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Inherent factors of family business and transgenerational influencing tourism business in Malaysian islands

Hairul Nizam Ismail^a, Mohd Alif Mohd Puzi^a, Mohammed Bala Banki^b and Nooraini Yusoff^a

^aUrban & Regional Planning, Centre for Innovative Planning and Development, Faculty of Built Environment and Surveying, Universiti Teknologi Malaysia, Skudai (Johor Bahru), Malaysia; ^bDepartment of Urban & Regional Planning, School of Environmental Technology, Federal University of Technology Minna, Minna, Nigeria

ABSTRACT

There is an indication that the existence of transgeneration enterprise has unique ability as a 'resilient factor' in sustainable tourism development. It bridges the relationship between resilience and sustainability. This paper highlight evidences of the relationship using two successful case studies of Small-Medium scale tourism enterprises on the islands in Malaysia, namely the islands of Langkawi and Tioman. The most important factors influencing successful family business in transgeneration enterprise by priority within the business wealth point of view are aspect of survival, followed by low-entry barriers, 'passing the baton', bridging relationship, 'smallness', and adapt and change. From the socioemotional wealth point of view, aspect of belonging followed by family welfare priorities, structural generation change, contextual embeddedness, attitude, informal decision making and friendly working environment influence the success of family business in transgeneration enterprises. Hence, sustainable tourism development in the context of local community empowerment might only be achieved once the 'resilient factor' is present or in place and ready at the tourism destination.

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KEYWORDS

Family business;
transgeneration enterprise;
resiliency; sustainable
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Introduction

Tourism destinations in rural peripheries are driven by the activities of micro and small tourism businesses in both developed and developing countries (Andersson, Carlsen, & Getz, 2002). A significant number of these businesses are family owned and are significant for job creation and economic revitalization of rural communities (Fleischer & Felsenstein, 2004; Wanhill, 2000). However, according to Habbershon, Williams, and MacMillan (2003), while many micro and small family businesses have low survivability and succession rate, some tend to have multigenerational interest (transgenerational potential) and demonstrate high survivability rate.

Due to the vulnerability of the tourism industry, transgenerational family tourism businesses that have survived, expanded and transcend into second or third generation

may have gone through many hurdles, some of which could have withstood the shocks of economic crisis and natural disasters. Over the years, serious concerns have been raised about the vulnerability of the tourism industry to threats including financial and economic instability (Cohen & Neal, 2010; Ritchie, Molinar, & Frechtling, 2010), political crisis (Cohen & Neal, 2010; Henderson, 2007), the increase in price of oil (World Economic Forum, 2009; Yeoman et al., 2007) and accelerating global environmental change (Gössling & Hall, 2006). The response options and the ability of vulnerable segments of the tourism industry to cope with the shocks and changes associated with global and regional change known as resilience are therefore of growing importance and concern (Hall, Duval, & Timothy, 2004; Henderson, 2007; Ritchie, 2009). The resilience concept emerged from the ecological sciences (Gunderson & Holling, 2002; Holling, 1973) and has attracted increasing attention among tourism researchers as a framework for understanding society's ability to cope with crises, systemic shocks and change (Farrell & Twining-Ward, 2004; Sausmarez, 2007; Smith & Henderson, 2008; Strickland-Munro, Allison, & Moore, 2010).

During the Malaysian economic crisis that began from 1997 and lasted till 2000, the Malaysian economy experienced a period of great uncertainty. During this period of economic downturn, tourist arrivals declined, thus, lowering rental for hotel accommodation. The occupancy rates for hotel slumped from 47% in 1997–32% in 1998. The rentals for hotel outside city areas were also severely affected by decreasing tourist arrivals, it shrank from 30% to 20% between 1998 and 1999 (Omar, Yusof, & Samad, 2001). Nevertheless, family owned hotels and other businesses outside Malaysian cities such as those established in rural peripheral island destinations (Langkawi and Tioman Islands) have shown resilience. Many of these businesses have progressed into the second generation, as they did not fold but have expanded and empowered family members and the larger community. This could have been possible as several theoretical perspectives, seem to imply that family businesses are able to adapt and recover better in the face of an economic downturn (Amann & Jaussaud, 2012).

However, resilience in tourism has primarily focused on economic resilience and how both informal and formal tourism enterprises respond effectively and adapt positively to increasing global change and disturbances (Farrell & Twining-Ward, 2004; Tyrrell & Johnston, 2008). Examples of such studies include resilience and non-linear change in island tourism (Hamzah & Hampton, 2013), the resilience of formal and informal tourism enterprises to disasters: reef tourism in Phuket, Thailand (Biggs, Hall, & Stoeckl, 2012). To date research that seeks to identify the inherent features of family businesses that influence its ability to be resilient in the face of both economic crisis and disasters is somewhat lacking. Thus, this paper attempts to identify and highlight the inherent features of family businesses that was able to survive, grow and prosper in Chenang Beach, Langkawi Island and Kampung Ayer Batang, Tioman Island, inspite of the economic crisis.

