9	5	[5]: MARA, MECD, RISDA, TV3, Youth Body
3	7	2	[2]: Petronas, MARA
4	1	1	[1]: MARA
5	2	2	[2]: Board of National Pineapple, DOA
6	3	3	[3]: DOA, Selangor state, Agrobank
7	5	3	[3]: DO, DOA, MYR

The Malay small family business owners participating in this study were able to get loans from a number of sources. In order of frequency of support across the seven cases, the relevant agencies were;

4. MARA
3. DOA
1. MECD  
RISDA  
TV 3  
Youth Body  
Petronas  
Board of National Pineapple  
Selangor State  
Agrobank  
DO  
MYR

There are 12 different agencies reported in response to the support theme question. The first one is The Council of Trust for Indigenous People or *Majlis Amanah Rakyat* (MARA) agency that provides loans, booths or shops from which to market the products as well as training and exhibitions for the Malay entrepreneurs. MARA agency provides the business facilities mainly for Malays. MARA loans provide the cheapest interest for the Malay entrepreneurs, and much cheaper than interest rates offered by banks. This agency is the main place for Malay small family businesses to get finance for growing their business. The Department of Agriculture (DOA) agency focusses on the rural and agriculture communities. They provide machines and equipment, and build small factories beside the entrepreneur's house. Also, DOA provides the marketing place for the entrepreneur. All rural entrepreneurs have a place to market their product at 'Pasar Tani'.

There is a range of other support agencies that help the Malay small family business grow their business; they provide both facilities and advice. For example, the Ministry of

Entrepreneur and Cooperative Development (MECD) is the agency that provides exhibitions for entrepreneurs. During the exhibition, Malay small family business has an opportunity to build networks with other entrepreneurs. The Rubber Industry Smallholders Development Authority (RISDA) provides grants for the RISDA members to start up and develop the business. TV3 is one of the popular television stations in Malaysia that promotes Malay products. Most of the support agencies identified in this study as being connected to the Malay small family business are a government agency. The agencies influence the Malay small family business in decisions related to business growth.

**Question 9: How the family members involved in business growth decisions?**

**Table 4.18: Family members involved in business growth decisions**

Case	Tags	Links	No. and Categories
1	3	2	[2]:Extended family discussion, personal decision
2	9	3	[3]:Family discussion, personal decision, family support
3	26	5	[5]: Joint decision, family discussion, personal decision, family support, extended family discussion
4	5	2	[2]: Family discussion, personal decision
5	3	1	[1]: Family discussion
6	10	3	[3]:Family discussion, personal decision, family support
7	13	5	[3]: Personal decision, family discussion, family support

Table 4.18 shows participants’ responses regarding how family members are involved in decisions related to business growth. In order of frequency across the seven cases, the answers were;

- 6. Personal decision
  - Family discussion
- 4. Family support
- 2. Extended family discussion

## 1. Joint decision

Family discussion and personal decision are the two important factors related to how family members are involved in decisions on business growth. An issue for further examination is whether the personal decision is taken independently of the family discussion or is determined by the outcome of that discussion. Similarly, while family support is a useful aspect of decision-making when family members support the information gathering, encourage the reaching of a decision point and identify financial opportunities, the extended family discussion emerges as an interesting finding. On one hand, two cases involving discussion with parents and siblings before the decision was made on whether or not to grow the business suggest family support can be closely connected with family discussion. On the other hand, ‘extended family discussion’ can be linked to ‘family support’ and ‘family discussion’, whereas it may simply lead to the owner making a ‘personal decision’; ‘extended family discussion’ suggests a strong degree of cohesiveness between the business owner, family members and their relatives. Case 3 indicated that joint decision-making following family discussion was more important than personal decision-making.

### **Question 10: What are the advantage making decisions in the family business?**

**Table 4.19: The advantage of making decisions in family business**

Case	Tags	Links	No. and Categories
1	2	2	[1]: Authority
2	6	3	[3]: Authority, family support, family discussion
3	8	2	[2]: Family discussion, family support.
4	9	4	[3]: Family discussion, authority, family support
5	4	2	[2]: Family discussion, family support
6	9	3	[2]: Authority, family discussion
7	4	3	[2]: Family discussion, family support.

Table 4.19 shows participants' opinions as to the advantages of making decisions in a family business. In order of frequency across the seven cases, the answers were;

6. Family discussion

5. Family support

4. Authority

The major response was that the opportunity for 'family discussion' was the greatest advantage in making decisions in family businesses. By the owner and family members having a discussion it is likely that a wider variety of options is considered than if one person alone made the decision without discussion; the family discussion may be seen as a form of 360° feedback. With 'family support' being the second most important response, it is evident that family consensus on decision-making is valued. Finally, the third advantage of 'authority' suggests that, in some family businesses, the right of the owner or family elder to make the decisions for the family remains a possibility.

The Malay small family business giving a higher rank to 'family discussion' and 'family support' than to 'authority' is different to decision making in other Asian countries where the owner has authority to make personal decisions in the family business. The family discussion is important to get information to, and suggestions from, family members. It is a place for the owner to explain and talk about business management to family members. For those owners who are dominant, they may well make a decision by themselves after

the discussion, whereas a more democratic owner will not take for granted the information they have from the family discussion.

#### **4.4 Results and extant literature**

The section on results vis-à-vis extant literature on the research topic is used to explain similarities and differences; i.e., a number of the current findings support the past literature, but also there are some variations to previous literature because of the culture and religious factors in Malay family small businesses. In addition, there are a new findings that have emerged in the current study.

