More than a family business: Examining support dynamics in entrepreneurial families navigating institutional challenges

By:

Mariana Alejandra Estrada Robles

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Sheffield University Management School
Faculty of Social Sciences
The University of Sheffield

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Abstract

The thesis presents an in-depth examination of entrepreneurial families, focusing on how members of the family support each other by examining familiness in addition to how the institutional context affects family entrepreneurial activity. The research was conducted in Mexico, a challenging institutional environment, where family businesses are the lifeblood of the economy. Entrepreneurial families, defined as families where more than one member is an owner/entrepreneur, represent a setting that is under-researched. The study is particularly concerned with how family members interact, and how these interactions support their individual and collective entrepreneurial activities.

Drawing on multiple qualitative case studies of entrepreneurial families in Mexico, the research explores intra and extra family dynamics. The study argues that the entrepreneurial family represents a particularly important organisational form in supporting family members to pursue entrepreneurial activity. The findings demonstrate how members of entrepreneurial families provide each other with resources and capabilities in a way that enable and empower their entrepreneurial activities. This is found to be particularly important in Mexico, which is characterised by a weak formal institutional environment, and therefore the importance of informal institutions is critical given the challenging business environment.

In contrast to much existing family business research which focuses on the firm-level and considers a structural view of the family; this study adopts a transactional and socially constructed view of the family beyond biological and legal ties. Through this focus of entrepreneurial families, this thesis develops an empirical typology as the basis for further analysing how members of entrepreneurial families support each other. The analysis advances the construct of familiness to unpack and understand the heterogeneity of entrepreneurial families and the ways in which they provide dynamic and ambidextrous support to firms. By understanding how and why family members leverage these resources and capabilities in pursuing their individual and collective entrepreneurial activities generates new insights about entrepreneurial families and their relationship with the wider institutional environment. Through a conceptual framework of support dynamics, the findings show how members provide each other with advantages which are not replicated in more traditional family firms or for individual entrepreneurs; it also demonstrates how familiness resources and capabilities can be used by non-family firms when they belong to an entrepreneurial family.

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Chapter One: Introduction

The thesis presents an in-depth examination of entrepreneurial families, focusing on how members in the family support each other by examining familiness in addition to how the institutional context affects family entrepreneurial activity. The study contributes to a distinct and under-researched unit of entrepreneurial families defined as families where more than one member is an owner/entrepreneur who interacts with other entrepreneurial members of the same family. It integrates variables from family, family business and entrepreneurship to understand the family engaged in entrepreneurial activities, moving academic understanding beyond fragmented research. The study draws upon a qualitative methodology and a case study approach. The approach enables nuanced accounts of family owner/entrepreneurs in relation to their personal and family lives while managing their own firms and developing entrepreneurial activity.

The empirical focus of this thesis is the institutional environment in Mexico. Formal and informal institutions define the rules of the game in a society, the constraints that shape human interaction and also the political, social and economic incentives from human exchange (North, 1990), which enable or hinder entrepreneurial activity (Reay, Jaskiewicz and Hinings, 2015; Williams and Vorley, 2015). In weak institutional environments, such as those of emerging economies like Mexico, the family represents a particularly important organisational form for entrepreneurial activity and the majority of firms are family-owned. By focusing on it, this research demonstrates how members in entrepreneurial families provide each other with advantages which are not replicated in more traditional family firms or for individual entrepreneurs.

The study builds on the importance to consider the heterogeneity of families to understand family firms (Jaskiewicz and Dyer, 2017), family types can provide fresh insights to the complex family business phenomenon (Westhead and Howorth, 2007). As such, in order to understand the specific interactions and dynamics within entrepreneurial families, it is necessary to capture their different features through a classification. Following the definition of the entrepreneurial family, the thesis provides an empirical typology as the base for the study which enables further analysis across the types of entrepreneurial families.

Having identified the different types of entrepreneurial families through the typology, the construct of familiness is developed to unpack their heterogeneity in terms of the resources and capabilities families and their owner/entrepreneurs offer to other members engaged in entrepreneurial activity. Advancing past research on familiness (Sirmon and Hitt, 2003; Arregle *et al.*, 2007; Pearson, Carr and Shaw, 2008; Sharma, 2008; Zellweger, Eddleston and Kellermanns, 2010), the unique bundle of resources and capabilities at the firm-level that may facilitate or constrain entrepreneurial attitudes (Habbershon and Williams, 1999; Habbershon, Williams and MacMillan, 2003); this study focuses on the family aspect of familiness through a social capital perspective while also evaluating other forms of capital. In contrast to previous studies under a firm-level of analysis examining family business performance through familiness, this research moves to a family perspective to address familiness effects on entrepreneurial activity influenced by their social capital. Entrepreneurial activity is addressed through *intrafamily entrepreneurship* as ‘entrepreneurship in the existing family businesses as well as new ventures’ shifting the view from the family business to families in business (Discua Cruz, Howorth and Hamilton, 2013, p.21).

In line with the interpretive approach new conceptualisations are provided throughout the thesis such as *entrepreneurial familiness* which explains the nature and configuration of support in entrepreneurial families. This study not only identifies what capital resources and capabilities characterise entrepreneurial families but examines how they are configured and employed by the members of the family, including the variations of familiness across the types of entrepreneurial families. It also presents *intragenerational entrepreneurship*, as a distinct form of transgenerational entrepreneurship, where members of the same generation in the entrepreneurial family are also active nurturers of the entrepreneurial spirit. The typological classification developed in the study has enabled to make this in-depth analysis.

1.1 Background to the study

Family businesses represent great contributors to the world economy impacting positively on wealth and job creation (Astrachan and Shanker, 2003). Family business research has evolved dramatically over the last thirty years, the field is growing in size and their research methods have progressed as well (Wilson *et al.*, 2014).

Research in family business emerged in the United States and Europe. At the same time a number of professional associations or organisations were created, for example the Family Firm Institute (FFI) was originally founded within a national level but later expanded internationally, which launched the *Family Business Review* in 1988. In 2001 The International Family Enterprise Research Academy (IFERA) was stablished as a global network of family business researchers acting as a bridge between education practitioners (FFI) and owner-managed business community (Heck *et al.*, 2008). Since then, family business research has become more prominent in business journals. Since 2001, *Entrepreneurship Theory and Practice* has devoted an annual special issue on 'Theories of Family Enterprise' and other journals have joined this effort such as the *Journal of Business Venturing*, *Journal of Small Business Management*, *International Small Business Journal* and *Journal of Management Studies.*

Entrepreneurship and family business have been mainly independently studied; however, there has been an increasing interest in research to link them together. In fact, the field of family business significantly overlaps with the field of entrepreneurship (Debicki *et al.*, 2009). There is a call to focus on the relevance of the family dimension in fundamental entrepreneurial processes (Aldrich and Cliff, 2003). Rogoff and Heck (2003) propose the recognition of 'family as the oxygen that feeds the fire of entrepreneurship'. Entrepreneurship is not an action that occurs fortuitously but is a result of experiences and interactions in the family business context (Fletcher, 2006). Acknowledging the relationship between family business and entrepreneurship, the Global STEP Project (Successful Transgenerational Entrepreneurship Practices) began in 2005 research on transgenerational value creation of family firms around the world. Since its creation, there has been an increasing number of research outputs related to family firm's entrepreneurial behaviour (Sieger, Zellweger, *et al.*, 2011).

Past research in family business has focused mainly in the study of single business families, shifting recently to families that own and manage more than one business (Steier, Chrisman and Chua, 2015). Yet, the level of analysis has remained in the firm. The interactions among family members and their effect on entrepreneurial processes has a wide opportunity for research (Michael-Tsabari, Labaki and Zachary, 2014). When the unit of analysis is the family, generally the nuclear family or the household is taken as perspective to examine family-related issues in family entrepreneurship research. This leaves significant gaps, particularly in emerging markets where family is socially constructed. As such, this study adopts a transactional view of family beyond the structural view of biological and legal ties. Entrepreneurial families in this research can be of nuclear or extended nature, living in single or multiple households, yet their members share a common history and commitment to each other as well as the identity of being owner/entrepreneurs. Through this new focus of entrepreneurial families as the key unit of analysis, this thesis examines how family members interact with and support each other's entrepreneurial activities in a challenging institutional environment.

Previous studies have remained inconclusive and contradictory in regard to the entrepreneurial nature of family businesses, concluding both low and high levels of entrepreneurial activity. In this study, the variation of familiness and nature of support helps clarify the debate regarding whether family enterprises behave entrepreneurially (Zahra, Hayton and Salvato, 2004; Kellermanns and Eddleston, 2006) or more conservative (Nordqvist and Melin, 2010). Through the typology, this study shows when the interactions and support dynamics of family members with their firms are more conducive to entrepreneurial activities.

Studies of entrepreneurship and institutions typically focus on the individual (Acs, Desai and Hessels, 2008) and as such the influence of institutions on family activities remains under-researched. The results in this thesis generate new and extended conceptual understandings beyond the typically perspective of individuals in entrepreneurship and literature in institutions. The different types of entrepreneurial families enable understanding the role that family plays behind entrepreneurial processes, as well as their dynamics resulting from the institutional environment. By focusing on entrepreneurial families as a new form of business families, this thesis also theorises how they interact with their specific institutional environment (i.e. formal and informal institutions) by substituting or complementing institutions.

1.2 Research context

From the most recent and extensive annotated bibliography (De Massis *et al.*, 2012) it was found that from 215 studies in family business research, the empirical studies were ‘heavily unbalanced in favour of American and European firms’ (Kotlar, 2012, p.48), while other studies were dispersed across Asia, Australia, Latin America and Africa. However, scholars have called upon research particularly in developing, emerging or transition economies (Heck *et al.*, 2008). Yet, the challenge in the study in emerging economies remains by the heterogeneity of these economies (Wright *et al.*, 2005). As such, this study is based in the Latin American region as it has been portrayed to have common language (Spanish, except for Brazil), culture, history and collectivistic approach to business activities (Discua Cruz, Howorth and Hamilton, 2013); in particular Mexico was selected to conduct this research. The Global STEP Project has recently started to conduct research in Latin America and it has been found that uncertainty is a central characteristic of the entrepreneurial environment in Latin American countries, causing challenges for businesses and families (Nordqvist *et al.*, 2011). The STEP Project has conducted research in Mexico but has focused on a limited number of family firms and has not concentrated in the family perspective that is affected by the institutional environment in the country.

Mexico is an emerging economy where weak arrangements between its formal and informal institutions make it challenging to families and entrepreneurs to operate a business. The World Economic Forum (2015) ranks Mexico as 109th out of 140 countries in terms of the quality of its institutions and 65th in terms of Doing Business (World Bank, 2016). Mexico is among the most corrupt countries in the world, ranking 103rd of 175 countries in the Corruption Perceptions Index (Transparency International 2014) posing great challenges to operate a business. In Mexico, firms are owned by either one or a group of families, or by following generations of the family (Aguiló and Aguiló, 2012). Most family firms in Mexico are micro, small and medium enterprises and have great importance to the economy in the country because they constitute 99.8% of all businesses (GEM, 2010). The amount of family businesses in the country is still unclear, there is no official agency that registers the firms as family businesses or a census that defines them as family or non-family (Trevinyo-Rodríguez and Bontis, 2007). This may explain why the majority of research about Mexican family businesses refers to large firms.

The empirical focus for this research in Mexico was the city of Toluca. Toluca is the capital city of the State of Mexico. It is a major industrial city resulting from the close interrelation with Mexico City. Its strategic location, reduced employment after 1990 and increased entrepreneurial activity due to lack of unemployment benefits in the country (Tavira and Fernández, 2005), makes it a practical city to conduct research linking families and entrepreneurship. The Institute of the Entrepreneur in the city aims to provide support to families to start and grow their business. ‘Generating an entrepreneurial culture’ is one of the priority policies to develop and consolidate businesses. Considering that seven out of ten people in Toluca are employed by micro, small and medium enterprises, the city was deemed suitable for the study of entrepreneurial families.

1.3 Research aim and objectives

This research develops a conceptual framework to integrate the fields of family business, entrepreneurship and literature on institutions. Thus, it provides a multi-level study considering family members, the entrepreneurial family and the wider institutional environment. This contributes to a broader theoretical base in the study of family entrepreneurship past the classical focus in the firm to better understand the family under its institutional context. The overall aim of the study and the associated research objectives are presented as follows:

Research aim

> To examine the dynamics of support within entrepreneurial families influencing entrepreneurial activity in a challenging institutional environment.

Research objectives

1: To examine the distinctive features of entrepreneurial families and how they differ from each other

2: To understand how support is configured in entrepreneurial families

3: To examine how does familiness affect the entrepreneurial activity of entrepreneurial family members

4: To examine how the institutional environment affects entrepreneurial families

5: To understand how and why entrepreneurial families navigate institutional challenges in the institutional environment

1.4 Research methodology

This research adopts a qualitative methodology and a case study approach, underpinned by a social constructionist view. In-depth qualitative research is more appropriate to better examine how the role of entrepreneurship is immersed in a family business environment leading to social and economic value creation (Habbershon, Nordqvist and Zellweger, 2010a). Case studies allow a deeper vision in a field that has not been yet well-understood (Alvord, Brown and Letts, 2004), and are appropriate in the family entrepreneurship field because of its complexity and particularity living in its context (Barredy, 2015). In correspondence, the theoretical aim of the interpretive case study is to understand a phenomenon by emphasising the complexity, uniqueness and interaction with its context (Leppaaho, Plakoyiannaki and Dimitratos, 2016).

Adopting a social constructionist approach, this study is concerned with the meanings and interpretations of the entrepreneurial families as viewed from their members emerging from their interactions, and also on the relationality between people and institutions, bringing together the individual and relational perspectives. 'The field of family entrepreneurship can only be truly explored through admitting the construction of the family, of entrepreneurship, of the family business' (Randerson *et al.*, 2015, p. 151). Approaching entrepreneurial families in this standpoint considers that actors that comprise them, the business and entrepreneurial activity construct their meanings in relation to the interactions within and around the entrepreneurial family, as viewed by the accounts of owner/entrepreneurs.

A key issue in family business and family entrepreneurship studies is that the researcher is clear about the definitions chosen for the study (Handler, 1989; Sharma, 2004; Randerson *et al.*, 2015). Taking the family as centre of analysis, this study acknowledges that families are heterogeneous organisations (Koerner and Fitzpatrick, 2002; Hoy and Sharma, 2010; Jaskiewicz and Dyer, 2017) and that the definition of family needs to be specifically stated. 'The difference between a group of individuals and a family system is like the difference between a pile of bricks and a house' (Cook and Kenney, 2006). Research in family business has been conducted more like a pile of bricks than a house; the processes behind the houses are the cement that transforms individual bricks into houses (Danes, 2014). As such, this research focuses on those processes that the group of individuals which comprise the family undertake towards entrepreneurial activity. However, the family in this research is not limited by the walls of a house, the transactional view allows considering families beyond biological, legal ties or household; whose members also identify with each other by being owner or entrepreneurs. As such, the entrepreneurial family is defined as families where more than one member is an owner/entrepreneur who interacts with other entrepreneurial members of the same family. These families are named entrepreneurial not only by the existence of multiple businesses within, but also for the entrepreneurial processes and dynamics behind. In line with Vesper (1982) an entrepreneur is the person who has created an organisation, who has undergone the process by which a new organisation comes into existence; specifically an entrepreneur in these families is defined as any person who has created or co-created a firm, and continues with its operation. Because of the size of firms, entrepreneurs can also be business owners who carry out managerial functions within their firms. However, the owner in the entrepreneurial family is not necessarily an entrepreneur; this person could be a successor or someone who acquired a firm but not created the company and undertakes entrepreneurial activity in the existing firm. Hence, both owners and entrepreneurs are agents of entrepreneurship.

1.5 Thesis structure

The chapter has set the focus of the study and presented the research objective and research questions in relation to the research gaps related to the role that family plays in providing support to family business and entrepreneurial activity. The thesis presents four main sections. Part I presents Chapters 2 and 3 with a review of the literature, part II contains the context of the study and the methodology in Chapter 4; part III comprises Chapters 5, 6 and 7 which present the analysis and findings of the empirical data; finally part IV presents

Chapter 8 on discussion of the research findings and conclusions of the thesis. More detail of the chapters is presented as follows:

Chapter Two introduces institutional theory as basis to address context in this thesis. This chapter starts with a broad review of institutional theory moving to academic debates regarding the relationship between institutions and entrepreneurship. This is followed by a review of research in formal and informal institutions in relation to entrepreneurship. The chapter continues with the interaction of institutional arrangements and its effects on entrepreneurial activity, followed by research on organisations in institutions. Finally, a review of the study of institutions and entrepreneurship in emerging economies is provided, drawing on the importance to conduct research in such institutional environments.

Chapter Three starts with a brief review of the literature around family business and family entrepreneurship. It presents academic debates related to defining family businesses and entrepreneurial families, specifications are made on the definitions selected for this study. Considering past studies, the chapter highlights recent claims on how a firm unit of analysis has not been appropriate to fully understand the effects of families in business. This chapter sets the scene for the development of a conceptual framework through the construct of familiness and intrafamily entrepreneurship. The framework is presented to provide a systematic approach in exploring the nature of support amongst members through familiness considering its antecedents, dimensions and outcomes. The framework guides the methodology and empirical chapters to understand the family support and effects of familiness on entrepreneurial activity within entrepreneurial families in the institutional context of Mexico.

Chapter Four presents the socioeconomic and cultural context of Mexico considering family business and entrepreneurial families. The chapter continues outlining the research design and strategy considering the research aim and objectives guided by the conceptual framework and in accordance to the gaps identified in the literature presented in Chapters 2 and 3. This research is underpinned by a social constructionist approach with a qualitative nature, taking the family as key unit of analysis. A comprehensive overview of the research methodology and method is presented, including the steps undertaken for research through a case study approach. This chapter acknowledges the limitations of this research and concludes with a summary.

Chapters Five provides a typological approach to entrepreneurial families to highlight their heterogeneity through the variations of formal and informal support. The classification process and theoretical underpinnings are presented for the development of the empirical typology. The purpose of this chapter is to understand that entrepreneurial families present different features according to the support dynamics amongst their members and offers a detailed account of four types of entrepreneurial families. The chapter ends with a brief discussion from the analysis and concluding remarks. Findings from the typology are carried forward in following empirical chapters.

Chapter Six starts by setting the factors that originate social capital and familiness in the entrepreneurial families selected for the study. The chapter continues to explore the dimensions of familiness, namely the shared capital resources and capabilities, including the creation of the latter mainly through social capital. The outcomes are analysed through intrafamily entrepreneurship as indicator to entrepreneurial activity. The antecedents, dimensions and outcomes examined result in the entrepreneurial familiness in this specific type of family and remarks to the effects of business in family (*enterpriseness*) are provided.

Chapter Seven contextualises the analysis of the previous chapter through an institutional perspective; it examines how family owner/entrepreneurs make use of their entrepreneurial familiness, shared resources and capabilities to further their own entrepreneurial interests and activities to overcome the persistent institutional challenges in Mexico. This chapter seeks to understand how the entrepreneurial family acts as a collective unit of support to navigate and overcome difficulties living and operating firms in a weak institutional environment. As such, Chapters 5 and 6 are concerned with the micro-relationships in the entrepreneurial family, while Chapter 7 focuses on the macro-relationships and behaviours generated as a product of institutional pressures.

Chapters Eight is the final chapter of this thesis; it presents a discussion of the key themes integrating previous chapters. This is followed by a discussion of the conceptual framework developed from the findings. The chapter also discusses findings from the empirical sections to address research aim and objectives. Finally, potential areas for future research are presented. This introductory chapter provided an overview of the thesis, positioning the research through the lenses of institutional theory and family entrepreneurship, including the research context where the study is located. The framework and constructs are developed throughout the thesis supported by the empirical data and theory.

Chapter Two: Understanding entrepreneurship and institutions

Entrepreneurship is to be known a driver of economic development (Acs, Desai and Hessels, 2008; Wright and Marlow, 2012) and family businesses play a critical role within this (Litz, Pearson and Litchfield, 2012; Botero *et al.*, 2015). The institutional environment of a country determines the 'rules of the game' which enable or stymie entrepreneurial activity (Reay, Jaskiewicz and Hinings, 2015; Williams and Vorley, 2015). As such, the entrepreneurial capacity of an economy is determined by the formal institutional environment (Acs, Desai and Hessels, 2008): but also by the informal institutions such as norms, values and codes of conduct (Valdez and Richardson, 2013; Williams and Vorley, 2015).

This chapter is structured as follows. The first section provides an overview of institutional theory and its application. It is followed by a link between institutions and entrepreneurship considering both formal and informal institutions, as well as the imperfections or asymmetries that exist as a result of their interaction and the consequences to entrepreneurship. Institutions and organisations are discussed in the context of entrepreneurship in the next section. Finally an analysis of institutions and entrepreneurship in emerging economies is provided, making emphasis on the distinguishing characteristics these economies maintain to refine the focus of research gaps in institutions in line with the empirical focus of this study. The chapter concludes specifying the relevance of institutional theory in this thesis.

2.1 Institutional theory

Institutional theory is concerned with the way organisations gain their position and legitimacy by complying with the rules and norms of the institutional environment (Meyer and Rowan, 1977; Scott, 2014). Institutions are the rules of the game in a society, the constraints that shape human interaction and also the political, social and economic incentives from human exchange (North, 1990). The institutional framework of a society conform the fundamental guidelines organisations should follow to secure support and legitimacy (North, 1990; Scott, 2014). It considers the shared interactions and ‘taken for granted’ actions in organisations, professions or even across nations, that define what is appropriate and what is unacceptable in society (DiMaggio and Powell, 1983; 1991). Institutional theory thus focuses on the regulatory, social and cultural influences on organisations (Bruton, Ahlstrom and Li 2010).

Previously, institutional theory focused on purposive efforts individuals made to respond to the environmental in a way that was consistent with the formality and values based on the institution. New institutional theory added a greater consideration of legitimacy, the embeddedness of organisational fields, and the centrality of classification, routines and scripts (Greenwood and Hinings 1996, p.1023) . In this version of institutional theory the focus is on isomorphism which is a result of the need of an organisation to gain legitimacy while dealing with uncertainty through common approaches. DiMaggio and Powell (1983) suggest three institutional mechanisms for this– the mimetic, coercive and normative. As such when an organisation enhances its legitimacy by ‘acting on collective valued purposes in a proper adequate manner’ (Meyer and Rowan, 1977, p. 349), it also enhances its access to resources and exchange of possibilities with other organisations, thus increasing its possibility for survival (DiMaggio and Powell, 1983).

In institutional theory, there is a distinction between formal and informal institutions (North, 1990). Formal institutions can be defined as the laws, rules and regulations that give guidance to the economic and legal framework of a society which are written down and derive from regulatory structures and governmental agencies (DiMaggio and Powell, 1983; Tonoyan, Strohmeyer and Habib, 2010). Informal institutions can be defined as the traditions, customs, societal norms, shared mental models, culture, unwritten codes of conduct (Baumol, 1990; North, 1990). These norms and values are often formed when people are young and tend to be persistent later in life, and as such are often embedded in generational change (Estrin and Prevezer, 2011). Early socialization processes occur within the family where older generations transmit values to upcoming generations (García-Álvarez, López-Sintas and Saldaña Gonzalvo, 2002) through various mechanisms such as imitation, teaching and tradition (Tonoyan, Strohmeyer and Habib, 2010).

Institutional forces have been identified in a number of works in economics (North, 1990), political science (Krasner, 1988), organisational theory (Meyer and Rowan, 1991) or sociology (DiMaggio and Powell 1983,1991). These past research is reviewed and summarised by Scott (2014) who categorises such institutional forces into three pillars: regulative, normative and cultural-cognitive. The regulative pillar is derived mainly from economics, refers to the formally codified, enacted and enforced structure of laws and rules. It represents a rational model of behaviour based on conformity, force and sanctions (Scott, 2014). The components of this regulative pillar come mainly from government agencies or industrial agreements, resulting rules provide guidelines for entrepreneurial organisations to comply with laws and standards (Bruton, Ahlstrom and Li, 2010). The normative pillar is less formal and represents models of organisational and individual behaviour based on prescriptive, evaluative and obligatory dimensions of social, professional and organisations interaction (Scott, 2014; Bruton, Ahlstrom and Li, 2010). Normative systems are comprised of norms and values which give rise to roles (Scott, 2014). Finally, the cultural-cognitive pillar stems heavily from social science and represents models of behaviour based on constructed rules and meanings that guide appropriate actions (DiMaggio and Powell, 1991), the shared conceptions constitute the nature of social reality and through which meaning is made (Scott, 2014). This pillar operates more at the individual level regarding language and culture which are typically learned through social interactions by growing up in a certain society or community (Scott, 2014). The cultural-cognitive pillar is the major distinguishing characteristic of new institutional theory within organisation and sociology studies, as it emphasises the internal interpretive processes shaped by external cultural influences (Scott, 2014).

Research on institutions is recently looking into interpretation to explain the changing institutional environment, drawing upon the idea that institutions are formed by shared meanings which are taken for granted (Hardy and Maguire, 2008). Meanings are 'rational myths' (Meyer and Rowen, 1977) associated with social structures and processes, while structures and processes affect those meanings (Zilber, 2008). Building on social constructionist assumptions, Berger and Luckmann (1967) proposed institutions as cognitive structures focused on interactions and shared meanings. Institutional theorists have also drawn attention to meaning as a collective achievement. Specifically, in institutional entrepreneurship research it is known that entrepreneurs do not work alone, but they engage with other actors in the field, as such it is mainly a collective process; however, past research has mainly maintained emphasis on a focal actor and less on the role of other actors (Hardy and Maguire, 2008).

2.2 Entrepreneurship and institutions

Historically, entrepreneurship has been studied from the research-based theory of the firm (Bruton, Ahlstrom and Li, 2010) considering access to resources is crucial to business ventures. However, while resources are important also other overarching issues in the context such as culture, tradition, legal environment or incentives which can impact on entrepreneurship (Baumol, Litan and Schramm, 2009). Through an institutional perspective, researchers can explore these issues beyond the focus on efficiency seeking behaviour (Teece, 1982; Barney, 1991).

Institutional theory has been used to a number of domains such as institutional economics, organisational theory or political science. Applying institutional theory has been useful in entrepreneurship research to explain the forces that influence entrepreneurial behaviour (Ahlstrom and Bruton, 2002) which is influenced by the characteristics of the institutional environment (Webb *et al.*, 2013). From a regulative point of view, rules and laws provide the guidelines for new entrepreneurial organisations to comply with (Bruton, Ahlstrom and Li, 2010). In a normative perspective, societies have norms that may facilitate or constrain entrepreneurial activity (Baumol, Litan and Schramm, 2009). While a cultural-cognitive view of entrepreneurship is increasingly important, as it represents the way societies accept and encourage entrepreneurial activity (Acs *et al.*, 2009). The institutional perspective highlights entrepreneurship as a socially constructed behaviour (Webb and Ireland, 2015). Actions undertaken by entrepreneurs reflect the opportunities or constraints defined by institutions (Baumol, 1990; Bowen and De Clercq, 2008; Boettke and Coyne, 2009), which define the rules of the game that support, constrain what is socially acceptable (DiMaggio and Powell, 1991). The way entrepreneurs act depend on those rules or payoffs in the economy that underlie the nature of their entrepreneurial activities to be productive, unproductive or destructive (Baumol, 1990).

Research on entrepreneurship has increasingly taken into account the nature of the institutional framework (Acs and Amorós, 2008; Williams and Vorley, 2015); however it has normally emphasised on one part of the institutional environment (e.g. formal institutions) instead of recognising the multiple institutional forms that entrepreneurs may be subject to (Ahlstrom and Bruton, 2002). Economic activity cannot be analysed without considering both the formal and informal institutional context (Baumol, 1990). Institutions represent constraints on the options that individuals and collectives are likely to exercise, (Barley and Tolbert, 1997), and as such they enable and/or constrain entrepreneurial activity (Reay, Jaskiewicz and Hinings, 2015; Williams and Vorley, 2015). However, in weak institutional environments, such as those of emerging economies, the family represents a particularly important organisation. The family can be seen to both shape and be shaped by the wider institutional environment, serving to compliment and substitute for the prevailing institutional arrangements.

Just as individuals and organisations are influenced by the institutional environment (Ahlstrom and Bruton, 2002; Tonoyan, Strohmeyer and Habib, 2010), so too are family units (Reay, 2009; Gedajlovic *et al.*, 2012). Families must navigate formal institutions as they launch and seek to grow ventures, and can also foster positive informal institutional interaction through their networks. Indeed, while individuals are often the unit of analysis in entrepreneurship research, entrepreneurs do not live ‘in abstracto’; they live as a son/daughter of their family and their people (Mises, 1994). Consequently, influences like family can support or hinder the effective navigation of the institutional framework. In a family context, positive attitudes can be formed through support for entrepreneurial activity. In the case of new venture creation, family influences the founding strategies and structures allocating resources in the start-up process (Aldrich and Cliff, 2003). In tight-knit communities such as the family, individuals can share resources and promote effective norms (Adler and Kwon, 2002). Alternatively, families can prevent entrepreneurial activity through discouragement for example by exerting excessive family cohesion inhibiting personal goals from family members (Nordqvist *et al.*, 2011).

Studies of entrepreneurship and institutions typically focus on the individual (Acs, Desai and Hessels, 2008) and as such the influence of institutions on family activities remains under-researched. Past studies have mainly linked institutions in family business to address corporate governance issues (Melin and Nordqvist, 2007; Peng and Jiang, 2010); while some other articles have highlighted the importance of engaging in institutional theory to gain greater understanding of family firms (Miller *et al.*, 2009; Reay and Hinings, 2009; Reay, Jaskiewicz and Hinings, 2015). However, the role of the family in economic development manifests itself in different ways depending on the institutional context (Steier, 2009a). The level of effectiveness of institutions determines the significance of the role that family plays in these economies (Estrin and Prevezer, 2011) and there is growing interest in acknowledging the context in which entrepreneurship and family firms are embedded (Randerson *et al.*, 2015; Evert *et al.*, 2016). The context in which entrepreneurship occurs is heterogeneous (Wright and Marlow, 2011), family firms are also affected by the environment where they operate (Lumpkin, Steier and Wright, 2011). There is a need to understand how different institutional contexts shape the ways in which family firms function and enable productive entrepreneurship (Lumpkin, Steier and Wright, 2011). The field is evolving towards the understanding of differences between family firms and the heterogeneous environments that influence their operation (Wright *et al.*, 2014).

2.2.1 Entrepreneurship and formal institutions

Formal institutions are formally accepted or written rules and regulations that make up the structure of the economic and legal system in a given country (Tonoyan, Strohmeyer and Habib, 2010). They are created to provide guidance that enable individual decision-makers to engage in transactions while reducing uncertainty (Smallbone *et al.*, 2012). Risks of actors are mitigated in an institutional environment where property rights are clear within an effective legal system (Estrin, Korosteleva and Mickiewicz, 2013). Where formal institutions are well enforced and functional, entrepreneurial activity can contribute to economic growth (Acs, Desai and Hessels, 2008). When there is institutional instability, actors are asked to comply with certain regulations at one point, and to comply with others at another, which affects economic activity of actors by creating new costs (Webb and Ireland, 2015). Entrepreneurs in those environments are faced with incoherent and changing regulations (Manolova and Yan, 2002).

In environments where there are formal institutions imperfections they may manifest as inefficiencies such as burdensome taxes and licensing costs (Webb and Ireland, 2015) increasing uncertainty. In such cases, institutional uncertainty, individuals and organisations are left to set legitimate goals that are socially acceptable. From a new institutional theory perspective, formal control systems in organisations may be only for symbolic purposes through more social and idiosyncratic measures (Meyer and Rowan, 1977). Thus, taken-for-granted rules govern social life (Berger and Luckmann, 1967).

Extant research suggests that institutions governing the economic environment in some economies impose costly bureaucratic burdens on entrepreneurs, and increase uncertainty as well as the operational and transaction costs of firms (Puffer, McCarthy and Boisot, 2010). Entrepreneurs in such settings can often be faced with incoherent and constantly changing regulations (Manolova and Yan, 2002; Aidis, Estrin and Mickiewicz, 2008), meaning that, for example, they are unable to calculate their tax bills due to changing tax codes (Tonoyan, Strohmeyer and Habib, 2010). Furthermore, gaining credit in developing economies can be problematic, as banks favour larger businesses and lack willingness to finance small enterprises (Smallbone and Welter, 2001). Accessing credit is a strong constraint on entrepreneurial activity in emerging countries (West, Bamford and Marsden, 2008)

A stable legal framework with well protected property rights promote planning and coordination, as well as preventing the ad hoc expropriation of the fruits of entrepreneurship (Henrekson, 2007). However, the experience of entrepreneurs in weak institutional environments has been that the legal system has been incapable of adequately protecting property rights and of resolving business disputes (Manolova and Yan, 2002; Tonoyan, Strohmeyer and Habib, 2010). Due to these inefficiencies, going to court to settle a business dispute can be time consuming and costly; and in addition, perceptions that the systems are often corrupt means that many entrepreneurs will avoid turning to the courts to settle disputes (Tonoyan, Strohmeyer and Habib, 2010). Entrepreneurs will often turn to informal networks to compensate for the failure of the legal system, for example by using connections, including family, to bend the rules or paying bribes that break them, thereby engaging in the informal economy (Aidis and Adachi, 2007).

2.2.2 Entrepreneurship and informal institutions

Informal institutions define individual behaviour based on subjectivity and meanings that affect actions and beliefs (Bruton, Ahlstrom and Li 2010). Understanding informal institutions is important to entrepreneurship regarding the way societies accept entrepreneurs and encourage a setting where entrepreneurship is accepted and reassured (Puffer, McCarthy and Boisot, 2010). Informal institutions are acknowledged as critical to explain levels of entrepreneurial activity across countries (Acs, Desai and Hessels, 2008). Since entrepreneurship always occurs in a cultural context, understanding the informal institutions is critical to fostering entrepreneurial activity; where the informal institutions are not well understood by policy makers, institutional reforms will have a limited overall impact on encouraging entrepreneurship (Williams and Vorley, 2015).

Where informal institutions are weak, individuals can be actively discouraged from engaging in entrepreneurial activity as norms and values direct them towards wage employment (Williams and Vorley, 2015). However, family culture can assist in this; members can support entrepreneurship through encouragement and knowledge sharing. Through this process the informal institutions of a country can be strengthened as it can assist entrepreneurs in navigating the institutional framework and achieve long-term goals (Lumpkin, Brigham and Moss, 2011).

Considering informal institutions is important to evaluate the impact they can have on formal institutional outcomes (North, 1990). For example, past research has not widely studied the impact of informal institutions on corruption (Tonoyan, Strohmeyer and Habib, 2010), however corruption is a result of codes of behaviour widely shared in society through informal institutions (Estrin, Korosteleva and Mickiewicz, 2013). Tonoyan Strohmeyer and Habib (2010) demonstrate that social networks can substitute to a certain point macro institutions; but while informal institutions such as social networks can help to reduce the impact of high-order institutions, it does not eliminate them. In some cases the strength of those informal institutions supports the existence of the negative effects of institutions (e.g. corruption).

Changing informal institutions is not impossible but it is a difficult task as it represents a slow process considering norms and values are passed through a socialisation process from generation to generation (Estrin and Prevezer, 2011). Even when policy makers play an important role in fostering entrepreneurship, entrepreneurs themselves also play a crucial part to influence the institutional environment (McMullen, 2011). When entrepreneurship gains legitimization through visibility and value from a society, entrepreneurial aspirations grow in pro of an entrepreneurial culture (Williams and Vorley, 2015); as such, entrepreneurs' actions can contribute to institutional change (Hardy and Maguire, 2008).

2.2.3 Entrepreneurship and institutional interaction

Addressing weak institutions is not only about fostering pro-entrepreneurial formal and informal institutions, but to better understand how institutions relate and interact (Williams and Vorley, 2015). Block and Evans (2005) assert that individual economic action is structured by institutional arrangements, as such only by enhancing the functionality and effectiveness of institutions and its institutional arrangements that entrepreneurial activity can be more productive.

The nature of the institutional environment is determined as weak when institutional voids (Mair and Marti, 2009) and/or institutional asymmetries exist (Williams and Vorley, 2015). Institutional voids are referred as absent or weak institutional arrangements that support market activities, damaging individual participation in market and society (Mair and Marti, 2009). For example, weak financial systems in which family investment is employed as support (Steier, 2009a). Inversely, strong institutional environments are characterised by stable and strong financial, legal and regulatory institutions (Steier, 2009a) combined with congruence and balance between institutions that foster an entrepreneurial economy (Williams and Vorley, 2015).

Where weaknesses in institutions persist it can have implications for institutional arrangements, and as such it is critical to consider how institutions relate. Formal and informal institutions are not always congruent to what are socially acceptable behaviours and outcomes, when formal institutions are unsuccessful structuring economic activity, informal institutions can serve as an alternative guiding framework (Webb and Ireland, 2015). There are two key dynamics between the interaction of formal and informal institutions. First, when the dynamic between formal and informal institutions is complementary. This sees formal institutions both reinforce and are reinforced by informal institutions, and vice versa, thereby overcoming institutional weaknesses and enhancing institutional arrangements to promote productive entrepreneurship (Helmke and Levitsky, 2003). Second, when the same complementarity does not exist between formal and informal institutions. In this instance, a substitutive dynamic may occur, whereby informal institutions compete with and undermine weak formal institutions (Estrin and Prevezer, 2011). This can serve to weaken institutional arrangements, and give rise to what Williams and Vorley (2015) term 'institutional asymmetries'. The result can see the nature of entrepreneurial activity become less productive, or potentially unproductive, where institutional asymmetries persist.

Another explanation as to why institutional environments are weak is due to institutional voids, meaning where there are no (effective) institutions in place. Khanna and Palepu (1997) suggest that emerging markets are often characterised by and prone to institutional voids. Like institutional asymmetries, the impact of institutional voids is also subject to complementary and substitutive dynamics. Where institutional voids exist and substitutive institutional arrangements prevail, with informal institutions undermining formal institutions, this can again result in un(der)productive entrepreneurial activity (i.e. tax evasion and informal work) and potentially destructive entrepreneurial activity (i.e. corruption and criminality).

By reforming institutions and enhancing institutional arrangements countries seek to strengthen and improve their respective institutional environments, which in this case is to promote more productive entrepreneurship. The process of reforming formal institutions is recognised to occur comparatively faster than changing informal institutions (Vorley and Williams, 2016), as the cultures, norms and values that define informal institutions are often more resistant to change. Thus, formal institutions can be changed but their impact will depend on the congruence with informal institutions, their interaction results in a long-term impact on entrepreneurship (Williams and Vorley, 2015).

Where formal institutions are seen as weak this typically refers to where laws and regulations are poorly enforced, if they are enforced at all (Hoxha, 2009; Welter and Smallbone, 2011). In such circumstances, the outcome may again stymie, if not disincentive, productive entrepreneurial activity. Consequently, when formal institutional arrangements are not robustly enforced or effectively embedded this can result in the expropriation of entrepreneurial resources and returns. The consequences of this are potentially twofold: 1) it results in entrepreneurial activity becoming less economically productive (Baumol, 1990); 2) it sees more productive forms or entrepreneurship become subject to corruption. Weak informal institutions, in relation to entrepreneurship, typically mean that there is unlikely to be an entrepreneurial culture, or at least not a productive one. As a result, informal institutions are widely understood to be important in explaining differences in the level of entrepreneurial activity between countries (Frederking, 2004). Consequently, where there are weaknesses in either the formal or informal institutions the net effect is likely to detract from productive entrepreneurial activity; for example, activities in the informal economy. Recently, research has conducted research in understanding the prevalence of informal entrepreneurship in developing countries through an institutional lens (Williams, Martinez-Perez and Kedir, 2016). These activities lead to behaviours that sit outside the boundaries of formal institutions but remain within the ones of informal institutions (Webb *et al.*, 2009). By definition these activities are illegal; however they remain acceptable by society (Webb and Ireland, 2015), fostering its practice specially on those environments where informal institutions are prevalent.

2.3 Entrepreneurship, institutions and organisations

As discussed above, institutional theory regards to the way groups and organisations gain legitimacy (DiMaggio and Powell, 1983; Greenwood and Hinings, 1996). An organisation gains social acceptance and legitimacy by acting collectively in an adequate way considering taken-for-granted assumptions; institutions create those guidelines that determine appropriate actions for the organisation (Meyer and Rowan, 1977). Institutions in business fields are rationalised in such a way that procedures are determined by reasons for behaviours, but an important implication in institutional theory is that what may appear to be rationalised may be rather guided by culturally appropriate considerations (Meyer and Rowan, 1977). Conformity with the rules of the game motivate and guide organisations to behave in a homogeneous way to gain legitimacy, resulting in isomorphism through mimetic, coercive and normative mechanisms (DiMaggio and Powell, 1983). As such institutional pressures lead organisations to adopt similar organisational forms (DiMaggio and Powell, 1983).

Mimetic isomorphism is a response of uncertainty, regards to way organisations imitate others to enhance survival in the environment. For example members of firms act according what they perceive as 'appropriate' rather than considering evidence (Martinez and Aldrich, 2014). Coercive isomorphism results from 'formal and informal influences exerted on an organisation by other organisations upon which they are dependent' (DiMaggio and Powell, 1983, p. 67). Governments determine most of these pressures through the legal environment that affect entrepreneurs. While, normative isomorphism stems from professionalization and is developed from shared beliefs of organisations and actors; as such those actors tend to behave in similar ways approaching problems and decisions similarly.

It is important in social sciences to understand organisations and the causes behind their diversity and similarity (DiMaggio and Powell, 1983). This can be possible by looking closely at the interaction of culture and organisations mediated by socially constructed patterns of perception and evaluation (Selznick, 1996). Identifying ways of thinking and acting helps in gaining understanding of how minds are built in organisational contexts, affecting interaction and decision making (Selznick, 1996), the ways how people, entrepreneurs, cope with uncertainty in organisations relying on routines. For example, choices made by entrepreneurs in organisations that are a result of routines. Looking at legitimacy in this way can result in organisational inertia (Martinez and Aldrich, 2014). However, legitimacy also varies across organisations, nations, and cultures influenced by the regulative, normative and cultural pillars (Brundin and Wigren-Kristoferson, 2013). These can lead to significant differences in the way organisations operate in different places (Ahlstrom and Bruton, 2002), as well as to how entrepreneurial organisations operate considering entrepreneurial activity overlaps with the three pillars (Brundin and Wigren-Kristoferson, 2013).

2.4 Entrepreneurship and institutions in emerging economies

The extent to which entrepreneurship is socially and economically productive depends on the formal and informal institutional context in which it occurs (Baumol, 1990; Acs and Amorós, 2008). Emerging economies face daunting economic development challenges (West, Bamford and Marsden, 2008) and as such understanding the institutions which govern economic activity is an important step in fostering higher levels of productive entrepreneurship. To understand entrepreneurship in these economies where the institution framework can differ from mature economies, it is crucial to understand the cultural and institutional forces that influence behaviour within and across organisations (Bruton, Ahlstrom and Obloj, 2008).

Institutional instability is commonly associated with emerging economies where institutional change is perceived to be the norm. Stable institutions engender a predictability of behaviour in social interactions, which is reinforced by a system of rewards and sanctions to ensure compliance and over time become an informal institution (DiMaggio and Powell, 1983). Yet, where institutions and institutional arrangement are unstable this represents a form of weakness that can serve to increase risk and disincentive productive entrepreneurial activity (Williams and Vorley, 2015). In institutional environments experiencing economic, political and social uncertainty, as is the case in many emerging economies, fast changing institutions can detract from institutional continuity that is characteristic of more productive institutional environments. In these economies, where formal institutions are weak, informal institutions are more likely to be substitute for formal institutions (Estrin and Prevezer, 2011). This translates into an uncertain environment for entrepreneurial activity due to their fragile and changing economic and political situation (Nordqvist *et al.*, 2011). Comparisons across countries made in past research on institutions in emerging economies, should be used as a ‘first approximation’ (Manolova, Eunni and Gyoshev, 2008, p.213), there is a need for fine grained research exploring the formal and informal aspects of institutions (Meyer and Peng, 2005).

In emerging economies, challenges are often supported not through formal channels but through informal, private networks like family (Peng and Jiang, 2010). It becomes clearer in the case of these emerging countries where connections are built to fill institutional voids by giving access to economic, social and technological resources (Khanna and Rivkin, 2001). Firms need strong networks and personal connections to share resources when facing uncertainty (Luo, 2003). In these economies, formal institutions fail to accommodate appropriate economic structure for society (De Soto, 1989). In some cases, filling institutional voids in formal institutions provides opportunities for incurrence in informal entrepreneurship (Webb *et al.*, 2013). For example, in many developing economies business registration can be cost and time consuming because of the imperfections in formal institutions, these behaviour can be socially legitimate (De Soto, 1989). Scholars have started to emphasise on the difference between legality and legitimacy (Webb and Ireland, 2015). Informal entrepreneurship can be enhanced by the differences between the social acceptability of formal and informal institutions, along with the degree of bureaucracy in the institutional environment (Webb *et al.*, 2013).

Additionally, where reforms to formal institutions have occurred in many emerging economies, the focus has tended to be on attracting Foreign Direct Investment (FDI) to plug gaps in entrepreneurial activity and to create employment (West, Bamford and Marsden, 2008; Williams and Vorley, 2015). These policy strategies are generally premised around offering foreign investors low cost labour, but it can mean that as well as being disadvantaged in credit markets, entrepreneurs are also crowded out of potential markets by foreign competition. As such, entrepreneurs can look to support from family and friends to plug holes in external financing and support (Chrisman, Chua and Steier, 2011). It is the family in fact that plays a key role in providing seed capital and the mobilization of financial resources for start-up and firm growth (Poza, 2010). Accordingly, in emerging economies not only family support is important but also the existence of family firms which often originate as a substitute for feeble regulation in financial markets (Astrachan, 2010).

Consequently, firms in less developed countries tend to be more family dominated (Khanna and Palepu, 1999), which creates a strong sense of group identity and solidarity that facilitates resource mobilisation (Granovetter, 2010) posing important questions for how organisations and actors interact as a result. In certain institutional environments, groups may fill voids as a result of missing institutions (Khanna and Rivkin, 2001). A business group is a set of legally independent firms, tied formally or informally (Granovetter, 2010) under coordinated action of a single focal entrepreneur (Khanna and Rivkin, 2001). As with family firms, business groups respond to the institutional environment where they operate (Aoki, 2001). Past research argues that family ownership is the result of an underdeveloped institutional and economic environment (Fogel, 2006). However, the notion that business groups are a result of special skills and abilities of entrepreneurs and families to mobilise resources; instead than to solve environmental problems remains under researched (Granovetter, 2010). Efforts to research business groups have mainly considered large business groups and listed companies in different countries from an economic perspective (Cerutti, 2016). Creating economic value has deemed to be the driver for business group activity (Khanna and Rivkin, 2001).

Where institutional trust is low, there is more dependence on personal trust (Höhmann and Welter, 2005) and social capital (Discua Cruz, Howorth and Hamilton, 2013). When family is involved, business groups tend to easily build trust around their network and the importance of non-economic goals is strengthened (Granovetter, 2010). Although some evidence found negative implications as to business groups such as monopolistic practices (Cerutti, 2016; Granovetter, 2010) and opportunistic activity ('parasites') (Khanna and Yafeh, 2007), there is also recognition that business groups in certain economic contexts represent a positive role in contributing to underdeveloped institutions ('paragons') (Khanna and Yafeh, 2007). In both cases business groups are not only affected by their environment, but also shape it (Khanna and Yafeh, 2007). It may be that business groups do not originate to solve problems but because of their special entrepreneurial activities (Granovetter, 2010).

2.5 Conclusions

Nordqvist, Marzano, Brenes, Jimenez, and Fonseca-Paredes (2011) highlight that the business environment in emerging countries has long histories of instability and uncertain environments for business activity. Families can respond to these challenges through their own means that can be used to their advantage (Habbershon and Williams, 1999; Habbershon, Williams and MacMillan, 2003). Family can provide unique advantages in searching for, identifying and exploiting opportunities (Patel and Fiet, 2011). In this sense, within the entrepreneurial context family ties and networks influence the skills and knowledge on how opportunities are perceived and exploited (Dodd, Anderson and Jack, 2015).