Literature review on family business and transgenerational

The unique ability of transgeneration enterprise in the context of family business to be resilient is the ability to promote sustainable tourism development. Despite its transgeneration enterprise is characterized by a slow pace of development, it focuses on the survival of family generations and therefore, contributes to community empowerment. This includes community empowerment in terms of emphasis on the importance of ownership,

encouraging and adaptability of the learning process on business effectiveness. Thus, family business and transgeneration enterprises are considered as an entity. The inherent factors influencing its resilience have led to sustainable development of family tourism businesses. Biggs et al. (2012) noted that enterprise resilience is central to sustainable tourism management, for economic, sociocultural and environmental reasons. On the other hand, the transgenerational model stems from the belief that entrepreneurial orientation of family business owners which include its autonomy, innovativeness, risk taking, pro-activeness and aggressiveness play a great role in entrepreneurial performance (Nason, 2009). These inherent features of family business are associated with family culture and family life stages. For result driven financial performance of a family business, the operators of family businesses entrepreneurial orientation in combination with characteristics of familiness resource such as financial, human, physical, social, knowledge and intangibles led to a robust and guaranteed financial performance of family business and its transgenerational potential. Given the transgenerational nature of family businesses and familiness attributes, it has been suggested that to understand familiness requires a deeper examination of the resources within family firms that are family influenced (Chrisman, Chua, & Steier, 2005). These resources are experience, insights and skills, reputation, decision making, learning, networks, and relationships. It is the resources available in transgenerational businesses that enables it to be resilient and achieve sustainable development standing.

Family business is a business that involves family members however increasingly family business has become more complex because it is influenced by the local culture, business interest and family conflict. Colli and Rose (1999) concluded that at least two generations are involving in the family business. Danes (2006) introduced the spouse either husband or wife or both business as a type of family business. Most of the family firm in the family business gives family member a good position in the business as one of the family benefits. Most of the family business do not necessarily handle only daily business activities but also take charge of deciding the business goals (Amann & Jaussaud, 2012; Haugh & Mckee, 2003; Nordqvist & Melin, 2010; Zubir, 2007). Chua, Chrisman, and Sharma (1999) define family business as a business governed and managed with intention to shape or pursue the vision of business held by a dominant coalition controlled by members of the same family or small number of families in a manner that is potentially sustainable across generations of the family or families. The important elements in the family business term are family business control by the family firm, family benefit priority and sustainable income for multigenerations.

Literature supporting how family business starts from its actual venture creation to how it builds business foundation and how it expanded to be a successful business have dominated academic debate. The chain of activities that occur within this process provides a basis for the inherent feature influencing the resilience of family business. The trend in the themes of family businesses is indicated in [Table 1](#).

The existing research trend by themes of family business provides a link to the component that makes up the family resource model. The model which has a major construct known as the familiness of family business surrounding the inherent factors influencing their resilience is brought about through a combination of family resources. This idiosyncrasy labelled 'familiness' of family business is largely a result of the idiosyncratic resources and capabilities that are generated when the family system and the business system

Table 1. Existing research trend by themes of family business.

| Theme | Research |
|--------------------------------|---|
| Definition | Chua et al. (1999) |
| Family Business | Colli and Rose (1999) |
| Survivability | Danes (2006) [Tensions Within Family Business] Amann and Jaussaud (2012) He, Li, and Tang (2012) Stafford, Duncan, Dane, and Winter (1999) [Sustainable Family Business Model] |
| Family Business Succession | Dawson and Hjorth (2012) Bull (2002) |
| Family & Business Relationship | Ehmer (2001) Morrison (2001) [Model of Entrepreneurial Motivation] Sjögren (2006) Zubir (2007) Liu, Yang, and Zhang (2012) Arregle, Naldi, Nordqvist, and Hitt (2012) Colli (2012) Zheng (2012) |
| Family Business in Tourism | Wilson (2007) Getz et al. (2004) [Entrepreneurial Process Model & Tourism and Hospitality Family Entrepreneurship] |
| Family Business Cultural | Hallak and Assaker (2012) Aldrich and Cliff (2003) [A Family Embeddedness Perspective on New Venture Creation] Haugh and Mckee (2003) Nordqvist and Melin (2010) [The Three A's of Entrepreneurial] Gupta and Levenburg (2010) [Dimensions of Family Business] Colli (2012) Chua, Chrisman, Steier, and Rau (2012) Berrone, Cruz, and Gomez-Mejia (2012) |

interact and co-exist in unison (Nordqvist & Melin, 2010; Pieper & Klein, 2007). Sirmon and Hitt (2003) argue that family owned businesses evaluate, acquire, shed, bundle, and leverage their resources in ways that are different from businesses that are not family owned. In part, these unique resources emerge from the fact that family often also act as owners and/or managers. As such, familiness is one of the intangible factors that make the family business different from their corporate equivalents, and can be a point of difference that contributes to competitive advantage. Conversely, it has a stifling effect and inhibit growth (Craig & Lindsay, 2002). Habbershon et al. (2003) claim that familiness-related resources and capabilities present both a source of advantage as well as a source of disadvantage to the firm.

