



Perspectives on Family Businesses in New Zealand and Australia

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ABSTRACT

This paper provides a New Zealand and Australian replication and extension of Birley et al. (1999) and Birley (2001) which examined the nature and concerns of family businesses. The initial studies found three clusters of attitudes to family businesses, namely Family Out, Family In, and Family-Business Jugglers. The consistency of cluster analysis in the Birley studies was absent in the New Zealand and Australian results. However, many concerns identified in the Birley studies are also found in New Zealand and Australia.

Additionally, this study identifies concerns of family businesses not previously reported by Birley. The major issues relate to succession, both entry and retirement, and how family members are treated, in terms of share ownership and differential pay.

Frequently respondents identified the need for independent business advice, indicating opportunities for business advisors to develop and provide more services to family businesses.



INTRODUCTION

Birley et al. (1999) first asked the question, "What do owner-managers consider to be the appropriate role of the family within the business?" (p. 599) in an exploratory study in the United Kingdom (UK). From this was developed a questionnaire that was administered in 16 Northern Hemisphere countries, thus allowing a cross cultural comparison (Birley, 2001). This was subsequently extended to a worldwide study, of which this New Zealand and Australian research is a part. Some significant differences have been found in the responses compared to the UK and the 16 country study, and also between New Zealand and Australia. These are reported in this paper.

In the initial UK study, Birley et al. (1999) found, using cluster analysis, three groups of family businesses, which were described as: Family Rules (later called Family In) (34%), Family Out (32%) and Family-Business Jugglers (34%) groups. The Family Rules group believe that the family should be involved in the business and that the business will be healthier as a result. The Family Out group has the opposite view on family involvement, whereas the Family-Business Jugglers' views lie somewhere between these extremes.

Birley (2001) applied the same analysis to responses from 16 countries. A similar pattern was found: Family Out (34%), Family In (28%) and Family Jugglers (38%). Individual clusters by country were found to be "remarkably consistent" (p. 70).

As will be shown later, these clusters were not clear in the New Zealand and Australian studies.

Birley et al. (1999) and Birley (2001) did not report all results of the survey; namely, the section entitled "Nightmares", which comprised a range of statements about possible concerns of family businesses (see Appendix 1). This section is reported on in this paper, as well as additional comments made by respondents.

The structure of the remainder of the paper is as follows: the next section describes the research method; the subsequent section describes the results, followed by a conclusion.

RESEARCH METHOD

The New Zealand study was carried out in the year 2000, and the Australian in 2001, using the questionnaire from Birley (2001). It was sent to 401 small businesses throughout New Zealand, drawn almost equally from the files of the sponsoring accountancy firm, Grant Thornton, and the Companies Office (191 and 210 respectively). Useable responses were received from 156 (39%). Responses from the 91 (58%) who considered the business to be a family business are used in the analysis.

In Australia, the questionnaire was sent to 514 small businesses drawn solely from the files of Grant Thornton. Two hundred and thirty six usable responses were received, a response rate of 46%. One hundred and sixty three (69%) of the respondents considered the business to be a family business.



It was a condition imposed by Professor Birley that the questionnaire be used unaltered. However, the authors believe that having questions instead of statements, using emotive phraseology ("nightmares", "sibling rivalry", "serious disagreement" etc.) and having negatives and double negatives (e.g., "Children who do not join the business should not receive shares") is problematic. Respondents' comments support these views:

"The reason I did not complete this questionnaire when initially requested was that I believe your questions, posed in the manner and style that they are, will not expose the very complex issues associated with family involvement/succession in the business. Your questions, understandably, are set out for electronic analysis and may give false or misleading outcomes to what is a most complex and vexed issue."

"[Nightmares] - This is meaningless stuff"

Several respondents commented that the questions were not relevant to their business, such as farming, professions, franchises and service providers. The large proportion of respondents in the "other services" category (not only in New Zealand and Australia) supports these criticisms, as shown in Table 1.

[insert Table 1 about here]

On reflection, it would have been better if the questionnaire could have been altered to avoid the problems which the researchers identified. Despite this, response rates were favourable compared to the initial United Kingdom (UK) study, in which 534 responses were received from a mail-out of 4000, a rate of only 13%.

