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Full Length Research Paper

Family factors and the creation of family businesses in developing countries: A case study of Iran's oil and textile industries

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The goal of this study is to examine the effect that family factors (family relationships, family goals, family resources, family vision, family size and family tensions) have on the creation of family businesses. Data were collected from mangers/owners of 160 industrial businesses (family and non-family businesses) in oil and textile sectors of Iran based on structured questionnaires. Collected data were analyzed through Z-Test and Mann-Whitney test (U-Test). The results show that family relationships, family goals, family resources and family vision are affective factors, but some factors such as family size and family disagreements are not affective to creation of family businesses. On the other hand, all these factors are not affective to creation of non-family businesses.

Key words: Iran, family business, business creation, family factors.

INTRODUCTION

The "Family" and "business" are two distinctive sub-systems of the society. If there is an obvious interaction between the dynamics of family and business, a combination of these two can cause the emergence of a new and unique system called "family business" (Dunemann and Barrett, 2004). Family businesses are considered as one of the most important factors in creating wealth and employment for workforce in all countries. They have a major role in growth and economic development of the countries. The share of total family companies, in Europe, is about 60 to 93 percent, and 95% in the United States and 65 percent in Central and South American. In addition, 40 to 60% of GDP in U.S belongs to these kinds of businesses (Astrachan et al., 2003).

Formation and growth of new companies is a complex process, and many factors are related to this process (Venter, 2002). These factors can be identified only through extensive research and related "new company" and new "founder (s). Gibb and Ritchie (1982) proposed that business startups can be understood as the situations people encounter and the social groups to which the new business founders relate. Since now few researchers have studied the effect of type and dynamics of the family on the fundamental process of entrepreneurship and too little research has been done in this regard. In other words, the fundamental role of families in the process of business creation and entrepreneurship literature has not been clearly determined (Aldrich and Cliff, 2003).

However, it is crucial to understand the entrepreneur's issues in the family and their role in the process of starting a new family business. The most important aim of this study is to determine whether factors like family relationships, family goals, family resources, family vision, family size and family tensions are effective on creating a family business or not? In this article, we try to describe the concept of family business, and the role of family and some of its factors affecting the creation process of this type of business.

EVOLUTIONARY NATURE OF FAMILY BUSINESS

Family and business are two complex social systems and when combined together make distinctive family business which is different from other businesses, with different degrees of overlap. The systems of both family and business can influence each other and this interaction

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Table 1. Structures of the family business relationships.

Structure (stages)	Initiated by	Relationship characterized by	Focus on relationship
I. Pre-family	Founding of business	Concentration of power in single individual	Survival, Succession
II. Family	Entry of relative of founder or sole owner/manager into management and/or ownership	Power dispersed among several individuals based on family connection	Resource acquisition
III. Adaptive family	Sale of stock to non-family members	Power based on management position and stock ownership	Performance
IV. Post-family	Liquidation of family stock holdings	Power based on ability to function in the new organization	Adjustments

Holland and Boulton (1984).

(Stafford et al., 1999). On the other hand, a social system of family business is composed of three sub-systems: the controlling family unit, the business entity and the individual family member. These three sub-systems can operate as circular feedback processes and affect each other (Habbershon et al., 2003).

Finding ways to describe the evolutionary complex life cycle patterns of family business is one of the fundamental challenges that researchers of family business field, have faced. Because that the governance of a family business in every position of organization life cycle should be regarded (Neuebauer and Lank, 1998). Recently, some researchers have provided some rational reasons and justifications for the existential philosophy of family business based on agency theory (Burkart et al., 2003) and the resource-based view of the firm (Habbershon et al., 2003; Sirmon and Hitt, 2003). Sirmon and Hitt (2003) used the resource-based view to describe that family businesses are family (as family business) in start-up stage and then the family involvement creates sources for competitive advantages and thus contributes to the success of family businesses. Whereas, Holland and Boulton (1984) claim that family firms start out as non-family firms and later develop to the family and eventually change to non family companies and end of their life. Also, they divide family businesses into four evolutionary stages: pre-family, family, adaptive Family and Post-family which are elaborated in Table 1.