The strength of family business as indicated by the family resource model of Irava and Moores (2010) asserts that resources such as human, organizational and process are vital in family business. The human aspect encompasses resource dimensions which include reputation, insight and skills. This is reflective of the founder's influence. Experience in family firms is derived informally and within the firm, and formally outside the firm (Irava & Moores, 2010). The organizational aspects in the family business deal with decision and could be collaborative, informal and formal. The process in family business refers to the relationships and networking. Irava and Moores (2010) stress that relationships and networks in family business has a lot to do with the founder's influence, informally and socially embedded either through strong ties and formal networks whilst expansion via non-family members is indicative of weak ties. This demonstrates the transgenerational potentials of family businesses. The development and sustainability of family tourism businesses require an understanding of the inherent features of these businesses as it will influence their ability to become resilient over time. Two main aspects i.e. business

Case studies

Case Study 1 – Island of Langkawi

The island of Langkawi is located in the Straits of Malacca and is the largest of 99 islands off the coast of north-western Peninsular Malaysia. Its major attractions such as white sand beaches, the sea analogous with tropical weather, a picturesque landscape and natural scenic attractions formed the main theme for the island to be marketed as a popular tourist spot. Chenang beach which includes Grand Beach Resort, Chenang Rest House, Melati Tanjung, Malibest Resort, Sandy Beach Resort, Langkapuri Inn, Delta Motel, Mali Perdana Resort, Tanjung Malie and Sugary Sands Motel (see Figure 1) has local family owned and run business. Details of the respondent’s demographic, family members and scale of business are provided in Table 3.

As indicated in the table, three of these businesses were established in the 80s, 5 in the 90s and the remaining 2 were established in the year 2000. A majority of these businesses have transcended into the second and third generation and consisting between three and five family members or relatives. In terms of the scale of their business, accommodation ranging from 30 to 250 rooms is acting as a core business, supported with travel agency, laundry, car rental, restaurant and souvenir shop as secondary services.

Case Study 2 – Tioman Island

Tioman island is one of the world-renowned tourist islands, located on the east coast of Peninsular Malaysia and belongs to the state of Pahang. The island lies in the South

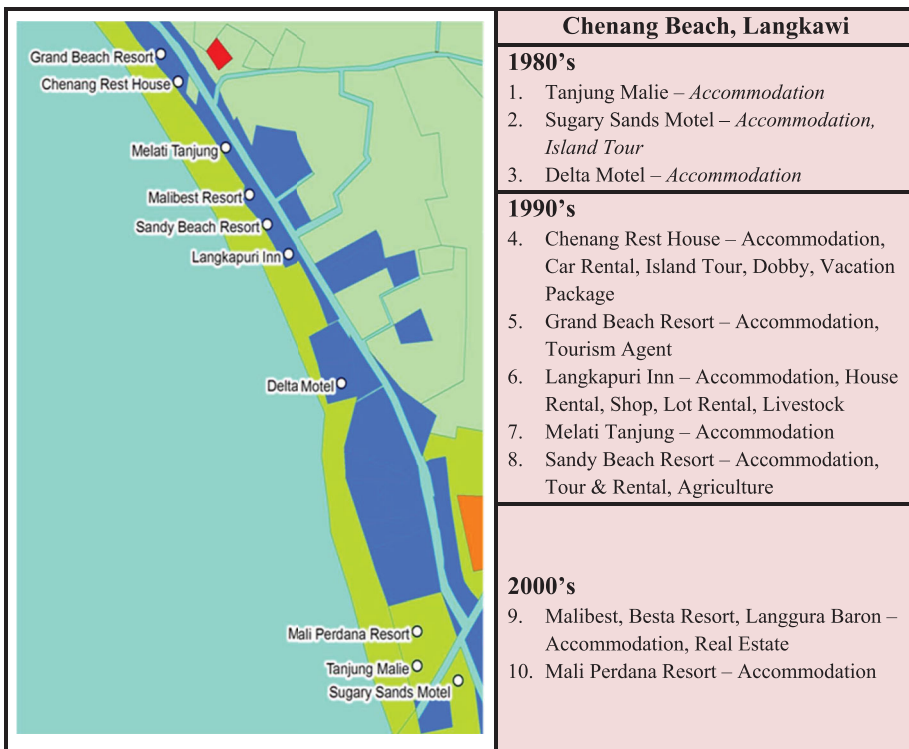


Figure 1. Existing family owned tourism businesses in Chenang Beach, Langkawi Island.

Table 3. Respondent demographic.

