

# A Comparative Study of Personality Dynamics of Family and Non-Family Entrepreneurs and their Impact on Organizational Effectiveness

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## Abstract

The current research focuses on the exploration of the big five personality traits model and its impact on organizational effectiveness in the restaurant industry entrepreneurs of Lahore, Pakistan. The personality traits of different entrepreneurs working in family and non-family owned enterprises are analyzed along with their effectiveness. Data collection mode was survey and data was collected through structured questionnaire. Purposive non-probability sampling technique was used for sample selection. Questionnaire was responded by 110 entrepreneurs (55 family entrepreneurs and 55 non-family entrepreneurs) of restaurant industry. The research findings reveal that all of the personality items have a positive correlation with the organizational effectiveness except neuroticism, yet these personality traits have variable impact on the effectiveness of restaurants. For family entrepreneurs, the traits of extrovert, neuroticism, openness to experience and agreeableness have significant impact on the effectiveness of restaurants whereas for non-family restaurants only conscientiousness trait has a significant impact on restaurants' effectiveness.

**Keywords:** family entrepreneurs, non-family entrepreneurs, conscientiousness, extrovert, neuroticism, openness to experience, agreeableness, organizational effectiveness.

## 1. Introduction

Punjab is considered as an entrepreneurial hub of Pakistan since many of its cities are globally famous for its entrepreneurial ventures and their products. Lahore being the capital city of Punjab has a rich entrepreneurial culture initiated and promoted by its natives and migrants. There are numerous and multi-dimensional entrepreneurial ventures operating in Lahore and marvelously contributing in the development of the nation. Primarily on the basis of ownership, restaurants of Lahore can be segregated into two major types of restaurants i.e. family owned restaurants and non-family owned restaurants.

Majority of family owned restaurants have their presence since the partition of subcontinent. These family owned restaurants are the flag bearer of rich traditions of gourmet behavior of natives of Lahore and its surroundings. Their ambiance, service delivery styles make them unique from other restaurants in Lahore. Most of the family owned restaurants of Lahore have nearly third or fourth generation of entrepreneurs, creating a sense of pride and confidence in the present entrepreneurs for the successful succession of business throughout the generations.

However, a reasonable expansion in the vicinities of Lahore also induced many entrepreneurs to start a venture in restaurant industry leading to a reasonable uprising of new restaurants in Lahore. Most of these restaurants are owned by non-family entrepreneurs and have iconoclastic mindset in the development of restaurant traditions and offerings. Non-family owned restaurants have their own customized service delivery processes and certain variations among non-family owned restaurants' traditions and offering are quite visible. Hence, the difference in the culture, traditions, value systems, norms and service delivery processes of these family and non-family owned restaurants is deeply influenced by the "*personality*" of the family and non-family entrepreneurs. Certain variations in personality lead towards a difference in the operations and overall expositions of any restaurant.

In the current business environment promotion of entrepreneurship is of utmost necessary for the sustainable uplift of the economy. It is inevitable for the socio-economic development of an economy and it is also attributed as a factor to derive economic change (Sandhu, Sidique & Riaz 2011). Hence, due to its paramount importance, entrepreneurship is receiving more attention in business research from more than a decade ago (Shane & Venkataraman 2000).

Small and medium enterprises, an offshoot of entrepreneurship, play an effective role in the growth of developed and developing economies. For developing economies the contribution of small and medium enterprises is remarkable. However, SMEs have a major role in the economic development of Pakistan. According to small and medium enterprise development authority (SMEDA), these SMEs have approximately 40% contribution in the GDP of Pakistan; nearly 80% of the non-agriculture workforce is employed by SMEs. These SMEs are approximately 90% of all the enterprises in Pakistan (Harvie & Lee 2002).

The economic front of most of the economies is dominated by the family enterprises (Heck & Stafford 2001). Academicians and researchers discovered that the family ownership of a business is in one of the important concerns for small and medium enterprises. These family businesses play a vital role in the growth process since the business loyalty, long term strategic commitment and entrepreneurial attitude & experience of many generations are inherited in the current or future owner of the business (Poutziouris 2001). McPherson (2010) discussed that non-family business entrepreneurs, in comparison with family entrepreneurs, have entirely different frame of mind and distinct skills set while entering into a business. The difference in the entrepreneurial mind set, motivation, exposure and circumstances faced by both family and non-family entrepreneurs has a great impact on the personality traits of the entrepreneurs. Personality is composed of the intrinsic and interpersonal factors and strategies that indicate the relatively stable emotional, behavioral and cognitive aspects of an individual (Zweig & Webster 2004). This personality of the entrepreneur is necessary to understand since the business decisions of majority of small and medium enterprises are excessively dependent upon their respective entrepreneurs (Feltham, Feltham, & Barnett 2005). These personality traits of entrepreneurs are the key contributor in the long term survival and growth of an SME (Ciavarella, Buchholtz, Riordanb, Gatewoodb, & Stokes, 2004).