Two models are proposed by Ward (1988, 1991) in order to promote better understanding of the current state of the family, the ownership of the business, and the business itself. Ward (1988) in his First model, as illustrated in Table 2, identified three different life cycles including the business life cycle, the organizational life cycle and the business owner's life cycle. He believed that diverse "forces" influence the way of the family business through various foreseeable patterns of growth and change. The forces are as follows:

(a) The nature of the business (type of product, its stage in the life cycle, competitive and market conditions.
(b) The character of the organization (size, complexity, speed of change).
(c) The motivation of the owner-manager (his or her major focus)
(d) Family financial expectations (the evolution of its needs)
(e) Family goals (its major focus)

Ward's (1988) model gives three stages of growth in the life cycle of a family business, namely: early, middle and late.

Ward (1991) also regards the evolution of the family business in terms of two different aspects: Ownership and Management. In Table 3 three stages are formulated, and the familiar evolutionary step approach is once again highlighted. Dominant shareholder and management issues are presented for each stage.

Another study, conducted by Dyer (1986), describes stages in the family business life cycle through a four-phase model. The four phases are: creating the business; growth and development; succession to the second generation; and public ownership and professional management.

LITERATURE REVIEW

Recently, structural changes of family system, including the family size and its nature, have changed the trends of new opportunities recognition and new ventures. Shrinking family size creates markets for new products and services (Solomon et al., 2002). On the other hand, shrinking family size may both facilitate and prevent entrepreneurial activities of young entrepreneurs and individuals who move to launch personal business. Those who are from smaller-sized families may consider to creation of new venture as a risk-less process. These individuals can easily create a new business because they have no commitment and responsibility of the finance charge for spouse, children, and/or aging parents. In addition they have few relatives in their have inadequate potential resources available from kin discussion networks that prevent them from accepting risks and responsibilities of new ventures (Aldrich and Cliff,

Table 2. Evoluationary stages of a family business.

	Stage I	Stage II	Stage III
Age of business (or business renewal)	0 - 5 years	10 - 20 years	20 - 30 years
Age of parents	25 - 35 years	40 - 50 years	55 - 70 years
Age of children	0 - 10 years	15 - 25 years	30 - 45 years
Challenges			
Nature of business	Rapidly growing and Demanding of time and money	Maturing	1. Needing strategic, 2. 'regeneration' and 3. reinvestment
Character of organizations	Small dynamic	Larger and more complex	Stagnant
Owner-Manager motivation	Committed to business success	Desires control and stability	1. Seeks new interests, or is semi-retired; 2. Next generation 3. seeks growth and change
Family financial expectations	Limited to basic need	More needs, including comfort education	Larger needs, including security and generosity
Family goals	Business success	Growth and development of children	Family harmony and unity

Source: Ward, 1988.

Table 3. Ownership and management Issues in the evolving family business.

Ownership Issues in the evolving family business		Management issues in the evolving family business	
Ownership stage	**Dominant shareholder issues**	**Management stage**	**Dominant management issues**
Stage one: the founder(s)	1. Leadership transition 2. Succession 3. Spouse insurance 4. Estate planning	Stage one: entrepreneurship	1. Survival 2. Growth
Stage two: the sibling partnership	1. Maintaining teamwork and harmony 2. Sustaining family ownership 3. Succession (also called the cousins' confederation)	Stage two: Proffesinalization	1. Adopting professional management systems 2. Revitalizing strategy
Stage three: the family dynasty	1. Allocation of corporate capital: dividends debt, and profit levels 2. Shareholder liquidity 3. Family tradition and culture 4. Family conflict resolution 5. Family participation and role 6. Family vision and mission 7. Family linkage with the business	Stage three: the holding company	1. Allocation of resources 2. Overseeing investment 3. Corporate culture 4. Succession and leadership 5. Performance of investment 6. Strategy 7. Shareholder relations

Source: Ward, 1991.

