FOOD FOR THOUGHT: FAMILY ENTREPRENEURSHIP IN FOUR QUESTIONS

CUESTIONES PARA REFLEXIONAR: EMPRENDIMIENTO FAMILIAR EN CUATRO PREGUNTAS

Kathleen Randerson*
Audencia Business School, France

doi: https://doi.org/10.18543/bee.2752


ABSTRACT

Family Entrepreneurship is a growing field of study. The purpose of this essay is to relay the momentum to academics, practitioners, and society. The essay is structured around four thought provoking questions: who is family?, what role do values play?, what is entrepreneurship?, and why is the business family and family business situation so complicated? These questions and the elements of response offered lead to a wider and deeper understanding of Family Entrepreneurship at the individual, family, and family business levels. Contributions to theory are twofold. First this essay underscores the need for a contextualized understanding and action and provides frameworks to undertake them. Second, it sheds light on the damages incurred by focussing on mainstream and generalizations by teasing out important aspects until now ignored. Contributions to practice concern a wider and deeper understanding of Family Entrepreneurship, recognizing and supporting situationally adapted behaviors as entrepreneurial, and widening the identified outcomes of these behaviors. Contributions to society are linked to the prevalence of business families and family businesses in economies and societies worldwide. Using this weight for societal impact, Family Entrepreneurship can be a beacon for transition towards economies and societies that are more collaborative, just, and sober.

Keywords: Family Entrepreneurship, Family Business, entrepreneurial behaviors, family composition.

* Associate Professor at Audencia (France). She holds her PhD from the University of Grenoble. She served as Chair of the Communications Committee of the AoM and is currently VP France for the ECSB. Author in several journals: Entrepreneurship & Regional Development, International Journal of Entrepreneurial Behavoir and Research, Futures, Technological Forecasting and Social Change.

More information about the authors is available at the end of this article.

This study was supported by the individual affiliation of the author and she declares no funding or conflict of interest.
RESUMEN

El emprendimiento familiar es un campo de estudio en crecimiento. El propósito de este ensayo es transmitir el impulso a académicos, profesionales y la sociedad. El ensayo se estructura en torno a cuatro preguntas que invitan a la reflexión: ¿quién es la familia?, ¿qué papel juegan los valores?, ¿qué es el espíritu empresarial? y ¿por qué la situación de la familia empresaria y la empresa familiar es tan complicada? Estas preguntas y los elementos de respuesta ofrecidos conducen a una comprensión más amplia y profunda del Emprendimiento Familiar a nivel individual, familiar y empresarial familiar. Las contribuciones a la teoría son dobles. En primer lugar, este ensayo subraya la necesidad de una comprensión y acción contextualizadas y proporciona marcos para llevarlas a cabo. En segundo lugar, arroja luz sobre los daños ocasionados al centrarse en la corriente principal y las generalizaciones al desentrañar aspectos importantes hasta ahora ignorados. Las contribuciones a la práctica se refieren a una comprensión más amplia y profunda del Emprendimiento Familiar, reconociendo y apoyando comportamientos adaptados a la situación como emprendedores, y ampliando los resultados identificados de estos comportamientos. Las contribuciones a la sociedad están vinculadas al predominio de las familias empresarias y las empresas familiares en las economías y sociedades de todo el mundo. Usando este peso para el impacto social, el Emprendimiento Familiar puede ser un faro para la transición hacia economías y sociedades más colaborativas, justas y sobrias.

Palabras clave: Emprendimiento Familiar, Empresa Familiar, conductas emprendedoras, composición familiar.

Introduction

The topic of this special issue, “Entrepreneurship and Family Business: A natural symbiosis” is an important one for academics and practitioners, and also for society. Indeed, it is well known that Family Businesses are the most common form of organization worldwide: they contribute to economies and societies through the creation of wealth and jobs (Astrachan and Shanker, 2003; Pieper et al., 2021). They are also active in philanthropic and other actions often linked to the third sector (Bergamaschi & Randerson, 2016; Clauß et al., 2022; Randerson, 2022), and are well positioned as potential springboard towards societies and economies that are more collaborative, just and sober (Randerson & Estrada-Robles, 2023). Moreover, family businesses are only the visible tip of the iceberg: business families and their members support this dynamic (Bettinelli et al., 2014).

