Reporting the Relatively Lower Success of Women in Hosted Accommodation in Rural Western Australia

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The owners of 655 hosted accommodation businesses throughout Western Australia were surveyed in 2004–2005 in order to gauge and understand their level of success. The paper describes the level of business success (occupancy rates) and self-perception of success reported by these hosted accommodation owners. The study finds that there are significant differences between male and female hosted accommodation owners in rural locations. In particular, the financial resources and occupancy rates of the business were significantly lower for female-owned firms than their male counterparts. Some possible reasons for this finding are explored.

Keywords: Australia; rural; gender; hosted accommodation; success; small business tourism.

Introduction

Hosted Accommodation is a comparatively under-researched business type in Australia. This is evidenced by the total lack of data identifying how many hosted accommodation owners there are in Western Australia. Therefore, this research becomes a significant contribution to our understanding of hosted accommodation in Western Australia in late 2004 and early 2005. The research sought to understand the characteristics of the owners and how they self-defined and measured success.

The part of the over-arching study (Weber 2006) presented in this paper highlights differences between rural and urban hosted-accommodation owners and other small businesses more generally. Hosted-accommodation ownership was found to be dominated by female participants. This female gender bias is also investigated from a characteristics and success perspective.

Rural Farming Families

The number of farming families in Australia has decreased by 22% between 1986 and 2001. For many of the remaining farming families, farm income has reduced due to declining profit margins requiring family members to earn non-farm income. Adding to this financial burden, over half (54%) of Australia’s farming families have dependent children living with them (Australian Bureau of Statistics[ABS] 2003a).

It is also apparent that the typical Australian farmer is likely to be older than was once the case. Farmers often work well beyond the early retirement age of 55. In 2001, over 15% of all farmers were still working on the farm beyond 65 years of age. The median age of farmers in Australia was 51 in 2001, which represents an ageing farm owner population when compared with earlier estimates (ABS 2003b).

Hosted Accommodation

The ABS differentiates guest-houses, B&Bs and farmstays (hosted accommodation) from other accommodation styles by excluding motels, motor inns and private hotels, or any establishment that has a liquor license. Hosted accommodation generally has an owner/ manager(s) in residence who personally manages the day-to-day business (ABS 1999b).

Hosted accommodation requires access to a dwelling suitable for the hosting of guests. Owning such assets requires substantial capital investments which may have taken many years to accrue. There would appear to be three common pathways to ownership of the requisite property. The first is via family title (the family farm) where under-utilized farm buildings are converted into accommodation.

Secondly, via the purchase of substantial private residences by non-farming owners, using wealth
accumulated prior to business start-up. This wealth may have been accumulated via another unrelated business or through their main occupation or profession and is invested in rural property by those not seeking high returns on investment but rather a rural lifestyle (Kelly 2003; Morrison et al. 2008).

The third pathway to ownership occurs when retirement savings funds preserved in regulated government-approved funds can be accessed after age 55 (Kehl 2002). Government pension rules favour the ownership of substantial family homes, as this asset is partially exempt from asset tests for pension benefits. The first farm business pathway is often motivated by the need to supplement an income under stress (Jennings and Stehlik 1999).

Whichever pathway to ownership of the hosted accommodation is relevant on a case-by-case basis, the expectation is that rural hosted accommodation owners will be relatively asset-rich individuals. The average net personal wealth of individuals in rural Western Australia was estimated at AUS$ 452,619 (ABS 2006). Whilst not directly comparable (dwelling and other assets not separated), this study of hosted accommodation owners found that the dominant age group (55–64 years old) has an average net worth of AUS$ 727,800, which is suggestive of significant land holdings. Once owned, these farms and rural lifestyle dwellings may represent a large proportion of the owner’s personal net wealth, resulting in varying financial pressures which lead to attempts to extract greater marginal returns on the property investment (Kelly 2003). In the case of the family farm, hosted accommodation is sometimes a marginal activity intended as a supplement to main farm activities (Andersson et al. 2002).

Career Stage and Lifestyle

Hosted accommodation businesses appear to encourage the entrance of late-career participants who, for varying reasons, are not yet ready or able to retire from work. Two commonly cited reasons for this late-career entry to small business more generally are lack of viable alternatives (Platman 2002; Creagh 2004; Hughes 2003), and for bridge employment until full retirement is desired (Quinn 1996; Kellard et al. 2004; Clark and Quinn 2002; Baucus and Human 1994).