First and foremost, the current research supports the established view that the business owner makes personal decisions in the family business. This finding supports the Asian and Western small family business literature which reports that the owner in small family businesses make their own decisions and use an autocratic style of decision-making (Wall, Preston & Zhang, 2009; Kozan, Oksoy & Ozsoy, 2006; Feltham, Feltham & Barnett, 2005; Yeung, 2000). In the current study, Malay small family business owners reported making personal decisions about business matters; however, family discussion was reported as an important element in Malay small family business *before* the owner made their personal decision related to business. The importance of family was reported to be influenced by the culture and Islamic religion, where cohesiveness and discussion with family members, especially with the elderly, is essential. Ali, Taqi and Krishnan (1997) mentioned this decision-making style as a pseudo-participative.

Secondly, Malay small business owners reported a strong intention to build the family business and have it remain in family control. This result is related to the family business definition created by Chua, Chrisman, and Sharma (1999) which highlights the business owners' motivation to pursue the vision of the business in the context of it being managed by members of the single family. Owners of Malay small family businesses in Selangor plan to have their children inherit the business; usually a succession plan is used to ensure that the Malay small family business is sustained into the next generation.

In the current study, owners were found to be middle aged and the children who are involved full-time in the business were aged less 30 years. Owners strongly influenced other family members to be involved in the business and expected them to share in the operation of the business. The finding show that the Malay small family business development model for Cases 4, 5, 6 and 7 are at a 'working together' stage, Case 1 and 2 are in the 'entering the business' stage and Case 3 is in the 'young business family' stage.

Results related to ownership succession to retain the business in the family is similar to values of Chinese business owners. Generally, in Chinese small family businesses the intention is that a family member will inherit the business; the first son is seen as the successor who will inherit the family business (Wall, Preston & Zhang, 2009). However, in Malay small family businesses, the successor is not always the eldest child; owners reported that they chose the child that they felt comfortable working with or who has a common interest with them.

This finding also relates to transition ideology about working as a self-employed person; owners invited their children into the business when they saw the business had sufficient potential to develop. They influence their children to be involved in their business. Some children had a tertiary education, but were reluctant to work with the government or in a private company. They decided to be self-employed and work with their parents who supported and instructed them in the family business. In Case 1, the owner had the first son in the business because he felt that working together with his first son was better. Conversely, Case 4 didn't want her first son working in her business and let him find a new business venture of his own; she mentioned that she felt there were difficulties about working with her first son. In Case 3 and Case 4, owners preferred their daughter to inherit their business rather than their son.

Thirdly, the current finding supports the ideas of Premaratne (2001) and Sarder, Ghosh and Rosa (1997) that third development countries need support agencies to preserve and encourage growth of small family businesses. In the current research, it was found that a variety of government agencies support Malay small family business growth; viz., Government agencies provide loans, facilities, training and advice to the Malay small family business.

On the other hand, findings in this study differ from those in previous literature. Past literature shows that the decisions such as networking and human resources are important variables when studying business growth. However, in the current study the important

decisions related to business growth were reported as being finance, employment and marketing.

Past literature mentions that the small family business owner is a decision maker and, in Asian countries, the decision-making style is an autocratic. The current findings illustrated that the Malay small family business owner is a decision-maker, but the decision-making style is more democratic. The Malay small family business owner will discuss issues with family members and get a range of information before making personal decisions. Family members also reported discussing issues with the owner before decisions were made. Although, the business owner usually is a parent, they do hold discussions with family members before making personal decisions.

In summary, there are several similarities and differences between current research findings and the review of extant literature in Chapter 2. Consequently, the current research has explored existing knowledge and found new knowledge about ownership behaviours in small family businesses and how decisions are made to effect business growth.

## 4.5 Results and the research questions

The findings in the current study answered the research questions and have been explained in this sub-chapter. The main research question was:

**How are business and family-related decisions about business growth actually made and implemented in various types of Malay small family businesses in Selangor, Malaysia?**

Before answering the main research question, the researcher identified, collated and explained answers to the four minor research questions below:

### **1. What decisions are made in Malay small family business that relate to business growth?**

Generally, extant literature has noted that business growth is related to entrepreneurial characteristics, finance and networking. On the other hand, in the current research it was found that most important decisions related to business growth were about finance, employment and marketing; thus, entrepreneurial characteristics and networking were less important for the MSFB sample.

In the Malay small family business, concerns about finance are critical because the income generated from the family business is the main source of expenditure; both for business enlargement *and* the family. Finance influences the owner's decisions to expand their business, to employ skilled workers and enlarge the market. Some Malay small family businesses in this study had owners prepared to be involved in moderately risky

operations and felt delighted to invest in business by using their own and family member funds.

Employment also requires important decisions when the business is growing. The Malay small family business involved in food processing needed to employ highly skilled workers to produce quality food even though they had a machine to produce large quantities of food. Malay small family business owners like to control the quality of their product and those in the services sector need to employ workers that can be trusted and interested in business. Often, family members were employed and shared in the management of the business with the owner. This shared responsibility is based on trust factors and co-operation between family members to realise the family business goals.

Marketing emerged as an important decision factor when owners are growing their business. Issues such as the best place to market products, who is involved in market place selling and which family member is best to find and meet new customers are regular decisions to be made in the Malay small family business.

In addition to finance, employment and marketing issues, the next most common group of decisions relates to family and customer services. Family is vital for owners to succeed in business because their family provides emotional and financial support. MSFB owners reported finding it difficult to balance the business and still keep their family together while the business was in a growth stage. As Olson et al. (2003) mention, small family businesses require sustainability between the family and the business. Customer service

decisions also are imperative for business growth; to keep customers attracted to the business products or services. As competition increases and the local market remains small to moderate, customer service is a main promotional activity for owners to fully grow their business.