However, numerous types of personality traits are identified to analyze the trends and determinants for the efficient and effective management of various entities especially an organization. Most of the studies concerning the small and medium enterprises management are conducted and empirically tested in the developed economies. Yet a need is aroused to develop and test certain entrepreneurial phenomena in developing economies. The current research is intended to reconnoiter the entrenched phenomenon of personality impact on organizational settings in the context of small and medium enterprises of Lahore, Pakistan. Personality in the form of owner, employee, entrepreneur and leader has its great impact on the performance of any organization. This impact varies contextually in terms of organizational settings, circumstances and the state of other stake holders. Family and non-family entrepreneurs, due to their distinctive exposure and experience have certain differentiating traits that can overwhelmingly impact the overall performance of their organizations. Hence, the current study aims to explore the difference between the personality traits of family and non-family entrepreneurs using big five personality traits model and its impact on the organizational effectiveness.

## 2. Literature Review

### 2.1 Comparison of Family and Non-Family Firms

Astrachan and Shanker (2003) defined family business in terms of its percentage of ownership, voting control, power over strategic decisions and involvement of multiple generations. Whereas, most of the researchers consider non-family businesses as the business owned by one person and no significant influence of family members exists in the major business decisions or the business which doesn't have the characteristics of family businesses are considered as non-family businesses.

Family businesses are quite distinct from non-family businesses in many dimensions (Niehm, Swinney & Miller 2008). Family businesses enjoy certain advantages which are not gained by non-family businesses such as the common beliefs sharing by the family members to the family entrepreneur. This concept sharing creates a passion in the entrepreneur and a purpose to do the business (Ramana, Aryasri & Nagayya 2005). On the contrary, Research reveals that a reasonable number of non-family entrepreneurs are intrinsically motivated to start a business. Some considers it as an opportunity to update their business and management skills (McPherson 2010).

Anderson and Reeb (2003) described that family businesses have more long term orientation in the businesses as compared to non-family businesses. This long term orientation is also considered as a competitive advantage for the family businesses. Being more concerned to keep the business stable and growing for upcoming generations, family businesses invest in long term projects where as this tendency is less observed in non-family businesses (Block & Thams 2008). This long term orientation is also considered as in one of the reasons of better financial position of family firms (Miller & Le Breton-Miller 2005) but simultaneously due to the conservation of founder entrepreneur's philosophy and family values, these firms are more resistant to change since the apprehension of loss of family wealth and family control also strongly persists in family stake holders of the business (Zahra 2005).

In contrast non-family entrepreneurs have no reasonable support from the family. Most of the non-family entrepreneurs commence their businesses by keeping a vision and opportunity in consideration. Non-family entrepreneurs consider their business venture as a source of work-life balance due to the independent and autonomous nature of business. Hence opportunity along with fatigue led them to commence their own business. It is also a source to increase the earning potential and to keep the entrepreneurs away from the work and target pressure of multinational and other blue chip companies. Most of the non-family entrepreneurs believe that corporate life can no longer groom them professionally (McPherson 2010).

However, research reveals a contradictory view in the entrepreneurial inclination of family and non-family SMEs. Family SMEs are considered as less innovative than non-family SMEs (Gomez-Mejia, Larraza-Kintana, & Makri 2003). In contrast to that some studies reveal that no significant difference in the innovation tendency of family and non-family Small and medium enterprises exists rather occasionally family SMEs pretend more innovation oriented entrepreneurial behavior than non-family SMEs (Short, Payne, Brigham, Lumpkin, & Broberg 2009). Hence this innovation orientation can serve as strength or pose weakness for family owned SMEs in comparison with non-family owned SMEs with reference to entrepreneurial orientation.

Zahra, Hayton and Salvato (2004) explored the relation between the culture of the SMEs and its effect entrepreneurial tendency in family and non-family SMEs. He found out that external orientation of family and non-family SMEs has a significant impact on the adoption of entrepreneurship in SMEs. He emphasized it as more important element for family SMEs in comparison with non-family SMEs. Despite its relatively more importance for family SMEs, it is observed that family SMEs have less external orientation and are more inward looking than non-family SMEs. This weakness of family SMEs often tends to reduce their efficiency and competitiveness (Rogoff & Heck 2003).

