Distance Education and Family Business Development

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Abstract

Distance education over the decades has generated tremendous excitement both inside and outside higher education. For some, it offers the potential for learning new audiences; it offers the opportunity fundamentally to transform learning delivery and the competitive landscape. Distance learning benefits may outweigh the disadvantages for students in such a technology-driven society. However, before indulging into the use of educational technology a few more disadvantages should be considered. Through the years, all of the obstacles have been overcome and the world environment for distance education continues to improve. Some obstacles to distance education is the lack of direct face-to-face social interaction. However, people become used to personal and social interaction online it is becoming easier for learners to both project themselves and socialize with others. This paper is a literature review on the importance of distance education commonly known as Open and Distance Learning. The main objective of this paper was to come out with the link between distance learning and improved leadership and the businesses. The literature and empirical studies show the importance of distance learning and the family business development. Scant literature shows that, family-owned businesses have been considered in terms of training to improve leadership skills and business management skills. It is learned that, family business owners assume they do not have time to leave business and attend formal classes. The paper recommends the Open and Distance Learning in higher learning institutions to design suitable programmes for family-owned businesses towards improving and advancing knowledge and skills for business sustainability.
Key words: distance education; family business; family-owned business; Open and Distance Learning.

Introduction

Family-owned businesses are businesses in which two or more family members are involved and majority of ownership or control lies within a family (Mausouri and Shafieyoon, 2014). Family-owned businesses may be the oldest form of business organization (Siakas, Vassiliadis and Siakas, 2014). Farms were an early form of family business in which what we think of today as the private life and work life were established and managed (Mausouri and Shafieyoon, 2014). In early days the head of the family was responsible for the family survival, he was supposed to make sure that the family does not run out of food, shelter and clothing. The head, therefore, was obligated to search for new information for better establishment of the family. The main business of the family was farming and husbandry. In urban settings, it was once normal for a shopkeeper or doctor to live in the same building in which he or she worked and family members often helped with the business as needed (Pereira, 2010 and Widmer, 2006). Family business as the oldest form of establishment means one invests for future protection after retirement. Civil servants are preparing for retirement. They establish business setting as duo-retirement plan and the establishment becomes family-owned business.

The family owned businesses create the forces enabling the emerging and sustained entrepreneurial behaviour in family businesses (Zachary, 2011). The conceptualization of the family business includes a multidisciplinary and comprehensive perspective of the dynamic and complex observable fact of business that is owned and operated mainly by family members. The importance of the family system and the development of the company are essential in our understanding of the current state conceptualization and theory building (Colli, 2012;
Zachary, 2011 and Zellweeger, 2008). Hence, the role of the family system in the conceptualization of the family business/family entrepreneurship is critical to our understanding of how family businesses emerge and sustain through their interactions with the environmental contexts in which they operate. It is important, therefore, to link the family-owned business with the factors, which can lead them to be sustainable and contribute sustainably to economic development.

Historically, the growth in size and strength in market power has been a process of evolution and doubt for the family business. Survival is considered the most significant sign of success for a firm, in particular for a family-owned firm (Colli, 2012). The survival of a family-owned business confirms the persistence of control by the same family over time (Tonya, 2015). Longevity on the contrary is measured in terms of the age of the enterprise, independent of its ownership structure (Tucker, 2011). Several studies show that the failure rate of family-owned business to pass successfully from generation to generation is around 70 per cent (Vlachakis, Siakas, and Belidis, 2014); (Tucker, 2011) and the professional advices have to take into account the unique issues facing the family in business. Literature shows that only 30% of family businesses have succeeded to second-generation perspective (Tonya, 2015). Many researchers have studied the succession process in family businesses as well as the reasons why there is such a high rate of failure. The major approach among researchers is that there is strong connection between planning and successful transfer of family business. Planning seems to be the magic formula (Mohanty, 2012). According to (Tonya, 2015), lack of succession planning has been identified as one of the most important reasons why many first-generation family firms do not survive their founders’ dreams. Recently a new approach has emerged and concludes that there is no connection between planning and successful succession (Dalpiaz et al., 2014). Instead, the succession process requires the perspective of a multigenerational time frame (Mausouri and Shafieyoon, 2014). In
between (Zellweeger, 2008) argues that the transfer of the family business to the next generation is a lifelong, continuing process in which planning is a fundamental part. In other words, planning is a necessary but not a sufficient condition for a successful transfer of the family business to next generations.