These late-career entrants have a wide range of motives for entering the hosted accommodation industry and some of these motives have been shown by prior research to be of a non-financial lifestyle nature. (Stringer 1981; Lynch 1998; Hall and Rusher 2004; Ateljevic and Doorne 2000; Carlisen and Getz 2000). These goals have been described as intrinsic motivations (Kuratko et al. 1997; Buttner and Moore 1997).

Gender

Gender is often highlighted as an important issue in small business (Still et al. 2005; Still et al. 2004). Some researchers have suggested that national longitudinal studies of Australian business indicate that females tend to choose lower risk/ lower return industry sectors (Watson 2003) such as hosted accommodation.

The importance and recognition of females in the Australian farming context is increasing; however, the current structure and behaviour of farming families is still influenced by social norms that Pini (2005: 74) describes as ...popular and media constructions of the rural [farmer], in government reports of farming work which have ignored women’s labour, in patrilineal inheritance on family farms and in women’s exclusion from agricultural training.

In 2001, 91% of farmers in Australia were members of a family household, yet only one-third of the females in these families listed their occupation as farmer (ABS 2003a). These on-farm non-farmers can earn supplemental income via the provision of hosted accommodation.

In Western Australia, males aged over 50 represent nearly 70 per cent of all businesses owned by this age cohort (ABS 2003c). This profile has been relatively consistent over the past several years (see Table 1), with only a two per cent shift in the gender balance of small business populations (ABS 2004a, 2003c, 2001b, 1999a, 1997).

Table 1. Gender and Age Composition of Australian Small Business Owners

<table>
<thead>
<tr>
<th>Year</th>
<th>Under 30</th>
<th>30 to 50</th>
<th>Over 50</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male %</td>
<td>Female %</td>
<td>Male %</td>
<td>Female %</td>
</tr>
<tr>
<td>1997</td>
<td>64</td>
<td>36</td>
<td>63</td>
<td>37</td>
</tr>
<tr>
<td>1999</td>
<td>68</td>
<td>32</td>
<td>66</td>
<td>34</td>
</tr>
<tr>
<td>2001</td>
<td>65</td>
<td>35</td>
<td>65</td>
<td>35</td>
</tr>
<tr>
<td>2003</td>
<td>65</td>
<td>35</td>
<td>65</td>
<td>35</td>
</tr>
</tbody>
</table>


The profile derived from our research project shows that hosted accommodation is dominated by older participants, with an average age of 57 for the total sample (n=167). A clear majority of hosted accommodation owners are female (66.5%), which was very similar to the results obtained by Getz and Carlisen (2000) who found that females accounted for 59% of owners in their study.
In the Western Australian population there are only 82 males for every 100 females in the over-65 age range (ABS 2004b). It is probable that the somewhat older cohort of business owners in hosted accommodation introduces an inverse gender bias towards female ownership.

No hypotheses are posed in this paper as it is primarily focussed on reporting observed differences rather than explaining why these differences might be. However, it is appropriate to detail two over-arching propositions:

**Proposition One:** Female owners of rural hosted accommodation have a different profile of personal characteristics from males in similar businesses.

**Proposition Two:** These differences in characteristics between the genders contribute to lower levels of business success for women.

### Measuring Success in Hosted Accommodation

Research that informed an earlier phase of this study (but not the focus of this paper) sought to derive measures of success for hosted accommodation owners. Success was viewed in terms of intrinsic and extrinsic motivations/goals which have been investigated in varying ways by many prior studies (Still et al. 2003; Kuratko et al. 1997; Carlsen and Getz 2000; Getz and Carlsen 2000; Andersson et al. 2002). From this prior research phase, three main success measures were identified.

The first measure, used by the Australian Bureau of Statistics (ABS) is a single-item measure, enquiring whether business owners perceive they have a ‘highly successful’, ‘moderately successful’ or ‘unsuccessful business’ (ABS 1997). A second multi-item scale consists of four items with 5-point Likert scales (from strongly disagree to strongly agree). This scale was used by Kaufman et al. (1996) and was adopted because it distinguishes between the attainment of personal and financial goals, yet still provides a summary score of overall success. This scale has also previously been used in a hosted accommodation context. The items cover attainment of personal goals, financial goals, and overall success of the individual and business.

Lastly, an objective measure of success was required to provide a contrast to the subjective measures already described. Hall and Page (2002) describe one variant of the measurement of occupancy rates as basic occupancy, which is the percentage of rooms occupied daily. This measure was adapted for purpose and context by making allowances for periods of business closure in this often seasonal business type. Therefore, months when the business was closed for any reason or when some rooms were not available, were allowed for in the calculation of occupancy rate.