### 2.2 Entrepreneurial Personality

This difference in the entrepreneurial mind set, motivation, exposure and circumstances faced by both family and non-family entrepreneurs also impacts the personality traits of the entrepreneurs. Personality is composed of the intrinsic and interpersonal factors and strategies that indicate the relatively stable emotional, behavioral and cognitive aspects of an individual (Zweig & Webster 2004). This personality of the entrepreneur is necessary to understand since the business decisions of majority of small and medium enterprises are overly dependent upon their respective entrepreneurs (Feltham, Feltham, & Barnett 2005). These personality traits of entrepreneurs are the key contributor in the long term survival and growth of an SME (Ciavarella *et al.*, 2004).

Researchers identified a reasonable number of personality traits of entrepreneurs such as risk bearing, innovative, need for achievement, internal locus of control, personal value orientation, self-confident, goal oriented, responsibility seeker, challenge taker, growth oriented, independence oriented and challenger (Carland, Hoy, Boulton & Carland 1984). Stewart, Carland, Carland, Watson and Sweo (2003) argued that innovation is an embedded role in the entrepreneurship. This innovation orientation, need for achievement and risk taking propensity are the distinguishing characteristics of entrepreneurs. McClelland first proposed the need for achievement as a strong personality trait of entrepreneur since it urges the person to seek entrepreneurial position to achieve more and more success (Littunen 2000).

### 2.3 Big Five Personality Traits Model

A reasonable number of models of personality are widely used by researchers for personality judgment. Among those models, big five personality traits model is considered as in one of the accurate indicators of the personality profile of a person. Big five personality traits model provides a meaningful and generalizable classification of individuals' personality. The measures of "Big five" personality model are both valid and reliable (Hurtz & Donovan 2000). McCrae and John made significant contribution in the development and application of big five factor personality model. He described five personality traits termed as extraversion, neuroticism, agreeableness, conscientiousness, and openness to experience. These five personality traits are strongly correlated with the entrepreneurial personality and long term success of the entrepreneurial venture (Ciavarella *et al.* 2004). Hence, certain personality traits of family and non-family entrepreneurs will be measured through big five model in this research. The brief overview of these personality traits are mentioned below.

#### 2.3.1 Extraversion

Extraversion indicates the comfort level of one's relationship with other and includes different traits such as sociability, assertiveness and interpersonal skills (Brandstätter 2010). Entrepreneurs have relatively more extraverted personality and this extraversion has strong correlation with the intention to commence a business and with the performance of a business (Zhao & Seibert 2006).

#### 2.3.2 Neuroticism

Neuroticism is the opposite of emotional stability and indicates negative thought pattern and negative emotional attitude such as nervousness, anxiousness, sadness etc. (Brandstätter 2010). Entrepreneurs have less inclination towards neuroticism and are more optimistic about their businesses outcomes and performance hence a negative correlation exists between neuroticism and tendency to commence and expand a business (Zhao & Seibert 2006).

#### 2.3.3 Agreeableness

The trait of agreeableness indicates a social and community oriented behavior of a person (Brandstätter 2010). It indicates the flexible, trust oriented, cooperative and tolerant behavior of a personality (Cooper 2003). Agreeable personalities are conjunctive, friendly and courteous with others and have tendency to move forward (Mount, Ilies & Johnson 2006). No significant correlation exists between agreeableness and entrepreneurs' propensity to start a business along with the growth of a business (Zhao & Seibert 2006).

#### 2.3.4 Conscientiousness

Conscientiousness indicates the sense of responsibility, competence, self-managed and discipline oriented behavior of a person. Its major focus is the task achievement through energetic and tireless efforts (Burch & Anderson 2004). Zhao and Seibert (2006) indicated a strong correlation between conscientiousness and intention to be an entrepreneur as well as with the performance of a business.

#### 2.3.5 Openness to experience

Openness to experience indicates high intellectual ability and acceptance of new ideas and experiences. It indicates the ability to be imaginative, creative and broadminded (Clarke & Robertson 2005). This openness to experience has a strong correlation with the entrepreneurial performance and the ability of an entrepreneur to start a business (Zhao & Seibert 2006). Zhang and Huang (2001) reported a significant correlation between innovativeness and openness to experience and this innovativeness is in one of the significant traits of an entrepreneur. People high in openness to experience have more willingness to learn new skills and are more goal oriented (Wang & Erdheim 2007).