As entrepreneurship becomes more visible and valued in society it gains legitimation, and the growth of entrepreneurial attitudes, ambition and perspectives in turn serve to reinforce the emergence of a pro-entrepreneurship culture (Krueger and Carsrud, 1993; Minniti, 2005). The collective response of family firms in certain institutional environments can reshape the 'rules of the game' (Reay, Jaskiewicz and Hinings, 2015). In this sense, although government is clearly important in shaping the institutional environment and influencing entrepreneurial activity (Smallbone and Welter, 2001; Acs and Amorós, 2008), the remit for institutional change is not simply the domain of policy makers although they too can help foster a more entrepreneurial culture. Entrepreneurs themselves can also act as change agents and influence the institutional landscape (McMullen, 2011). Culturally, entrepreneurship is reinforced by informal institutions as individuals follow social norms and are influenced by what others have chosen to do. Entrepreneurial families influence future generations not to limit themselves to create value only in the particular original family firm but to create value through the generation of more businesses within the family; hence, fostering the entrepreneurial spirit amongst younger members (Steier, Chrisman and

Chua, 2015). Therefore, in order to reform informal institutions and promote a more entrepreneurial culture, a positive feedback cycle is needed for people to see others succeeding in entrepreneurial activity and are motivated to be more entrepreneurial (Verheul *et al.*, 2001). In consequence, over time, informal institutions can be influenced and improved, and entrepreneurs' actions can contribute to wider societal change (Welter and Smallbone, 2011). In this sense, families have an important role to play, members learning to act collectively as a result of the transmission of an entrepreneurial culture within the family (Discua Cruz, Hamilton and Jack, 2012). With support and encouragement in navigating institutions alongside the family support, a more entrepreneurial culture can be created over time. However, although families are important drivers of economic activity, their importance manifests in different ways depending on the institutional context (Steier, 2009a). As such, from an institutional perspective this research is concerned with exploring the role that family plays in the institutional environment considering how entrepreneurs within the family cope with institutional challenges.

This chapter is the first of two literature review chapters, it is focused on institutional theory as the basis to understand entrepreneurship and family businesses. This study draws on new institutional theory (DiMaggio and Powell, 1983; Scott 2014) as a theoretical approach to entrepreneurship considering the influence of both formal and informal institutions. This chapter started with a broad review of institutional theory moving towards the relationship between institutions and entrepreneurship, highlighting formal and informal institutions, and their interactions. The chapter continued outlining the research conducted on institutions and emerging economies, empirical work regarding entrepreneurial activity and the role of family in emerging economies remains subject to further research. Using institutional theory allows the consideration of relevant institutional influences outside family firm research (Leaptrott, 2005). Studies conducted in Family Business and Family Entrepreneurship will be addressed in the following Chapter 3 – Conceptualising the distinctiveness of entrepreneurial families, highlighting the research gaps in relation to understanding the dynamics of support within entrepreneurial families.

Chapter Three: Conceptualising the distinctiveness of entrepreneurial families

In academic research, the focus on a family as a unit of analysis is not without difficulty (Nordqvist and Melin, 2010). The notion of ‘family’ has been considered as generic (Randerson *et al.*, 2015); however, families have different structures and compositions (Aldrich and Cliff, 2003; Jaskiewicz and Dyer, 2017) and its importance varies according to time and culture (Discua Cruz, Howorth and Hamilton, 2013). Family structures change across cultures, countries and regions, and have also evolved through time parallel with distinct economic eras (Hoy and Sharma, 2009). Just as individuals and organisations are influenced by the institutional environment (Ahlstrom and Bruton, 2002; Tonoyan, Strohmeyer and Habib, 2010), so too are family units (Reay, 2009; Gedajlovic *et al.*, 2012). Indeed, while individuals are often the unit of analysis in entrepreneurship research, it is a myth that the entrepreneur is a lone individual that acts without affiliation to a group (Discua Cruz, Howorth and Hamilton, 2013).

Currently, the heterogeneity of family structures implies different interpretations of the concept of family, it is necessary to explicitly communicate the family dimension and its variables. Sharma and Salvato (2013) define the family variable and make it operational through the components of consanguinity, cohabitation, generations, legal status and birth order, this approach adds to the structural view of the family. A great extent of studies in family business and entrepreneurship assume a structural view of the family (Koerner and Fitzpatrick 2002) through biological and legal ties which bind members together in the family. Whereas the transactional view shows that family is a group of intimates who generate a group identity (Koerner and Fitzpatrick 2002). These two views of family allow for a more nuanced understanding of entrepreneurial behaviours. Hoy and Sharma (2010) provide a definition of family based on bonds of shared history and collective future commitment; however, the specification of group identity is not present. A definition supporting the transactional view of family and including group identity is provided by

Fulcher and Scott (2007: p. 447) as ‘a small group of closely related people who share a distinct sense of identity and a responsibility for each other that outweighs their commitments to others’, this small group is commonly but not necessarily based on marriage, blood ties or cohabitation (Fulcher and Scott, 2007). As such families in this study adopt the latter definition as they may be of nuclear or extended nature, living in a single or multiple households, but sharing a common history and commitment to each other as well as sharing the identity of being owner/entrepreneurs. In this thesis the traditional structural view of family is maintained through biological and legal ties; and also the transactional view is employed as a function to determine family affiliation based on the entrepreneurial activity of members which create a sense of identity.

Views and behaviours of families are expected to be influenced by a combination of the culture and values as people travel across nations (Sharma and Manikutty, 2005). Family composition and structure, however, adopt a different perspective when it comes to business (Nordqvist and Melin, 2010). Families are considered to be organisational cultures (Hall, Melin and Nordqvist, 2001) reflecting a range of political, economic and sociological factors that influence key family business processes (Basco, 2015). Family members can include the ones living in a single or a different household (Leaptrott, 2005). Household and family are not synonyms (Kertzer, 1991). Members of a family are still family even when they not share the same household, e.g. ‘when children leave home and set up their households, this does not mean that they leave their family’ (Fulcher and Scott, 2007). The boundaries of family in the transactional view are socially constructed depending on the context, and reflect on the variance of how families define themselves within diverse contexts (Koerner and Fitzpatrick, 2002). The socially constructed assumptions of individual and collective actors present diverse characteristics in function to their time and place (Scott, 2014), consistent with the transactional view of family. Divergent discourses consider the family as institution (Aldrich and Cliff, 2003; Leaptrott, 2005; Lumpkin, Steier and Wright, 2011) or organisation (Lambrecht, 2005; Montgomery, 2008; Chirico and Nordqvist, 2010). Given that families are evolving in accordance to legal, societal and institutional changes

(Randerson, Dossena and Fayolle, 2016), it is appropriate to study family as an organisation (Montgomery, 2008).

The first section of this chapter considers a brief review of family business research to focus later on its evolution recognising the role of entrepreneurship and the emergence of the field of Family Entrepreneurship. An examination of the intersection between family, family business and entrepreneurship is provided. It also addresses debates in defining the family firm and entrepreneurial family. The second section focuses on a crucial concept in family business: familiness. This section details the different approaches and development of the construct. The third section moves to intrafamily entrepreneurship and different forms of portfolio entrepreneurship as means to understand entrepreneurial activity in entrepreneurial families. The final section integrates the research covered in previous sections and provides a conceptual framework that is adopted in this study to assess the effects of familiness on entrepreneurial activity with an institutional perspective.

3.1 Evolution of family business research

Family business research has evolved dramatically over the last thirty years showing the rapid growth of the field (Wilson *et al.*, 2014). Studies in family business have formed a unique field over this time however, there are still some definitional and developmental challenges (De Massis *et al.*, 2012). Family businesses are recognised as positively impacting on job creation and wealth generation (Anderson and Reeb, 2003; Astrachan and Shanker, 2003; Botero *et al.*, 2015). Steier (2009, p. 513) proposes that although families are important drivers of economic activity throughout the world, their importance manifests in different ways depending on the institutional context. Namely, in Latin American countries family firms constitute the majority of businesses, while in some European economies they make up at least 60% of firms (IFERA, 2003). Regardless of its importance in the world economy, there is still a lack of agreement revolving around a theoretical and operational definition of family firms.

3.1.1 From family business to family entrepreneurship research

Aldrich and Cliff (2003) indicate that family and business have usually been independently researched. In like fashion, entrepreneurship and family business have been developed separately (Nordqvist and Melin, 2010). However, research has shown that they are highly interrelated with reciprocal influence over each other making its study more complex (Zahra and Sharma 2004). Family firm is considered as a combination and overlap of business and family (Tagiuri and Davis, 1996; Gersick *et al.*, 1997; Basco and Rodriguez, 2009). The study of family had previously been overlooked in business despite the fact that all entrepreneurs are part of a family (Aldrich and Cliff, 2003).

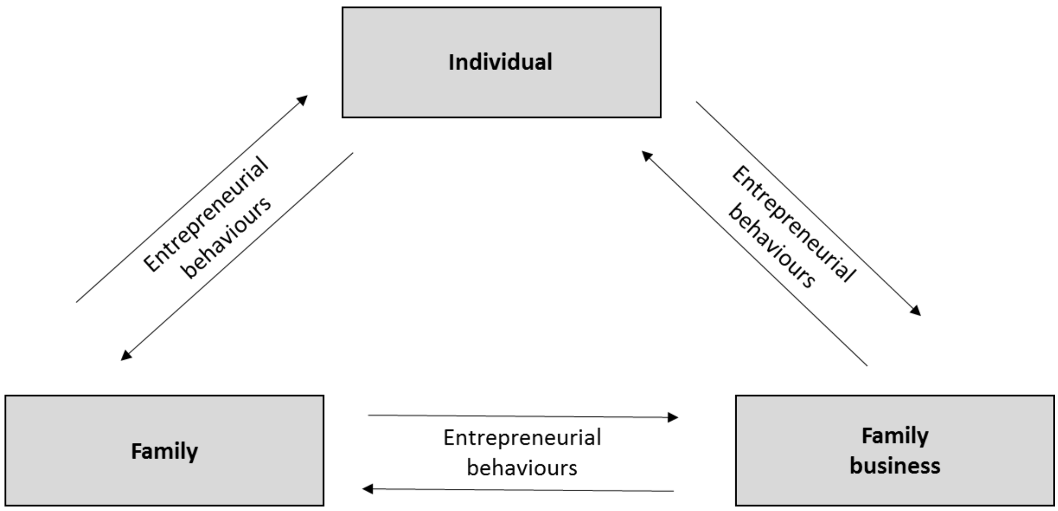
Tagiuri and Davis (1996) introduced the three-circle family business system model comprised of overlapping dimensions representing family, business and ownership that make specific profile intersections. The overlap of the dimensions derives from the bivalent attributes and the unique features inherent of a family firm that can be a source of advantages or disadvantages to explain the dynamics in the family. The model supports the analysis of the interactions within a family firm to understand their complexity by identifying roles of individuals who may fall under 7 categories within the overlaps of the circles. Gersick et al. (1997) argued that this model was only a snapshot, thus a time variable was added. As a result, they proposed the three-dimensional developmental model to examine how each of the dimensions might change with the movement of people over time. A person's movement from one profile to the other or a variation in the firm might make significant changes. This model then acknowledges a sequence of stages in every of the three dimensions recognising the evolution of the system.

Another approach is proposed by Habbershon, Williams and McMillan (2003) who view the family business model as a 'metasystem' comprised of subsystems with continuous influence over each other showing unique characteristics. The first subsystem considers the traditions, history and the family life cycle. The second represents the strategies to create wealth in the business entity, while the third has a narrower focus on individual family members. Again, the importance of addressing reciprocal influences between family and business is shown in the study of family firms. While there is a debate on whether the business or the family should be used as the focus of analysis (Chrisman *et al.*, 2005), more recently it is increasingly recognised that there are still unanswered questions of the role that family plays in business (Michael-Tsabari, Labaki and Zachary, 2014; Rau, 2014; Randerson *et al.*, 2015).

Entrepreneurship and family businesses have been until recently often studied separately; however there are increasing calls for research to more comprehensively study the family's influence on entrepreneurial activities (Rogoff and Heck, 2003; Cruz and Nordqvist, 2012). Recent research shows that they are highly interrelated with reciprocal influence over each other (Discua Cruz, Hamilton and Jack, 2012; Alsos, Carter and Ljunggren, 2014). Previous research on family firms has tended to focus on differentiating them from non-family firms and finding relevant distinctive characteristics (Zahra and Sharma 2004). Yet, there has been growing recognition on different types of family firms to understand their nature and behaviour, as they are heterogeneous entities (Chua *et al.*, 2012). When family and firms grow they become more complex, entrepreneurial activities may arise as a result of the interaction between generations in business (Roscoe, Discua Cruz and Howorth, 2013). This interaction can occur formally in the business context, or informally in the family influencing actions and behaviours of its members (Nordqvist, 2012). This shows the relevant interplay between entrepreneurship, family business and family.

It is only recent that the attention has been focused on the family dimension of entrepreneurial behaviours, individually or collectively, as well as the entrepreneurial features of family firms (Begin and Fayolle, 2013). Indeed, it is important to recognise first the influence of family as starting point in entrepreneurship; Rogoff and Heck (2003) describe it as 'the oxygen that feeds the fire of entrepreneurship'. Bettinelli and colleagues (2014) define Family Entrepreneurship as 'the research field that studies entrepreneurial behaviours of family, family members and family businesses' (p.164). Under a broad and holistic conceptualisation (Figure 1) academics attempt to avoid fragmented approaches that could slow the advancement of the field (Randerson *et al.*, 2015).

Figure 1. A conceptualisation of Family Entrepreneurship



Source: Bettinelli et al. (2014)

With this conceptualisation, the interactions between individuals, families and family businesses are highlighted as a holistic approach to study entrepreneurial behaviour, as opposed to focusing on entrepreneurial phenomena at the overlap of family and family business (Bettinelli and Randerson, 2016). This is particular helpful to understand the effects from family to business, from business to family, or from individuals to family firms, in a circular way (Frank *et al.*, 2016) rather than unidirectional. Having this in mind, family firms recognise the influence of family in ownership and management, considered an entrepreneurial venture in its creation. Individual entrepreneurs are embedded in the family context (Aldrich and Cliff, 2003), while the family firm is dependent on individual and organisational entrepreneurial behaviours (Randerson *et al*. 2015; Nordqvist and Melin, 2010). This broad conceptualisation allows integrating diverse and complex topics, highlighting the importance of family entrepreneurship as a holistic phenomenon that affects and it is affected by the three elements in the figure above. In this study, individuals and their interactions will be considered as part of a family who influence the family itself, the family firm and entrepreneurial behaviour, and their reciprocal effect on individuals. By considering family entrepreneurship as a whole and underscoring the family side of entrepreneurship, fragmented views are avoided as the business side has remained predominant in family business research (Bettinelli and Randerson, 2016) .

Research can fall within the intersections of family, family business and entrepreneurship. Where family business and entrepreneurship meet topics such as effectuation (Sarasvathy *et al.*, 2014), social entrepreneurship (Campopiano, Massis and Cassia, 2015) and corporate entrepreneurship (Kellermanns and Eddleston, 2006; Marchisio *et al.*, 2010) arise. At the intersection of family and family business, recognition is placed on the mutual effect they have over each other. Financial and non-financial goals are considered in this intersection (Zellweger *et al.*, 2013; Holt *et al.*, 2017) along with socioemotional wealth (Berrone *et al.*, 2010). Finally, the intersection of family and entrepreneurship regards to research conducted around co-preneurship (Brannon, Wiklund and Haynie, 2013; Danes, 2015); teams –family entrepreneurial teams (Discua Cruz, Howorth and Hamilton, 2013; Schjoedt *et al.* 2013); networks (Dodd, Anderson and Jack, 2015) and resources (Sirmon and Hitt 2003; Danes, Stafford and Haynes, 2009); portfolio entrepreneurship (Sieger, Zellweger, *et al.*, 2011; Discua Cruz, Howorth and Hamilton, 2013). The integration of Family Entrepreneurship requires the use of multiple conceptualisations of family, family business and entrepreneurship; and multiple theoretical perspectives that should complement each other rather than fragment the field (Randerson *et al.*, 2015). As with entrepreneurship, family entrepreneurship should not be studied in a vacuum (Evert *et al.*, 2016). The family dimension and family business are influenced by the institutional environment in which they operate (Leaptrott, 2005). Recent calls for research suggest a promising path to integrate 'micro-level research on families with macro-level research about societal institutions' (Jaskiewicz and Dyer, 2017). This perspective is considered in this thesis to study entrepreneurial families in a specific institutional context considering both the internal interactions of family members and the external cultural, social and political conditions that influence entrepreneurial activity in the family.

3.1.2 From family firms to entrepreneurial families

How the family business should be defined was asked in the first editorial of the Family Business Review (Lansberg, Perrow and Rogolsky, 1988), and the debate continues to a significant level of discussion in the field (De Massis *et al.*, 2012). Academics employ different criteria to distinguish this type of firms such as ownership, management, involvement of multiple generations and the intention for the firm to continue in the family (Astrachan and Shanker, 2003). Most efforts to define family firms focus on differentiating them from non-family firms and finding relevant distinctive characteristics such as long-term orientation, pursuit of financial and non-financial goals (Berrone *et al.*, 2010; Zellweger *et al.*, 2013). A great number of studies have focused in the financial performance as outcome to differentiate family from non-family firms, but other less tangible outcomes should be considered too (Holt *et al.*, 2017).

Actors in family businesses demonstrate specific intentions, motivations, goals governance and resources (Patel and Fiet, 2011; Chrisman *et al.*, 2013). As such different conceptualisations of family firms are used depending on the focus of the study. The reason behind the difficulty to define them is that family businesses are heterogeneous entities that cannot be addressed equally (Howorth, Rose and Hamilton, 2006; Westhead and Howorth, 2007; Howorth *et al.*, 2010). Therefore, different criteria have been used to define these firms such as ownership, management, transgenerational involvement and purpose for the business to continue in the family (Astrachan and Shanker 2003; Westhead and Cowling 1998).

Westhead and Cowling (1998) developed a definition that focuses on ownership by a family group related by blood or marriage with self-perception of the firm as a family business. With the concept of family evolving, this definition does not consider the transactional view of the family (Koerner and Fitzpatrick 2002). The nuclear family is in fact becoming minority in most industrialised countries over other types of families (Randerson, Dossena and Fayolle, 2016). Chua, Chrisman and Sharma (1999) focus the definition on succession across generations and sustainability; a family business is the one managed and/or governed by one or a few families with the aim to follow the vision in a way that is potentially sustainable through generations in the family core; with emphasis on the behaviour within the family. Alternatively, Habbershon and Williams (1999) and Habbershon, Williams and McMillan (2003) focus on the 'familiness' based on the resource-based view at the firm-level, the family business is distinguished by the unique and idiosyncratic resources and capabilities existing from the family involvement and the interaction of their members. These last two views differ, Chua et al.'s definition focuses on behaviour while the latter from Habbershon and colleagues requires that the behaviour produces either positive or negative effects from the unique resources.

Chrisman, Chua and Sharma (2005) address the 'components of involvement' approach – ownership, management and control by family in different levels; and the 'components of essence' approach – behaviours that produce distinctiveness. These authors consider that involvement is not sufficient to assess family influence also the attitudinal elements are necessary to distinguish family firms. For example, two firms with the same level of family involvement may not be family firms if they lack the essence elements such as vision, intention, familiness, and behaviour as family business (Chrisman, Chua and Sharma, 2005). The F-PEC scale (Astrachan, Klein and Smyrnios, 2002) integrates the components of involvement approach (power) with the essence approach (experience and culture) to measure family influence; however it does not fully determine the essence of the firm. Previous studies focusing on involvement suggest three definitions of family firms in a bull's eye representation –broad, middle and narrow– according to the business life cycle. From the outer circle (broad) to the inner circle (narrow), the level of family inclusiveness increases (Astrachan and Shanker, 2003). The components of involvement approach as only factor to determine family firms is problematic because family can be involved in either ownership and/or management and still not be a family business (Westhead and Cowling, 1998a; Chua, Chrisman and Sharma, 1999; De Massis *et al.*, 2012). In contrast, the essence approach considers intrafamily succession (Chua, Chrisman and Sharma, 1999) and transgenerational vision (Zellweger *et al.*, 2013), idiosyncratic resources (Habbershon and Williams, 1999; Habbershon, Williams and MacMillan, 2003), preservation of socioemotional wealth (Berrone *et al.*, 2010) self-identification as a family business (Westhead and Cowling, 1998). The purpose of using the components of involvement and essence approach may be different (De Massis *et al.*, 2012); the former for discriminating from non-family firms and the latter to identify different types of family businesses (Hoy and Sharma, 2009).

The difficulty in agreeing upon a definition show the wide heterogeneity of family firms (Chua *et al.*, 2012). Additional to multiple criteria, there are also the firm-centred approach and the family-centred approach (De Massis *et al.*, 2012). In the firm-centred approach it is assumed that a business already exists in the family and the definitions are more related to the influence of family in business. While a family-centred approach has to consider both the existence of the business and the role of the family in the business. The challenge in this approach is to define the family, since it should not be longer considered as generic and this variable has been considered a blind spot across time and countries (Randerson *et al.*, 2015). The purpose of this overview of definitions of family firms is to illustrate the different conceptualisations of family firms not to convene upon agreement, but to understand diverse views of which are useful when operationalising the definition for empirical purposes. Rather than to fragment research, the idea is to contribute to cumulative knowledge, as long as specification is made towards an adopted definition (Randerson *et al.*, 2015). Table 1 summarises a number of definitions.

Table 1. Past definitions of family firms

Author	Definition
Astrachan, Klein and Smyrnios (2002)	Family firms are defined based on the family power over the business decisions, experience by family involvement across generations, and the culture from family values
Cabrera-Suarez et al. (2001)	Defined from the bundle of resources and capabilities distinctive to a firm as a result of family involvement (the familiness of a firm)
Chua, Chrisman and Sharma (1999)	The family business is a business governed and/or managed with the intention to shape and pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families
Chrisman, Chua and Sharma (2005)	Two main approaches to define a family firm: a) components of involvement approach, family involvement is sufficient to define a family firm; and b) components of essence approach, family involvement necessary but not sufficient to define a family firm
Danes and Olson (2003)	To qualify as a family business, the owner-manager had to have been in business for at least a year, had to have worked at least six hours per week year-round for a minimum of 312 hours a year in the business, had to be involved in its day-to-day management, and had to reside with another family member (From a household perspective)
Eddleston and Kellermans (2007)	Family businesses are defined as those in which ownership lies within the family and at least two family members are employed by the business
Johanisson and Huse (2000)	Family firm considered to be family business if perceived as such by the owners
Litz (1995)	A business firm may be considered a family business to the extent that its ownership and management are concentrated within a family unit, and to the extent its members strive to achieve and/or maintain intra-organisational family-based relatedness
Tagiuri and Davis (1996)	Two or more owners and managers, simultaneously members of the owning family
Ward (1987)	A firm passed on for the family's next generation to manage and control.
Westhead and Cowling (1998)	A family firm is a firm identified as such by the CEO, the general director or the chairman and where more than 50% of the company is under controlling group whose members are blood or marriage relatives
Zellweger et al. (2013)	A family firm as one controlled by a family through involvement in management and ownership, coupled with a transgenerational vision for the firm

Past family business literature assumed single business families; but recently the attention has shifted to families that own and/or manage more than one business (Steier, Chrisman and Chua, 2015), and at the same time not simply focusing on the management of the multiple businesses but also on the relationships among family members that play a central role in entrepreneurial process (Michael-Tsabari, Labaki and Zachary, 2014). Moving further from definitions in family firms to the focus in family, Habbershon and Pistrui (2002) consider families with more than one firm and define enterprising families as families that manage one or more businesses, and that have the intention to grow transgenerational wealth with the family as the basis or what they call ‘family influenced wealth creation’ (p.224). An entrepreneurial family is termed by Nordqvist and Melin (2010) as a social structure that can facilitate or constrain entrepreneurial activity; subject to the family's access to resources (e.g. financial and social resources) and to the family's specific culture (e.g. norms, attitudes and values). While Michael-Tsabari, Labaki and Zachary (2014) focus the entrepreneurial family on the 'unique features of the family institution's role in the processes and outcomes of entrepreneurship' (p, 163); Uhlaner et al. (2012) define entrepreneuring families as 'the subset of business-owning families focused on entrepreneurial objectives or motives' (p.2), this conceptualisation assumes that the majority of family owners work together to generate family wealth and create value. From 2000 onwards, Steier, Chrisman and Chua (2015) noted that families owning more than one business started calling themselves 'business families', nevertheless this term does not reflect upon the entrepreneurial activity inherent in these families.

Overall, studies revolving around entrepreneurial families have been analysed through the lens of entrepreneurial orientation, transgenerational entrepreneurship, resource based-view or performance (Nordqvist, Habbershon and Melin, 2008; Lumpkin, Brigham and Moss, 2010; Sieger, Zellweger, *et al.*, 2011; Cruz and Nordqvist, 2012; Zellweger and Sieger, 2012). Another important consideration is the level of analysis conducted to approach entrepreneurial families or entrepreneurial family businesses, from the family, the family business, or the entrepreneurship dimension; such fragmented perspectives have led to conflicting theoretical underpinnings. The above concepts focus more on securing family business continuity across generations, the majority focusing on the firm, whereas this study focuses on how family members support each other to maximise or create ventures, both individually and as a collective family unit, either from the single or multiple generations. Hence, in line with Nordqvist and Melin (2010), this research employs entrepreneurial family as unit of analysis by following this definition, families where more than one member is an owner/entrepreneur who interact with other entrepreneurial members of the same family. The interactions between members, their support dynamics and their effects in resources and capabilities in the entrepreneurial family are aimed to be studied.

To date research, has not been appropriate to understand the practice of entrepreneurial families that pursue growth and change through multiple businesses rather than growing internally in a single firm, Rosa, Howorth and Cruz (2014) call for future research in exploring what characterises entrepreneurial families. Research in the family business field should place the family-specific issues as central focus (Salvato and Aldrich, 2012). At the firm-level of analysis the entrepreneurial reality of capital accumulation and utilisation is neglected (Michael-Tsabari, Labaki and Zachary, 2014). To address this gap, the specific definition of entrepreneurial families termed in this thesis gives opportunity to address the support structure, family dynamics and interactions between multiple entrepreneurs/firms within the family.

Context in family firms and entrepreneurial families

As entrepreneurial activity always occurs in a particular cultural environment, there is a growing interest in acknowledging the context in which entrepreneurship and family firms are embedded (Evert *et al.*, 2016) and the challenges that family businesses face which are influenced in great manner by their geographic location (Randerson *et al.*, 2015). The way in which they respond and undertake strategic entrepreneurship is highly influenced by the institutional context they experience (Lumpkin, Steier and Wright, 2011; Steier, 2009a) Entrepreneurial families are more common in developing countries because they develop unique advantages in their particular social, economic and political conditions; congruently, entrepreneurial families are more numerous in emerging economies (Khanna, 2000). The reason behind it may be that entrepreneurial families pursue other business opportunities based on family interests not rationally planned, rather than moving with elaborate planning and objectives (Rosa, Howorth and Cruz, 2014). Nonetheless, Carter and Ram (2003) point out that families engage in portfolio entrepreneurship as a result of both family and business objectives but to date little is known about the processes undergone in developing multiple businesses. Motivations for portfolio entrepreneurship may vary from searching an alternative income to developing opportunities for next generations or solving succession for multiple siblings (Carter and Ram, 2003). Other studies around the world have found that family members with a transgenerational perspective develop groups of businesses (Habbershon and Pistrui, 2002; Zellweger, Nason and Nordqvist, 2012). For example, the Global STEP Project has studied this area around the world but just recently has started to conduct research in Latin America (Nordqvist and Melin, 2010). In the range of topics studied in this project it has been found that uncertainty is a central characteristic of the entrepreneurial environment in Latin American countries (Nordqvist *et al.*, 2011). As such, context is acknowledged in this thesis for the study of the support dynamics in entrepreneurial families through the construct of familiness which is discussed in the next section.

3.2 The construct of Familiness

Despite the inherent differences within family businesses, it has been long believed that family firms are unique because they are a result of the integration of family and business (Tagiuri and Davis, 1996; Gersick *et al.*, 1997). To highlight this uniqueness, the construct of familiness has been employed to emphasise their distinctiveness and heterogeneity. The construct of familiness, was first introduced by Habbershon and colleagues describing it as the idiosyncratic firm-level of resources and capabilities resulting from the interactions between the family, its individual members, and the business to create competitive advantage and wealth (Habbershon and Williams, 1999; Habbershon, Williams and MacMillan, 2003). Familiness is unique, inseparable and synergistic resource and capabilities led by family involvement. This construct has received great attention from academics studying it from different perspectives (Chrisman, Chua and Sharma, 2005; Nordqvist, 2005; Sharma, 2008). However, assessing the familiness construct is not without complication for two reasons; a) there are no specified dimensions of familiness in the definition, and b) there are different levels of analysis to assess it, could be the firm, the family, groups within the family; albeit the original definition considers the firm-level (Pearson, Carr and Shaw, 2008). While family had been recently neglected in business despite the fact that all entrepreneurs are embedded in this social institution (Aldrich and Cliff, 2003); in similar fashion family has been overlooked in the study of familiness, its influence is not yet understood (Discua Cruz, Howorth and Hamilton, 2013). Paradoxically, the name of the construct emerges from the word family and it is only natural to focus on the family that makes the construct special to family business research. The focus on the family moves away from the vast majority of studies in familiness, which take the firm as level of analysis for theoretical development of the construct of familiness (Chrisman, Chua and Litz, 2003; Pearson, Carr and Shaw, 2008; Moores, 2009; Zellweger, Eddleston and Kellermanns, 2010) or to assess performance, firm behaviour and goals in family businesses, (Monroy and Solís 2015; Ensley and Pearson 2005; Cabrera-Suarez *et al.*, 2015; Irava and Moores 2010). In this study, familiness will be used to capture distinct nature of resources and capabilities in family firms to address their heterogeneity rather than only characterising between family and non-family firms (Habbershon, Williams and MacMillan, 2003).

The use of distinct theoretical approaches has been limiting to achieve progress in the field when addressing the construct of familiness (Frank *et al.*, 2010). Familiness is still at the conceptual development stage and yet remains ‘somewhat fuzzy’ (Irava and Moores 2010, p. 174); further exploration is needed to understand it. There is a call to reflect on the current state of research in familiness because of its importance to family businesses and the diverse approaches applied to it (Frank *et al.*, 2010); as Pearson and colleagues state (2008), the study of familiness is ‘ground-breaking’ and ‘important’ for family firm research (p.949). Given this, it is crucial to first summarise and selectively refer to existing knowledge to set the scene for further development and application of the construct. In the following sections main theoretical approaches to familiness are discussed. Additionally, different types of resources and capital are acknowledged to be included in the study of familiness.

3.2.1 Theoretical approaches to familiness

The following section provides a summary of the research conducted in familiness, its theoretical development and empirical application, Table 2 provides an overview of selected research conducted in familiness, its theoretical viewpoint, type of study, level of analysis and research conclusions.

The resource based-view (RBV) is the theoretical basis for the construct of familiness in its origins, where the specific bundle of resources and capabilities serve as competitive advantage unique to the firm (i.e. family essence) in terms of performance or wealth creation (Habbershon and Williams, 1999; Habbershon, Williams and MacMillan, 2003). As a means to illustrate the effect that family excerpts on business (i.e. family involvement), Habbershon and Williams (1999) based familiness in the family and business systems, from there further attempts using other theories have been developed to explain it (Frank *et al.*, 2010). The different sources of familiness are not yet understood; hence, its relationships and factors need further development (Chrisman, Chua and Steier, 2005).

Among early studies in familiness include the one developed by Sirmon and Hitt (2003), under the RBV lens they focus on the 'how' or the 'flow' of familiness and argue that family firms evaluate, add, shed, bundle and leverage their resources in different ways to non-family firms from the fact that these idiosyncratic resources originate from family acting as owners and/or managers. Drawing upon social capital theory (Adler and Kwon, 2002), Arregle et al. (2007) elaborate on the process of transformation from 'family social capital' to' 'organisational social capital'. They suggest that the mechanisms that enable the flow of capital are dependent on four factors: the stability of memberships, closure, interdependence and interaction among their members. The combination of this factors influence the 'flow of social capital for the development of organisational social capital.

Table 2. Summary of research conducted in familiness

Research study	Theoretical viewpoint(s)	Type of study	Key level of analysis	Research conclusions
Arregle et al. (2007)	Social capital theory	Conceptual	Firm	Four drivers contribute to the development of family social capital (stability of family, interactions, interdependence, closure) which influence the development of organisational social capital
Basco (2015)	RBV and Regional development	Quantitative	Firm	Regional familiness, interactions between family firms and spatial dimensions at the aggregate level
Ensley and Pearson (2005)	TMT and social capital theory	Quantitative	Firm	Group dynamics are defined by the interactions of the top management team. Familiness is positively related to group dynamics in family firms
Frank et al. (2010)	Systems theory	Conceptual, literature review	Firm	New formulation of the familiness oriented on the theoretical foundations of structural coupling, the identity of the enterprise as a family business and the historical and content components of familiness
Habbershon and Williams (1999)	RBV	Conceptual	Firm	The bundle of resources that result from family involvement are the distinctive 'familiness' of the family firm. According to RBV, familiness has the potential to provide sustainable competitive advantage.
Habbershon, Williams and McMillan (2003)	RBV	Conceptual	Firm	The relationship between resources and capabilities is source of advantage or constraint to performance of family firms
Habbershon (2006)	RBV	Conceptual	Firm	Extension of Habbershon, Williams and McMillan (2003), environmental components
Irava and Moores (2010)	RBV	Qualitative	Firm	Familiness is comprised of human resources , organisational resources and process resources; that influence the family firm in positive and negative ways
Pearson, Carr and Shaw (2008)	Social capital theory	Conceptual	Firm	Identification of specific behavioural and social resources that constitute familiness and social capital in family firms
Sieger et al. (2011)	RBV	Qualitative	Firm	Six distinct resource categories contribute to portfolio entrepreneurship process
Sirmon and Hitt (2003)	RBV	Conceptual	Firm	Having appropriate resources is not sufficient to achieve competitive advantage. Family firms should also manage resources through inventory, bundling and leveraging.
Zellweger et al. (2010)	RBV	Conceptual	Family	Familiness dimensions consisting of the components of involvement, the components of essence of the firm and the organisational identity

Taking the family as unit of analysis, Zellweger, Eddleston and Kellermanns' (2010) study is among the few to focus on the 'who' of familiness. They developed a model to describe the familiness through the components of involvement –governance, ownership and management; the components of essence – behaviour and abilities of family in enterprise; and the organisational identity – family identity and perception of the firm as family business. Following the overlapping three-circle model (Tagiuri and Davis, 1996) seven types of family firms and familiness are identified, moving a step forward from only differentiating between distinctive and constrictive familiness (Habbershon, Williams and MacMillan, 2003). However, this study focuses on the origins of familiness but does not address how family members benefit from it (Zellweger, Eddleston and Kellermanns, 2010). This represents a significant opportunity in the field to address the family in familiness and understand its benefits to members in the family. Through a 'trans-level of analysis' that integrates the family and the firm, Sieger et al. (2011) build on the familiness construct by addressing human, social and reputational resources to investigate the process of portfolio entrepreneurship in family firms. Only recently, the study of familiness included multiple members in the family and multiple businesses. Albeit elucidating in the dimensions of familiness, Sieger et al.'s study does not consider the antecedents and outcomes slowing down the theory-building aspirations of the construct (Zahra and Sharma 2004).

In regards to the dimensions, studies have been devoted to answer the 'what' of familiness (Pearson, Carr and Shaw, 2008; Irava and Moores, 2010; Monroy and Solís, 2015). Such is the case of the study of Irava and Moores (2010) which finds six familiness dimensions grouped into three groups: human (reputation and experience), organisational (decision-making and learning), and process resources (relationships and networks). While this study is useful to recognise types of resources and capabilities, there is a neglect of their antecedents and consequences to move the construct forward (Zahra and Sharma 2004; Sharma 2008). Irava and Moores (2010) also consider multigenerational family firms for their study and suggest that familiness is comprised by the participation of different generations in the firm's management, ownership and governance. This is a significant step to acknowledge the contribution of distinct generations to the pool of resources and capabilities in family firms, especially since entrepreneurial families are normally formed by more than one generation. However; Frank et al. (2016) argue that family involvement, as a unique measure, is not sufficient to capture the familiness in a firm. Another downfall of Irava and Moores' study is the limitation in regards to context and the authors call for further research considering different environments to assess any existing patterns in the categories of resources they provide (Irava and Moores, 2010).

Pearson, Carr and Shaw (2008) provide a strong foundation of familiness through social capital theory; they build a theoretical model with a focus on the antecedents and dimensions of the construct derived from the interactions and involvement of family relationships. According to their study, the application of social capital is particularly useful to families by identifying the structural, cognitive and relational dimensions of familiness. Based in the works of Nahapiet and Ghoshal (1998), the structural dimensions refer to the interactions, patterns and strength of ties in the family. These include the social interactions, the density and connectivity of social ties and the ability to make use of social networks (Monroy and Solís, 2015). The cognitive dimension considers shared vision, purpose and meaning, normally as a result of the shared history in families. A shared vision may create collective trust and norms in the pursuit of a common purpose leading to the relational dimension. This dimension regards to trust, norms, obligations and identity. The relational dimension is particularly important to developing capabilities, because it is the key link between familiness resources and the capabilities resulting from the relationships in the family (Pearson *et al.*, 2008). Based on the works of Arregle et al. (2007), in Pearson, Carr and Shaw (2008) study the four factors dependent on the flow of social capital are considered as the antecedents of familiness (stability of membership, closure, interdependence and interaction).

The consequences or outcomes of the uniqueness of family firms vary from economic goals and family firm performance (Habbershon and Williams, 1999; Danes, Stafford and Haynes, 2009; Frank *et al.*, 2016) to non-economic goals (Gómez-Mejía and Haynes, 2007). Extant research has examined the link between resources and capabilities to obtain competitive advantage (Habbershon and Williams 1999; Tokarczyk *et al.* 2007; Chrisman *et al.* 2003), or wealth creation (Habbershon, Williams and MacMillan, 2003; Sirmon and Hitt, 2003). Since familiness was developed through an RBV lens, there is little research identifying non-financial outcomes. Understanding non-financial outcomes is promising to both family business research (Holt *et al.*, 2017) and entrepreneurship research literature by showing how these non-financial outcomes are created, preserved and leveraged (Shepherd, 2016).

Social capital theory beyond the focus of social capital as resource[1], can provide a useful framework to examine the antecedents, dimensions and outcomes of familiness influencing the family and business. Considering that social capital influences the creation of other sources of capital (Coleman, 1988; Sirmon and Hitt, 2003), a model based in social capital theory can allow the exploration of different types of resources and capabilities (Pearson, Carr and Shaw, 2008; Sharma, 2008). As such, as a pool of resources built in relationships, social capital is appropriate to look at the dynamics and support within entrepreneurial families (Nahapiet and Ghoshal, 1998). By extending the conceptualisation of familiness rooted originally in RBV, social capital theory may overcome the limitations of RBV. Not exclusive to familiness, RBV has been criticized for being inherently static (Teece, 2009). The lack of specificity and clarity (Hoopes, Madsen and Walker, 2003), the broad definition of resources leading to fragmented research (Armstrong and Shimizu, 2007) and the inability to parameterise aspects of firm (Priem and Butler, 2001) are among the criticisms of RBV theory. Because it focuses on the firm-level, business success and competitive advantage, (Barney, 1991; Grant, 1991) it is unable to grasp deeply into the family; as such social capital theory is a fruitful avenue to identify unique behavioural resources and capabilities as a result of the relationships in family (Pearson, Carr and Shaw, 2008). There has been a lack of attention to family-specific issues and social interactions (Salvato, Chirico and Sharma,

[1] Social capital as resource is addressed in the following section – Capital resource portfolio in familiness

2010) and how they manage their resources for the benefit or detriment of the family firm (Sirmon and Hitt, 2003). In this study, social interactions among family members are central to understanding and characterising the entrepreneurial family, in particular to find how members support each other with their businesses through deconstructing the resources and capabilities of familiness.

The past theoretical approaches are not unique to the study of familiness, but represent the more developed ones and provide promising avenues of research. In regards to RBV and social capital theory, the latter provides a closer identification of the dimensions of familiness (Arregle *et al.*, 2007; Pearson, Carr and Shaw, 2008). However, the existence of familiness in family businesses is not enough to create competitive advantage, the effective management of resources is needed to identify and exploit market opportunities (Sirmon and Hitt, 2003). While past studies have placed the firm at the centre of analysis typically to differentiate family firms from non-family firms in different perspectives (i.e. performance, governance, firm behaviour), this study focuses on the elements of familiness (including its antecedents, dimensions and consequences) to understand their nature and benefit within entrepreneurial families.

Additionally, in the social capital perspective, other types of resources are not considered such as financial, physical or human resources; consequently further theorising is needed to understand familiness considering a portfolio of resources (Sharma, 2008; Frank *et al.*, 2010). Exploration of different forms of capital have been conducted in past studies in family business (Danes, Stafford and Haynes, 2009) or entrepreneurship (Vershinina, Barrett and Meyer, 2011) independently; thus, there is opportunity to integrate them through Family Entrepreneurship. The creation and utilisation of other forms of resources have been recently acknowledged as important in the study of familiness (Sharma, 2008). Sirmon and Hitt (2003) illustrate and structure a portfolio of resources to create value in dynamic environments. While Hoy and Sharma (2010) have highlighted the importance of human capital in families as means to create and use other types of capital. The STEP framework has classified resources in eight resource pools: leadership, culture, networks, financial capital, relationships, decision-making, knowledge and governance (Sieger, Nason, *et al.*, 2011). Irava and Moores (2010) provide three different resource categories mentioned earlier such as human, organisational and process resources. The purpose of distinguishing different approaches to familiness, relies not in expressing agreement or disagreement, but in evaluating carefully the construct as a means to capture the heterogeneity in entrepreneurial families.

Table 3. Evaluation of the familiness construct

Criteria for construct definition	**Familiness: What we know**	**Familiness: What we do not know**
Nature of familiness	Nature of familiness conducted in a fragmented way. Independent studies in different dimensions and factors of familiness	What is the nature of familiness when addressing the elements of familiness in an integrated way?
Level of analysis	Original level of analysis: Firm level, only one study at the family level (Zellweger *et al.* 2010)	What levels of analysis require further research? What other levels of analysis should be considered?
Organisational structure	One business organisation	What implications to familiness can bring a family organisation that owns/manage more than one firm?
Theoretical perspective	Original theoretical basis: RBV	What theory can capture the interactions and behaviour of members in the family that create familiness?
Use of familiness	Familiness has been employed from a firm-level to differentiate family firms from non-family firms	How variations of familiness determine types of families to explain behavioural and social aspects of families in business?
Antecedents of familiness	Four drivers contribute to familiness: stability of family, interactions, interdependence, closure (Arregle *et al.* 2007)	What are the origin conditions of familiness with respect to family culture, family context and governance? How they affect dimensions of familiness?
Dimensions of familiness	Different dimensions found (Sirmon and Hitt 2003; Pearson, Carr and Shaw, 2008; Irava and Moores 2010;Sieger *et al*,. 2011)	What are the resources and capabilities unique to families with multiple firms and multiple owner/entrepreneurs? How are they utilised /employed?
Consequences of familiness	From firm perspective positive and negative outcomes to performance and competitive advantage of firms	What are the consequences of familiness from the family perspective? How familiness influences decision-making, strategies and structures in the family?
Benefits of familiness	From firm perspective competitive advantage and wealth creation	How family members benefit from familiness? How variations of familiness benefit family members?

A key purpose of this research is to develop theoretical contributions to research. As such, by employing the construct of familiness with existing theoretical and empirical research (Table 2), and in Table 3 highlights how existing conceptualisations of familiness provide new avenues of research that can serve to extend this line of inquiry. This will also allow a deeper understanding of processes within entrepreneurial families that will later be contextualised in the institutional environment.

3.2.2 Capital resource portfolio in familiness

Within the family business research field, there is debate regarding the relevance of resources for family firms. Sirmon and Hitt (2003), and Hoy and Sharma (2010) argue that human capital is important, as it provides intangible inimitable resources that create competitive advantage. De Massis et al. (2012) conclude that the lack of studies in human capital of family firms provide a promising avenue for research. There is a recurrent call for further research to compare and contrast human capital in family businesses within a variety of institutional contexts (Sharma and Chua, 2013). Other academics suggest that social capital as a resource is more relevant, contrasting it from human capital focused on individuals, social capital is based on the relationships among a group of people in search for a collective outcome (Arregle *et al.*, 2007; Danes, Lee and Stafford, 2008; Pearson, Carr and Shaw, 2008; Sorenson and Bierman, 2009). Relationships are the heart of the family; hence it is important to focus on them while studying the family (Aldrich and Cliff, 2003). Among the different types of capital, social capital is deemed to be ideal to distinguish family form non-family firms (Danes, Lee and Stafford, 2008). Social and human capital are not easy to be transferred, imported or converted (Sharma, 2008). Sorenson and Bierman (2009) suggest that family relationships, derived from social capital, can attract family human and financial capital to the business. While family support has been studied in entrepreneurial activity and family business research independently, the study of family influence in both remains as a gap between the two disciplines (Dodd, Anderson and Jack, 2015). To link them and address that gap, the present study seeks to explore the configuration of support that family exerts in family business and independent entrepreneurial firms. In particular, the consideration the support from multiple owner/entrepreneurs in the family and how that differs from stand-alone entrepreneurs normally depicted in research. It also differs from research where family involvement is only focused on the family firm but not in individual entrepreneurial endeavours outside the family firm. A recent approach to this, explores entrepreneurial networks to capture family influence in entrepreneurial business (Dodd, Anderson and Jack, 2015).

Human capital refers to individual family member experience, abilities, knowledge available to the family or business (Sorenson and Bierman, 2009; Coleman, 1998). According to Coff (2005) entrepreneurial human capital consists of the intellectual, psychological, moral and physical dimensions; it is the 'set of knowledge and skills that individuals bring to bear to create and exploit market opportunities' (p.82). Because of the simultaneous participation of family members in business and family relationships, human capital is complex and unique to family firms. In family business, human capital can have both positive and negative effects (Sirmon and Hitt, 2003), depending on the life-cycle stage of family and firm (Danes, Stafford and Haynes, 2009), or the quality of relationships in the family (Sorenson and Bierman, 2009). A unique feature of human capital is that stocks of this type of capital, when needed, can flow through the different elements of the family business, which could be the business, the family or governance (Sharma, 2008). Family relationships motivate the mobilisation of different forms of capital to help other members in need (Dyer, Nenque and Hill, 2014). The orchestration of resources has been mainly studied from a focal entrepreneur standpoint but the benefit of resources across different business ventures has not been fully understood (Baert *et al*., 2016).

Social capital focuses on the relationships between individuals or organisations, it is 'the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit' (Nahapiet and Ghoshal, 1998, p. 243). Social capital is often used to distinguish family firms from non-family firms (Danes, Lee and Stafford, 2008). Sorenson and Bierman (2009) suggest that family relationships, derived from social capital, can attract family human and financial capital to the business. In their seminal article, Nahapiet and Ghoshal (1998) consider two characteristics of social capital: 1) it is inherent in the relationships among actors, owned collectively and no actor is capable of having individual rights of social capital; and 2) it makes possible the achievement of an end that would be either impossible or achieved at an extra cost by actors. Consequently, social capital in entrepreneurial families is jointly owned by all the members employed towards the pursuit of entrepreneurial activities.

In addition to human and social capital, financial capital refers to the sharing of financial resources or investments made by members in the family (Sharma, 2008; Sorenson and Bierman, 2009). Financial capital can take the form of loans or gifts to other family members depending on the needs of the business (Sorenson and Bierman, 2009). Sirmon and Hitt (2003) make a distinction between survivability capital and patient financial capital as a source of competitive advantage over non-family firms. Survivability capital acts like a ‘safety net’ (Sirmon and Hitt, 2003, p.343) in family firms from personal resources that family members are willing to share, loan or contribute with in terms of money or even labour. Patient capital is financial capital without the need of immediate payback (Sirmon and Hitt, 2003). Danes, Lee and Stafford (2008) consider financial capital both monetary and physical assets owned in the family available to members. Physical assets may include plant, equipment or other physical assets available that can also be turned into monetary assets.