Later Birley coordinated replications of the UK study in 16 other, Northern Hemisphere (NH) countries, some of the results of which are published in Birley (2001). This paper compares family businesses in New Zealand (NZ) and Australia (Aust), with both the UK results (Birley et al., 1999) and the 16 other countries (Birley 2001).

RESULTS

Family business characteristics

(a) Employees

In NZ the mean number of employees in a business was 16; in Australia, 44. However, there was a wide range (from 0 to 200 in NZ, and 0 to 1 200 in Australia), with the distributions shown in Table 2.

[insert Table 2 about here]



(b) Family involvement

The majority of businesses were founded by either one family member (34% in NZ; 38% in Australia; 43% in the UK¹) or two (NZ 49%; Aust 54%; UK 37%). Founding families were still involved in most of the businesses (NZ 92%; Aust 89%; 93% in UK).

Most of the respondents were founders (NZ 74%; Aust 60%; UK 60%), or second generation (NZ 14%; Aust 26%; UK 20%).

Children were working in the family business in 25% of cases in NZ and 48% in Australia; siblings in 14% and 26% of cases in NZ and Australia respectively, and other relatives in 45% and 33% respectively. This contrasts with the UK results where 90% had children in the business.

Of the family business respondents who had children (NZ 86% Aust 89%²), 26% and 27% respectively had at least one of their children working in the business. The majority of respondents (NZ 62%, Aust 70%) felt that children should only work in the business "if they wanted to", or not at all (NZ 30%; Aust 25%).

"Pressure should not be put on children one way or the other." ³

"I would not want my children to work in my business full time unless I see some love and passion for it. This business was my dream..."

"I believe that if a member of the family has the skills and abilities that are required or shows signs of them and is keen to be involved then he/she should be encouraged."

"Why would you ever want your family as part of your business. Employ the right people for the right job."

This result is consistent with the UK study, where 96% agreed that children should be allowed to choose whether or not to join the business. Perhaps this is why very few respondents regretted having joined the family business in all three separate country studies.

Most respondents had worked elsewhere prior to joining the family businesses (NZ 72%, Aust 71%, UK 80%), 17%, 16%, 10% respectively joined after leaving school, 7%, 6.5%, 0% after professional training, and 4%, 6.5%, 10% after university studies.

"[Children] need experience elsewhere first"

"Better to get founding in [a different] environment"

"My children must attain a career though university before I will consider them joining my company."

¹ Data for NH are not provided in Birley (2001).

² These data are not provided in Birley et al. (1999) or Birley (2001).

³ The questionnaire provided the opportunity for open comments. To enhance the analysis, a few representative quotations have been displayed at appropriate points.



The Family and the Business

The questionnaire contained 20 statements in the section on "The Family and the Business", which respondents scored on a Likert scale from 1 to 5 (Agree through Neutral to Disagree). The statements used in the NZ, Australian and NH studies were specified by Birley. The mean responses and the standard deviations for New Zealand and Australia are compared with those from the UK (Birley et al., 1999) and the 16 NH countries (Birley, 2001) in Appendix 2.

(a) Disagrees

Following Birley et al. (1999), the mean responses to each statement were ranked in order of the top five disagreements (closest to 5) and top five agreements (closest to 1). The comparative rankings of the top five disagreements are in Appendix 3.

Of the top five statements with which respondents in all four studies disagreed, only two were common. Respondents disagreed with the statement: "Sibling rivalry in the business is good for the business" (means: NZ 4.1; Aust 4.2; UK 4.5; NH 4.1). One Australian respondent commented that rivalry is all right "provided it is healthy competition". Other Australians portrayed the consequences of unhealthy sibling rivalry:

"I was in the business and my brother studied law. My brother changed his mind about law and, [without] consulting me, my father introduced him into the company. He was lazy and jealous of my 4 years seniority; his wife was a trouble maker. Result: 40 unhappy years. ... Because of the tension between us we failed to develop the company to its full potential, which was a disappointment but not a disaster."

"Although our business now includes one of the two original founders (one is deceased) the sons of both founders at one stage worked in the business. Between 18-20 years of age. Not successful as it affected the teamwork generated with non-related key employees. Both sons are operating successfully in other businesses."