#### 2.4 Organizational Effectiveness

The personality of the entrepreneurs impacts the performance of an organization. An organization is considered as a system mainly composed of inputs, throughputs (processes) and outputs. Among all these basic components of organization, human being is the entity playing a major role in the effective integration and cohesiveness of input, throughput and output (Cascio 1991). Organization's survival depends upon effective management of these resources and processes and organizational effectiveness is an appropriate tool to measure the organizations fitness for survival and growth in future (Hartnell, Ou & Kinicki 2011).

A reasonable number of researches have been conducted to determine the definition of effectiveness, its parameters, its link with the organizations and its practical implementation in the organizations. During the early research on organizational effectiveness, researchers persisted it as a single variable, later on due to its complex conceptualization and multiple dimensionality almost thirty separate variables were identified to measure organizational effectiveness (Campbell, Bownas, Peterson & Dunnette 1974). Among these most frequently used measures of organizational effectiveness are overall performance, human resource development, adaptability, productivity, organizational growth, employee performance, employee turnover, financial performance, efficiency and quality orientation (Steers 1975).

Multiple definitions and conceptualizations of organizational effectiveness are present in literature. In fact it's a broader term covering too many dimensions that no such formal and unified definition of organizational effectiveness exists in literature (Hoy & Verser 2000). However, researchers' biasness and less pragmatic indicators to measure organizational effectiveness created a lack of consensus on the uniformity of organizational effectiveness indicators. This lack of consensus urged some researchers to present a uniform definition of organizational effectiveness.

Daft (2009) argued that organizational effectiveness indicates the level of accomplishment of an organization's goal. These goals are organization wide as well as cover the departmental and operational level goals as well. Organizational effectiveness is also defined as a scale to measure the outputs both quantifiable and non-quantifiable and presents the nature and compatibility of these outputs with the goals and objectives of the organization (Jain & Triandis 1996).

Academicians and researchers have considered several models of organizational effectiveness entailing different dimensions as per their own research requirements. Quinn and Rohrbaugh (1983) described organizational growth and adaptability in addition to human resource development, organizational stability, quality development and evaluation of the organization as important dimensions of organizational effectiveness. Therefore, as per the requirement of the current research, the aforementioned dimensions of organizational effectiveness are taken for the study.

### 3. Theoretical Framework and Hypothesis Development

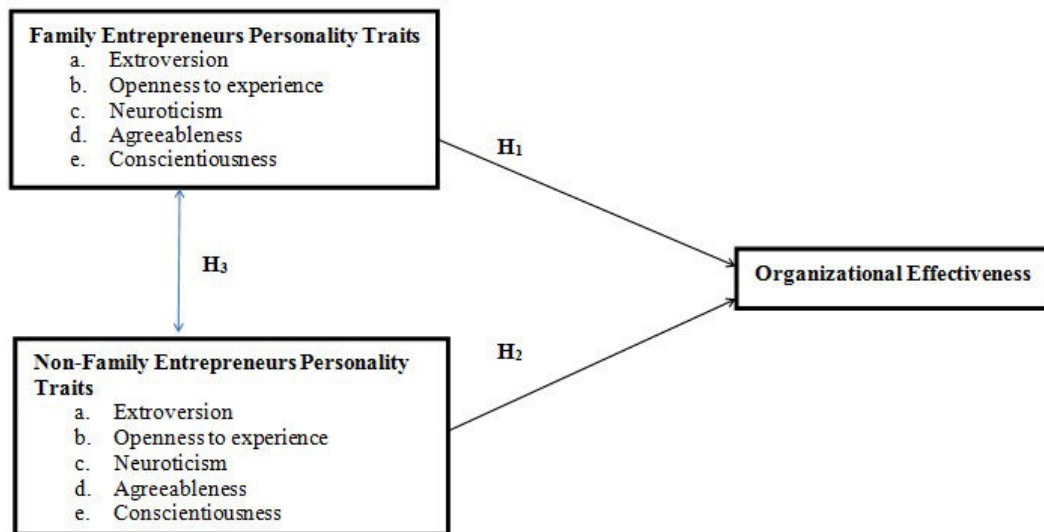


Figure 1. Theoretical framework

#### 3.1 Hypothesis

**H<sub>1</sub>.** Personality trait (1a: Extroversion, 1b: Openness to Experience, 1c: Neuroticism, 1d: Agreeableness, 1e: Conscientiousness) of family entrepreneurs is related to organizational effectiveness.