The accumulation and flow of capital can occur through the informal participation of family members, even those not employed in the business (Sorenson and Bierman, 2009). In the case of entrepreneurial families, owner/entrepreneurs can give formal or informal support in other businesses in the family. As such, this study centres on the family as focal point which develops its internal capital through the interactions, accumulation and variations of resources and capabilities. Sharma (2008) recognised the efforts to deconstruct the properties of familiness but also urges to consider the content and flow of bonding and bridging social capital along other capital resources in family businesses in a two-way transmission between family and business. Given the 'appropriability' of social capital where the existence of networks created for one purpose may be used for another (Coleman, 1998), social capital has both bonding and bridging features (Adler and Kwon, 2002). Bonding capital refers to the internal capital while the later feature relates to the externally bridging of capital. Internal or bonding social capital enables strong networks which create trust, cohesiveness and pursuit of group goals in a collective (Coleman, 1998). Bridging capital refers to the external relationship of the focal actor or group with other actors outside the collective. Both the flows between a family and the business should be considered in the study of familiness (Sharma 2008). The entrepreneurial family provides an ideal setting to study the two-way flow of resources from the family (different entrepreneurs) to their various firms; and vice versa the use of resources acquired from different firms that serve to other entrepreneurs in the family. This interdependence is comprised of 'familiness', the influence family exerts on business; and 'enterpriseness' the effects of business in family (Frank *et al.*, 2010). More detail on these dynamics is provided in the proposed framework towards a model of familiness in entrepreneurial families at the end of this chapter. The remainder introduces relevant concepts to study entrepreneurial families and presents a framework with the intention to examine the effects of familiness within entrepreneurial families in a particular institutional context.

To address familiness in entrepreneurial families, the different resource capitals are considered in the family setting that are available to members through their interactions. By the abductive nature of the study, the classification of family resources in human, social and financial capital is acknowledged while the form and process they go through in entrepreneurial families is to be explored to understand the dynamics that influence entrepreneurial activity of members.

3.3 Intrafamily entrepreneurship in entrepreneurial families

Academics in the family business field have not yet come to an agreement if family contributes to the development of entrepreneurial activity (Rogoff and Heck, 2003; Nordqvist and Melin, 2010). There is an ongoing debate looking at firm-level activities in family firms surrounding entrepreneurial behaviours. While some academics support the idea that family involvement fosters entrepreneurial activities taking advantage of their distinctive characteristics such as long-term orientation, pursuit of financial and non-financial goals, and established family relationships (Sharma, 2004; Zellweger *et al.*, 2013); other studies highlight that family firms become conservative beyond the founding generation (Ward, 1987; Cabrera-Suarez, Saa-Perez and Garcia-Almeida, 2001). The lens of corporate entrepreneurship in past studies in family firms is not fully appropriate to family business research since they study the firm; conversely, the family in business provides a more thorough understanding of the entrepreneurial phenomenon (Moores, 2009).

In relation to the evolution of family business research and family entrepreneurship, the focus has moved from single-business families to families that own and manage more than one business (Sieger *et al.*, 2011; Discua Cruz, Howorth and Hamilton, 2013; Michael-Tsabari, Labaki and Zachary, 2014). In fact, the range of businesses in the family can be interconnected beyond the notion of formal business groups (Carney and Gedajlovic, 2002), with family members supporting each other in the creation of new ventures (Discua Cruz, Howorth and Hamilton, 2013). There is growing recognition in investigating entrepreneurial activities that lead to a portfolio of businesses in the family (Schjoedt *et al.*, 2013). Many families form teams of family members for business creation and growth endeavours (Iacobucci and Rosa 2005). Recent research from Brannon et al. (2013) offers understanding of how the family influences success, especially couples as collaborative teams for new venture creations. Family ties are used by entrepreneurs to develop their new ventures through the mobilisation of social ties for different motives, business advice, business resource and emotional support (Arregle *et al.*, 2013).

To unpack the effect of family in businesses, Discua Cruz, Howorth and Hamilton (2013) coined the concept of ‘intrafamily entrepreneurship’ that captures entrepreneurial activities with a shift of angle: from the family business to the family in business. As a broader perspective to corporate and portfolio entrepreneurship, intrafamily entrepreneurship examines the entrepreneurial activities of families in 3 ways; 1) Expanding the existing businesses in terms of innovation and intrapreneurship, 2) creating a family portfolio of firms and 3) creating individual new ventures from members in the family. Intrafamily entrepreneurship regards as ‘entrepreneurship in existing family businesses as well as new ventures’ (Discua Cruz, Howorth and Hamilton, 2013, p.21). Akin to entrepreneurs, families in business may engage in a diversity of ventures at a time or simultaneously; however, the nature and amount of support influencing entrepreneurial activity is little understood (Lumpkin, Steier and Wright, 2011). It is important to clarify that families in this study are called entrepreneurial families and not business families or enterprising families, not only for the mere existence of multiple businesses and entrepreneurs in the family, but for the dynamics and processes behind each family demonstrating entrepreneurial activity in terms of intrafamily entrepreneurship.

In their study, Discua Cruz, Howorth and Hamilton (2013) focus on the membership of the family entrepreneurial team (FET) which has acquired or created at least two ventures together. This complements with the entrepreneurial family whose members may be working individually or collectively with their businesses but benefitting from the support in the family, not necessarily working as a team. This provides an alternative view to portfolio entrepreneurship in the family since there is not a single focal entrepreneur. Consequently, the study of the interactions between its members and entrepreneurial activities is valuable to understand the effects of family on entrepreneurship. While the study of Discua Cruz, Howorth and Hamilton (2013) focuses on how and why FET’s are formed and their membership a, this research focuses more on how is support configured in entrepreneurial families either acting as a team or not. Family relationships and interactions among members are key points where entrepreneurship meets the family (Randerson *et al*., 2015). Intrafamily entrepreneurship provides a strong foundation to place the family at the centre to study the dynamics in the creation and management of multiple businesses. It is worth focusing on the family level of analysis to explore the valuable role that it plays in the resource development and management across the portfolio of businesses (Sieger, Zellweger, *et al.*, 2011).

Intrafamily entrepreneurship includes the expansion of existing businesses and the creation of new ventures in the family portfolio or individually by other family members. Past studies suggest that it is a result of the search for growth, wealth, risk diversification and a way to provide new generations with opportunities (Rosa, Howorth and Cruz, 2014). Portfolio entrepreneurship refers to individuals who simultaneously own and manage several entrepreneurial interests, in which family dynamics often influence the decision-making, strategies and processes to engage in multiple ventures (Carter and Ram, 2003). Indeed, for these reasons portfolio entrepreneurship is greatly prevalent in family firms to provide opportunities through various ventures to generate income and stability for the family (Nor *et al.*, 2015). Future generations are not limited to add value to existing family business but rather to create value across a portfolio of firms and investments (Steier, Chrisman and Chua, 2015).

Studies propose that research should go beyond the focus of family business but instead concentrate on the family team behind entrepreneurial processes (Chrisman, Chua and Litz, 2003; Ucbasaran, Wright and Westhead, 2003). Up to now, portfolio entrepreneurship research has been mainly conducted from an individual level rather than from a group level, but collective unit of analysis are emerging (Brannon *et al*., 2013; Discua Cruz, Hamilton and Jack, 2012; Discua Cruz, Howorth and Hamilton, 2013; Iacobucci 2002; Baert *et al.*, 2016). Even in the family business context, portfolio entrepreneurship has been conducted mainly from the individual lead entrepreneur perspective (Plate, Schiede and von Schlippe, 2010) rather than from the collective. Discua Cruz, Howorth and Hamilton (2013) suggest that further evidence is needed revolving around the operation patterns and development of these patterns in FETs. Iacobucci and Rosa (2005) highlight the need to study portfolio entrepreneurship not only from the founder perspective but also from the members of the family that constitute the team, including as well the interconnection of the established ventures. As such, it is relevant to acknowledge the relation of entrepreneurial teams and portfolio entrepreneurship because they often exist together. This study will look at the different owner/entrepreneurs within the family that may be acting as a team when giving support and advice in the management of existing firms that compose the portfolio of businesses in the entrepreneurial family.

A recent approach of portfolio entrepreneurship was conducted by Sieger et al. (2011) where they answer the way family firms develop a portfolio of businesses from a resource based view perspective; focusing mainly on human and social resources in a familiness context (Habbershon and Williams, 1999; Habbershon, Williams and MacMillan, 2003); the focus is placed more on resource management than the relationships and entrepreneurial processes undertaken by family members. There are still unanswered questions concerning family businesses as portfolios, with overlapping experiences of members in the family and their businesses involving other members, from the same or different generations (Wright and Kellermanns, 2011). As such, there is an opportunity to contribute to this literature, by focusing on the family unit as the collective unit of analysis, and more specifically in the context of this thesis the entrepreneurial family. It becomes a natural focus because the creation of the portfolio of firms is not necessarily conducted by the same (original) entrepreneur in the family, and the accumulation of capital is family based and controlled (Iacobucci, 2002).

Intrafamily entrepreneurship provides a fruitful avenue of research because it is not exclusively related to the collective portfolio entrepreneurship in the family; it also considers the pursuit of individual opportunities outside the group of firms. Rosa, Howorth, and Cruz (2014) identify 5 types of families in regards to habitual and portfolio entrepreneurship. In their ‘portfolio business family’, they recognise the uncoordinated family in which family groups are loosely formed, and coordinated families where there is a formal structure, for example a holding company (Rosa, Howorth and Cruz, 2014). These two types of families are akin to the business group concept, as a set of legally independent firms tied formally or informally (Granovetter, 2010), discussed previously in Chapter 2.

Entrepreneurial activities and processes in the family deriving in a group of businesses has yet wide opportunities for investigation (Rosa, Howorth and Cruz, 2014). In uncoordinated family groups, there is an interaction of members with a combination of partnerships and individual business activity in the family (Rosa, 1998). While in coordinated groups, it is common to have an original or core business from which other emerge. In coordinated groups different firms can be a spin-off of the parent company or connected in different ways to that company (Cerutti, 2016). These groups have been normally depicted large business groups and listed companies in different countries from an economic perspective (Aguiló and Aguiló 2012; Piana *et al*., 2012; Cerutti 2016). Some notable exceptions looking at SMEs include studies from Iacobucci (2002) who explains the formation of business groups by habitual entrepreneurs in the Italian context; and Iacobucci and Rosa (2004) analyse high growth entrepreneurial firms through diversification. Building upon the latter work, Lechner and Leyronas (2009) explore the role of entrepreneurial activities in small business groups beyond diversification means. This study however, misses to link the role of family in the entrepreneurial process.

Intrafamily entrepreneurship can also regard to the strategic conceptualisation of entrepreneurship, namely exploration and exploitation of opportunities. Stemming from the work of March (1991), and focusing on the paradox of exploitation versus exploration, in his explanation 'exploration includes things understood in terms like research, variation, risk-taking, experimentation, play, flexibility, discovery, innovation. Exploitation includes things like improvement, choice, production, efficiency, implementation, execution (March, 1991, p.71). As family businesses are heterogeneous, this reflects on their competency to explore and/or exploit because of their unique resources and capabilities, and their family-specific goals embedded in the business (Miller and Breton-Miller, 2006). As entrepreneurial families are comprised with a diverse range of firms in different life stages, from new business ventures to more stable firms or to second or third generation firms, there is opportunity to investigate exploration and exploitation practices. Because of the consideration of multiple owner/entrepreneurs and multiple businesses in this thesis, entrepreneurial activity is framed by intrafamily entrepreneurship covering entrepreneurial endeavours which might involve exploration or exploitation activities in the business portfolio. Intrafamily entrepreneurship is considered an outcome of familiness to be empirically explored because it is through entrepreneurial activity that families pursue financial and non-financial goals. For example, on the one hand increased income, profit and growth; while on the other family cohesiveness, family well-being or transgenerational sustainability (Holt *et al.*, 2017).

Covering all the differences amongst the distinct studies in family business and family entrepreneurship is beyond the scope of this review; however, an amount of useful reviews has been produced recently by Kellermans and Hoy (2016), Evert et al. (2016), Bettinelli, Fayolle and Randerson (2014), De Massis et al. (2012). Instead, in this chapter relevant research was reviewed to set up the scene and acknowledge the point where this study starts. Important theories such as social capital theory and relevant concepts such as familiness and intrafamily entrepreneurship were detailed in overview before developing the conceptual framework basis for the study.

3.4 Towards a framework of support in entrepreneurial families

As highlighted above the fields of family business and entrepreneurship have been developed independently until recently. Family business has been mainly researched through the firm which has significant family influence in its ownership and management with the intention to transcend across generations (Hoy and Sharma, 2010), mainly considering one business in the family. However, there is an increasing recognition that family businesses are actually organised as business groups which vary in size and complexity (Iacobucci, 2002), and are a common unit across countries specially in collectivistic cultures (Iacobucci and

Rosa 2005). The focus on entrepreneurial families embraces a broader perspective, enabling the researcher to examine the intersections of family, family business and entrepreneurship (Randerson *et al*., 2015) with the intention to address under-investigated questions while examining entrepreneurial activities from the family perspective (Rosa, Howorth and Cruz, 2014). Intrafamily entrepreneurship helps deconstruct entrepreneurial activities in the family in regards to existing and new businesses (Discua Cruz, Howorth and Hamilton, 2013).

Academics neglecting the family as key unit of analysis while investigating familiness represent significant gaps because the family is the core and most basic structure in the development of familiness; hence, the way in which familiness functions within the family can have a significant effect on entrepreneurial activity, across members and businesses. When the focal point is the family, generally the household is taken as perspective to examine the resource portfolio (Pearson, Carr and Shaw, 2008; Irava and Moores, 2010; Monroy and Solís, 2015). This represents a meaningful research opportunity, especially in emerging markets where family is socially constructed beyond the boundaries of a single household or nuclear family (Koerner and Fitzpatrick, 2002); hence, entrepreneurial families may be comprised of a set of multiple households and kinship relationships but not limited by co-residential boundaries (Kertzer, 1991; Fulcher and Scott, 2007).

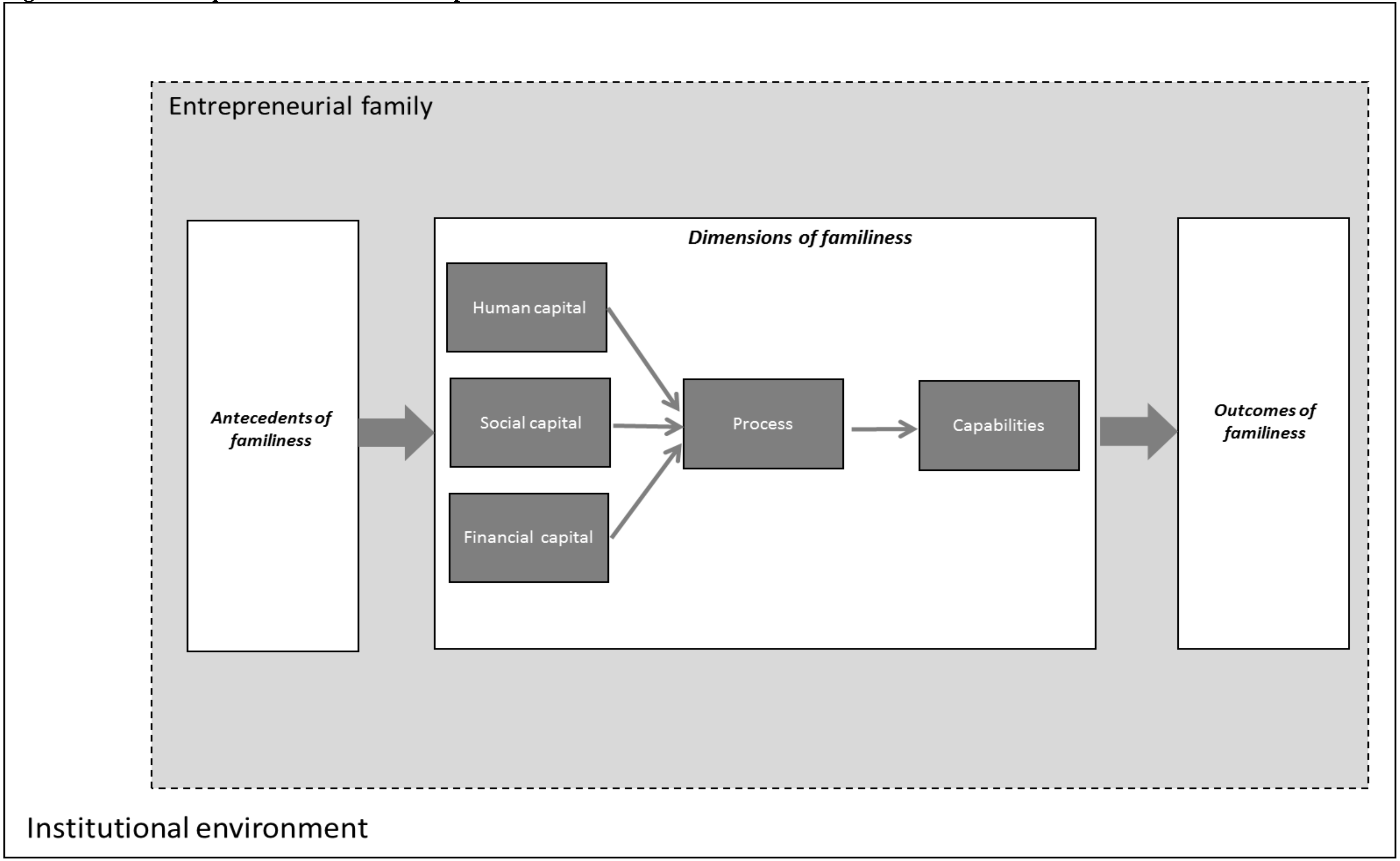
As explained above, familiness has been used to explore different relationships within family firms, and as a way to differentiate them from non-family firms (Pearson, Carr and Shaw, 2008). In this thesis, the construct is taken forward as a means to understand the differences within the new emerging and understudied form of families: the entrepreneurial family. Social capital is a productive avenue to open the 'black box' of familiness (Sharma, 2008). Applying a social capital perspective as basis to familiness provides a useful framework to understand the nature of entrepreneurial families because it focuses on the structural, cognitive and relational dimensions (Pearson, Carr and Shaw, 2008), which in turn can facilitate the creation of human capital and other sources of capital (Schulze and Gedajlovic, 2010). In the same line, the family is regarded essential in the transmission of social capital (Coleman, 1988), influencing the generation of other types of capital, for example human capital for next generations (Sirmon and Hitt, 2003). The three dimensions of social capital are not consistent across families (Discua Cruz, Howorth and Hamilton, 2013) and may influence the creation of capabilities in entrepreneurial families. These capabilities are the result of the unique combination of those dimensions of resources (Pearson, Carr and Shaw, 2008); it is of particular interest in this study to identify the specific combination in entrepreneurial families that lead to their idiosyncratic capabilities in order to explore their heterogeneity.

Beyond the starting theoretical point of familiness (Habbershon and Williams, 1999) based on resource-based view, which focuses on the specific bundle of resources and capabilities unique to a business and its outcome in terms of competitive advantage, this thesis centres on a social capital perspective to examine the effects of familiness on entrepreneurial activity within entrepreneurial families. To that end it is necessary to first understand the three basic components of familiness: dimensions, antecedents and consequences. A social capital framework will allow the researcher to identify the varied capital resources that lead to the creation of capabilities. The contextualisation of resources and capabilities in a specific institutional environment will then provide the basis to understand the consequences/outcomes of familiness in entrepreneurial families and the reasons why they behave in certain manner. These in turn, help to examine the different entrepreneurial activities in the family covered by intrafamily entrepreneurship. Since performance or productivity are not suitable outcome measures to assess the family, the outcome of familiness is evaluated in the three activities comprising intrafamily entrepreneurship such as expanding the existing business, creating a family portfolio of businesses, or creating individual ventures.

While Pearson, Carr and Shaw, (2008) depict a strong foundation to familiness, the entrepreneurial family does not limit itself to social capital. A benefit to this social capital perspective is that it provides ample opportunity to include more elements such as other forms of capital (Sharma, 2008). In the proposed framework (Figure 2), the antecedent components from Nahapiet and Ghoshal (1998) and other sources of capital were added such as human and financial capital. As a basic conceptual framework, it conceptualises the distinctiveness of entrepreneurial families from the adaptation of dimensions and past studies, with the promise that the empirical evidence supports, integrates and further develops it. Hence, to avoid fragmented research, this thesis builds upon past strong foundations of familiness (Hoy and Sharma, 2010; Pearson, Carr and Shaw, 2008; Arregle *et al.*, 2007) and intrafamily entrepreneurship characteristic in families in business (Discua Cruz, Howorth and Hamilton, 2013). Powell and Eddleston (2016) highlight the importance of examining the role of family to support the business in multigenerational family firms to understand the survival and success processes. As such, this study considers the entrepreneurial family as organisation to build on the capital resources across generations and to identify unique capabilities that help undertake entrepreneurial activity within an institutional environment. The proposed framework also guides this study to raise the research objectives defined in Chapter 4 – Research context, research design and methodology. Chapter 5 – Classifying entrepreneurial families, Chapter 6 – Examining familiness in entrepreneurial families and Chapter 7 – Understanding entrepreneurial families in the institutional context of Mexico; take the elements of the framework forward in relation to social capital theory, intrafamily entrepreneurship and institutional theory.

Understanding the resource endowment and the capabilities that entrepreneurial families pursue is important for developing conceptual models and empirical research in family-related issues (Salvato and Aldrich, 2012). By shedding light in the resources and capabilities in relation to intrafamily entrepreneurship, it is possible to capture the variation amongst entrepreneurial families in their specific institutional environment. There is still little research about the specific circumstances and contingencies facing entrepreneurial families (Schjoedt *et al*., 2013, p.3), considering both internal and external aspects; while

Figure 2. Initial conceptual framework of entrepreneurial families



Source: Adapted from Pearson, Carr and Shaw (2008), Arregle et al. (2007), Nahapiet and Ghoshal (1998) entrepreneurial processes in institutional contexts like emerging economies remain understudied (Ramírez-Pasillas and Brundin, 2017).

According to Rau (2014, p. 335) the 'two biggest blind spots' in the research developed so far are the family as organisation and the reciprocal impact between the business and the family. Additionally, she indicates the lack of research that captures the influence of institutional contexts in organisations (i.e. the family) in consideration to resources and capabilities. This is a promising avenue of research that this thesis aims to address. In that line, institutional theory provides the adequate path to address the need for multi-level studies considering the wider institutions, micro institutions and actors (Randerson *et al.*, 2015). In this thesis – the wider institutional environment, the entrepreneurial family and the family members.

The basic framework of familiness in entrepreneurial families is shown in Figure 2. It depicts the multi-level nature of the study including the institutional environment, the resources and capabilities at the disposition of the entrepreneurial family and the individual perspective with the contribution of family owner/entrepreneurs creating the portfolio of resources. The dimensions, antecedents and consequences are shown to guide the researcher in the data collection process and the empirical sections of this thesis. The effectiveness of the dimensions will be studied in terms of trust, norms, obligations and identity within the entrepreneurial family. The micro analysis centres on the individual family members pooling resources together and using them individually or collectively for the benefit of their firms and family. The family develops its internal capital through the interactions, accumulation and variations of resources and capabilities.

The macro analysis focuses on the wider institutional environment and how the entrepreneurial families respond to it by bonding and bridging capital and making use of familiness across the portfolio of businesses. Considering that different forms of capital coexist simultaneously, their flow take the form of a two-way transmission between family and businesses (Sharma, 2008). The nature of entrepreneurial families is also revealed by their effects of familiness (from family to business), this study will also explore enterpriseness (from business to family). This conceptual framework informs the methodological process presented in Chapter 4 which includes the multilevel approach considering institutions, entrepreneurial families and owner/entrepreneurs.

3.5 Conclusions

Building on the discussions in Chapter 2 around entrepreneurship and institutions, this chapter started by addressing the family as an organisation which has evolved and still changes according to time and context. By reviewing literature, it is noted that it was commonly accepted amongst researchers that the family dimension has been neglected and the firm remains the most common unit of analysis, which represents a meaningful gap in family entrepreneurship. Randerson et al. (2015) reveal that it is a fast evolving field embracing a wider perspective at the intersections of family, family business and entrepreneurship. Different conceptualisations of family firms were presented, showing how the focus has started to change from the business to the family in business, leading to the emergence of the entrepreneurial family. For this study the entrepreneurial family was selected as the unit of analysis led by this definition, families where more than one member is an owner/entrepreneur who interact with other entrepreneurs of the same family. One of the avenues taken to identify distinctive and heterogeneous characteristics in family firms is the construct of familiness. In recognising the fragmented nature of studies slowing down theory building in family business research, it was suggested for the purpose of this thesis to follow on and extend strong foundations on familiness. In particular, the social capital model of familiness developed by Pearson, Carr and Shaw (2008) and complemented by previous work by Arregle et al. (2007), including Sharma suggestions to previous models (2008). Additionally, the recognition of different resources in familiness apart from social capital led to consider other types of resources like human (Hoy and Sharma, 2010) and financial capital. The next section focuses on the outcome of familiness, conceptualising entrepreneurial activity in entrepreneurial families through intrafamily entrepreneurship

(Discua Cruz, Howorth and Hamilton, 2013). By focusing on distinct actions such as entrepreneurial activities occurring either in the existing family business or in new ventures, the construct of familiness can be employed to capture the nature of entrepreneurial families through an institutional approach. As addressed in Chapter 2 – Understanding entrepreneurship and institutions; institutional theory can be employed to understand certain phenomena emerging from social interaction and adaptation; as such a theoretical model of familiness in entrepreneurial families was presented at the end of this chapter linking theories of family business, entrepreneurship and institutions. By adopting multiple theoretical approaches which complement each other, the selected theories in this thesis allow a broader view of family entrepreneurship. Along the chapter, the researcher made emphasis on the specific conceptualisations of family, family business and entrepreneurship adopted for this study, reflecting as a strong foundation to study Family Entrepreneurship (Randerson *et al.*, 2015).

This chapter has focused on conceptualising the distinctiveness of entrepreneurial families addressing relevant theories and concepts. First, it considered the evolution of the field from family business research to family entrepreneurship, providing different definitions for family firms and emphasis in the focus of this study in entrepreneurial families. In the second section of this chapter, the construct of familiness was discussed from its origins to present day while the third section focused on intrafamily entrepreneurship. Finally, the chapter presented a framework towards studying entrepreneurial families including the institutional environment and the construct of familiness. The framework will be applied to explore the support provided by members in entrepreneurial families through their distinctive resources and capabilities influenced by their specific institutional environment.

Chapter Four: Research context, research design and methodology

The previous literature review chapters have set out past research in institutions, family business and entrepreneurship. Chapter 2 considered institutional theory concerning formal and informal institutions and its consequences for entrepreneurship. Chapter 3 explained why the study of the family and consideration of multiple firms represents a gap in family entrepreneurship. Despite the importance of family in the institutional environment, family business and entrepreneurship, it has been widely overlooked in research focusing on the firm mainly in performance outcomes. Recently, however, there has been an increasing attention to place the family in the centre of studies in family business (Dyer and Dyer, 2009; Randerson *et al*, 2015). While it has been acknowledged that families may own multiple firms (Habbershon and Pistrui, 2002; Sieger *et al.*, 2011; Michael-Tsabari, Labaki and Zachary, 2014; Steier, Chrisman and Chua, 2015), it exists a need to understand the entrepreneurial processes and support behind their members that make up for the entrepreneurial family (Rosa, Howorth and Cruz, 2014).

Considering the importance of the context in family entrepreneurship studies, this chapter starts by setting out the scene of the socioeconomic and cultural context of Mexico specifying the empirical focus where the research was conducted. Next, building on the research gaps discussed in the literature review, the research aim and objectives are outlined. After the presentation of the philosophical underpinnings of the study, the research strategy is explained. Further on, qualitative research and the case study approach are discussed in detail to introduce the selection of cases, the collection and analysis of data following validity and reliability measures. Finally, the limitations and ethical considerations of the study are acknowledged. This chapter ends with a summary of the principal points discussed and sets the scene for the next empirical chapters.

4.1 Empirical focus: Mexico

The empirical focus of this thesis is the institutional environment in Mexico and its impact on entrepreneurial families to examine their support dynamics. Mexico is an upper middle income-country with a population of approximately 119 million people in 2015 (INEGI, 2015). Mexico was chosen as the empirical setting for the study because of the importance that family firms represent in the country and its particular institutional environment. The World Economic Forum (2015) ranks Mexico as 109th out of 140 countries in terms of the quality of its institutions. Although there have been important structural reforms adopted (Presidencia de la República Mexico, 2015), institutional reform has further to go, with the country ranked 65th in terms of Doing Business (World Bank, 2016), and significant levels of corruption. According to the WEF (2015) corruption in Mexico is the most challenging factor for doing business. Under this environment, some entrepreneurs in Mexico are discouraged to start new formal ventures because of the cost, and as a result many instead engage in the informal economy (GEM, 2014). As a result, informal businesses in Mexico increased much faster than formal firms between 1998 and 2008 (Busso *et al.*, 2012).

Mexico as a country is politically distributed in states. Because of its location and connectivity with other regions, the State of Mexico is one of the so-called economic and social engines in the country. The State is a symbol of regional productive integration with the largest number of economic units and the second largest contributor to GDP after Mexico City (INEGI, 2012). The state capital Toluca is a city characterised by its strategic location, closeness with Mexico City and other key ports in the country. Added to this, in an attempt to scatter Mexico City's demographic increase to nearby areas like Toluca, it is now one of the most industrialised cities in the country. Furthermore, recent policies in the State and particularly in the city of Toluca are focusing on developing entrepreneurship and supporting family entrepreneurs for the development of their businesses (Gobierno Toluca, 2015).

The Institute of the Entrepreneur in the city aims to provide support to families to start and grow their business. 'Generating an entrepreneurial culture' is one of the priority policies to develop and consolidate businesses. Considering that seven out of ten people in Toluca are employed by micro, small and medium enterprises; the importance to strengthen them is showed in the diverse institutes and programmes designed to foster entrepreneurship and to reduce business mortality rates. There are programmes such as 'Toluca Emprende', the fund for the microenterprise, credits, and business assistance services which overall aim for the promotion of competitiveness in enterprises and specifically family businesses around the area (Gobierno Toluca, 2014). In fact, within the last year 80% of the credits were given to family entrepreneurs for the development of their businesses, in order to enhance their family standard of living and in general the population in the city (Gobierno Toluca, 2015). In summary, because of the richness and uniqueness qualities of the locality, the importance of micro, small and medium enterprises in Toluca, the city was deemed suitable for the empirical focus of the study. In addition, because of the stress on policy to promote entrepreneurship in family business, the city of Toluca is an ideal setting to understand the dynamics within entrepreneurial families in response to their institutional environment.

4.1.1 Family firms in Mexico

Family firms in Mexico are owned by either one or a group of families, or by following generations of the family (Aguiló and Aguiló, 2012). Most firms in the country are small- and medium-sized enterprises (SMEs), most of them being family-owned (INEGI, 2012). Despite their importance, the majority of information about Mexican family businesses refers to large firms; for medium, small and micro enterprises there is no official agency that registers the firms as family businesses or a census that defines them as family or non-family (Trevinyo-Rodríguez and Bontis, 2007). The preference for family members engaging in business ventures is greater in emerging economies because there is a higher dependence on personal and family trust than on institutional trust (Khanna and Rivkin, 2001). Reasons for this include high levels of informality, weak markets and feeble legal infrastructures (Steier, 2009a).

Family firms in the country are SMEs, they have great importance in Mexican economy because they constitute 99.8% of all businesses (GEM, 2010). Nonetheless, the amount of family businesses in the country is still unclear; data differs from sources of the two leading Business Schools in the country that have a Family Business Centre within. One of them states that family firms constitute 67.2% of the total number of firms[2], while the other claims they represent more than 90% of companies[3]. According to PricewaterhouseCoopers (2012), around 90% of family firms in Mexico generate 70% of national employment and represent 60% of GDP. They concentrate mainly in the industrial, financial and wholesale sectors; others fall in construction, hospitality and retail selling sectors (Simon, 2012).

Family businesses normally start as entrepreneurial ventures and later transform into family-owned businesses with high ownership concentration and family control. As Steier (2009) states, family ownership is the major form of governance in emerging economies. In Mexico, family firms are owned by either one or a group of families, or by following generations of the family (Aguiló and Aguiló, 2012). In addition to financial objectives, family firms in Latin American countries also aim to achieve non-financial goals such as: family prestige; sustainability; and reputation among family members, employees and other contacts (Gupta and Levenburg, 2010).

Past research has focused in the discovery and enactment of entrepreneurial opportunities through an individual perspective, mainly in an environment with developed institutions (i.e. financial institutions, legal frameworks and labour markets) (Discua Cruz *et al*, 2013). Yet, making inferences in other cultural and economic context is dangerous (Westhead, Howorth,

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[2] Juan Arriaga, Director Centre of Family Enterprise. EGADE Business School Mexico, Tecnologico de Monterrey. Available at http://mba.americaeconomia.com/articulos/reportajes/juan-arriaga-se-refiere-al-valor-de-las-empresas-familiares-de-la-region [Accessed May 20, 2016].

[3]Alfonso Bolio Arciniega, Dean IPADE Business School Mexico. Available at from http://www.ipade.mx/editorial/Pages/noticia-9-de-cada-10-empresas-familiares-desaparecen.aspx [Accessed May 20, 2016]

and Cowling, 2002). In contrast, Latin American are characterised by high levels of uncertainty (Nordqvist *et al.*, 2011). As such context plays an important role in understanding entrepreneurial activity in families and family business. In this study, the context is Mexico, a country with a collective approach and reliance upon family ties and relationships when undertaking business activity (Aguiló and Aguiló, 2012).

Some characteristics in Latin American countries are common, with many of them sharing histories, languages and culture (Discua Cruz, Howorth and Hamilton, 2013). According to Gupta and Levenburg (2010), it is common to have family and business intertwined in Latin American countries, like in Mexico. In fact, the same authors argue that the separation of both entities becomes more complex in collectivist cultures. People in these cultures value social networks and relationships; and success and wealth are shared among family and friends (Hofstede, 1984). In order to do business, a developed relationship with the other person is required to cultivate trust; reason why normally businesses are ran by family members (Gupta and Levenburg, 2010).

Research in Mexico involves literature written in English and in Spanish. From a recent literature review on family business in Spanish, it is argued that Spain and Colombia dominate research conducted in Latin America. Compared to literature published in English, the trend is similar. Research trends in Latin America involve mainly the study of family business succession, governance and performance. The Global STEP project (Nordqvist *et al.*, 2011) has contributed greatly to the development of research in Mexico considering other topics in family business such as entrepreneurial orientation and transgenerational entrepreneurship (Ramírez-Pasillas, Sandoval-Arzaga and Fonseca-Paredes, 2011); and knowledge transfer in family firms (Sandoval-Arzaga, Ramírez-Pasillas and Fonseca-Paredes, 2011); however it has focused on a limited number of family businesses in Mexico. As with family business research, studies in Mexico have yet to consider the family unit to understand its influence on family firms and entrepreneurial activity. Having said this, along with the prevalence of family businesses in Mexico and its collective culture, there is ample opportunity to contribute to the understanding of this particular setting.

4.1.2 Entrepreneurial families in Mexico

Entrepreneurial families coming from a collectivist culture rely on relatives collaboration, some of them acting as entrepreneurial teams with different businesses (Discua Cruz, Howorth and Hamilton, 2013). Business groups are more prominent in developing countries because they cultivate unique advantages in the particular social, economic and political conditions of these countries (Khanna, 2000); correspondingly, entrepreneurial families are more numerous in emerging economies. It is common in Latin America and in Mexico to find portfolio entrepreneurship. The search of new business opportunities is evident when families are numerous; in Mexico, family members with strong ties normally go beyond the nuclear family. The preference for family members goes beyond in emerging economies because there is a greater dependence on personal and family trust than on institutional trust (Khanna and Rivkin, 2001) because of high levels of informality, weak markets and feeble legal infrastructures (Steier, 2009a).

Nordqvist et al. (2011) highlight that the business environment in some emerging countries, like Latin American ones, can be known of having a long history of instability and uncertain environments for business activity coming from a weak institutional structure (Bruton, Ahlstrom and Li, 2010). Under this environment, entrepreneurs in Mexico are discouraged to start new formal ventures because it also represents higher costs, leaving them with a chance to engage in the practice of informal economy (GEM, 2010). Unfortunately, informal businesses in Mexico increased much faster than formal firms between 1998 and 2008 (Busso *et al.*, 2012). According to a report from McKinsey Global Institute (2014), the country is experiencing a ‘tale of two Mexicos’ in which there is a constant fight between the productive modern economy and the low-productivity traditional economy (with small and informal enterprises).

Focusing in large businesses, Cerutti (2016) argues that family firms in Mexico coevolve dynamically with their context to the entrepreneurial family interlinked in a business group reality. Despite the importance of small and medium enterprises in Mexico, research conducted in entrepreneurial families has been dominated by the consideration of large firms through a focus on perdurable business groups (Fernández Pérez, Lluch and Barbero, 2015). The study of large business groups and the lack of extensive research on emerging economies and developing countries raises questions on how applicable research in family entrepreneurship and institutions might be to families owning smaller firms. As such, this research is concerned with entrepreneurial families owning and managing small and medium enterprises to understand the nature of support and interaction among owner/entrepreneurs in the family.

Regarding entrepreneurial activity with family support, the GEM (2011) compares family entrepreneurship worldwide providing a picture of the wide amount that family supports start-ups and established entrepreneurs particularly in Mexico. However, the measurement for family entrepreneurship is based uniquely on economic support from family members. While it provides new light on the recognition of family in entrepreneurial endeavours, the great limitation of this study is that apart from economic support it does not consider other types of family contribution and involvement that are significant for entrepreneurial activity (Zachary, Rogoff and Phinisee, 2011). There is a need to understand the nature of support, as well as how and why family entrepreneurship works in Mexico beyond tangible support in terms of money, to the consideration of other assets like physical support or less tangible resources like business support, emotional support, networks or entrepreneurial spirit.

4.2 Research design and strategy

After presenting the socioeconomic context of Mexico and the empirical focus where the research takes place, this section is concerned with the research design and strategy selected in this study. First, the overall research aim and objectives are outlined, considering family,

family business and entrepreneurship to shed light upon Family Entrepreneurship. Second, the philosophical underpinnings of the study are specified in accordance to the research aim and objectives. Finally, the selected strategy is the result of previous considerations and presents the conceptual framework that guides the research process.

4.2.1 Research aim and objectives

The research aim and objectives are presented in accordance to the research gaps discussed in the literature review chapters.

Research aim

> To examine the dynamics of support within entrepreneurial families influencing entrepreneurial activity in a challenging institutional environment.

Research objectives

> **Research objective 1:** To examine the distinctive features of entrepreneurial families and how they differ from each other

As demonstrated in the literature review, academics have a solid understanding of what characterises family firms from non-family firms (De Massis *et al.*, 2012); but to develop this further there is a need to focus on the processes by which family firms create their distinctiveness (Chrisman *et al.*, 2016). Past research in family business has focused mainly in the study of single business families, shifting recently to families that own and manage more than one business (Steier, Chrisman and Chua, 2015). Yet, the level of analysis has remained in the firm. The interactions among family members and their effect on entrepreneurial processes has a wide opportunity for research (Michael-Tsabari, Labaki and Zachary, 2014). This objective acknowledges recent literature on the heterogeneity of families to understand family firms and the different outcomes that families aim for with their businesses (Jaskiewicz and Dyer, 2017). As such, in order to understand the specific interactions and dynamics within entrepreneurial families, it is necessary to capture their different characteristics through an empirical typology. Following the definition of entrepreneurial family, this objective provides the base for the study and enables further analysis across the types of entrepreneurial families. Addressing recent calls for research, to open the 'black box' of family and explain the way 'the organisation family' varies from others (Rau, 2014), the accounts of multiple members in the family can allow to define the different dimensions in which family organisational forms work and contrast.

Research objective 2: To understand how support is configured in entrepreneurial families

In this research the interest lies in strong ties in the entrepreneurial family and the support owner/entrepreneurs give to others in the family (Granovetter, 1973). Having identified the different types of entrepreneurial families through the typology, the construct of familiness can help to unpack their heterogeneity in terms of the resources and capabilities families and their owner/entrepreneurs offer to other members engaged in entrepreneurial activity. As such, understand the nature and configuration of support in entrepreneurial families through familiness. To advance this understanding, building on Sharma (2008) the study of familiness should address its three components, as such this objective is concerned with understanding the antecedents, dimensions and outcomes of familiness in entrepreneurial families. As discussed in the literature review, the development of familiness has been slow as a consequence of the fragmented research developed around it. Additionally, the firm-level of analysis has limited the understanding of different levels of analysis have also decreased its development. Building on past research (Sirmon and Hitt, 2003; Arregle *et al*., 2007; Pearson, Carr and Shaw, 2008; Sharma, 2008; Zellweger, Eddleston and Kellermanns, 2010) and acknowledging theoretical stands to address familiness, this study focuses on the family aspect of familiness through a social capital perspective. Moreover, addressing this objective not only identifies what resources and capabilities characterise entrepreneurial families but examines how they are configured and employed by the members of the family, including the variations of familiness across the types of entrepreneurial families.

> **Research objective 3:** To examine how does familiness affect the entrepreneurial activity of entrepreneurial family members

To this date, research has not fully understood the reasons families decide to pursue grow and change through different firms rather than growing internally in the same firm (Rosa, Howorth and Cruz, 2014). The configuration of support employed in entrepreneurial families can shed light behind the entrepreneurial processes undertaken by members in the family. Under a firm-level of analysis, past research has examined the links between the resources and capabilities to family business performance (i.e. Danes, Stafford and Haynes, 2009; Sirmon and Hitt 2003; Monroy and Solís 2015) or its relationship to strategic decisions in family firms (i.e. Kansikas *et al*., 2012; Irava and Moores 2010). In contrast, from a family perspective, this study focuses on the different ways family owner/entrepreneurs support each other with their firms through their resources and capabilities influenced by their social capital. As such, not only addressing family-related factors in familiness (Zellweger, Eddleston and Kellermanns, 2010) but also addressing the benefits that they represent for family firms and entrepreneurial activity, taking a step further in the investigation of familiness. Having said this, this objective focuses in understanding the practice of entrepreneurial families by examining how the resources and capabilities have an effect on entrepreneurial activity of their members, hence understanding the reasons behind the portfolio of firms.

> **Research objective 4:** To examine how the institutional environment affects entrepreneurial families

After understanding what characterises entrepreneurial families and how they configure and utilise their resources and capabilities for entrepreneurial activity, it is necessary to recognise the influence that the institutional environment exerts on entrepreneurial families. The consideration of theory and context is important in family business research (Evert *et al.*, 2016). The family dimension is influenced by its institutional environment (Leaptrott, 2005). In many developing economies such as Mexico, institutions are incongruent and asymmetries persist (Williams and Vorley, 2015). This objective focuses on the context where entrepreneurial families operate, identifying the most pressing challenges as a consequence of the institutional environment. This aims to contribute to research by focusing on the integration 'micro-level research on families with macro-level research about societal institutions' (Jaskiewicz and Dyer, 2017). Consequently, this objective regards to the effect that institutions have on entrepreneurial families and their members influencing their entrepreneurial activity.

> **Research objective 5:** To understand how and why entrepreneurial families navigate institutional challenges in the institutional environment

The consideration from a 'how' to 'why' question, can enable the understanding and development of family businesses in the economies where they operate (Steier, Chrisman and Chua, 2015). Incorporating Jaskiewicz and Dyer's (2017) concern on acknowledging the heterogeneity of among families within a society, this study takes the typology of entrepreneurial families forward to understand how and why they are able to navigate and overcome the most pressing institutional challenges. In doing so, this research builds on the need to study the formal and informal aspects of institutions (Meyer and Peng, 2005) and how they shape entrepreneurial practices in familial contexts (Lumpkin, Steier and Wright, 2011). This objective focuses on 'family-specific issues' (Salvato and Aldrich, 2012) and how they can help to overcome challenges in a changing institutional environment. There are under researched areas on the influence of the institutional context into organisations relating their resources and capabilities (Rau, 2014).

This study is concerned with an in-depth examination of the heterogeneity of entrepreneurial families and how they function, and also how members in the family support each other by examining familiness in addition to how the institutional context influences family entrepreneurial activity. As such, the nature of this study can be distinguished as exploratory. The emphasis made throughout this thesis on the focus of family and its transactional view corresponds to a social constructionist stand standpoint, which is the philosophical posture of this study.

4.2.2 Philosophical assumptions of the study

Social constructionism

Social construction of reality related to Berger and Luckmann's (1967) concerns with the creation of meaning by actors by sharing processes and negotiating understandings. Ontologically, reality is socially constructed by humans through action and interaction (Berger and Luckmann, 1967). Epistemologically, knowledge is socially constructed not discovered (Class and Notes 2008), knowledge is what constitutes the 'fabric of meanings' without which society could not exist (Berger and Luckmann, 1967). Empirically, research is guided by more open-ended questions (Creswell, 2009) to enable the researcher to pay attention to social constructions structured within the social contexts (Fletcher, 2006). Knowledge is constructed through the creation of models and concepts to make sense of the human experience continually interpreted by the researcher (De Massis and Kotlar, 2014).

It is important to make a distinction between the terms constructivism and constructionism (Lindgren and Packendorff, 2009) which are often used interchangeably (Fletcher, 2006). Constructivism is more focused on how individuals mentally construct their world through 'cognitive processing of the single observer that absorbs the object into itself' (Gergen and Gergen, 1991, p.78), while social constructionism considers the construction of meanings emerging from social interactions and exchange, constructing accounts of the world within shared systems (Gergen and Gergen, 1991). Employing a social constructionist stance means in this thesis that the researcher not only considers the individual processes, but also to the relational aspects between individual's actions within their institutional context. As Fletcher (2006) refers to it relational constructionism, the creation of meaning is relational. As such, the inquiry goes further from individual processes to the relationality between owner/entrepreneurs' who collectively generate and transmit meaning considering their institutional and organisational context (the entrepreneurial family). Since entrepreneurship is seen as collective experiences they cannot be fully understood on a focal individual entrepreneur (Lindgren and Packendorff, 2009).

This study is concerned with the meanings and interpretations of the entrepreneurial families as viewed from their members emerging from their interactions, and also on the relationality between people and institutions, bringing together the individual and relational perspectives. Interactions are important to this research because it is where support among members occurs. Interactions are the interplay through verbal expressions, attitudes or actions (Barredy, 2015). Interactions could take the form of conflict or cooperative actions (Vion, 1996). In this thesis, interactions are the heart of this study, and the focus relies more on the cooperative actions amongst family members. It is within the family context that entrepreneurial activity occurs (Zachary, Rogoff and Phinisee, 2011). In Family Entrepreneurship the interactions between entrepreneurs, family and the business that create the whole organisation (Barredy, 2015).

From the institutional theory perspective, cultural-cognitive theorists argue that the construction of social reality is a continuous process that provides a guide for decision making, such that behaviour is informed and limited by the way knowledge is constructed and codified (Scott, 2014). This is a source of controversy and debate within the social sciences and institution theorists, between instrumental logics or a more socially embedded logic. That is why academics must emphasise the nature of social reality and the way actors make decisions to social situations. Consistent with Berger and Luckmann (1967), this research acknowledges the two polarities between objective macro relationships and subjective micro relationships. Individual actors and their preferences are not stable and they can only be understood as part of a larger institutional framework (Krasner, 1988). Institutions then are 'a reciprocal typification' of habituated actions by actors, they arise when a group understands an activity in a certain way and that understanding becomes shared across that group (Berger and Luckmann, 1967).

Critiques to interpretivist research lie into subjective characteristics favouring positivist assumptions (Bowring, 2000). However, beyond the objective-subjective dichotomy, assumptions fall into a continuum instead of one of the two extremes (Morgan and Smircich, 1980). This study avoids filling into the extreme of subjectivist where reality is an object of individual consciousness as an act of creative imagination where there is nothing outside 'oneself'. Yet, it does not fall either in a positivist view where reality is a concrete structure and behaviour is regarded as questionable status (Morgan and Smircich, 1980). When in fact, the researcher always sees interpreted data placed in a frame of reference (Alvesson and Sköldberg, 2000). A level of subjectivity is beneficial to address interactions among members in a social constructed family where meanings are created and sustained through the collective.

Social constructionism and entrepreneurial families

Research in family business and entrepreneurship is starting to progress from a positivist stance to the recognition that situations are socially constructed (Barredy, 2015; Randerson *et al.*, 2015). From reviews in family business, positivistic approaches have been dominant (De Massis *et al.*, 2012), but there is an increasing recognition of the need of more socially constructed studies (Leppaaho, Plakoyiannaki and Dimitratos, 2016). In entrepreneurship, the social constructed view is illustrated in the on-going debate related to the recognition and construction of opportunities (D. E. Fletcher, 2006; Vaghely and Julien, 2010). Knowledge about entrepreneurship regards to 'how individuals and collectives perceive, define, produce and re-produce entrepreneurial action in society' (Lindgren and Packendorff 2009, p. 31).

