Gender and Its Impact on Small Firm Survival and Success After a Natural Disaster

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Abstract

Using data from the 2013 Small Business Survival and Demise after a Natural Disaster (SBSD) project, the primary purpose of this study was to examine the relationship between gender and small firm survival and success after Hurricane Katrina. This study also explored the role of family adjustment strategies in small firm survival and success across gender. Firm survival was measured by the operating status of small firm as of 2013, whereas firm success was measured by the level of perceived success by business owners. This study further investigated business and owner characteristics that could influence firm survival and success. The 2013 SBSD included a random sample of 499 small businesses with 200 or fewer employees. Of the 499 businesses interviewed for the study, two businesses in the sample were eliminated in this analysis because they had more than 100 employees, resulting in a sample size of 497 small family firms. Descriptive results show that out of the total 497 businesses, 371 small firms were still operating their businesses under the same owner in 2013, suggesting that 75.6% of the small firms survived between 2005 (when the Hurricane Katrina struck their businesses) and 2013 (when the SBSD project was conducted). Among the surviving businesses (n=371), the mean level of perceived success was 3, on a scale ranging from 1 (very unsuccessful) to 5 (very successful). The logistic regression results show that gender was not statistically significant in predicting operation in 2013 after being impacted by Hurricane Katrina. However, more frequent use of family adjustment strategies significantly increased the likelihood of businesses still operating in 2013. The OLS regression results indicate that there was no gender difference in predicting firm success. However, like the survival model, the family adjustment strategies variable was statistically significant in predicting firm success, but the direction of effect on business success was negative. The findings suggest that as firm owners employed family adjustment strategies more often, they had lower levels of perceived business success. Moreover, the family adjustment strategies variable was statistically significant (and negative) only for the female business regression model, suggesting that as female owners frequently used various family adjustment strategies (e.g., sacrificed sleep or business tasks to spend more time with family), these strategies significantly decreased their levels of perceived business success among female business owners. In this study, gender was a focus in predicting small firm survival and success after a natural disaster. This study concluded that there was no significant difference in small firm survival and success after Hurricane Katrina across gender; however, there was a significant difference in the use of family adjustment strategies between men and women-owned small firms. The findings of the current study could provide insights for business consultants, educators, and policy makers to identify and help vulnerable small firms.

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