

## **START-UP MOTIVATIONS AND GROWTH ORIENTATION OF OWNERS OF FAMILY BUSINESS - A CARE ENTREPRENEURSHIP APPROACH**

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## **Abstract**

Comparisons between family business and non-family business are still quite rare in some business areas. The aim of this article is to analyse the start-up motivations and growth orientation of family business in the area of care entrepreneurs. The specific research tasks are: 1) to describe and compare entrepreneurs' start-up motivations and growth orientation between family firms and non-family firms; 2) to describe the relation of the start-up motivations to the growth orientation of manager-owners in family firms and non-family firms. The definition of growth orientation is not unambiguous. In this article it was seen as a subjective orientation of manager-owners of firms, but quite often the focus has been on the firm level and its objective measurements. A survey study directed at the manager-owners of care enterprises ( $n = 461$ ) was conducted 2005–2006 in Finland. Our first hypothesis concerning the differences in start-up motivations between manager owners of family or non-family firms was supported only marginally. Our second hypothesis as well as our results followed existing research evidence concerning the lesser growth orientation of family business. This lesser growth orientation was not connected to any start-up motivation of the manager-owners of family firms (Hypothesis 3). These results are connected to practical and scientific implications in the family business context.

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## INTRODUCTION

Every country has a crucial need for both new enterprises and their successful development. This article discusses start-up motivations and the growth orientation of business operations in the context of family business and non-family business. Do the start-up motivation and the growth orientation of entrepreneurs vary between family business and non-family business?

The definition of motivation varies a lot (see e.g. Koiranen 2007), but traditionally the motivations for starting up a business have been divided into push and pull factors. The founders of new firms may be “pushed” into entrepreneurship through a lack of alternative employment opportunities, or they may be “pulled” by opportunities identified. Storey (1994, 77), for example, has suggested that both influences may be at work, and that their relative impact will vary sectorally, spatially and temporally. Furthermore, it has been claimed that there are no definitive causes for entrepreneurship, but that the process of becoming an entrepreneur is the consequence of reasoning processes, which in turn are closely related to the contingency between individual and external environment (see Huuskonen 1992).

This is true, but do the entrepreneur’s own experience and interpretation affect the future plans of the enterprise? For instance, are manager-owners motivated mainly by family-centred goals and the growth orientation is not so important for them? It has been claimed, that in small family businesses, the entrepreneur often has no intention of expanding his or her business (e.g. Hiernerth & Kessler 2006; Kotey 2005). In this article we will try answer this question by comparing family firms and non-family firms in one specific industry. Comparison as a method serves better to enhance understanding than focusing only on the owners of family firms themselves.

The branch of business in this article is care, which may induce some specific features for business as a whole, but also for the start-up motivation and the development of the business. At least the following three features can be identified: initially, care, whether formal or informal, has traditionally been the province of families, especially of women. Women have been employed by public or private care organizations, and women in various countries have born most of the responsibility for care. Thus, the care branch is a natural area of entrepreneurship for women even if the service structure orientation leans more towards the private sector. Women’ role in entrepreneurship has been lately emphasized and considerable progress has been made in research with respect to their start-up motivation (e.g. Orhan & Scott 2001). Although this generalization may be more revealing of the gender-specific interpretation of different start-up motivations, Nadin (2007) for example, has stated that women want to keep the risk-taking or profit-seeking identity as entrepreneurs invisible.

Secondly, as a phenomenon, care has commonly been associated with altruism and other ethical values. Ethical care values, for instance, have been important in care workers’ professional education. One crucial issue is how business or management oriented values and care values can work together. The educational background of care entrepreneurs (e.g. nurses), for instance, does not commonly include business or management oriented education. For instance, the study by Sankelo & Åkerblad (2008) shows that about half of the nurse entrepreneurs had considerable development needs in their managerial role. These development needs in management issues may

also be assumed to have some effect on the growth orientation of entrepreneurs in the care branch.