Entrepreneurial families, as organisational entities are embedded in their institutional environment, playing under 'rules of the game' (Williams and Vorley, 2014), they are actors arising in particular contexts and socially constructed (Scott, 2014). Thus, games involve more than rules and enforcement mechanisms, they also involve constitutive rules normally overlooked that construct social objects under general orders of meaning that both objectively and subjectively real (Berger and Luckmann, 1967, p. 39) Approaching entrepreneurial families in this standpoint considers that actors that comprise them, the business and entrepreneurial activity construct their meanings in relation to the interactions within and around the entrepreneurial family, as viewed by the accounts of owner/entrepreneurs. The researcher then should listen carefully to the multiple voices which in turn give meaning through the relational processes in a common framework in the family. More specifically, in entrepreneurial families the identification of opportunities could be featured by relational activities enhanced in different ways, for example family resources, and affected by the culture, society and institutions in which opportunities are reproduced (Fletcher, 2006). This dynamic shows the way in which relational constructionism is evident.

In family entrepreneurship, social construction is demonstrated by the recognition of both structural and transactional views of family (Koerner and Fitzpatrick, 2002; Hoy and Sharma, 2010). 'The field of family entrepreneurship can only be truly explored through admitting the construction of the family, of entrepreneurship, of the family business' (Randerson *et al*. 2015, p. 151); as such, this research acknowledges the social construction of the multiple dimensions considered to study entrepreneurial families. Interpreting and understanding social phenomena in family business requires to be open for several perspectives and theories (Nordqvist, Hall and Melin, 2009) as the study of family business needs the involvement of multiple theoretical lenses and levels of analysis (De Massis and Kotlar, 2014).

The construction and interpretation of meaning by human beings is often linked to an interpretive approach (Creswell, 2013). While conducting research, interpretive researchers seek knowledge through the experiences of actors who are involved in the social process under study (Nordqvist, Hall and Melin, 2009). In contextualising entrepreneurship, the researcher background is important to conduct 'in-between' research (Ramírez-Pasillas and Brundin, 2017). In this study the fact that the researcher has the same cultural, social and national background as the participants enabled to have an 'internalized predisposition' (Chia and Holt, 2009) to generate detailed observations of the particular context. This is especially important in studying emerging economies and developing countries, the particular background of the researcher in congruence with the context under study allows to 'un-westernize' research (Ramírez-Pasillas and Brundin, 2017). Supporting this, the construction of knowledge is shaped by 'our lived experiences' (Lincoln, Lynham and Guba, 2011), the researcher and the actors under study are linked such that the who we are and how we understand the world plays a central role on how we understand ourselves, others and the world (Guba and Lincoln, 1994).

Contextualising entrepreneurship means highlighting the importance of diversity and nuances to unexplored contexts of societies in emerging and developing economies (Ramírez-Pasillas and Brundin, 2017). Consequently, contexts include the where, who, how, why and when entrepreneurial activity takes place (Welter, 2011). In this thesis, the *where* is the institutional setting of Mexico, the *who* is the entrepreneurial family comprised by individual members who are owner/entrepreneurs. The *how* corresponds to the processes of interaction in the entrepreneurial family, while the *why* links the institutional setting to understand the motives and triggers of entrepreneurial activity. Finally, the *when* enables to understand changes and the impact of processes in entrepreneurial activity.

The interpretive approach

The main purpose of interpretive approach is to view reality in novel ways understanding social, economic and political phenomena and to view reality in novel ways (Burrell and Morgan 1979). Congruent to the worldview mentioned above, human beings are active and knowledgeable actors creating and recreating social reality (Berger and Luckman, 1967). The realities of family business are complex that need to be interpreted to be understood (Nordqvist, Hall and Melin, 2009). To achieve that, this study focuses in the 'fine-grained details' and 'complex processes' that enable actors' interpretation of meaning of their actions and of others (Schwandt, 2000).

In a social constructionist interpretive approach, theory development 'lies at the heart of the interpretive research' (Nordqvist, Hall and Melin, 2009). Thus, in this study there is intensive empirical fieldwork for the development of theory and concepts through analytical not statistical generalisation (Yin, 1994) . In other words generalisation is made from the findings in specific cases to theory (Nordqvist, Hall and Melin, 2009), rather than to a population (De Massis and Kotlar, 2014). The empirical material in the interpretive approach is loaded with theory and prior conceptual understanding (Miles and Huberman, 1994), meaning empirical material and theory are not separated but move back and forth through and abductive process (Alvesson and Sköldberg, 2000; Suddaby, 2006). This iterative process is more suitable to describe the interpretive approach often assumed to be inductive approach (Suddaby, 2006). The interpretive approach involves a qualitative methodology that is addressed more in-depth in the following section on selecting a research strategy.

4.2.3 Selection of research strategy

This section presents the suitability of a qualitative methodology and a case study approach for this research, underpinned by a social constructionist interpretive approach. Qualitative research has the ability to explore new depths in entrepreneurship that are in constant change and shaped by the experiences and behaviours of entrepreneurs (Neergaard and Ulhøi, 2007). Through qualitative research the interactions between family and business, often hidden, can be discovered to provide significant insights (Reay, 2014). This approach is appropriate for researching entrepreneurial families as the dynamics and interplay in the family context can provide rich insights. In line with Nordqvist, Hall and Melin (2009) in this research qualitative research is employed to gain an in-depth understanding of the complex dynamics in the family business field. To capture the nature of familiness, the interactions and support among family members are studied through qualitative techniques as a way to understand entrepreneurial families.

Academics conducting research involving the areas of entrepreneurship and family business consider that in-depth qualitative research is more appropriate to better examine how the role of entrepreneurship is immersed in a family business environment leading to social and economic value creation (Habbershon, Nordqvist and Zellweger, 2010b). Statistical empirical research offers an alternative to answer 'who, what, where, how many and how much questions' (De Massis and Kotlar, 2014, p. 16). Quantitative methods are not considered in this study for the following reasons. The research purpose is not placed in making generalisations across a population; the research objectives consider mainly 'how' questions which are best answered with in-depth analysis; and finally there is not a single estimate or database of the number of entrepreneurial families. This last reason in fact indicates the newness of the proposed research focus that calls for exploration. Consequently, the complexity of this research involving family business and entrepreneurship demands the use of qualitative data due to the rich sources of information it provides (Neergaard and Ulhøi, 2007; De Massis and Kotlar, 2014; Reay, 2014).

Within qualitative methods, case studies have been mainly adopted in organisational studies (Eisenhardt, 1989). Case studies allow a deeper vision in a field that has not been yet well-understood (Alvord, Brown and Letts, 2004). Taking into consideration the research objectives, the case study approach detailed by Yin (1994) is the most appropriate to answer ‘how’ and ‘why’ questions and to provide rich insights aimed to be obtained from them. Yin (1994) sees a case study as ‘an empirical inquiry that investigates a contemporary phenomenon within its real-life context when the boundaries between phenomenon and context are not clearly evident' (p.23); although Yin’s perspective is more positivistic and deductive. While Eisenhardt (1989) states that a case study ‘is a research strategy which focuses on understanding the dynamics present within single settings’ (p.533). Therefore the nature of case studies are important to family business research because of the overlap of family and firm as an organisational entity (Tagiuri and Davis, 1996). Case studies are appropriate in the family entrepreneurship field because of its complexity and particularity living in its context (Barredy, 2015).

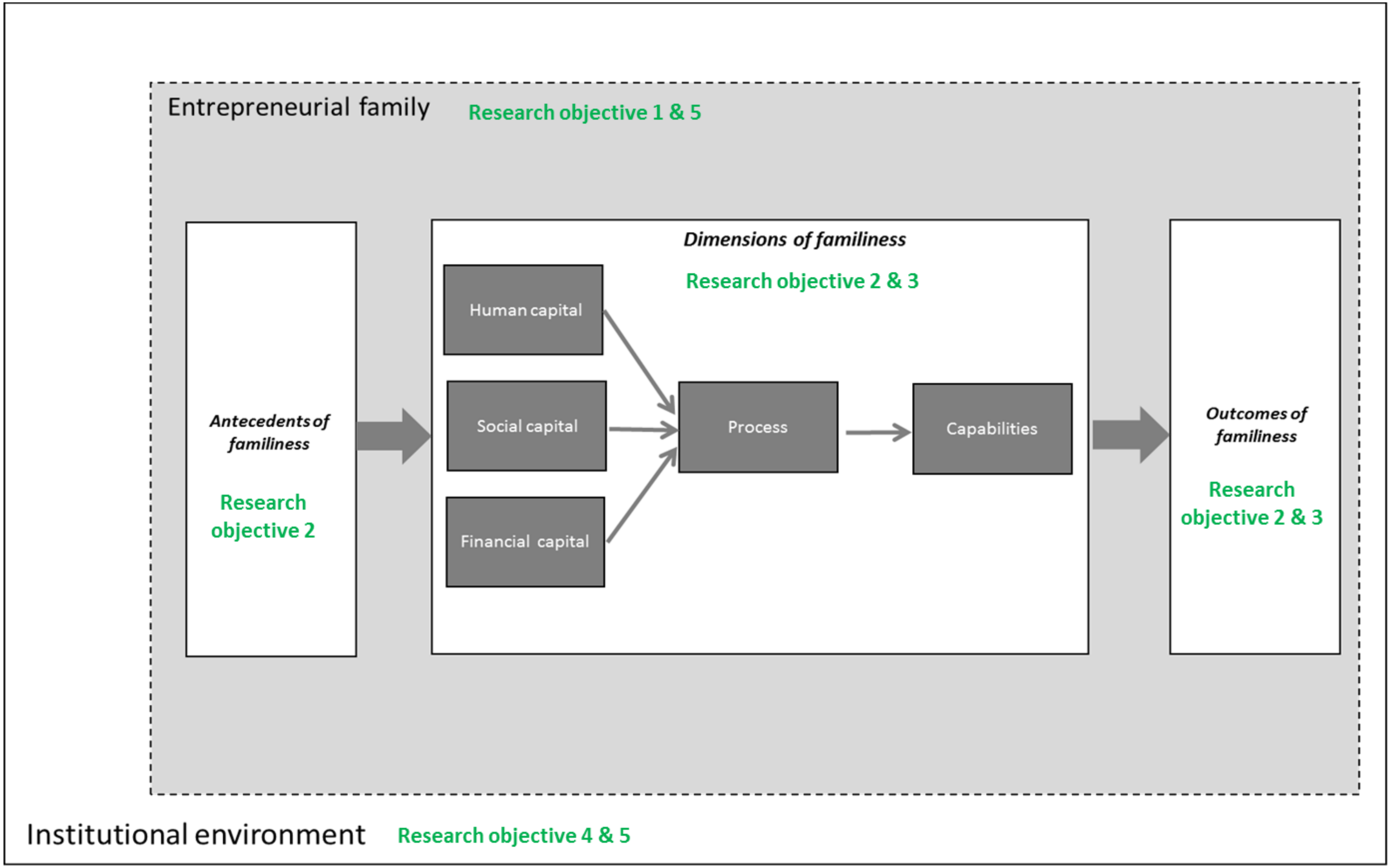
The theoretical aim of the interpretive case study is to understand a phenomenon by emphasising the complexity, uniqueness and interaction with its context (Leppaaho, Plakoyiannaki and Dimitratos, 2016). The interpretive case study in this research enables nuanced accounts of family owner/entrepreneurs in relation to their personal and family lives while managing their own firms and developing entrepreneurial activity. In the same line, an exploratory case study should be employed when the overall purpose of the study is to understand how a phenomenon takes place (De Massis and Kotlar, 2014). In this study, the research aim is to explore the dynamics of support within entrepreneurial families for entrepreneurial activity in a challenging institutional environment. This research addresses the unexplored dynamics on entrepreneurial activities (Rogoff and Heck, 2003; Cruz and Nordqvist, 2012), as well as the characteristics of entrepreneurial families (Rosa, Howorth and Cruz, 2014).

The in-depth nature of this study aims to shed light on the nature and behaviour of entrepreneurial families, from a social construction worldview of reality based on interpretation of events and interactions with surroundings (Guba and Lincoln 1985). This study intends to extend and provide novel ways of understanding social phenomenon (Alvesson and Sköldberg, 2000). The results in this thesis aim to generate new and extended conceptual understandings beyond the typically perspective of business in family business research and the individual perspective in entrepreneurship. Additionally, an institutional lens allows to challenge previous research mainly based in the ‘Anglo-American’ worldview (Discua Cruz, Howorth and Hamilton, 2013) to avoid the application of inferences to different cultural and economic settings (Westhead, Howorth and Cowling, 2002).

Consistent with the conceptual framework presented in the literature review, the research strategy must be congruent with the research aim, research objectives and guiding theory. Figure 3 shows the conceptualisation and the contextualisation of entrepreneurial families with their corresponding research objectives. As demonstrated by the figure, in this study there is a preconception of a conceptual framework as a point of departure of the research process. From the outset, the main objective of this study has a theoretical foundation. The support dynamics to be investigated are based in familiness and social capital perspective taking into consideration that support emerges from the interactions between family owner/entrepreneurs who influence resources and capabilities. These dimensions of familiness result in intrafamily entrepreneurship which in turn affects the dimensions of familiness; while the entrepreneurial family is embedded in its political, economic and cultural context investigated through institutional theory.

Considering the interpretive and qualitative nature of the study, this research adopts an abductive approach that allows an iterative process between developing theory, collecting data and analysing the data. Like induction, abduction begins with an empirical basis but does not reject theoretical preconceptions, closer to deduction in this respect (Alvesson and Sköldberg, 2000). Abduction is not a mix of induction and deduction, it adds new elements to successively develop, adjust and refine theory (Alvesson and Sköldberg, 2000). As such, the research process is theoretically influenced to provide new perspectives by putting the entrepreneurial family in the centre of the study. The purpose is to exhibit a refined

Figure 3. Initial conceptual framework of entrepreneurial families with research objectives



Source: Adapted from Pearson, Carr and Shaw (2008), Arregle et al. (2007), Nahapiet and Ghoshal (1998).

conceptual model after the empirical chapters which can provide novel understandings to family business and entrepreneurship research. This study draws upon a qualitative methodology considering multiple case studies under an interpretive approach. The exploration through an abductive research process is carried out in the institutional environment of Mexico. More detail on the empirical process undertaken with the research strategy is given in subsequent sections.

4.3 Case study approach

Once the rationale for the selected research strategy was presented in line with the suitable philosophical assumptions, this section focuses on the methodological process undertaken to address the research aim and objectives. The researcher followed De Massis and Kotlar’s (2014) guideline to develop a case study methodology, it includes the following stages: 1) Defining the unit of analysis; 2) Selecting the cases; 3) Collecting the data; 4) Analysing information; 5) Presenting the results; and 6) Ensuring validity and reliability. The detail of each stage is provided in this section.

4.3.1 Defining the unit of analysis

As discussed in the literature review, studies have generally neglected the study of family in family business and entrepreneurship research. Looking at the firm-level has impeded from looking at the ‘wider picture’ (Michael-Tsabari, Labaki and Zachary, 2014). Extant research in family business and entrepreneurship has adopted a firm-level of analysis (Nordqvist and Melin, 2010), which represents a significant gap in terms of investigating entrepreneurial potential and resources that family provide (Iacobucci, 2002; Aldrich and Cliff, 2003; Rogoff and Heck, 2003). A family focus provides better understanding of the entrepreneurial phenomenon (Moores, 2009). As such, in order to contribute to the emerging field of family entrepreneurship this study adopts a family perspective as unit of analysis. In doing so, first it is essential to define the concept of family and consequently, the entrepreneurial family considered in this study.

The notion of family has been considered as generic (Randerson *et al.*, 2015). Recently, however, attention has been placed into looking at the different structures and compositions of family (Jaskiewicz and Dyer, 2017). Families and their boundaries are socially constructed and differ depending on the culture, time, generations and ideology (Koerner and Fitzpatrick 2002; Hoy and Sharma 2010). This study adopts a more transactional view of family beyond the structural view of biological and legal ties normally assumed in family business research. Utilising both views can contribute to a more thorough understanding of the family (Koerner and Fitzpatrick 2002). As such, this study considers Fulcher and Scott's (2007) definition of family, which is as follows.

> *'…a small group of closely related people who share a distinct sense of identity and a responsibility for each other that outweighs their commitments to others… this small group is commonly but not necessarily based on marriage, blood ties or cohabitation' (2002, p.447).*

In congruence with the past definition, families in this study may be of nuclear or extended nature, living in single or multiple households, yet their members sharing a common history and commitment to each other as well as sharing the identity of being owner/entrepreneurs. Since the interactions of owner/entrepreneurs are aimed to be studied the consideration of family members in the family varied and depended upon being owner or entrepreneurs of a business, this was set as the composition and boundary guideline of the entrepreneurial family in this research.[4]

As such, the entrepreneurial family is taken as the main unit of analysis for this study and it is defined as a family where more than one member is an owner/entrepreneur who interacts with other entrepreneurial members of the same family. These families are named entrepreneurial not only for the existence of multiple businesses within, but also for the

[4] As the process of data collection was undertaken, the inclusion of successors and potential successors was deemed valuable and represented sources of useful data for the study of entrepreneurial families. More explanation is given in the subsequent section about Selecting the Cases.

entrepreneurial processes and dynamics inherent to their members who are owners or entrepreneurs.

While the main unit of analysis is the family, there is a consideration of other levels of analysis. To understand the dynamics and interactions, aspects of the family in terms of individual members are analysed and discussed. Entrepreneurial dynamic is contextualized by the family but becomes individual (Barredy, 2015) or collective in which each member of the team brings something to the entrepreneurial endeavour (Discua Cruz, Howorth and Hamilton, 2013). For example, individual members bring particular skills or resources to the entrepreneurial family; which in turn have implications at the organisational level in the family and/or businesses making meaning as a collective, and at the macro level in the institutional environment. On a similar vein, looking at the wider macro level can help understand how and why entrepreneurial families behave in certain way. As with entrepreneurship, economic activity is embedded in a social setting (Granovetter, 1973). The primary goal of this research is to explore the support within entrepreneurial families as opposed to stand-alone entrepreneurs. Institutional theory in family entrepreneurship provides an appropriate avenue to address multi-level studies considering the wider institutions, micro institutions and actors (Randerson *et al*., 2015); correspondingly in this thesis – the wider institutional environment, the entrepreneurial family and the family members.

4.3.2 Selecting the cases

For this study a multiple case study design was undertaken because comparisons and contrasts across cases helped develop findings and patterns of entrepreneurial families. Researchers can opt to study several case studies that are theoretically useful to compare and contrast (Eisenhardt, 1989). Isolated or single cases can be helpful to research a subject in depth, while multiple case designs are useful to improve confidence in the validity and precision of the outcome as a result of repetition of the process across different cases

(Neergaard, 2007). This was useful for this study to investigate and identify different support interactions among members. Multiple case studies provide more robust research because the arguments are more supported with the use of different cases and empirical evidence (De Massis and Kotlar, 2014). Incrementally, a comparative study allowed the distinction of similarities and differences across family firms and entrepreneurial families (Trish and Zhen, 2014).

Multiple case design is helpful to develop theoretical insight, which Eisenhardt (1991) state arises from methodological rigor and multi-case comparative logic. On the same note, multiple case studies can provide the set up to develop theory as a result of replication and extension of individual cases, with replication confirming propositions in order to perceive patterns; but also providing deep and thick descriptions from the interpretive nature of the study. In this way, the use of multiple cases allowed for the development of more elaborated theory about the relationships and dynamics of entrepreneurial families and family members. Thus, the research draws upon patterns by considering complementary aspects in different cases. Moreover, the evidence gathered from multiple cases is more compelling and more robust.

As mentioned in the empirical focus, there is not a comprehensive list of all family-run businesses in Mexico (Trevinyo-Rodríguez and Bontis, 2007). Additionally, it is not possible to distinguish from a list of family firms which belong to an entrepreneurial family (which is socially constructed). Given this limitation, snowball or chain sampling was employed. The use of snowball sampling technique is consistent with that of past family business studies which have been limited by the unavailability of a database on family firms (Lambrecht and Lievens, 2008; Bettinelli, 2011; Farrington, Venter and Boshoff, 2012). The disadvantage on the limitation of generalisability of results is acknowledged, even when snowball sampling is presented as only alternative when a population is hard to identify (Saunders, Lewis and Thornhill, 2007). However, the interpretive case study approach in this thesis does not intend to create generalisability.

Using the definition of entrepreneurial families outlined above, contacts from the Enterprise Incubator in Toluca were employed as an initial step to make the first contact with entrepreneurial families. This incubator is part of a higher education institution -Teconológico de Monterrey- which is very active in promoting entrepreneurship in Mexico with its 31 sites around the country, Campus Toluca is one of them. As first stage, the Director for the Enterprise Incubator was approached who gave access to contacts. The use of this organisation was useful because from previous conversations with the Director it was known that some of the supported firms where of family nature, with some of them having more than one entrepreneur in the family, providing a clear advantage over the use of other generic SME databases. Although the use of the Incubator's contacts could potentially introduce bias with owner/entrepreneurs who would likely own similar characteristics leading to a homogeneous sample, these contacts were only used as an initial approach to entrepreneurial families. Through this first stage, 8 entrepreneurial families were contacted with participants asked if they knew other families whose different members owned a business. Once an entrepreneurial family was identified, they were invited to participate in the research study, and in total 14 families were selected as being suitable for the study as they fulfilled our entrepreneurial family definition. The ones that did not fulfil the definition mainly fall into families who had one entrepreneur in the family with multiple firms, namely a portfolio entrepreneur; but no other members were involved in their own enterprising activity. It is acknowledged that snowball sampling is not fully random and subject to selection bias; however, this technique also allows the researcher to bring high level of attentiveness to the focus of the study as they become immersed in the research area (Biernacki and Waldorf, 1981). While the identification of entrepreneurial families was aided by snowball sampling at the outset, the selection of cases was theoretically supported in having families that fitted the enquiry of the study and the definition of the entrepreneurial family. As such, following Eisenhardt's (1989) suggestion, the selection of cases enabled theoretical flexibility, for example in the inclusion of successors as participants for the study. As the identification of entrepreneurial families progressed following replication logic, the researcher found that apart from finding owner and/or entrepreneurs in the families there were also potential successors part of the families. They were considered to provide valuable information; hence, they were considered in the study of support dynamics in entrepreneurial families.

According to Creswell (2013) in qualitative studies a general guideline for sample size is not only about the study of a few individuals but also to gather extensive detail about them. Ultimately 14 entrepreneurial families were examined and interviewed 38 individuals who offered extensive elucidation about the phenomena in question. The number of owner/entrepreneurs within the families ranged from two to four members within the same family and the total numbers of participants within a family was five, including the potential successor to the family business. The final participants allowed achieving a deep understanding of how members interact with each other in terms of their businesses and the family where they belong. To highlight the heterogeneity within families, the number of participants in the family, size of firms, age of business, generation, and diversity in firm sectors were taken into account. Table 4 provides an overview of the participants regarding these dimensions.

4.3.3 Collecting the data

In case study research, the use of multiple sources of data enhances credibility (Patton, 1990). Each part of data represents pieces of the ‘puzzle’ that helps the researcher to understand the whole area of inquiry (De Massis and Kotlar, 2014). This study relies on face-to-face interviews with multiple members of the family and ‘informal interactions’ observations in congruence to the informal natural setting of a family.

Table 4. Table of participants and entrepreneurial families

Participant	Family / Case	Relationship	Education	Role	Business	Size of firm (# employees)	Age of business	Family generation in business
1	1	Daughter	Bachelor's degree	Entrepreneur	Shoe manufacturing	Self-employed	1-5 years	1st
					Beauty services (with sister INT3)	1-10	1-5 years	1st
2	1	Father	Bachelor's degree	Entrepreneur	Construction (Non-residential for government)	11-50	10+ years	1st
3	1	Daughter	Master's Degree	Entrepreneur	Beauty Services (with sister INT1)	1-10	1-5 years	1st
4	1	Mother	Bachelor's degree	Entrepreneur	Construction (Residential)	11-50	10+ years	1st
5	1	Daughter	Bachelor's degree	Informal entrepreneur	Informal*	Self-employed	1-5 years	1st
6	2	Sibling	Bachelor's degree	Entrepreneur	Construction (Non-residential for government)	11-50	10+ years	1st
7	2	Sibling	Bachelor's degree	Entrepreneur	Advertising agency	1-10	10+ years	1st
					Clothes shop	1-10	1-5 years	1st
					Event planning	1-10	Less than a year	1st
8	3	Father	High-school	Owner/Successor	Pharmaceutical	11-50	10+ years	3rd
9	3	Son	Bachelor's degree	Potential successor	N/A	N/A	N/A	N/A
10	3	Daughter	Bachelor's degree	Entrepreneur	Media	1-10	1-5 years	1st
11	3	Son	Bachelor's degree	Entrepreneur	Construction (Non-residential for government)	1-10	1-5 years	1st
				Owner	Franchises of Pharmaceutical business (independent)	1-10	1-5 years	1st
12	3	Mother	Teacher degree	Housewife	Informal*	Self-employed	6-10 years	1st
13	4	Father	Bachelor's degree	Entrepreneur	Construction materials (Paints)	11-50	10+ years	1st
14	4	Son	High-school	Entrepreneur	Construction materials (Sealers)	11-50	10+ years	1st
15	4	Son	Bachelor's degree	Entrepreneur	Construction materials (Sheetrock)	1-10	10+ years	1st
16	5	Father	Bachelor's degree	Entrepreneur	Construction (Residential)	11-50	1-5 years	1st
					Construction equipment rental (with INT17)	1-10	Less than a year	1st
17	5	Son	Masters (studying)	Potential successor	N/A	N/A	N/A	N/A
18	5	Mother	Bachelor's degree	Entrepreneur	Financial Services	1-10	Less than a year	1st
19	5	Sibling (to father)	Bachelor's degree	Entrepreneur	Construction equipment rental (with INT16)	1-10	Less than a year	1st
20	5	Daughter	Bachelor's degree	Informal entrepreneur	Informal*	1-10	1-5 years	1st

Table 4. Continued.

Participant	Family / Case	Relationship	Education	Role	Business	Size of firm (# employees)	Age of business	Family generation in business
21	6	Father	High-school	Entrepreneur	Automobile Services	51-250	10+ years	1st
22	6	Son	Bachelor's degree	Entrepreneur	Petrol services and distribution	1-10	1-5 years	1st
					Security services	1-10	Less than a year	1st
23	7	Father	Bachelor's degree	Owner/Successor	Legal Services	11-50	10+ years	2nd
24	7	Daughter	Teacher degree	Entrepreneur	Education	11-50	10+ years	1st
25	8	Sibling	Bachelor's degree	Owner/Successor	Automobile parts retailing (Ford)	1-10	10+ years	2nd
26	8	Sibling	Bachelor's degree	Entrepreneur	Automobile parts retailing (Chrysler)	1-10	1-5 years	1st
27	9	Father	Bachelor's degree	Entrepreneur	Graphic design services	1-10	10+ years	1st
28	9	Son	Bachelor's degree	Entrepreneur	General retailing	1-10	1-5 years	1st
29	10	Sibling	Bachelor's degree	Entrepreneur	Residual waste recycling (Plastic with transformation processes)	11-50	1-5 years	1st
30	10	Sibling	Bachelor's degree	Entrepreneur	Residual waste recycling (Plastic)	11-50	6-10 years	1st
31	11	Sibling	Bachelor's degree	Owner/Successor	Food services	1-10	10+ years	2nd
32	11	Sibling	Teacher degree	Entrepreneur	Education	11-50	1-5 years	1st
33	12	Father	Bachelor's degree	Owner/Successor	Petrol services and distribution	51-250	10+ years	2nd
34	12	Son	High-school	Entrepreneur	Real state (with father INT33)	1-10	1-5 years	1st
35	13	Sibling	Teacher degree	Entrepreneur	Education	51-250	10+ years	1st
36	13	Sibling	Bachelor's degree	Entrepreneur	Bakery	11-50	10+ years	1st
37	14	Father	Bachelor's degree	Entrepreneur	Petrol services	11-50	10+ years	1st
38	14	Son	Master's degree	Entrepreneur	Venue rental (with father INT 37)	1-10	1-5 years	1st
					Event planning (with father INT 37)	1-10	1-5 years	1st

While much existing research in the field has normally depicted a single respondent, in-depth semi-structured interviews were conducted with multiple respondents of each entrepreneurial family. The use of interviews allowed the study to discover implicit and ambiguous connections within the family unable to gather employing quantitative methods (Nordqvist, Hall and Melin, 2009). All interviews were conducted in person following an interview guideline (Appendix 4), this guideline was iteratively modified throughout the data collection process. The nature of semi-structured interviews allowed the emergence of relevant topics not in the interview guideline but mentioned by respondents and further explored in the study (Hatch, 2002). Questions were broad and general in order for the participants to construct meanings of their interactions with other owner/entrepreneurs in the family. Three main stages were followed in the interviews regardless the emergent topics in each particular interview. First, interviewees were asked to provide an overview of their own business, from its conception to this day, mainly regarding past events until covering their present situation. Second, interviewees were encouraged to reflect on the way they interact with other members on the family, focusing on the ones who own or manage a business. Third, they were asked to reflect on the challenges they face or have faced with their business, and to share the way they dealt with them. Particular attention was paid when another family owner/entrepreneur was named and efforts were made to follow those stories. This was a valuable stage during the interviews because here was mainly where participants deeply reflected on the support interactions occurring in the family. To confirm if there was no information left behind, after the participants' open reflection, the researcher specifically asked how they participated in other business(es) within the family, how other entrepreneurs in the family were involved in the interviewee's business and everyday management of the firm; and how others influenced overcoming the challenges previously mentioned. Finally, participants were asked to share their future plans in regards to their firms. In this way, the 'snapshot' limitation was avoided (Fletcher, Massis and Nordqvist, 2015), the researcher asked about past events, present situation and issues, and future plans. Flexibility during the interviews allowed encouraging interviewees share their thoughts and stories through the open-ended questions. Written consent (Appendix 3) was obtained according to ethical considerations from the University of Sheffield, interviews were recorded and transcribed. Multiple respondents were fundamental in this research to gain more insight about the experiences and interactions within an entrepreneurial family. It also contributed to understand better family interactions of the entrepreneurs, to mitigate flawed memory limitation, and to triangulate findings. Multiple voices allowed for a fine-grained understanding of the support dynamics impossible to obtain in such depth with single respondents.

As the research progressed, taking each entrepreneurial family at a time, the researcher found that she reached a saturation level showed by interviewees who expressed recurring responses; hence collecting sufficient high-quality data (Reay, 2014). Interviews were conducted from February to May 2015 and lasted between 1 and 1.5 hours. All interviews were conducted in Spanish, the first language of the interviewees and the interviewer, and then translated into English for analysis.

Additional to interviews, the researcher undertook 'informal interactions' observations to contribute to the interpretive nature of the study (Nordqvist, Hall and Melin, 2009). This was possible with 6 families that were open to invite the researcher to informal gatherings where multiple owner/entrepreneurs attended. Rapport during the interview stage was crucial to allow access in this respect, especially with the head of the family following the paternalistic culture in Mexico. The cases open to capture these informal interactions were *FAM1*, *FAM3*, *FAM4*, *FAM5*, *FAM6* and *FAM12*. These families are comprised of two generations (not only one generation like in the case of siblings) and present a mix of 1st, 2nd and 3rd family businesses besides other firms in the family. Some of these observations took place in a firm of the family, or in one of the participants' house. The aim to include informal interaction observations even in formal settings, such as the firm, was to uncover typical ambiguous interactions found in family business research, that are impossible to obtain employing quantitative methods (De Massis and Kotlar, 2014). Moreover, for this study concerned with family interactions, it was important to observe the family in its natural setting, as such the researcher was able to be a real-time observer of entrepreneurial processes (Lindgren and Packendorff, 2009). Communication in the family happens in casual and informal settings. The observations also served to triangulate and confirm data obtained from interviews. The data obtained with observations confirmed but also complemented the data obtained from interviews. The individual nature of interviews helped participants to be more open about their opinion about other family members because of the confidentiality emphasis that the researcher made, while the observation enabled to investigate family relationships and ways of interacting complementing the interpretive analysis in the empirical chapters. The researcher was careful to maintain confidentiality of the content of interviews also with the members of the same family, despite requests from participants to share information. By using multiple sources of data, there were different angles from where to analyse the phenomenon under research (Denzin and Lincoln, 2011); which also served as triangulation of evidence in entrepreneurial families where family and business aspects are difficult to separate, similar to family business research (De Massis and Kotlar, 2014).

Documents such as firm balance sheets to assess economic performance were not part of data sources for this study for two main reasons. First, the nature of this study focused on the family and not the performance of firms. Second, a more operational reason, the fact that respondents were not asked about their income, turnover and financial situation of their firms allowed for more accessibility at the data collection stage. At the beginning of the research process, the researcher experienced that it was a common factor that potential participants were reluctant to participate in the study. After the researcher told them they would not be asked about financial matters, they accepted to participate and were more open to share their experiences. Accessing documents is well-known to be difficult due to the protective and private nature of family firms (Tagiuri and Davis, 1996). Besides this fact, the particular socioeconomic situation of Mexico has made the population in general to be more private and confidential about this type of information. This process was a learning experience for the researcher to continuously move away from preconceptions of research in family business normally considering firm performance, going back to the overall purpose of the study and unit of analysis focused on the family instead.

Following De Massis and Kotlar (2014) the researcher organised and documented the data collected in a case study database. This enabled to organise and track data sources including the interview transcripts, audio files, observation notes, field notes and spreadsheets made with summary information. In congruence with the ethical approval of this study (Appendix 1), a confidential computer folder was kept for each family case including individual member files and family compilation files. It was particularly useful for the researcher to create the case study database to access information during the data analysis stage, going back and forth to the data files. Moreover, using a database enhanced reliability of research (De Massis and Kotlar, 2014).

4.3.4 Analysing information

After the case study database was built, this served as foundation step for the within-case analysis. In this stage the abductive nature of the study aimed to discover themes and patterns following the initial conceptual framework which then aimed to develop new or extended theory (Alvesson and Sköldberg, 2000). Transcripts, files and notes were used employing an open coding process until predominant thematic categories emerged based on key themes (Creswell, 2013). The open coding process supported the interpretative approach of the study and continuous iteration throughout the process (Nordqvist, Hall and Melin, 2009). The within-case interpretations may be considered the first level of interpretation (Nordqvist, Hall and Melin, 2009).

Afterwards, the researcher moved into cross-case interpretations comparing empirical themes identified before. Cross-case analysis is referred to the second level of interpretation (Nordqvist, Hall and Melin, 2009). This involves a more systematic approach to identify general themes from interpretive analysis. Here empirical categories of support were derived from the empirics such as, 'financial resources and support (formal and informal)', 'non-financial resources and support (formal and informal)', 'information and knowledge' and 'networks and connections', these were considered as 'raw material' (De Massis and Kotlar, 2014). Then the understanding of these categories combined with the theoretical frame allowed to merge categories into financial, human and social capital resources (Appendix 6). While the formal and informal characteristics served as basis for the typology process of entrepreneurial families. As such, the interpretive approach addressed owner/entrepreneurs interactions and experiences, classifying interpretations into different types of entrepreneurial families, different configurations of support and forms of resource capitals they shared among each other. Themes were developed though an iterative process, through within and cross-case analysis of family cases and of the subgroups resulting from the classification of families in terms of the support configuration. This enabled to understand the nature of familiness in entrepreneurial families and how it influences entrepreneurial activity under the institutional context.

While gaining understanding the researcher makes meaning of what people do and say which enables to assign new meanings to the phenomenon under study (Nordqvist, Hall and Melin, 2009). New concepts emerged from the interpretation of results[5] as well as novel perspectives[6] enabling an increased understanding of entrepreneurial families. Interpretive research involves continuous iteration in the emergence of themes and patterns waiting for interpretation, meaning new research questions may emerge, frameworks evolve or new theory is brought (Nordqvist, Hall and Melin, 2009). In this study, the conceptual framework was further developed after empirical chapters. The characteristics of entrepreneurial families, within and cross-case analysis enabled for the development of a typology rooted in the support configuration in families that emerged from the interpretive analysis, this

[5] For example 'entrepreneurial familiness' defined in Chapter 6- Examining familiness in entrepreneurial families.

[6] Such as looking at familiness from the family level of analysis and in a collective way.

typology is covered in subsequent Chapter 5- Classifying entrepreneurial families. Additionally, the support dynamics in entrepreneurial families needed to be conceptualised and theoretically founded, familiness and social capital theory helped in that respect. The abductive approach confirmed that social capital theory was more appropriate to study the interactions and support rather than the resource-based view of familiness, as it is analysed in-depth in Chapter 6- Examining familiness in entrepreneurial families. As the data collection and data analysis process occurred simultaneously, the researcher noted that participants related the challenges faced with their firms to the institutional context of Mexico (Appendix 6). Institutional theory then emerged strongly from the data with owner/entrepreneurs making recurring emphasis on the institutional challenges, providing rich material for analysis and bringing a complementary theory in this study. In that way, following Randerson et al. (2015) integrating multiple theories to the study of family entrepreneurship. In this research, entrepreneurial families are studied through institutional theory with social capital theory, along with a familiness construct lens. Analysis on the institutional environment and entrepreneurial families is provided in Chapter 7 – Understanding entrepreneurial families in the institutional context of Mexico. The interpretive approach allowed for theoretical flexibility (Nordqvist, Hall and Melin, 2009) while the interpreting process was undertaken with the multiple perspectives of members in the entrepreneurial family.

The use of qualitative data analysis software was avoided in this study. The priority of the interpretive approach was to focus on the depth of the meaning provided by the accounts of family members. The use of a software puts pressure on researchers to focus on the volume of data, rather than on the depth, prioritising coding as a rigid process (De Massis and Kotlar, 2014), this was the main reason to analyse data manually.

4.3.5 Presenting results

The presentation of results in qualitative research can be supported by quotations in text, figures or tables (Fletcher, Massis and Nordqvist, 2015). This practice was undertaken across the three empirical chapters 5, 6 and 7. Direct quotations were employed to give voice to respondents, illustrate empirical material and improve veracity. The translation of material was undertaken as close as possible to the responses of participants including linguistic phrases that are explained in context to maintain the everyday understanding and sense-making comments. The personal background of the researcher in line with that of the respondents was crucial to make those interpretations and shape insights according to contextual factors. An example of this is presented when the researcher is able to understand corruption practices even when participants never literally admit them because they were being recorded and for cultural reasons. Finally, tables were used to summarise information in different sections, while figures were used for the evolution of the conceptual frameworks.

The exploratory case study approach underpinned by an interpretive nature provided thick descriptions emerging from the data sources. As a consequence, the challenge that the researcher encountered when presenting the results was to try to find a balance between description, data analysis and theoretical generalisations. For that purpose, the data was presented in forms of detailed accounts of entrepreneurs, quotes and reflections to address the research aim and objectives. The aim was to illustrate and support the generation of understanding of entrepreneurial families. Other practical tasks were undertaken when presenting the results. To maintain confidentiality of participants, they were coded into interviewee number and family number, for example interviewee 1 belonging to family case 1, is referred in the text as INT1/FAM1. While family cases are referred only to family and number, e.g. FAM4.

4.3.6 Ensuring validity and reliability

Because researchers in qualitative case studies make use of ‘subjective’ judgements, they must adopt measures to assess rigour and trustworthiness (De Massis and Kotlar, 2014). The researcher should follow the following criteria. First construct validity, which is the quality of conceptualisation and operationalisation of the relevant concepts (Denzin and Lincoln, 2011). The researcher has followed strategies to enhance construct validity such as triangulation of data from different sources and also from multiple participants in the entrepreneurial family; and sharing transcripts and drafts with other researchers to be reviewed. Second, internal validity, this criteria can only be applied to explanatory studies to demonstrate casual links (Yin, 2013), this study draws upon exploratory case studies hence it is not applicable. Third, external validity refers to the extent to which findings can be generalised. As case studies do not allow statistical generalisation, they should allow for analytical generalisations, from empirical observations to theory rather than from observation to a population (Yin, 1994). For this criterion, a replication logic was employed as illustrated throughout this chapter, specifically in selecting the cases and collecting information steps. Finally reliability, it refers to the extent in which actions undertaken in this study can lead to same results if repeated (Yin, 2013). Building on replication, the researcher built a case study database for the multiple-case studies as previously discussed in the collecting information step.

4.4 Research limitations and ethical considerations

The primary limitation of this study results from its exploratory nature. This study does not intend to create generalisability of the findings. Because the research objective was to gain theoretical understanding from looking at family entrepreneurship from the family perspective as to how and why entrepreneurial families support their members in a challenging institutional environment, in contrast to looking at the firm or stand-alone entrepreneurs. Eisenhardt (1989) considers case studies as starting point to develop theory because they enable novel understandings of a phenomenon. As such, findings in this thesis aim to inform future theoretical and empirical studies regarding the overlap between family, family business and entrepreneurship, in specific the study of entrepreneurial families as a new organisational form in family entrepreneurship.

Another reason for this limitation is the empirical focus of this study, geographically localised in the capital city of the State of Mexico, involved a relatively small number of participants within entrepreneurial families. As such, the responses of participants cannot be considered representative of all family owner/entrepreneurs in Mexico. However, the qualitative approach of this research offers an in-depth and highly nuanced examination of how families act as a collective unit of support in a challenging institutional environment. While this limits the generalisability of the findings, the value of this research lies in providing in-depth insights of the entrepreneurial environment in Mexico, and significantly contributes to understanding the behaviour of entrepreneurs within the family context in this country. It also provides novel notions of familiness in a developing economy.

The type of firms considered of this study might represent a limitation. While the nature of small and medium enterprises contributed to the simplification of comparison across entrepreneurial families with participants simultaneously owning and managing their firms, this poses a limitation of the generalisability of dynamics to larger firms. The performance of firms was not assessed because this study was focused on the examination of internal support dynamics in the family; further consideration of firm performance to the study of entrepreneurial families with their multiple members and firms represents a potential future area of research. Finally, non-family members, not considered in this research, could provide another perspective to study entrepreneurial families. The limitations reflected in this section are not considered to undermine the significance of this study; the collected rich data and in-depth analysis have enabled to obtain valuable findings.

It is acknowledged that data in qualitative research is filtered by the researcher who informs the interpretation of information (Creswell, 2013). To this point, the researcher has specified that she shares cultural, social and national background as the participants which proved beneficial to gain trust and access, also to be able to interpret meanings of participants according to the context. However, it is also recognised that this can limit the researcher to see beyond her own experiences and biases. To mitigate this limitation, continuous reflection is undertaken throughout the research process considering the potential limitations.

A number of ethical considerations took part in this study. First voluntary participation, participants were not forced and no financial or other incentives were employed to motivate participation. This was stated in the consent form supported by the information sheet of the study (Appendix 2 and 3). Second, anonymity and confidentiality, the researcher ensured protection of the participants in this respect especially since they touched upon sensitive topics regarding their private family life and even some informal (illegal) economic activity or corrupt practices. This derived in an important ethical issue which was addressed during fieldwork, collection of data and its proper storage, since unfair use of information could result in problematic consequences for participants.

4.5 Conclusions

Following the definition of entrepreneurial families provided above, this research moves away from the study of the individual perspective in entrepreneurship and the focus on the firm in family business research. This study considers multiple theories involving family business, entrepreneurship and institutions; as such a congruent philosophical assumption was selected. A social constructionist perspective supports the definition of the entrepreneurial family stepping away from the structural to a more transactional view of the family. This view goes beyond the consideration of the household as unit of analysis, which would have neglected the interactions of entrepreneurs with their different firms even when they do not share the same household. From the entrepreneurial point of view, it considers that entrepreneurship is a socially constructed process by the interaction of actors; while from an institutional view, taken-for-granted rules govern social life by shared interactions defining what is appropriate in a society.

This study draws upon a qualitative methodology undertaking multiple case studies with an interpretive approach. Considering the overall research aim and objectives do not intend to create generalisability but rather an in-depth exploration of the phenomena under study, qualitative research was the deemed to be appropriate to unpack the role that entrepreneurship in the family setting. Multiple cases studies are adopted to improve understanding on how owner/entrepreneurs in a family setting interact with each other and give support to their different business ventures. Under an interpretive approach, this study looks for fine-grained details and complex processes lived by owner/entrepreneurs that enable their interpretation of the meaning of support through their interactions. It also considers multiple respondents and their interactions to understand the nature of social relations, but in this study beyond the household perspective (Ram, 2001; Steier, 2009b; Alsos, Carter and Ljunggren, 2014).

This chapter has presented the empirical focus of the study considering the socioeconomic characteristics of family firms and entrepreneurial families in Mexico. It has outlined the research aim and objectives in line with the research gaps and conceptual framework presented in the literature review. The chapter continued presenting the philosophical assumption congruent to institutional theory, entrepreneurship and family business research. The remainder of the chapter focused on the stages of the research process underpinned by case study research. Finally limitations were acknowledged. This chapter has set the scene for the following empirical chapters 5, 6 and 7. They focus correspondingly on the underlying characteristics of entrepreneurial families resulting in number of types; the antecedents, dimensions and consequences of support among members in the families, and the effect of the institutional environment on entrepreneurial families and how they respond to it.

Chapter Five: Classifying entrepreneurial families

This is the first of the empirical chapters of the thesis focused on underlying the different characteristics of entrepreneurial families. Literature review chapters (2 and 3) have set up the scene around institutional theory, family business and family entrepreneurship research that underpins this study; while Chapter 4 has addressed the research design, research strategy and selected method. Research has shown entrepreneurs do not form part of a homogeneous group (Garcia-Alvarez and Lopez-Sintas, 2001) nor do family firms (Chua *et al.*, 2012). Efforts have been focused mainly on identifying differences between family and non-family firms (Westhead and Howorth, 2007). However; there is an increasing recognition of the heterogeneity of family firms as research has downplayed its importance (Nordqvist, Sharma, and Chirico, 2014). Chua et al. (2012) highlight the need for a more nuanced approach with an emphasis on the differences within family businesses; nonetheless the attention has shifted to the families rather than the firms (Discua Cruz, Howorth and Hamilton, 2013; Michael-Tsabari, Labaki and Zachary, 2014; Jaskiewicz and Dyer, 2017). Recent studies have started to give attention to families that own or manage more than one firm, and the processes behind them (Steier, Chrisman and Chua, 2015). This chapter focuses on the distinctive characteristics of entrepreneurial families through unpacking their interactions that give meaning to the support owner/entrepreneurs give to each other with their firms and for the development of entrepreneurial activity across the family.

Before presenting analysis and results emergent from the empirical data collected, it is helpful to reflect upon the relevant research to prepare the setting for the following discussion. As with the definition of a family business, there has not been an agreement on the definition of entrepreneurial families. In Chapter 3, the different terminologies were detailed and defined, for example enterprising families (Habbershon and Pistrui, 2002), entrepreneurial families (Nordqvist and Melin, 2010), and business families (Steier, Chrisman and Chua, 2015). In Latin American countries, entrepreneurial families have been considered mainly as large family business groups (Fernández Pérez, Lluch and Barbero, 2015). Families owning micro, small or medium enterprises are not typically considered to be entrepreneurial families. A paradigm of power, wealth and large business groups is strong in Latin American countries when perceiving entrepreneurial families.

This chapter examines the intersection of the three dimensions in family entrepreneurship by means of operationalising the definition of entrepreneurial families as –families where more than one member is an owner/entrepreneur who interact with other entrepreneurs, members of the same family. In doing so, the chapter provides types of entrepreneurial families by analysing their members' support in relation to family and businesses. This chapter is structured as follows: the first section provides an overview of past typologies in family business research. The second reports the process undertaken for the classification including the characteristics considered for the proposed typologies. The third section provides a table of the typologies of entrepreneurial families which is later examined in detail. Finally, concluding remarks and a summary of the chapter are provided. The development of a typology focused on families that own more than one business is useful because it goes beyond the extant classifications of family firms, or the two-sided view of families that own single or multiple firms (Michael-Tsabari, Labaki and Zachary, 2014) to understand their interactions and nature of entrepreneurial activity. Research is evolving to acknowledge the differences between families (Jaskiewicz and Dyer, 2017), to uncover family-related issues (Salvato and Aldrich, 2012). This had been impossible to deeply explore before using a firm-centred approach. The present study provides a typology of entrepreneurial families which will serve to provide a finer understanding of the way family entrepreneurs access and leverage support benefitting each other while pursuing entrepreneurial activity, a process that remains widely unexplored (Rosa, Howorth and Cruz, 2014).