Due to the importance of family businesses in the economies of nations, it is important that they receive as much support and possible training to let family business owners cope with the environment. Studies have identified several reasons for failure of succession and survival of family businesses; the reasons include:

- The presence of family members in operating positions for which they are not qualified;
- The influence of family members who are not in an operating or ownership position;
- Inter generational goal ambiguity; and
- Conflicting roles (Tonya, 2015)

Family businesses have to cope with specific challenges not inherent to non-family businesses. However, more knowledge is needed about the characteristics and circumstances of family businesses for effective initiation and further development of a family business-friendly environment (Mandl, 2008). The existing literature in the field of family business research has clearly shown that the objectives of family businesses often display a strong preference toward non-economic outcomes in addition to financial performance. From a stakeholder viewpoint, this is a natural consequence taking into consideration the presence of many actors and the multiple roles of family members within the same family firm. The concept of performance and value creation becomes incredibly complex, especially when the chronological dimension is taken into consideration (Colli, 2012). Family businesses struggle, with not only performance and value creation, as all firms do in these days of financial crises, but also with family relationships and succession issues. The general importance of the family-owned businesses in
today’s unstable economy is strong belief that family businesses need some kind of support and help to overcome their potential problems and a meeting point where they can meet other family businesses. (Vlachakis et al. 2014), when discussing the importance of family businesses survival, concludes that family businesses lack formal education to run business by members of the family. The founders of many family firms are self-created entrepreneurs. They founded their own business to secure work for themselves and for the members of their family. They operate more under conditions of necessity (push) entrepreneurship and less of opportunity (pull) entrepreneurship. It is the aim of this paper to stress the importance of family business management to focus on training and development of family members surviving in the environmental changes. It is the aim of this paper to identify areas of family business growth. The paper addresses family-business management skills by reviewing literature on the value of imparting knowledge to business growth and the best methodology for training the family-owned business members.

**Literature Review**

**Family Business**

Family-owned business may be defined as any entity in which two or more family members are involved and the majority of ownership or control lies within a family (Wilson and Scholes, 2014). Family-owned businesses is said to be the oldest form of business organization (Colli, 2012). Farms were an early form of family business in which what we think of today as the private life and work life were intertwined (Zachary, 2011). Since the early 1980s the academic study of family business as a distinct and important category of commerce has developed. Today family owned businesses are recognized as important and dynamic participants in the world economy (Wilson and Scholes, 2014). Family businesses may have some advantages over other business entities in their focus on the long term, their commitment to quality, which is often associated with the family name, and their care and concern for
employees. However, family businesses also face a unique set of management challenges stemming from the overlap of family and business issues (Dalpiaz et al. 2014). Many scholars of family-owned businesses have focused their studies on areas of succession, financing and general management. There are scant studies done to establish if business owners increase knowledge about their business to shape their undertaking in coping up with the changes of environment. (Chrisman and Chua, 2003), recognized that family firms have received scant attention in mainstream management literature, particularly with respect to the development of theories of the firm. This neglect is unfortunate because in terms of contributions, and especially numbers, family businesses represent a dominant form of economic organization throughout the world. The failure of scholarship to recognize, squeeze, and deliberately incorporate family businesses into mainstream theories of entrepreneurship and management may lead to the neglect of factors that would otherwise make those theories more robust and valuable.

