1. Introduction

The span of a human lifetime is contained within its own generation, but we all develop an appreciation of our place in time marked by the history of the generations before us and the arrival of the generations after us. We are all transgenerational beings in that sense. This book presents a study of the experience of two generations engaged in business, the founders in one generation and the successors from the next generation. It places the family at the heart of the enquiry rather than questions of economic performance and growth. It shows how the family and the business impact upon each other; they are inextricably intertwined. It examines the dynamics of the family and their engagement in business over time, the intricate connections between and across two generations.

This is a study of five families engaged in entrepreneurship, families in business, based in the north of England. It draws upon interviews from two generations in each of the families (see Table 1.1). Interviews were undertaken with members of the family from the generation that founded a business and family members who joined the business in the next generation. Each of the five families are designated as ‘intergenerational sets’ and named the Engineers, the Grocers, the Large Group, the Cheese Makers and the Insurance Brokers. With hindsight the term ‘interview’ seems inappropriately formal, and rather dull, in the light of the vivid experiences that I had listening to the participants tell me about their lives, their families and their businesses. I have at times used the term ‘research encounter’, but that perhaps suggests combat or a clash. It was an experience that was altogether more enchanting and mesmerizing than the word ‘interview’ can conjure.

In undertaking the research initially I had early conversations with two families, the Printers and the Farmers. These conversations were formative in terms of my thinking and are discussed in detail in Chapter 3. In the main study there were a total of 12 research events, in which different combinations of individuals from two generations took part. In all, 16 individuals participated. Four interviews were with the founders on their own (three male, one female), two with male founders and their spouses, one with the wife of a founder on her own, three with individual successors (two male, one female), one with a female successor and her

spouse, and finally one with a brother, his wife and sister who were successors. This confusing line-up of combinations of family members was not part of the original plan.

Table 1.1 The family businesses

THE PRINTERS

Conversation with the third generation, second son managing director

THE FARMERS

Two conversations with fourth-generation farmers, father and son (not going to join the farm)

THE ENGINEERS

Father and mother founders, son successor. Three interviews: (1) son (2) father (3) mother and father

The father, who had worked in engineering all his life, was made redundant at director level when he was 50 and then set up in business. His wife worked alongside him. The couple worked together to build a very successful engineering company, relatively late in life. Up to that point she had never worked in paid employment during their married life other than an early attempt to find a job when they were first married. Their son was 17 at the time and studying for A-levels. After leaving school the son joined a graduate training scheme with a shoe manufacturer, and went on to develop a good career in sales. In his twenties, at the point he was just about to take up a new job with an excellent salary, car, etc., he went on a visit to a customer with his father, and on the journey home in conversation with his father, decided to join the business rather than take the apparently more attractive job which was on offer. He has since expanded the company internationally and is strongly committed to growth and diversification in the business.

THE BROKERS

Conversation with the third generation, second son managing director

The mother and father set up an insurance brokerage, with another couple, when their daughter was young. Her mother always worked in the business but never had the status of 'partner'. The two men, who were partners in the business, dominated it even though both wives worked there too, unpaid in the early days. When their daughter left school she went to college, but was not happy and asked her father for a job. He refused, advising her to get some experience first. She went to work in a bank but when an office junior's job was advertised in her

father's business, she formally applied for it, was interviewed and given the job at the age of 19. She worked her way up in the business, finally achieving the role of senior partner after more than 20 years.

THE CHEESE MAKERS

Mother founder, daughter and son-in-law successors. Two interviews: (1) mother (2) daughter and son-in-law

A farmer's daughter, married to a farmer, set up a cheese-making operation on a farm in the 1950s. She grew the business to become one of the major suppliers of farmhouse cheese in Lancashire. Her daughter and son-in-law have taken over the business to grow and develop it further over the last 15 years. The daughter had studied home economics and went on to work at a large food manufacturer in new product development; the son-in-law had worked in sales and marketing. The son-in-law is now the managing director, the daughter the operations director.