5.1 A typology of entrepreneurial families

In family business past efforts have been directed to developing typologies of family firms not families. Entrepreneurial activity and family business cannot be fully understood if the family is not the focus including the heterogeneity of family patterns within and across societies, research considering this heterogeneity is still in its 'infancy' (Holt *et al*., 2017, p.111); this chapter contributes to it. Family firms have been mainly classified according to the amount of family involvement in management and ownership (Sharma and Nordqvist 2007; Westhead and Howorth 2007). Families under the similar ownership structures, simplify the essence of family firms because the presence of family is a characteristic of firm behaviour (Dekker, Lybaert and Steijvers, 2013). Employing a theoretical approach, Sharma (2002) provided a typology of 72 categories of family firms using the three-circle model as theoretical framework (Lansberg, 1988; Tagiuri and Davis, 1996). Further she conceptualised four types of family firms regarding the family and business dimension in relation to firm performance, and financial and emotional capital (Sharma, 2004). Empirical types include the study conducted by Garcia-Alvarez and Lopez-Sintas (2001) looking at first generation family firm founders in regards to their values, resulting in four groups of founders; Westhead and Howorth (2007) based on stewardship and agency theories to illustrate different types of family firms building on the essence approach to describe different types of firms and behaviours. Basco and Rodriguez (2009) take past classifications forward (Ward 1987; Poza 2010) to present a holistic framework putting family-business relationships (strategic process, board of directors, human resources, and succession) as central influencer to firm behaviour. From a firm-level perspective Basco and Rodriguez' study (2009) assesses business performance in accordance to the emphasis family enterprises give to family and/or business. All of these typologies consider family firms and single-business families, with the exception of the following studies. The first by Habbershon and Pistrui (2002) who classify enterprising families into: 'family-as-investor' mind-set, focused on internal competencies; and 'family-in-business' mind-set focused more on external opportunities. The second by Michael-Tsabari, Labaki and Zachary (2014) who characterise families by the number of firms they own – organic vs portfolio – a family that owns a business is considered as 'organic' while a family that owns several businesses is referred as 'portfolio'; only empirically evidencing this typology with a single-case study. This represents a significant limitation and ample opportunity for research since families that own several firms are not homogeneous and can behave differently. In this chapter, the focus goes beyond the dichotomy between recognising families that own single or multiple businesses; it rather unpacks the specific behaviours within types of families with a number of firms where different members are owner/entrepreneurs. The typology to be presented adds to understanding the heterogeneity of families, multi-business and multi-entrepreneurs in families, also contributing to portfolio entrepreneurship research. Finally, the 'possible types' of family habitual entrepreneurship developed by Rosa, Howorth and Cruz (2014) consider single state and habitual entrepreneurial families classified into –informal family enterprise, 'one shot' formal family business, serial business family, portfolio business family and branded family businesses; albeit not empirically tested make a significant consideration of not formally registered firms. This is carried further in entrepreneurial families considering both formal and informal economic activity.

The typology in this chapter is guided by theory and taken forward by the empirical evidence, which enriches its development highlighting their heterogeneity into meaningful categories for research purposes, setting up the basis for next chapters. In order to address the intersection of the elements comprising family entrepreneurship, the typology addresses the type of support given by their members, taking into consideration the family, the firms and the entrepreneurial behaviours showed in the family in terms of intrafamily entrepreneurship. The complete list of characteristics is depicted in Table 5 was guided by theoretical insights from the intersection between family, family business and entrepreneurship (Randerson *et al.*, 2015).

5.2 Classification process

Taking into consideration the previously mentioned definition of entrepreneurial families, the totality of families selected and discussed in detail in Chapter 4 were considered for this classification stage. In family business and family entrepreneurship a typology can lead towards moving away from the stereotypical family firm (Zahra, Hayton and Salvato, 2004) to the identification of particular types of families that do not fit the same profile (Jaskiewicz and Dyer, 2017). In this case, the development of entrepreneurial family types provides the differences and similarities amongst them, but also further unpacks the concept of the entrepreneurial family.

When there is more than one business in the family, there are differences in the firms such as age and size or the functions that they provide to the family (Michael-Tsabari, Labaki and Zachary, 2014). Considering there are multiple businesses in the entrepreneurial family, a challenge was presented in the analysis while exploring the existence of family businesses (or not). As emphasised in this thesis, the level of analysis is the family and the interactions amongst their members owning and/or managing a range of firms that have effects in entrepreneurial activity. As such, the variety of businesses in the family needed to be identified as family or non-family firms for the analysis process. When there is a family-centred approach, the researcher must address the existence of a family business and the role of the family in business, whereas in a firm-centred approach the existence of the business is assumed (De Massis *et al.*, 2012). Due to definitional ambiguities in regards to family business outlined in Chapter 3, the researcher evaluated operational definitions to apply to existing businesses in entrepreneurial families in order to determine the existence of family firms. The familiness construct to define a family firm was not appropriate since the lens for the present study is to study familiness from the family perspective not the firm, in the sense that resources and capabilities are available to members in the family regardless if they own a family or non-family business. This assertion is a significant step in acknowledging that non-family firms can also benefit from familiness. In particular, the family angle can demonstrate the existence of familiness in the entrepreneurial family from which members can draw upon resources for their firms, even if they are not considered family businesses. Research calls suggesting the study of how non-family firms can benefit from familiness are new (Frank *et al.*, 2016) and contrast previous research that use familiness as criteria to define family firms (Habbershon and Williams, 1999; Habbershon, Williams and MacMillan, 2003).

Rather than to fragment research, the idea is to contribute to cumulative knowledge, as long as specification is made towards an adopted definition (Randerson *et al.*, 2015). The components of involvement approach is not enough as only determinant to differentiate variations of family firms (De Massis *et al.*, 2012). Family members in entrepreneurial families may be involved in a business and still not be a family firm. As Chua et al. (1999, p.19) mention 'no business can escape from some family involvement'; firms in entrepreneurial families have different levels of family involvement even if it is minimal. The components of involvement approach as only factor to determine family firms is problematic because family can be involved in either ownership and/or management and still not be a family business (Chua *et al*., 1999; Westhead and Cowling 1998; De Massis *et al.*, 2012). As such, the components of essence approach was also considered to determine the existence of family businesses within the portfolio of firms. The intention for intra-family succession was considered (Chua *et al.*, 1999), following Zellweger et al.'s (2013) definition of family firm- 'one controlled by a family through involvement in management and ownership, coupled with a transgenerational vision for the firm' (p.231). Peripheral businesses regard to firms with less importance or centrality than core family firms in the portfolio of businesses within the family (Michael-Tsabari, Labaki and Zachary, 2014). The characteristics considered for the classification show features that served as basis for the initial comparison against families. Table 5 shows the characteristics grouped by theoretical insights from the intersection between family, family business and entrepreneurship

(Randerson *et al.*, 2015) followed by a more detailed description of each characteristic considered for the typology.

These characteristics are useful to compare across typologies. The typology provides different types of organisational forms in entrepreneurial families according to the support members in the family practice across their firms. Family is a valuable source of support depending on the interdependence between family members (De Massis *et al.*, 2012). Family can also provide with different resources to the entrepreneur or family business (Aldrich and Cliff, 2003). Support can occur between same-generation or across different generations and may be reciprocal within the family because of their expectations and obligations among members (De Massis *et al.*, 2012). Entrepreneurial activity in family business is supported by the family-based network. Support can take different forms, such as formal or informal. Table 6 summarises the sources of support in entrepreneurial families.

The nature of support in Table 6 determines the classification process and the characteristics from Table 5 enable comparisons across the typology. The emphasis is made through the interactions and routines lived in the daily activities of owner/entrepreneurs in the family. Formal support emerges when these encounters occur in a more formal context and arrangements with established norms. While informal support takes place in the context of each family within their specific socialisation process. Both types of support present a collective characteristic that enhance access to resources and exchange of possibilities with other organisations (DiMaggio and Powell, 1991), i.e. firms across the family.

Table 5. Characteristics considered in the typology of entrepreneurial families.

Dimension	Characteristic	Description
Family	Number of family members	Number of owners and/or entrepreneurs in the family
	Type of family	Nuclear- Core family members. Parents, daughters, sons, siblings. Extended- Family beyond the nuclear family. Uncles, cousins, grandparents, and so on.
	Household	The group of co-residents, people who live under the same roof and typically share in common consumption. (Kertzer 1991, p.156). Single household- Members living in the same house. Multiple household- Members living in different houses. Mixed household- Some owner/entrepreneurs residing in the same household and others in different households.
	Family generations	Single generation family- Families with entrepreneurs in the same generations Multi-generation family- Families with entrepreneurs in more than one generation.
(Family) Business	Number of firms	Total number of firms owned by all members of the family
	Size of firms	In terms of number of employees.
	Existence of a family business	Family business: 'one controlled by a family through involvement in management and ownership, coupled with a transgenerational vision for the firm' (Zellweger *et al.* 2013, p. 231)
	Oldest generation in ownership	Generation of family member who owns the company or holds part of property of the firm
	Oldest generation in management	Generation of family member who primarily manages the firm
	Family partnership	The existence of family members acting as business partners in any of the firms in the family
	External partnerships	The existence of non-family members acting as business partners in any of the firms in the family
	Intergenerational succession plans	The existence of plans to appoint next head of the business. Identification and grooming of potential next-generation successors.
Entrepreneurship[7]	Expansion of family business	Expanding the existing family firm in terms of innovation and intrapreneurship
	Family portfolio entrepreneurship	Creating firms that form part of the family portfolio of businesses showing interdependence
	Individual ventures	Creating individual ventures, members who decide to break away from the original family firm (if there is one).

Note: Table elaborated based on Kertzer (1991); Zellweger et al. (2013); Discua Cruz, Howorth and Hamilton (2013); Bettinelli et al. (2013).

[7] Forms of intrafamily entrepreneurship (Discua Cruz, Howorth and Hamilton, 2013).

Table 6. Sources of support in entrepreneurial families

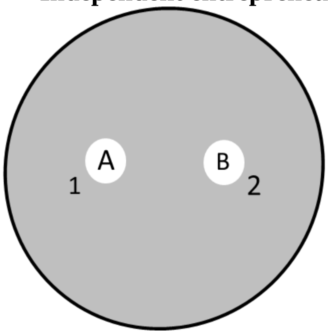
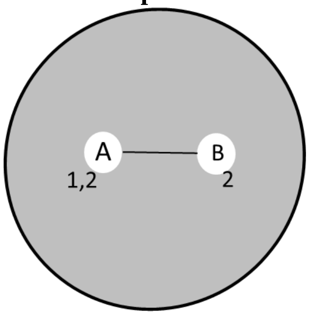
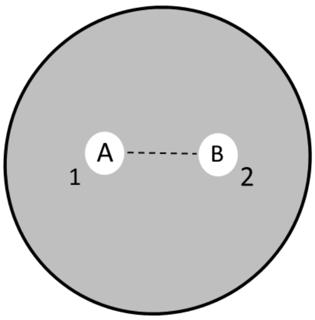
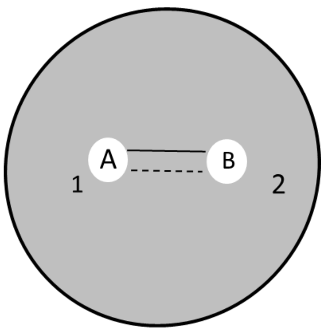
Source of support	Characteristic
Formal support	Business partnership (Co-ownership) Formal investment in a business Formal employment in a business Formal agreements
Informal support	Informal help, advice and guidance E.g. financial help Access to networks Business advice

5.3 Types of entrepreneurial families

Types were arranged according to the support they present in the family with the characteristics considering family, business and entrepreneurship. Entrepreneurial family types are outlined in Table 7. The first type is characterised of entrepreneurs across the family but with little interaction between each other for the founding and management of their companies, families comprised by entrepreneurs only (Type I – Independent entrepreneurs). The second type shows families with strong formal support (Type II – formal entrepreneurial families). The third type consists of entrepreneurial families showing informal support between members and firms (Type III – Informal entrepreneurial families).

There is high involvement and interaction but informal in nature. The last type considers entrepreneurial families showing a combination of formal and informal support (Type IV – Hybrid entrepreneurial families). To understand families better through the typology and make them clearer, they have been considered until the point in time when the researcher investigated the families; yet, it does not mean that families are static and cannot evolve over time moving from one type to another in the future.

Table 7. Typology of entrepreneurial families

Type of entrepreneurial family	Description
Type I **Independent entrepreneurs** 	Families showing little or no support comprised of only entrepreneurs, business founders living in multiple households and working independently or with little interaction to other family entrepreneurs. Every entrepreneur is fully devoted to their own enterprise(s). A core business or main family firm is not present. External partnerships (non-family) are common in this typology, business partners outside the family not relatives. There is no family business background and previous generations were not entrepreneurs. Family members mainly of the same generation.
Type II **Formal entrepreneurial families** 	Families showing formal support between their members, mainly investing formally in other companies or co-owning firms. There is a core family business; the current owner of this business has made possible the existence of peripheral firms involving other members as owner/entrepreneurs, mainly encouraging the next-generations. No external partnerships exist in these families. There is family business background.
Type III **Informal entrepreneurial families** 	Families showing informal but strong support amongst members. Family owner/entrepreneurs live in multiple households and own/manage their own business independently with the recurrent informal support of others. There is a core business in the family that supports other firms; this core business has the attribute of being a family business with the intention for the business to continue across generations in the family. External partnerships (non-family) are common in peripheral businesses. There is family business background and previous generations were entrepreneurs.
Type IV **Hybrid entrepreneurial families-** 	Families comprised of a mix of entrepreneurs, owners and potential successors working in the family business. Members interacting actively with each other, with a combination of formal and informal support. There is a mix of single, multiple and mixed households. There is a core business in the family that supports other firms; this core business has the attribute of being a family business with the intention for the business to continue across generations in the family. Firm successors have been appointed recently in some families or a succession plan exists. There is family business background. There are external partnerships in some firms.

Notes: Letters represent members in the family; numbers represent firms.
Solid lines denote formal support, dotted lines represent informal support.

After identifying the types of entrepreneurial families, each type is analysed in-depth, supported by the empirical data provided by owner/entrepreneurs in the families and a summary table of families aligned with their type is presented at the end. The types are examined in the following section.

5.3.1 Type I- Independent entrepreneurs

In this typology families do not own a family business but non-family firms according to the definition specified in Table 5. There is no family involvement in firms and not yet a transgenerational vision of the firm. In general they are not multigenerational families. The interaction is mainly between siblings who founded and manage their own enterprise. All the firms are first generation; each of the members works independently with their firms. There is in some cases the existence of occasional advice, but not recurrent support in the management or founding stages of the firms. None of the families are a household; they do not share or live in the same house. There is not a core family business, not a predominant firm in the family to influence other businesses. Entrepreneurs have started their firms either on their own or with another external business partner but not a family member. Previous generations (parents) in these families were not entrepreneurs; there is not an enterprising or family business background.

As a general characteristic, entrepreneurs work independently with their firms, in some cases being very reserved of their businesses and what they own. To demonstrate this, one entrepreneur accounts, *'my siblings have no interference in my business. The company is only mine' [INT6/FAM2]*. Another participant illustrates how her sister does not let her in to provide advice for her business *'my sister is very jealous with her business' [INT35/FAM13]*. This participant has her own business and because of the experience she has gained she considers her sister *INT36* is making some managerial mistakes with her firm, for example that she does not assign herself a salary because she is the business owner. Whenever this participant *INT35* tries to advise her sister, the latter does not let her. This shows that support is available for members in the family, even business-context support, but they prefer to keep their businesses private than to benefit from potential support they could get from other entrepreneurs in the family. One reason for this is that each of the siblings has her own nuclear family (husband and children); the profit of their business is for the benefit of their own family. The case of the other sister *INT36* is that she feels more comfortable to share information with her husband and kids than with her sister, even when members of their nuclear family are not entrepreneurs and cannot give exactly experienced business advice, on this the participant states *'My business is my business and it has cost me a lot to be where it is, I do not want others to know about it' [INT36/FAM13]*. This evidence highlights previous debates considering both that either family ties can provide 'blind encouragement' for business (Arregle *et al.*, 2013) or that family members outside the firm can give valuable business advice (Anderson, Jack and Dodd, 2005). In fact, this type of family shows that the trust and openness, reinforced by their social capital, are determinants for the support that members have in regards to their firms; and not because of the quality of business advice they can give. More detail on this will be explored in Chapter 6- Examining familiness in entrepreneurial families.

Family members have not been involved in the foundation process of other entrepreneurial ventures. Each entrepreneur acting on their own with no knowledge of how other entrepreneurs in the family started their business ventures *'honestly, I don't really know how my son started his company. I wasn't involved' [INT27/FAM9]*. The level of interaction and involvement among entrepreneurs in this type of family is very low. However, in some cases there has been occasional financial or emotional support from other entrepreneurs *'my brothers have helped me emotionally and once by lending me money. [INT7/FAM2]*. Financial support presents in the form of lending and not giving and sharing resources as one participant illustrates:

> *My family helped me in some occasions with my business, they lent me money. I asked to borrow from them under some interest. I was always grateful to my family for their help, it*

didn't matter that I paid interest on the loans it was better than borrowing from the bank. [INT28/FAM9]

This contrasts to previous findings on family providing financial support without the expectation for the money to be returned, i.e. patient capital for entrepreneurs (Sirmon and Hitt, 2003; Arregle *et al.*, 2013). For some others, economic support had to be found in other sources, even when family has the ability to provide this type of support entrepreneurs had to find other ways to obtain resources.

I started with a friend. We needed money for machinery, warehouse and so on, all the money I used for that came from our credit cards. Fortunately, with our sales we were able to pay that back. [INT29/FAM10]

The reason behind this might be that external partnerships are common in this entrepreneurial family. Non-family members co-own firms with entrepreneurs in this family. Hence, family might be reluctant to lend money to other members because other people external to the family also have control over the financial assets of the firm. The same happens with sharing information about their firms. Some entrepreneurs share information to a certain point. The story of case *FAM10* can serve as an example to illustrate this dynamic.

Entrepreneurs in this family started working together. The elder brother *INT30* co-owned a recycling company with a friend and invited his brother *INT29* to work with him as employee. Problems started to arise between the employee brother *INT29* and the external partner, to the point where the external partner fired him. This was a difficult situation in the family because the elder brother *INT30* was in the middle between his business partner and his brother. He thought that if he took side with his brother, it could lead to business problems putting his income and way of living at stake, he reflects on the difficult situation.

> *It was complicated because on one side my business is my way of living is my work of many years, and on the other side is my brother, it is not nice to listen to negative comments about your family. [INT30/FAM10]*

It is an interesting dynamic in which business was more important than family mainly because the reason behind the entrepreneurial activity was necessity rather than opportunity, combined with motivations to be their own boss, independence and drive. Supporting recent findings that entrepreneurs are not only motivated merely by either 'opportunity' or 'necessity' (Williams and Williams, 2012). As a result of the fall-out between participant *INT29* and his brother's business partner, he decided to start his own recycling business with a friend. His brother *INT30* reflected he took this decision in a positive way, *'my reaction was positive, even if we are in the same industry, the sun comes out for everyone' [INT30/FAM10]*. In terms of family affairs they have managed to make peace and even have communication but very independently managing their firms.

> *We have frequent communication but I will tell you that I don't give him any benefit with my company. I keep information just for myself and for my business partner, it wouldn't be ethical if I shared more with my brother. [INT30/FAM10]*

As for the inclusion of family in the business, the younger brother said he has learnt and with his new business it is specifically stated with his business partner that there should be no family interference in the company. A learning experience from this entrepreneur was to divide family with business matters. An example of this separation is that entrepreneurs in these families seek for advice in external sources rather than asking for the experience of other entrepreneurs in the family. Normally, they try to find people with some expertise in the business field they belong to. Participants suggest they can find more objective advice from people who do not form part of their family. Even in a family with two generations, father and son reflect that they go to friends for advice, especially if they have specific business experience in the sector they work in.

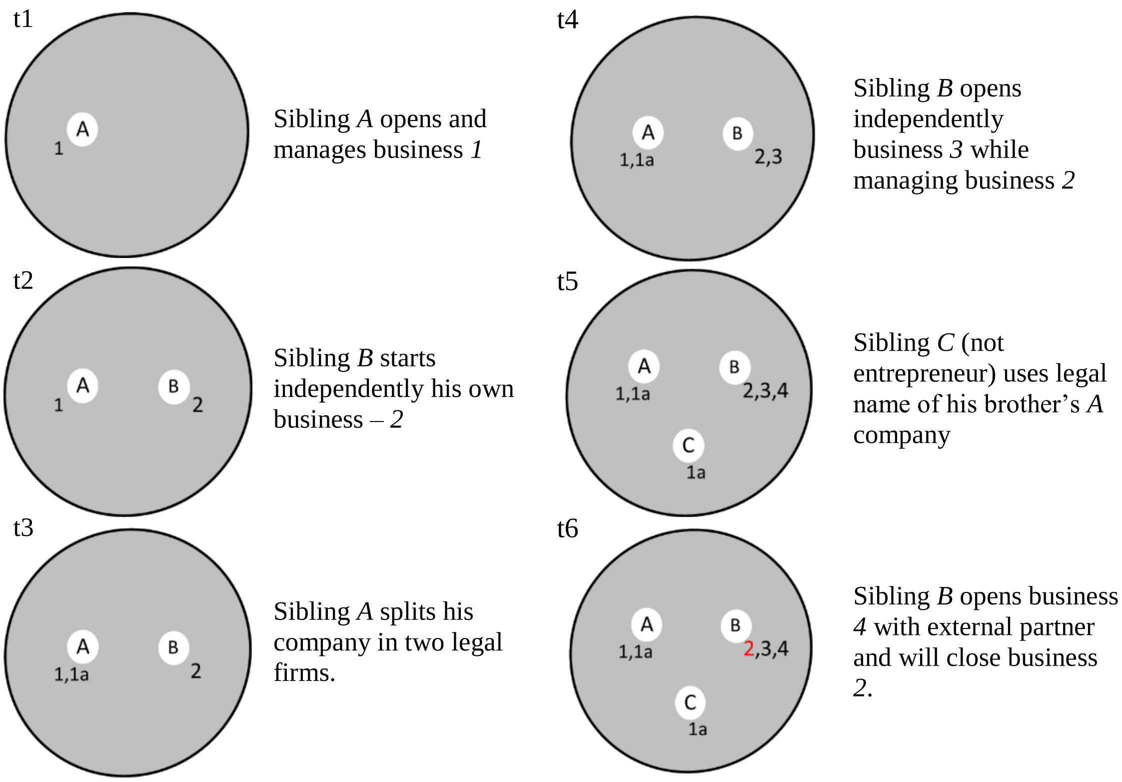
> *When I need some advice I normally go to some friends who, I consider, have experience in the business. In cases I feel I can use some orientation from them. [INT27/FAM9]- **father**.*

> *I have never gone to my dad's for help. At least I think I need to solve my own problems, then I prefer to call someone who does the same as I do. It is more appropriate for me to call this person who knows about the business. [INT28/FAM9]- **son**.*

On the same note, the learning process does not happen from other entrepreneurs in the family, experiences on how to run a business might come from professional services like this entrepreneur accounts: '*We have learnt a lot from a business coach we have. He has showed us the way, how to plan, focus and follow that line with our business' [INT29/FAM10].*

It is important to note that the types presented in the typology are not static, the figures provide broad representations of the typologies; however, their configurations are worth analysing. To explain the dynamic of this type of entrepreneurial family, case *FAM2* can be taken as an example. Figure 4 illustrates the dynamics across time for Type I. Emphasis should be made to the fact that certain families across the typology have been selected as illustrations or guiding examples to explore the support dynamics in-depth to support the nature of their configuration. These illustrative families have been chosen not only because they comply with the typology but because of the insights they can bring to the explanation of each type of entrepreneurial families.

Figure 4. Support dynamics in Type I- Independent entrepreneurs



Notes: Entrepreneurial case *FAM2.*
Letters represent members in the family; numbers represent firms.

This entrepreneurial family starts with participant *A* opening his construction business (1). Over time his sister B opens independently her own advertising agency (2). For tax compliance issues, sibling *A* splits his company into two different legal companies[8] (1 and 1a) operationally managing them as one. In the meantime, *B* is looking for other business opportunities as she mentions, '*I started noticing things were getting rough that is why I looked for other business opportunities' [INT7/FAM2]*. Soon, sibling *B* opens another business on her own (3) that she manages simultaneously from the same office of her initial business (2). These entrepreneurs have another sibling *C* who gives consultancy services to companies; he is not an entrepreneur and does not have registered business activity. As he starts to gain more contracts with bigger companies he needs to formally invoice his clients, then he goes to his brother for help. Sibling *A* agrees to help his brother by 'lending' him one

[8] More detail about these institutional dynamics and the reasons behind registering two companies is provided in Chapter 7- Understanding entrepreneurial families in the context of Mexico.

of his businesses legal names for *C* to be able to charge his clients. That is the only support he gives to his brother but sibling *A* is very clear about the boundaries he sets with his company.

> *I help my brother but he has no interference in my business, I do not allow him to have an opinion, no advice not even informally, in the business, it is only mine. [INT6/FAM2]*

He even emphasises '*My brother is not my business partner, but that does not mean he will stop being my brother' [INT6/FAM2].* The dynamics in this Type I, supports Arregle et al. (2013) that family involvement is avoided to limit family interference in the business that might restrict the autonomy of entrepreneurs or create possible conflicts in the family. Family and business are clearly delineated in these type of families. In similar fashion, sister *B* looks for an external business partner for her new business venture (4). She believes her advertising company (2) has come to its end and her other firm (3) it is just like a hobby for her.

> *The advertising company I think is a cycle I want to close, I will close it this year. My shop (business 3) does not need my time it can continue like that, it is a hobby for me. Now I have seen that the market is changing, I need something different, then this business partnership with a friend (business 4) came along and I am very excited with it. [INT7/FAM2]*

Sibling *B* looks at her businesses as means to earn a living and increase her income or as she says *'I like to live well, but to be able to do so, I have to find the way' [INT7/FAM2]*. She feels comfortable with closing her initial business and looking for other business opportunities. The interests of this portfolio entrepreneur are more individualistic than family oriented, in line with Ucbasaran, Wright and Westhead (2003) as 'habitual starter', opening businesses in parallel to other firms, but also closing the ventures that do not represent a monetary benefit anymore. This contrasts widely with the following types that are more family oriented. Whereas sibling *A* is focused in his single business and its survival. In fact, pursuing firm growth is not an objective, opening another business is not an option either for this entrepreneur '*I plan things in the business in order not to grow. I prefer to stay small but with things under control' [INT6/FAM2].*

To this point firms in this entrepreneurial family do not present family business characteristics. This does not mean that in the future they will not be able to become family firms; however, entrepreneurs do not show long-term orientation showed by sibling *B* who is about to close her first business and her family has no involvement; or as sibling *A* states, *'I can't think of anyone who could continue with my business' [INT6/FAM2]* highlighting the lack of transgenerational vision.

A final characteristic in this Type I is that there is no enterprising experience in past generations, yet there is no recognition of the benefit they could get from other entrepreneurs in the family. One participant clearly states the disadvantages of not having past generations with business experience, but he does not reflect upon what he could learn for example from her sister who is a portfolio entrepreneur.

> *We don't come from an entrepreneurial family. It has cost us a lot to be entrepreneurs, we don't have inheritance of people with enterprising experience who are family…We could say my family is entrepreneurial now but a first generation one and it has been difficult. I believe many other enterprises are inherited don't you think? That is different, much easier. [INT6/FAM2]*

The experiences and interactions between members working independently, and the interpretation of support resemble more the situation of individual entrepreneurs highlighting their individual dynamics. Entrepreneurial activity is reflected through the creation of individual ventures (Discua Cruz, Howorth and Hamilton, 2013). As these families do not share a household, they are more concerned about the well-being of their direct nuclear family than to share experiences or resources. Although family members have business experience and relevant resources they could share, they decide to own and manage their businesses independently and even face problems independently. The resources and capabilities will be further examined in Chapter 6 on exploring familiness in entrepreneurial families, while facing challenges in the family will be covered in Chapter 7 in regards to the institutional context.

5.3.2 Type II- Formal entrepreneurial families

In this type of families there is formal support across members and businesses in the family. By formal support it is stated formally investing in another company or the existence of co-ownership and co-management of firms. The interaction in the families is mainly between senior and junior generation. There is a core family business in the family and the intention for the business to continue across generations with formal intra-succession plans in place. Peripheral businesses were created mainly with the help of the senior owner/entrepreneur. There is no existence of external partnerships, only family is part of the firms. Previous generations were entrepreneurs or founded the core family business. In other words, some of the participants of the senior generations in these families are owners of companies but also successors who inherited the family business, from there other companies have been created.

This type resembles a family entrepreneurial team and its characteristics in line with Discua Cruz, Howorth and Hamilton (2013). Members share ownership in firms; however not all members have participation in all the firms. For example, offspring in case *FAM14* and *FAM12,* do not own yet rights in the core family business while the senior generation co-owns the peripheral companies of their offspring. To add to the dynamic of the family entrepreneurial team, in case *FAM12* a member of the family was excluded from the entrepreneurial family context for two reasons. The first one has to do with a failed business. Not for the failure itself but for the loss of trust. The senior generation gave every type of support to this member of the family to open her own business; however, she was not responsible with it and did not put enough effort. As a result, the business had to close. The parent reflects '*You can help your kids, so they don't start from scratch but is up to them to* *fight, suffer, fail and get up. They have to respond if you support them' [INT33/FAM12].* The motive to open the business was to provide the daughter with a professional activity. The second reason for the exclusion of this member in the entrepreneurial family activity was because she got married, *'when they (offspring) get married, that is their own business, they can start their own family firm' [INT33/FAM12].* In this case in-laws are excluded from the entrepreneurial family and also direct family members who start their own family. The level of trust decreases when there are external people involved. Family is responsive to the possibility of non-family members with different opinions, causing distrust (Arregle *et al*., 2013)

Cases *FAM12* and *FAM14* are very similar and are part of this typology; however, the level of education of the second generation is determinant of the way businesses have been developed. Participant *INT38* has been more proactive in finding business opportunities than *INT34* '*I have a real state agency with my dad, from the properties we have, we sell them and buy them' [INT34/FAM12],* the highest level of education of this participant is high school and the father involved his son to open the entrepreneurial effort of the second business that manages the assets resulting from family wealth created in the family firm (Steier, Chrisman and Chua, 2015). As opposed to the experience of the son in case *FAM14* with a master's degree: '*We try to find other business opportunities that are for the best of the family' [INT38/FAM14],* he is more involved in the early development and recognition of opportunities, but also more involved in the family business, finding ways to professionalize it. A combination of these two profiles is showed in *FAM4*. The son *INT14*, also finished up to high school education, his father encouraged him to open a business complementary to his existing firm when he got married at a very young age and had to quit his studies to support his new family; nonetheless over the years he has demonstrated the entrepreneurial spirit to his father, even convincing him to take risk for entrepreneurial efforts.

Strong bonding social capital is a characteristic of this family, as their boundaries are closed and not open to other non-family partnerships[9]. Hence, the networks members have in these entrepreneurial families may be limited. That is also why individual ventures or high diversification in this family are not characteristic in this family, consistent with Discua Cruz, Howorth and Hamilton (2013), family members are more interested in maintaining the family business and developing a family portfolio of firms together for the benefit of all the family. Family owner/entrepreneurs are stewards of the family resources and they all share the same values, clearly illustrated by this participant. *'we know that we are going in the same boat, we go hand by hand to the same place. We don't have to say it; it is how it is' [INT14/FAM4].*

However, a common limiting factor to be more entrepreneurial is the high family involvement and the family business itself. The limited resources provided by the closed network of family members limits the exploitation of new opportunities (Arregle *et al*., 2013). Paradoxically, while the family business has given members with experience and knowledge which could be transferred to other firms, the demanding nature of the family business does not allow focusing on other ventures. The family business remains the priority. In this sense, families in type II take the *families-in-business* mind-set (Habbershon and Pistrui, 2002) in which entrepreneurship is more focused towards the generational continuity of a particular business rather than in the creation of new ones. This however, does not mean that families in this typology cannot naturally progress towards another type or can have both focus on the family business and peripheral businesses even when the focus on the family firm may be more prominent. As for now in this entrepreneurial family for example, the dynamic is the following:

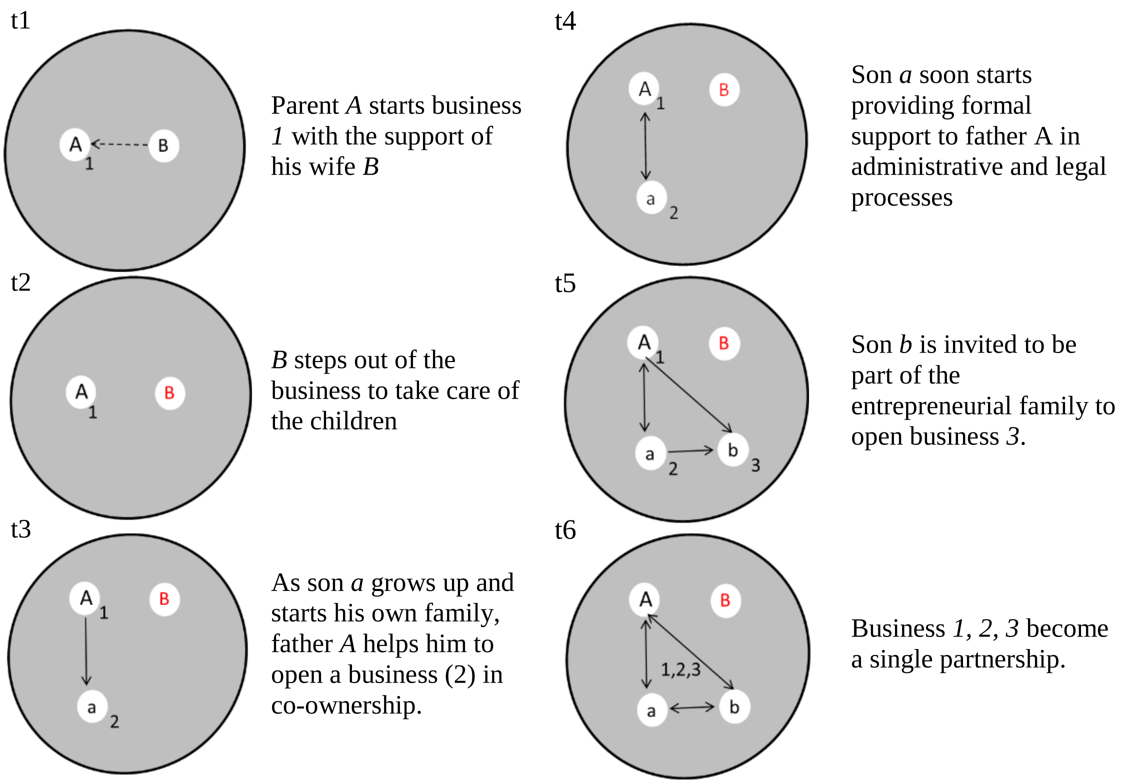
> *I have another business with my son, mainly managing real estate projects. We buy properties and we receive rents from them. They are just small projects because for now the family business demands most of the time. Because of that we haven't been able to*

[9] Social capital will be further explored in Chapter 6.

develop a more active business, otherwise we would need to leave the family business and it is not an option. What we do outside is in our free time [INT33/FAM12].

To analyse more in-depth the dynamics of this typology (Figure 5), case *FAM4* can serve as an illustrative example because it shows significant changes and inclusion of members over time for different reasons, as well as their richness of interactions.

Figure 5. Support dynamics in Type II- Formal entrepreneurial families



Notes: Entrepreneurial case *FAM4.*
Upper case letters represent senior generation. Lower case letters represent junior generation
Numbers represent firms
Solid lines denote formal support
Red letters denote exclusion of a member from the entrepreneurial family.

This entrepreneurial family starts with member *A* – senior generation opening his business with the help of his wife *B*. His wife helped him with the accounting of the firm, soon after the wife steps out of the business to be a full time housewife and take care of the kids. When participant *a* – junior generation starts his family at a very young age, he has to give up his studies and make a way of living. His father stepped in to help his son and offered him help to start a business (*2*). Considering portfolio entrepreneurship, this family remained in the same industry of the original business (Sieger, Zellweger, *et al.*, 2011).

The path of the family has driven the foundation of new lines of business; however, non-existent or little diversification is a characteristic of these families. The same happens with other families in this typology, little diversification has been possible to distribute and manage wealth, for example only real estate business *FAM12* or venue rental from properties bought from the fruits of the family business *FAM14*. This new business ventures have been a consequence of the core firm but they show little entrepreneurial energy (Rosa, Howorth and Cruz, 2014). Wealth is distributed across the different businesses depending on the firm's needs. Members have always supported each other with the different firms, putting the main family business as central actor.

> *When I invited my son to the business, he already had his family and I had mine so we decided we needed another business for both to live from. Each to have their own thing. I only told him it should be in a field that was compatible and not competitive to my sector. I said, -I will promote you with my business directing people to go and buy from you. [INT13/FAM4]*

Ownership rights in business (*2)* were divided equally into two parts between father *A* and son *a,* although the management of business (*2)* was done by the son. It is important to note here that the directionality of support changes from (t3) to (t4) because at the beginning it was only the father who helped the son, but after the son starts to learn administrative processes he takes full charge of some of them for both firms (e.g. tax reports). This dynamic continued for a few years. The second son *b* started to have problems in his public job [10] then son *a* told his father they could invite his brother and exploit a business opportunity with other type of materials he thought were a profitable opportunity. Senior generation was reluctant to take this risk but was more open to the idea of involving his son

[10] More detail about this dynamic in terms of institutional challenges is addressed in Chapter 7.

b in the businesses in the family and keeping him safe from that public job. Finally, son *b* agrees to step into the family business, he sells his car as a *'symbolic'* payment to enter the business contributing with something. When son *b* decides to become part of the entrepreneurial family, Parent *A* and son *a* had already decided what type of product member *b* could sell in business (*3)*, again a compatible product to the construction materials they already handled. The family wanted to continue in the same business line and not diversify. This type of family supports the industry- knowledge from portfolio families (Sieger *et al.*, 2011). Because member *b* had helped as a kid in his father's business he was not completely disconnected with the handling of things there, and that gave him the advantage to settle in fast with his new role in the family. Members *A* and *a* were very open to include *b* in all business efforts, that is when they decided they could merge the three businesses into one single partnership (t6) selling a range of construction materials. Even there is not high entrepreneurial energy in terms of new firms, entrepreneurial efforts and transgenerational spirit is directed towards the core business not new firms. Junior generation has given the family business the ability to change and become more productive.

> *Now with my brother and I, we have grown the business. When my father started with my mother they had 20 square meters, now we have more than 1000 square meters of business. We have worked for it. [INT14/FAM4]*

But the '*secrets of their success*' as they mention are private for the members of the entrepreneurial family. Not even other family members are allowed to know information about the business, clearly stated by this member.

> *We take good care of the company, let's say the secrets of our success are well kept. I could not go and tell my brother in law or cousin for example, what we do here in the company. We keep very well the secrets of the company. [INT15/FAM4]*

There is a succession plan for the core family firms in these families. Junior generation has been highly involved in the family business that peripheral businesses have not the same relevance as the core firm. Peripheral businesses are a function of the core business and they also serve to give junior generation with more managerial responsibilities as a reason for family portfolio entrepreneurship practices. Thus, succession process in these families is predominantly important as well as the fact that members should have work experience inside the family firm as preparation (Howorth and Ali, 2001).

This Type II showing formal support among members give evidence that they rely more in growth and survival of one particular business in the family with aims to protect it in the long-term; thus, becoming more conservative, although as shown before younger generations also provide opportunities for intrapreneurship within the family business. Beyond the conflicting evidence about family firms being either entrepreneurial or conservative, this type of families shows the nuances in which entrepreneurial families support the argument that the family firm context can have an effect on entrepreneurial behaviour within and outside the firm. This also provides an integrated approach of entrepreneurial behaviour through the dimensions of intrafamily entrepreneurship by exploring both activities in new and existing firms, research has mainly considered corporate entrepreneurship and portfolio entrepreneurship separately (Kellermanns *et al.*, 2008; Sieger, Zellweger, *et al.*, 2011) . In this case, families show that entrepreneurial efforts remains in a focal firm with little entrepreneurial behaviour towards the creation of new firms in the family portfolio or individual ventures. The analysis provided in this type contributes to the understanding of how family members act entrepreneurially beyond specific individual's characteristics (e.g. age and tenure of the CEO in Kellermanns *et al*., 2008) and considering other variables such as generations involved, resource support and conflict (as depicted in the loss of trust in *FAM12*). A different dynamic is found in the next type of families.

5.3.3 Type III- Informal entrepreneurial families

In this type of families there is informal support between members and their businesses, meaning there is no formal investment in other firms and no co-ownership of firms.

Members own and manage their firms independently but there is a strong and recurrent informal support among members. The interaction of these families occurs between senior and junior generation but also across the same generation even when they live in separate households. There is a core family business in the family and the intention for the business to continue in the family; however, formal intra-succession plans are not a predominant characteristic. Peripheral businesses were created mainly with the help of other owner/entrepreneurs. It is common to find external partnerships in peripheral businesses. There is entrepreneurial background in these families from past generations but businesses were not continued, senior generation founded the core family firm in these families, and some of these firms have been passed to the junior generation already for different circumstances (mainly not planned).

Owners and entrepreneurs support each other with their firms on a frequent basis. Each member owns independently 100% of their firms but they interact constantly with other members for the benefit of their firms via informal support. This informal support cab take the form of economic support, sharing advice and networks, helping out in the businesses. Having a parent entrepreneur is recognised as an advantage in junior generation entrepreneurs, providing help with the initial capital, enterprising guidance or access to networks which helped their firms to grow faster, as one participant mentions.

> *It was an advantage that my father had his own business. I see it with my friends for example they started from zero because their parents were not entrepreneurs, they are now at level 2 or 3. With my dad's help in different ways, perhaps I am in level 5 or 6 compared to those fiends. [INT22/FAM6]*

Finding a professional activity to be the sustenance of family members was the main motive to create peripheral firms, and these have remained separate from the core family business. Yet, senior generations helped substantially in the creation of the peripheral firms, on this a participant '*I guided my son for him to be independent; since he got married I wanted for* *him to have his own wealth with his business' [INT21/FAM6].* Senior generations are entrepreneurs who started their own company and their parents were entrepreneurs too (mainly male) but the companies from past generations were closed and are not part of these entrepreneurial families anymore. But still, there is previous enterprising background and that is interpreted as significant for entrepreneurial activity in the participants' responses. The fact that parents and previous generations were entrepreneurs helped their children in different ways. For example, to understand since childhood that being an entrepreneur is a normal and successful way of life; to try to follow their parents' example not only by helping in the existing business but to become entrepreneurs themselves.

> *I think the knowledge and entrepreneurial mind-set is inherited. Being close to my dad made me learn since I was a kid. Perhaps, a little bit of that and a little bit of my effort because I like to run my businesses too. [INT22/FAM6]*

Existence of external partnerships is common in peripheral businesses, getting involved with business associates who are not family but who are considered to have knowledge in the new industry. For example, *INT22* already has a business that he created with the help of his father (as mentioned above), but now he just recently opened a new firm with a friend *'my friend has a wonderful business model in the security industry, it helps my main business but also I diversify myself' [INT22/FAM6].* In these families pull diversification is more common (Rosa, Howorth and Cruz, 2014), it happens not because the family firm is in difficulty but because entrepreneurial members see opportunities mainly coming from external non-family members. In a similar note, *INT32* owns a school with an external business partner, while the core family business remains exclusively in the family and the entrepreneurial team remains in the family too (Discua Cruz, Howorth and Hamilton, 2013).

Some of the firms founded by senior generation in these families have been passed to the next generation already; however, the process was not planned and the junior generation had to step over for the business to continue in the family. When the family business is in danger, younger generations start showing interest although they were not part of it before. Family comes first and their interests too. That is the situation of cases *FAM8* and *FAM11*. For both cases the senior generation was having health problems putting the business at stake, in case *FAM11* it was a gradual process (but not planned) in which the junior generation discussed the possibilities with her family and she decided to step in the business, as she says.

> *I knew my parents have talked about selling the business because my dad was having a serious problem in his leg as a result of standing up through many hours daily in the business. I talked to my sister about it and she wasn't interested. I just thought the business has cost my parents a lot of effort; I didn't want some stranger to take advantage and benefit from it, better to remain in the family. That is how I decided to take over the family business, my parents have already worked hard it was my time to work hard too. [INT31/FAM11]*

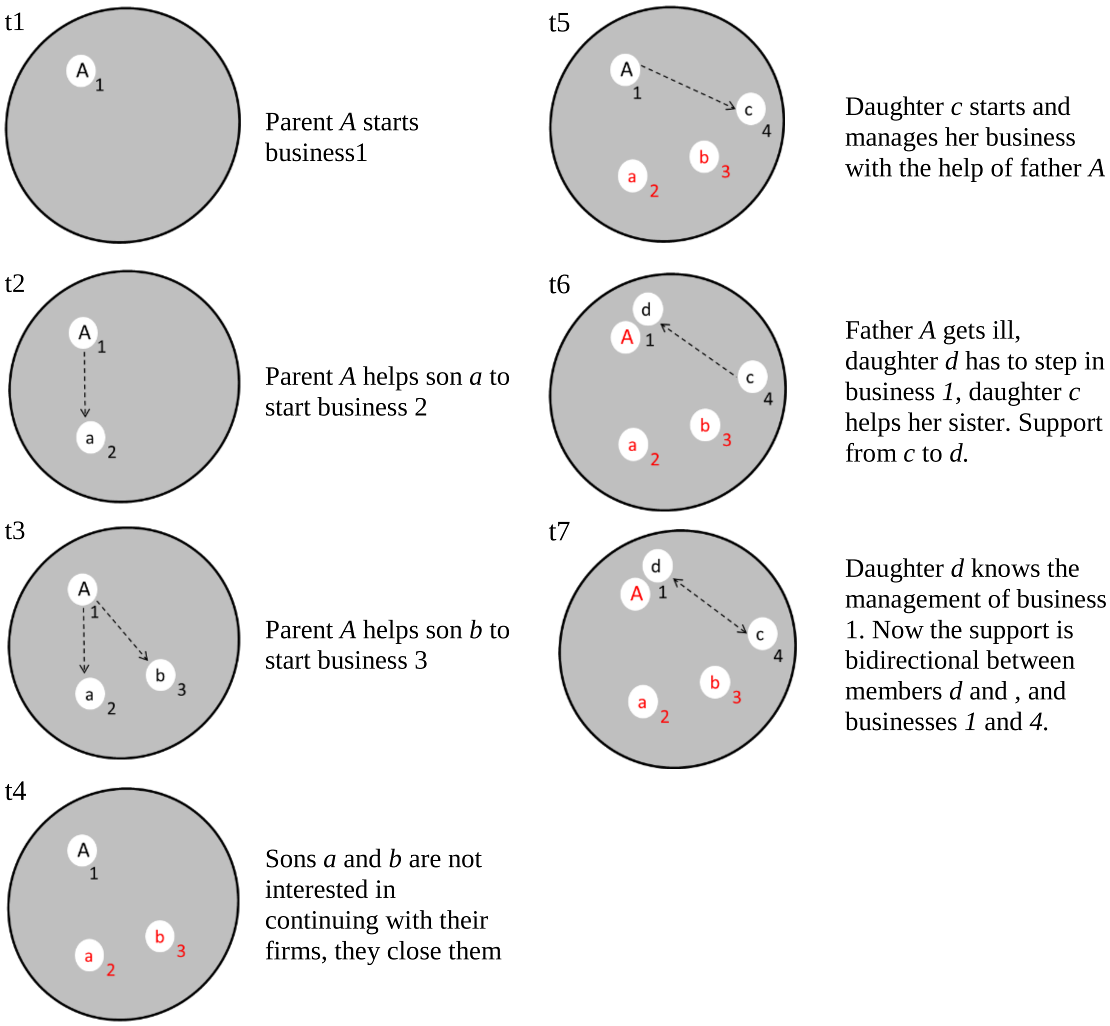
On this her sister complements.