Respondents also disagreed that "Children should only receive shares on the death of the previous generation" (means: NZ 3.8; Aust 3.9; UK 4.1; NH 4.0).

In the three single country studies, the statement, "Children's education should be geared towards the business needs" was in the top five disagreements (means: NZ 3.6; Aust 3.5; UK 3.7) The mean for this statement was 3.3 in the NH, but it was not in the top five disagreements.

One Australian commented that, although they agreed with the statement, they felt that such education would "provide for any business, not necessarily [a] family business". There was also a comment made about the importance of training in family businesses. Another Australian respondent believed:

"children should work in other businesses unrelated to the family company to provide greater exposure to various management styles."



There were some statistically significant differences between mean responses in the four studies (see Appendix 4). The single country respondents disagreed with the statement that "Children who do not join the business should not receive shares" (means: NZ 3.5, Aust 3.2; UK 3.5), whereas in the 16 country study there is agreement with this statement (NH 2.8; significantly different, $p < 1\%$).

Similarly, the single country respondents disagreed that "Parents should retire when the children are ready to take over" (means: NZ 3.4; Aust 3.2; UK 3.3), whereas in the 16 country study this statement was agreed with (NH 2.8; this is significantly different at the 1% level)

New Zealand and Australian respondents differed from the UK respondents about family members being entitled to differential pay arrangements from other employees (means: NZ 3.3; Aust 3.2 compared with UK 2.6, significantly different, $p < 1\%$). Australian comments included:

"Whether family or staff – we pay according to ability."

"[It] needs to be earned!"

"You really have to prove yourself rather than looking like taking handouts."

(b) Agrees

Of the top five statements with which respondents in all four studies agreed, there were three in common (see Appendix 5).

First: "Family and business affairs should be kept separate." (means: NZ 2.1, Aust 1.8, UK 1.9, NH 2.0)

"Business with family does not mix!"

"No family member, direct or indirect, should be involved in the founder's business."

The second statement which in all studies was in the top five is: "Children who join the business should start at the bottom" (NZ 2.2, Aust 1.9, UK 2.1, NH 2.1)

The third statement in the top five was: "It is important that children are interested in the markets and products of the business" (NZ 2.6, Aust 2.1, UK 1.9, NH 2.2). This was significantly higher in importance in Australia, the UK and the 16 countries ($p < 5\%$).

There were a number of inter-country differences in relation to some statements.

The statement, "There should be criteria to decide how family members join and leave the business", was significantly more important in the 16 country study than in either NZ or the UK ($p < 5\%$). Also, it was more important in Australia than in NZ ($p < 5\%$).

Australian respondents felt more strongly than New Zealanders that "The business is stronger with family members involved" (NZ 2.4 Aust 1.9, $p < 1\%$). Australians commented:



"We have many relations and siblings employed. This organisation is privileged to enjoy a different – more friendly – environment than most. This is a direct result of the founder."

Some New Zealanders expressed similar views:

"In many small NZ business the role of the partner/wife is an important part of success, from working in other employment to keep the household afloat while business gets a cash flow to doing wages / accounts at night after hours."

"The involvement of family members in our company is very good for business, we are very motivated, work long hours. "

"Family members will put in more effort often without claiming hours."

However, there were dissenting opinions, such as:

"We have tended to discourage children from participating."

"Jealousy within the family will be the downfall of any successful business. I know from bitter experience!!"

"Managing family members is very difficult"

"Mostly, however, I think family businesses can be a real problem. It was not a good experience working together with my husband."

"Family members should only be involved in the business if it's what they want and they are capable. Otherwise the business will decline and would be better sold. Non-participating shareholders (particularly family) are better avoided."

Others called for a balance:

"Success of a family business is based on the correct mixture of senior management CEO etc and the family members. It is healthy to have a specialist management team while the family members concentrate on what they [are] best [at]; i.e., the product, the service or whatever it is that made them successful!"

"Management of the company and selection of key people should be based on the individual's ability to perform. It is essential that such employees respond to the management structure without reference to, or consideration of, any family member who is outside the chain of command."