2003). Renzulli et al. (2000) indicate that individuals who live in smaller-sized families may perceive that they members, and thus decide not accept risks of starting their own businesses. Possibility of resource mobilization process, particularly securing human resources in smaller families is very difficult. Although, Aldrich et al. (1998) claim that family members are not a frequently used source of start-up funding, but other studies (Aldrich and

Waldinger, 1990) indicate that some ethnic communities such as families and kin members are the most important source of financial capital. Moreover, Steier and Greenwood (2000) noted that family members may not directly enter the financial sources in new ventures, but often they are an important source of indirect ties and relationships that make other individuals to inject resources into the business. If entrepreneurs are able draw on the network contacts of other family members, Family relationships and ties would often be considered as part of the process of mobilizing and providing resources (Brush et al., 2001). Furthermore, study of Heck and Trent (1999) on business-owning households indicates that family members are the most important sources of providing human resources.

One of the features of family businesses is the emotional involvement and ambivalence that causes expression of positive feelings, and even may creates loyalty and promotes trust among the family members. On the other hand, this can be a disadvantage if there is a lack of objectivity in communication, and if guilt complicate work interaction, and covert hostility develops (Venter, 2002). Factors such as effective communication accompany by high commitment to the family, Appreciation expressed within the family, A sense of spiritual wellness — a commitment within the family to achieving some purpose, The ability to cope with crises are the main dimensions of strong and successful families (Stinnett and DeFrain, 1985). Sometimes, financial and time pressures related to starting a new enterprise may become more important than the family issues, so that, the time that entrepreneur spends with his family will reduce and this may cause some problems to communicate with family members (Dyer, 1992).

Business managers to reduce unnecessary consumption of resources, increase synergy, and build relational resources should be manage conflicts between business members appropriately (Stevenson and Gumpert, 1985). Conflicts and tensions may appear in business goals, family relationships in business and business rules and procedures. Two types of conflict exist in the family business that should be effectively managed: (1) conflicts related to task or functional conflict (which consists of disagreement among organizational members about task content), and (2) conflicts related to relationship or dysfunctional conflict (including tension, animosity, annoyance and social and interpersonal incompabilities). Studies show that task conflicts are beneficial for team and organizational performance and increase the innovativeness and quality of decision makings (Murry, 1989). But results from poor relationship can reduce the group synergy and if not solved cause the loss of all collective entrepreneurial efforts (particularly in family). However, relationship conflicts are divisive and detrimental to performance (Amason, 1996). One of the significant factors to determining the business's success or failure is relationship of the entrepreneur's family to the new enterprise (Dyer and Handler, 1994). Some potential entrepreneurs disappointed and failed in the beginning stages because of the lack of family support in supplying the necessary resources for their business (Dyer, 1992).

Family members, as a partner or member of the entrepreneurial team, may also involve in the start-up business. Some advantages of involvement in this process are as follows: (a) The initial costs and losses can easily be divided between individuals, (b) all family members impart the later success, (c) family has more opportunities for being together, (d) there is enough confidence and trust between individuals in the family (Handler, 1990b). Usually the initial capital required for the investment in early stages of new venture, is funded through personal or family assets. Therefore, the financial support of the family for new venture creation is a critical factor in its success. Many families not only provide initial capital, but also provide other sources such as access to markets, sources of supply, technology and even new ideas (Dyer and Handler, 1994).