The quest to better understand the interactions between family business and entrepreneurship is not new (e.g. Aldrich & Cliff, 2003; Rogoff & Heck 2003; Nordqvist & Melun, 2010; Yu et al., 2012). Despite the important contributions of prior research (e.g. the family embeddedness perspective, entrepreneurship that fuels the family business, etc.) key actors, relationships and outcomes remain unstudied.

The purpose of this essay is to introduce academics, practitioners, and society in general to the field of Family Entrepreneurship (Bettinelli et al.,
2014; Randerson et al., 2015; Randerson et al., 2015) and to the expanded view it proposes. Through four questions for thought: who is family?, what role do values play?, what is entrepreneurship?, and why is the business family and family business situation so complicated?, this essay demonstrates how an observation, through this alternative lens, can enable a different understanding (both wider and deeper) of a context that they are very familiar to. Indeed, Family Entrepreneurship is omnipresent and many practice it unknowingly. Moreover, entrepreneurial behaviors on the individual, family, and firm levels lead to a wide variety of outcomes impacting economies and society.

The structure of this essay is the following. The first section is dedicated to brushing a view of the research context (1). The second section asks a series of questions, some mundane and others more provocative, with the aim to give visibility to blind spots, identify actors previously overlooked, connect the dots with novel patterns, and widen the palette of outcomes, both intentional and unintentional, of Family Entrepreneurship (2). The discussion constitutes the final section (3).

1. Research context

The field of family business has produced an immense body of literature enlightening academics, practitioners, and policy of the specific traits of these organizations and how their ownership, operations, and longevity differ from non-family businesses: it has become a meta-field (Dibrell & Memili, 2019). Despite the richness and relevance of this prior literature, a pioneering group of scholars sensed that adopting a different lens, a panoramic view, would allow to decipher other existing practices and to develop a deeper understanding of contextually embedded behaviors of individuals, families, and their businesses (Bettinelli et al., 2014). Indeed, Family Business research focuses on the business, largely overlooking family, and the role that values play in both family composition and interactions, and how these values spill over into the businesses. Moreover, the Family Business literature centers on the founding, growth, and generational transition of the firm, leaving the palette of entrepreneurial behaviors, actors, and outcomes in the dark. Consequently, the literature on family business management only very partially relates the turbulences encountered when working with or for a family business, exposing individual and organizational stakeholders to underestimate the complexity of the situation and how to navigate it.
Family Entrepreneurship has been defined as a field of research at the intersection of the fields of entrepreneurship, family science, and family business (Randerson et al., 2015). Mirroring behavioral economics, Family Entrepreneurship is interested in the behavior of individuals, groups, and organizations. Indeed, behavioral economics (and Family Entrepreneurship) are more interested in why and how people do what they do, and how these behaviors differ from the ‘homo economicus’ projected by traditional economics (Randerson, 2023b, 2023c). Contextualization is required to develop an understanding of these behaviors; institution theory provides a useful scaffolding (Randerson et al., 2020) for this (see point 2.3).

As a field, Family Entrepreneurship research conceptualizes entrepreneurial behavior as originating from the individual, the family, and the business, and the reciprocal effects between these entities (Bettinelli et al., 2014). It is obvious that individuals are the basic unit enacting behaviors. What is less intuitive is, and this also is in line with behavioral economics, social groups can also be the source (‘loci’) of behaviors; Family Entrepreneurship focuses on the family business, family business group, and the family (Bettinelli et al., 2017). Recognizing that families embody directly entrepreneurial behaviors, rather than indirectly through their firm(s), is specific to Family Entrepreneurship.