Thirdly, at least in the Nordic countries as a business area, care has been very firmly guided by national legislation and policy, which may affect the start-up motivation and also the prospects for starting up a business. However, at the Finnish national and local policy level, private services have become accepted solutions to meeting the increasing need for services (Rissanen & Sinkkonen 2005, Rissanen et al. 2010). Municipalities or other public service providers have not had sufficient opportunity to increase their own service provision, and tendering processes have taken place. In addition, the national economic policy has accepted social care services as a potential business area supported and emphasized as a future activity. It may be that certain small scale businesses, such as residential care homes, are not regarded by the Finnish Government as the cornerstones of a thriving economy, as they were, at least partly, in the United Kingdom (UK) during the 1980s (see Andrews and Phillips, 2002, 67). However, health and social services have reached the agenda of Finnish economic policy. (e.g. the Hyvä Project, a strategic project of Ministry of Employment and the Economy). The competitors for such small-scale family businesses have been seen in the large international enterprises or those enterprises owned by national or international voluntary organizations if the family business does not take the challenge of growth seriously.

### **The aim of article**

The aim of this article is to analyse the start-up motivations and growth orientation of family business in the field of care entrepreneurs.

The specific research tasks are:

- 1) to describe and compare entrepreneurs' start-up motivation and growth orientation between family firms and non-family firms;
- 2) to describe the relation of the start-up motivation with the growth orientation of manager-owners in family firms and non-family firms.

There is no universally accepted definition of a family business (e.g. Corbetta 2001; Westhead et al. 2002). For instance, the journal editors of special issues on family business have faced the fact that the each article subscribes to a slightly different working definition of a family firm (see Steier et al. 2004, 296). The same holds true of literature reviews, which have been compelled to accept different definitions for the family business, at times with a confusing effect on the results. One attempt to solve this problem has been the "familiness" concept, coined to express how a family firm is described in the question of "how family is a family firm?" (Rutherford et al. 2008, 1091).

However, according to Westhead et al. (2002) researchers have often used four key criteria when defining family firms. First, whether a single dominant family group owns more than 50 per cent of the firm. Second, whether the owners themselves perceive their firm as a family business. Third, whether a firm is managed by members of a single dominant family group, and fourth, whether the firm has experienced an inter-generational ownership transition to a second or later generation. One typical feature in family firms is also that members of the manager-owner's family are often

employed in the firm. In literature review of this article we accept different family firm definitions, but in the empirical part of this article family business is defined as a business where at least one family member is working in the firm together with the manager-owner.

## **LITERATURE REVIEW**

Many researchers have been interested in business start-up motivations and in growth orientation on a national and international level. This interest has also focused on the family business. Given the aim of this article, the existing literature was divided into two groups: research on the start-up motivation and research on the growth orientation. The emphasis in the literature search was on those publications comparing these aspects of family firms and non-family firms when available. Other comparison of family and non-family business has focused, for instance, on organizational culture issues (e.g. Zahra et al. 2004) or international strategies (e.g. Abdellatif et al. 2010).

### **Research concerning the start-up motivation**

Firstly, the concept analysis of motivation by Moody and Pesut (2006) proved that there are many definitions of motivation in the literature and yet none of them is universally accepted and applied. Secondly, different studies of start-up motivation have focused on different factors, making it impossible to find an exhaustive description of motivation or different factors affecting start-up motivation. The results are often connected to a certain culture or a type of enterprise. For instance, Amit and co-workers (2001) examine the role of money in venture decisions. Their findings do not support the common perception that money is the only, or even the most important, motive for entrepreneurs' decisions to start new ventures. Other motivations, such as innovation, vision, independence and challenge were more important. However, Turkey's survey showed that small and medium-sized enterprise owners are driven more by income rewards than intrinsic rewards (Benzing et al. 2009).

Shane et al. (2003, 272–273) suggest that human motivations, in particular the need for achievement (= nAch), locus of control, desire for independence, passion and drive might influence the entrepreneurial process. They propose that entrepreneurship is a process that begins with the recognition of an entrepreneurial opportunity and is followed by the development of an idea for seizing that opportunity, evaluation of its feasibility, the development of the product or service, the assembling of human and financial resources, organizational design and the pursuit of customers. They suggest that some or all of the motivations influence the transition of individuals from one stage of the entrepreneurial process to another. Motivations are not the only considerations that influence these transitions: cognitive factors such as knowledge, skills and abilities also matter, as do opportunities and environmental conditions. De Clercq and Arenius (2006, 350) argue that individuals' varying possession of knowledge, as well as their varying exposure to external knowledge, has an impact on the decision to pursue an entrepreneurial career. They found that believing that one has the necessary skills for starting a new business is a crucial factor in increasing the likelihood of business start-up activity. Their results also show that the individuals' educational level had some effect on the likelihood of them starting a business.