| Chenang Beach, Langkawi Island | | Kampung Ayer Batang, Tioman Island | |
|---|---|---|---|
| Respondent | Family Members & Scale of Business | Respondent | Family Members & Scale of Business |
| R1 Chenang Rest House (1990) 155 rooms | Family members: (1) Father – Respondent, (2) Mother, (3) 1 st Son, (4) 2nd Son <i>Business:</i> Accommodation, Car Rental Services, Laundry, Travel Agency, Restaurant | R11 SPP Barakah Chalets (1980s) 10 rooms | Family members: (1) Father, (2) Mother – Respondent, (3) 2 Siblings, (4) 2 Aunts <i>Business:</i> Accommodation, Laundry, Restaurant, Diving |
| R2 Grand Beach Resort (1991) 30 rooms | Family members: (1) 1st Son – Respondent, (2) 4 Siblings <i>Business:</i> Accommodation, Travel Agency | R12 Bamboo Hill Chalets (1980s) 6 rooms | Family members: (1) Nephew – Respondent, (2) Aunt <i>Business:</i> Accommodation |
| R3 Malibest Resort (2000) 250 rooms | Family members: (1) Father – Respondent, (2) 1 st Daughter, (3) 1 st Son in law, (4) 2nd Daughter, (5) 2nd Son in law <i>Business:</i> Accommodation, Travel Agency, Souvenir Shop | R13 Double Ace Grocery (1980s) 5 rooms | Family members: (1) Mother – Respondent, (2) 6 Siblings, (3) Niece, (4) Nephew <i>Business:</i> Accommodation, Grocery Shop |
| R4 Langkapuri Inn (1991) 138 rooms | Family members: (1) Father – Respondent, (2) 1 st son, (3) 2nd Daughter in law <i>Business:</i> Accommodation | R14 ABC Chalet (1990s) 15 rooms | Family members: (1) Husband, (2) Wife – Respondent (3) 9 Siblings <i>Business:</i> Accommodation, Restaurant |
| R5 Melati Tanjung (1990) 165 rooms | Family members: (1) Father, (2) Mother – Respondent, (3) 1 st Son <i>Business:</i> Accommodation, Travel Agency, Laundry, Cloth Shop | R15 Johan's Resort (1980s) 8 rooms | Family members: (1) Husband, (2) Wife – Respondent, (3) Brother in law, (4) Niece <i>Business:</i> Accommodation, Restaurant |
| R6 Sandy Beach Resort (1989) 260 rooms | Family members: (1) Father – Respondent, (2) 1 st Son, (3) 2nd Son, (4) 3 rd Son <i>Business:</i> Accommodation | R16 Mawar Chalets (1988) 5 rooms | Family members: (1) Brother, (2) Sister – Respondent, (3) Younger Brother, (4) 2 Children, (5) Niece <i>Business:</i> Accommodation, Restaurant |
| R7 Tanjung Malie (1992) 120 rooms | Family members: (1) Mother, (2) 6 Siblings, (3) 3rd Daughter in law – Respondent <i>Business:</i> Accommodation | R17 Nazri's Place (1980s) 25 rooms | Family members: (1) Father, (2) Mother, (3) Sister – Respondent, (4) 6 Siblings, (5) Niece, (6) Nephew <i>Business:</i> Accommodation, Restaurant, Bar |
| R8 Sugary Sands Motel (1992) 35 rooms | Family members: (1) Brother, (2) Sister – Respondent <i>Business:</i> Accommodation | R18 Tioman House (1980s) 7 rooms | Family members: (1) Father – Respondent, (2) Mother, (3) 1 st Son <i>Business:</i> Accommodation |
| R9 Mali Perdana Resort (2009) 50 rooms | Family members: (1) Father, (2) 4th Child – Respondent <i>Business:</i> Accommodation | R19 ZNS Unique Shop (1980s) 5 rooms | Family members: (1) Father – Respondent, (2) Mother , (3) 1st Son <i>Business:</i> Accommodation, Restaurant |
| R10 Delta Motel (1985) 45 rooms | Family members: (1) Father, (2) 1st Daughter – Respondent, (3) 1st Son in law <i>Business:</i> Accommodation | | |

China Sea. The island is made up of cliffs and rocky headlands and popular among the tourist as diving spot destination. The family owned tourism businesses along the sandy beach in Kampung Ayer Batang, namely SP Barakah Chalets, Bamboo Hill Chalets, Double Ace, ABC Chalet, Johan's Resort, Mawar Chalet, Nazri Place, Tioman House and ZNC Unique Shop were studied (see Figure 2). Details of the respondent's demographic, family members and scale of business is provided in Table 3. As indicated in the Table 3, most of the family tourism businesses commenced operation in the 80s and only three were established in the 90s consisting between three and five family members or relatives. In terms of the scale of their business, accommodation ranging from 5 to 25 rooms is acting as a core business, supported with laundry, restaurant, diving and souvenir shop as secondary services.

Data collection and analysis

A qualitative paradigm method to data collection was used because of the exploratory nature of the study and the need to understand the social phenomenon of interests (Henderson & Bialeschki, 2002; Silverman, 2001). A qualitative approach through thematic analysis was carried out on the family business in both the case studies. Only tourism businesses run by two or more local family members were sampled. Nineteen locally owned family tourism businesses were purposively selected, 10 were located at Pantai Chenang, Langkawi and the remaining 9 were at Kampung Ayer Batang, Tioman Island (see Figures 1 and 2).

In-depth interviews were conducted using a semi-structured questionnaire covering all the aspects related to the three dimensions (family, business and ownership) of Gersick,