A third level of decision-making related to business growth is that of product development and quality. Business owners want customers attracted to the business and developing a loyalty to their products. For example, in food processing, highly skilled workers are needed to produce quality products to attract customers and increase sales and business income. The family business that produces cosmetic products imports raw material from Sweden and bottles it in Malaysia with their own brand names; the product is imported from Sweden because of the quality of the product.

A fourth level of decision-making is about ownership and employee roles. Owners register their company when their business is growing; growth evidenced by statements such as 'customer finds their products', 'customer demands' and 'add employees'. Ownership is important to show how one belongs to the business and roles are related to show how the owner and family members are committed to pursue the family business goals.

The final level of decision-making relates to networking and human resource decisions as important variables when studying business growth. Decisions on diversifying the

business also are related to business growth; diversifying the business is undertaken because the owner/family wants to get more income and self-satisfaction.

In summary, major decisions made by the Malay small family business about business growth involve finance, employment and marketing factors, of which finance is reported as being central.

## **2. To what extent are family members involved in business growth decisions?**

Responses to this question added new knowledge to the decision-making in small family business studies. Commonly, previous literature reported that owners of small family businesses were authoritarian in their decision-making, but the current findings showed that a family discussion often occurs before the owner makes the decisions. This means that family members have a chance to contribute their ideas, interact in talking about the business and present their own views during the discussion. In some current research cases, business was discussed with the extended family; such as the owner's parents, siblings and relatives, as well as their own children. Although many Malay people obey their parents and listen with respect to the elderly, times are changing, so it is of interest that the elderly still have the opportunity to contribute to the decisions of the business owner. When arguments occur between owners and family members, they are claimed evidence that the family discussion is a positive feature in ensuring the best decisions are made to ensure the business continues successfully.

### **3. Does the support agency have a significant affect on decision-making about business growth in Malay small family businesses?**

The answer to this question is strongly positive. Malay small family businesses have continuing support from government agencies such as MARA, DOA and MECD. Most current research cases were closely aligned with one or two government agencies that help them grow the business by providing loans and business facilities. In some cases, owners received guidance and advice from several support agencies. All agencies identified by business owners in the study influenced their making of decisions about business growth.

Consequently, owners reported that networking with the support agencies was an important aspect of business growth. For instance, the Case 2 owner networked with a popular television station in Malaysia to increase opportunities to promote the business' products in the television media. The result was that the business and its products recognized by a large customer base throughout Malaysia. In Case 6, the owner was selected for a business model in an Agrobank advertisement; she was selected as one of nine successful agribusiness entrepreneurs in Selangor. Similarly, she was very proactive in building networks with DOA, Selangor State Government and Agrobank. Thus, she was very positive about her business and used a wide variety of networks with support agencies to get advice on how to grow the business.

Other networking between businesses has been created by the MECD and DOA. They operate business exhibitions and encourage the Malay small family business owners to

join and meet other business people. It is noted that networking is important because it is related to the extension of business marketing. In this regard, Malay small family business networking is a relatively new phenomenon compared with that in Chinese small family businesses where networking is very strong, dominates the economic and business worlds and has existed for a long period of time. In summary, support agencies have a significant affect on decision-making about business growth in Malay small family businesses.

#### **4. What family member values underpin Malay small family business growth decisions?**

The main family member values that underpin Malay small family business growth decisions are commitment and common interest; these mean that cohesiveness among family members makes the family business stronger. Commitment from each family member involved in operating the family business is needed to ensure the business runs smoothly and continues to grow. In several current research cases, family members were strongly committed to operating the business, whereas in some of them the children of the owner were not interested in joining the family business. Nevertheless, some children who were not interested in joining the family business still helped market and advertise products at their workplace, especially during festival celebrations; in this way, they provided a supportive commitment to the family business.

Having common interests between the owner and family members is an important value for those in a Malay small family business. In Case 2, for example, the owner mother and

her third daughter had a common interest in the chocolate business; the daughter quitting a bank job in Kuala Lumpur because of her interest in the chocolate business. In the family business, she acts as marketing director while her mother oversees the production section. Both women have creative ideas on how to produce quality chocolate and package it attractively for customers. Despite occasional arguments between mother and daughter, their common interest in the chocolate business encourages them to collaborate.

The second level of Malay small family business values relates to co-operation. Family members really cooperate in the family business project and specifically state they are working as a team. If one person cannot manage the task, or is unable to complete the job, other family members help out until the task is completed. Co-operation is truly valued in Malay family culture, and is a value adapted into Malay small family businesses.

Finance is linked to family values in Malay small family business. The owner and family members are dedicated to the business because they want to generate family income. Income from the business is used to change their family lifestyle, for the children's education and for self-satisfaction.

In conclusion, the highest values underpinning Malay small family business are those of commitment and common interest. These were followed by the value of cooperation. Then, finance and family were the third level of values underpinning MSFB.

**5. How are business and family-related decisions about business growth actually made and implemented in various types of Malay small family businesses in Selangor, Malaysia?**

In returning to the major research question of the study, it is apparent that the owner of a Malay small family business is a primary decision maker for business growth. Owners make their personal decisions about the business, but often there is a family discussion before the owner finally makes the decisions. Family members' involvement in the decision-making process before the final decision is made by the owner is important because the owner is able to consider the ideas, information and support from their family before the decision is made. This finding contributes a new knowledge as to how actual decisions are made and implemented in Malay small family businesses.