Clusters

Birley et al. (1999) and Birley (2001) identified three clusters in the data, which they described as: Family Out, Family Rules (or Family In), and Family-Business Jugglers. To determine whether such a grouping existed in the NZ and Australian samples, k-means cluster analysis was undertaken. The NZ data set revealed very little in terms of patterns – no clusters appeared in any statistically significant way. (As can be seen from the output in Appendix 6, there is little difference between the centres of each cluster.)



Cluster analysis of the Australian data revealed three clusters similar to those found in Birley et al. (1999) and Birley (2001), as is shown by the output in Appendix 7. However, there were few questions on which the Family Out and Family In groups had diametrically opposing views, unlike the Birley findings.

The Family Out group (Cluster 1 in Appendix 7) strongly disagree with the following statements:

- Children's education should be geared towards the business needs
- Management successors should be chosen from the family
- Sibling rivalry in the business is good for the business

However, the other clusters did not have very different views on these same issues.

The only issue on which this cluster was diametrically opposed to the Family In group (cluster 3 in Appendix 7) was their disagreement with the statement:

- The business is stronger with family members involved

As found in Birley et al. (1999) and Birley (2001), the central group, Business Jugglers (cluster 2 in Appendix 7) did not have extreme views on any of the questions.

The Family In group (cluster 3 in Appendix 7) had only one extreme centre:

- The business is stronger with family members involved

Eighty-six percent of this group considered their business to be a family business.

Contrary to the findings of both Birley papers, most of the questions had centres very close to each other (13 of the questions), and three of these they were exactly the same. Therefore neither the NZ nor the Australian results lend support to the three clusters developed in the earlier studies. This raises questions about the effect of culture on attitudes to family business.

Concerns of Family Businesses

The above section has summarised the similarities and differences between the New Zealand and Australian studies, and the UK and Northern Hemisphere studies reported in Birley et al. (1999) and Birley (2001). The second part of the questionnaire, relating to concerns of family businesses, has not yet been reported on by Birley. However, some information about the concerns of family business in these regions was included in documents that the sponsor, Grant Thornton, made available to the authors ("PRIMA international research", undated). Therefore the second part of this paper discusses the concerns of family business and provides a detailed comparative analysis between New Zealand and Australia, and in some cases also with the UK and Northern Hemisphere.

Respondents were asked to express their feelings about 15 questions labelled "Nightmares". Respondents ranked their reactions on a Likert scale from 1: "I sleep



easily" through 3: "Fairly concerned" to 5: "I have nightmares". The responses are detailed in Appendix 1.

The study found five significant concerns. Firstly, "All my wealth is in the business. What happens if it gets into trouble?" (means: NZ 3.0, Aust 3.0) This has also been reported as the major concern for family businesses in Belgium, Denmark, Germany, Greece, Ireland, Netherlands, Sweden and Canada ("PRIMA international research", undated).

The second most significant concern for NZ and fourth for Australia (means: NZ 2.8, Aust 2.8) was: "Would outside shareholders change the way I run the business?" This was the number one concern in the UK ("PRIMA international research", undated).

The third concern in NZ and second in Australia (means: NZ 2.8, Aust 2.9) was: "If I introduce outside shareholders, how greedy will they be?" This was number one in the US ("PRIMA international research", undated). A New Zealand respondent gave an example:

"My father who was one of the business founders gave a share to an employee who has now departed. He [claimed that] his shares were worth 3 times as much when he left. If we paid him out in a large sum he would have broke[n] us. We paid him out over 10 years which we could handle. [We were] not happy with the outcome."

The fourth in NZ and third in Australia (means: NZ 2.8, Aust 2.9) was: "What happens if my spouse and I divorce? This was number one in Switzerland ("PRIMA international research", undated). A New Zealander commented:

"I don't hold out much hope for the continuation of family owned businesses because of social pressures, divorce etc."

Fifth in both NZ and Australia (means: NZ 2.8, Aust 2.7) was: "What happens if my business partner and I have a serious disagreement? This was number one concern in Finland, Greece, Italy and Spain ("PRIMA international research", undated).

Important issues

There was a section in the questionnaire which allowed respondents to provide comments. Despite the survey including two statements on succession ("Management succession should be chosen from the family"; and "There should be criteria to decide how family members join and leave the business"), many comments were made regarding succession issues, in particular entry of the younger generation and exit of the older generation.