THE GROCERS

Father and mother founders, son successor, working with wife and sister. Two interviews: (1) mother and father (2) son, sister, daughter-in-law

The family had been forced to leave Uganda in 1972 when General Idi Amin ordered the swift expulsion of all non-citizen Asians from the country. They came to the UK and eventually managed to borrow money to buy a corner shop. They grew the business, with other members of the family, eventually owning 14 corner grocery stores. As they grew up, their son and daughter worked in the shop. They all lived in a flat over the shop for many years. The mother and father moved out of the flat over the original shop and the son and his wife moved in. It was assumed that they would take over, as the mother and father were due to retire. However the parents had not yet relinquished control.

THE LARGE GROUP

Father founder, son successor. Two interviews: (1) son (2) father

Encouraged by his wife, the father went into business at the age of 28, buying the local petrol station and hardware shop in the village they lived in. He has since then built up a large portfolio of businesses across the UK and both his sons work in the business. The growth and development from the first business was possible because his wife worked as a teacher, so based on her work earnings and ability to borrow capital, the business was able to expand. The children were brought up 'over the shop', literally. The spotting of opportunities from within his networks has

driven the organic, opportunistic expansion of the business. Following his younger son's critical illness at the age of 17, the father in effect created a business to provide employment for him. The desire of his older son to escape from corporate life was the driver for him to join the business.

Let me explain how this variety in patterns of research encounter happened. In my naivety as a new researcher of family business, immersed in the entrepreneurship and family business literatures and informed by the early conversations with the Printers and the Farmers, I set off into the field. My initial research design was to interview the owner-manager of the founding generation and the owner-manager of the second generation and, thus, uncover the processes of intergenerational influence. At the first interview, with the son of the Engineers, it became clear that the role of his mother in founding and growing the business could not be ignored. It became even more complicated when I arrived to undertake the interview with the Grocers. I planned to interview the person who I had identified as the founder owner-manager: the father. On my arrival at the store his wife stood resolutely at his side and told me that there was no point in interviewing him without her, as they had done this together. I agreed and we progressed with the interview on that basis. On reflection I was mortified that as a self-professed feminist I had stumbled into a version of robust research design that was inherently gendered. I then undertook a variety of combinations in research encounters to further experiment in ways to hear and interpret narratives in family business and gender became a central question in terms of the study.

When I asked the two generations, in whatever combinations, to tell me about the family business they told me wonderful stories, and gave stirring accounts of their lives intertwined in the family and the business. Their everyday lives, engaged in the social practices of family and business, were articulated in compelling narratives. Narrative approaches to researching entrepreneurship have emerged in the last decade. A review of narrative studies in entrepreneurship prior to 2002 revealed a relatively small field of work (Smith and Anderson, 2004). Advocates of the approach, however, have continued to emerge (for example, Johansson, 2004; Smith, 2005; Hamilton, 2006a, 2006b; Larty and Hamilton, 2011). A powerful body of work has been created by the Movements in Entrepreneurship series (see Hjorth and Steyaert, 2004). A special issue of the *Journal of Business Venturing* helped to establish narrative in mainstream entrepreneurship research (Gartner, 2007).

It seems that narrative as a research method is becoming well established in entrepreneurship research. This book, inspired by the narratives of the family businesses, charts the journey of my own engagement with narrative as an 'ontological condition of social life' (Somers, 1994, p. 614), towards an understanding of narrative as a way of knowing the world, not simply as a form of representing the world. This reframing of the epistemological status of narrative, already adopted in other disciplines, supports a philosophical and theoretical understanding of the constitution of narrative identity. Narrative, it is argued, mediates and constitutes experience: our identities (multiple and complex) draw upon, and are located within, a repertoire of narratives available to us historically, socially and culturally (Ricoeur, 1991b). The concept of narrative identity with its historical, spatial and relational implications (Somers, 1994) offers an opportunity to generate new insights and new ways of theorizing the field of entrepreneurship. This epistemological shift supports new understandings of entrepreneurial identity constructed socially in relation to others, shaped by multiple discourses. Entrepreneurial identities are constructed by, and connected to, engaging in everyday practice. They are mediated, negotiated and articulated in narrative.