Extended family discussions are involved as part of the decision-making process. For instance, in Case 1 the owner discussed issues with his parents and followed his mother's advice when he wanted to buy land for a resort. His parents influenced his decision-making process; this fits with the Malay culture which values the parents' opinion as blessing for them. In Case 3, the owner discussed business issues with his wife though, for serious business problems, he preferred to discuss them with a brother who was older and had greater experience in business. These examples illustrate the variety of business discussions held with family and extended family members before decisions are made.

Finally, financial aspects of business are a crucial element when the Malay small family business owners make decisions. The current study has shown that, in the Malay small family business, decisions about business growth are based largely on finance conditions.

Nevertheless, the elderly, government agencies, friends and family members all contribute to the Malay small family business owner in making decisions about business growth.

## **4.6 Results and the research outcomes model**

As a result of the current research, a model of decision-making for business growth in a Malay small family business has been developed. The study began with a general model (Figure 2.1 in Chapter 2), derived from extant literature on the topic of decision-making in small family businesses. In the new, up-to-date research outcomes model (ROM) four major considerations are linked to decision-making for small family business growth; viz., **personal goals, shared goals, networking** and **decision-making**.

However, the outcomes of the current research have demonstrated that there are details and specific indicators relevant for each of the four basic considerations. Explanations of the specific details have been discussed in this sub-chapter. In effect, the ROM has been constructed to illustrate that the four main considerations lead to a total of ten patterns that have emerged from the analysis of the current study; e.g., ‘personal goals’ and ‘shared goals’ each comprise of one pattern, ‘networking’ is comprised of two patterns and ‘decision-making’ consists of six patterns (Figure 4.1).

The **personal goals** factor has nine specific items; ‘family’ and ‘lifestyle’ relate directly to the social aspects of persons in small family businesses, whereas ‘finance’, ‘employment’, ‘products’, ‘customer’ and ‘reduce risk’ are closely allied to aspects of the

business. Goals related to ‘decision-making’ and ‘commitment’ were noted as relevant to both family and business! The main personal goal for ensuring business growth was decision-making. Although personal decision-making by the business owner was accepted as a necessity for ensuring business growth, it was usual for the owner to hold discussions with family members before the final decision was made. The power to make decisions for business growth was important for the owner.

In the **shared goals** factor, five specific items were identified, all of which were important for family and business reasons; viz., commitment, common interest, co-operative behaviour, finance and family. Mostly, members of the Malay small family businesses in this study were in a ‘working together’ stage (Gersick, 1997) whereby the commitment from family members was crucial and common interests between owner and family members were needed to sustain and ensure business growth.

In the **networking** factor, two major patterns emerged; one related directly to internal family aspects and the other to external agency support for the business. External networks with government agencies such as MARA, DOA and MECD were mentioned frequently, with a wide variety of other agencies used by individual business owners. Malay small family businesses use the support from agencies to build up their networking with businessmen and customers as well as to provide finance for business growth. At the time of data collection in the current study, the MARA agency provided entrepreneurial assistance through links to the Ministry of Entrepreneur and Corporate Development; it also has links with the Ministry of Rural Development.

Internal networking encourages and supports family member involvement in business. In general, extant literature has noted that family members provide emotional and financial support for small family businesses. However, in the current study, the items related specifically to using family networking to help the business grow were personal decisions, family discussions, family support, extended family discussions and joint discussions.

The final factor in small family business growth was that of **decision-making**. Six different patterns of information emerged from the interviews with the participants of the study; viz. 'decisions', 'owner decisions', 'change', 'business growth decisions', 'ownership' and 'advantages'.

The first pattern in decision-making relates to the manner in which decisions are actually made in Malay small family businesses. In the current research it was determined that there was a strong preference for personal decisions. The owner and family members have the power to make decisions, but tend to have a family discussion about issues before the final decision is made. Financial decisions are held to be critical and in small family businesses there is a tendency to avoid taking a high risk; i.e., owners feel most comfortable with moderate risk when they are deciding about business growth. The opinion and advice of family elders are valued, with participants from several cases mentioning that they are obedient to their parent's word. In addition, government agencies and friends have an influence on Malay small family business decision-making.

A second pattern in decision-making concerned the decision-making role of the business owner. Owners preferred to make personal decisions about the business, but they use information-seeking strategies based on family-member input. Similarly, owners are concerned about customer needs when they consider making decisions. Advisors, government, relatives and friends, are used for providing relevant information. Finally, group discussions are used prior to the final decision being effected.

A third pattern in decision-making for business growth is about ownership. In most cases, Malay small family business owners want to keep the business within the family. Owners want their children to take over the business and continue it as a family business. One owner mentioned being unsure whether his children would work together and keep the business in the family after he died; however, at the moment he was wholly in control of the business and family members must listen to him. Another owner thinks that the first son should not work in her business; her preference was that he venture into a new business and leave the business to his sibling sisters.

A fourth pattern in decision-making for business growth was concerned with the topic of change; owners wanted the business to be more exceptional and competent in the market. In addition, they planned to diversify the business or operate new business branches. Because the Malay small family business was started up by the owner, they tended to influence their family members to be involved in the business. Often the business was started to build and grow a family business in order to change the family and the family's

lifestyle by means of establishing a comfortable and wealthy life. Finally, the quality of the business products and the stability of finance are issues that lead to change decisions.