The older generation commented on the "lack of people from the next generation wishing to come into the business", and whether the next generation had the same work ethic or the necessary skills. The younger generation struggled with the older generation's unwillingness to let go; for example: "[My] father (74) still likes to control; I am 46. If it goes on too long before control is fully given, you don't want it when it comes." Also, retirement has to be funded, and "past family members can place demands for greater returns than the business may be able to support". Respondents



mentioned that family businesses need "corporate advice taking into account their special nature as family businesses".

There were many comments related to the potential use of business advisors for a range of services. There were requests for guidance on asset, debt, estate and conflict management.

"Accountants should be able to suggest ways to improve the business and ways to recompense family members who work 'over and above', don't take holidays, etc. This might encompass a 'debt against the company' to be settled on their death or distribution of estate (company funds) amongst children"

"[we need advice on] protection of assets – estate planning, liability – protection of entity in case of key person crisis – directors' liability."

CONCLUSION

This paper has provided a replication and extension of Birley et al. (1999) and Birley (2001). Despite the consistency of the cluster analysis between the UK and NH studies, the New Zealand and Australian results did not find Family Out, Family In and Family-Business Jugglers to be as distinct. The absence of clusters in New Zealand and Australia implies that there may be cultural elements which the questionnaire has not captured.

However, many concerns that these studies reflected on are prevalent in New Zealand and Australia too. Succession issues are particularly important, both entry and retirement, and how family members are treated, in terms of share ownership and differential pay.

The numerous requests for business advice indicate that there is an opportunity for business advisors to develop and provide many more services to family businesses. Further research could examine how to bridge the gap between service requests and service provision, given the many financial advisor services available.



REFERENCES

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Birley, S., Ng, D., & Godfrey, A. (1999) The family and the business. *Long Range Planning*, 32(6), 598-608.

PRIMA international research: Results & key findings of the research. (undated) PowerPoint slides prepared for Grant Thornton.



Appendix 1: New Zealand and Australian "Nightmares"

		NZ		Australia	
		Mean	N	Mean	N
Qn1.	If I introduce outside shareholders, how greedy will they be?	2.82	84	2.94	156
Qn2.	Would outside shareholders change the way I run the business?	2.83	84	2.82	154
Qn3.	How do I finance growth but still retain control?	2.32	84	2.45	156
Qn4.	All my wealth is in the business. What happens if it gets into trouble?	3.01	87	3.01	159
Qn5.	Could the business do better for me?	2.52	88	2.50	158
Qn6.	Should I sell the business?	2.17	86	2.28	152
Qn7.	How much is the business worth?	2.08	85	2.24	158
Qn8.	Do I really need to grow the business?	2.33	87	2.31	157
Qn9.	How much would life change if I grew the business?	2.59	86	2.53	158
Qn10.	What happens if my business partner and I have a serious disagreement?	2.75	81	2.70	148
Qn11.	What happens if my spouse and I divorce?	2.78	86	2.91	156
Qn12.	Should I bring family members into the business?	1.98	85	1.98	158
Qn13.	What can I do if my children do not perform well in the business?	2.53	75	2.64	154
Qn14.	Should I give key employees a share in the business?	2.46	78	2.55	156
Qn15.	If my children don't join the business, how can I provide for them separately?	1.90	83	2.04	154