**H<sub>2</sub>.** Personality trait (2a: Extroversion, 2b: Openness to Experience, 2c: Neuroticism, 2d: Agreeableness, 2e: Conscientiousness) of non-family entrepreneurs is related to organizational effectiveness.

**H<sub>3</sub>.** Family owned restaurants have comparatively more organizational effectiveness than non-family owned restaurants.

### 4. Methodology

A cross sectional and quantitative study is conducted that aims to explain the relationship between the personality of the entrepreneur and its impact on organizational effectiveness. Owing to the correlational and causal nature of the research, it is an explanatory study, ascertaining a cause and effect relationship between personality and organizational effectiveness in terms of family and non-family entrepreneurs.

A structured research questionnaire is used through field survey for the data collection. The relevant and validated scales used by researchers of this field are adapted for the questionnaire development. The questionnaires were distributed among the owners of the small and medium enterprises under study. Personality traits are measured by big five personality traits model. The tool used for big five personality traits model is big five inventory. John, Donahue and Kentle (1991) developed big five inventory measuring the big five personality traits termed as extroversion, agreeableness, neuroticism, conscientiousness and openness to experience. The questionnaire was adapted as per the research requirements and target population characteristics. Organizational effectiveness was measured by adapting the Quinn and Rohrbaugh's (1983) organizational effectiveness questionnaire. There were total 76 items in the questionnaire, 44 items measuring big five personality traits and 29 items measuring organizational effectiveness.

A total sample of 110 (55 family entrepreneurs and 55 non-family entrepreneurs) was selected from different restaurants of Lahore by using purposive sampling technique. The initial sample for both populations was of 55 respondents. Among that 7 out of 55 respondents among family and non-family entrepreneurs were rejected due to insufficient responses. The unit of analysis for the study was both entrepreneurs and different cooked food selling small and medium Restaurants.

Correlational analysis was conducted to measure the relationship between variables under study and the strength of association between the variables. It was also used to examine the Multicollinearity among the variables. The analysis reveals that no any variable has the correlation coefficient of 0.80 or more hence multicollinearity doesn't exist among variables.

Table 1a. Correlation matrix of Non-Family Entrepreneurs (N=48)

Variables	1	2	3	4	5
(1) Extroversion					
(2) Agreeableness	0.543				
(3) Conscientiousness	0.152	0.526**			
(4) Neuroticism	-0.240	-0.295*	-0.507**		
(5) Openness to Experience	0.063	0.119	-0.694	-0.523**	
(6) Organizational Effectiveness	0.248	0.545**	0.850**	-0.531**	0.678**

\*\* Correlation is significant at the 0.01 level (2-tailed)

\* Correlation is significant at the 0.05 level (2-tailed)

Table-1a depicts a highest positive correlation between Conscientiousness and Organizational Effectiveness ( $r = 0.850^{**}$ ). This indicates a high likeness that entrepreneurs high in conscientiousness will achieve high organizational effectiveness.

Table 1b. Correlation matrix of Family Entrepreneurs (N=48)

Variables	1	2	3	4	5
(1) Extroversion					
(2) Agreeableness	-0.120				
(3) Conscientiousness	0.519**	0.341*			
(4) Neuroticism	-.594**	0.089	-0.749**		
(5) Openness to Experience	0.220	-0.030	0.132	-0.490**	
(6) Organizational Effectiveness	0.631**	0.103	0.622**	-0.764**	0.581**

\*\* Correlation is significant at the 0.01 level (2-tailed)

\* Correlation is significant at the 0.05 level (2-tailed)

Table-1b demonstrates the correlation coefficient between big five personality traits and organizational effectiveness of family entrepreneurs. The highest value of correlation with the lowest significance value is between Extroversion and Organizational Effectiveness ( $r = 0.631^{**}$ ). This indicates a high liking of the fact that individuals high in extroversion will also be high in organizational effectiveness.

Table 2a. Regression analysis of Family Entrepreneurs Personality Traits Model.

Variable	Beta	t-value	p-value
Constant	1.460	2.439	.019
Neuroticism	-.440	-4.013	.000
Openness	.299	3.308	.002
Extrovert	.326	3.314	.002
Agreeableness	.190	2.410	.020
Conscientiousness	.102	0.552	.584

$N = 48$ ,  $R^2 = 0.735$ , Adjusted  $R^2 = 0.711$ ,  $F = 5.809$ ,  $p < 0.020$ .