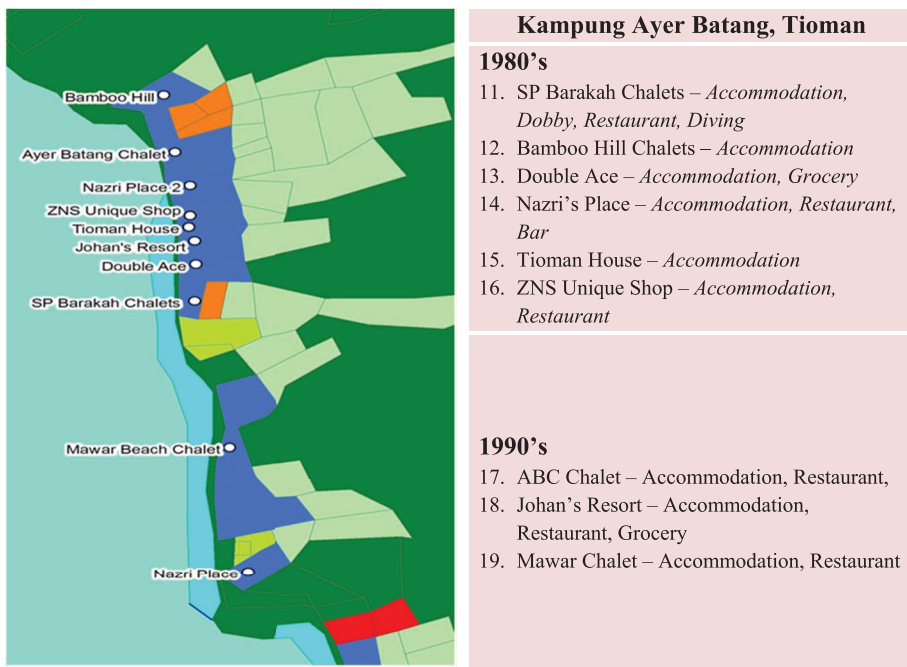


Figure 2. Existing family owned tourism businesses in Kampung Ayer Batang, Tioman Island.

Davis, Hampton, and Lansberg (1997). In-depth interview is often an appropriate method to use in qualitative research to seek deeper understanding of issues relating to a social phenomenon (Warren, 2002). The respondents selected in the case studies were family members who play an important role in the tourism business and who own the land and the business. An assessment and comparison of the real situation themes with existing literature between the two cases were studies.

The interview of the owner or co-owner took between 45 and 65 min and was conducted at the place of businesses. According to Stake (2000), one of the major conceptual responsibilities of the qualitative case study researcher is 'the selection of the relevant phenomenon' such as the themes. The theme must be portrayed in the data obtained and have some relationship with the goal of the research, and should represent some level of patterned response or meaning within the data set (Braun & Clarke, 2006). This research adopted the thematic analysis as a means to draw conclusions from the data.

Thematic analysis

The first stage of thematic analysis required the researcher to undertake repeated review or reading of the interviews transcriptions in order to identify conceptual themes based on a consistent platform of argument or discussion. Thus, a careful and line-by-line reading took place, with the aim that the process will be able to recognize and provide early insight for potentially emerging themes. At the same time, this also helped to developing a coding scheme manually. The objective was to capture the essences of the discussion and then organize them into concepts. The naming of codes was only undertaken when the data began to suggest possible labels. As noted by Boyatzis (1998), the process of thematic analysis requires the researcher to develop a code to process and analyse or capture the essence of observations.

At this stage, the researcher relied on open coding through the analysis of the initial interview transcriptions. According to Strauss and Corbin (1998), open coding is the analytic process through which concepts are identified and their properties and dimensions are discovered. During open coding, data is break down into discrete parts, closely examined, and started to compare them to find similarities and differences. Thus, once the process continued to other interview transcriptions, the strategy, based on open coding, shifted to comparison of new data elements, or new conceptual themes. In this case, the previously coded themes developed along with the reading of the new data or transcription of other respondents. This allowed clustering the coded themes into categories that share similar or distinctive conceptual themes. As noted by Creswell (2003), the researcher, during qualitative data analysis, should organize the data categorically and chronologically, reviewed repeatedly, and continually coded. The process can also be described as back-and-forth analysis that attempts to consistently compare and develop patterns that exist in the data or the transcription. Miles and Huberman (1994) refer to this process as analytic progression, whereby it begin with a text, trying out categories on it, then moving to identify themes and trends, and then to integrate the themes into an explanatory framework.

As a result, themes or subthemes that are able to provide understanding for the aspect that becomes a major concern to the aim of the research are identified. In this case, these emerging themes were clustered or categorized into several main headings according to

the priorities address by the respondents on each case. These main headings were further grouped into two dimension identified earlier in the literature involving Business Wealth Dimension and Socioemotional Wealth Dimension. The development of these themes can be simplified in Figures 3 and 4 to illustrate the casual relationship between themes through a logical chain of evidence. This is in order to make good sense in drawing conclusions and to show that the data is carefully examined.

Business and socioemotional wealth

The findings reveal the most important factors influencing successful family business in transgeneration enterprise. These factors can be addressed by priority within the business wealth and from the socioemotional wealth point of view.

Business wealth dimension

The business wealth dimension consists of cardinal themes considered as inherent features of family tourism businesses that enable them to be resilient thereby promoting their sustainable development. These themes are ordered according to the priority which includes survivability, low entry barrier's, passing the baton, bridging relationship, and smallness, adapt and change (see Figure 3).

The 'survivability' aspect is a fundamental attribute of family tourism businesses. Due to their familiness, family businesses have been able to accept various segmentations in