Family goals and their impact on business is one of the main factors that cause distinction between family businesses and small business (Sharma et al., 1996). Dunn (1995) noted that family businesses founders often refer some goals such as lower returns or longer paybacks on their investments or to sustain a lifestyle rather than to maximize personal revenue. Getz and Carlsen (2000) expressed that the most important personal goals of family business entrepreneurs to start their business, are: living in an appropriate environment, having a good life conditions, reach to financial independence, meeting people they like, creation of personal property, maintain family, support the accepted opportunities of all family members, create income for retirement, protect family assets, create wealth and gain fame. The shared values and vision determination of family members in difficult times has been known as a key element and advantage for the family businesses (Van Der Merwe, 1999; Venter, 2002). Furthermore, other factors such as trust (Steier, 2001), opportunities for personal growth, social advancement, job security and autonomy (Hodgetts and Kuratko, 1998) are key elements of characteristics of family businesses. However, many entrepreneurs decide to start a new venture in order to reach vision that comprises opportunity for self-employment and creating job and independent income or self ownership and management of a company. But do family entrepreneurs have this type of insight and perspective on an independent family business?.

However, because of the role and importance of family and familiar factors on family entrepreneurship process and creation of family business, in this study we will review these issues:

(a) Does good communication and relationships between family members have effect on creating a family business?
(b) Are the family tensions and conflicts affective on creating a family business?

(c) Is the ability to mobilize resources to establish a business by the family (family resources) affective to create a family business?
(d) Are the family goals effective on creating a family business?
e) Is the common vision of family members to a family business effective on creating a family business?
(f) Does the family size have an effect on family business creation?

METHODOLOGY

The most important objective of this study is to explain the effect of family (effective family factors) on formation process of family business and explain all aspects and factors related to the role and importance of families in creating an independent family business. According to the purpose, this study can be considered as applied research. Also, the type of this research in term of data collection aspect (library method and field method) is descriptive - survey. To evaluate the role of families in the formation of a family business from the generation interval point of view, we surveyed the effects of two different generations of families and for this purpose we have selected two different industries: (A) The textile industry: This industry has an antiquity in industrial structure of the Iran and because its more common business industry have formed during the past decades and centuries, it represents effects of an older generation of Iranian families in the formation of a business. (B) the oil industry: This industry does not have a transition industrial structure of the country because it is a more common business industry that been have formed in recent years, it represents the effect of new generation of Iranian families in the formation of a business. Also, to enhance the validity of research and results and findings obtained from family business, research was performed by the comparison method (comparison between two groups of family and non-family businesses). Therefore, to discover the nature of being a family or non-family business of current oil industry and textile industry of the two methods of industry expert's poll questionnaire has been used. To identify the nature of being a family business, the following definition has been used for a family business: "a company in which more than 50 percent of the voting shares are controlled by one family, and/or a single family group effectively controls the firm, and/or a significant proportion of the firm's senior management members from the same family" (Leach et al., 1990).

The statistical study includes all the desired information in the field of oil industry (including contractors, consulting engineering offices and companies) and textile industry (companies and factories) in Tehran. The main tool in the measurement and data collection of this study is a questionnaire. In this method, a questionnaire consisting of 40 questions (the five options Likert scale) designed and distributed among the samples. For distribution of questionnaire among the study sample members and collecting the necessary data, classified simple sampling and Cochran formula was used to determine the sample size. Total number of the business in two oil and textiles (800 businesses), initial sample size in this study determined 158 businesses and due to higher accuracy 160 businesses was selected. Because in this study a simple classified sampling is used and the size of two main communities are the same, statistical sample is divided into 80 in each sub-sample (oil industry and textile industry) in order to obtain accuracy and high validity of study results, and also lack of precise knowledge of the number and percentage of family business in textile industry and oil industry and to achieve more accurate results and statistical calculations, the sub samples were divided into the two partial samples of 40 each (family business and non-family business). The content validity method has been used to determine the validity and reliability of the questionnaire in this study. In order to measure reliability, Cronbach's Alpha method and SPSS software has been used. And the number is 94% based on the data gathered from the questionnaire. However, this shows that the questionnaires, has a high reliability.