### Methodology

A postal questionnaire was sent to 655 businesses which represents the entire identifiable population of hosted accommodation providers in Western Australia. Valid responses were received from 132 rural owners, along with 35 from urban owners.

Due to the size difference between the two groups, some of the mean differences reported do fall outside accepted parameters for t-tests of equality of means. The main differences apparent between rural and urban owners have been shown in table 2.

### Table 2. Differences Between Urban and Rural Hosted Accommodation Owners

<table>
<thead>
<tr>
<th>Variable or Characteristic</th>
<th>Mean Urban</th>
<th>Mean Rural</th>
<th>Significance two-tailed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dependent Children</td>
<td>0.23</td>
<td>0.45</td>
<td>0.086</td>
</tr>
<tr>
<td>Other Businesses Owned</td>
<td>0.34</td>
<td>0.49</td>
<td>0.168</td>
</tr>
<tr>
<td>Business Experience (years)</td>
<td>11.49</td>
<td>15.27</td>
<td>0.048</td>
</tr>
<tr>
<td>Time Spent Networking with Business Associates (hours per month)</td>
<td>3.03</td>
<td>1.52</td>
<td>0.065</td>
</tr>
<tr>
<td>Annual Sales Estimate (dollars)</td>
<td>66,998</td>
<td>34,899</td>
<td>0.108</td>
</tr>
<tr>
<td>Hours Worked in the Business (hours per week)</td>
<td>27.15</td>
<td>32.48</td>
<td>0.228</td>
</tr>
<tr>
<td>Use of the Internet (per cent)</td>
<td>100</td>
<td>89</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Urban n = 35, Rural n = 132

p-values significant at the 0.01 level

It appears that rural hosted accommodation owners earn (on average) little more than half the annual return of their urban counterparts. This is despite possessing greater levels of business experience and working longer hours in the business. Based on these results, rural owners are working for gross sales of about AUS$ 20 per hour whereas urban owners are achieving sales of around AUS$ 47 per hour of effort. Additionally, the rural hosted accommodation owner is contending with a reduced capacity to use business tools such as the Internet, whilst supporting slightly larger families with fewer business networking opportunities.

Given all these imposts on the rural hosted accommodation owner, one might expect that they would have lower levels of satisfaction with their success. However, this was not evident across the total sample. Using the ABS measure of personal success (ABS 1997) as well as the Kaufman et al. (1996) personal success measure, very little difference, significant or otherwise, existed between rural and urban participants.
Examining Gender Differences amongst Rural Businesses

If the analysis had been contained at the rural/urban level of aggregation it may have been tempting to surmise that owners of rural hosted accommodation generally were content to accept lower returns and cope with busier and more isolated lives, since no significant differences in intrinsic success levels (overall success or Kaufman’s success scale) between urban and rural respondents were detected. It may have been reasonable to propose that in exchange for lower returns rural owners would derive the often-expressed lifestyle advantages that rural hosted accommodation business owners seek (Hall and Rusher 2004; Kelly 2003; Carlsen and Getz 2000).

However, focus on the responses of the rural respondents by gender depicts a different and somewhat disconcerting landscape. The picture that emerges is one of females involved in businesses where they have significantly less management or business experience, only two-thirds of the personal net worth of their male counterparts and occupancy rates 16% lower than male respondents. In addition, it appears that, for whatever reason, females undertake less formal networking with community, charity and religious groups that are often considered to have influence and advantage in rural communities (Miller et al. 2001).

Table 3. Gender Differences in Rural Hosted Accommodation (t-test)

<table>
<thead>
<tr>
<th>Variable or Characteristic</th>
<th>Mean Male</th>
<th>Mean Female</th>
<th>Significance two-tailed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age at last birthday</td>
<td>59</td>
<td>55</td>
<td>0.025</td>
</tr>
<tr>
<td>Number of children still dependent</td>
<td>0.42</td>
<td>0.47</td>
<td>Not Significant</td>
</tr>
<tr>
<td>Number of children</td>
<td>2.67</td>
<td>2.25</td>
<td>0.049</td>
</tr>
<tr>
<td>Business Experience defined as years running your own business</td>
<td>18.47</td>
<td>13.73</td>
<td>0.034</td>
</tr>
<tr>
<td>Management Experience defined as years of management experience</td>
<td>23.42</td>
<td>12.76</td>
<td>0.000</td>
</tr>
<tr>
<td>Networking: contact with community, charity and religious groups (hours per month)</td>
<td>1.95</td>
<td>.33</td>
<td>0.001</td>
</tr>
<tr>
<td>Satisfaction with present financial situation, a score of 0-10 with 10 being highest satisfaction and 0 lowest satisfaction</td>
<td>6.47</td>
<td>5.51</td>
<td>0.021</td>
</tr>
<tr>
<td>Estimate of personal net worth ($000)</td>
<td>943</td>
<td>634</td>
<td>0.006</td>
</tr>
<tr>
<td>Overall Success (reverse scored) 1=Highly successful, 3=Unsuccessful</td>
<td>1.70</td>
<td>1.92</td>
<td>0.035</td>
</tr>
<tr>
<td>Occupancy Rate</td>
<td>29.14%</td>
<td>24.25%</td>
<td>0.068</td>
</tr>
</tbody>
</table>