Dependent variable= Organizational Effectiveness

Table 2b. Regression analysis of Non-Family Entrepreneurs Personality Traits Model.

Variable	Beta	t-value	p-value
Constant	1.554	21.424	.000
Conscientiousness	.850	10.923	.000
Neuroticism	-.135	-1.517	.136
Openness	.171	1.615	.113
Extrovert	.122	1.571	.123
Agreeableness	.136	1.503	.140

N = 48, R<sup>2</sup> = 0.722, Adjusted R<sup>2</sup> = .716, F = 119.308, p < 0.000.  
 Dependent variable = Organizational Effectiveness

	Family_Business	N	Mean	Std. Deviation	Std. Error Mean
OE	1	48	2.465833	.3978711	.0574277
	2	48	2.323750	.2225158	.0321174

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
OE	Equal variances assumed	43.006	.000	2.159	94	.033	.1420833	.0657987	.0114384	.2727283
	Equal variances not assumed			2.159	73.781	.034	.1420833	.0657987	.0109700	.2731966

Table-3a represents the descriptive statistics of two groups named 1 and 2. Group1 indicates the sample of family entrepreneurs and group 2 indicates the sample of non-family entrepreneurs with a sample size of 48 respondents respectively. The mean value of organizational effectiveness for the family entrepreneurs is 2.46 whereas mean value of organizational effectiveness for the non-family entrepreneurs is 2.32.

### 5. Discussion

The results derived from the model of family entrepreneurs' personality and organizational effectiveness (Table-2a) demonstrates that among the five personality traits, four are found to have significant influence on the effectiveness of family owned SMEs. Extroversion ( $\beta = 0.326$ ,  $p < 0.05$ ) is considered as a significant determinant of organizational effectiveness of family owned SMEs hence accepting hypothesis 1a. This result is supported by the fact that in Lahore, restaurant industry's family entrepreneurs have a rich business background and their forefathers are already indulged in the business activities hence a valuable relationship with the customers, suppliers, vendors, agents, partners and other stakeholders are already established. This relationship building urges the next generation entrepreneurs to be extrovert in order to keep the business growth oriented. These entrepreneurs even before properly owning the business develop a positive and warm relationship with many of the SMEs stakeholders. This is because of a predetermined mindset to take care of the business in future. Most of the restaurant industry family entrepreneurs of Lahore in their usual routine are exposed to such environment which endorses gregariousness, informal meetings with other parties and inadvertent learning from the prevailing circumstances.

In contrast the results derived for non-family entrepreneurs of restaurant industry (Table-2b) demonstrate that extroversion has no significant relationship with organizational effectiveness ( $\beta = 0.122$ ,  $p > 0.05$ ) hence rejecting hypothesis 2a. Most of the non-family owned restaurants in Lahore are commenced by the owner for its

economic survival. Their major inclination is to earn the bread and butter for themselves and for their family. A feeling of excitement is mostly less associated with the opening of restaurant. Many restaurants at micro and small level also have a specific time slot for its services. Majority of the restaurants just offer their services after evening till midnight. Some of the restaurants offer their services at morning for breakfast and some at lunch time. Most of the restaurants have a specific quantity of meal/food to be sold. Once that target is achieved, no reasonable effort is taken to develop relationship with customers, suppliers and other stake holders. Hence the need for being extrovert is not so aroused. These entrepreneurs have limited public relations and majority of them don't want to extend their business relations. Non-family entrepreneurs also prefer to have a stable business environment with less inclination towards growth and some also discourage adaptability of modern trends. Since the major purpose is just survival, not the growth and development hence less gregarious, and warmth attitude is pretended by non-family entrepreneurs in terms of business relations.

Results shown in Table-2a demonstrate that openness to experience of family entrepreneurs ( $\beta = 0.299$ ,  $p < 0.05$ ) is also a significant determinant of organizational effectiveness of family owned SMEs hence accepting hypothesis 1b. Most of the restaurant industry's family businesses have incorporated a rich traditional taste of the food, ambiance, timings of the restaurant and serving procedures. These traditions are inherited from one generation to other, following its roots even before partition of subcontinent. Yet it is also observed that new generation of family entrepreneurs have an inclination to keep the business updated with the contemporary trends. Though the traditional culture is also maintained yet they welcome new ideas from the customers, suppliers and other stake holders.