In fact, autonomy has been considered to be one of the most important drivers of self-employment. However, van Gelderen and Jansen (2006, 29–30) argue that starters of small businesses differ in their relative emphasis on the reasons why they enjoy autonomy. Many entrepreneurs enjoy autonomy for the sake of decisional freedoms, but there are also people who need freedom as a necessary condition for the fulfilment of other ambitions. Some are motivated by negative freedom: they dislike or are currently experiencing a difficult boss or irksome rules. Some emphasize the fact that self-employment offers the opportunity to work in accordance with one's own goals, values and attitudes, while others emphasize the opportunities that self-employment offers for being in charge, for directing and for leading instead of being led.

Schjoedt and Shaver (2007) studied whether the potential for increased life satisfaction pulls or whether job satisfaction pushes individuals towards an entrepreneurial career. They found no significant mean differences between nascent entrepreneurs and the comparison group regarding life satisfaction, whereas regarding job satisfaction they found a significantly higher mean for the nascent entrepreneurs than for the comparison group. However, their job satisfaction results were the opposite of what would have been expected on the basis of the push hypothesis. There was powerful evidence against nascent entrepreneurs being pushed toward an entrepreneurial career due to low job satisfaction in their pre-entrepreneurial employment.

Care branch specific research has also increased nationally (e.g. Heinonen et al. 2006) and internationally, but internationally research has mainly concentrated on nurses as entrepreneurs. Andrews and Kendall (2000, 903–904) investigated nurses who left the British National Health Service (NHS) to own and run residential care homes for elderly people. The most common reason for choosing to run a residential care home was the desire to be one's own boss, which can be categorized as a motivation based on employment expectations. Money-motivated responses were less frequently cited, probably because they might cast the proprietors and their homes in an ethically less acceptable light. No proprietors reported disillusionment with the pay conditions of NHS employment as a push factor in their decision to change careers. The pull factors of the residential care sector seemed the dominant reasons for starting up a business.

Wilson, Averis and Walsh (2003, 242–243) studied the influences and experiences of becoming a nurse entrepreneur in Australia. They suggest that most nurses and midwives were not in business due to unemployment or because they were redundant or redeployed. At the same time, work satisfaction, being able to use specific skills and abilities and being able to contribute to making a difference in health outcomes for individuals were important for them. The potential of increased income was an attraction for many nurses, although rapid financial returns were not guaranteed. Similar results were reported in the study by Rosalie Caffrey (2005) concerning becoming nurse entrepreneur in Oregon, USA.

Given the aim of this article and its empirical context it is important to note that the comparisons of start-up motivation between men and woman and gender specific entrepreneurship research as a whole have gained increasing visibility (e.g de Bruin et al. 2006), but comparative surveys concerning start up between family business and non-family business are rare, although the influence of the family in start-ups has well recognized (e.g. Naffziger et al. 1994).

## **Research concerning growth orientation**

The literature on growth of firms is much more extensive than that on growth orientation. For instance, comparison of rapid growth firms and their slow-growth counterparts has been much researched in recent decades. Earlier literature reviews of research concerning growth of enterprises can be also found (e.g. Barringer et al. 2005). The ways to grow and indicators of growth may vary between enterprises. For instance, Matthew W. Rutherford and co-workers (2008) note in their summary of empirical studies on family business and performance that growth has been measured by examining the percentage by which sales revenue had changed over the last 3 years or examining changes in the firms' size (specially number of full-time employees). In fact, quite often growth is interpreted as one variable of performance, but it has also been claimed that the measures based on growth are inappropriate as success indicators for many small family business (Hienerth & Kessler 2006).

However, for the purposes of this study the most relevant research concerns the growth-orientation of the entrepreneurs, not the growth orientation on the firm level (e.g. Dwyer et. al. 2003). The definition of growth orientation is not unambiguous and the term has some variants (e.g. growth plans Kozan et al. 2006, growth motivation Delmar & Wiklund 2008, business goals Getz & Carlsen 2000, growth intentions Cliff 1998). In this study growth orientation is seen as a fairly stable attitude to growth among entrepreneurs. One finding of Delmar and Wiklund (2008) was that growth motivation was relatively stable over time.

