Family businesses and business families have been studied by anthropologists, sociologists, and historians for a long time. But, as a field of research among business scholars, the study of family enterprises is young. It has, however, expanded very quickly over the last decade along all dimensions.

The field started among entrepreneurship researchers because family members become involved as the entrepreneurial firm grows, and ownership, governance, and management of the business become a shared endeavor of the family over time. So, when entrepreneurship researchers started asking what happens in the long run to the successful entrepreneurial venture, they naturally began examining family firms. But family business studies are now being published by researchers in strategy, organization, finance, accounting, and economics aside from those in entrepreneurship and small business.

Geographically, research in the field began mainly in North America. But studies are now being conducted and cover family businesses in all continents. In terms of education, young and future researchers are now graduating with PhDs focused on family business studies. And prominence is being given to the field through the establishment of research centers and research chairs.

So far, most of the studies have been conceptual or empirical. Conceptual research has relied mainly on using mainstream theories of organization or management to explain how family involvement changes the policies, structure, behavior, and performance of the firm. This is the normal route for a new field to gain legitimacy. But, as a result, the assumptions about what goals family firms pursue and how they pursue them are constrained by the assumptions and logic underlying the mainstream theories of organization or management. Empirical research, on the other hand, must be guided and is, thus, restricted by conceptual development in terms of the hypotheses tested and the differences between family and non-family firms targeted. For example, the most popular mainstream theories applied to family business are agency theory, resource-based view, stewardship theory, transaction cost economics, stakeholder theory, and behavioral theory. Each of these theories has its own assumptions, framework of analysis, logic, measures, and hypothesis testing methodology. While
they provide well defined paths for family business researchers, they also constrain our thinking and investigations. Therefore, I believe that, until our thinking about family business or the business family transcends the mainstream theories, the field will continue to be seen as primarily a niche area where mainstream theories are being applied to a different context.

For the field to break out and establish itself as its own discipline, we must first expand the horizons of our discourse and question the applicability to the family enterprise of the assumptions, frameworks, and logics of the mainstream theories. But the questioning and expanded discourse must be based on rigorous evidence. I believe that this can come only from qualitative research of which the case study is one approach.

Thus, I am very glad to see the global cooperation through the STEP Project to gather research-oriented case studies of family firms. This will eventually form a very large, international, cross-cultural qualitative database. I strongly believe that only through the extension of academic discourse as a result of examining qualitative data will family business researchers discover all the intricacies and subtleties in family business logic and behavior unexplainable by mainstream theories. And it will be through these observations that different assumptions, frameworks, and logic evolve and give family business studies its own discipline.

I am also quite excited about the project’s focus on entrepreneurship because I believe that, in our dynamic globalized economies, almost all markets, except maybe regulated monopolies, are contestable. Therefore, businesses can disappear overnight. That, in fact, happened to my own family; a joint venture of ours disappeared when our joint venture partner was acquired by the firm against which the joint venture was competing. As a result, I believe very strongly that instilling entrepreneurial drive and developing entrepreneurial capabilities in succeeding generations are the requisites for family enterprises to prosper from generation to generation.

Having said this, however, I have a few suggestions that I hope the participants in the STEP Project will consider if they have not already thought about them. They are not about the individual case studies included in this volume but about the grand design. The first is with respect to sampling. The family firms examined in this volume appear to be all successful ones. Logic says that if B then A does not imply if A then B – because successful family firms do them does not imply that doing them ensures success. The evidence would be more conclusive if, to the collection of best practices, is added verification that family firms fail when they do not follow the best practices. Therefore, I encourage STEP researchers to include some family firms that failed to maintain their entrepreneurial capabilities across generations and examine how the practices of these firms are different from those of the successful ones. The second is also with respect to sampling.
Eventually, for quantitative analyses of the data, variance conditions must be met. Therefore, I hope that STEP has a grand design to make sure that the database developed will provide sufficient variances for quantitative analysis in the future. Not doing so would be regrettable because it would deprive the field of a very valuable research resource, especially since it would not take that much more effort to do it. Third, empirical studies, especially quantitative ones, have consisted mainly of cross-sectional studies. By their nature, cross-sectional studies have problems establishing causality. Thus, it would benefit the field tremendously if the project researchers were to collect longitudinal data by returning to a selected set of family firms repeatedly.

It seems clear that the STEP Project is and will continue to be the focal point for research about maintaining entrepreneurial capabilities across generations. To the project researchers, for the continuing intellectual stimulation and what they have already accomplished, the family business research community owes a heavy debt.

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