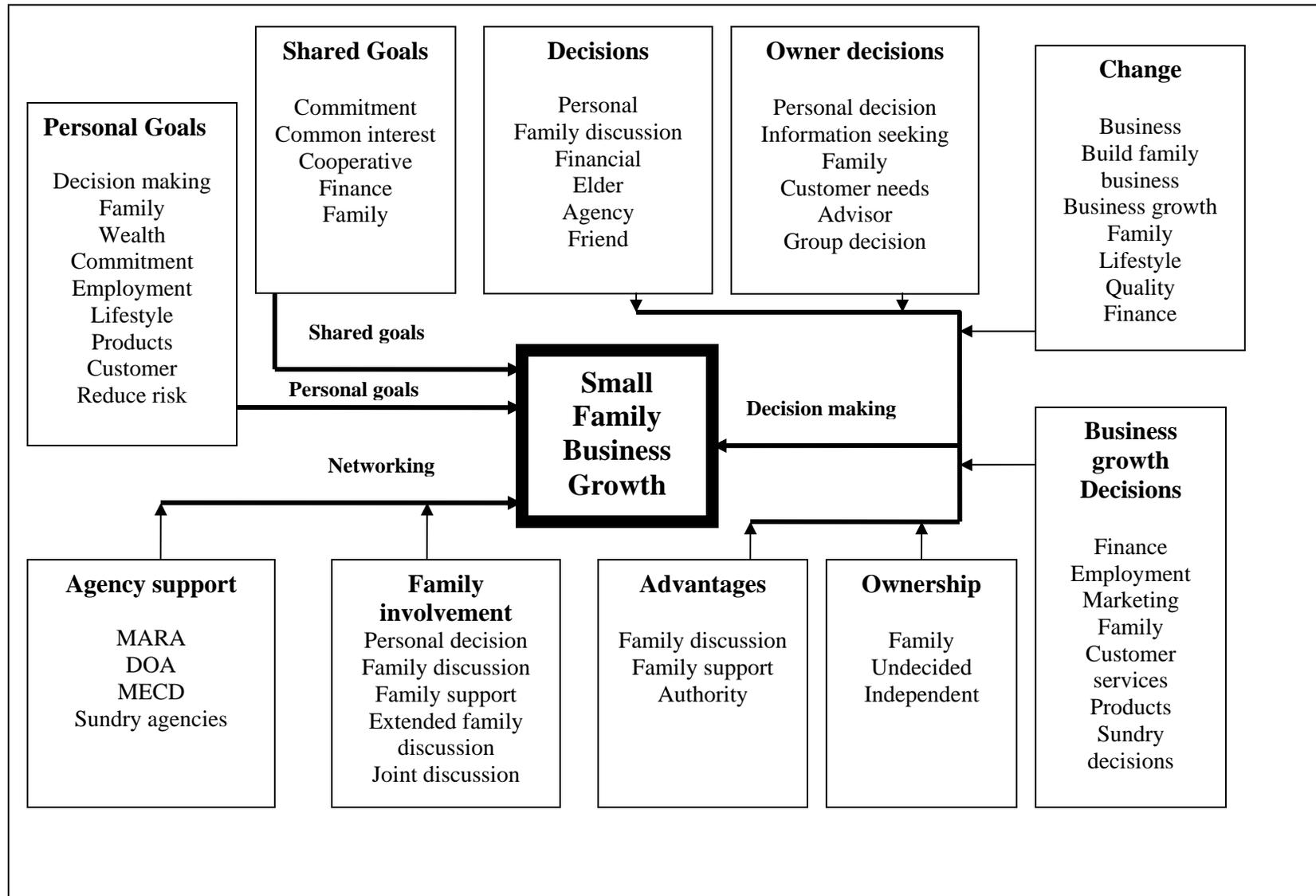
The fifth pattern of appropriate decision-making relates to business growth. As shown in Sub-chapter 4.6, finance, employment and marketing are main decision topics for business growth; followed by family and customer services. In Malay small family businesses, the family has a substantial influence on business growth decisions, as does consideration of customer services. Similarly, improvement of product quality and the variety of products were relevance to business growth decisions. Ownership of the business and the roles of family members are more structured when the business is growing; thus, in the study owners tended to diversify their business to generate more income and self-satisfaction.

All Malay small family businesses in the current study used networking techniques to link with government agencies. Mostly, they preferred to use finance from the MARA agency rather than a private finance company because its interest rate is lower. Family members also provide financial assistance, but in a small amounts. Decisions about competitors are important because the local market is quite small whereas there are too many entrepreneurs in the same business; thus, business owners need to be creative to attract customers and develop customer loyalty to the business. There are several other sundry decision issues about business growth identified in the research; e.g., machines, production, advertisements, business law, human resources, business certificate, buildings and investments.

A sixth pattern in decision-making for business growth concerns the understanding of the advantages of decision-making in family businesses. Family discussion was identified as the most important advantage to accrue from decision-making; even though owners prefer to make personal decisions, the family discussion is important for them to collect ideas and information by listening to what family members consider about business matters. Respondents also noted that family support provides advantages. Similarly, financial influences are important for small family businesses, so family support is important in terms of finance and advice. Nevertheless, the ‘authority’ of the owner is considered by owners to be an advantage.

Figure 4.1, below, illustrates the Research Outcome model (ROM) consisting of various items included in the ten patterns which emerged from the data analyses.

**Figure 4.1: Research Outcome Model**



## **4.7 Chapter summary**

In the results chapter, collected data have been reported, analysed and discussed. From the discussion, it was established that decision-making in Malay small family businesses is based on more democratic strategies than suggested by previous research. Even though the owner, as a leader in the business, plays an important role as a decision-maker, the widespread use of discussions with family members is an important precursor of the decision-making process. The involvement of family members in decision-making was reported as contributing to, and influencing, the owner's decision to grow the family business. Even though family discussions tend to operate as informal meetings, they provide an opportunity for family members to share ideas and information as well as make suggestions before the owner makes the final decisions. It is relevant that when there are arguments between owner and a family member, the disagreement is considered to benefit the business. Thus, both family and business are important concerns which underlie decisions in Malay small family business decisions.