Has the growth orientation a causal effect on firm growth? This essential question for business probes in psychological language the importance of attitudes in predicting behaviour in business. Most research has supported that growth orientation have a causal effect on firm growth (see. e.g. Wiklund et. al. 2003). For instance, Delmar and Wiklund (2008) have stated on the basis of their Swedish small firms sample that growth motivation is a relevant predictor of growth and an important variable for inclusion in studies on small firm growth. Interesting research has also been done on the connection between expected consequences of growth and attitude to growth. The study by Wiklund et al. (2003) showed that financial gain is not the main determinant of attitude toward growth. Their findings suggest that other expected outcomes of growth, for instance, managers' ability to keep full control over the operations of the firm, the firm's degree of independence in relation to external stakeholders, and its ability to survive crises may have at least a minor effect on growth attitudes. Another relevant finding for this study was that expectations concerning the effect of growth on employee well-being are the single most important determinant of overall attitude toward growth.

A second interesting question for this study concerns the connections between start-up motivations and growth orientation of entrepreneurs. The literature so far has examined (for instance) the effect on growth orientation of gender (Cliff 1998) or past growth (Delmar & Wiklund 2008). In addition, the survey by Birley & Westhead (1994) showed that whereas new businesses are founded by individuals with significantly different reasons leading to start-up, once the new ventures are established these reasons have a minimal influence on the growth of new ventures. Interestingly, the model of environmental and personal factors influencing growth intentions and actual growth formulated by Kozan, Öksoy and Özsoy (2006, 117) includes variables

similar to those reportedly underlying the start up motivation (e.g. entrepreneur's background, entrepreneur's achievement need).

Altogether, the findings below are also very interesting in the context of family business. A typical feature of small family firms seems to be a desire to retain managerial control in the hands of family members. In family firms the desire for stability, self-sufficiency, independent ownership and the retention of managerial control by family members may be just as important as the desire for expansion (Westhead 1997). The reasons for less growth orientation in family firms than in non-family firms may vary, but one significant feature of family firms seems to be that decision-making is based on rational economic assumptions and emotion-based family considerations (Cromie et al. 1999). The family members' well-being may be an even more important determinant for entrepreneurs' growth orientation than the effects of growth on employees' well-being. Furthermore, family businesses have been shown to have several emotional aspects associated with their business, such as hereditary management and attention to kinship ties (Fletcher 2002). Hall (2002) argues that the strategies of small family firms develop as a result of context-specific rationality configurations.

Family firms seem to maintain a long-term orientation when crafting and executing organizational strategies, too. However, it is also suggested that increasing environmental pressures often force family firms to take a more entrepreneurial stance as the firm matures (Kreiser et al. 2006). This means that firms start to make riskier investments and undergo a transition from family management to professional management. This also applies to care enterprises when the international care companies are putting competition pressure on small-scale family businesses. Environmental pressure to grow exists for all enterprises, and even the start up motivation varies between entrepreneurs.

In light of the existing research on start up motivation and growth orientation some conclusions can be drawn for this study:

1. Study designs for researching motivations for starting a business have varied. Some studies have focused on some specific motivations, others have done inductive analyses of start-up motivation based on data. Many different start-up motivations have been identified and even some branch specific research can be found, but the research evidence on comparison between family business and non-family business is insufficient.
2. The existing literature tentatively shows family firms to be less profit and growth oriented than non-family firms. No such research could be found on the care business branch.
3. It also seems that the literature on research evidence for start-up motivations connected to the growth orientation of the enterprise is still quite insignificant, at least in the context of family business. Research has more often concentrated on other variables such as gender or previous growth connected to growth orientation.



On the basis of these conclusions three hypotheses were formulated, which are tested empirically.

- 1) There are differences in reasons for starting up between family firms and non-family firms.
- 2) The growth orientation of entrepreneurs in family firms is less than in non-family firms in the care branch.
- 3) Start-up motivation is not connected to the growth orientation of manager-owners in family firms.

## **METHODOLOGY**

The empirical part of this study focused on enterprises providing institutional, residential services or home care services for different groups (e.g. children, young people, disabled people, mentally ill people or elderly people). The data were collected as a part of a questionnaire mailed to the manager-owners of care enterprises at the turn of the year 2005/2006 (N=1275). One reminder was sent. The survey contact information was obtained from the Finnish National Research and Development Centre for Welfare and Health (STAKES), which maintained an extensive register of private service providers in health and social care services.

The sample was a so-called total sample, and the criteria for the sample were 1) main field of service was home care or institutional or residential care for different client groups; 2) manager-owner of the firm was identifiable (i.e. not an international company or foundation). Thus the focus of the empirical part of this article is enterprises owned and run by a private person.