In contrast the results derived for non-family entrepreneurs (Table-2b) demonstrate that non-family entrepreneurs have no significant relation of openness to experience with organizational effectiveness ( $\beta = 0.171$ ,  $p > 0.05$ ) hence rejecting hypothesis 2b. Though non-family entrepreneurs of restaurant industry also welcome creative ideas yet in case of micro and small scale restaurants this trend is not so evident. Most of the small and micro scale restaurant owners have less concern with the feeling, actions and value systems of their restaurants. Though a less formal value system with a bunch of aesthetics exists in the non-family owned restaurants yet these are not so noticeable features of non-family restaurants. Majority of the customers of small and micro scale non-family owned restaurants are also not concerned about the value system or aesthetic expositions of the restaurant. Most of the customers over there are more concerned with availability of food at low cost and a moderately hygiene quality. These factors also do not encourage or motivate a non-family entrepreneur to care for the value system and to be more open to innovative ideas. Hence these non-family owned restaurants keep on growing or become effective at their level even without having openness to experience personality trait.

Table-2a demonstrates that significant but negative relationship exists between neuroticism and organizational effectiveness. It is clearly evident from the results that family entrepreneurs of restaurant industry, have significantly strong but negative relationship with neuroticism ( $\beta = -0.440$ ,  $p < 0.05$ ) hence accepting hypothesis 1c. Family entrepreneurs in their business routine have to be in contact with many of the stake holders of restaurants. These include their predecessor entrepreneurs, suppliers, customers and employees. The personality of each stakeholder is different from the other one. During a daily course of action certain negative and positive emotions arouse in an entrepreneur but family entrepreneurs have the tendency to keep a strong hold on negative emotions and portray emotional stability. In Pakistan due to unstable political and economic conditions, the level of uncertainty in the entrepreneurs is high and measures are taken preemptively in order to cope with future unpredictability. These business values keep on inheriting from one generation to other and family entrepreneurs are trained by their preceding generation entrepreneurs to keep themselves stable and not disturbed during any chaos or unpredictable circumstances. Hence a consistency in the behavior with less frequent mood fluctuations can be observed in family entrepreneurs.

For non-family restaurants owners of Lahore, results (Table-2b) reveal that neuroticism has no significant impact on the effectiveness of restaurant ( $\beta = -0.135$ ,  $p > 0.05$ ) rejecting hypothesis 2c. This is supported by the fact that although non-family entrepreneurs are neutral about emotional stability trait yet seldom they need to expose emotional stability for the effectiveness of restaurant. Majority of non-family owned restaurant at small and micro level have less than 10 employees and their customer mostly belong to low or middle income groups. Their offering are limited hence a routine behavior is observed there. Very less competition oriented strategies are developed and a behavior of less growth orientation exists in majority of non-family owned restaurants of Lahore. Besides non-family owned restaurants have a specific environment, with a less satisfactory level of hygiene. An urge to adapt and update with the contemporary requirements is mostly not aroused. In case if a non-family entrepreneur wants to grow mostly the lack of capital becomes a major obstacle in the fulfillment of this desire. They earn their bread and butter through restaurants in a routine matter. So neuroticism does not significantly impacts the effectiveness of non-family owned restaurants.

Results shown in Table-2a, demonstrate another significant relationship between agreeableness and organizational effectiveness ( $\beta = 0.190$ ,  $p < 0.05$ ) for family entrepreneurs and their respective owned restaurants,



hence accepting hypothesis 2d. Entrepreneurs always welcome new ideas since they are opportunistic in nature. Entrepreneurs of restaurant industry pretend agreeableness since it is the need of the business to be effective. Family entrepreneurs in restaurant industry have certain long term plans and a team of motivated and loyal workers normally remain attached with the entrepreneurs in order to keep a strong hold on the business. Family entrepreneurs of restaurant industry have to keep concern for both of its family members and its employees. Since family members are the major stake holders hence a reasonable concern for family members in terms of their suggestions, profit sharing and interest in new business approaches is developed in the family entrepreneurs. In contrast the results (Table-2b) demonstrate that the relationship of agreeableness with organizational effectiveness is not so significant in case of non-family entrepreneurs and their respective owned restaurants ( $\beta=0.136$ ,  $p > 0.05$ ) hence rejecting hypothesis 2d. Though a relationship of trust and modesty is also required in a non-family owned restaurant yet non-family entrepreneurs don't consider these traits for the effectiveness of restaurants. No significant interest of family members exists in case of non-family entrepreneurs. A majority of small and micro level restaurants have no specific rules and regulation for the operations of business since the number of employees is very low. They follow a self-made informal time schedule. It is also not necessary for them to have a strict compliance of the rules. Majority of the non-family entrepreneurs, deal with the customers for earning their bread and butter. Though the urge to grow their business exist yet less availability of capital and lack of strategies to grow compel them to maintain the status quo. Hence in case of non-family owned restaurants the trait of agreeableness has no significant relationship with effectiveness of restaurants.