2. Main section

This section offers a series of questions, some mundane and others more provocative, with the aim to give visibility to blind spots, identify actors previously overlooked, connect the dots with novel patterns, and widen the breadth of (intentional or unintentional) outcomes of Family Entrepreneurship. The questions, as well as the elements of reflection for each, are to provide food for thought to actors of Family Entrepreneurship, theoretical frameworks, and conceptual tools to enable a different understanding (both wider and deeper) of a context or situations that they are very familiar to.

2.1. Who is family?

This question is dear to sociologists and family scientists but overlooked in business research and practice. The family, as variable, is both ubiquitous and hegemonic. How families influence their firms is omnipresent in mainstream family business scholarship. In this same literature
“family” makes reference to the nuclear (American) family projected by media (Coontz, 2016; Yu et al., 2012). This distracts attention from the multiplicity and dynamicity of families (Randerson et al., 2016): the question of how families are formed, evolve, and disband (if they can disband) merits attention.

Current research offers two approaches to family (Goldscheider, 2000; Aldrich & Cliff, 2003; Montgomery, 2008; Randerson et al., 2016). On the one hand, the structural approach (Koerner & Fitzpatrick, 2004) holds that biological or legal ties determine who is family, and who is not (Bran-non et al., 2013). The structural approach is projected and perceived as historical, dominant, or traditional. It represents stability, legitimacy, and continuity of family as an institution upholding (patriarchal) societies. On the other hand, the transactional approach (Koerner & Fitzpatrick, 2002) considers that family, as an individual’s primary social group, is socially constructed: family composition will be based on an individual’s perception of which people are family and which are not (e.g. chosen family, be it LGBTQ+ or straight). It is important to note that these two approaches co-exist and influence each other. For example, LGBTQ+ families existed, as socially constructed, long before recent changes to family law in many countries enabled ‘gay’ marriage or some form of civil partnership. Similarly, the right to adoption or to medically assisted procreation for LGBTQ+ families is becoming more widespread. Reciprocally, the structural approach is also influential: in some legal systems, for example those based on civil law, it is not possible to disinherit a child (‘no-exit option’), regardless of whether the said child is perceived as belonging to the family or not (Barrédy, 2016). This essay adopts the definition of family as intertwined between the transactional and structural views, as they ongoingly evolve and influence each other.

Exploring the constructed family at its frontier, Hanson and Keplinger (2021) take the Benedictines as a family unit to demonstrate how entrepreneurial behaviours are enacted and shared among members of such family. This novel context is boundary spanning in several aspects. This is the first research to study a group of individuals, very distant from how the family has been predominantly defined until now, and to show that despite this perceived distance many characteristics of families in business and family business are present in this context. For example, the role played by the Rule of Saint Benedict (code of ethics) in federating family members around values and regulating their behaviour is a peculiar example of similar mechanisms and effects of family and business governance mechanisms. Showing how these rules build capacities at the individual, family
and firm levels these authors pave the path for future research on how different governance mechanisms (family retreats, family constitutions, business codes of ethics) can support the development of such capacities in other types of families and family businesses. This paper also opens many interesting avenues for future research, one of which is to understand how families as socially constructed groups are sustained across generations (i.e. how they attract and integrate new members over time).

In conclusion, the question “who is family?” definitely deserves thought by practitioners and members of society in general. First, because the composition of family is context specific and dynamic. Context is seen in the varieties of family: from nuclear family (father, mother, children in the traditional ‘Western’ context), to the recomposed family (modern ‘Western’ context), to the extended family with aunts, uncles and cousins (e.g. Central and South America), to stem families (children welcome and care for their parents as they age in Asia), to polygamous families with offspring that share households or not (Africa). Looking forward and taking into consideration the growing socio-eco-ecological evolutions, migration and migrant families must also figure in this ever-evolving landscape. Family is dynamic: the intertwining of the structural and transactional approaches reflects the evolution of society. Taking LGBTQ+ families as an example, the advances mentioned above relative to the legal recognition of partnerships, marriage, and children (where, through changes in law, transactional families can become structural ones) are tenuous. As this paper goes to publication (August 2023), ‘gay’ parents are being stripped of their rights in Italy. Second, because entrepreneurial behaviors (contextually embedded) are not restricted to traditional families, as the examples of the Benedictines demonstrate. Third, because some of the fundamentals of family business are not universal: it is not systematically possible to choose the successor of a family business, shunning completely their co-inheritors. Finally, it is important to understand that, in the Family Entrepreneurship perspective, families (as dynamic social groups) can enact behaviors directly, and these behaviors usually embody the attitudes and values of the family.