Appendix 2: The Family and The Business

Comparison of mean scores

No.	Statement	NZ			Aust			UK			16		
		Mean	S.d.	n	Mean	S.d.	n	Mean	S.d.	n	Mean	S.d.	n
Qf1	Children should be introduced to the business at an early age.	3.0	1.3	89	2.9	1.4	162	3.1	1.3	529	2.9	1.4	6043
Qf2	Children's education should be geared towards the business needs.	3.6	1.3	89	3.5	1.4	162	3.7	1.2	529	3.3	1.4	
Qf3	Management successors should be chosen from the family.	3.3	1.4	89	3.1	1.5	162	4.0	1	533	3.4	1.3	
Qf4	There should be criteria to decide how family members should join and leave the business.	2.6	1.4	86	2.2	1.2	162	2.7	1.2	528	2.3	1.3	
Qf5	It is important that children are interested in the markets and products of the business.	2.6	1.5	87	2.1	1.3	160	1.9	1.1	529	2.2	1.3	
Qf6	Children should receive some shares when they join the business.	3.2	1.4	87	3.0	1.4	162	3.6	1.2	529	2.9	1.5	
Qf7	Children who do not join the business should not receive shares.	3.5	1.5	86	3.2	1.5	162	3.5	1.4	532	2.8	1.5	
Qf8	There can only be one management successor.	2.4	1.4	88	2.4	1.4	161	3.1	1.5	528	2.4	1.4	
Qf9	Children should only receive shares on the death of the previous generation.	3.8	1.3	87	3.9	1.3	161	4.1	1	529	4.0	1.2	
Qf10	The founder and/or older generation should always have a formal role in the business.	3.1	1.4	87	3.1	1.4	161	3.0	1.3	529	3.2	1.4	
Qf11	Parents should retire when the children are ready to take over.	3.4	1.3	87	3.2	1.3	161	3.3	1.4	532	2.8	1.4	



Qf12	The business is stronger with family members involved.	2.4	1.4	88	1.9	1.1	161	2.7	1.3	530	2.4	1.3
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No.	Statement	NZ			Aust			UK			16		
		Mean	S.d.	n	Mean	S.d.	n	Mean	S.d.	n	Mean	S.d.	n
Qf13	Family and business affairs should be kept separate.	2.1	1.3	88	1.8	1.2	161	1.9	1.1	530	2.0	1.2	
Qf14	Professional advisers understand the unique issues facing the family business.	2.6	1.3	85	2.7	1.3	158	3.1	1.2	526	2.8	1.2	
Qf15	Children who join the business should start at the bottom.	2.2	1.3	88	1.9	1.1	160	2.1	1.2	532	2.1	1.2	
Qf16	Children should receive shares in the business in equal parts.	2.9	1.4	85	2.9	1.5	160	3.3	1.1	522	3.2	1.4	
Qf17	Shares should only be transferred to members of the family.	3.2	1.4	87	2.7	1.4	159	3.4	1.5	530	3.2	1.5	
Qf18	Family members are entitled to differential pay arrangements than the rest of the employees.	3.3	1.5	88	3.2	1.6	160	2.6	1.4	529	3.5	1.4	
Qf19	The business should provide pension benefits for all members of the family.	3.6	1.2	86	3.1	1.5	161	3.4	1.4	529	3.4	1.5	
Qf20	Sibling rivalry in the business is good for the business.	4.1	1.2	87	4.2	1.1	162	4.5		527	4.1	1.2	



Appendix 3: The Family and The Business

Ranking of mean scores – top 5 disagree

NZ	Australia	UK	16
Qf20	Qf20	Qf20	Qf20
Qf9	Qf9	Qf9	Qf9
Qf19	Qf2	Qf3	Qf18
Qf2	Qf18	Qf2	Qf3
Qf7	Qf11	Qf6	Qf19



Appendix 4: The Family and The Business

t-tests for differences between studies

No.	Statement	NZ:Aust		NZ:UK		NZ:16		Aust:UK		Aust:16		UK:16	
		t-stat	p	t-stat	p	t-stat	p	t-stat	p	t-stat	p	t-stat	p
Qf1	Children should be introduced to the business at an early age.	0.6		-0.5		1.0		-1.4		0.3	*	3.5	***
Qf2	Children's education should be geared towards the business needs.	0.2	*	-1.3		1.9	*	-1.7		1.8	*	7.8	***
Qf3	Management successors should be chosen from the family.	1.2	*	-4.1		-0.4		-6.8		-2.3		12.1	***
Qf4	There should be criteria to decide how family members should join and leave the business.	2.3	**	-0.7		2.1	**	-4.7		-0.8		7.8	***
Qf5	It is important that children are interested in the markets and products of the business.	2.4	**	4.1	***	2.3	**	1.9	*	-0.8		-5.9	
Qf6	Children should receive some shares when they join the business.	0.8	*	-2.3		1.9		-4.2		1.2	*	11.9	***
Qf7	Children who do not join the business should not receive shares.	1.5	*	-0.3		4.1	***	-2.6		2.9	***	11.0	***
Qf8	There can only be one management successor.	0.0		-4.5		0.1		-5.5		0.2	*	10.9	***
Qf9	Children should only receive shares on the death of the previous generation.	-0.7		-2.1		-1.4		-1.5		-0.6		2.2	**
Qf10	The founder and/or older generation should always have a formal role in the business.	0.0		0.3	*	-0.9		0.4	*	-1.2		-3.2	
Qf11	Parents should retire when the children are ready to take over.	1.4	*	0.7	*	4.3	***	-1.1		3.3	***	7.9	***