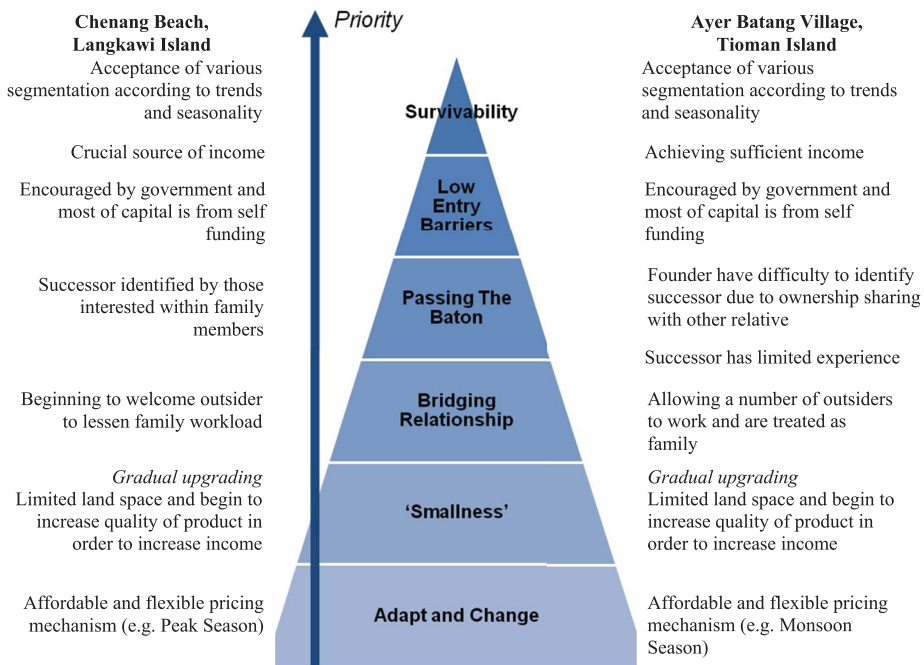


Figure 3. Business wealth dimension of Chenang Beach, Langkawi Island and Ayer Batang Village, Tioman Island.

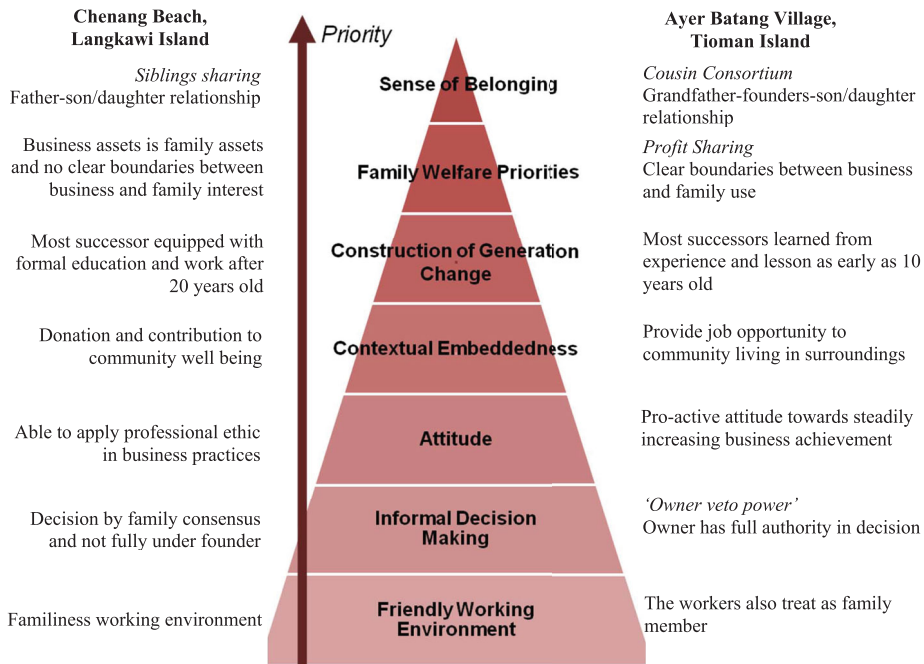


Figure 4. Socioemotional wealth dimension of Chenang Beach, Langkawi Island and Ayer Batang Village, Tioman Island.

accordance to trends and seasonality. 'Low entry barriers' have also favoured family tourism business. According to Getz and Carlsen (2000; 2005), tourism offers opportunities for easy entry into a number of business types, often small or micro in size, that specifically appeal to sole proprietors and families. This is because of its small size resulting in lower capital and operating costs, or greater manageability by fewer people, desirable location, or connection with leisure and lifestyle preferences.

'Passing the baton' to succession and has been an issue affecting sustainability of family businesses. Traditionally, most of micro and small family businesses do not transcend beyond the second generation resulting in their failure. Eighty-five percent of the businesses failed in the first 5 years of operation. From the survival, only 30% managed to transferred to second generation (Poza & Daugherty, 2014). Transgenerational family tourism businesses have demonstrated ability to maintain growth and development by successively transferring ownership to their children and relatives. This inherent attribute has contributed to the sustainable development of tourism in maintaining local ownership. Furthermore, their ability to 'bridged relationship' also added to their resilience. Family tourism business by their nature has some degree of harmony among their members which make it easy to extend the hand of fellowship to one another. In so doing, proprietors often bring onboard their children and even other family members to work in the business and to achieve the goal and aspiration of the business.

Additionally, 'the smallness' of family tourism business because of the lifestyle motive of their owners particularly in developed countries and some developing countries (Getz, Carlsen, & Morrison, 2004) is an important feature that keeps them going even in the

event of disaster thereby contributing to its resilience. Transgenerational family tourism business starts small and even after a long time they remain relatively small and even micro in size. They tend to upgrade slowly and gradually managing limited land space and finally 'adapt and change' on the price mechanism for affordability and flexibility according to the season.

Socioemotional wealth

The socioemotional wealth dimension is made up of seven themes that are considered as inherent features of family business that contribute to their resilience in island destinations and also sustainable tourism development. Sequentially, the themes are sense of belonging, family welfare priorities, construction of generation change, contextual embeddedness, attitude, informal decision making, and friendly working environment (see [Figure 4](#)).