The response rate to the questionnaire was 52 per cent (n=601). The number of respondents of non-self-employed was 461. The following results concern those respondents. The total sample did not include those questionnaires which were undelivered because of unknown address (n=80) or questionnaires returned blank because the business had not started or was no longer operational (n=30). It is also probable that many enterprises with an unknown address had closed down.

The questionnaire mainly comprised multiple choice questions and some open-ended questions. The background information of entrepreneurs and their firms included questions concerning the gender of entrepreneurs (0= woman, 1=men), age, duration of being an entrepreneur in years, the number of staff, and a subjective evaluation of profitability (1=excellent, 2=good, 3=satisfactory, 4=poor). The questionnaire was planned by the members of research groups, but some of the questions had been used in earlier national surveys on health and social service enterprises.

The description of start-up motivations is based on an open-ended question. Responses to this question were analysed using quantitative content analyses. (0= not mentioned, 1=mentioned). The basic distribution of internal and external factors influencing a person's intrinsic motivation coming from the classic motivation theories (see Herzberg 1966, Hackman & Oldham 1980) was used in the analysis of the start-up motivations. The question of growth orientation of entrepreneurs was as follows: Which of the following options best describe the situation of your company? (1= we have a strong desire to expand, 2= we aim to expand within the realms of possibility

3=we don't have any desire to expand).

In the results we present the means and standard deviations of variables in family and non-family firms groups. T-test was used to determine whether the mean differences were significant. Spearman's correlation was used in the correlation analysis, because some of the variables were dummy variables.

An analysis of non-respondents showed that respondents followed the regional distribution of social service enterprises in Finland. Most of the social service enterprises are located in south or west Finland. However, the response rate of manager-owners of home care enterprises was somewhat lower than the manager-owners of institutional or residential care units. The percentage of home care enterprises in the sample was 42, but in the final data the figure was 33 per cent. The data collection was part of the Reaktioketju Project, funded by the EQUAL Initiative of the European Social Fund.

## RESULTS

### Background information on the entrepreneurs and enterprises

Almost eighty per cent (79) of the entrepreneurs were women, and the average age of the owner was 48 years. However, the share of male entrepreneurs was higher than the proportion of male employees in public care services. This may imply that in care provision entrepreneurship is a more tempting arena for men.

The care companies were relatively small: on average they employed 8 people. Almost half (49%) of them were family enterprises. Most often a spouse (48%) was mentioned as a member of the family business. Then the most common answers were many family members working in the enterprise (32 %) or a child or children (10%). The number of men as manager-owners of family firms was higher than in non-family firms. The manager-owners of family firms had been entrepreneurs on average for almost nine years, while the corresponding figure for the manager-owners of non-family firms was less than eight years. The profitability of the business estimated by the manager-owners of the firms was higher in family firms than in non-family firms. It seems that the family firms had been in operation longer than the non-family firms and their profitability was slightly better.

Table 1. Background information on manager-owners and their firms in family firms and non-family firms. Means, Standard Deviations and T-test.

	Family firm context		Not family firm context		T-test
	Mean	SD	Mean	SD	
1. Gender of manager-owner	.264	.442	.150	.357	-3.060**
2. Age of manager-owner	48	8.615	47	8.295	-.635
3. Time as an entrepreneur	8.93	6.078	7.56	4.629	-2.721**
4. Number of employees	7.13	8.217	8.00	8.479	1.121
5. Profitability of the firm	2.22	.648	2.35	.670	2.216*

\* correlation significant at the 0.05 level

\*\* correlation significant at the 0.01 level

### Start-up motivations and growth orientation

Almost of half (45%) of respondents had mentioned one, 30% two and 13% three start-up motivations. Eight percent reported no motivations in response to an open question. Table 2 shows that the most of the reasons for starting a care enterprise were similar to those in other branches, such as the need for independence and personal interest. Industrial-based reasons for start-ups included the desire to provide better care, the growing demand for care services, and the need to offer a choice to the public sector. The need to employ oneself was also mentioned fairly often. Only five per cent of the entrepreneurs reported a desire to earn a greater income as the reason for starting their own business.