Qf12	The business is stronger with family members involved.	2.9 ***	-1.8	0.1	-7.4	-5.1	5.1 ***
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No.	Statement	NZ:Aust		NZ:UK		NZ:16		Aust:UK		Aust:16		UK:16	
		t-stat	p	t-stat	p	t-stat	p	t-stat	p	t-stat	p	t-stat	p
Qf13	Family and business affairs should be kept separate.	1.5	*	1.0	*	0.4		-1.0		-2.0		-1.8	
Qf14	Professional advisers understand the unique issues facing the family business.	-0.1	*	-3.1		-1.1		-3.8		-1.2		5.7	***
Qf15	Children who join the business should start at the bottom.	1.3	*	0.4	*	0.4		-1.5		-1.7		0.0	
Qf16	Children should receive shares in the business in equal parts.	-0.1		-2.8		-2.0		-3.5		-2.4		2.7	***
Qf17	Shares should only be transferred to members of the family.	2.8	***	-1.1		0.0	*	-5.6		-4.5		2.8	***
Qf18	Family members are entitled to differential pay arrangements than the rest of the employees.	0.4	*	3.8	***	-1.3		4.0	***	-2.3		-13.7	
Qf19	The business should provide pension benefits for all members of the family.	2.8	***	1.5	*	1.7	*	-2.1		-2.2		0.0	
Qf20	Sibling rivalry in the business is good for the business.	-0.4				0.3	*			1.0	*		

*** p < 1%
 ** p < 5%
 * p < 10%



Appendix 5: The Family and The Business

Ranking of mean scores – top 5 agree

NZ	Australia	UK	16
Qf13	Qf13	Qf5	Qf13
Qf15	Qf12	Qf13	Qf15
Qf8	Qf15	Qf15	Qf5
Qf12	Qf5	Qf18	Qf4
Qf5	Qf4	Qf12	Qf8



Appendix 6: New Zealand Cluster Centres

Cluster	1	2	3
Qf1	3	4	3
Qf2	4	4	3
Qf3	4	5	3
Qf4	3	2	2
Qf5	3	3	2
Qf6	4	4	3
Qf7	4	2	3
Qf8	3	2	2
Qf9	5	3	4
Qf10	4	3	2
Qf11	4	4	3
Qf12	3	3	2
Qf13	2	2	2
Qf14	3	3	3
Qf15	3	2	2
Qf16	4	3	3
Qf17	5	3	3
Qf18	4	4	3
Qf19	4	4	3
Qf20	4	5	4

Appendix 7: Australian Cluster Centres

Cluster	1	2	3
Qf1	4	3	2
Qf2	5	4	3
Qf3	5	4	2
Qf4	3	2	2
Qf5	3	2	2
Qf6	4	3	3
Qf7	4	3	3
Qf8	3	3	2
Qf9	4	4	4
Qf10	4	3	3
Qf11	4	3	3
Qf12	4	2	1
Qf13	2	2	2
Qf14	3	3	2
Qf15	2	2	2
Qf16	3	3	2
Qf17	4	3	2
Qf18	4	4	2
Qf19	4	4	2
Qf20	5	4	4



	NZ	Australia	UK
Retailing	20%	19%	23%
Manufacturing	13%	18%	26%
Construction	9%	9%	9%
Financial services	2%	4%	2%
Other services	56%	50%	40%

Table 1: Industry category of family businesses⁴

Number of employees	% of family business respondents	
	New Zealand	Australia
0	14%	12%
1-10	57%	38%
11-20	11%	13%
21-30	6%	5%
31-40	2%	4%
41-50	1%	9%
51-100	5%	10%
101-200	3%	3%
200-500	0%	4%
more than 500		1%

Table 2: Employee numbers

⁴ These data are not reported in Birley et al. (1999)