Taking 'sense of belonging' into cognisance, family tourism business has the culture of taking members along in the decision affecting the businesses. As such members are often united and ready to commit themselves to the business. By doing so, they increase harmony and strengthen the sustainability of the business which add to their ability to be resilient in the face of adversities. Another important theme in the socioemotional wealth perspective is 'family welfare priority'. Family business tend to provide for all family needs and welfare seriously. This gesture somehow motivates members to give their best to enhance business growth and development.

The 'construction of generation change' identified with transgenerational family tourism business in island destinations has contributed to their resilience and sustainable tourism development. The successors of the businesses are matured when they were introduced to the business and are able to come into the businesses with the required foresight necessary to improve and better the business from one generation to another. The characteristic of 'contextual embeddedness' that has caused family tourism business to extend a 'helping hand' to other non-family members has also attracted community members to be part of the business. This has provided jobs for community members and empowered the entire community.

The 'attitude' displayed by family tourism business in terms of applying business ethics has also assisted them to be resilient. In addition, family tourism businesses are known for 'informal decision making' which differ from business to business and this has added to their uniqueness. Finally, the 'friendly working environment' made possible because of the togetherness brought about by the familiness concept has enhanced mutual understanding and contributed to the resilience of family tourism business and contributed to sustainable development.

Spatial-temporal context of business and socioemotional wealth

The development and sustainability of family owned tourism businesses in island destinations in Malaysia is explained in terms of its spatial-temporal context. As shown in [Figure 5](#), it is evident that a majority of the businesses began in the 1980s and has sustained itself till the present. Within this period, the business wealth and the socioemotional wealth dimensions which are considered the

inherent features of family tourism have played a vital role in their resilience and the sustainable development of the businesses. Most of the family businesses in Pantai Chenang and Ayer Batang were initiated between 1980 and 1985. During this period, business transaction for main family economic activity occurred with full commitment. Initially, business wealth dimensions of survivability, low entry barriers and smallness and the socioemotional wealth dimension of family welfare priorities, attitude, informal decision making and friendly working environment had contributed to the business success.

The operators of existing family businesses in the two island destinations were determined and had worked hard to remain in business. They were able to sustain the businesses from 1985 to 1990 by adapting to the evolving business environment and by bridging relationship. The family businesses were able to maintain steady growth and development until 1997. On the onset of the economic crisis in 1997, the family businesses experienced a decline due to the serious economic recession. It was envisaged that these businesses would have gone bust. However, because of their transgenerational nature, they were able to endure and survive the downturn. In this phase, business wealth dimensions of adapt and change played a significant role as the familiness nature of family tourism business allowed for the adaptation to economic crisis. In addition, the socioemotional wealth dimension of sense of belonging contributed to the resilience of family tourism businesses in the two island destinations.

It was also evident in the two island destinations that between the years 1997 to 2000 when the Asian economic recession was at its peak, many of the family tourism business

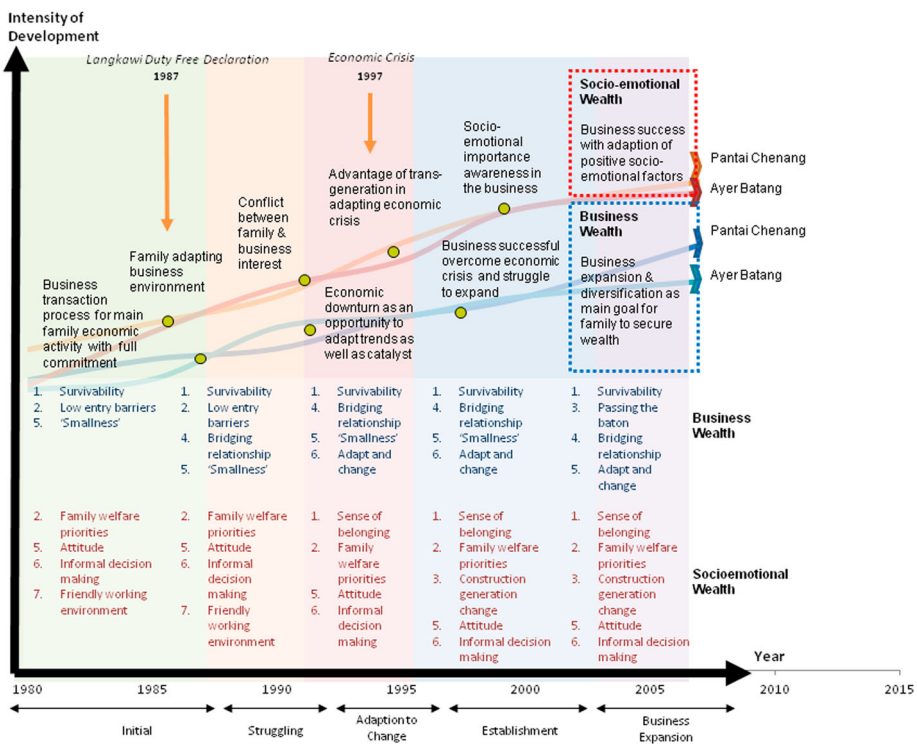


Figure 5. Spatial-temporal context of business and socioemotional wealth.

initiated succession. They instigated generational change and this allowed the young gradual access and control of the activities of the businesses. Thus, businesses successfully overcome economic crisis and strive to expand. Between the year 2000 and 2005, which represented the last stage of the spatial-temporal development of family tourism businesses, most businesses had been fully taken over by successors and the baton was successfully passed to the second generation.