2.2. What role do values play?

Families (as evolving social units) enact behaviors, and these behaviors usually embody the attitudes and values of the family (Bettinelli et al., 2014; Bergamaschi & Randerson, 2016; Randerson, 2022). Families, and business families, are multi-generational and comprise multiple con-
connected social systems (e.g., families and their businesses). Research shows that there are reciprocal influences between generations and reciprocal influences between social systems.

Many business families influence their members to embrace and relay the entrepreneurial spirit of the family, often associated with an entrepreneurial legacy (Clinton et al., 2021). This is done through role modelling, socialization, and mentoring, for example (Bettinelli et al., 2014). It is widely recognized that children observe and emulate the behavior of their parents; this is also the case when the parents are entrepreneurs thus reproducing the contextualized entrepreneurial behavior of the parents (Dou et al., 2020). Socialization refers to active means or programs destined to acclimatize the younger generation or incoming members to the family. Examples of such mechanisms include coming to the family firm after school, being employed there for the summers, or family retreats (Bettinelli et al., 2014). Finally, formal mentoring programs are no longer reserved to the apparent heir (i.e., the probable future successor). These mentoring programs have become more widespread and can be organized for any family member aiming to join the family business or family business group (Bettinelli et al., 2014). Other families in business do not embrace entrepreneurship as a value to be perpetuated and, on the contrary, hold other aspirations, far from the family business activity, for the next generation (Seaman et al., 2016). Finally, families such as the Benedictines have their own socialization mechanisms (Hanson and Keplinger, 2021).

It is important to highlight that individual family members (e.g., the younger generation or incoming members through partnership or marriage), can also influence the family as a social group. For example, younger generations are more acutely aware of our ecological footprint (‘climate catastrophe’) and fractured societal structures. The influence of the Greta Generation on the previous generations of their families and on eventually their family’s business(es) can trigger changes in the family’s and/or the family businesses’ behavior (Bergamaschi & Randerson, 2016; Randerson, 2022). Along this line of thinking, when an adult offspring of the family marries or partners, the newcomer can also trigger evolutions in the values shared by the family. We provide here two examples. Firstly a LGBTQ+ spouse or partner who, by coming into the family, creates awareness of the value of diversity and acceptance of others (Randerson et al., 2016). Secondly, a spouse or partner from a different culture (national, religious or ethnic) will also, simply by joining the family, put the family in situation to witness and eventually participate in rituals or traditions that will influence their perceptions of the world and society.
Already at the turn of the 21st century researchers identified the family influence on the firm, coined ‘familiness’ (Habbershon & Williams, 1999). Familiness refers to the impact of the family, through the transfer of their unique characteristics, to their firm(s). Initial research identified how resources and competencies of the family affect their firm(s), enabling the firms to behave more entrepreneurially (Habbershon et al., 2003). Research establishing that family businesses influence their families is more recent. Coined ‘enterpriseness’ (Frank et al., 2010; Frank et al., 2017; Estrada-Robles et al., 2021), researchers initially explored how the business behaviors performed by the firm(s) spread to the family, triggering similar behaviors of the family. Enterpriseness studies how families mobilize the skills, competencies and resources of their firm(s) to design and develop new activities, enacting values related to entrepreneurship. More recent research based on New Systems Theory (Frank et al., 2010; Frank et al., 2017) has also shown that through the interactions among autopoietic systems (here, the family and the business), more abstract elements such as family values and attitudes also trigger behaviors in the among the systems (Randerson, 2022). For example, a family that holds dear preserving the biosphere and promoting ecology can see these values permeate their firm(s) via familiness, leading the firm to initiate activities that portray or relay these values, or solve subsequent problems. Reciprocally, a business can influence the family in the same manner (‘enterpriseness’), via values embedded in decision premises (Randerson, 2022).