DESCRIPTIVE RESULTS

According to the information specified in Table 4, the owners/ managers of family businesses in the oil industry and the textile industry are between the ages of 45 to 60 years. Unlike the textile industry, in oil industry the education level of family business owners/managers is higher than non-family business owners/ managers. Also, owners/managers of family business in oil industry have a much higher education level than family business owners/ managers of textile industry. More than 80 percent of owners/ managers in family businesses of the two industries are married, and this percentage is more than non-family business owners/ managers percentage. Also married owners/managers in oil industry are more than textile industry. Information gathered on the activities of businesses show that more than 50% of the family businesses in the oil industry work in service activities, while a high proportion of family businesses in the textile industry are involved in the area of industrial activities. Information in Table 4 also shows that many family businesses in the oil industry have been created in recent years (decades after the 90th century). In addition, the formation percentage of family businesses was less than non-family business in oil industry in recent years. On the other hand, often family businesses related to textile industry were founded in 60 decades and before. Half of family businesses in the oil industry are small organizations in size, but in the textile industry, a high proportion of family businesses are of medium size.

Research findings

According to the data in Table 5 and two sub-hypothesis are given below:

(1) If value number of Z-test is less than the critical rate of 1/645 then influence of "X" factor will be less than 3 (average value in answers) and therefore, in 95% of confidence level, this factor is considered as an ineffective factor on creating a family or non-family business.
(2) If value number of Z-test is higher than the critical rate of 1/645 then influence of "X" factor will be higher than 3 (average value in answers) and therefore, in 95% of confidence level, this factor is considered as an affective factor on creating a family or non-family business.

The results of Z-test analysis shows that the value of Z-test for "good relationship between family members" factor in the oil industry family business is z = 2/530

Table 4. Descriptive findings of the study.

Kind of industry and business	Oil Industry (n= 80)		Textile Industry (n= 80)	
	family	Non-family	family	Non-family
	n=40 (%)	n=40 (%)	n=40 (%)	n=40 (%)
Age of owner/manager				
Less than 30	0	0	10	5
30< X <45	22/5	17/5	30	22/5
45< X <60	62/5	65	40	52/5
More than 60	15	17/5	20	20
Education of owner/manager				
Until diploma	0	15	20	15
Until graduate	32/5	50	70	45
Post graduate	67/5	35	10	40
Marital status				
Single	12/5	17/5	20	17/5
Married	87/5	82/5	80	82/5
Type of activity				
Manufacturing	17/5	30	80	72/5
Services	65	55	10	12/5
Technology	7/5	5	5	7/5
Commercial	10	10	5	7/5
Time of start up				
Decade 50	0	0	40	40
Decade 60	15	17/5	40	40
Decade 70	52/5	65/5	10	10
Size of firm				
Small	50	52/5	40	37/5
Medium	35	32/5	50	40
Large	15	15	10	22/5

which is higher than the critical rate of 1/645. Therefore, it can be concluded that in the 95% confidence level, factor of "family relationships" will be considered as an ineffective factor on the family business creation in the oil industry. Also, the value of Z-test for "family relationship" factor in the non-family oil business is Z = -0/316 which is less than the critical rate and is not in critical area. Therefore, in 95% of confidence level, the factor of "family relationship" is not considered as an affective factor on creating a non-family business in the oil industry. Results of the analysis of other factors' influence are given in Table 6. According to the data in Table 7 and two sub-hypothesis given below:

(1) If value number significant of U-test is less than the standard level of α = 5%, then the mean effect of family factor in two business samples of oil and textile industry will not be same.

(2) If value number significant of U-test is higher than the standard level of α = 5%, then the mean effect of family factor in two business samples of oil and textile industry will be same.