Our first hypothesis concerns the differences in start-up reasons between family firms and non-family firms. Internal motivations were more often mentioned than external motivations in both groups. However, whether the firm was a family firm or a non-family firm made only little difference between start-up motivations. The three main reasons for starting up were same in both groups. However, the motive of offering an alternative to the public sector was more common in family firms than other types of firms, but the need or demand for the service was not so important to the manager-owners of family businesses than to those whose families did not participate in the business.

Table 2. Start-up motivation and growth orientation of manager-owners of family firms and non-family firms. Means, Standard deviations and results of T-test.

	Manager-owners of family firms		Manager -owners of non-family firms		T-test
	Mean	SD	Mean	SD	
<b>Internal motivation:</b>					
Need for independence	.37	.483	.33	.472	-.701
Desire to develop and offer better care	.24	.428	.19	.395	-1.180
To offer an alternative to the public sector	.16	.364	.09	.289	-2.022*
Dream / personal interest	.11	.316	.15	.354	1.042
Desire for more change / to try something new	.07	.261	.10	.295	.837
Desire to develop and exploit professional skills	.06	.244	.06	.245	.022
<b>External motivation:</b>					
Need to employ oneself	.25	.433	.29	.454	.901
Need/demand for the service	.08	.276	.15	.354	2.055*
To have a better income	.07	.253	.05	.209	-1.000
Entrepreneur family / entrepreneur spouse	.05	.216	.02	.134	-1.734
Own earlier entrepreneurship	.00	0.70	.01	.117	.938
<b>Growth orientation</b>	2.406	.614	2.239	.696	-2.703**

\* correlation significant at the 0.05 level

\*\* correlation significant at the 0.01 level

Our second hypothesis concerns the growth orientation in family businesses. The growth orientation of the business was somewhat lower among the manager-owners of family business firms than others. However, both groups preferred the aim to expand within the realms of possibility.

### Growth orientation with start-up motivations and background information

Our third hypothesis concerns the growth orientation of entrepreneurs and its connections to start-up motivations. Table 3 presents the correlations of growth orientation with start-up motivations and with background information.

Table 3. Growth orientation with start-up motivations and background information in the family firm and non-family firm context, correlations.

	Growth orientation	
	Family firm context n= 202	Non-family firm context n=211
Need for independence	-.058	-.109
Desire to develop and offer better care	-.123	-.173*
Dream / personal interest	.020	-.139*
To offer an alternative to the public sector	-.020	-.041
Desire for more change / to try something new	.037	-.059
Desire to develop and exploit professional skills	-.080	-.113
Need to employ oneself	-.058	.193**
Need/demand for the service	.074	-.059
To have a better income	-.052	-.061
Entrepreneur family / entrepreneur spouse	-.050	.052
Own earlier entrepreneurship	.073	.030
Gender	.001	.001
Age	.118	.135*
Time of being entrepreneur	.186**	.165*
Number of employees	-.208**	-.190**
Profitability	.051	.059

\* correlation significant at the 0.05 level

\*\* correlation significant at the 0.01 level

Growth orientation was not connected to any start up motivation in family firms. The situation was partly the same in non-family firms. Exceptions were relations of growth orientation with need to employ oneself, with entrepreneurs' desire to develop and offer better care and with entrepreneurs' personal dream to start a business. If the entrepreneur mentioned personal need to employ oneself as a start-up motivation her or his growth orientation was less than if this motivation was not mentioned. On the other hand, the attempt to develop care was related to positive growth orientation. The dream of the entrepreneur also increased the growth orientation.

The connections between growth orientation and background information were stronger in both firm types than the connections between growth orientation and start-up motivations. Longer experience of entrepreneurship did not support growth orientation, but greater number of employees supported it more than the opposite in both firm types. However, higher age of entrepreneurs was connected to less growth orientation in non-family firms.

## **DISCUSSION AND CONCLUSIONS**

### **Summary of results**

The results showed that the majority of care entrepreneurs in Finland, too, are women. However, the percentage of male entrepreneurs was higher than that of male employees in the care sector. Men's role was more important in family firms than in non-family firms. It seems that men work together with their spouses when they start a care business. Probably the men are more often in the position of the manager-owner of the firm than their wives, who take care of the professional care in the family business. Altogether, the firms were quite young: the mean age of a firm was eight years. This shows that the care business in one Nordic country has not yet reached stagnation level, but is providing business opportunities for entrepreneurship, especially for women. Comparison with Finnish national reference values shows that the growth orientation was also almost at the same level as that of other entrepreneurs in other branches.