In conclusion, the question “what role do values play?” definitely deserves thought by practitioners and members of society in general. It is important to reflect upon the values, past, present, and envisioned futures, on the individual, family, and family business levels. It is also pertinent to unbundle the different reciprocal relationships between generations of the family, and between systems, to trace the history of their influence (values embedded in decision premises), to create a new and informed understanding of the specific situation. Doing so allows to shed light on why things happened the way they did, identify critical incidences related to values, and in doing so transition from a view entrenched in path dependency to one that is more dynamic and empowering.

2.3. What is entrepreneurship?

Many may find this question underwhelming: entrepreneurship is obvious. Responses that come to mind immediately may revolve around the
entrepreneurial type of individual, high-growth start-ups that were born in a garage, or well-known tools/canvas based on problem identification and solving often used in entrepreneurship education and training. In the family business literature, entrepreneurship is often touted as the key to longevity of the family firm (transgenerational entrepreneurship, entrepreneurial legacy) and targeted on developing new products, new services, new markets. Surpassing these stereotypes, or narratives that are cleverly built and maintained, is of value and interest for those interested in Family Entrepreneurship. In this section we will debunk the myth of entrepreneurship.

Dominant entrepreneurship research focuses on risk-taking, proactiveness, innovation, autonomy, and competitive aggressiveness as key entrepreneurial behaviors and on firm creation or performance as outcomes (Randerson, 2016). Challenging the status quo and questioning this taken-for-granted truth is timelier than ever (Randerson, 2016; Randerson et al., 2016). There is a growing acknowledgement that the bulk of entrepreneurship research is produced in or for ‘Western’ contexts (Ramirez-Pasillas et al., 2017; Randerson, 2016; Welter, 2011). At best, this inhibits creating relevant knowledge for other contexts. More concerning is the phenomenon of colonization through management theory and practice (Randerson, 2023a), setting entrepreneurship (and ‘Western’ entrepreneurial behaviors) as the panacea to any and all problems. Moreover, and in line with current similar questioning in other disciplines in and beyond management, the time is ripe to begin the process of decolonizing entrepreneurship practice and scholarship. Indeed, voices are growing, highlighting that until now, the assumptions embedded in entrepreneurship are western, male dominated, propagating and reinforcing patriarchal social structures, occulting or repressing minorities.

Family Entrepreneurship holds that entrepreneurial behaviors emerge, exist, and evolve according to context (Randerson et al., 2015; Randerson et al., 2020). Institutional theory, and levels of institutions, are useful to decipher behaviors at different levels (macro, meso, micro) and thus enable to qualify entrepreneurial behaviors in context (Randerson et al., 2020). On a macro-level (transnational, national) for example, if innovation, risk-taking, proactiveness, autonomy, and competitive aggressiveness are recognized as entrepreneurial behaviors in individualist cultures and market economies, they are not recognized as such in collectivist cultures and more or less planned economies (Randerson, 2016). In the latter contexts, behaviors qualified as entrepreneurial relate more to collaboration, initiatives to care for the collective, and undertaking endeav-
ors that have been recommended by the government. Scrutinizing behaviors at the meso level (sub-national at different levels such as region, community, field, religion, family business group) enable to qualify behaviors and to understand differences among groups at similar levels as well as between levels. Finally, observations made at the micro-level (interpersonal, family) are key to identifying emerging behavioral phenomena.