Finally, the current study has made an original contribution to understanding of small family businesses by exploring the role of decision-making. A benefit of family member involvement in decision-making is that, in providing ideas and information for owners, the family member's commitment to the business is exercised.

Although the research findings cannot be generalized to all persons in small family businesses, the current investigation has resulted in the development of a research

outcomes model which adds credibility to exploratory research and can be used as a basis for further research.

In the next chapter, conclusions are drawn about the current study. Major implication of the research is discussed. Limitations of the research also are highlighted and recommendations for future study suggested.

## **CHAPTER 5**

# **CONCLUSIONS, IMPLICATIONS & RECOMMENDATIONS**

### **5.0 Introduction**

The current research was designed to provide rich insights about decision-making for business growth among Malay small family businesses in Selangor, Malaysia. In Chapter 4, the interview data was analysed by thematic analysis; a technique that lead from the identification of individual key words to the recognition of patterns in interview responses. The results of the research were discussed in relation to extant research in the small business discipline and the current study questions. A specific Research Outcomes Model was developed from the study results.

Chapter 5 is focussed on the main research conclusions and their implications, the limitations of the current research and, finally, recommendations for future research.

### **5.1 Conclusions about key findings**

The current study explored decision-making for business growth among Malay small family business in various types of business in Selangor Malaysia. Business and family related decision-making were identified as the two main issues connected to Malay small family business growth.

Findings show that the Malay small family business owner is the primary decision-maker for the business and the majority of the owners prefer to exercise an autocratic decision-making style. Most owners in the study mentioned that they made personal decisions based on a more democratic style. The use of family discussion groups appears to be in contrast to the Asian decision-making model that emphasises the authority of the head of the family (father) as a sole decision-maker.

The study adds knowledge as to how decisions for business growth actually are made and implemented in Malay small family businesses. First and foremost, it was determined that family discussion is required before the owner makes personal decisions; a finding that indicates the importance of family and extended family members as contributors to small family business growth.

To fulfil variables in decision-making for business growth such as employment, marketing, and family, financial aspects constitute one of the main decisions for business growth in the current research. Furthermore, financial conditions influence the making of decisions to evade investing or making loans on a large scale to support the expansion of the business. In some cases, owners preferred to invest more to enlarge the business and believed that would provide more profit and self-satisfaction.

In addition, finance was a category that appeared in personal goals and shared goals of owners and family members among Malay small family businesses; money from the business was considered fundamental to contribute for family expenditure and

transforming their family lifestyle. Finance was shown to be provided by family members and government agencies. Government agencies were the main recipients of networking because they provide substantial amounts of money with low interest rate in comparison to private finance companies. Family members are important in growing the business because they provide financial and business support as well as motivation support.

Findings indicated that the Malay small family business owners want to keep the business in their family by having their children participate in and inherit the business. The result shows the transformation ideology about working preferences among persons in Malay small family businesses. Generally, Malay parents prefer their child to work with the government sector and not encourage their child to be self-employed or work in a private business. Furthermore, extant literature shows that children with a higher education level tend to work as professionals rather than in the business world; a result with useful information owners of Malay small family business.

The key findings from the current research have demonstrated detailed, in-depth information gathered from the qualitative case study. There are several implications and contributions for theory development, policy and practices, as follow.

## **5.2 Implications for the theory**

In-depth decision-making in small family business has not been studied previously; largely, decision-making in small family businesses has been researched using quantitative methodology. Therefore, the objective of the current research was to

undertake qualitative research about decisions made for business growth among various types of Malay small family businesses in Selangor, Malaysia. As an exploratory study, the findings have added knowledge related to the decisions made in small family business in terms of how this lead to business growth.

The study has added knowledge on how decision-making in small family businesses occurs. Generally, the owner of a small family business has sole power in making decisions in all business management tasks. However, in the small family business cases studied, there was no clear border between family and business issues and the strength of the opportunity for family members to contribute to the owner's decision-making has not been recognised previously.

The research findings have implications for a range of persons interested in small family business and decision-making for growth; academics, government officers and small family business members, in Malaysia specifically and worldwide generally, are interested in knowledge and information about the family business growth and sustainability.

Furthermore, the study is a useful reference for government officers responsible for the small family business development; it demonstrates effective ways to increase the ability of small family business and the share responsibility between owners and family members in Malay small family business. In addition, the knowledge from the current

study indicates how government officers and the small family business advisors pay attention to and manage business administrative problems during business growth stages.

The original development of a family small business decision-making model (ROM) is valuable for the work of social science and business academics and government agency personnel; the research outcomes model can be used for further research. In addition, information derived from the data collected in the study is available for comparison with data from other Asian countries or third-world countries. It is also valuable to compare the decision-making practices between Malay small family businesses and the Western small family businesses. It is important to distinguish the benefits of the decision making practices related to business growth in each culture to ensure the sustainability of the small family business until the next generation and enlarge family businesses.

### **5.3 Implications for policy and practice**

#### **5.3.1 Government agencies**

The current findings demonstrate that all Malay small family business owners develop networking with government agencies, which means government support is needed as a useful engine for the Malay small family business growth; primarily as the main source for getting loans and facilities in the process of growing their business.

Malays are good producers, but have fewer opportunities to market their products compared to other races in Malaysia; they lack marketing skills and depend on a limited market. The Ministry of Entrepreneurial and Corporate Development, and the Ministry of

Agriculture progressively have exposed Malay small family business owners to market strategies in certain places and promote them to be involved in exhibitions to develop business networking with other businessmen and new customers.