Results of U-test (Mann-Whitney U) analysis in SPSS (to com-pare value of the mean effect of family factors in family businesses of booth oil and textile industries) shows that the value number significant of the mean effect of "Family Relationships" factor in two family business samples is Sig = 0/756, which is higher than the standard level of α = 5%. Therefore, it can be con-cluded that the average effect of "Family Relationships" factor in two family business samples of oil and textile industry are same. Also, the value number significant of the mean effect of "Family Relationships" factor in two non-family business samples is less than the standard level of a = 0.5% (Sig = 0/000) and since the average rate of "Family Relationships" factor in the oil industry is

Table 5. The results of Z-test analysis for research questions in SPSS.

Factor	Oil family businesses			Textile family businesses			All (oil and textile) family businesses		
	Ave	Std	Z	Ave	Std	Z	Ave	Std	Z
Family relationships	Mar-66	0/74	Feb-53	Mar-51	Jan-34	2/530	Mar-59	8-Jan	3/578
Family tensions	Jan-93	21-Jan	-0.08333	30-Mar	3-Jan	2/530	Feb-61	21-Jan	-0.00127
Family resources	Mar-46	0/52	3/795	Mar-46	0/95	2/530	Mar-46	0/76	4/472
Family size	Feb-44	3-Jan	-0.00377	Mar-45	0/74	2/530	Feb-94	3-Jan	0/894
Family goals	Mar-57	0/84	2/530	Mar-83	12-Jan	3/795	Mar-79	0/98	4/472
Family shared vision	Mar-75	0/69	2/530	Mar-60	0/74	2/530	Mar-68	0/71	3/578
Factor	**Oil non-family businesses**			**Textile non-family businesses**			**All (oil and textile) non-family businesses**		
	Ave	**Std**	**Z**	**Ave**	**Std**	**Z**	**Ave**	**Std**	**Z**
Family relationships	Mar-00	Jan-34	0	Jan-94	0/73	-0.08333	Feb-47	20-Jan	-0.00375
Family tensions	Jan-58	20-Jan	-0.03604	Jan-46	0/81	-0.08333	Jan-52	2-Jan	-0.01237
Family resources	13-Feb	0/81	-0.00937	8-Feb	0/67	-0.00538	11-Feb	0/74	-0.01237
Family size	Feb-84	Jan-43	-0.00935	Jan-68	5-Jan	-0.0133	26-Feb	Jan-38	-0.01362
Family goals	Feb-47	17-Jan	-0.00935	Feb-54	0/87	-0.00935	Feb-50	2-Jan	-0.02308
Family shared vision	Feb-84	Jan-43	-0.00935	8-Feb	0/92	-0.00538	Feb-46	26-Jan	-0.00435

Critical area in normal test: $Z_a = Z_{0.05} = 1/645$.

Table 6. The results related to affective or ineffective of family factors.

Factor business	Family relationships	Family tensions	Family resources	Family size	Family goals	Family shared vision
Oil family businesses	Affective	Ineffective	Affective	Ineffective	Affective	Affective
Oil non-family businesses	Ineffective	Ineffective	Ineffective	Ineffective	Ineffective	Ineffective
Textile family businesses	Affective	Affective	Affective	Affective	Affective	Affective
Textile non-family businesses	Ineffective	Ineffective	Ineffective	Ineffective	Ineffective	Ineffective
All family businesses	Affective	Ineffective	Affective	Ineffective	Affective	Affective
All Non-family businesses	ineffective	Ineffective	Ineffective	Ineffective	Ineffective	Ineffective

(50/64) and the average rate in textile industry is (30/36), It can be concluded that "Family Relationships" factor is more effective in the non-family businesses of oil industry than the textile industry. The results of other factors also indicate that the average effect of "family resources", "family goals" and "family shared vision" in family businesses of textile and oil industries are same. Results of the mean effect' analysis of other factors are given in Table 7.