Traditionally, entrepreneurship is also tightly linked to observable markers of change and growth (e.g. sustainable growth by Davidsson, growth orientation by Stevenson and Jarillo), or the financial performance of the firm (Randerson, 2016). However, the assumption that infinite growth on a finite planet is possible, or even desirable, is increasingly challenged (Parrique, 2022; Raworth, 2017). The shift towards sustainable and circular business models has begun (Andreini et al., 2021), and family businesses and business families have a key role to play (Clauß, et al., 2022; Randerson, 2022; Randerson & Estrada-Robles, 2023). Philanthropy and engaging in sustainable business activities are examples of entrepreneurial behaviors with outcomes related to sustainability and social responsibility (Randerson et al., 2016; Randerson, 2022). This shift needs to be accelerated and generalized for our planet to remain habitable (see IPCC synthesis report 2023). Considering the weight of family businesses in national economies worldwide, as well as the prevalence and power of business families, by transitioning towards family business service ecosystems, families and their businesses can play a foundational role in transitioning towards economies and societies that are more collaborative, just, and sober (Randerson & Estrada-Robles, 2023).

In conclusion, the question “what is entrepreneurship?” definitely deserves thought by practitioners and members of society in general for several reasons. First, reflecting upon this question allows one to understand the weight and position the ‘taken-for-granted’ or ‘Western’ views have on their individual or collective worldview, and how the associated underlying assumptions influence their behavior. Second, it allows to hone in on specificities related to context on different institutional levels, enabling the protection and cultivation of local specificities. Finally, this reflection opens the door to alternatives, for example entrepreneurial behaviors that would contribute to employee well-being rather than efficiency, to social justice rather than profit maximization, to collaboration rather than competition, and to sobriety rather than unrestrained resource exploitation.
2.4. *Why can business families and family business be so complicated?*

Both family business and family entrepreneurship approach share the concern of the co-existence of multiple identities and role expectations and the subsequent need for paradox management. Indeed, family business is characterized by the overlap of the family, family business, and ownership systems (Tagiuri & Davis, 1996). The field of family entrepreneurship, at the intersection of family, family business and entrepreneurship (Randerson et al., 2015), was conceptualized to be able to better grasp the phenomenon of entrepreneurial behaviours of individuals, families and family businesses, and their reciprocal influences (Bettinelli et al., 2014).

Researchers define *family businesses* as hybrid organizations in which a family or coalition of families has majority ownership, involvement in the firm, and the intention to pass the firm on to the next generation (Chua et al., 1999). The field of family business is traditionally represented as three overlapping systems: the family, the business and the ownership systems (Tagiuri & Davis, 1996). Hybridization (business logic and family logic) carries paradoxical tensions that are particularly salient in key moments such as succession (e.g. Cunha et al., 2021; Radu-Lefebvre & Randerson, 2021). Such tensions have become even more widespread due to the prolongation of lifespan and extension of the duration of the career of the previous generation. Because of this prolongation, younger generations tend to build within the family business group (Bettinelli et al., 2017; Michael-Tsabari et al., 2014), or strike out on their own (Bettinelli et al., 2014).

*Business families* have existed since the dawn of time (Aldrich & Cliff, 2003; Zahra & Sharma, 2004). Randerson et al., (2021) review the different approaches to families in business in extant research (i.e. trans-generational entrepreneurial families, family entrepreneurial teams, entrepreneurial households, business families under the enterpriseness perspective, business families under the cultural perspective, and entrepreneurial families). These authors unbundle key points such as inclusion criteria, mechanisms of socialization and transmission of competencies and heuristics (Randerson et al., 2021). Criteria of inclusion in the family in business can relate to values: entrepreneurial values (Estrada-Robles et al., 2021), spiritual values (Hanson & Keplinger, 2021), or ecological-social values (Randerson, 2022). Dou et al. (2020) find that values, rather than competencies, are transmitted from the first to second generation family members in the context of China. Belonging can also
hinge upon shared experiences and associated metaphors (Discua Cruz et al., 2021). There are different mechanisms of socialization, transmission of competencies and entrepreneurial heuristics in business families (Randerson et al., 2021). In the Benedictine family, a code of ethics (the RSB) guides members towards expected behaviours and structures relations in the social system (Hanson & Keplinger, 2021). Participation in an event and the metaphor of the event cement entrepreneurial heuristics of the participants, heuristics which can then be used in other contexts (Discua Cruz et al., 2021). Bringing resources to the shared pool, and the sharing of these resources is a capability developed at the level of the enterprising family and includes the transmission of tacit knowledge (Estrada-Robles et al., 2021). Entrepreneurial competencies can, and should be, updated via unlearning the family entrepreneurial legacy through the family’s reaction to critical incidents (Clinton et al., 2021).