NARRATIVE AND GENDER

This book presents ways in which the reframing of narrative, connected to identity, can shed light in two areas: gender and learning. Gender is somewhat neglected in entrepreneurship theorizing (Essers and Benschop, 2009, p. 406). There have been calls for new approaches to understanding gender in entrepreneurship (Marlow, 2002; Ahl, 2004, 2006; Calas et al., 2007; Hamilton, 2013). In family business research women are often ignored, presented in gendered stereotypical feminized forms or studied in terms of their difference (Hamilton, 2006b). Gender has been theorized in terms of traits and behaviours that are specifically associated with women or men, as a form of social construction and more recently as a performance, continuously produced through everyday practices and social interactions (Richardson and Robinson, 2008). In entrepreneurship research there has been a call for an epistemological shift 'to study how gender is accomplished rather than study what it is' (Ahl, 2004, p. 192). Bruni et al.'s (2005) important ethnographic study is one of the most significant studies of gender and entrepreneurship. They take a cultural reading of entrepreneurship, considering both gender and entrepreneurship as symbolic forms, looking at their diverse patterns and

social representation. For them the family emerged as ‘an unexpected protagonist’ in the entrepreneurship context.

For me family lies at the heart of the study. In Chapter 5 of this book the narratives of the family business are interpreted to develop alternative understandings of how gender identities are constituted, and constitute themselves, through language and in relation to entrepreneurial and other, wider discourses. I adopt a discursive approach to gender, where masculinities and femininities could be defined as ‘ways of being’ made available through discourses (Swan, 2006). Increasingly, researchers are interested in ‘the range of constructions/performances’ of gender through discourse (Wagner and Wodak, 2006, p. 388). Gender identities are found to be complicated, shifting and negotiated within narrative discourse. This chapter explores the co-constitution of negotiated, complex gender identities and the practices associated with those identities over time. These relationally defined selves are set within historical, social and cultural boundaries.

NARRATIVE AND ENTREPRENEURIAL LEARNING

An initial objective of the research had been to understand the extent to which the first generation might influence how the second operates and develops the business, or vice versa, if there was any form of learning between the generations in family business. In the interview process I made no mention of learning but, in the narratives, learning was articulated in relation to particular practice in the family, in the business and in other related and overlapping contexts. The link between entrepreneurial learning and life stories was highlighted in early work by Rae (2000) and Rae and Carswell (2000). My research interest therefore extended to understanding entrepreneurial learning in family business.

In this book I build upon the conceptualization of entrepreneurial learning as socially situated, embedded in participation in everyday social practice and implicated in the use of language and identity formation (Bruni et al., 2004, 2005; Hamilton, 2011). The situated perspective argues that learning entails the production of knowledgeable, skilled identities (Lave and Wenger, 1991; Wenger, 1998; Keating, 2005). In this study the family and the business are conceptualized as overlapping communities of practice in which successive generations reproduce, but at the same time transform, the family and the business across the generations. The family and the business become sites of learning and identity formation through the production of, and participation in, everyday social practices.

In Chapter 6 a socially situated perspective in entrepreneurial learning (Hamilton, 2011) is extended to theorize knowledgeable identities in family business as entrepreneurial identities-in-practice. These entrepreneurial identities are forged in overlapping communities of practice including the family, the business, other business contexts and formal educative settings. It is an entrepreneurial identity constructed through participation in the social world. The links between practice, identity and language are implicit in taking a socially situated perspective (Lave and Wenger, 1991; Wenger, 1998). The narratives of the family businesses articulate complex identities constituted through participation in social practices.

SOME ASSUMPTIONS

In this introductory chapter I next discuss important underlying assumptions in this book. Firstly, that family business is the most fundamental and universal form of business organization in the world. Secondly, that entrepreneurship and family business are deeply connected. I begin with an appreciation of the scale and scope of family business in the world and then explore the debates around the connectivity between family business and entrepreneurship.