According to the data in Table 8 and two sub-hypothesis given below:

(1) If value number significant of Friedman-test is less than the standard level of α = 5%, then the importance effect of family factors in business samples will not be same.
(2) If value number significant of Friedman-test is higher than the standard level of α = 5%, then the importance effect of family factors in business samples will be same. Results of Friedman-test analysis in SPSS (to evaluate the importance effect of family factors in business samples) shows that the value number significant of the importance effect of family factors in family businesses

Table 7. The results of U-test analysis to compare mean effects for family factors in SPSS.

Factor		Family businesses		Non-family businesses	
		Oil	Textile	Oil	Textile
Family relationships	Ave rank	41/30	39/70	50/64	30/36
	U Test	0/756		0/000	
	Result of average effect	Same effect		Oil > Textile	
Family tensions	Ave rank	27/90	53/10	39/11	41/89
	U Test	0/000		0/589	
	Result of average effect	Oil < Textile		Same effect	
Family resources	Ave rank	37/30	43/70	40/05	40/95
	U Test	0/215		0/860	
	Result of average effect	Same effect		Same effect	
Family size	Ave rank	30/50	50/50	49/35	31/65
	U Test	0/000		0/001	
	Result of average effect	Oil < Textile		Oil > Textile	
Family goals	Ave rank	37/50	43/50	39/11	41/89
	U Test	0/247		0/589	
	Result of average effect	Same effect		Same effect	
Family	Ave rank	43/10	37/90	46/53	34/48
Shared vision	U Test	0/312		0/018	
	Result of average effect	Same effect		Oil > Textile	

Table 8. Friedman Pearson tests for research variables, in SPSS.

Kind of business	Family businesses		Non-family businesses		All family businesses	All non-family businesses
	Oil	Textile	Oil	Textile		
Friedman test	0/000	0/000	0/000	0/000	0/000	0/000
Factor			**Ave rank**			
Family relationships	Apr-95	Mar-90	4-May	Apr-41	Apr-43	Apr-73
Family tensions	Feb-00	Mar-55	Feb-40	Feb-83	Feb-78	Feb-61
Family resources	Apr-70	Mar-80	Mar-99	Apr-68	25-Apr	Apr-33
Family size	10-Mar	Apr-00	Apr-94	Feb-93	Mar-55	Mar-93
Family goals	30-May	20-May	Apr-33	May-49	25-May	Apr-91
Family shared vision	May-55	Apr-50	Apr-94	Apr-36	3-May	Apr-65
Factor			**Rate of importance effect**			
Family relationships	3	4	1	3	3	2
Family tensions	6	6	6	6	6	6
Family resources	4	5	5	2	4	4
Family size	5	3	3	5	5	5
Family goals	2	1	4	1	1	1
Family shared vision	1	2	2	4	2	3

of oil industry is Sig = 0/000, which is less than the standard level of α = 5%. Therefore, it can be concluded that the important effect of family factors in family businesses of oil industry are not the same.

Moreover, results of the average rank of family factors in family businesses of oil industry show that the data in the table (factor of "family shared vision (5/55)", "family goals (5/30)", "family relationships (4/95)", "family resources (4/70)", "family size (3/10)" and "family tensions (2/00)") were affecting the highest importance of creating family business respectively. The results of importance effect of family factors in other business samples are given in Table 8.