The current study has provided understanding of decision-making for business growth among Malay small family business. The government agencies need to understand how the business owner acts as a decision-maker for business growth. However, family members are a main influence on them in making decisions related to business growth; owners have a family discussion before the final decision is made by the owner of the business. It is recommended that government officers give time for the owner to discuss their business development plan with family members before decisions are made. Furthermore, it is a good start for the government officers to interview the owner and one of the family members during 'grants' applications; the research data indicated it is important to get information about the family's business values.

In addition, the decision-making training and communications experience are crucial for the owner as well as for family members. It is important to educate the whole family to share knowledge about the challenges in developing the Malay small family business. Some Malay small family business persons prefer to make autocratic decisions. There are advantages and disadvantages for the small family business owners who apply this style. The advantage is the business is fully controlled by one person; the disadvantage is that family members feel tense and uncomfortable working with this situation. Even though family discussions are held, the owner is very dominant in the family. Training can help

the owner and family members to realise the importance of knowing and using several decision-making styles.

Financial interests strongly influence the owner when decision-making for business growth. Generally, the Malay small family has a financial source from its social networking; e.g., from family members, extended family members and friends. However, it is a limited source from which to obtain large amounts of, or long-term, finance; a factor which can limit decisions related to business growth. Government agencies often have a supply of financial sources to distribute to the Malay family that has potential to grow its small business and can assist the business achieve its visions for growth. Also, special interest rates and agreements designed for Malay small family businesses assist families expand from a small scale operation to one of medium or large size.

In the current study, only one case had applied to a bank for a loan; e.g., the Selangor State Government provided the food processing factory for her to grow the business and she was advised to apply for a financial loan from the Agrobank. The other six cases applied for loans from MARA and other government agencies; some had received loans from MARA on several occasions because finance from government agencies is more readily available than bank loans.

In summary, the government increasingly has encouraged the Malay small family business owners to develop and enlarge their businesses and cooperation from private agencies and finance companies are important means for increasing the number of Malay small family businesses. The government aim is to facilitate MSFB owners to enlarge

their business and be competitive with business owners of other races in Malaysia. By using the research results to clarify understanding of family small business decision-making, government officers and senior executives are better placed to improve policies and procedures of decision-making for business growth among Malay small family businesses.

### **5.3.2 Business owners and managers**

The identification of decision-making preferences and decision-making behaviours in Malay small family businesses is clarified and expanded in this thesis to assist the small business owners specifically, and their family members generally, to be more aware of appropriate techniques that can be used to achieve business growth. The interaction of the personal goals of the owner and the shared goals with their family members provides an understanding of the values that underpin Malay small family businesses.

Thus, decision-making for business growth among Malay small family business is a useful topic for training business owners and managers. The results of the current research provide a new perspective for them about how their competitors face and respond to the challenges of the growth process. In addition, information about the involvement of the owner and family members related to decision-making for business growth will help them appreciate the importance of each business team member.

The agencies provide external networking opportunities, and family members act as an internal network to enable owners to promote business growth; owners and managers are

able to utilise networks to sustain and develop their business. Thus, a strong relationship with the agencies and with family members is necessary for good decision-making to enlarge the business.

## **5.4 Limitations of the research**

Each case study in the current research is unique and idiosyncratic because research participants were selected from various types of business with different stages of family business development. Therefore, the making of generalisations from the study is not possible and this may be considered one of the limitations of the research. With only seven cases analysed, results need to be interpreted with some caution. Although Yin (2003) notes the limitations of case study research strategies, the exploratory research outcomes have been sufficient to enable a research outcomes model to be developed; one that can be used in further studies.

Another limitation for researchers is that cooperation from Malay small family business owners is very hard to obtain. In the current study, the researcher received collaboration from government officers in approaching owners in their business place. Once the Malay small family business owner met and discussed the study with the researcher, some of them continued to build a relationship by using email and telephone contact and developed an interest and enthusiasm for sharing their information and experiences. Without cooperation from appropriate government officers, it would be very difficult to undertake a face-to-face collection of data.

Being an exploratory study using a qualitative case study approach, the study is quite different from quantitative research. Firstly, the way the researcher designs the research questions is critical in the development of the study and a subsequent interview schedule. Secondly, small family business owners and their family members are not used to being involved in research and the researcher needed a number of specific interview strategies to keep participants focussed on the topic. Thirdly, it is challenging to analyse interview data comprising extensive pages of information; data extraction, reduction of ideas and pattern identification is time consuming. A fourth limitation of qualitative research was that respondents' answers were quite subjective and based on the participant's business circumstances; a limitation that could be resolved by further research using the ROM generated in the study.

## **5.5 Recommendations for future research**

Whilst the qualitative method and case study design create limitations in terms of generalisation, they do provide a detailed exploration of the decision-making for business growth issues as the basis for further research. Several extensions of the current study are suggested as likely possibilities for future research.

Current results, as outlined in the research outcomes model could be used to undertake a more extensive, quantitative study of the topic; e.g. a Likert-type scale survey instrument based on the ROM could be applied to a sample of MSFBs across the country.

A similar instrument could be used in several countries to enable a cross-cultural study of small family businesses to be undertaken, with similarities and differences determined and explained.

By using the ROM to develop a more focussed interview schedule and using a larger sample of MSFBs, a more substantial qualitative study could be undertaken.

Similarly, quantitative and qualitative studies could be undertaken on an 'industry' basis to determine whether differences occur within businesses that compete in the same industry for customers.

The range of the current study could be extended by adding to the number and range of research objectives; e.g., the topic of 'intuitive versus rational' decision-making is of interest to academics and discipline theorists, but requires further empirical study in small business environments.