Paradoxical tensions due to multiple identities, heightened ambivalent emotions, and subsequent need for emotion management are inherent to any situation in which social systems overlap, but even more so when family is involved (Brundin & Härtel, 2014; e Cunha et al., 2021; Radu-Lefebvre & Randerson, 2020). Researchers have devised governance mechanisms with the aim of giving members of these systems means to understand the complexities of the situation and to set up means to manage their ambivalent emotions and to lessen their cognitive dissonance coming from multiple identities and roles (Labaki & D’Allura, 2021; Randerson & Radu-Lefebvre, 2021). A grid of analysis suggests specific governance mechanisms for each sub-system (see Randerson & Radu-Lefebvre, 2021 for details). Useful mechanisms for the family system include family councils, family assemblies, family protocols and mission statements, and family offices. For the ownership system, blockholding, dual stock class systems, shareholder agreements, and shareholder assemblies. Finally, for the business system, relevant governance mechanisms include a board of directors, Chair/CEO duality, an advisory board, and a top management team.

The messiness can also manifest itself in the outcomes: employment of family members in the business are correlated to both positive and negative influences, equally highlighted through research. On the one hand individual family members can be wonderful assets to the family firm, bringing in their unique competencies, skills and values, investing them into the firm and leading associated projects (Bettinelli et al., 2014). On the other hand, research has also shown that family members can also have a potentially negative effect on the firm: protected by their family
affiliation, their lack of competencies, skills or unadapted values go unnoticed or unsanctioned\(^1\). This phenomenon is called the ‘Fredo effect’ (Kidwell et al., 2012). Family business literature justifies this absence of (economic) sanction via the concept of ‘socio-emotional wealth’ or ‘SEW’ (Gómez-Mejía et al., 2007). SEW explains that family businesses can prioritize the welfare of the family over that of the economic performance of the firm: here turning a blind eye on the lack of competencies of a family member, to the detriment of organizational efficiency (see Randerson, 2022 for a critical review of the SEW literature). Turning to non-family employees of family firms, there is a similar dichotomous effect. On the one side non-family employees or managers are those that bring in novel ideas, push change and innovation, and are recognized for that. In other organizations, non-family employees are all too often left behind or subject more to the owning family than to the firm and as a consequence fail in their missions or leave the firm. When one knows that family firms are the most common form of firm worldwide and link it with these issues, we understand the impetus for generalizing and expanding Family Entrepreneurship Education (Randerson & Fayolle, 2021).

In conclusion, the question “why can this situation be so complicated?” definitely deserves thought for several reasons. First, it encourages unbundling the different sub-systems, inclusion, socialization, and transmission mechanisms. Second, it sheds light on specific sources of unease that individuals (members of business families, employees of family businesses) may feel, and gives concrete remedies to this uneasiness. Third, it opens reflection and discussion to implementing means, governance mechanisms, with the aim to prevent this discomfort. Finally, asking this question establishes links to systemic outcomes such as the “Fredo effect”.