**Distance Education**

Distance education is a medium of teaching and learning that has grown significantly in the past 10 years as indicated by the number of higher education institutions that offer courses and/or full degree programmes via distance learning (Keegan and Eastmond, 2009). The term distance education has been refined and redefined over the years. In 1990, distance education was described as all arrangements for providing instruction through print or electronic communications media to persons engaged in planned learning in a place or time different from that of the instructor(s) (Richer et al. 2009). Most definitions specify that distance education is teaching and learning that occurs asynchronously where the learner(s) and instructor are separated by time and space using a variety of technical media to support teaching and learning. Open and distance learning (ODL) takes place when teachers and students are separated by physical distance. Technology is used to bridge the physical gap between them
in relation to the third component, namely ‘learning’ (Russell, 1999). Online courses reach wider audience and give people the chance to study at home at any time. More important, their openness is leading to what is called internationalised education, addressing not culturally and linguistically homogenous populations but people with different social, cultural, and economic backgrounds. These are all good reasons for pursuing open and distance learning. Richer et al. (2009) argued for the importance or advantages of open, distance learning, and summarized as follows: the analysis of the authors shows that, advantages overweigh disadvantages for social and economic development.

**Management and organization:** It involves strategies, administration, organizational infrastructures and frameworks for the development, implementation, and sustainable delivery of distance education programmes. Distance education and policies relating to continuing education, lifelong learning, and the impact of online learning on institutional policies, as well as legal issues.

**Costs and benefits:** These aspects refer to financial management, costing, pricing, and business models in distance education. Efficiency relates to the return on investment or impact of distance education programmes. There is impact of ICT on the costing models and the scalability of distance education delivery. Distance learning have lower cost effective but meaningful to learners.

**Educational technology:** This refers to new trends in educational technology for distance education (such as web applications or mobile learning) and the benefits and challenges of using media selection technical infrastructure and equipment for online learning environments, and their opportunities for teaching and learning. Learners have the opportunity to use different means to learn and interact with the facilitator (Lee, 2002; Russell, 1999 and Eastmond, 1998).
Innovation and change: Issues that refer to educational innovation with new media and measures to support and facilitate change in professional development and faculty support services as a prerequisite for innovation and change (Joy and Federico, 2000).

Learner support services: This refers to infrastructure for and organisation of learner support systems (from information and counselling for prospective students about library services and technical support to career services and alumni networks). Learning by distance allows one to one counselling through multi-media (Maguire, 2004 and Lee, 2002). This bridges the gap for the facilitator to understand the learning capacity of individuals.

Instructional design: Issues that refer to the stages of the instructional design process for curriculum and course development are designed for learners. Special emphasis is placed on pedagogical approaches for tutoring online, the design of (culturally appropriate) study material, opportunities provided by new developments in educational technology for teaching and learning as well as assessment practices in distance education (Maguire, 2004 and Eastmond, 1998).

Learner characteristics: This includes; the aims and goals of adult learners, the socio-economic background of distance education students, their different learning styles, critical thinking dispositions, and special needs. How do students learn online (learner behavior patterns, learning styles) and what competencies are needed for distance learning (Richer et al. 2009). This suites learners with specialized activities like business community learning while working. It is the aim of this review paper to think changing the mindset of business community by learning through distance learning so that they can still use the same time for doing business.

Theories of Family-owned Business Management
Privately owned or family controlled enterprises are not always easy to study (Wolfenzon and Heitor, 2006). In many cases, they are not
subject to financial reporting requirements, and little information is made public about financial performance (Colli, 2012). Ownership may be distributed through trusts or holding companies, and family members themselves may not be fully informed about the ownership structure of their enterprise (Mandl, 2008). However, as the 21st-century global economic model replaces the old industrial model, government policy makers, economists, and academics turn to entrepreneurial and family enterprises as a prime source of wealth creation and employment. It is this sense that family-owned business theories relies on entrepreneurship theories. Few theories are discussed in this paper.

Entrepreneurship is a changing thing and has different meaning depending on the sector (Robinson and Stubberud, 2009). The changes and advancement of technology undergone have emerged as critical input in socio-economic development. Various writers have developed various theories on entrepreneurship and popularized the concept among common people. The theories can be categorized into four groups as; sociological theories, economic theories, cultural theories and psychological theories (Mohanty, 2012). From these categories, selected theories from economic and cultural theories will be examined to relate with family-owned business.