Rural Respondents n = 132 (Male = 43, Female = 89)
p-values significant at the 0.01 level

Rural females are also less satisfied with their overall success. In particular, they express lower levels of satisfaction with their present financial situation. Females had a significantly lower average personal net worth of AUS$ 634,000 compared to males who reported mean values of AUS$ 943,000. This still places female rural hosted accommodation owners above the norm for the state of AUS$ 452,619 (ABS 2006).

Measures of personal net worth can mask other financial tensions where some individuals are asset strong but income poor. An ancillary question in the research asked whether or not the respondents felt they had sufficient assets to fully retire. On this retirement-readiness question, two-thirds of females answered “no” (64%), whereas nearly half of the males surveyed answered “yes” (48.8%). A chi-square examination of the expected counts revealed a two-sided significance of 0.157 indicating that the differences were somewhat significant.

Scholars have suggested that performance differences exist between females and males in entrepreneurship, but the relationships are complex (Fischer et al. 1993). Some prior research on gender difference in small business has found that female-owned small businesses under-perform as compared to male-owned small businesses because they are less likely to have relevant management and entrepreneurial experience (Hisrich and Brush 1984). Other research on gender and performance where success is measured through firm survival does not support the benefit of management or business experience (Kalleberg and Leicht 1991). More recently, studies have focused on the gender gap in small business success by comparing rural and urban businesses and find that the rural gender gap is smaller than in urban contexts (Bird and Sapp 2004).

The differences in management and business experience between genders in rural hosted accommodation were statistically significant in our sample and large in absolute terms. Males had nearly five years more business experience and over 10 years more management experience than females. However, an assessment of bivariate correlations between experience and success identified no meaningful differences.

Conclusions and Implications

This research highlights differences in the characteristics of urban and rural hosted accommodation owners. The study points to gender differences in a rural setting that deserve further and more focused attention.

The most substantial differences between rural and urban owners related to the superior levels of business
experience and greater annual sales that urban owners enjoy. Other differences such as Internet use, networking with business associates, and hours worked in the business all favoured the urban owner of hosted accommodation.

Investigation of the gender differences of rural respondents revealed that females underperformed as compared to their male counterparts on the key business success measure of occupancy rates. If it were the case that females had different motivators and goals in business as suggested by others (King 2002; Buttner and Moore 1997), then this lower occupancy rate may not be a significant finding. However, the responses of the female owners themselves to self-perceived levels of success are suggestive of a real performance gap. It is acknowledged that there may be gender bias in the self perception of success as has been suggested by researchers such as Langowitz and Minnitti (2007).

If the position of Still et al. (2005) is taken (that few differences now exist between gender-based motivations and goals in small business) then it seems likely that real constraints to success may exist for rural females. The large difference between the resources available for males and females may be a factor, with rural males having higher personal net worth. Carter and Allen (1997) hypothesized that women who put less emphasis on family and community and more time into the financial aspects of the business may be more likely to increase their wealth. Their findings point towards lower access to financial resources by women as the main limiter of accumulating wealth.

This study adopts Australian Bureau of Statistics methodology for dividing rural and urban location (ABS 2001a). As a consequence, some quite large and more densely populated regional cities are treated as rural in our results. The owners of hosted accommodation in some of these areas may have been better reclassified as urban. It is possible that reclassifying these regional businesses as urban would further amplify the gender differences. A need for further research that utilizes a finer measure of ‘ruralness’ is, therefore, apparent.

Targeted qualitative investigation of the complex reasons behind the lower performance of female rural small-business owners in hosted accommodation is needed. From a rational economic perspective, there is some counter-intuitive evidence provided in this paper that hosted-accommodation owners in rural settings have greater business experience, yet achieve financial returns far lower than their urban counterparts. Recent work by Morrison et al. (2008) on defining and understanding the Lifestyle Oriented Small Tourism (LOST) firm may well provide guidance for the future direction of this issue to contextualize what the owners of these businesses might be seeking from the business before drawing any premature conclusions as to their level of success.

References


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