Findings and discussion

Based on the findings, a perspective as to how resilience should be considered as a crucial factor or component of sustainable development arises. It was discovered that within the context of business and socioemotional wealth, the existence of sustainable development is influenced by the 'resilient factor'. The presence of the entity such as transgeneration enterprise through family business, emerged and provided the linkage between resilience and sustainable development. Despite the claims by the literature that assert that resilience and sustainability are two different scenarios in understanding achievement level of development in tourism (e.g. Lew, 2013), the study using two successful case studies of small-medium scale tourism business found evidences of the relationship between the two. The theme identified has led to the question would sustainable tourism development such as local community empowerment, be achieved only when the factors (or, in this case 'resilient factors') characterized by the tourism destination are present? Furthermore, the themes might be perceived in the long term as a solution for the challenging issue of shock, trends and seasonality which consistently appear when describing resilience and sustainable development.

It was evident during the interviews in both case studies that the operators of family tourism businesses face difficulties to develop and sustain the businesses during the 1997 economic crisis. Many of the businesses endured the financial and social challenges that came with the crisis. To a significant number of respondents, the economic downturn had given them the willpower and determination to develop a mechanism to adapt to changes in business environment and this has continued until today. Thus, the ability to cope and stay in the business indicates their resilience. The question of what inherent features of family businesses has made them resilient in the face of adversities has been illustrated by the two case studies. Features under the context of business wealth and socioeconomic perspectives are essential in order to ensure resilience and eventually sustainability of family tourism businesses.

The survivability of family businesses, for example, is one of the inherent features that has made these business resilient. This was achieved at start up by accepting various segmentation according to trends and seasonality. The ability to cope with its incidence and that of other trends is made possible because of the familiness of the businesses. In both the case study, the family business had easy entry into their business because of the low barriers associated with tourism businesses encouragement by the government and most of the capital is self-financed. Additionally, the ability of existing family businesses to build relationship by welcoming non-family members into the business to reduce family burden could also be regarded as an inherent feature of resilience. The character that allow and permit non-family members to be treated as family has become a lifestyle in these

businesses. The most significant factor in all of the business wealth features is the ability to adapt and change by adopting an affordable and flexible pricing mechanism. It has assisted the businesses in their expansion over the years. From the socioemotional wealth point of view, family businesses have shown some degree of sense of belonging and family welfare in the two study areas. Although it is demonstrated differently in the two destinations, socioemotional wealth contributes to the resilience sustainability of family tourism business.

This study reveals that the inherent features (or so-called 'resilient factors') present in the two destinations provided the family with the strength to remain in business over the years. Although, it was claimed that transgeneration business is characterized by a slow pace of development, nevertheless, the 'resilient factor', are able to uphold the sustainability of tourism development in the long term. The needs of the future generation should highlight the importance of ownership, encouragement and adaptability in the learning process of business effectiveness. Thus, resilience is be perceived as promoting sustainable tourism rather than being seen separately as two different approaches to understanding tourism development.

Conclusion

Literature on resilience and sustainability have perceived these two constructs as two different concepts in understanding the level of achievement of development in tourism, for example, transgeneration enterprises. There is, however, indication that the existence of transgeneration enterprise within the context of the family business has the unique ability to be the 'resilient factor' in sustainable tourism development. Within the business wealth and socioemotional wealth point of view, the study highlight evidences of the relationship using two successful case studies of Small-Medium scale tourism enterprises on the islands in Malaysia.

Therefore, it can be said that sustainable tourism development in the context of local community empowerment might only be achieved once the 'resilient factor' is present or in place and ready at the tourism destination. The findings also provide valuable information as to how inherent features such as ability to adapt and change will assist local community within the context of family business to face situational challenges. The challenges are including the ability to cope with incidence and other trends during their expansion over the years. In this case, their businesses endured the financial and social challenges that came with the crisis and thus provide theoretical perspectives in understanding tourism development.

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Notes on contributors

Dr. Hairul Nizam Ismail is an Associate Professor and the Director (Urban and Regional Planning) in the Faculty of Built Environment and Surveying, UTM. He has Bachelor of Urban & Regional Planning and MSc. in Tourism Planning from Universiti Teknologi Malaysia and a PhD in Tourism from the University of Strathclyde, Scotland. His academic interests address the issue of tourism planning and urban planning and expanding to the area such as tourism image, tourist behavior, volunteerism, tourism entrepreneurship and transgenerational business in tourism as well as have published on themes relating to this area.

Mohd Alif Mohd Puzi is a PhD candidate at the Urban and Regional Planning, Faculty of Built Environment and Surveying, Universiti Teknologi Malaysia. He has interest and passionate with aspects of tourism planning primarily focussing on family business and tourism entrepreneurship and transgenerational business.

Dr. Mohammed Bala Banki is the Head of Department, Urban and Regional Planning, School of Environmental Technology, Federal University of Technology Minna. He has received his Doctor Philosophy in Urban and Regional Planning from Universiti Teknologi Malaysia. His research interest is focussing on family business and tourism entrepreneurship.

Dr. Nooraini Yusoff is a former Adjunct Professor at Universiti Teknologi Malaysia (UTM). She has received her Doctor of Philosophy in Urban and Regional Science from Texas A&M University. Her research interest areas contain community planning and housing.

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