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UNDERSTANDING THE PROCESS OF CREATING, MAINTAINING AND ‘REPRODUCING’ FAMILY BUSINESS (SUMMARY)

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SUMMARY

UNDERSTANDING THE PROCESS OF CREATING, MAINTAINING AND ‘REPRODUCING’ FAMILY BUSINESS

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Principal Topic

The role that family businesses play in global economies is increasingly being recognised (Schulze et al., 2003; Chrisman et al., 2005). Interestingly, despite the increasing volume of family business research, there is little cumulative knowledge in this emerging field. A major limitation of family business literature is the assumption that family business is a form of organisation that is ‘naturally born.’ Studies fail to explore how and why a family business is formed and how are they maintained and ‘reproduced.’ This paper is aimed at addressing this issue by presenting an alternative view of family business, which shifts the focus of family business research from specific factors to the process of ‘doing’ family business. Drawing upon sensemaking/enactment and institutional theories, this paper develops a conceptual framework which highlights the interrelationship between different factors and characteristics that have been the focus of the mainstream family business studies.

Method

The fieldwork material of this study is drawn from an ethnographic style research of two networks in two Chinese subcultures: Hong Kong and Shanghai, China.

Results and Implications

An initial analysis suggested that the notion of family is closely related to network, finance, ownership, risk, motives and intentions. A further investigation of the issues helped to identify shared understanding of family businesses in the two subcultures. The author argues that it is the shared understandings of ‘family business’ that shape the way individuals make sense of and enact their environment to create, maintain or ‘reproduce’ family businesses. More in-depth investigations of the shared understanding reveals a complex, interactive web of social, cultural, political and economic factors that shape the pattern of creation and ‘reproduction’ of family businesses in different social contexts. This paper challenges the assumption of mainstream family business studies which see ‘family’ as a factor that exists ‘out there’ as oversimplified and also inappropriate for understanding family businesses. Furthermore, the view that family and business are two systems, sometimes conflicting with other, is misleading in describing and understanding family businesses. By adopting a process view, the result of this studies help relevant parties to advance understanding of family business from an alternative perspective. This also opens further opportunities for inter/multi-disciplinary research into family business.

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