> *My sister approached me and said 'my parents want to sell the business do you want to step in?' I said no, I wanted to keep my school that is my priority. I had never really liked the family business because I think it kept us apart from my parents when we were children as they were working all the time. Then my sister said I am taking over it then. I go to help sometimes but it is her business now and I am OK with that. [INT32/FAM11]*

For case *FAM8* it was a decision the daughter had to take the business overnight. His father got ill and her sister had her own business, her brothers were not involved anymore so she had to take charge of it, she recalls the difficult situation she lived in this process. To illustrate the dynamics in this entrepreneurial family type III, case *FAM8* can provide useful insights as it shows the evolution of the dynamics between family members and firms shown in Figure 6.

This entrepreneurial family starts with senior generation *A* opening his own business, members of this family recall previous generation having a business and they mention it was there where they learnt to work hard. Senior generation helps his son *a* to open his business as well as with son *b*. Soon after these members fail with their firms and they prefer to go and work for a company. Reasons for the failure of those businesses mainly because there was not enough interest from sons *a* and *b* in properly managing their businesses, they were not motivated in being independent entrepreneurs; instead they wanted to work for a company. Daughters *c* and *d* are the ones who have remained on top of the firms which is especially particular in Mexico.

Figure 6. Support dynamics in type III- Informal entrepreneurial families



Notes: Entrepreneurial case *FAM8.*

Upper case letters represent senior generation. Lower case letters represent junior generation
Numbers represent firms. Dotted lines denote informal support
Red letters denote exclusion of a member; red numbers are closed firms.

Daughter *c* asks help to open her new business, her dad helps her financially and also with business advice to manage her firm. Afterwards father *A* got ill, daughter *d* was about to finish her University studies and she had to step in the business as she recalls:

> *It was hard for me to run the business, my father got sick and I had to step in even being a woman. Both my brothers had been there but never came back to work with my dad, I was the only one there to take over but my sister helped me. Now I know how it works. [INT25/FAM8]*

The directionality of support changed from *c* to business (*1*). Although daughter *c* was not formally involved in the family business, she helped her sister substantially to get around the business. Once daughter *d* got to dominate the management of the family business the support changed in both ways; both sisters helping each other with their own firms.

Despite the fact that there are mainly different business activities in these families, a predominant characteristic is their cohesiveness to manage firms as a family. This has led to develop a competitive advantage by giving better service to customers, getting lower costs from suppliers and sharing information.

> *With my sister we make a good team. She kept my father's business and I am independent, we share advice and also customers and suppliers sometimes. [INT26/FAM8]*

> *In a way we work independently but together at the same time. [INT25/FAM8]*

Transgenerational entrepreneurship is nurtured across generations and also entrepreneurial stewardship in the collective efforts from senior and junior generations, but also among the same generation for the growth of both core and peripheral firms. This complements Discua Cruz, Howorth and Hamilton (2013) who only look at this dynamic across different generations, in this case *FAM8* siblings help each other for the benefit of the whole family across different businesses. As opposed to Type II in which entrepreneurial efforts are directed mainly to the core family business in more traditional stewardship practices having at the centre the specific family firm.

It is important to note here the dynamics and conflicts between the incumbents and successors. Incumbents were reluctant to make changes in their firms although they were unable to continue managing them because of health problems. Successors had a difficult time trying to renew the family business.

> *When I got involved in the business I noticed it needed changes. My dad was reluctant to the minimum change, it was very difficult for me. He is better now but he has not stepped a foot in here after all the changes I have made. Fortunately changes have been positive. From the day I took over the restaurant we have increased sales by three times. I have extended the opening hours. Because my father was tired he would only open for three hours at night! (surprised). Now we open from lunch hours. He only used the telephone for personal reasons now we give the number to our customers and take orders for delivery that has been a huge success! [INT31/FAM11].*

Constant communication is essential in these families. In the household or even if the family not living in the same household anymore, 'w*e have direct communication around three to four times a week even when we don't live together. We are independent in a way but we help each other with our businesses. [INT21/FAM6].* As a result of the open communication, important decisions are taken together as a family because it is the family wealth that is at stake. In this type of family, the informal nature of support enables members to work independently while their strong cohesiveness (even with multiple households) enable them to help each other with their firms through their daily routines and interactions. The existence of a family business brings members together and enable high involvement that provides them with relevant knowledge of the firms' situation to support accordingly.

5.3.4 Type IV- Hybrid entrepreneurial families

This type of entrepreneurial families shows a combination of formal and informal support across members and businesses in the family. Some members invest formally in other firms or co-own firms with other members in the same family. While the informal support is frequent across multiple and same generations, members and firms. The interaction and support between members occur in the whole family not only between senior and junior generation. There is a core family business that is beyond the second generation and for first generation family firms there are intra-succession plans, potential successors are already involved in the firm. In peripheral businesses there are some external partnerships (non-family). There is a mix of owner, entrepreneurs and potential successors in these families. Most of the members in these families do not share a household but some of them still live in a single household.

This typology is a hybrid of families Type II and Type III showing formal and informal support. They show complex organisational forms with different combinations of members in the family acting together or independently. There is no consistency of members involved in all businesses in the family, but high interaction between them is a characteristic. The support in these families is strong, as well as the involvement in all firms. Even when support may be only informal a great sense of responsibility is implied for others to work hard and respond in a positive way. In this family the goal is to keep wealth and resources, to be stewards of them, in line with 'family-as-investor mind-set' (Habbershon and Pistrui, 2002). Family members are stewards of their own business but not of a particular business. Transgenerational entrepreneurship is nurtured across members and businesses. Although there is great importance in the family business from where other members can learn but peripheral businesses are considered important too. As 3rd generation owner illustrates:

> *The fact that my children have their own firms helps them to see other horizons, although they also see that our family business has done well. This motivates them to get*

ahead, because fortunately everything we have has been as a result of that business, we all have eaten from there. We can't neglect it because we continue to live from it. It doesn't make sense not to love something that has given you so much, you have to keep loving it and keep taking care of it. [INT8/FAM3]

However, he also sees that other enterprises in the family help diversify risk from the family business if difficult situations may arise. Junior generations have arrived to family firms to make changes, modernise and grow the business. Generally, members worked for a company before stepping into the family business or before opening their business, but it is also a common factor that junior generations have experienced helping in the family firm as kids. For some, their university studies are compatible with functions they perform in the business.

My son graduated from accounting, what a better option for him to enter the family business. Now he is highly involved in our whole company. [INT8/FAM3]

Peripheral businesses are important and contribute to transgenerational wealth and the development of transgenerational entrepreneurship in family members, yet, they are not created to substitute the core family firms:

We have other businesses, for example one with my brother and another one with a friend and my wife. You are not going to live only from these new businesses but it is something extra, and something I want my wife to have on her own. [INT16/FAM5]

In family firms, non-family members are not part of the ownership or management of the firm. In peripheral businesses, external partnerships can occur when exploring opportunities, like in the previous quote the participant mentions the partnership with a friend. The reason to create a business with a friend is because of the industry-specific knowledge this friend has, that is not provided from other member of the family. Owner/entrepreneurs are open to include non-family members if they do not interfere in the core family firm, but this does not represent that non-family members can also interact with other members in the family. The same family serves as an example*, 'this is the beginning of new projects with my brother, his wife and our friend' [INT19/FAM5].*

Because of the family business background, offspring recognise the benefit of being involved in their parent's firm/firms. There has been an example of entrepreneurs acting as role models for younger generations. '*my sisters and I have grown up looking at my mum with her own construction projects, she used to take us and get us involved in them when we were little' [INT3/FAM1].* This interaction comes from generations behind, even if these families do not manage a second generation business the enterprising knowledge comes from previous generations and the patterns are replicated. 'M*y dad was a merchant all his life, I learnt it from him and that is what I am trying to do with my daughters. [INT2/FAM1]* .

Having an enterprising culture as kids has also been significant to the development of the successors and entrepreneurs profile. They start in the business since they are little. On one side we find that knowledge is applicable for the junior generation to take leadership in the family business. On other accounts knowledge obtained as kids in the family business is easily transferred to their own business when they create their entrepreneurial ventures, also determining their career options. Below quotes from members of the same family, one successor and one entrepreneur:

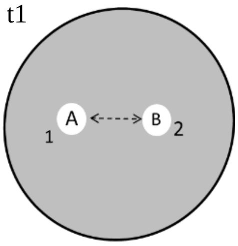
> *Practically, since we were little, since I can remember we were playing here but also helping and learning [INT9/FAM3].* **Potential Successor**

> *As kids we would come during our school holidays to help in the business. It wasn't an obligation we went because we liked it. Being involved helped me know the business well. If we didn't come as kids, it wouldn't be the same nowadays, perhaps I would be working for a company [INT12/FAM3].* **Entrepreneur**

To illustrate support dynamics in this Type of family, case *FAM1* can serve as an example because all the dynamics in the family and different firms can help to illustrate hybrid entrepreneurial families. Figure 7 serves to illustrate this example.

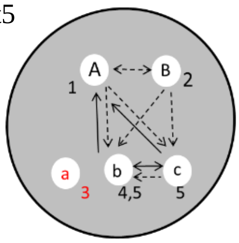
Figure 7. Support dynamics in Type IV- Hybrid entrepreneurial families

t1



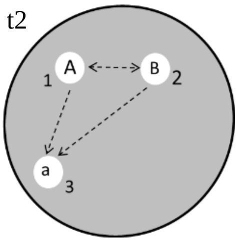
Parent *A* and Parent B, each own their firm (2, 3). They support each other informally.

t5



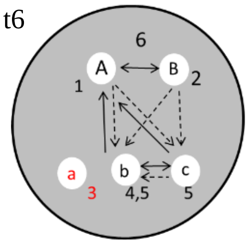
Parent *A* starts to have liquidity problems. Members *a* and *c* formally invest in business (*1*) to help their father *A*.

t2



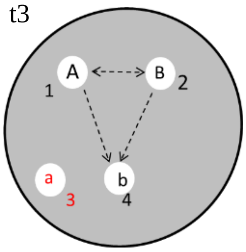
Parents *A* and *B*, support daughter *a* to start her business (3).

t6



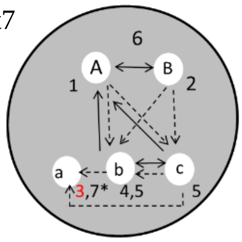
Parents *A* and *B* start a project together (*6*) while still managing their own firms (*1*,*2*)

t3



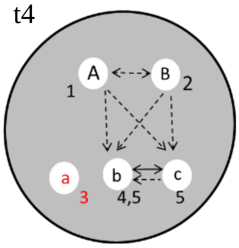
Daughter *a* manages her business while daughter *b* opens her business (*4*) with the help of Parents *A* and *B*. Soon after daughter *a* closes her firm (*3*)

t7



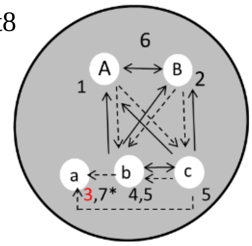
Daughter *a* explores a business opportunity in the informal economy. Daughter *b* and *c* support her.

t4



Daughter *c* wants to open a business (*5*). Parent *A* and *B* help with the condition that daughter *b* has to be part of the business too. Daughter *b* continues with business (*4*).

t8



Daughters *b* and *c* plan to invest in business (*2*) with their mother *B*.

Notes: Entrepreneurial case *FAM1*.
Upper case letters represent senior generation. Lower case letters represent junior generation Numbers represent firms. Solid lines denote formal support. Dotted lines are informal support. Letters in red denote exclusion of a member; numbers in red are closed firms.

This entrepreneurial family starts with Parent *A* and *B* supporting each other with their own and different construction enterprises. When offspring get older, daughter *a* starts to explore business opportunities in the city where she lives with her husband, with the help of her parents she opens business (*3*). After a year she starts to have problems with her business, it is not as successful as she thought it would be so she closes it but feels the responsibility to give back the initial investment her parents made, *'I made everything possible to give them back the money they gave me, they did not ask for it, but I felt I couldn't close the business and see them empty-handed' [INT5/FAM1].* In fact, Parent *A* considers the financial support he gives to her daughters with no expectations to get it back *'I help my daughters with money as a sunk investment' [INT3/FAM1],* he also helps them with business advice from the experience he has gained with his own firm, *'I can help with my little or much enterprising knowledge to guide them (my daughters) with their firms'[INT2/ FAM1].*

When daughter *b* finishes her studies, she wants to continue with a business project she made in university. Her parents openly help her not only financially but by providing other types of resources like lending labour and giving business advice. She starts her business from home, the same household as the parents. Daughter *c,* starts working for a company and spots a business opportunity that she wants to explore on her own. She asks for her parents' help, they are willing to support her; however, they put as condition that her sister (*b*) should be her business partner. In this way they can be both responsible for the business but also daughter *b* could have a formal office for her business (4). A similar dynamic happens in case *FAM7* where the daughter asks her father help in a new business and the legal constitution of the company considers shares for her mother and for her sister, because his father asked for it. Senior generations take care of family assets by engaging different members in business activity. Junior generation do not necessarily see the benefit in the beginning, in fact it was a source of conflict for the first months of business operation between siblings *b* and *c*.

> *My parents told us, if we set up this business (5) is for both of you (daughters b and c). At the beginning it was very difficult, we would fight over everything and then we had to see each other at home too, it was chaos. As time passed by we realised that we need each other in the business. [INT3/FAM1]*

Daughters *b* and *c* own and manage their business (5) together, while daughter *b* continues to manage her business (4) from the premises of business (5). These members have recurrent informal support from their parents, and the reciprocal support between parent *A* and *B* remains with business (1) and (2). Since both parents have their business in the same industry (construction) but focused in different markets they complement each other. Parent *B* wants to create more residential projects and joins with Parent *A* for a new project (t6) while still managing their own firms. Later on, business (1) starts to have liquidity problems because of the dependence to the public sector[11], while daughters *b* and *c* start to make revenues from the firm they co-own and decide to formally invest in his father company to help him and also gain a profit (t7). There is a new directionality of formal support, from the daughters to his father. Finally, as 'accidental entrepreneur', daughter *a* becomes a mother and wants to explore a business opportunity which she pursues as informal economic activity (informal business 7*). Members *b* and *c*, help her sister (*a*) by offering her a commercial venue where she can showcase and sell her products. By the observations from informal interactions it was noted that members in this type of family seem to be more free in regards to what they want to achieve and pursue, entrepreneurs pulling other members to be informally involved in new business ventures unrelated to other's area of expertise. For example, sisters simultaneously mentioned that they are constantly connected through a (social media) group in the family and they mainly use that to share ideas or ask opinion for business-related matters. Whereas in *FAM4* (Type II) for example, interactions showed a more paternalistic dynamic where guidance of the strategy of firms was given more by the father even when the two sons were more experienced now with the operation of firms.

Another dynamic in this type is *FAM3*, the mother has been involved in the informal economy for years. The other formal businesses have helped her sell her products but she has also helped members in her family for their entrepreneurial efforts and through different stages of the business. For example, she helps her husband in the management of the family

[11] More explanation about the institutional dynamics and public sector dependence is provided in Chapter 7

business and she has also helped her daughter in the creation stage of her business, in fact it was her who gave her daughter the business idea. Informal businesses in these families do not represent the primary sustenance of the family, but they are supported and maintained through time. This takes forward the notion of 'hybrid-pluriactive family' that considers only a single registered business supplemented by informal firms (Rosa, Howorth and Cruz, 2014, p. 370). In the case of these entrepreneurial families, multiple formal economic activities from multiple owner/entrepreneurs complement and support informal economic activity. Adding a new perspective to portfolio entrepreneurship by capturing full diversity of firms, the ones that are not formally registered which interact with the formal.

Family cohesion is important for the family and the business (Zahra, 2012), the time spent together can also be a source to entrepreneurial behaviours (Bettinelli, Fayolle and Randerson, 2014). As this participant shows, *'we complement each other in our family, we share advice, financial resources and we stay together [INT4/FAM1].* Success in these families in terms of family well-being and value creation has been possible by having two factors: family cohesiveness and entrepreneurial spirit across generations. As such, these factors have contributed mainly to the long-term orientation of the main family business but also to its renewal with the ideas of the newer generations. Additionally, the entrepreneurial spirit has been useful for junior generation who will not be successors and have chosen to follow an independent entrepreneurial path. Parents have acted as role models for their children '*my parents have always been an important source of good example and motivation, they have worked hard with the family business all their life. If they hadn't been like that, my story would be different today. [INT11/FAM3].* The significance of socioemotional wealth and non-economic goals is more prevalent in this type of families, recognising they could earn more perhaps working somewhere else, or by working for longer periods of time but they choose not to focus on money. While financial outcomes are important for the survival of firms, non-financial outcomes are more valued in these families too (Holt *et al.*, 2017), even they could be considered as 'family enterprise first' (Basco and Rodriguez, 2009).

We always had a good example, we saw it with our dad. He would always leave the house to work very early, come back to eat with us and then go again to the business. We saw he had time for us, for his family. The same way I have time for mine. [INT9/FAM3]

Decision making is an important process in entrepreneurial families. Not every decision is taken together across the different businesses but the significant ones are always consulted between everyone in the family. In fact, not only members who share a business but everyone in the family, as one participant states:

We make important decisions together as a family, with my wife and my three children. Also with the ones not that involved in the pharmacy (the family business), the ones who have their own business activities are part of decisions too. I make them participate and I expect the same from them to consider me and my wife in their decisions as a family. [INT8/FAM3]

It is important to note that in this family, to the exception of the parents, each one lives in a different household and has their own nuclear family (spouse and children), this is a significant difference with previous types I and II in which that has significant weight over working more independently to members who have their own nuclear family.

In these families economic wealth is sacrificed for a more important factor: family time. The importance of family is taught from generation to generation. Not having a boss or not working for a company enables owners and entrepreneurs to be flexible with their time and manage their activities independently, more importantly doing what they enjoy, *'People say, with your business you should be a millionaire by now, but the truth is that I don't pursue to be millionaire. I'm just looking to sleep peacefully every day and do what I like. [INT24/FAM7]*

Even when senior generations are old enough to retire; junior generations decide whether to open their own business or to be involved in the family business. In fact, in the entrepreneurial family the process considers junior generation to be involved in the family business but not necessarily all members. For example in *FAM4* there is a potential successor already formally involved in the family firm, while other siblings are helping too but each of them have their own business unrelated to the family firm. This contrasts on 'the typical socialisation process emphasises learning to master managerial aspects of the existing business and take it over, not start a new business' (Rosa, Howorth and Cruz, 2014, p. 373). In fact, the siblings have learnt enterprising knowledge from the family business and from each other in the family, form the father with the family business, the mother even with her informal business and between siblings with their own activities. Because the formal education of this members (junior generation) is not related to business management, one is an architect the other one has a degree on media communications, business learning has been concentrated in the family. The motivation of the family is also important to encourage their members to be entrepreneurs and not only be involved in the family business.

These families do not fall in either of Habbershon and Pistrui's types (family-as-investor or family-in business mind-set) nor as family-with-strategy (Steier, 2015) in the way that families do not have equal or sequential attention to competencies and opportunities. In these families the focus on internal competencies and the focus on external opportunities co-exist at the same time because it is not one focal entrepreneur who is undertaking activities, but the number of members in the entrepreneurial family who are concerned with the specific needs of their firms, hence attention to competencies and opportunities is simultaneous. For example, there is no sequence in the attention that two family members give to the family business in case *FAM3* in exploring opportunities to make their own packaging, when another participant in the family is looking to build internal competencies in his own (non-family) firm.

This Type IV- Hybrid entrepreneurial families provide nuanced lights to formal and informal configuration of support to highlight that dynamics in entrepreneurial families are complex beyond the firms and beyond the household unit (Steier 2009b; Danes, Stafford and

Haynes, 2009; Alsos, Carter and Ljunggren, 2014). Engagement of members in the firms across the family is triggered by different reasons within the family, supported by their strong interactions. These do not necessarily cluster around a core enterprise, unlike Type II, but they also show more formal patterns of collaboration, different to Type III. The combinations of both formal and informal support enables the entrepreneurial family to exploit and explore opportunities, this is further explored in Chapter 6.

5.4 Conclusions

The typology presented in this chapter provides a more comprehensive classification of families owning multiple firms, beyond the simplistic two side differentiation of families either owning a single business or more than one business (Michael-Tsabari, Labaki and Zachary, 2014). The four types detailed throughout this chapter present the different organisational forms which influence the way entrepreneurial families are structured and manage their firms in interaction with other owner/entrepreneurs members of the family. It also takes a step forward in differentiating between families focusing only either on internal or external opportunities (Habbershon and Pistrui, 2002), it rather provides a more ample view of the natural focus entrepreneurial families tend to have depending on their family and/or firm’s needs, without mutually excluding families from either family-in-business or family-as-investor mind-sets (Habbershon and Pistrui, 2002). The types also shed light on the configurations and the participation of actors in these families engaged in entrepreneurial activities, where it is recognised the existence of a more dominant actor in the family like in previous studies (Nordqvist and Melin, 2010) but there is also acknowledgement of the influence each other actor makes to the future of entrepreneurial activities; contributing to a new perspective of a collective creation of an entrepreneurial vision in the family as a result of their interactions. This is true with the exception of Type I where each owner/entrepreneur in the family is a central actor in their own entrepreneurial activity.

The support dynamics within the entrepreneurial families are very complex, the figures and diagrams illustrate those dynamics. The classification process was not without complication; because families and firms are highly heterogeneous every single case had specific characteristics that could make them belong to an individual type of entrepreneurial family. However, the purpose was to provide a broad typology of the organisation forms of entrepreneurial families according to the support they present and the common characteristics they share in terms of family, the family business and entrepreneurial activities. A summary table is provided where each entrepreneurial family in the study is aligned with their type (Table 8).

By looking at the whole entrepreneurial family and different types of families, the researcher was able to find more nuances on the relevance of family support to entrepreneurs within the family. A quantitative study to discover these nuances could not have been possible, to start with because of the lack of database and number of entrepreneurial families representative for a quantitative study. This confirms how qualitative studies can uncover ambiguous relations within the family (Nordqvist, Hall and Melin, 2009) making analytical generalisations rather than statistical generalisations, that is to link findings in certain cases to general levels of theory (Yin,1994). Thus, this study contributes by shedding light and providing the nuances of family support through the typology presented emerging from the interpretative approach that has also led to the refinement of past theory.

Table 8. Summary table of types of entrepreneurial families

Type of entrepreneurial family	Families	Illustrative quotes
Type I Independent entrepreneurs	2, 9, 10, 13	• 'We have our separate businesses, we are contact but we keep it very professional and he (brother) has been one of my clients' [INT29/FAM10] • 'Here I don't have anyone who might keep this business, nobody in my family does this' [INT6/FAM2] • 'I am very independent with my projects, my brothers have no activity or intervention' [INT7/FAM2] • 'My son has his own work, he sells to the government who needs inputs I don't know any of that, it has nothing to do with my business, my son works for them' [INT27/FAM9] • 'We don't talk anything about business, we don't combine family with that' [INT36/FAM13]
Type II Formal entrepreneurial families	4,12,14	• 'My sons have told me, dad we need you here in the business, we have made a team, we need each other' [INT13/FAM4] • 'I think I need to guide my son and work together with him, we have the alternate business but he knows he can come to work with me whenever he wants…for now I want him to gain experience' [INT33/FAM12] • 'My dad decides how to manage the money and how to distribute it in our businesses depending on their need [INT37/FAM14]
Type III Informal entrepreneurial families	6,8,11	• 'Whenever I don't have a product in stock I go to my sister's business to get it, or vice versa' [INT26/FAM8] • 'We don't let the customer leave empty-handed. We (my sister and I) sell to each other at product cost and keep our customers. In a way we work independently but together at the same time' [INT25/FAM8] • 'We are not very fond of external business partnerships, in fact I talked about this with my dad and he was not convinced but he said it was an additional business for me so I could decide as long as it wouldn't affect other businesses' [INT22/FAM6]
Type IV Hybrid entrepreneurial families-	1,3,5,7	• 'I didn't charge my daughters for the (construction) project I made for their business' [INT4/FAM1] • 'I tell my daughters I am not going to support anything you will not put your effort on, if they are like that better for them to work for a company… in this family we work hard in our firms' [INT2/FAM1] • 'I am practically the one who takes care of the construction needs for the family business, either for the central site or the branches, they only pay me the inputs' [INT11/FAM3] • 'My son has his business but I like to support him with my own business, giving him opportunity to own and open branches' [INT8/FAM3] • 'I have two young children who don't allow me to work full time, that is why I sell jewellery, but I help my dad in the business sometimes' [INT20/FAM5] • 'There is another business in the family, my daughter has a school. Even she admits or not, she opened it thanks to me…I decided her sister and her mother would be owners too' [INT24/FAM7] • 'I have to approach my father with many questions, how he has dealt with things with his business. [INT24/FAM7]

This chapter has addressed research objective one: To examine the distinctive features of entrepreneurial families and how they differ from each other. It has also set up the elaboration of research objective two on the evaluation of how support is configured in entrepreneurial families, which is thoroughly discussed in each type of family, and will be carried forward in the following chapter. It examined the different experiences of the participants in this study in relation to their businesses and their family interaction, to provide a basis for the development of a typology. The analysis was undertaken through the abductive process which allowed constant moving between data and theory, process which was detailed in the research methodology in the previous chapter, Chapter 4. The first section provided an overview of past classifications in family business research. The second section focused on the basis for the classification process with the characteristics considered for developing the typology. The third section presented the different typologies following a detailed account of evidence to support the distinguishing characteristics of each typology.

The examination of the empirical data presented in this chapter provides a number of insights from the intersection between family, family business and entrepreneurship. This analysis does not suggest that these typologies are exclusive to the context of entrepreneurial families, what this analysis does is highlight the different organisational forms in regards to the support between members in entrepreneurial families which contributes to the understanding of the functioning of the entrepreneurial family as organisation. This is valuable because it provides fresh view of portfolio entrepreneurship and family business research focusing on the family and the relationships between their members. It also provides accounts from multiple members in the family that make the analysis more reliable.

The findings suggest that entrepreneurial families do not form a homogeneous group resulting in different organisational forms which are useful to understand the nature of support, resources and capabilities explored in the following chapter. Analysis of empirical material will continue in subsequent chapters. Some of the themes have been highlighted in this chapter and will receive more thorough attention in Chapters 6 and 7. The next chapter carries the typology forward and adopts a comprehensive approach in exploring the role of familiness in entrepreneurial activity and the utilisation and transformation of resources and capabilities by entrepreneurial families.

Chapter Six: Examining familiness in entrepreneurial families

This chapter is focused on the process support among members and what they bring to the entrepreneurial family in terms of resources and capabilities while the result of that support in the wider institutional environment is explored in Chapter 7- Understanding entrepreneurial families in the institutional context of Mexico. The previous chapter outlined a typology of entrepreneurial families and described in detail family dynamics in each type. Type I refers to families with independent entrepreneurs showing very little and rare support among each other in their business activities. Type II considers close entrepreneurial families, where members show formal and dependant support. Type III refers to family supporting members informally but recurrently in their firms, while Type IV show a mix of informal and formal support across members and firms in the family. The distinction of different types of entrepreneurial families according to their organisational structure enables to unpack familiness in entrepreneurial families and its variations.

Social capital theory as framework serves here to highlight the nature of relationships within entrepreneurial families, and is taken forward to uncover those resources and capabilities alongside entrepreneurial activity in the family. The abductive study confirmed that social capital theory was more appropriate, rather than resource-based theory. Beyond the amount of resources better assessed with resource based-theory, social capital theory allows to focus more on the resource support emerging from interactions in the family. While the interpretive approach allowed to understand and give meaning to the support of actors in the family which are a result of their relational dynamics and interactions.

It is important to make a clarification at this moment; social capital in this chapter is used both as framework and as a capital resource. Social capital theory as framework supports the antecedents of familiness, the access and mobilisation of resources and the creation of capabilities mainly through the relational dimension of social capital. While social capital as a capital resource relates to the dimensions of familiness in terms of the resources available to the family, namely networks (structural dimension of social capital), and shared vision and language (cognitive dimension of social capital).

The objective of this chapter is to capture the familiness of entrepreneurial families in accordance to the intersection of family, family business and entrepreneurship from the organisational structures identified in Chapter 5; by exploring their antecedents, dimensions and outcomes (Zahra and Sharma, 2004; Sharma, 2008). Beyond the dichotomous approach of familiness, distinctive (positive) or constrictive (negative) (Habbershon, Williams and McMillan, 2003); this research further explores the effects of familiness in entrepreneurial families as a source to unpack their heterogeneity. The different utilisation of resources and creation of capabilities allows a more nuanced understanding of the family-related issues in family business and entrepreneurship research (Salvato and Aldrich, 2012). The heterogeneity of entrepreneurial families also reveals both the effects of familiness (from family to business) and enterpriseness (from business to family).

The components of familiness in entrepreneurial families are exemplified in Table 9 and serve as structure of this chapter. The first section focuses on the antecedents of familiness including the conditions to develop social capital in the entrepreneurial family. The second examines the dimensions and process of familiness in terms of capital resources in entrepreneurial families as well as their capabilities. In this section emphasis is made on how family owner/entrepreneurs share resources, create and use capabilities for different reasons. The third section reflects on the different entrepreneurial activity as outcome of familiness, followed by the explanation of 'entrepreneurial familiness'. Finally, concluding remarks and a summary of the chapter are provided.

Table 9. Components of familiness in entrepreneurial families

Antecedents	Dimensions	Outcomes
Time and stability of membership	Capital resources	Support and expand family business
Interaction	Capability creation process	Support and expand family portfolio entrepreneurial ventures
Interdependence	Capabilities	
Closure		Support and expand individual ventures

6.1 Antecedents of familiness

Building on the insights of Sharma (2008) this section explores the antecedent conditions that create familiness in entrepreneurial families to develop new insights of the construct and a more nuanced understanding of the support process between family members. Antecedents conformed by time and stability, interaction, interdependence and closure (Nahapiet and Ghoshal, 1998) generate social capital which derive in familiness (Arregle *et al.*, 2007; Pearson, Carr and Shaw, 2008) .

Family structure and relationships are determinants to build the stability to create social capital (Pearson, Carr and Shaw, 2008). Social capital is generated from long standing social relationships by an initial act of institution, the family (Bourdieu, 1986) and requires a great investment in time to be grown and developed (Coleman, 1988). Entrepreneurial families in this study with a mix of single and multi-generation families, living in one or multiple households; all present a shared common history by being a family. But their social capital is showed in different levels according to the formal or informal configuration of support

The first type of entrepreneurial families recognised in Chapter 5 refers to Type I-Independent entrepreneurs, this family shows weak antecedents of social capital as illustrated here, '*I hang out with my sister but we never interfere our firms, she never gets in my company as I never do in hers. Everyone manages their own company as we see is more convenient for each' [INT6/FAM2].* The characteristic of support in these families resembles more that of stand-alone entrepreneurs receiving occasional help from family, rather than support in terms of familiness enhanced by the existence of multiple owner/entrepreneurs. The dynamics between individual entrepreneurs using family resources has been studied, especially putting family in terms of network ties and what they can bring to the entrepreneur (Anderson, Jack and Dodd, 2005; J.-L. L. Arregle *et al.*, 2013). The responses of family members in Type I will be not considered to develop further sections surrounding familiness but will serve as empirical evidence of individual entrepreneurs to contrast against family owner/entrepreneurs.

6.1.1 Time and stability of membership

Stability in families is created by members to maintain family cohesion (Arregle *et al.*, 2007) this in turn facilitates the accumulation of resources and creation of capabilities. Time and stability is a major determinant in building trust and cooperation in networks (Nahapiet and Ghoshal, 1998). As two members of an entrepreneurial family in the study illustrates, *'We are a family that support each other 100% …and I only trust my family' [INT10/FAM3*]; and the mother, '*We are a very united family and we look for things we can improve in our activities' [INT12/FAM3]*. Stability and family cohesion rely not only in the specific family business but taking care of the other business activity too.

Stability is dependent on time as family evolves along with the family life cycle, including events like birth, marriage, divorce and death (Arregle *et al*., 2007). Marriage for example has led to less cohesion from the entrepreneurial family for independent entrepreneurs, members become more independent and more concerned in shaping values with their new direct families (spouses and children). In contrast, in the rest of entrepreneurial families, the junior generation marriage led to the senior generation to formally support to open a business and keep working together, or similarly senior generation providing informal support in other businesses.

6.1.2 Interaction

Interactions relate to the amount, quality and strength of relationships among family members (Pearson, Carr and Shaw, 2008). Members of entrepreneurial families interact for family or business purposes, as well as in family and/or business settings; it depends if members work together or independently. For members that work together with their businesses, interactions in the firm setting are a given. '*One day my brother and I made and experiment to count how many times we communicated with each other, it came to 60 times in a day!' [INT14/FAM6].* This also creates interdependence and in some cases like this one, overdependence on one another for business purposes. It is interesting to note that in entrepreneurial families there may be an unbalance of family vs business interactions. In the same family, sibling entrepreneurs prefer not to interact much with each other for family affairs as each they are married and prefer to spend time with their wives and children when they are outside the business. The other sibling commenting *'my wife tells me how can you say you love your brother if you don't see him outside the business, it is because outside I don't want to be with him anymore (he laughs)' [INT15/FAM6].* The participant replies that of course he loves his brother because they have harvested that love for a long time, adding also to time and stability of membership condition. However, this does not prevent the family from having a healthy relationship and sharing resources in firms. Same participant expressing *'my brother lent me one of his employees and I lent him one of my vans…we also used to share the same telephone line' [INT15/FAM6].* This is particularly true for formal entrepreneurial families. Their ties are so strong in their business activity, that it damages their family relationships (Arregle et *al*., 2013).

It is clear that interactions in entrepreneurial families are important for the development of resources and capabilities, and it is essential to recognise the nature of these interactions depending on their purpose (family or business). Where there is more balance of interactions like in families where both formal and informal support occur, one participant summarises the relationship of interactions and resources across the family *'We have a lot of interaction* *among ourselves, then we share many things. We are always open to help each other with our businesses' [INT12/FAM3]*. Strong interactions not only happen in the same household, in the previous family all members live in a different household with the exception of the parents. The strength and structure of relationships in the family can influence entrepreneurial behaviour of its family members (Randerson *et al.*, 2016). On a similar note, father and son have constant interaction in relation to their firms *'I meet with my son around 3 to 4 times a week, we discuss things in our businesses, the way we can support each other because we do help each other' [INT21/FAM6].* As the analysis continues in this chapter, further exploration of interactions will be presented in relation to the organisational forms of entrepreneurial families.

6.1.3 Interdependence

Interdependence drives social capital formation (Nahapiet and Ghoshal, 1998) and can lead to unique capabilities in family firms (Lansberg, 1999). Family members who share goals and make decisions are often more interdependent (Arregle *et al*., 2007). This happened particularly more in multi-generation entrepreneurial families and families where a family business existed, for example *'Now with my business I have an important decision to make, I study alternatives with my father to take the best choice for our businesses' [INT22/FAM6].* This shows how decisions in the family affect resources across generations; however, interdependence is also visible in same generations. *'Now my parents are involved in another project, it is time for me and my sister to plant our money, to harvest later' [INT3/FAM1*]. This highlights the fact that also siblings generate and nurture value in their business and in consequence in the family. This extends the notion that value creation takes a transgenerational form, also inter-sibling dynamics in the entrepreneurial family contribute to entrepreneurial mind-sets. The fact that there is a core family business makes them interdependent, where there is formal support the interest relies more in the family firm. That interdependence becomes overdependence because members are more interested in the success of one specific family firm, as Arregle et al. (2007) suggests interest in the family firm increases interdependence. Whereas in families where there is informal support, the interest is maintained in the family firm but also in other businesses within the family.

6.1.4 Closure

Closure is the net by which a collective is bound together (Nahapiet and Ghoshal, 1998). It establishes the limits of social networks and the uniqueness of its social capital (Pearson, Carr and Shaw, 2008). In entrepreneurial families closure is determined by the structural view, biological and marriage ties; but also by the transactional view, kinship and shared identity of being an owner or entrepreneur living similar experiences by managing a firm. It is also strengthened by shared goals and values, as one participant illustrates '*I told my other brother, 'I will not make any business with you', neither with my sister, only with one of my brothers' [INT16/FAM5].* This dynamic happens because the participant sees that his other siblings do not share the same values as him in raising a family and that is enough for the participant to avoid making business with them. Thus, members are excluded from the entrepreneurial family, similarly in which members are excluded from family entrepreneurial teams. Family matters are important to determine the inclusion and closure of the network, values and attitudes are important towards this end, rather than the ability or the resources members can bring (Discua Cruz, Howorth and Hamilton, 2013). In entrepreneurial families, closure is determined by means of social capital. Closure is vital for the development of familiness as without it valuable social capital may not originate in the first place (Pearson, Carr and Shaw, 2008). On this a participant reflects.

> *It definitely would have been different if we weren't family, only together we have come until here. I even see it difficult with a cousin or school friend, it is something very intimate that is only possible with my dad and my brother…no one else can enter here. [INT13/FAM4].*

Mainly where the support is formal, in-laws are not allowed to be part of the entrepreneurial family, *'We have an agreement that our wives can't be part of the business, oil and water* *don't mix' [INT13/FAM4]*. This comment highlights the clarity owner/entrepreneurs have to exclude family members from the boundaries of the entrepreneurial family and the family business, akin to family entrepreneurial teams (Discua Cruz, Howorth and Hamilton, 2013). While in families where informal support exists, there are some circumstances and businesses in which external members can be considered for certain purposes, extending the notion that family entrepreneurial teams are comprised only by family. The dynamic is more complex and it has certain nuances; namely, only family members are part of the family firm, while external partnerships with non-family members exist in other peripheral businesses (i.e. *FAM2,FAM5, FAM6, FAM1*)

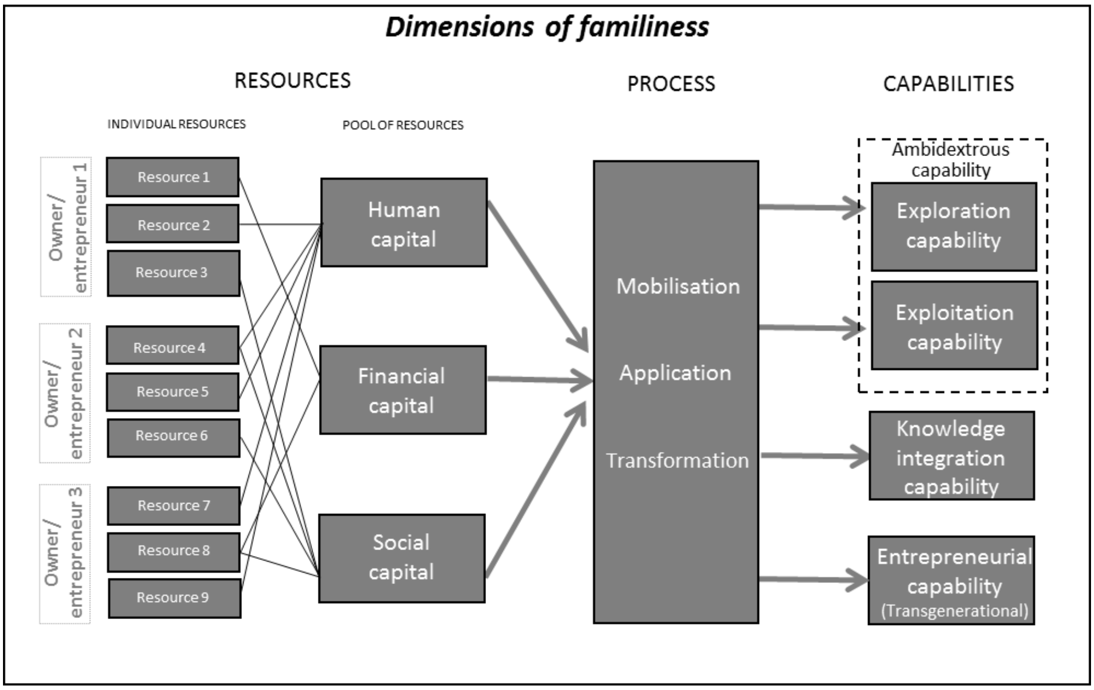
By capturing the originating factors of social capital in entrepreneurial families, this study supports the argument that business families are not 'internally consistent' (Discua Cruz, Howorth and Hamilton, 2013, p.22) or externally homogeneous (Westhead and Howorth, 2007). Entrepreneurial families showed different levels of stability, interaction, interdependence and closure as expressed in this section. As this analysis continues, different levels of the antecedents of social capital are presented across families. This is supported by the development of the typological approach of entrepreneurial families outlined in Chapter 5, showing the different organisational forms of entrepreneurial families enables to understand their entrepreneurial behaviour by acknowledging that familiness varies. The following sections outline and analyse the dimensions of familiness -resources and capabilities- including the process of transformation from resources to capabilities underscoring the organisational form in entrepreneurial families.

6.2 Dimensions of familiness

The second aspect of familiness is to understand its dimensions. This considers the distinction of different resources in entrepreneurial families while addressing the need to include other capital resources in familiness beyond social capital as resource (Sharma 2008). The dimensions of familiness include the resources and capabilities, the types of organisational forms (formal and informal) showed variations in the nature and use of resources, along the creation process of resources into capabilities. In line with Danes, Lee and Stafford (2008) the non-use of capital does not represent the non-existence of capital. This is the case mainly of independent entrepreneurs (Type I), mentioned in the previous section, whose low levels of antecedents of social capital in the family impede them from using the existing resources available to them from other entrepreneurs in the family, and rather they opt to look for support in external sources. Resources are not leveraged for the creation of capabilities unlike the rest of the families which benefit from each other, for their firms and for the development entrepreneurial activity.

The conceptual framework showed in the literature review Chapter 3, has been developed after the abductive analysis. It enables the articulation of familiness in entrepreneurial families showing formal support (i.e. Type II- Formal entrepreneurial families and Type IV- Hybrid entrepreneurial families) and informal support (i.e. Type III- Informal entrepreneurial families and Type IV- Hybrid entrepreneurial families). The part of the framework specifically devoted to the dimensions of familiness is illustrated as follows:

Figure 8. Dimensions of familiness in entrepreneurial families



This framework supports the notion that portfolio entrepreneurs have a wider access to financial and social capital resources (Sieger, Zellweger, *et al.*, 2011; Rosa, Howorth and Cruz, 2014), but it does so by taking into consideration resources in an specific type of family: the entrepreneurial family. By doing that, this research contests that familiness dimensions are not available to non-family firms, in the case of the entrepreneurial family the dimensions are at the disposition of their members. The fact that members are family but also owners or entrepreneurs makes this pool of resources more valuable and diverse. This contributes to address unanswered questions on how habitual and portfolio entrepreneurship operates in family context (Rosa, Howorth and Cruz, 2014). The framework shows how individual owner/entrepreneurs contribute to the pool of resources, which is later processed to build capabilities. The capabilities in the figure are the ones identified in the formal and informal configuration of support. For some families, exploration and exploitation is an independent capability, for others it is undertaken simultaneously making it an ambidextrous capability for that family like exemplified before.

As mentioned in the Methodology Chapter 4, to be able to understand the dynamics of support in entrepreneurial families was necessary to analyse the interactions of its members, that is why Figure 8 shows the entrepreneurial family but also members contributing to the pool of resources; utilising, applying and transforming resources into capabilities. In such a way that resources are what members bring and thus the family owns and capabilities what members do. This framework has been modified from the one presented in the literature review and constructed from the empirical analysis which will be detailed throughout this chapter. As such, the dimensions of familiness are explored in-depth within entrepreneurial families according to the formal and informal configuration of support that lead to the entrepreneurial activity as outcome. The dimensions of familiness – resources, process and capabilities are analysed in this section.

6.2.1 Capital resources

Capital resources as a process is the accumulation of resources in the family each member brings to be shared to other owner/entrepreneurs in the family, only possible to the antecedents of social capital. Members are more willing to be vulnerable to each other action when there is trust (Discua Cruz, Howorth and Hamilton, 2013). Members in the family trust others making decisions with their resources, because they share ideas and intentions there is an understanding of the common values in the family (Discua Cruz, Howorth and Hamilton, 2013). In the same line, families who trust their members are more willing to utilise resources because they know it will be for the benefit for the whole family.

> *All that we have (businesses) is the result of trust, because at the end everything is for the family, we have to take care of what gives us so much,… I know that my son will make good use of money, I know that my husband will. We try to do our best. [INT12/FAM3]*

As mentioned in Chapter 5, formal support in entrepreneurial families involves co-ownership, investments in firms and formal agreements. Informal support may take diverse forms, such as business advice, access to networks and resources, knowledge and information, or financial help. In the following section capital resources are analysed such as financial, human and social capital resources. Human and social capital resources are intertwined in such a strong way that is more appropriate to address them together in the entrepreneurial families, as done below.

Financial capital resources

In the formal configuration of support mainly takes the form of financial capital resources and wealth distributed across businesses and across members. Members accrue financial resources across households in the same family for use in the co-owned businesses. In this study, financial support is not exclusive on the wealth and income of one household for the creation of new ventures (Kim, Aldrich and Keister, 2006). Financial support is moved from businesses with more stability to other businesses in need. Financial capital resources in this formal configuration of support serve mainly firms, not individual members because members are intertwined in the same business ventures undertaking the same entrepreneurial activity. This dynamic from business to business only happens when the directionality of support goes from the accumulated family wealth to the family business or portfolio of firms. When the support comes from the business to the family then it can support individual members.

Formal configuration of support can also take the form of formal agreements but in informal ways, for example purchase agreements not legally bound. The commitment, obligations and trust within the family is enough to close those formal agreements. In this case, financial support takes other directionality from the business to the family (enterpriseness). Profit made from the business makes it possible for the son to purchase a house to his father. Hence, the family wealth is maintained in a loop in the entrepreneurial family. On this, the father stated: '*I am selling a house to my son, I told him the money you could pay to the bank you can give it to me without interest' [INT13/FAM4].* The father is flexible when his son occasionally asks to skip a month of payment and afterwards pay for two months together; different from a legal purchase agreement or contract. Consistent with Steier, Chrisman and Chua (2015) on business families, entrepreneurial families find ways to preserve family wealth across businesses and other investments like real state.

Entrepreneurial families pool financial resources together and members seek support in the family to ask for loans instead of going to a bank. There is a tacit implication of commitment when financial help is provided. In line with patient capital as one entrepreneur who helps three of his daughters with their business illustrate '*I help my daughters with money as a sunk investment, I support them, I don't pursue profit in their businesses; but I expect them to respond accordingly' [INT3/FAM1].* One of his daughters explains from her side '*We were encouraged by our parents to be our own boss and open our business; they said if you fail it doesn't matter but try it. Of course there is a great responsibility to have their support.*

[INT3/FAM1]. Financial support is provided to other members, this also creates a great sense of responsibility for others to work hard and respond in a positive way. Like this participant states *'Economic support is an incentive but also a responsibility' [INT22/FAM6]*, obligations and expectations emerge from this exchange of resources. This shows the two-way interaction between trust and cooperation, in personal relationships, exchange comes with expectations about future obligation (Nahapiet and Ghoshal, 1998).

When there is a firm in need of financial resources, other members help even if it is not for the family business. Having multiple respondents helped to obtain a wider picture of the situation of the support provided. In a family the father recalls when he helped her daughter *[INT 24]* with the payroll of her daughter's business.

> *My daughter came to me because she didn't have enough to pay the salaries, she came once and then again and again a few times; and that is the problem with family that they don't remember when you lend them money (he laughs) but I have the satisfaction as a father to see my daughter well. [INT23/FAM7]*

The sense of obligation of the father to her daughter benefited her with her business as survivability capital even when it is not a family business. In contrast to individual entrepreneurs, when a similar problem was encountered by one of the participants he had to fire his employees *'there has been one time when I had to let go most employees, I couldn't pay them'. [INT6/FAM2]*

Considering financial resources and the informal configuration of support also brings some risks on how those resources are handled depending on the level of involvement. As Hoy and Sharma (2010) state, in occasions family find difficult to distinguish between personal and company property. In entrepreneurial families, similar situations can happen across members and firms, an illustration of this is the mother *INT4*, who has her own business, sometimes uses their daughter's firm [*INT1/FAM1*] as office and even takes small amounts of cash to run errands. The level of involvement and informal interactions might become negative in terms of financial capital resources. Even when the mother is occasionally using the physical space and taking small amounts of money, it detriments the operation of the daughters' firm. One of them reflects *'…my mum comes here as it was her office, leaves construction plans everywhere. Sometimes she would grab money, then when my sister and I are looking at our balance sheets things don't match! We have told her that it causes confusion with the operation of our business' [INT3/FAM1]*. Conversely, in the formal configuration of support, the utilisation of financial resources is more organised.