In addition to comparable studies to confirm and/or generalise the current results, further studies on specific decision-making styles of MSFB owners is recommended.

Finally, future research could well be used to identify the issues involved in succession planning in small businesses; issues such as a child's level of education, birth position in the family and business experience may well provide better understanding of how owners promote growth in the small family business.

In conclusion, recommendations for future research in the small family business discipline are relevant to policy makers, academics, researchers, research students and business people themselves.

## **5.6 Thesis summary**

This thesis has made an original contribution to the Malay small family business literature by means of an exploratory study on decision-making for business growth. Although specific findings should not be generalized to the entire Malay small family business population, the investigation that took place in various types of Malay small family businesses has added credible information to the topic. The development of a research outcomes model on the topic has moved forward the body of knowledge about how decisions for growth are made in Malay small family businesses. In Malay small family business circumstances, the owner as the primary decision-maker often discusses issues with family members before individually making decisions. Furthermore, business and family factors are communicated to owners prior to decisions being made regarding business growth. Family discussions and support, then, are major advantages of making decisions in a family business; the result being that autocratic decision-making must be considered only in the light of recommendations made in family discussions.

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## **APPENDICES**

# Appendix 1

## Interview Plan/Schedule

### 1. Ice breaking with the owner/family member.

- \* Greetings
- \* Information about the objectives of the study - to determine how decisions are made about business growth among various types of Malay small family businesses (MSFB) in Selangor, Malaysia.

### 2. Interviewee to sign consent form.

- \* Information sheet (Appendix 2) & consent form (Appendix 3) are included.

### 3. Owner Questions

#### A. Individual & family background

- Age of family member
- Levels of education
- Children's marital status

#### B. Family business history

- Types of business
- Number of worker
- Capital
- Sales turnover
- Change in involvement of the family member
- Change in ownership structure

#### C. Goals

- i. What were your personal goals in the family business?
- ii. Do you think all family members shared these goals?
- iii. How were the decisions actually made in the family business?
- iv. What was your involvement in decision making?
- v. What do you want to see happen in your business, including your involvement in the business?
- vi. Do you want the business remain in the family?

#### D. Decisions about business growth

- i. What decisions have you made related to business growth?

- ii. Which agencies influenced your decisions related to business growth?
- iii. How the family members involved in business growth decisions?
- iv. What are the advantages made decision with family members?

#### **4. Family Member Questions**

##### **A. Personal background**

- Name
- Age
- Gender
- Marital status
- Number of children
- Level of education
- Position in family business
- Why involved in family business

##### **B. Goals**

- i. What were your personal goals in the family business?
- ii. Do you think all family members shared these goals?
- iii. How were the decisions actually made in the family business?
- iv. What was your involvement in decision making?
- v. What do you want to see happen in your business, including your involvement in the business?
- vi. Do you want the business remain in the family?

##### **C. Decisions about business growth**

- i. What decisions have you made related to business growth?
- ii. Which agencies influenced your decisions related to business growth?
- iii. How the family members involved in business growth decisions?
- iv. What are the advantages made decision with family members?

## Appendix 2

### Information Sheet for Case Study



My name is Askiah Binti Jamaluddin. Currently I am completing a study for a Higher Degree by Research in Management at Curtin University of Technology.

#### **Purpose of Research**

The purpose of the research is to analyze decisions made for business growth among various types of Malay small family businesses in Selangor, Malaysia. This will be achieved by investigating how decisions related to business growth are made in both the business and family dimensions. The aim in the case study is to access detailed information about the decision to grow the business in Malay small family business.

#### **Your role in the study**

I am interested in finding out how business and family-related decisions about business growth actually are made and implemented in various types of Malay small family businesses in Selangor, Malaysia. I will ask you about ownership, family and business characteristics; the involvement of family members and the influences of support agencies in decision-making about business growth and the family business. Interviewees must be aged 18 years and above. The interview process will take approximately 1 hour. The researcher will interview the owner and, after that, the owner is able to nominate one of the family members to be interviewed. The interview will take place in a business location. Individual interviews will be recorded. With your permission, the interview will be audio-taped and a business photograph taken. The researcher may re-visit, re-interview or contact you by telephone if further information is required.

#### **Consent to Participate**

Your involvement in the research is entirely voluntary. You have the right to withdraw at any stage without penalty or it affecting your rights or my responsibilities. When you have signed the consent form, I will assume that you have agreed to participate and allow me to use your data, confidentially, in this research.

### **Confidentiality**

The information you provide will be kept separate from your personal details, and only my supervisor will have access to this. The interview transcript will not have your name or any other identifying information on it and, in adherence to university policy, the interview tapes and transcribed information will be kept in a locked cabinet for five years before being destroyed.

### **Further Information**

The research study has been reviewed and given approval by Curtin University of Technology Human Research Ethics Committee (Approval No. 5NOV2008). If you would like further information about the study, please feel free to contact:

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**Thank you very much for your involvement in the research.**

**Your participation is greatly appreciated.**

## Appendix 3

### Consent Form for Interviews



#### Case Studies of Malay Small Family Businesses in Selangor, Malaysia

I \_\_\_\_\_ have read the information on the attached letter. Any questions I have asked have been answered to my satisfaction. I agree to participate in the research but understand that I can change my mind and withdraw at any time without penalty.

I understand that all information provided is treated as confidential.

I agree for this interview to be taped / recorded.

I agree that research gathered for this study may be published provided names or any other Information that may identify me is not used.

Name: \_\_\_\_\_ Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Investigator: \_\_\_\_\_ Signature: \_\_\_\_\_

Date: \_\_\_\_\_