3. Discussion

The purpose of this essay is to provoke thought by asking questions, some unsettling, and others more (apparently) mundane. Indeed, over the years, the field of family business has generated extensive and important knowledge for researchers, practitioners, and policy. Despite the rele-

---

vance and rigor of family business research, underlying assumptions, key phenomenon, important actors, and pivotal relationships have remained unstudied. The field of Family Entrepreneurship was conceptualized to remedy these lacunae. It has been defined as a field of research at the intersection of the fields of entrepreneurship, family science, and family business (Randerson et al., 2015), and conceptualizes entrepreneurial behavior as originating from the individual, the family, and the business, and the reciprocal effects between these entities (Bettinelli et al., 2014).

Understanding that, and how, the outcomes of Family Entrepreneurship radiate beyond those directly linked to firm performance and growth is the key contribution of this essay. The questions “who is family?”, “what role do values play?”, “what is entrepreneurship?” and “why can this situation be so complicated?” and the elements of reflection offered for each of these questions provide a scaffolding for both a wider and deeper understanding of Family Entrepreneurship. It leads to a wider understanding for several reasons. First, it offers alternative frameworks such as the dynamic between the structural and transactional views of family composition. It brings into the equation variables related to society and humanities rather than focusing solely on business variables and how they permeate from one generation to another and from one social system to another (e.g. familialness and enterpriseness). This essay debunks myths (e.g. entrepreneurship as innovation, proactiveness and risk-taking). Finally, it acknowledges that the situation is complicated and offers grids of analysis to understand the sources of complications and possible means to alleviate them (e.g. paradoxical tensions, ambivalent emotions, and governance mechanisms). This essay provides a deeper understanding because it prioritizes situational and contextual factors rather than considering these factors as being at the margin. Individuals and groups that do not identify with the mainstream are given frameworks, grids of analysis, and conceptual tools to create an informed understanding of their specific situation, its past, present, and possible futures.

Both direct and indirect practitioners of Family Entrepreneurship can benefit from this food for thought. Direct practitioners (such as members of business families and stakeholders such as employees) identify themselves as actors in this situation (who is family?); understand the how and why of their current behaviors (what role do values play?); use the suggested frameworks and tools to understand the roots of current behaviors (what is entrepreneurship?); initiate a realignment for their future behaviors if they so desire, individually or via governance mechanisms (why is the business family and family business situation so complicated?). Indi-
rect practitioners (the wider set of stakeholders) and society at large can also benefit from this essay because it sheds light on the submerged part of the iceberg: actors, values, behaviors, and outcomes until now unidentified or misunderstood: family entrepreneurship is truly pervasive given the extended understanding of “family”, values are the cement of family units and undergird their behaviors and activities. Gaining awareness of the sources of complications paves the path towards a quicker and smoother solution to these difficulties. Going from potential to realized impact can be monitored by a greater visibility, understanding and ownership of contextualized entrepreneurial behaviors and outcomes. The ultimate sign of impact being the transition towards economies and societies that are more collaborative, just, and sober.

References


Coontz, S. (2016). *The way we never were: American families and the nostalgia trap.* Hachette UK.


About the author

KATHLEEN RANDERSON. Associate Professor at Audencia (France). She holds her PhD from the University of Grenoble. Her research interests focus on entrepreneurial behaviors in different settings: organisational entrepreneurship, family entrepreneurship. She has published three books and many articles in journals such as Entrepreneurship & Regional Development, the International Journal of Entrepreneurial Behaviour and Research, Futures, Technological Forecasting and Social Change. She served as Chair of the Communications Committee of the AoM and is currently VP France for the ECSB. https://orcid.org/0000-0002-7949-8678

Profesora Asociada en Audencia (Francia). Tiene un doctorado de la Universidad de Grenoble. Sus intereses de investigación se centran en los comportamientos emprendedores en diferentes escenarios: emprendimiento organizacional, emprendimiento familiar. Ha publicado tres libros y numerosos artículos en revistas como Entrepreneurship & Regional Development, International Journal of
Entrepreneurial Behavior and Research, Futures, Technological Forecasting and Social Change. Se desempeñó como Presidenta del Comité de Comunicaciones de la AoM y actualmente es VP Francia para el ECSB. https://orcid.org/0000-0002-7949-8678