Financial capital resources underpinning other types of resources

Financial support takes the form of shared bank accounts where members can draw on resources, which leads to collective decision-making. When there is formal configuration of support in terms of formal investments of co-ownership, it also increments the human and capital resources of individuals by sharing those resources with other members directed towards the same business activities. The lead entrepreneur in his early years opened three stores but could not keep them at the beginning, his son reflects *'My dad soon realised that his labour capacity didn't allow him to have three stores, so he only kept one' [INT14/FAM4]*. When the offspring were old enough to help, they helped first informally as teenagers. Then they later opened a store each (as independent business) and after it became a formal partnership[12]. Junior generation also bring human capital resources in terms of intellectual capital and social capital resources. A similar situation happened in *FAM3* in which junior generation were able to acquire formal education because of the fruits of the family business, and after they were able to contribute to the expansion of the family firm.

The distinguishing feature in the resources capitals in this formal configuration is that the utilisation of those resources is for the benefit of the specific entrepreneurial endeavours those members share, then support and resources utilised are of collective nature mainly.

[12] Chapter 5- Classifying entrepreneurial families, provides more detail on the history and formal configuration of support in *FAM4*.

More individual support and individual actions can be found in the informal configuration of support. As such, members in the family in the formal configuration emphasise more their role as stewards of the wealth and assets of the family, because it is exactly what it is at stake for all the members in this configuration.

Financial resources also show a link with other types of capital resources and the directionality those resources take. Formal education is an example of how resources move in a loop from business to family and back from family to business. Financial resources obtained from the family business have made possible formal education for junior generations (enterpriseness). When the junior generation grows, wants to give back to the family business. Such is the case of potential successor in case *FAM5* where this member is studying a master's degree abroad, he comments '*I am trying to demonstrate my father that I have the knowledge to contribute to the business because before (studying) I was trying to suggest things and it was like talking to the wall, he is very closed and he thinks he knows best' [INT17/FAM5*]. The son opts to contribute with his formal education to the family business because he knows he is the potential successor of the firm, and moreover he is interested in taking over it someday.

Social capital and human capital resources

In entrepreneurial families the exchange of social and human capital resources are highly intertwined because networks in the family are mostly the same who provide resources in terms of knowledge and information. Then for internal social capital there might be an overlap between 'who you know' affects 'what you know' (Nahapiet and Ghoshal, 1998, p.252). However, this overlap is normally positive as the information and human capital shared among owner/entrepreneurs is valuable because of their own enterprising experience. Moreover, the management of their own business extends each members' external social capital that is brought back to the family. The networks developed in their firms, meaning the multiple organisational social capital emerging from the businesses, serve the family with other firms.

The informal configuration of support also adds to the view of the entrepreneurial family maximizing their internal or bonding social capital, but additionally the external or bridging social capital that each member brings to be available to other owner/entrepreneurs. Having external business partners can provide diverse resources, family entrepreneurs employ bridging social capital to bring new networks or resources to the entrepreneurial family rather than including the external business partner to the entrepreneurial team. Then being part of the entrepreneurial family is valued because of its ‘appropriability’ characteristic that is the existence of networks for one purpose may be used for others (Coleman, 1998) Additionally, it builds on Sharma’s (2008) theoretical assertion that the appropriability between family and business does not limit itself to one flow from family to business, and does not limit itself only to flows of social capital. Similar to social capital resources, human capital resources are obtained in a business to serve others, in the same or different industry. The appropriability of the entrepreneurial family as organisation brings access of networks, information, knowledge and financial resources that are easily mobilised, applied and transformed by other members for diverse purposes.

Within entrepreneurial families, the benefit of external networks is passed between members. Showing a combination between bonding and bridging social capital. A participant illustrates *'Like my father had the opportunity in his time for me to continue with this business after having a friend in the government; now I want my daughter to continue with my business with the help of this other friend' [INT23/FAM7]*. A combination of a strong bond between father and daughter, with succession plans already in place for her, and the bridge between the father with external government connections[13] was valuable for the

[13] Connections to government and benefit of networks in the institutional environment will be further explored in Chapter 7

daughter to be able to continue with the business. However, for senior generations sometimes is difficult to transfer social capital to younger generations who become successors of the family business.

> *At the beginning it was difficult when clients did not see my father here, they told me –are you the new owner? – I had to explain them no, I am Juanito's; daughter, they responded – Aaaah very good – with a sense of relief. [INT31/FAM11]*

Sharing enterprise knowledge and skills is common through generations and between sibling entrepreneurs, *'I learn a lot from my sisters, they have maintained their business and keep on growing' [INT1/FAM1]*. Also business skills are transferred from generation to generation as one participant simply states '*I guided my son on how to run his business.' [INT21/FAM6]*. Offspring can also obtain enterprising skills in the family business during childhood through exposure and experience (Lane and Lubatkin, 1998). This exposure is not only relevant for potential successors but also for junior generation of entrepreneurs in the same family, like in case *FAM3*. Early involvement in the family business led the potential successor to become familiar with the processes in the family business and to acquire firm-specific knowledge, while his sibling with the same involvement in the business helped him form a positive attitude towards being an entrepreneur and obtain business knowledge in general that has served to be useful to some extent in his own business.

Other conceptualisations of human capital suggested by Hoy and Sharma (2014) are physical and intellectual human capital. Physical human resources in form of labour are also shared in entrepreneurial families, transaction costs are reduced or avoided across firms. For example, the parent 3rd generation owner *INT8* of the family business lends occasionally employees to her daughter *INT10* for her business. In the same family, the son with his company is in charge of the refurbishment projects of the family business and provides the service at lower market rates (Gomez-Mejia and Nunez-Nickel, 2001). All these availability and sharing of capital resources results in the creation of capabilities.

6.2.2 Capability creation process

Before exploring the specific actions that entrepreneurial families undertake in this process, it is necessary to explain the process of building capabilities that unlike resource based-view is supported by social capital theory. Building on Pearson, Carr and Shaw (2008) the idiosyncratic combination and utilisation of the resources result in the capabilities that complete the dimensions of familiness. The way the collective benefits from it goes beyond the existence of networks, for example, but how they make use of them to facilitate action and create value (Adler and Kwon, 2002). Capabilities are the action by which resources are mobilised, applied and transformed for the benefit of the family and the firms within. As such, entrepreneurial families in this study showed the collective pool of resources as well as the way they mobilise, apply and transform them into capabilities for their businesses.

The term capability has been researched from a firm-level perspective. Capabilities refer to the capacity the firm employs to use resources for a desired outcome (Amit and Schoemaker, 1993), may it be improved performance for example (Maritan, 2001). From a family unit perspective, it is considered in this study that while capital resources are what entrepreneurial families 'have', capabilities are what they 'do' with a combination of resources, processes and behaviours for the development of entrepreneurial activity (intrafamily entrepreneurship). Capabilities are learned from experience and learned by doing, existing resources develop the creation of capabilities (Bingham, Eisenhardt and Furr, 2007). It is important to note that firm performance is not assessed in this study. If the central purpose for capabilities is considered to improve performance (Maritan, 2001), the purpose of capabilities in entrepreneurial families is to improve the entrepreneurial activity of individual members drawing upon their support in form of capital resources and capabilities for the benefit of their firms, which in turn may enhance performance and competitive advantage of the portfolio of firms. The level of utilisation of capital resources and further creation of capabilities is dependent on the dimensions of social capital, especially the relational dimension, since the cognitive and structural dimension are needed for the development of the relational dimension (Pearson, Carr and Shaw, 2008). If social capital is not strong in the family, other resources possessed by individuals are irrelevant to other members (Coleman, 1988). That is the case of Type I in which entrepreneurs have resources but they are not shared and utilised, hence capabilities are not created as a collective to be employed by members in these entrepreneurial families.

The process of creating capabilities in entrepreneurial families is through mobilisation, application and transformation of resources. The relational dimension of social capital provides the link from resources to capabilities (Pearson, Carr and Shaw, 2008), this dimension refers to trust, norms, obligation and identity resulting from personal relationships (Nahapiet and Ghoshal, 1998). In many respects social capital of entrepreneurial families is premised on trust and an appreciation of family members about each other's individual entrepreneurial endeavours and the challenges they collectively face as an entrepreneurial family. As Eddleston, Chrisman and Steier (2010) suggest, trust is an integral dynamic within families, and is why entrepreneurial families are able to effectively access and leverage social capital. As such, the mobilisation, application and transformation process is possible in the family because of the trust existing in the entrepreneurial family and among their members. Trust is one of the reasons why some members of the family are not part of the entrepreneurial family (socially constructed), along with the structural and cognitive dimensions of social capital (Discua Cruz, Howorth and Hamilton, 2013). Trust within members of the family is crucial to share resources and collaborate with each other across the multiple businesses (Alsos, Carter and Ljunggren, 2014). Social capital can complement or substitute for other resources (Adler and Kwon, 2002). However, if trust is fragile it does not represent a link to capabilities in terms of accessing resources and collective action (Pearson, Carr and Shaw, 2008). Trust is a social process considering expectations within the family (Uzzi, 1997). As such this process is conducive to 'capability-building' as opposed to only 'resource-picking', the creation of capabilities occurs after resources are employed (Makadok, 2001). Entrepreneurial members in the family are given the trust to mobilise and combine resources available in the family; hence, members are stewards of the family's capital resources. While the application process from resources to capabilities is contingent of the norms, obligations and identity; norms, such as team work and integration of members of the entrepreneurial family to create capabilities. Obligations and expectations, in the case that there is a tacit agreement in the family that members will not only be stewards of the resources but will apply them to support entrepreneurial activity in benefit of the family and the firms. Also, members will contribute back to the family pool of resources if needed. Finally, identity in the family supports the application process for capabilities as a 'strong enduring force' (p.959) where individuals see themselves as part of the collective (Pearson, Carr and Shaw, 2008); '*as long as we stick together as a family, nothing wrong will happen [INT15/FAM4]*. This guides the behaviour of owner/entrepreneurs towards entrepreneurial activity as a result of the relationships and interactions with other members, which is reinforced by their identification as part of the collective (i.e. entrepreneurial family). It is important to note that while the mobilisation, application and transformation of resources into capabilities may be parallel to resource orchestration (Sirmon *et al.*, 2011), the latter focuses on the firm-level from a managerial perspective. The process found in entrepreneurial families is supported by its social capital, considering multiple members and multiple entrepreneurial activities, as follows.

Mobilisation

The net of entrepreneurial members and the pool of resources are available to use by family owner/entrepreneurs. There is communication in the family on how is the best way to utilise resources for the benefit of a particular firm and the family; however, the accumulation process (Sirmon, Hitt and Ireland, 2007) is not applicable to entrepreneurial families as an independent process. Family members accumulate resources on their own with their firms which are available to others. Rather than accumulating process, family members access and mobilise resources depending on their need, like one participant illustrates. '*Money is moved across the businesses depending on the needs' [INT37/FAM14]*. This participant is the head of the family, the owner of the family business who has opened two more businesses with his son as co-owner. Mobilisation is supported by trust, members are not worried on how resources are utilised.

Capital resource mobilisation occurs in entrepreneurial families that do not necessarily share the same household. This also reinforces suggestions on the importance of strong ties and stable family relationships for sharing resources across the family for entrepreneurial endeavours (Sorenson and Bierman, 2009). Because of high levels of trust within the family, decision-making and business advice is flexible for entrepreneurs because they decide among family members who are easily reached at informal meetings or dinner tables (Nor *et al.*, 2015). Transaction costs are lower where members cooperate, one interviewee explains, *'...a lot of advantages from the support in the family, like credits to buy merchandise from the mother company. Because we trust each other and all these [businesses in the family] are for the benefit of all of us' [INT11/FAM3].* This creates a strong sense of group identity which facilitates resource mobilisation (Granovetter, 2010).

The mobilisation of resources within the family is easier and faster in the formal configuration than in the informal configuration of support because members are more aware of the needs of the firm(s). The communication process takes less time as members live collectively the everyday needs of the businesses; the interactions of family and business are intertwined because of co-ownership and formal investments. Co-ownership in these families also means co-management of firms in these families, and with formal investments means being involved on the situation of the business because members receive profit, for example with case *FAM1* daughters investing in their father's firm from profit made in their own firm, mobilising resources from business back to family members (enterpriseness). Where there is informal configuration of support, mobilisation of resources from external ties is a characteristic because of the bridging element of social capital in these entrepreneurial families. Owner/entrepreneurs are able to mobilise resources available in the family to pursue entrepreneurial opportunities, either in existing or new businesses. Those resources can be combined to those that external partners can bring. Hence, mitigating the risk of over relying in the family (Arregle *et al*., 2013).

Application

The application relates to the integration and combination of resources into a particular task, deciding and organising what set of resources are appropriate. When there is formal support the application of resources is mainly cautious, integrating and combining resources for the benefit of the core family business and not for new venture creation, as one participant states *'we try not to take risks, take the safest route' [INT12/FAM13].* Over reliance in members and the closure factor in these families results to levels of conservatism in the family. The formal support restricts ability and knowledge within the family, specifically for Type II entrepreneurial families the application of resources is limited by their limited external social capital. The network is closed to the strength of ties and trust they share with members of the entrepreneurial family.

The combination of capital resources means that as a business owner it is highly valued to be a member of an entrepreneurial family. Capital resources are applied to ensure that the previous entrepreneurial experience of other members of the family is translated into capabilities which benefit the nascent and existing entrepreneurs within the same family. The more experience members have dealing with the challenges of everyday business life, the more knowledge they can share across the family, providing dispersed benefits. This means that resources can be applied to complement existing firms in the family or to create new ones. Different generations have different experiences and skills which are passed on over time through social capital dimensions, then combined as resources to create capabilities.

The application of resources also shows an important dynamic when there is formal support, in which the senior generation typically (though not always) takes the key role in deciding how to use resources. For example, seen in the informal interactions in *FAM12* with formal support, the father seemed to be more authoritative in what actions to take or decisions to make, while in *FAM6* interactions between generations (father and son) seemed to be more equal because the nature of businesses are different and each one runs them more independently than in families with formal support. However, from the interviews the son in *FAM6* mentioned that he takes decision but at the end '*my father is the father of the family' [INT22/FAM6]* expressing his father is the one with the final authority in decisions. The interpretive approach of this study and the multiple respondents enabled to find differences in paternalistic dynamics, because the family was the core of this study, not the single entrepreneur, not the firm. While there are different styles, paternalism is present in a non-aggressive way in families with formal support, the lead entrepreneur is not the dictator of the family, but as Reed (1996) suggests, paternalism is a more benevolent way to try to protect others with the basis of collaboration and trust. In this vein, the entrepreneurial family with formal support acts in this way because application of resources is finally decided by the one who is considered to be more experienced, although looking it from the senior generation the story could be told different. On the one hand the father commenting that decisions are taken democratically in his family between his sons for the benefit of the firms '*The three of us take decisions, if two agree then we take that decision, even if I am the one who thinks differently' [INT12/FAM3]*. While both sons independently commented that at the end their father is not the boss but is still their father, implying their position of power. This coincides with Gupta and Levenburg (2010) that decision-making in Latin American countries the families are 'paterfamilias' and the head of the family is consulted to make decisions. However, this contrasts with the evidence of families where there is informal support, where decisions are taken less hierarchical or patriarchal in nature as reflected in the informal interactions observations. As such, the analysis of responses from the multiple participants along with some of the observations allowed to a different understanding from the one obtained if the researcher had arrived to conclusions from an individual entrepreneur's story.

Transformation

This relates to transforming resources into actions in the form of capabilities, the family is 'capable of doing' something by their members. Resources are integrated to create capabilities (Sirmon, Hitt and Ireland, 2007). In the formal configuration of support, disadvantages of social capital were found. While it motivates the creation of certain capabilities it also inhibits the creation of others like innovation capability. As members keep the family wealth particularly in one specific business; that makes them more averse to risk and more dependent on others constraining the creation of individual ventures. In consequence, the transformation process is mainly to develop capabilities for the expansion (or survival) of the family business, rather than for more explorative activities like in families where there is informal support. The family firm has given members with knowledge that could be transferred to other firms, but the demands of the family business do not allow focusing on other ventures.

Transforming resources are mainly industry-related resources (Sieger *et al*., 2011). The transformation of industry-specific resources leads largely to industry-specific capabilities. Knowledge and networks are transformed to create capabilities related in the same industry. To illustrate this case *FAM4* has three different product lines managed by each of the members of the entrepreneurial family, all related to construction materials. Although not all families showing formal configuration of support are entirely in a single industry, the capabilities developed serve mainly the core family business. The nature of the peripheral businesses even in other industries require little time and demands, it was chosen that way because of the demands of the family business inhibit the development of other type of firms; highly contrasting to families with informal support where there are more occasions of transformation of resources for different industries. Because of the 'appropriable' characteristic of capital resources (Coleman, 1988; Sharma, 2008); the transformation of resources is undertaken along the diversity of entrepreneurial activity. The informal configuration of support allows for more flexibility of mobilisation and application of resources that enables its transformation to capabilities.

6.2.3 Capabilities

Exploitation and exploration capabilities (Ambidextrous capability)

In families mainly where formal configuration of support is predominant, over reliance on family members makes them more conservative, however for their long-term survival these families have had to play between exploration and exploitation activities, following the behaviour from family controlled-businesses found by Salvato and Melin (2008). Exploitation and exploration capabilities are sequential depending on the need on the firms. It is clear for members that changes need to be done but also stability is a priority*, 'we have growth plans once we stabilize again, is the same job demands growth and we don't want to standstill' [INT15/FAM4]*.

Exploitation capability is fostered from the combination of resources mainly internal resources mobilised and applied through the strong bonds. Trust and cooperation have made possible to refine managerial experience, *'we are well organised, we have managed to achieve this organisation on the go, exploiting each individual's knowledge' [INT37/FAM13]*. The son complements in his interview *'our secret is our excellent service combined with our team work' [INT38/FAM14]*. Exploration in the family happens mainly when new generations want to bring fresh perspectives to the family business, either introducing new technologies or products. Junior generations find it difficult with senior generation to try new things '*it costed me with my dad, he has his own line of work. I had to* *convince him that we needed to implement a system to control everything electronically [INT9/FAM3].* Junior generation also help to explore new markets, to open new firms.

> *My son had an idea to expand on selling other materials, I was reluctant to take the risk, it was a large investment. But finally he convinced me and it became a whole new business opportunity for us…If it wasn't for him I would have never done it. [INT13/FAM4]*

Certain ties influence how opportunities are explored and exploited by the information, skills and knowledge that those ties bring to the entrepreneur (Dodd, Anderson and Jack, 2015). This is the case in the entrepreneurial family, strong ties with their own business experience shape the perception of opportunities in other members, a clear example of this, '*It was actually my mum who spotted the idea for the business I own and the one who encouraged me to pursue it'. [INT10/FAM3]*

The family business provides stability to the family, which enables opportunity for some diversification not only strategical but also related to family well-being, especially where there is more informal support. The diversification decision besides strategic purposes or market related reasons[14] occurs because of the interests of family members (Dodd, Anderson and Jack, 2015), and this also reduces risk of over-specialization. Entrepreneurial members are able to pursue their own interests, for example in case *FAM5* the wife and daughters have their own business, unrelated to the core family firm, albeit the daughters are selling merchandise incurring in the informal economy. The educational path of the daughters makes them more inclined to work for a company, nonetheless the entrepreneurial spirit in the family encourages them to practice other business activities even when they are contributing to the informal economy; while the son is receiving formal education to take over the family business.

[14] Institutional influences to diversification are further explored in Chapter 7 – Understanding entrepreneurial families in the context of Mexico. The reasons *within* the family are the ones explored in this chapter.

Family firms are often related to firm-specific knowledge (Sirmon and Hitt, 2003) or industry-specific knowledge (Sieger, Zellweger, *et al.*, 2011), while this is still true when looking at the specific core family business, when looking at the family it is found that knowledge becomes more generic for the use in different firms and industries. As illustrated by some examples in this chapter, diversification in entrepreneurial families occurs in different forms (Rosa, Howorth and Cruz, 2014) and for diverse reasons. When entrepreneurial families want to explore business opportunities outside their specific firm or industry knowledge it is when they are more willing to build external partnerships. The informal configuration of support enables for non-family members to be involved in entrepreneurial ventures like in cases *FAM 1, FAM5, FAM6*; it is important to note that external partnerships occur in peripheral firms.

Entrepreneurial families are continuously looking to explore opportunities depending on the life cycle of the business or of the family. This can happen when children become adult enough to choose a career; parents are concerned about supporting their children. For example*, 'I have thought of other businesses mainly looking for my offspring, looking after my children, for them not to start from zero from scratch' [INT33/FAM12].* Another example, exploration occurs when the main business is stable but entrepreneurs are looking for other sources of income and they are open to find opportunities with people outside the entrepreneurial family, *'we consider other businesses, for example one with my brother and another one with a friend and my wife' [INT16/FAM5].* In other cases, exploitation is present when successors take over the family business, while the retired father needs to explore opportunities, such is the situation of this family member*, 'I have certain age now, my daughter is taking over the business but what am I going to do with my life? I should look for a good franchise or something like that' [INT23/FAM7].* This last comment extends the view of what senior generations do after they retire from the family business; their entrepreneurial spirit renews to explore other business opportunities. Life of incumbents after succession could be an interesting avenue of research that deserves attention.

Exploration and exploitation activities are sometimes intertwined in entrepreneurial families without a sequential path contrasting with families showing a more formal configuration of support. This emphasises how entrepreneurial families balance the tension between exploration and exploitation (Volery *et al,* 2013). Let us take *FAM5* as an example, while the father *INT8* and the potential successor *INT9* are devoted to improve existing processes in the family business, the daughter *INT10,* with informal support of other members, is dedicated to search and acquire new knowledge in her media business. At the same time, the other son *INT11* is trying to stabilize his construction company while exploring innovations for the family business. Finally, the mother *INT12* supports all entrepreneurs and continues with her informal economic business. Looking at these dynamics from the family perspective, the entrepreneurial family is ambidextrous in a collective level. The main business in the family serves as support to other businesses in the family while exploring new ways to grow the family business, and as a result they are able to undertake ambidextrous behaviours. An illustration as follows:

> *I have my own construction business but I am involved in the family business too by running other new branches. I am getting closer to the family firm in order for me to gain more stability, in the construction sector there are highs and lows. [INT11/FAM3]*

As such, the son obtains another source of income that he can put into his construction business to survive, while he helps the family business to grow with the branches. The same family thinking of integrating packaging into their operations, '*Perhaps we will start manufacturing our packaging, to be our own supplier. We had bad experiences with our suppliers before. It is in the thoughts now' [INT8/FAM3].*

Knowledge integration capability

Knowledge is a central capability for the family business and transgenerational entrepreneurship (Habbershon, Nordqvist and Zellweger, 2010). When there is a formal configuration of support, actions are mainly taken collaboratively. The relational dimension of social capital (trust, norms, obligations and identity) motivates cooperation which can contribute to learning (Leidtke, 2001), albeit the strength of the internal social capital in the family can create over reliance (Arregle *et al.*, 2013) and path- dependence (Habbershon and Pistrui, 2002; Sirmon and Hitt, 2003). Hence, when knowledge integration happens in an environment of high amount of interactions, interdependence and strict closure of the boundaries of the entrepreneurial family can inhibit entrepreneurial mind-set for new venture creation, as shown by families with formal configuration of support. The focus relies in the survival and growth of the focal firm that members own collectively.

In response to Salvato and Melin (2008) entrepreneurial families show how human capital and knowledge is integrated in their members. In these families, similarly to the study of knowledge integration of family firms in Latin America (Sandoval-Arzaga, Ramírez-Pasillas and Fonseca-Paredes, 2011) the development of knowledge and learning process is mainly fostered from the senior to the junior generation, basically because the parents are the ones who have integrated their children into the business environment in early years, '*Since he was a kid, he worked here in the family business, during the week if he was not at school he was here'[INT37/FAM14*] or in another family *'Since we were little we would be around my mum or dad's (construction) projects' [INT5/FAM1]*. This provided opportunities for families to connect to business while also learning was happening (Konopaski, Jack and Hamilton, 2015). However, knowledge integration from junior to senior generation is also present in the formal configuration of support. When the researcher asks a participant if he teaches his father, the son replies humbly *'we never stop learning from each other, he has more experience than I do' [INT9/FAM3]* implying that knowledge comes both ways, in particular because his father has more business experience than he does. The observations proved by their interactions that both generations seem to complement each other, as they are working 'together' towards the same goal, rather than the son 'working for the father'. The language used by them was more of a cooperative nature than the father giving orders to his son. This enables opportunities for both to learn from each other, since both of them are responsible of certain areas of the family business. The father also admitted in his interview that his son started managing the accounting of the business but he has demonstrated his capabilities to run the business and has implemented modernisation processes from which the father has also learnt.

In contrast, where support comes more informally, this research gives another perspective to knowledge integration in family firms in Latin America (Sandoval-Arzaga, Ramírez-Pasillas and Fonseca-Paredes, 2011). The differences arise mainly because this study includes dynamics across and between generations from the family perspective (not the firm) for diverse entrepreneurial activity (not only the family business). First, members in entrepreneurial families go beyond incumbents and successors, the knowledge base is shared and integrated between different owner/entrepreneurs with diverse firms. Second, families transfer tacit knowledge across firms, which is not only firm-specific knowledge. Third, Sandoval-Arzaga and colleagues (2011) argue that 'capacity to listen, patience, openness, respect, admiration and recognition' (p. 198) enables knowledge integration, in this study the researcher argues that knowledge integration capability is a consequence of social capital. The antecedents of social capital (membership, interdependence, interaction and closure) enable knowledge sharing in the family; the relational dimension (trust, norms and obligations, identity in the family) along with the typical socialisation process allows experiential learning from members in the family business when they are children mainly to later apply in their own firms; while the structural (networks) and cognitive (shared values) dimensions enable the actual integration of knowledge in the diverse intrafamily entrepreneurial activities.

When there is uniquely formal support in the family (i.e., Type II) the learning and training is dedicated to master aspects of the core family business. This can happen either the junior generation has responsibilities already in the family business even ownership or the peripheral businesses serve as training for the junior generation. In both cases leaning is situated in practice that is socially constructed in everyday practice, learning for continuity of the entrepreneurial family (Konopaski, Jack and Hamilton, 2015).

Where there accessibility it is natural that family entrepreneurs share knowledge with other owner/entrepreneurs and discuss the status of firms. That is the case of the following entrepreneur *'At a family dinner we can discuss things about our businesses. My dad or my mum asks us, how things are going with the business, either the one I run with my sister or my own' [INT1/FAM1].* It is an advantage in the entrepreneurial family that other entrepreneurs are easily reached as they are family members, even if they do not share the same household. Entrepreneurs who do not share a house find ways to have frequent interactions for learning and sharing knowledge, *'If I need some advice I go to my dad or my brother (potential successor of the family business) because they have more enterprise experience, that is very valuable for me and for my business' [INT10/FAM3].* This extends on research on household endowments (Danes, Stafford and Haynes, 2009; Rodriguez, Tuggle and Hackett, 2009; Steier, 2009b; Alsos, Carter and Ljunggren, 2014).

Entrepreneurial capability (Transgenerational and Intergenerational)

In the formal configuration of support, it is the senior generation that typically adds to the entrepreneurial capability of the junior generation by giving them the entrepreneurial mind-set to apply in the family business going beyond ordinary succession. Hence the entrepreneurial capability in these families is mainly of transgenerational nature, while in the informal configuration it can happen within generations. Support in new ventures occurs mainly in complementary products to the family business, a clear example is *FAM4*, or in an activity that is less demanding that the family business, like in *FAM12* and FAM14. In doing so, the findings respond recent call for research to understand if family firms support new ventures with complementary or substitutable products (Zahra, 2010). In the formal configuration of support it is complementary products that do not compete with the core family business.

In line with Chua et al. (1999), there is a dominant actor that guides the future of the entrepreneurial activity in the family, and other members of the family share his vision (e.g. *FAM12, FAM14*). The entrepreneurial capability is enhanced because goals are shared, both in the family and in the business; the alignment of goals is more evident where there is formal support. Members show high levels of shared values which they regard significantly, *'It feels nice to know that you share your life with your family, that we have the same values because we were raised in that way, I feel like that with my brother' [INT13/FAM4].* Over time, these values influence vision and norms shaped in the family business (Pearson, Carr and Shaw, 2008); in this entrepreneurial family the values at home are transferred to the businesses that family members manage together.

The entrepreneurial capability in families showing informal configuration of support differs in nature from the previous formal support. Mainly because the formal focuses on transgenerational entrepreneurship from senior to junior generation, not only passing the baton over to the successor but providing the entrepreneurial mind-set . However, it is done in a more paternalistic way. Differently, in these families with informal support, the entrepreneurial capability is nurtured across de members in the family and across generations, encouraging others to be entrepreneurial in the family business or in other ventures. Entrepreneurial activity is highly influenced by other members even in the same generation as *intergenerational entrepreneurship* (between siblings or members of the same generation) past the 'sibling partnership' (Gersick *et al.*, 1997). In case *FAM1* for example, two siblings help their sister to test and sell their products in their established business. The interaction then amongst all members in the family becomes very important in the entrepreneurial family because members take roles; siblings who are owner/entrepreneurs learn from each other, share resources and capabilities; while parents entrepreneurs keep the family together sometimes acting as mediators.

In entrepreneurial families it is normal to engage simultaneously in different entrepreneurial activities, with multiple businesses in different firm life cycles. Families utilise their resources and build capabilities depending on their needs. Members live this in a day-to-day basis part of their normal family life. As an example a participant commenting '*It is a normal thing to see each of us in the family run a business. We live with that, is not rare [INT5/FAM1]*. Even if there are difficulties along the way while managing their firms, the family itself provides a support structure and its unity remains priority. However, when the researcher asked if they saw themselves as an entrepreneurial family, the participant responded they did not. In line with the social constructionism approach, the research process was an opportunity also for the participants to reflect and reconstruct their identities (Lindgren and Packendorff, 2009).

The informal configuration of support enables less dependence between members, hence the entrepreneurial capability is showed in two ways. First, for some members the mobilisation, application and transformation of resources are intended to help other members for creating new ventures, within or outside the family portfolio of firms. For other members like potential successors, support is emphasised to master the managerial aspects of the family business. Although, not exclusively, this is mainly present in families whose business have passed at least the second generation showing a more transgenerational entrepreneurship trait. Hence, the long-term orientation with this business is more prevalent in the family. Enterprising outside the family business is not encouraged for this participant, but he is encouraged to innovate inside the family business, *'I feel that my family does not want me to open my own business, they say you're perfect in the family business and here I have a lot of freedom to take business decisions' [INT9/FAM3];* he then reflects that he does not see himself working elsewhere, he also seems to enjoy it from observing him interact with others in the firm. Second, for other members, the entrepreneurial capability is supported in the family for the creation of other firms. There are important considerations to make in regards to this family, the three offspring were involved in the family business since they were children and they were also encouraged by their parents to have their own enterprising projects (e.g. selling things at school, selling informally at the family business). These circumstances in the entrepreneurial family shed light on how the senior generation transmits the entrepreneurial spirit to junior generation. Later the resources in the family lead to the entrepreneurial capability from which junior generation decide to apply either in the family business or in new ventures. This contrast to the assertion that family resources from family firms are mainly used to educate offspring to take over the family firm or to be employed by a company rather than to become entrepreneurs (Rosa, Howorth and Cruz, 2014). Also important to note is that the potential successor of the family business is not the first-born child. Parallel to other entrepreneurial families in this study (i.e. FAM1, FAM8, FAM3) in which potential successors are not selected based on gender or birth order (Gupta and Levenburg, 2010), but on their ability, commitment and interest to undertake the firm. Age, gender and bloodline are not determinants to choose successors (Chrisman, Chua and Sharma, 1998). These dynamics show the nuances of the resources, including knowledge and experience, being transferred to the next generation for both the family business and for new venture creation, contributing to unanswered questions on how portfolio entrepreneurship operates in the family context (Rosa, Howorth and Cruz, 2014).

6.3 Outcomes of familiness

This study focuses on the effects of familiness on entrepreneurial activity; therefore the outcomes of familiness refer to the different forms of intrafamily entrepreneurship. Being either, expand or renew the existing family business, create a family portfolio of firms or create individual ventures. Depending on the configuration of support widely discussed throughout this chapter, different configurations of the dimensions of familiness emerge; consequently, varied entrepreneurial activity occurs in entrepreneurial families in this study.

Where there is formal configuration of support, the nature of resources and capabilities in these families lead towards entrepreneurial activity mainly associated to support and expand the family business and create internal family portfolio of firms; mostly related to the core family business. Whereas in families with informal configuration, the focus relies on support and expansion of several firms. As such in these families there is also the creation of individual ventures along with entrepreneurial activities towards the family business and the portfolio of firms within the family. This diversity of entrepreneurial activity is the result of the wider pool of resources and capabilities that are shared and leveraged because of the dimensions of social capital in the family.

The interactions of members undertaking different entrepreneurial activity enhance their firms. This finding builds on the argument that entrepreneurship is not an action that occurs by chance, but is a result of experiences and interactions in the family business context (Fletcher, 2004). The entrepreneurial family acts as enabler of entrepreneurial activity and as a bridge between stablished businesses and new firms. Similarly, the connection between family firms with external new ventures provides both with advantages (Zahra, 2010). In his study it was found that external new ventures benefited by creating legitimacy and accessing networks thanks to the established family firm; and the family business expanded their social capital and opportunities to innovate as a result of the connection to the new firm. In similar vein, the firms in the entrepreneurial family show a win-win dynamic with far more advantages such as readiness, flexibility and commitment, the underlying difference (and benefit) is that all these firms are part of the same family. It is implied here that the benefits are greater because both parties are part of the family, the established family firm and the new ventures. This finding is supported by the argument that help coming from family ties outside the particular family business is quick, effective and cheap (Anderson, Jack and Dodd, 2005), in this case help is reciprocal between family members who own their own firm but are not involved in the family firm, with members involved in the family business. These benefits happen within the entrepreneurial family because of the diversity of entrepreneurial activity. To illustrate this, *INT11* uses the family business name to open new branches while his individual business helps his father and his brother in the family business with the expansion construction project (cheaper than finding an external constructor). Contributing to Zahra et al’s (2010) call for research about examining the nature of the relationships between family firms and new firms, the entrepreneurial family provides the setting to explore the interactions of members with their firms, along with their benefits. Intrafamily entrepreneurship enabled the exploration of these diverse interactions. In this study the emphasis is on the bonding social capital within the family but also recognising the bridging social capital that entrepreneurial families possess, the external links that entrepreneurs have in the family as a result of operating their own firms. External ties are brought to the family pool of resources for others to utilise. These bridges then facilitate achievement of goals through information, opportunities and favourable negotiations (Adler and Kwon, 2002), and act as a form of enterpriseness (Frank *et al.*, 2010), the effect of business external ties brought back to the family for the benefit of other family members with their firms.

Discua Cruz, Howorth and Hamilton (2013) suggest that where internal social capital is less strong family members will pursue individual opportunities, reason why some members are excluded from the family entrepreneurial team (FET). However, in this study the argument is not entirely supported. The evidence from looking at the entrepreneurial family shows that the strength of social capital does not determine the creation of individual entrepreneurial ventures. In line with Discua Cruz, Howorth and Hamilton (2013) FET's, it determines the closure of the boundaries of the entrepreneurial family (e.g. in-laws are not allowed to be part) but the creation of individual ventures is triggered by different reasons as highlighted above. In contrast with Discua Cruz, Howorth and Hamilton, (2013), members who create individual ventures can also be part and benefit from the strong internal social capital in the family. This happens when owner/entrepreneurs share values and have a commitment with the family, even when these members are outside the family portfolio of firms or the family business. An explanation for this contrast could be that Discua Cruz, Howorth and Hamilton (2013) explored the membership of family members in the FET, and then the individual ventures were considered outside the FET, outside the family social capital boundaries (p. 38). In this study, when looking at the whole entrepreneurial family it is found that the structural, cognitive and relational dimensions of social capital also affect individual ventures, in fact affecting them positively by receiving support from other members. As such the extension of the unit of analysis from the FET to the entrepreneurial family is useful to change that notion that new individual ventures do not necessarily benefit from other FETs or from the social capital in the family. Even when the (individual) entrepreneur is not part of any FET in the family, social capital gives opportunity of interactions and support emerging from high trust, strong ties, shared values and vision. Yet, with these individual ventures, the entrepreneurial family is motivated to be in business together. As highlighted by examples throughout the thesis, family members mention that in a way they work independently but together at the same time, especially when there are important decisions to make in businesses. The existence of diverse business experience in the family is useful for decision-making supported by the commitment to stewardship in the family, and then decisions are taken collectively.

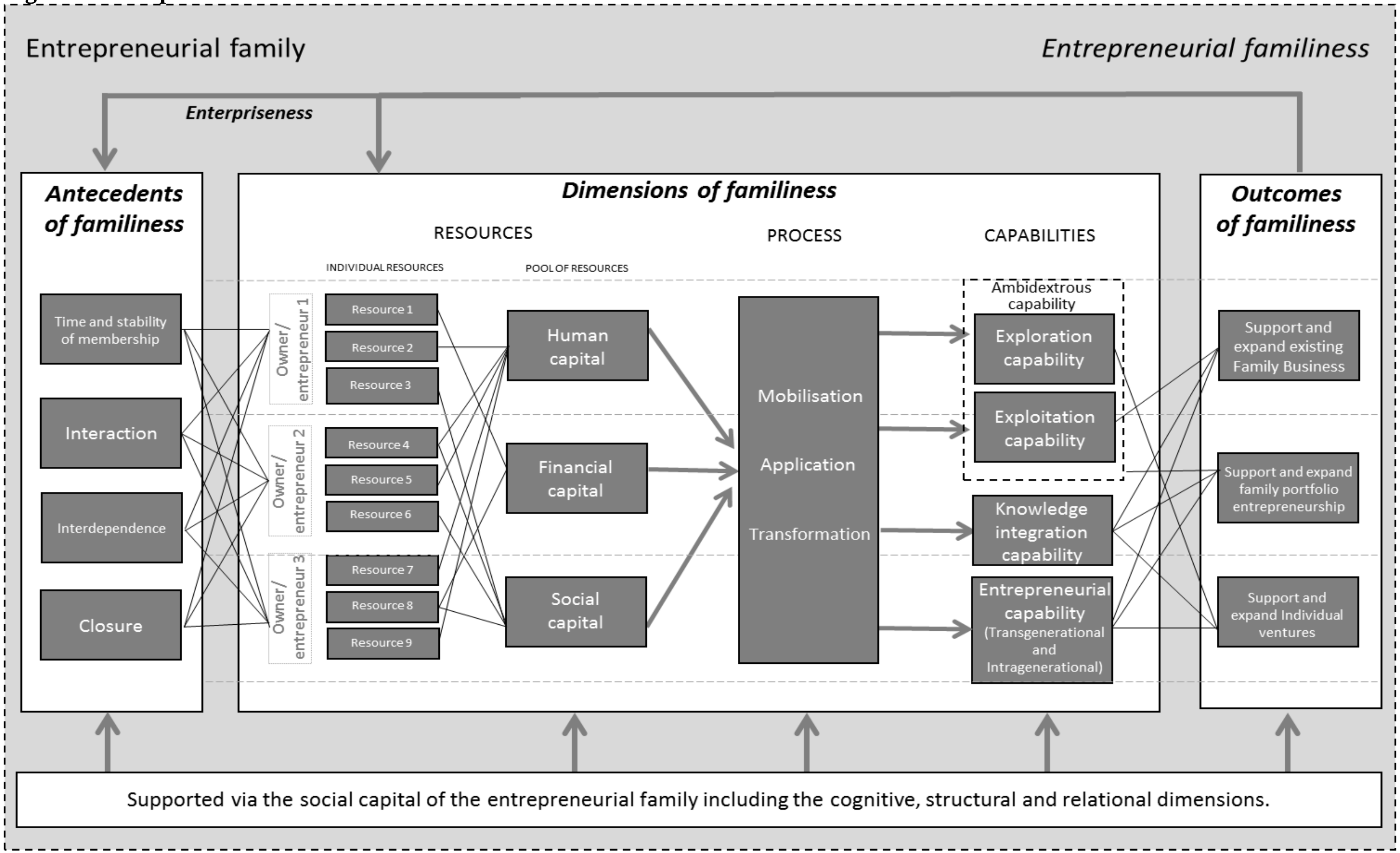
6.4 Understanding Entrepreneurial familiness

As it has been highlighted a number of times in the thesis, the analysis of familiness is not made from the firm perspective in which the outcomes are competitive advantage and wealth creation. From the family level of analysis, in particular the entrepreneurial family, the outcomes are related to the culture of the family as entrepreneurial; hence focusing in intrafamily entrepreneurship as outcome arising from the antecedents and dimensions of familiness. The three levels of intrafamily entrepreneurship (expanding the family business, creating a portfolio of firms and creating individual ventures) feedback and reinforce the antecedents, as well as influences the dimensions of familiness. Consequently, entrepreneurial familiness (Figure 9) is the unique process at the family level that enhances resources and capabilities which influence entrepreneurial activity of multiple family members; contrasting to the 'idiosyncratic firm-level bundle of resources and capabilities' (Habbershon and Williams 1999). Familiness here is a function of the needs of the individual, the family and the multiple firms in the entrepreneurial families, which is also influenced by the institutional environment. Figure 9 illustrates this process.

The antecedents of familiness in terms of time and stability of membership, interaction, interdependence and closure are determinants for entrepreneurial family members to be able to bring and share resources in the family. The antecedents are the potential to develop dense and valuable social capital (Pearson, Carr and Shaw, 2008). In this study it is found that the antecedents of social capital lead to its strength but also to the development and sharing of other capital resources. The antecedents of familiness are part of the whole family, yet they contribute to each one of the members in the family who in turn put their individual resources into the collective pool of resources. These are then processed into capabilities. The capabilities are what the family is able to do, in occasions the family will undertake the capabilities individually other times collectively with a number of owner/entrepreneurs, or even sometimes the whole entrepreneurial family might be developing together a capability.

The interpretive analysis of the entrepreneurial family brings out the enterpriseness- the effects businesses bring to the family, in the case of entrepreneurial families resources developed through businesses serve other family owner/entrepreneurs for their firms regardless of their involvement in a particular business. This reinforces the family as an entrepreneurial family. Resources developed through the outcomes of entrepreneurial activity are brought back to the general family pool of resources. This also contributes to understanding the process of portfolio entrepreneurship in the family business context that is still unexplored (Plate, Schiede and von Schlippe, 2010). The outcomes of those capabilities rely in the entrepreneurial culture of the family, the intrafamily entrepreneurial activities members can undertake. The consequences of these, in turn shape again the antecedents of the family (enterpriseness). For example, in *FAM4*, in early years when the son created a business with a cousin and soon failed, that influenced the closure antecedent of social capital in the family. Members decided to restrict the boundaries for business purposes, only to the father and the two sons, such as in the management and decision-making shared only

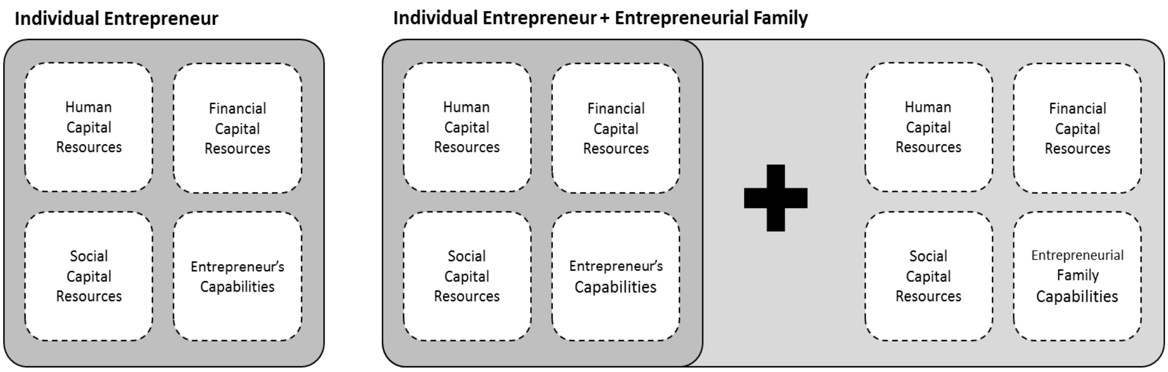
Figure 9. Entrepreneurial familiness framework



within this network. The quality of the resources is also shaped by the enterpriseness; business knowledge is formed from the interactions with other members and formed experientially in the management of the firms. That knowledge evolves so that when it comes back to the family, advice from an owner/entrepreneur to another is more valuable. The same happens with networks developed in business serve other members in the family, showing the enterpriseness characteristic.

In supporting each other, entrepreneurs make use of the dimensions of entrepreneurial familiness, namely, human capital resources, social capital resources, financial capital resources and entrepreneurial family capabilities. The resources and capabilities of each individual entrepreneur are limited, and constrain their ability to pursue entrepreneurial activities and respond to institutional challenges. However, as shown in Figure 10, where individual entrepreneurs are able to access and share additional resources and capabilities possible to the antecedents and the social capital in the family as suggested by Adler and Kwon (2002). The cognitive, structural and relational dimensions of social capital in the entrepreneurial family are the glue that keeps the family together and enables the accessibility and sharing of resources, as well as creation of capabilities.

Figure 10: Resources and capabilities of individual entrepreneurs vs. Resources and capabilities accessed via the social capital of the entrepreneurial family.



6.5 Conclusions

In this study the family derives in the actual and potential resources available from the network of relationships in this organisational unit (Nahapiet and Ghoshal, 1998). In this chapter the researcher examines the processes behind the family and family members practising entrepreneurial activities (Randolph and Vardaman, 2015), through a familiness and social capital lens. By doing so, this study captures the configuration of familiness in entrepreneurial families emerging from the interactions of their members, and the way familiness affects entrepreneurial activity. Because of the heterogeneity of resources and support that owner/entrepreneurs in the family can bring, they can also act as bridges to other contacts, more likely to be found in weak tie network contacts. The advantage present in entrepreneurial families is threefold. First the strong level of trust and commitment among its members, this makes mobilisation of resources and transformation to capabilities easier in the family to be applied in the multiple firms. Second, the heterogeneity of resources and information, members offer each other valuable and diverse support; and third, the immediateness of support illustrated before in families where business issues can be discussed at night over a family dinner, even when members are not living in the same household.

After identifying the findings in chapter 5, this chapter addressed research objective two to fully explore support configuration in entrepreneurial families while also responding to research objective three about the effects of familiness on entrepreneurial activity in these families. By doing so, it is emphasised that in entrepreneurial families, familiness has variations according to the organisational configuration of support. Familiness matters in different ways beyond the dichotomy between distinctive and constrictive familiness (Habbershon, Williams and McMillan, 2003). The nature of familiness in entrepreneurial families is shared in terms of the antecedents, dimensions and outcomes but it differs depending on the organisational structure as highlighted by the examples across the chapter. Formal configuration of support was more conducive to high dependence on each other and less risk taking, strong boundaries were a limit for other people to contribute to entrepreneurial activity but the mobilisation and creation of capabilities were easier because of the strength of their internal social capital. In informal configuration of support, the utilisation of resources and capabilities was more directed to explore entrepreneurial opportunities because members understand that besides following their own career path through their firms, those businesses act to mitigate risk across firms if threats may come to the core family business.

As mentioned at the beginning of this chapter the Type I- individual entrepreneurs, identified in Chapter 5, was considered to echo independent entrepreneur behaviour and to contrast with entrepreneurial families. Advancing Danes, Stafford and Haynes (2009) it is confirmed with Type I that the fact that members do not utilise resources available to them from entrepreneurs in the family, does not imply that those resources do not exist. It is concluded that lower levels of internal social capital in entrepreneurial families are associated with the non-use of resources, hence the non-creation of collective capabilities.

The consideration of entrepreneurial familiness contributes to the family business and entrepreneurship literature. It adds to family business research by considering the consequences of familiness as a non-financial outcome, highlighting its importance (Berrone *et al.*, 2010; Zellweger *et al.,* 2013; Holt *et al.*, 2017). While firms and family firms in the entrepreneurial family probably benefit from familiness in their financial performance, less tangible outcomes have been underlined in this chapter such as the creation of capabilities, sharing resources and intrafamily entrepreneurship. This has also enabled to move beyond the analysis between family vs non-family firms to a more nuanced understanding of the heterogeneity of families that own and manage more than one business past the organic and portfolio classification (Michael-Tsabari, Labaki and Zachary, 2014).