**Harvard School Theory**

Harvard school maintains that entrepreneurship involves deliberate activities that initiates, maintains and grows profit-oriented enterprises for production or distribution of economic goods or services (Mohanty, 2012). The theory comes out with important features that entrepreneurship bases on two factors for development; internal and external forces. The internal forces refer to internal qualities of an individual such as intelligence, skills, knowledge and experience. While the external factors/forces refer to the economic, political, social and cultural factors, which can favour an enterprise growth (Mohanty, 2012). The Harvard school theory gives emphasis on two types of entrepreneurship activities namely; entrepreneurial
functions like organisation and combination of resources for creating viable enterprise and the responsiveness to environmental conditions that influence decision-making function. Besides, the theory addresses the functions of family business owners. It has not considered formal education as one of the factors for coping with internal environment of business. Despite the theory addressing issues like skills and knowledge, the theory has not shown how family business members acquire such knowledge.

**Theory of Achievement Motivation**

David McClelland with his associates developed the theory of achievement motivation. The theory was regarded as the best economic theory of entrepreneurship in 1940s (Mohanty, 2012). The achievement motivation theory concentrated on three issues namely, the need for achievement, the need for power and the need for affiliation. The theory explains that, a strong need for achievement is found within certain individuals or group and community (Mohanty, 2012). The theory states that, entrepreneurs prefer working on tasks of moderate difficulty. They prefer work in which results are based on their effort rather than on anything else. It also states that, they prefer to receive feedback on their work. Achievement based individuals tend to avoid both high risk and low risk situations. Low risk situations are seen as too easy to be valid while the high-risk situations are seen as based on luck rather than the achievements that individual make (Khanka, 1999). This personality type is motivated by accomplishment in the workplace and an employment hierarchy with promotional positions.

The McClelland theory on achievement states that people in this category enjoy work and place a high value on discipline. The downside to this motivational type is that group goals can become zero-sum in nature, that is, for one person to win, another must lose. However, this can be positively applied to help accomplish group goals and to help others in the group feel competent about their work. A person motivated by this need enjoys status recognition, winning
arguments, competition, and influencing others. With this motivational type come a need for personal prestige, and a constant need for a better personal status (Khanka, 1999). McClelland theory of entrepreneurship also states that, people who have a need for affiliation, prefer to spend time creating and maintaining social relationships, enjoy being part of a group, and have a desire to feel loved and accepted (Mohanty, 2012). People in this group tend to adhere to the norms of a given workplace and typically do not change the norms of the workplace for fear of rejection. This person favours collaboration over competition and does not like situations with high risk or high uncertainty. People who have a need for affiliation work well in areas based on social interactions like customer service or client interaction positions (Khanka, 1999).

**Modernization Theory**

Hoselitz developed the so-called modernization theory of entrepreneurship (Gilman, 2003). The theory states that, for a country to be seen as modern, modernization theorists say, it has to undergo an evolutionary advance in science and technology which in turn would lead to an increased standard of living for all (Colli, 2012). In general, modernization theorists are concerned with economic growth within societies as indicated, for example, by measures of gross national product (Bernstein, 2007). Mechanization or industrialization is an ingredient in the process of economic growth. Modernization theorists study the social, political, and cultural consequences of economic growth and the conditions that are important for industrialization and economic growth to occur (Gilman, 2003).

Modernization theory emphasizes that; individuals who possess extra managerial and leadership skills (Mohanty, 2012) can bring about entrepreneurial talents in a society. This theory, though based on entrepreneurship, it does not show exactly how one can possess managerial leadership skills. This paper addresses the question of how one can acquire knowledge/skills for managerial and leadership
for a business to survive in the changing world. Both analyzed theories on entrepreneurship which are used to explain the family businesses, have good views on business management. Some of entrepreneurship theories recognize the importance of managerial and leadership skills for business growth sustainability. However, none has explained the best practice for family business owners to acquire knowledge and skills. This paper links the importance of family business owners to learn managerial and leadership skills while working. It is high time now to incorporate the theory of distance learning to family business owners, as it will help them study while continuing with business activities.