DISCUSSION

The weakening of relationship between family members will surely cause restrictions for starting venture creation process, but the nature of the restrictions is not clear. For example, declining interactions of parent – child, causes the increase of readiness and willingness of children to involve in business of their parents and pursue their parent's entrepreneurial footsteps in the business families. In other words, a potentially increasing the level of parent–child interaction cause an increasing proportion of children and attention of themselves to work as a source of inexpensive human resources for their parent's business (Aldrich and Cliff, 2003). Also, in this study, it is determined that good and effective relationships between family members are appropriate and effective factor in family business creation. Therefore, appropriate and effective communication of entrepreneur with his family and also a good communication between family members can reduce many of the psychological and social pressures of entrepreneur and help the process of creating a family business. The results of this research also indicate that most entrepreneurs want to start their family business in order to reach family goals. This result has been also approved in the study of Getz and Carlsen (2000). According to their research, family business entrepreneurs mentioned some goals related to family, such as: Share all important decisions with their partner or family, avoid dissension and lack of coordination between family, enough money to support the family, equal work and equal sharing with his wife, creating more free time for being together with the family, education and raising children for admission of future business ownership, propagation of family business, raising family situation in society, create jobs for the family members. Relatively similar goals were confirmed in our research. So that common goals among families can lead to an effective factor in making of entrepreneurial efforts towards creating family business. Dyer and Handler (1994) noted that families by providing money, communications, human resources and other necessary resources, can play a supportive role for the entrepreneurial endeavors. Family can also support entrepreneurial efforts, and meet safe and secure home for entrepreneurs in ups and downs of the beginning process of a new business. Findings of their research shows that the family role as an obstacle to starting a new business has been proven, by providing few material resources and little or no social support. In this study, it was found that the ability to provide necessary resources for a new business by the family is an effective factor in entrepreneurial efforts toward creating a family business.

Renzulli et al. (2000) indicate that the greater the proportion of kin in a nascent entrepreneur's discussion network can reduce the odds during the process of lunching and creation of new business. In other words, those belonging to smaller families may feel that the sources of family potential resources and family relatives, may cause higher limitations and therefore reduce their willingness to start private companies. Also the small family size will certainly have negative effects on resource mobilization process, particularly for securing human resources. In occasions of employee recruitment and employment, many entrepreneurs rely on family members as human resources (Aldrich and Cliff, 2003). In this study, it was confirmed that the family size factor (be small or large family) is not an effective factor in creating a family business in oil industry. It means that the entrepreneurs desire to create a family business in this industry, are not being affected by family size, unlike the result of the textile industry. However, further research is needed to generalize these results to other industries. Managing and controlling tasks and obligation on work environment and family at the same time, has been mentioned as source of conflict for the entrepreneur in creating family business. The problems inherent in working with family members are the results of the unity of family and business systems. These systems are generally based on different values (Dyer and Handler, 1994). The findings of this study indicate that the factor of family tensions is not an affective factor in oil and the textile industry.

CONCLUSIONS

Research on family businesses in Iran is still in its infancy, an emerging literature reveals that differ from non-family businesses in terms of ownership, control and management processes and that some of them tend to be more conservative than other ventures. Families and family business with combination of distinctive and unique human resources, financial resources, social support and educational and cultural areas are the best and most powerful factor to support the current entrepreneurial activities and create new business. This type of business, due to their unique structure, governance and culture can accept some risks, and that enables them to create new companies and use the necessary financial resources from within the family structure for the entrepreneur and can support in all stages of business creation. And for this reason, they can provide a kind of productive employment for their relatives of present generation and the next generations. Therefore, according to the results of this study, some factors that can affect the process of entrepreneurship should be considered and placed more emphasis to increase family businesses and tendency toward entrepreneurship. Increased training and consulting programs for creating, strengthening and stability of constructive relations within families, application of maximum potential capability of family, increasing family sharing and intellectual ideals, convergence of goals and family vision can surely be effective to facilitate the process of family entrepreneurship. On the other hand, general and specialized services, facilities and training to promote entrepreneurs and guide them towards emerging businesses with families can help to expand and spread the family businesses. To encourage competitiveness, wealth creation, and job generation, policy makers would like to know whether family businesses perform better or worse than non-family businesses. For this purpose, we have to identify the limiting factors for creating family business according to the type of industry, type of activity, the appropriate organizational size etc. Other factors also determined by the family can affect the process of entrepreneurship and determining factors influential on the above factors, should be subject to investigation. Factors such as family beliefs, family values, role types, gender differences, educational factor and the level of family welfare can be discussed more in this regard.

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