Introduction and overview

In the fall of 2009, family business owners, advisors, and researchers met in dialogue to explore the relationship between social capital and family business. The conference provided a triangulation of perspectives. Owners were embedded and intimately involved in their own family businesses; they helped determine whether the social capital concepts were applicable within their business families. Advisors had observed and helped multiple families in business; they helped assess whether and how social capital concepts applied to a broader set of business families.

Researchers typically gathered observations from a broad set of families and businesses, and developed concepts and language that apply to broad population. However, researchers were also furthest removed from family businesses, and did not, therefore, have the benefit of the rich family business context available to owners and advisors. In dialogue, the three stakeholders informed one another. Owners and advisors learned new concepts and language. Researchers gained information informing them about the validity of social capital concepts.

This volume contains three kinds of writing. First, researchers provide papers describing social capital concepts, which were written before the conference and then revised following the conference. Second, following the conference, family business owners and advisors wrote articles that applied social capital concepts to their family firms or practices. Third, the book includes summaries of conference dialogue. Dialogues were recorded and transcribed. Then comments were organized into categories and summarized. The summaries of dialogue represent the perspectives about social capital from the three stakeholder groups and how these perspectives apply to their experiences.

A paper titled “Social capital and family business” (Chapter 1) follows this introduction and serves as an extended introduction illustrating how elements of social capital apply to family business by quoting liberally from the papers and dialogue summaries included in this volume. It helps place the articles in this volume within the context of social capital.

The contents of the book are divided into three main parts, which parallel the three two-hour forums in the conference, and a final concluding part. The first three parts begin with a short introduction that provides an
Family business and social capital

overview of papers. Then, papers written by researchers and practitioners are included. These are followed by a summary of the dialogue that occurred during the relevant forum session. Reading an entire part will provide a full sense of the combined perspectives of the three stakeholder groups. The summary of the dialogue at end of each part helps to integrate the three perspectives.

Part I is titled “Understanding the elements of family social capital.” Combined, the papers in this part provide an overview of the elements of social capital, illustrate how these elements contribute to “resilient trust,” and provide insights about how trust in business families is developed.

Part II is titled “Co-constructing family-business social capital.” Together, the papers in this part illustrate how elements of social capital, such as communication and conflict management patterns, can build resilience and sustainability within the business families.

Part III is titled “Complementing social capital in family and business.” Collectively these papers provide insights about the relevance, importance, and processes of developing a family-business identity. They suggest that both the family and the business can benefit from having a shared identity.

Helpful concluding materials are provided at the end of the book in Part IV. First, the “Summary and conclusion” defines the nature of family social capital. That is, it defines elements of social capital and summarizes how they uniquely apply to business families.

Second, “Recommendations for building family social capital” are provided. At the conclusion of the conference, a facilitator provided an overall review of the three sessions and led participants in dialogue about what they had learned about how social capital applies to family business. Recommendations were drawn from the transcripts of dialogue and summarized in this paper.

Finally, the book also contains three appendices. Since all conference participants contributed to this book, Appendix A provides their biographies. Appendix B describes the structured dialogue process used during the conference. Lastly, Appendix C summarizes the stakeholder groups’ thoughts and recommendations on social capital as discussed in the conference and its meaning for their practice.

NOTE

1. Biographies for conference participants who wrote chapters for the book can be found in the list of contributors at the beginning of the book.