

Men, Women Manage Family Businesses Differently, Study Shows

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Family-owned businesses run by women thrive when family members donate their time to help the company. But when men run the family business, donated family time is linked to lower revenue.

That's one finding in a study that probed how gender issues affect the management of family businesses.

“Women and men seem to structure the interaction between work and family quite a bit differently when they are running the family business,” said Kathryn Stafford, associate professor of consumer sciences at Ohio State University.

“You can see differences in the use of family members at work, how they handle disruptions at work and home, and a wide variety of other variations.”

The use of family members is one example.

Stafford says men may use unpaid family members only as a last resort when the business is in trouble, preferring to hire outside workers. That may be why use of family members is linked to lower revenue when men are managers.

On the other hand, women may see using relatives at work as a way to have family with them and to share time together.

“Women seem to see it as a win-win situation, while men don't think it is a good idea to mix business and family in this way,” Stafford said.

Stafford conducted the study with Sharon Danes and Johnben Loy of the University of Minnesota. Their results appear in the October 2007 issue of the *Journal of Business Research*.

This project used data from the National Family Business Survey, which studied family businesses in 1997 and the same businesses again in 2000. A total of 301 family businesses were included in this study. The survey asked a variety of questions designed to identify the primary business owner. If the interviewer was told that both spouses owned the business equally, it was determined which spouse was most involved in day-to-day business management.

The results of this study, like many others, show that family businesses owned or managed by women earn less revenue than those owned by men. But part of the reason may be that women have goals other than maximizing profit, Stafford said.

Other studies have shown that women often start businesses because they want to spend more time with their families, Stafford said, and the fact that women tend to use family members as unpaid workers bears this out.

This study showed that women who put in more weekly hours did tend to have higher gross revenues than women who put in less time, she said. The fact that few women took the option to boost their working hours shows they may have different goals.

“The results indicate that women feel they have better alternatives than simply putting more time into their business,” Stafford said. “They want to spend time with their families outside of work.”

The difference in how men and women balance work-family demands was seen in another, somewhat odd result. Findings showed that when women managers reported sleeping less, their gross revenue increased. But when men reported sleeping less, revenues decreased.

Stafford said one way to interpret that result is that men only resort to sleeping less when their business is in serious trouble, while women do it as a matter of course to manage both their family and business.

“Societal demands on men are different. They can spend less time with the family to help their business and that is OK,” Stafford said. “They only lose sleep as a last resort, when problems at work are consuming all their time.”

Women, however, may be losing sleep because they want to make sure the business succeeds, but don't want to spend less time with their family.

Some business practices also had varying effects depending on the gender of the manager. Most striking was the fact that women saw a much greater increase in revenue than did men as a result of the time they spent on personnel management – such things as setting performance standards, evaluating employee performance, and motivating workers.

Stafford said part of that finding may be because women tend to be involved in businesses, such as retail, in which sales are dependent on how well employees deal with customers. In that case, employee relations take on added importance.

“Overall, we found that gender and family roles play an important part in how family businesses are managed,” Stafford said. “The interaction between family and business is complicated, and men and women seem

to have different ways of managing the relationship.”

Source: Ohio State University

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