Family business is a pervasive organizational form across the world; it has been for centuries and shows no signs of decline. Yet, the attention it has received in business and management studies is relatively marginal. Management research typically refers to a reified, unspecified organization that assumes the characteristics of a large public or private corporation. One aspect of the importance of understanding family firms derives from the scale, the sheer number in economies worldwide. The family firm can vary from micro start-ups to established prominent firms such as Ford, Mars, Levi Strauss and Estee Lauder in the United States (US); Michelin, Bic, L'Oreal, Tetrapak, Ikea and Lego in Europe; Tata in India; and Kikkoman in Japan (Colli and Rose, 2003, p. 339). Presenting the scale, and by inference the importance, of family business seems like a necessary introductory exercise as part of the scene-setting for anyone writing about family business. The magnitude of the phenomenon of family firms, however, deserves repeating and requires our attention.

Given the difficulties in defining family business, something which is discussed in Chapter 2, there must be questions about how any figures regarding the scale of family firms are compiled, how comparable they are, and so on. Some studies have helpfully provided numbers and, despite some inconsistencies, a picture is painted of family business on a

very large scale. Family firms represent between 75 per cent and 95 per cent of firms registered worldwide and account for up to 65 per cent of gross domestic product (GDP) (Howorth et al., 2006, p. 225). In the US, 90–95 per cent of businesses are family-owned or controlled (Beckhard and Dyer, 1983, p. 59), and 12.2 million US family firms generate almost a third of GDP and employ 37 per cent of the workforce. One-third of the largest US companies, listed in the Fortune 500, are family controlled (Colli and Rose, 2003, p. 339). In the mid-1990s the majority of registered companies in the European Union were family owned, 70 per cent in Portugal and 95 per cent in Italy (Colli and Rose, 2003, p. 339). An estimated 75 per cent of all businesses in the United Kingdom (UK) are family owned and operated firms (Fletcher, 2000, p. 156). Westhead and Cowling (1998, p. 31) conclude that family firms account for over two-thirds of all business in the majority of Western developed economies. An appreciation of the scale and scope of family business remains vitally important because of the relative lack of attention to this enduring form of human organization from the social sciences.

The study of family firms has been proposed as a field distinct from, but overlapping with, the study of entrepreneurship and there is a consensus that family businesses are of interest for contemporary researchers in entrepreneurship. Family business research regularly features in special issues of entrepreneurship journals, for example *Entrepreneurship Theory and Practice*, the *Journal of Business Venturing*, *Entrepreneurship and Regional Development* and the *International Small Business Journal*. It has become ‘an integral part of what is being published on entrepreneurship in the leading academic journals’ (Zahra and Sharma, 2004, p. 331). One of the early special issues was published in 1994 in *Entrepreneurship Theory and Practice* and a number of the articles were concerned with the overlap between entrepreneurship and family business and examining the connections between the two. It was then a subject of debate and those debates still raise interesting questions. In that special issue Brockhaus (1994) saw similarities in the two fields and presented them, in effect, as handicaps and barriers to research. He suggested that the history of entrepreneurship research offered lessons for family business researchers. The similarities he identified included the initial research being written by consultants and advisors, the lack of a commonly accepted definition, the lack of theory for hypothesis testing, the diversity in what might be termed entrepreneurs or family business, the difficulties in persuading participants to take part in field studies, and lack of boundaries for the respective fields. There is a further similarity: the two fields have their roots in the field of economics. Entrepreneurship research was first developed by economists, most notably Schumpeter

(1934), presenting the role of the entrepreneur in economic growth and innovation. Family business research has roots in the work of economists and business historians, and this will be discussed further in Chapter 2.