**Empirical Analysis**

Several studies have been done in the area of open and distance learning; specifically, in the areas of effectiveness of the learning mode. It is known that when one tells someone is in a long-distance learning, it usually prompts a certain reaction: a look of disappointment, followed by the inevitable question, “Why?” Why would you subject yourself to the sufferings and inevitable failure on a long-distance relationship? Reports show that almost 75% of college students say they have been in an open-distance education and 24% of them are online users with recent dating experience saying that they have used the Internet to maintain a ODL. There is a notable lack of research on the effects of distance on education. However, research by Cornell University done in 2013 paints a startlingly different picture. In examining the communication and interaction between 63 couples in long-distance relationships, the researchers found that not only can couples survive long distances; they can often be healthier than traditional couples can, too.

Saba (2005) in a study of the future of distance learning said that, as we celebrate this historic growth in distance education, increasing costs in all sectors of education should give us pause, and we should become cognizant of challenges that are on the horizon. A promise of the application of information technology to education was to
increase revenue, or at least decrease costs, as it has been done in other enterprises. Since the dramatic growth of the field, the cost of education has increased. How practitioners in distance education could explain, and justify this increase in cost? Also, explained the lack of any structural change in educational institutions as compared, for example, to business and industry. In the early 1990s when business and industry employed information technology to meet the challenges they were facing as the result of the economic recession, they went through a process of re-engineering their organizations.

Saba (2005) shows that educational institutions have opted for distance education. Their organizational structure is not conducive to the development and growth of the field. The challenge of our field, today, is to respond to the following question: how can distance education as a post-industrial information-based idea survive in institutions that were created to serve industrialized mass education? who are rewarded to remain crafts men and women and work in a pre-industrial culture? Distance education, in turn, is a student oriented practice and culture. Under such circumstances, the costs of education are cut at the current rates. The situation is faced with considering several alternatives:

- Establish distance education operations as auxiliary organizations to the university in the form of for-profit or non-profit entities.
- Reorganize educational institutions to introduce post-modern culture as new instructors replace the increasing number of retirees and those in need not be conversional (Saba, 2005).

Mark (2013) in a study of living relationship among couples who are in studies, pointed out that, they miss each other and they fell the pain of separation. However, that pain is exactly what fuels the desire and passion in their relationship. Missing each other among couples allows the relationship to flourish on the ups of life. The study concluded that, this should be the passion for couple studying by distance education. Richter (2009) in a study examining the opinion of
distance education experts with regard to the importance of distance education specifically design and development of study materials; and interactive multimedia. The study concluded that, many education institutions are moving into the global education market to reach new target groups using online learning to ‘export’ their knowledge. Therefore, globalization of education, cross-cultural aspects, access, equity, and ethics are areas that should receive more attention.

The results show the shift from technology-centred research to areas that focus on management and change in distance education institutions. The emergence of online distance learning highlights a pressing need for educational institutions to embrace innovation and change. The study concluded that all aspects related to educational management are growing in importance (strategy and leadership, change management, quality assurance and costs, among others (Richter, 2009; Jiang, 2013). Distance educators should concentrate on innovation, change and quality assurance. The paper concluded that, facilitators of distance education should design courses to suit the needs of the target audience.

Distance learning may also offer a final opportunity for young people that are no longer permitted in the general education population due to behavior disorders. Instead of these students having no other academic opportunities, they may continue their education from their homes and earn their diplomas, offering them another chance to be an integral part of the society. This paper examined the literature on distance education and how it can help in economic development. For sure, family business contributes to economic development. Family business needs to change to the changes of the business environment. To support Family business growth, development and survival, there is a need for business community to access new knowledge for business undertaking. In Tanzania for long, the business community has been neglected regarding getting support including education and training until late 2000. It is high time to think of family business
training and gaining skills relevant to it. The modern way for family business owners to acquire knowledge for business development and sustainability is the use of distance learning.

**Methodology**
This paper’s methodology was the analysis of literature. This is a sort of library study on related literature (Galvan, 2006; Johnson , 2005). A good strategy for data collection is important for the study to generate the intended results (Tonya, 2015). A selection of strategic writings and papers related to the topic were done. This is a good strategy, however, it is known that, the majority of family-owned businesses are not ready to leave their business and join conversational school/college. Papers from different sources including books, journals, and internet sources were used. This paper intended to analyse the literature and empirical studies to show the importance of distance learning to family-owned business firms. The analysis intended to support the community to cope up with the changes of business environment by the use of new and existing knowledge. The knowledge will support the decision makers to put in place strategies to develop family-owned business to survive and continue contributing to economic development.