Table-2b; demonstrate that conscientiousness is a significant determinant of organizational effectiveness for non-family entrepreneurs ( $\beta=0.353$ ,  $p < 0.05$ ) hence accepting hypothesis 1e. Majority of the non-family entrepreneurs in Lahore are still not at the maturity phase of the business. Hence for non-family entrepreneurs conscientiousness is more important sine the restaurants are at initial stage and an efficient system development is in process. Standard operating procedures are need to defined and if once defined need to be changed and redefined by keeping restaurants efficiency orientation and customer requirements in consideration. Staff is need to be trained and proper training and development of employees needs funding which is not so profound in majority of non-family owned restaurants. Yet in order to make a certain role model for employees and other stake holders, non-family entrepreneurs need to demonstrate dutifulness and self-discipline through their own character.

On the other hand results (Table-2a) reveal that conscientiousness has not so significant relationship with organizational effectiveness of family entrepreneurs ( $\beta=0.102$ ,  $p > 0.05$ ). Most of the family entrepreneurs have already a well-established system to operate the restaurant. Hence a sense of dutifulness may not be so matured in the successive entrepreneurs. Yet the well-established system of the restaurant let it be effective even without being disciplined and dutiful behavior of family entrepreneur.

The results of t-test for comparison of organizational effectiveness of both family and non-family owned restaurants (Table-3b) reveal that family owned restaurants have more organizational effectiveness than non-family owned restaurants hence accepting hypothesis  $H_3$ . Family owned restaurants have certain advantages which are not available to non-family owned restaurants. These family owned restaurants at Lahore have a rich experience and exposure of business commencement, operations management, and customer relationship management. Certain value system and norms are already developed by preceding entrepreneurs in the light of their experiences. These value systems serve as a major mode of training for upcoming entrepreneur. Besides most of the employees, customers, family stakeholders and suppliers also become familiar with these norms and value systems which in long term serve as a major adhering and developing unit for family owned restaurants.

In contrast non-family owned restaurants are in the relatively initial stage of value system development. Though some the non-family owned restaurants in Lahore have developed certain good values for their restaurants yet majority of restaurants are lagging in this dimension. Some of the non-family owned restaurants have invested a reasonable capital on the training and development of employees, besides adoption of contemporary mechanical systems is also quite observable in many non-family owned restaurants. That's why some of the non-family owned restaurants have quite efficient and effective processes but this cannot be generalized to majority of non-family owned restaurants in Lahore.

Family owned restaurants also have more tendencies to create change, increasing the branches of their restaurants due to sufficient capital and more entrepreneurial orientation. That's why many of the family owned restaurants have their branches in different regions of Lahore. Non-family owned restaurants also have tendency to create change and have entrepreneurial orientation but the lack of capital is in one of the major obstacles of this lack of diversification in this population's restaurant.

## 6. Conclusion

It is a widely acknowledged notion that personality of any person has an impact on its organization. The major predictor of effectiveness for non-family entrepreneurs is the conscientiousness trait of entrepreneurial

personality. This is due to the reason that systematic processes and value systems have a great impact on the performance of employees and other stake holders. In contrast, for family entrepreneurs, neuroticism is a significant determinant of effectiveness of family owned restaurants. This clearly indicates that an emotionally stable persona can effectively operate a family owned restaurant since an entrepreneur has to deal with customers, suppliers, employees of varying personality in a restaurant business. In case of family owned restaurants positive emotions, warmth is necessary for an entrepreneur to keep its restaurant growth oriented. It can be inferred from the analysis of family entrepreneurs personality traits that majority of the traits are strongly associated and have a reasonable impact on the effectiveness of family owned restaurants. Overall it can be concluded that family entrepreneurs need to have relatively diverse range of traits in order to enhance the effectiveness of their owned restaurants in comparison with non-family entrepreneurs who need to have fewer personality traits to impact the effectiveness of their respectively owned restaurants in Lahore.

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