In the same special issue Dyer and Handler (1994) had a different perspective on the link between the two. They explored the overlap between entrepreneurship and family business at various nexus points: early experiences in the entrepreneur's family of origin, family involvement and support in early start-up, employment of family members in the new venture, and the involvement of family members in ownership and management succession. Following a thorough examination, they proposed areas for research and theory development including what they term 'entrepreneurial succession' (p. 80). They suggested in-depth case studies to generate theories that are well grounded and which can take into account the unique characteristics of succession processes. Hoy and Verser (1994), in their examination of areas of commonality between entrepreneurship and family business in that same special issue, used Gartner's eight themes in the study of entrepreneurship. Responding to a perceived lack of consensus among researchers in entrepreneurship, Gartner (1990) conducted a Delphi survey of researchers and business leaders. The survey did not result in a single accepted definition but eight themes for study were identified through factor analysis. Hoy and Verser (1994) summarized these themes as the entrepreneur, innovation, organization creation, creating value, profit or non-profit, growth, uniqueness and the owner-manager. They took these themes and extended them to the context of family business, demonstrating overlap and producing a list of possible areas for research. A number of those areas are concerns central to the intergenerational study in this book and questions of intergenerational learning and influence. For example, they point to the transfer of the owner's vision to other family members, sustaining the innovativeness of the founder, intergenerational strategic thinking, and the influence of the family's values and priorities on the nature of the firm. Hoy and Verser (1994) also introduced what they termed, 'Interpreneurship, i.e. intergenerational entrepreneurship leading to transformation' (p. 19). This points us towards the central question regarding entrepreneurial capacity across generations.

STRUCTURE: WHAT LIES AHEAD

The overarching concern of this book is entrepreneurship across generations. It aims to establish the power of narrative in developing understanding of family business. It complements and extends work emerging

in entrepreneurship research providing narrative studies (Larty and Hamilton, 2011). Down (2006) contributed a key monograph with a highly original interpretive narrative study of two entrepreneurs and their business. This ethnographic study examined the way entrepreneurs use narrative resources to craft their self-identity. Down's book is thoughtful and erudite; it makes a powerful contribution to understandings of narrative, identity and entrepreneurship. It exemplifies, however, the gender blindness of much of the entrepreneurship literature. The two entrepreneurs in question are John and Paul who have set up in business together with their two young employees Will and Mark. The implication is that entrepreneurial identity is naturally located in the social category of 'male'; gender dimensions of identity both masculine and feminine, therefore, remain unexamined.

In this book I build upon understandings of the relationship between language, identity and learning drawn from a wide range of perspectives including philosophy, gender studies, learning theory and cultural anthropology. Making new conceptual and theoretical links provides the potential for new ways of understanding complex social phenomena such as entrepreneurship or family business. Boundary crossing and new combinations can foster innovation which 'stems from the new perspectives, insights and questions' (Parsons and Rose, 2011, p. 8). Some might caution that there are dangers that as a community of scholars we may become too remote and distant from one another 'as the boundaries of our field ever continue to expand' (Gartner, 2004). This risk is, in my view, worthwhile to develop new theoretical possibilities for entrepreneurship.

I have chosen to treat the text of the interviews as an archive in the sense suggested by Davies and Davies (2007); these archives, they argue, allow us to study the production of lives 'the way discourse is drawn on in that production, and shapes that production' (p. 1157). Such studies cannot provide a fixed truth about particular identities, social categories or the social world, but they can 'tell us about the complex processes of producing oneself and being produced' in the sense of having an identity, or belonging to a social category (Davies and Davies, 2007, p. 1157). In producing and interpreting narrative archives we can find articulations of complex social phenomena and examine their constitution in discourse.

This book first tells the story of a research journey. Chapter 2 looks at ways in which family business has been studied in the past, which provides the platform for this study of families in business. Chapter 3 charts the early influences and experience in the field that shaped this study. Chapter 4 presents a discussion of temporality and identity, particularly Paul Ricoeur's (1980, 1991a) philosophical understanding of

temporality in relation to narrative and identity, whereby narrative mediates to configure (and reconfigure) our human experience of time and life into narrative identities. Chapters 5 and 6 then build on these foundations to address questions of gender and learning respectively. Finally, in Chapter 7, the intertwining of family and business is explored. The family business, through the narratives, is articulated as a site of safety and solace, but at the same time there is sacrifice and suffering. The division between the spheres of business and family is blurred in complex ways. Viewing the family and the business as clearly demarcated in terms of rational and economic versus emotional and domestic, as we so often find in the family business literature, masks the complicated, intricate entanglement between the two. This book uses narrative interpretation to provide alternative understandings of being, and becoming, a family in business.