**Summary of the Findings**
Distance education or distance learning is the education for learners who may not always be physically present at a school. For courses that are conducted, it is shown that, 51 percent or more are either hybrid, blended or 100% completely instructional (Kaplan and Haenlein, 2016). Massive open online courses (MOOCs) offering large-scale interactive participation and open access through the World Wide Web or other network technologies, are recent developments in distance education (Obliger, 2000). A number of other terms (distributed learning, e-learning, online learning) are used roughly synonymously with distance education (Kaplan and Haenlein, 2016). Distance learning that is, providing education to students who are separated by distance and in which the pedagogical
material is planned and prepared by educational institutions is a topic of regular interest in popular and business community (Tabor, 2007). Studying by distance learning has recorded several benefits for allowing developing one’s career without having to leave employment. It also means that learners can apply new knowledge and insights to a working life while studying, with many students choosing to tackle work-related topics in their dissertations (Vaughan, 2010). Distance learning is not just about career progression. It can also increase knowledge of a favourite subject or simply for pure enjoyment of learning. Also, distance education includes being able to choose a school that may be too far away to attend in person, not having to waste time commuting to classes, being able to fit study time into a tight schedule, and being able to self-pace the learning.

Although most institutions have become involved in some form of distance learning in Tanzania, the rationale for doing so is not always clear. Among those institutions with more well defined reasons for embracing distance education, the rationales vary, but they often fall into one of four broad categories:

- **Expanding access**, most states need to expand access to education in order to meet the education and training needs of state residents and companies or to educate under-served populations. For many people in the past, academic programme calendars have not matched work and family responsibilities, and programme offerings may not have met learner’s needs.

- **Alleviating capacity constraints**, many states are expecting more college students over the next decade than their facilities can accommodate. Some are hoping to leverage the scalability of distance education to avoid overwhelming their bricks-and-mortar capacities.

- **Capitalizing on emerging market opportunities**, the public’s growing acceptance of the value of lifelong learning has fuelled an increased demand for higher education services
among people outside the traditional, 18-24, age range. Emerging student segments, such as executives seeking further education and working adults, may be more lucrative than traditional markets. By capitalizing on emerging market opportunities, many educational institutions hope to generate significant revenue.

- **Serving as a catalyst for institutional transformation,** higher education institutions are being challenged to adapt rapidly to an increasingly competitive environment. Distance education may fast track institutional transformation.

Regarding the observed rationale of distance education, it is high time for The Open University of Tanzania to capitalize on the emerging students market that need education but cannot access it from the conventional universities. The Open University has the responsibility to design courses that suit family business owners so that they can improve knowledge and skills while working in their business.

**Conclusion and Recommendations**

Distance education has generated tremendous excitement both inside and outside higher education. For some, it offers the potential to provide learning to new audiences; for others, it offers the opportunity fundamentally to transform learning delivery and the competitive landscape (Keegan and Eastmond, 2009). Distance learning can expand access to education and training for both public and businesses since its flexible scheduling structure lessens the effects of many time-constraints imposed by personal responsibilities and commitments.

Furthermore, there is the potential for increased access to more experts in the field and to other students from diverse geographical, social, cultural, economic, and experiential backgrounds. As the population at large becomes more involved in lifelong learning beyond the normal schooling age, institutions can benefit financially, and adult learning business courses may be particularly rewarding.
Distance education programmes can act as a catalyst for institutional innovation and are at least as effective as face-to-face learning programmes, especially if the instructor is knowledgeable and skilled. Distance education can also provide a broader method of communication within the sector of education.

Determining the nature and purpose of distance education and defining its appropriate role can be difficult because it requires that institutions locate themselves in the midst of multiple issues. Such issues include technological advances, pedagogical change, business model change, organizational adaptability, knowledge management, and increased access to education (Eastmond, 1998). Some assert that distance education represents a strategic inflection point for higher education, signalling the fundamental transformation of education, as we know it. Open and distance education institutes have this opportunity to increase its capacity and effectiveness to serve the majority in family owned business sector.

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