As a whole, the picture of start-up motivations of entrepreneurs emerging from these results is similar to that found in other studies in other branches. The need for independence was the most frequently mentioned reason for starting up a business. Desire to provide better care, growing demand for care services, and need to offer an alternative to the public sector can be interpreted as care branch-specific start-up motivations. Our first hypothesis concerning the differences in start-up motivations between manager-owners of family or non-family firms was supported only slightly. The three main reasons for starting up were the same in both groups. However, motive of offering an alternative to the public sector was more common in family firms than in other types of firms, but the need or demand for the service was not so important to the manager-owners of family businesses than to those owners whose family did not participate in the business.

Our second hypothesis and our findings concurred with the existing research evidence regarding the lower growth orientation of family businesses. This growth orientation was not connected to any start-up motivation of the manager-owners of family firms (Hypothesis 3). Instead, the attempt to develop care and the dream of being an entrepreneur were related to positive growth orientation and need to employ oneself to negative growth orientation among entrepreneurs in non-family firms.

### **Implications for practice and research**

The research results, which showed that the need or demand for the service was not such an important start-up reason for the manager-owners of family firms as for other kinds of firms, or that the growth orientation was lower in family businesses than in other kind of enterprises are important for family business practice as well as for care practice. The need or demand for the service should be taken better into account when a family business is planned, because for a successful business sufficient demand for services is very important. It is important at a very early stage to identify those care enterprises which are established on a realistic and sustainable basis and to focus societal support on these enterprises.

In addition, low desire to expand in a family business may sometimes be a threat to the continuity of the business. In the care sector, bigger firms have lately succeeded better than smaller firms in tendering processes between municipalities and firms. Partly the reason for this has been the reality that the smaller firms do not have the capacity to take part in the tendering processes without networking with other firms. For family businesses networking may be a challenge, because constant networking may affect the basic values of family firms. At least, national small business policy should recognise even more this current trend in the care business sector. In addition, in business education at all levels this low growth orientation and the reasons for it could be paid more attention. What, for example, are the advantages and disadvantages of networking for one specific family firm and its culture? How could such disadvantages be avoided?

Some scientific implications can be also drawn in light of the literature review and the empirical findings. Firstly the definition of growth orientation is not unambiguous. In this article it was seen as a subjective orientation of manager-owners of firms, but quite often the perspective has been that of the firm and its objective measurements. The subjective growth orientation of the manager-owners of family firms is extremely relevant because it can be assumed that a change of manager is not so often the solution in family firms if growth does not achieve the expected level. Secondly, the family business aspect should be taken into account when empirical surveys or models are made concerning growth orientation or actual growth. The models are still frequently too general. For instance, it can be assumed that need to employ oneself as a start-up motivation is not a good predictor of growth orientation in family firms, but this may be the case in non-family firms.

### **Limitations of the study and future research**

The results of this article are based on the subjective views of manager-owners of care firms about their start-up motivations and their orientation to growth of the business. It would be useful to relate objective measurements of economic success to subjective attitudes. In addition, comparative research between different branches of industry is needed.

The time frame of this study is a second limitation. It is easy to agree with Low and MacMillan (1988) who in their recommendation for entrepreneurship research highlighted longer time frame studies than cross-sectional “snapshots”, which is the case in this study, too. Follow-up is needed because different strategic issues (e.g. growth) are important as firms, branches or environment issues evolve. Moreover, the entrepreneurs’ interpretations of start-up motivation may change over time.

The response rate to the questionnaire was fifty-two per cent. The analysis of non-respondents showed that manager-owners of small home care firms did not respond to the surveys as often as the manager-owners of residential or institutional units. This may mean that the results concerning profitability are somewhat more positive than the actual situation in reality. In addition, the location of the enterprise in a rural or urban area was not considered even though prior survey based family business research has stressed the meaning of regions and cultures for start-up motivations or growth orientation (e.g. Getz & Callsen 2000). Nevertheless, the data will serve as a basis for the analysis of the start-up motivations and growth orientation of manager-

owners of care firms and their connections to each other. Future research should focus its hypotheses more on the causality issues between variables (Low and MacMillan 1988). In fact, descriptive studies are important first steps and useful if the data collection is conducted in unfamiliar or non-traditional entrepreneurial branches (see de Bruin et al. 2007, 324) which is still the case with the female-dominated care branch entrepreneurship, at least in the Nordic countries.

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