The findings on support that members give to each other with their distinct businesses contributes to the literature in entrepreneurship. In particular, the contribution lies in examining the processes whereby entrepreneurial families conduct portfolio entrepreneurial activities. The examination of this processes are still uncommon (Sieger *et al.*, 2011). The evidence supports Hoy and Sharma (2010) that the entrepreneurial family acts as a 'family incubator'. They define it as a 'unit in which an individual acquires knowledge and skills that can be transferred to other contexts and enable successful pursuit of entrepreneurship' (Hoy and Sharma 2010, p. 53), focusing mainly on human capital. This research takes it forward by understanding that not only an individual, but several individuals in the family acquire knowledge and other resources simultaneously from each other, because of the existence of multiple owner/entrepreneurs the transmission of knowledge for example is reciprocal, and does not happen only from senior to junior generation as normally portrayed in research. Although it is recognised that there may be a dominant or more experienced member in the family, reciprocal support enables more sharing dynamics between and across generations. Resources and capabilities in the family go beyond knowledge and skills, as showed in the examples throughout the past section about the dimensions of familiness.

The nature of familiness has been advanced by capturing the diverse nature of resources and capabilities in entrepreneurial families to address their heterogeneity rather than only differentiating between family and non-family firms (Habbershon, Williams, and MacMillan, 2003). The use of varied theoretical approaches has limited the development of familiness (Frank et al., 2010), building on social capital theory has enabled this study to contribute to past theoretical studies (Arregle et al., 2007; Pearson, Carr, & Shaw, 2008) by empirically examining how does familiness affect entrepreneurial activity of members in entrepreneurial families. Moreover, exploring the antecedents, dimensions and outcomes of familiness in entrepreneurial families has led to new perspectives of the construct. This has been possible by looking at the family as driving force of entrepreneurial activity moving away from the dominant firm-level of analysis. The nature of support analysed through familiness and social capital in this chapter contributes to understand 'how family dynamics affect fundamental entrepreneurial processes' (Aldrich and Cliff 2003, p. 573-574). It also responds to research calls to focus on social capital to develop entrepreneurial understanding (Daspit and Long, 2014).

This research advances the construct of familiness beyond differentiating between distinctive and constrictive (Habbershon, Williams and McMillan, 2003); it builds on the process behind sharing resources and transforming them into capabilities as a result of family dynamics and interaction. The contribution rests in a more integrated view of familiness by examining 1) the 'who', 2) the 'what' and 3) the 'how' in familiness. Advancing past reseearch on the 'who' (Zellweger, Eddleston and Kellermanns, 2010) the study contributes by understanding the processes of family form the creation of familiness (antecedents) to its benefits (outcomes). Past research considering the family had only explored the antecedents but did not address how family members could benefit from it (Zellweger, Eddleston and Kellermanns, 2010). In this chapter, it has been evidenced that entrepreneurial familiness supports members for expanding the family business, creating a portfolio of firms or contributing to the creation of individual firms; by employing any of their capabilities (exploration, exploitation or ambidextrous; knowledge integration; and/or entrepreneurial capabilities). The 'what' (dimensions) of familiness has been also addressed, advancing past studies which identify resources and capabilities indistinctly (Irava and Moores, 2010; Monroy and Solís, 2015), this chapter has showed the differentiation between resources – what entrepreneurial families have, and capabilities – what entrepreneurial families do. Lastly, it builds on the 'how' of familiness, advancing previous studies (Sirmon and Hitt ,2003) by examining the flow of dimensions, transformation process and mobilisation across family members and firms in the family. This chapter along with Chapter 5 on the types of entrepreneurial families, has addressed the micro relationships and interactions of the members in the entrepreneurial family, while the macro relationships embedded in the institutional environment are addressed in the following Chapter 7- Understanding entrepreneurial families in the institutional context of Mexico.

Chapter Seven: Understanding entrepreneurial families in the institutional context of Mexico

Previous empirical chapters have addressed the support and interactions within the entrepreneurial family from a micro perspective. Chapter 5 provided a typology of entrepreneurial families, revealing the variation of the nature of support, while in Chapter 6 the construct of familiness was explored as a process through which entrepreneurial families provide support to their members by means of social capital. This chapter looks at the macro relationships between the entrepreneurial family and its members with the institutional environment. It is concerned with understanding the institutional environment and how it affects entrepreneurial families, as well as to how and why they navigate institutional challenges through looking at the institutional environment of Mexico. By doing so, familiness is employed by the entrepreneurial family to face institutional challenges, making use of the collective resources and capabilities available to family members. Recent debate has highlighted the importance of engaging in institutional theory to gain greater understanding of family firms (Leaptrott, 2005; Miller, Lee, Chang and Le Breton-Miller, 2009; Reay and Hinings, 2009; Reay, Jaskiewicz and Hinings, 2015). However, these studies have mainly focused on one-firm family businesses, and only recently has the focus shifted to include families that own multiple businesses (Steier, Chrisman and Chua, 2015). At the same time there has also been an emerging emphasis on understanding the family dynamics behind those firms (Michael-Tsabari, Labaki and Zachary, 2014).

Research on institutions and entrepreneurship has been mainly focused on an individual level, entrepreneurs' actions in emerging economies are enabled (Bruton and Ahlstrom, 2003) and constrained (North, 1990) by the institutional environment. Thus, these institutional dynamics affect the activities undertaken by entrepreneurs (Bruton, Ahlstrom and Obloj, 2008). Research considering the institutional context has focused at comparing countries to determine the level and nature of entrepreneurship, mainly looking at formal institutions (Acs, Desai and Hessels, 2008; Amorós, 2009) with opportunity to research also informal institutions and their interaction with formal institutions, which influence entrepreneurial activity. This research includes formal and informal institutions for the study of the institutional environment and explores how that affects the entrepreneurial family in a collective level.

Research in the family business field has focused mainly on developed economies, with some notable exceptions (Miller *et al.*, 2009; Discua Cruz, Howorth and Hamilton, 2013). Research on entrepreneurship has been limited outside the context of developed economic regions (Bruton, Ahlstrom and Obloj, 2008), this gives wide opportunity to explore entrepreneurs in other contexts to understand the different ways they act depending on their cultural and institutional setting. This chapter explores entrepreneurial families in Mexico, which is an important context given the prevalence of family businesses and the nature of the country as an emerging economy. To this date, little is known about how families and entrepreneurs operate in an emerging economy where the institutional environment is weak. Through the interpretive multi-case study approach with entrepreneurial family members in Mexico, this chapter highlights how support provided by members of entrepreneurial families serves to reduce the impact of the most pressing institutional challenges as a consequence of the weak institutional environment.

The chapter is structured as follows. The first section focuses on entrepreneurial families and the institutional context highlighting their interactions with the institutional context. The following section identifies the institutional challenges presented to entrepreneurs in Mexico, each one presents the response of the entrepreneurial family as a result of interactions between its members. The third section provides the link to understand the relationship between entrepreneurial familiness and institutions, in such a way that the former serves to mitigate the impact of the institutional environment. Finally, the chapter concludes by reflecting on formal and informal institutions.

7.1 Entrepreneurial families and the institutional context of Mexico

Firms in Mexico are widely acknowledged to be mostly family owned (INEGI, 2012). Family firms in the country are mostly small and medium sized enterprises constituting 99.8% of all businesses. Thus, they represent an important source to Mexican economy. However, despite this importance, the great amount of information about Mexican family firms refer to large firms, in fact there is no official agency that defines and registers businesses as a family business (Trevinyo-Rodríguez and Bontis, 2007). When addressing entrepreneurship matters in Mexico, it is not common to relate it to a family business context. Perceptions of family firms in Mexico fall in characteristics such as informal and small. As such, there is little understanding on how family can relate to entrepreneurial activity in the business environment. As with family firm studies, research in Mexico still needs to consider the family unit to understand its influence on family business and entrepreneurial processes. Looking at the entrepreneurial family in this study enables that connection to concentrate in the influence of family on entrepreneurial activity while living the specific characteristics of operating a business in Mexico.

The context of Mexico presents a difficult situation for family businesses, only 30 per cent of family firms are able to survive beyond the second generation (KPMG, 2014). In terms of the institutional context, Mexico is living in a time of political, fiscal and economic changes. Business owners must navigate these challenges, sometimes unaware of new regulations and procedures they are required to comply with. This study finds that in regards to opening a business, the majority thinks it was easy to open and register their business in a short period of time. However, there were comments complaining about the bureaucracy and all the processes needed to have the business legally operating. After the business has been registered, getting business permits can become difficult depending on the economic sector. To overcome the struggle in obtaining some permits it is all about how the entrepreneur presents the information to the government, playing with formal institutions to the extent they can be conducive of entrepreneurial activity. An example of a participant opening her business with a different permit to the one she was supposed to get according to her business activity. While not fully matching her business, she opted for that permit to legally operate because it was easier to obtain. Only in that way she could start operating. She stated '*It is like this in Mexico, I know people who do not comply with all the permits needed' [INT3/FAM1];* however, she says she does not want to have problems with the authorities in case they come to her business to check if everything is in order. That opinion comes as a result of what she has seen with both her parents who are entrepreneurs and have had checking points with their firms.

With the existence of multiple owner/entrepreneurs it can be assumed from the responses of participants that having close family relatives who are entrepreneurs influences other members to pursue that career too; while in fact in Mexico there are low beliefs about entrepreneurship as a good career choice (GEM, 2017). This is evident especially in families that own and manage a family business, because there is encouragement in other members to create their own firms and become an entrepreneurial family, for example junior generations becoming entrepreneurs. An explanation for this is that younger members look up to their parents being business owners while they have also experienced helping in the family business as kids. Thus, the family moves from facing institutional challenges as a family firm (or individuals) to facing those challenges as an entrepreneurial family with multiple firms. This will be analysed further in this chapter. The following section highlights the most pressing challenges lived by entrepreneurs in entrepreneurial families in Mexico, it shows how entrepreneurial family members experience them and who decides to respond to them together.

7.2 Institutional challenges and responses of entrepreneurial families

Entrepreneurship must be placed in the social, political and economic context (Vershinina, Barrett and Meyer, 2011). Some of the 'macro' determinants such as business environment, education levels and legal and political conditions explain the type of entrepreneurial activity (Bowen and De Clercq, 2008). Recent studies have started to acknowledge the importance of the role that institutions play to entrepreneurial activity (Bowen and De Clercq, 2008; Amorós, 2009) and to family firms (Reay, Jaskiewicz and Hinings, 2015). In emerging countries, such as Latin Americans, studies have highlighted the uncertain and instable business environment (Acs and Amorós, 2008; Nordqvist *et al.*, 2011) as opposed to developed economies which benefit from an established regulatory structure and ample support for entrepreneurship (Manolova, Eunni and Gyoshev, 2008).

The institutional environment in Mexico is subject to a number of challenges, which are part of the significant political, fiscal and economic reforms that Mexico has experienced in recent years. The interpretive analysis of the empirical data in this study identified five key institutional challenges, as highlighted in the figure in Appendix 6. The key institutional challenges are: 1) Changes in policy, where business owners have started to deal with this situation experiencing the need to comply with new regulations and procedures they are unaware of ; 2) Weak formal institutions, where laws and judicial systems are not upheld; 3) Dependence on the public sector, whereby public money underwrites many businesses; 4) Corruption, which detracts from and undermines economically productive entrepreneurship; and 5) Security, whereby the risk of doing business is perceived to be higher. The figure also illustrates the complexity of the experiences that entrepreneurs live while managing their businesses, in occasions they face a combination of challenges. As such, institutional challenges in Mexico are interdependent but will be addressed independently to explain the response of entrepreneurial families. Informal institutions are prevalent in all challenges. Norms, values and perceptions of members are intrinsic in their response; thus, they will be discussed within each institutional challenge.

These challenges overlap with the worldwide governance indicators (WGI,[15]) from the World Bank (2008) used by Amorós (2009) to determine entrepreneurial activity at national-levels in developing countries. They are also related to Whitley's (1994) categorisation of a country's institutional context, adapted by Bowen and De Clercq (2008) to explain entrepreneurial efforts of individuals[16]. In a different way, this chapter is concerned with in-depth understanding of the institutional challenges that affect owner/entrepreneurs and how entrepreneurial families overcome them, instead of analysing national-level data on the nature of entrepreneurial activity. This study emphasises the institutional challenges interpreted by owner/entrepreneurs themselves. It also adds a new perspective to addressing institutional challenges by not only identifying the challenges but also demonstrating the interdependence they have between each other when they are experienced by owner/entrepreneurs in Mexico. Although institutional challenges are addressed separately in the following subsections, it was impossible to refer to them in an isolated way in the narrative because of their high interconnection.

7.2.1 Changes in policy

In recent years, Mexico has experienced significant changes in policy with the stipulation of political, fiscal and economic reforms, which have created a rapidly changing institutional environment for entrepreneurs. These changes are part of a significant structural reform programme in an attempt to increase productivity and economic growth (GEM, 2014). Among the new processes affecting SMEs is the fiscal reform aimed to regulate business activities, promote job formality and increase tax collection. As one participant commented, *'now with the fiscal reforms the administrative procedures have become more complex to handle, it is a hard situation and one of our biggest challenges today' [INT12/FAM4].*

[15] The WGI six dimensions of governance are: 1) Voice and accountability; 2) Political stability and absence of violence, 3) Government effectiveness; 4) Regulatory quality; 5) Rule of law; and 6) Control of corruption (Kaufmann, Kraay and Mastruzzi, 2008, p.7).

[16] Entrepreneurial effort in a country is influenced by (1) availability of financial capital targeted at entrepreneurship; (2) extent of educational capital targeted at entrepreneurship; (3) regulatory framework (i.e., extent of regulatory protection and regulatory complexity); and (4) level of corruption. (Bowen and De Clercq 2008, p. 749)

Procedures have been modified significantly starting with the use of electronic tools intended to simplify and facilitate tax compliance; however, the reality is that business owners struggle to adjust to the new mechanisms. This has challenged entrepreneurs to keep up to date with paying taxes as a consequence of the lack of guidance. As illustrated by one respondent, *'there is no guidance with the new reforms, now everything is done online and people don't know how the process works' [INT6/FAM2].* Because procedures have changed, entrepreneurs hire external accounting agencies to do this for them; in many cases different entrepreneurs from the same family share the same accountant. There is also a perception that with the new reforms business operations are being more monitored and watched, for some it causes fear of the legal entities (i.e. the government tax collection agency). Among the reasons for the implementation of reforms are the need to reduce tax evasion, incentive formalisation and enforce regulations; thus boost productivity and economic growth. Nonetheless, from a practical point of view, respondents believe there is more control now and as businesses grow the regulations become more demanding. The respondents stated that with all these changes in policy, it was difficult to fulfil every legal requirements and keep the business operating with all the licenses and paperwork needed. This challenge is an institutional asymmetry that is developed when formal institutions are reformed in support of productive entrepreneurship and informal institutions remain unsupportive so entrepreneurs find it hard to adapt to reforms (Williams and Vorley, 2015). In contrast in this study, informal institutions in the entrepreneurial family are supportive of the changes in formal institutions; owner/entrepreneurs throughout the family provide the necessary guidance reducing the impact of the effect of that institutional asymmetry. Albeit this asymmetry still remains, at least family members face the challenge together with their diverse firms. The entrepreneurial family makes it easier for its members to cope better with changing reforms.

Among the aims of the changes in policy have been attempts to tackle the weak formal institutions deriving in informal working practices. One of the respondents illustrated: *'At* *the beginning with my business I could employ students and pay them in cash. Now you can't do that, you can't pay them under the water you have to report your employees' [INT9/FAM3]*. This shows the situation has evolved from research conducted prior to the reforms took place; for example, Busso, Fazio and Algazi (2012) claimed that non-salaried contracts happened more often in small firms, concluding firm formality increases with size. It is apparent that reforms for formal employment had started to tackle even micro and small firms' informality. This is an example of regulative forces in place to encourage formal processes, the government acting as coercive influence of firms to comply with regulations (Leaptrott, 2005).

In times of uncertainty like when policies change, entrepreneurial families share information within the family, members asking for advice or sharing experiences on how they have dealt with the reforms in their own businesses. Frequently, important decisions related to changing reforms are discussed within the family. In this sense, entrepreneurs in the family have to deal with regulatory and bureaucratic burdens together. As one participant illustrated*: 'My daughter reneged on all the paperwork and bureaucracy to get her business in operation, I had to step in with my little or much enterprising knowledge, I tried to guide her' [INT2/FAM1]*. Family members share information about how they have dealt with certain issues, transferring knowledge on how to cope with institutional barriers for their businesses. As opposed to research on individual perspectives of entrepreneurial activity in which policy changes create predictable costs on businesses that entrepreneurs should consider (Estrin, Korosteleva and Mickiewicz, 2013), the entrepreneurial family acts to reduce the effects of an unstable environment where the government is not actively guiding entrepreneurs; as a result, entrepreneurs in the family guide each other. The natural process of sharing of information is useful for other entrepreneurs across the family who experience reforms with more knowledge, differently to individual entrepreneurs whose family members might lack understanding of business operation and policies, providing blind encouragement in many cases causing wasted resources and capabilities for the entrepreneur

(Arregle *et al.*, 2013). As such, the knowledge integration capability of the entrepreneurial family is valuable alongside their involvement as a way to complement for the lack of guidance in the reforms; members take part in shaping the experiences of others on a day-to-day basis reducing their uncertainty and transaction costs. This reduction of uncertainty and even anxiety in owner/entrepreneurs reflects on the cognitive forces in the institutional environment (DiMaggio and Powell, 1983) by which decision-makers in the family learn from each other with their firms by relying on the best practices and copying previous decisions from other entrepreneurs in the family.

When there is institutional instability, actors are asked to comply with certain regulations at one point, and to comply with others at another point in time, causing new costs and affecting the actor's economic activities (Webb and Ireland, 2015). In the case of entrepreneurial families, their collective support reduces the effect of the institutional instability while trying to continue operating within the boundaries of the legal system, as opposed to 'waiting' for formal institutions to resolve themselves (Webb and Ireland, 2015). This also demonstrates that when acting collectively it increases access to resources, thereby growing their possibility as organisations to survive (DiMaggio and Powell, 1983).

7.2.2 Weak formal institutions

As is clear, the changing nature of the institutional environment in Mexico has created instability. This means that the institutional environment is weakened, and there is poor enforcement, or avoidance, of laws and regulations (Welter and Smallbone, 2011). A consequence of this is the creation of institutional asymmetry, whereby the formal institutions and informal institutions do not complement each other (Williams and Vorley, 2015). Indeed, while Mexico has seen significant formal institutional reforms, informal institutions have not changed at the same pace, meaning that often rules are not followed.

To tackle weak formal institutions, such as financial institutions, entrepreneurs within the family often share knowledge about the best practices to keep money secure. Entrepreneurial families pool financial resources together making them available to other owner/entrepreneurs who need them instead of going to a bank and obtain a credit. This may also involve formal sharing of financial resources with possibilities including investing in other family businesses to gain a profit over the longer term or informally investing in real estate properties to maintain family wealth. This confirms that sources of informal financing are common in countries where individuals keep close family networks (Tonoyan, Strohmeyer and Habib, 2010), such as Mexico. In these circumstances the directionality of resources occurs from the business to the family, available to other owner/entrepreneurs. The characteristics of the weak institutional environment and the ready-made network of support in the family make this dynamic more common. Family entrepreneurs invest their business profits in other firms because they conceive it is an unsafe practice to keep the money in the bank and that the return of investment in the bank is much lower than to have it 'working' in another business in the family, while other owner/entrepreneurs struggle with money matters in their businesses and can benefit from this lack of trust on formal financial institutions. Parallel to the normative pillar, family members who have shared a socialisation process including norms and values (Leaptrott, 2005), are influenced by them in the management of their firms having the same perceptions of what it is to keep their money 'safe'.

There are other challenging times for family entrepreneurs that put their businesses at stake, namely downfalls in the national economy. Business growth is affected by economic instability; respondents explain it becomes difficult to grow especially for small enterprises because even though the business is going well eventually economic pitfalls take place like currency devaluations and economic crises. The effect becomes bigger with the high dependence businesses have on the public sector. Family then plays an essential role in terms of support to bounce back from these downturns. Members in the entrepreneurial family put resources together or even create other ventures after experiencing difficulties (e.g. bankruptcy). Economic uncertainty becomes important when deciding as a family to grow in the same business or to diversify, for example *'things change and we don't know how much longer the family business will last, that is why I want my children to have other types of businesses as they do' [INT8/FAM3]*. Then the exploration and entrepreneurial capabilities take place in the family, along with the knowledge integration capability. This builds on Steier, Chrisman and Chua (2015), the business family focuses on maintaining and preserving the entrepreneurial spirit and the family's value system, instead of focusing on the preservation of a specific family business. This research however, identifies differences when it is particularly common, for example in families that show informal configuration of support is more common to preserve the entrepreneurial spirit across firms rather than families with formal support focused in the growth of one business mainly, this also reflects on the difference between implicit or explicit rules developed in the context of the entrepreneurial family that give guidance to members revealing cognitive forces that deal with day-to-day activities (Scott, 2014). However, when looking at the family with several firms, not a single family business (Leaptrott, 2005), it is demonstrated that roles in the family are not always replicated in the business context. Explaining this further, the differentiation of type of support within entrepreneurial families gives a nuanced understanding of the cognitive pillar in institutional processes. Families with formal configuration of support have roles formed in the family which are normally carried out in the business environment; whereas when there is informal configuration of support members interact with each other to tackle for example weak formal institutions but family roles are not necessarily transferred. In this case, having experience with certain institutional challenges is what determines the role of members in the entrepreneurial family.

Latin American countries can be characterised by high inflation volatility, uncertain tax pressure and lack of protection of employment which can cause high levels of informal economic activity (Amorós, Borraz and Veiga, 2009). Informal entrepreneurship in developing economies may be a result of formal institutions inadequacies and/or the incongruence between formal and informal institutions (Williams, Martinez-Perez and Kedir, 2016). If business owners do not fulfil legal requirements they incur in informal economic activity. Some family entrepreneurs fall in this category when they have projects on the side that do not require them to have a registered business, if the weak institutional environment enables them it motivates the existence of informal firms. In emerging economies, informal businesses navigate along the enabling and constraining forces of the institutional environment (De Castro, Khavul and Bruton, 2014). In the majority of the cases, informality in the entrepreneurial family happens when the financial sustenance in the family comes from the main family business or other entrepreneurial ventures within the family. One interviewee commenting: *'my mum has always been a housewife but she is the most entrepreneurial of all in the family, she is always looking for opportunities either for us or for her, she has always sold something (informally)' [INT9/FAM3].* This dynamic of informality in the entrepreneurial family contrasts with previous research on the positive relationship between low quality of institutions and unproductive entrepreneurship mainly motivated by necessity (Amorós, 2009).

Some support for the incursion in informal practices is also shown, for example in one of the entrepreneurial families interviewed where two entrepreneurs with different businesses have supported their children to engage in informal activity. Mainly in terms of providing initial investment to buy merchandise. The perception again is that their children have had entrepreneurial attitudes since they were little, doing what they enjoy while earning some money. However, parents want them to have a more formal way of business as the father commented: *'if my daughters continue to sell these things I want them to have an established store' [INT14/FAM5].* Is important to note that both his daughters have Bachelor studies, one is working for a company and the other is a housewife more engaged in the informal economic activity. As such, informal activity is a response to the prevailing weak institutional environment and is often used as a building block towards a formal venture. The interrelations between formal and informal businesses are common in emerging economies where informal firms interact with formal ones, and are intertwined contributing to the persistence of informality (De Castro, Khavul and Bruton, 2014).

In addition, in this family one of the daughters (housewife) used to live in San Diego, California; very near the Mexican border. Taking advantage of the lower costs in jewellery and product diversity she could partner with her sister to sell the products informally in Mexico for a higher price. They would still earn a good profit while gaining a competitive advantage over established stores that selling these type of products but more expensive. It was easy for them to transport the merchandise across the border because jewellery does not occupy too much volume. This advances the work of Pisani and Richardson (2012) who suggest that informal entrepreneurs take advantage of the border to acquire items in the US and sell them in Mexico to gain a competitive advantage over the competition in Mexico. The view of entrepreneurial families show the practise of family support for this purpose as shown in sisters helping each other, one in the US with access to buy cheaper merchandise, while the other sister living in Mexico and selling the jewellery; each one conducting different activities for the business operation. In this family the parents helped them with the initial investment, afterwards the mother would provide more money for them to buy product when they did not have enough. As the father commented, *'the business is of my daughters but the sponsor is my wife' [INT14/FAM5*]. Now that the daughter who lived in San Diego has moved back to Mexico is more difficult for them to bring the jewellery recognising the advantage she had when living near the border.

Because of informal institutions of the country, socially accepting informality, and the entrepreneurial capability within the family, it can be said that the entrepreneurial family is a family incubator (as discussed in Chapter 6) not only of productive but also of informal entrepreneurship. The difference here is that informality happens within formality and it is not only for subsistence motives. Empirical evidence in entrepreneurial families also shows that family is an important component of networks to informal entrepreneurs in the family, because the family can give them access to resources and commercial opportunities with the formal businesses in the family. This contrasts with past statements that family is not a necessary component of the informal entrepreneurs network (Webb *et al.*, 2013). The emphasis in entrepreneurial families is that informal entrepreneurs not only leverage home-based resources but also business-based resources from other firms in the family. Informal entrepreneurs make use of facilities and use space of other businesses in the family to display their products becoming accessible to customers; for example an informal entrepreneur reflects *'I have done a lot of things over the years, I don't have a business but I love selling stuff. My husband lets me sometimes have my things displayed in his business' [INT11/FAM3].*

From responses and the way participants referred to informality it can be interpreted that there is no embarrassment in mentioning that some members of the family contribute to the shadow economy, the perception is even that members have a very entrepreneurial attitude towards finding ways to obtain more income. In entrepreneurial families, in some way, informal economic activity complements the formal, this contrasts with past research in which informal activity is considered shameful for the ones who practice them, especially women (Kantor, 2009). The fact that the informal entrepreneurs participating in this study are educated, one of them has a formal job and others want to gain more income for the family, could explain the difference of dynamics in informal entrepreneurship as previously depicted. For example in a study in Mexico, Argentina and Brazil, entrepreneurs decide to operate informally to be able to manage their own resources to survive and because they value more the salary they can get without considering benefits and pension (Maloney, 2004). In entrepreneurial families, the reasons behind informality fall more into lifestyle entrepreneurship for housewives like in cases *FAM1*, *FAM3* and *FAM5* giving more value to family than wealth creation. Or in case *FAM8* that both owner/entrepreneurs make products to sell informally in their respective formal businesses, there is a clear dynamic of the interrelation between formality and informality. These findings do not intend to create generalisability of the informal economic activity happening in Mexico but provide a new perspective into informality when looking at the entrepreneurial family. The incursion in informal practices is dependent on a number of factors such as gender, age, education and skills; as well as the institutional environment (Rocha and Latapí, 2008). In this study the weak characteristic of the institutional environment has been considered along with the individual characteristics of informal entrepreneurs in the entrepreneurial family, as explained above.

7.2.3 Dependence on the public sector

Dependence to the public sector was considered to be another weakness in the institutional environment representing a significant challenge among participants. Businesses engaged in public procurement show the institutional dynamic and the experiences lived by family entrepreneurs. Several of the respondents sell mainly to the government, meaning they have to play under the state rules. Namely, adapt their enterprises to the way the government works, find ways to get contracts, wait longer to receive their payments or remain long without any work. The respondents that have experienced these agreed that working for the government is one of the main challenges in their companies; they seek help from family members mostly for economic support when they do not receive payments on time or need guarantees to get contracts. They face financial challenges, particularly in relation to liquidity because of high dependence to the public sector. This challenge also shows the weakness of formal institutions in terms of lack of access to finance or sometimes lack of trust in banks.

Because of the instability existing in the country, challenges are intertwined. As such, entrepreneurial families support manifests in diverse forms. It presents when selling to the government forces family entrepreneurs to find ways in the weak institutional environment to get more contracts and find a better way to deal with policies such tax legislation, an example of this is registering two companies engaged in the same economic sector. In other words, entrepreneurs get away with regulations and manage two different enterprises as one, the distinction between the two is only made for certain government procedures and tax compliance processes. Herein lies a substitutive dynamic of the capabilities of entrepreneurial families, in this case it helps to circumvent regulations by obtaining benefits and undermining formal institutions. Or on the contrary, the same business registration serves as the name for two different economic activities; i.e. one entrepreneur '*lending*' his company name for his sibling so he can operate and legally invoice customers for his services.

Reasons to engage in portfolio entrepreneurship come from the need to have more income when depending on the public sector. For example, one interviewee has decided to open a branch of his father's family business to have another source of income because his current enterprise is employed by the government and he has not been able to gain enough contracts. Although his father business and the new branch he owns are independent entities (they refer to them like franchises but he did not pay his father for the company's name) it was relatively easy for him to open another business that has already a good positioning in the city and to operate it alongside with his other firm.

Social capital resources in the form of networks and connections to government play an important resource for entrepreneurial families when gaining contracts or opening certain type of businesses, with entrepreneurial families able to take advantage of nepotism. One respondent stated that *'in Mexico friendships and connections matter a lot, otherwise you don't have work, it is a very important factor in our country' [INT7/FAM2].* Because of the nature of some businesses, connections to government give entrepreneurs the opportunity and exclusivity to have the license to operate their companies. These businesses have a direct relationship with the government because they offer services/products from public companies or they offer services related to legal activities that citizens need to comply with. In many occasions those connections come from previous generations in the family to benefit younger entrepreneurs either to continue with the family business or to create new ventures. An example of this being, '*My son now has his own enterprise because we took an* *opportunity from the government as a concession to open this kind of company' [INT17/FAM6]*. More detail on corruption and connections to government is given in the next subsection.

7.2.4 Corruption

A key manifestation of the institutional asymmetry is corruption. Mexico is among the most corrupt countries in the world, ranking as 103 of 175 countries in the Corruption Perceptions Index (Transparency International, 2014). Several respondents stated that instability in formal institutions created space for corruption to exist. Engagement in corruption is hard to determine because participants involved in this type of activity do not want to be recognised (Pisani and Richardson, 2012). However, there were recurrent responses regarding gaining contracts through connections and persistent difficulty obtaining licenses, giving a glimpse of possible corruption practices in order to facilitate business activities.

Participants hinted at the influence of corruption, despite never saying directly they have been involved in corrupt exchanges. The interpretive nature of this study along with the researcher's background in contextualising family entrepreneurship research in this emerging economy, allowed for the interpretation of practices of corruption. One respondent mentioned it took him two years to get his licence to operate, until then he was able to fully function with his enterprise outside of the formal rules. Another participant stated: 'I*t is a problem in this country to get construction licenses, we started a project together with my wife from our personal savings and resources from the family, but it took us a year to get these licenses to start building' [INT2/FAM1].* In such circumstances, it is common practice in the country to ask for favours to known powerful connections, and then show gratitude in the form of gifts or compensations to speed up processes or gain contracts. An example of this *'When you go to see officials you realise everyone comes with gifts. Mexican business is like that. Then what do we do? We also arrive with gifts so officials don't skip our turn' [INT33/FAM12]*. This supports the notion that the possibility to be involved in corruption is higher depending on the entrepreneurial perception that other individuals are engaged in corrupt transactions; hence, informal institutions supporting corruption among entrepreneurs (Tonoyan, Strohmeyer and Habib, 2010). This dynamic becomes even more important because it is not only among external connections that corruption becomes acceptable but also within the entrepreneurial family that navigates this challenge together to take advantage in certain businesses. Thus, the prevalence of corruption is supported by strong informal institutions. As it is shown, this is also dependant to weak formal institutions; the government is not efficient enough to exert coercive influence to reduce corrupt practices, along with the pervasiveness of the informal institutions that support them which creates this institutional challenge harder to eliminate.

Connections are relevant for entrepreneurial families as they provide strong relationships to politicians, as such the entrepreneurial capability and knowledge integration capability comes with this cultural factor on how to deal with corruption. It was common in participants to admit connections were important*, 'Working for the government for a while helped me develop my network of contacts that helps my business' [INT7/FAM2]* or *'…because unfortunately this business is all about friendships and connections' [INT6/FAM2].* As it can be noted, business and politics are highly intertwined and the use of connections or influences is a common practice. Within entrepreneurial families, the benefit of these influences is passed from generation to generation nurturing the inefficiencies in the institutional environment (Gupta and Levenburg, 2010); as one participant illustrates: *'Like my father had the opportunity in his time for me to continue with this business after having a friend in the government; now I want my daughter to continue with my business with the help of this other friend' [INT23/FAM7*]. Or the situation of case *FAM6* that the father has passed on connections to his son to open his business, now the son is actively working with those connections for the benefit of his firm. In line with previous research indicating the political system can influence entrepreneurial activities in different ways (West, Bamford, and Marsden, 2008), the implications for entrepreneurial families is that they have to find new connections to find work if they sell to the government. Family networks play an important role to find new connections within the public sector. Among the benefits entrepreneurial families obtain from those strong connections is preferential access to government contracts, licenses or public resources (Bertrand and Schoar, 2006). Where there are less developed institutions, like in emerging economies, there will be a higher level of family involvement in business activities in comparison to economies with strong institutions (Steier 2009a).

From responses of participants it can be interpreted that trust is not generalised but particularised trust (Rothstein and Stolle, 2008), in order to incur in corrupt exchanges there has to be trust in the actors involved (Della Porta and Vannucci, 1999), as one participant implies '*To put it this way, it's about the complicity you have with your connections' [INT7/FAM2]*. The issue arises when corruption is present in a grey zone where it is difficult to identify and quantify, sometimes perceived as small acts of corruption; hence culturally accepted, or even not perceived as corruption at all (Rodriguez Arregui and Urbina Gamboa 2015). For business operation these grey areas are very common in which entrepreneurs navigate between the subtle line of complying with the law or falling into small corrupt decisions to advance with their firms. For example, an entrepreneur explaining *'Opening my business was not difficult, what was complicated was starting to have connections, find people in the government that can help you gain contracts' [INT10/FAM3],* openly accepting that gaining contracts require help from government officials.

The analysis demonstrates that entrepreneurial families respond to corruption in two key ways. The first dynamic is similar to the effects that had been found in transition economies where networks in informal personal ties help in the mobilisation of resources to cope with uncertainty (Ahlstrom and Bruton, 2006), but also providing the context for corruption (Tonoyan, Strohmeyer and Habib, 2010). Owner/entrepreneurs in the family have to be compliant with corruption to get contracts and special concessions for businesses in a collective way sharing connections between members in the entrepreneurial family. The antecedents of social capital in the entrepreneurial family make it possible to access the necessary networks, in particular the closure dimension of social capital. Closure also acts as an institutional element via the cultural cognitive pillar that determines the composition of the boundaries of the entrepreneurial family, by which only its members benefit from the connections, for example excluding in-laws.

Networks in the entrepreneurial family can be available to any owner/entrepreneur reducing the transaction costs related to finding new contract partners or initiating efforts to enforce corrupt deals (Tonoyan, Strohmeyer and Habib, 2010). Thus, codes of conduct in the use of networks contribute to acts of corruption. Building on Tonoyan, Strohmeyer and Habib (2010) and by looking at the entrepreneurial family and its members, this study contributes to the empirical evidence showing how the interaction between informal institutions and the existing formal institutions influence owner/entrepreneurs involvement in corruption. It additionally advances theory by showing that corruption is not isolated; it is lived in a highly interdependent way. Past research on corruption has mainly focused on that specific challenge and on formal institutions concentrating on the activities of government officials or politicians with little attention to entrepreneurs who participate in corrupt exchanges. Corruption involves both actors, the bribe-payers in this study the entrepreneurs and the bribe-takers who are mainly government officials (Bardhan, 2006). The aim of this analysis is not to judge owner/entrepreneurs in the family but to contribute to the other side of the story in corruption research.

The second dynamic of response to corruption in entrepreneurial families is to try to move away from environments where corruption is more prone to happen, like the public sector. Such is the situation of case *FAM4,* the businesses in the family, and the entrepreneurial capability and knowledge integration capability made it possible for a new member to become entrepreneur and get out of the public sector corrupt system. Entrepreneurs have chosen to earn less and have their own business than to become part of a corrupt system while having public positions. Perception of corruption is latent among entrepreneurial families identified in government positions. For example: *'I have acquaintances that work for the government that now are high profile public officers; in that environment you have no choice but to be part of the system. I might not earn as much with my business but that is just against my nature. I prefer to work with my family' [INT12/FAM4].* As a consequence of corruption and institutional voids, participants repeatedly mentioned that although the situation in Mexico is complicated they can still earn money honestly. These values are transferred from generation to generation in entrepreneurial families in order to avoid problems and live an '*honest life' [INT9/FAM3*] as they possible can. As far as the country lets them, as one interviewee illustrates *'although the government puts bumps on the road we are on the right track' [INT15/FAM5].* This shows that the entrepreneurial culture in the entrepreneurial family helps to reduce corruption practices (e.g. public officers vulnerable to corruption changing career paths) by taking actors out of certain environments to become entrepreneurs, a dynamic that is possible from the influence that other members in the entrepreneurial family exert. It is assumed that other actors not part of an entrepreneurial family might find it more difficult to change career paths, get out of the corrupt system and become entrepreneurs if they do not have the sources of support (entrepreneurial familiness) of experienced owner/entrepreneurs belonging to a close and trustable network like the family.

The responses to corruption from entrepreneurial families adding to informal institutions showed a dual response by substituting and complementing formal institutions. The first dynamic showed the substitutive effect where in some cases it is 'justified' to incur in corrupt practices nurturing those exchanges. Specially in industries like oil and construction that are more likely to fall in corruption because of interactions between entrepreneurs and government (Tonoyan, Strohmeyer and Habib, 2010), like in families owning a business in any of those industries cases *FAM1, FAM4, FAM6, FAM12* and *FAM14*. The second dynamic, on the other hand, highlighted the resources and capabilities that the entrepreneurial family has to enable members to get away from corruption practices. This dynamic had been only possible to identify by looking at the family not an individual entrepreneur or at the firm-level. The entrepreneurial family with its culture and norms then serve to enhance formal institutions by reducing the opportunities susceptible to corruption, leading actors towards productive entrepreneurship practices. As such complementing formal institutions, providing a fresh light on the perceived negative relationship between corruption and entrepreneurship (Bowen and De Clercq, 2008; Amorós, 2009), or the prevalence of informal institutions supporting corruption (Tonoyan, Strohmeyer and Habib, 2010) . Hence, this analysis also contributes by understanding the impact of informal institutions on corruption (Tonoyan, Strohmeyer and Habib, 2010).

7.2.5 Security

The interviews also found responses to more extreme circumstances created by institutional asymmetries, like living with insecurity. This causes instability and risk which represents a source of concern for the whole family. While these are untypical examples of the outcome of institutional weakness, nonetheless they serve to highlight how entrepreneurial families make use of their resources and capabilities in order to overcome them. Corruption is highly related to security issues originated from drug-related violence and organised crime; however, public safety itself represents a day-to-day challenge in the lives of Mexican citizens. Until now, formal institutions have not adequately addressed public safety and internal security (Payan and Correa-Cabrera, 2016). Plans on the implementation of new regulations focus more in strengthening surveillance capabilities via an authoritarian system (Arteaga, 2017), rather than strengthening the quality of institutions.

Security issues among owner/entrepreneurs in the family were mentioned in different ways, either internally i.e. employees stealing from their businesses or externally in terms of assaults, kidnapping attempts and extortions. In fact, experiences of insecurity were amongst the most commonly mentioned issues by family entrepreneurs. Respondents stated that as a result of having employees stealing in their companies they either had to work with fewer employees or even had to close business branches because they could not be keeping an eye on employees all the time. Having family involved in business gives entrepreneurs confidence and trust, as one interviewee commented, '*When you work with family you live in peace knowing that they will not steal from you because you trust them' [INT14/FAM4].*

The incursion of a family member in entrepreneurial activities can also be a result of insecurity. Working for the government can be dangerous if you are involved in activities related to the organised crime. One respondent stated that after experiencing the murder of a close colleague while working in the public sector, he was invited by his father and his sibling to join the family business. When operating firms, one of the participants in the family mentioned *'for me the family is fundamental' [INT13/FAM4]*, by which it is interpreted that the meaning of family becomes first place when making decisions in response to the institutional environment. This is an example of how the entrepreneurial family as organisation has symbolic meanings that are not consequence of the pursuit of efficiency (Bowring, 2000). However, long-term affiliation between family members has cognitive advantages in terms of the ability to transfer knowledge that could result in economic benefits by the exploitation of their know-how (Leaptrott, 2005). Those are exactly the capabilities employed from the entrepreneurial familiness in this family, the knowledge integration and exploitation capability. By the time the criminal event happened, two members in the family had two independent enterprises (complimentary businesses); one ran by the father and the other by the sibling, then they all decided to create a third enterprise. These firms would eventually become part of a partnership, forming a partnership with three firms connected between the father and his two sons. The father explained, *'my son was reluctant to leave his public job but I offered him more money as incentive if he worked for me. He started working for me in one of the branches then we saw the opportunity to create a complimentary business that he could own' [INT11/FAM4].* The other son added *'we invited my brother to join us and then we decided we could merge companies as one business partnership' [INT12/FAM4].* In this sense, this family engaged in entrepreneurial activity as a result of the (extreme) institutional threat one of the members experienced. They position the family dimension first as a priority but it led then to opening another business and finally merging together a group of firms. This shows the existence of pro-entrepreneurial informal institutions that serve to compliment weak institutions presented in the inherent risk of working for the public sector. Such complimentary dynamic serves as a reason to develop other businesses in the family and work together.

In addition, one of the participants had suffered from two kidnapping attempts, and as a result he wanted to leave the city but the other entrepreneurs in the family convinced him to stay, and continue with the business living with more precautions. There are fears that other family members may be mistreated or put in dangerous positions, this leads to understand the level of involvement between entrepreneurs in the family and their businesses. As stated by one respondent.

> *You notice that in Mexico there are bad things like insecurity but because we live here we get used to it. If I advise my children with their businesses is because I don't want them to live all sort of trouble you have when operating a business like frauds or other insecurity issues. I want them to know how to protect themselves. [INT2/FAM1]*

Another family entrepreneur has experienced four criminal assaults in his business. As a consequence, he is now investing in a security company with a friend in order to offer their services to businesses. This shows that family entrepreneurs engage in other ventures and then become portfolio entrepreneurs not only as a result of business opportunities but also because of the institutional environment. Business diversification emerges to tackle the negative implications of the institutional context with the new firm acting as self-protection; but also as a way to create additional wealth. This elucidates on the complexity of reasons that lead to the existence of diversified groups in emerging countries (Khanna and Yafeh, 2007).

It was a common factor to have family entrepreneurs investing in other businesses in the family for different reasons, for example they conceived an insecure practice to have the money in the bank or perceived that the return of investment in the bank is much lower than having it working in a business. Especially a business ran by a close relative, an illustration of this being a respondent who stated *'I can gain more investing in my father's project than anywhere else, moreover trusting more because it is my father' [IN3/FAM1].* It is a win-win situation for both family members; on one hand the entrepreneur investing her money gaining profit, while the other entrepreneur solves his liquidity problem.

West, Bamford and Marsden (2008) addressed extreme challenges in Mexico to entrepreneurial development, in particular in the state of Chiapas that represents a very specific environment in the country considering it is located along the border with Guatemala and has a long history of instability because of the Zapatista rebellion and the autonomous communities. Form a resource-based-view perspective they found that intangible resources are crucial for successful entrepreneurial activity, they categorised them as social resources, knowledge resources, political stability resources and entrepreneurial orientation resources. Entrepreneurial families in this study are not subject to Chiapas' very specific environment; however, they show other threats to their security like the ones mentioned above. Entrepreneurial families too, share intangible resources such as knowledge and networks to overcome security, and also financial resources; however, the focus does not rely merely on the resources they have available but on how they utilise them through the dimensions of social capital existing in the family (as emphasised in Chapter 6). Without the strength of social capital, resources exist in the family but they are not utilised and entrepreneurs mimic more the experience of stand-alone entrepreneurs, such as entrepreneurs in Type I entrepreneurial families depicted in Chapter 5- Classifying Entrepreneurial families.

7.3 Entrepreneurial familiness and institutions

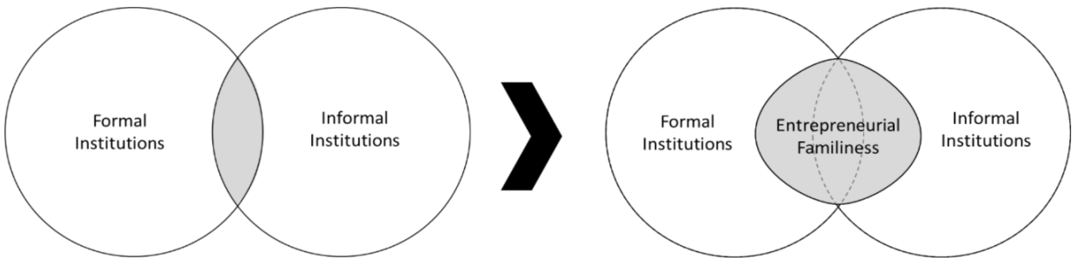
The previous section demonstrates that Mexico is an unstable institutional environment, caused by several challenges such as changes in policy through the significant reforms, weak formal and informal institutions, dependence on the public sector, corruption and security. Such institutional instability is common with other developing economies (Estrin and Mickiewicz, 2011). It is relevant to emphasise that in the particular context of Mexico these institutional instability is presented through challenges that are interdependent between each other, entrepreneurs need to face them simultaneously along with the market related problems of managing their firms. That interdependence can make it difficult to decrease the existence of these institutional challenges, but the impact can be reduced via the entrepreneurial family. As a result, this analysis demonstrates that entrepreneurial families respond in multiple ways, by sharing resources and practising capabilities to gain advantage, these conforms their entrepreneurial familiness which is not available to, for example, individual entrepreneurs. Furthermore, entrepreneurial families are not only affected by the institutional environment but are also able to shape its effects. They are able to reduce their impact with informal institutions complementing formal institutions towards pro-entrepreneurial activity. While the entrepreneurial family can influence constructively by navigating institutional challenges, there is still a long way to go for productive entrepreneurship to go beyond the protection of the status quo, to the ability to create high-growth activities for the economy (Baumol, 1990).

An important feature of the institutional environment to create competences and skills in entrepreneurs is the educational system (Whitley, 1999). Awareness of entrepreneurship and its nature is determined by the resources allocated to entrepreneurship education (Bowen and De Clercq, 2008). In emerging economies where the educational system is insufficiently developed towards entrepreneurial activity (Manolova, Eunni and Gyoshev, 2008), the entrepreneurial family provides resources to build capabilities in the family for members to develop entrepreneurial skills and allocate their entrepreneurial efforts in new or existing firms in the family. As such, in this study it is argued that entrepreneurial familiness serves to compensate for the insufficient entrepreneurial education at the country level, which in turn is provided in a day-to-day basis in the entrepreneurial family as a result of the interactions between members and the experience they have with their firms.

As shown in the analysis, entrepreneurial families respond in multiple ways to their institutional environment. Yet what makes them distinct is their ability to pool their resources and make use of capabilities to provide advantages to their members in overcoming challenges. This means that they are distinct from individual entrepreneurs and traditional family businesses that often operate in isolation with little support. Yet moreover, entrepreneurial families are able to shape the effects of informal institutions as the support they provide enhances informal institutions, particularly the norms and values associated with creating capabilities and taking advantage of opportunities. Rather than desisting from entrepreneurial endeavour, entrepreneurial families use the resources available to alter their values and norms so that they can create economic value (Khanna and Rivkin, 2001), while at the same time navigating a weak and unstable institutional environment. This means that entrepreneurial families can contribute to undeveloped institutions (Khanna and Yafeh, 2007) through improvements to informal institutions.

The challenge for a country such as Mexico, as well as other developing economies around the world, is to promote the alignment of institutions in order to foster more productive entrepreneurship. As shown in Figure 11, where family members benefit from sharing entrepreneurial familiness within the entrepreneurial family, the mediating effect is to increase the congruence of institutions. This is achieved by giving entrepreneurs access to resources and capabilities that enable them to pursue their entrepreneurial endeavours and overcome the institutional challenges they face in doing so. This perspective is similar to Estrin, Korosteleva and Mickiewicz (2013) who recently explored through an individual perspective how ‘entrepreneurs knowing other entrepreneurs’ encouraged entrepreneurial growth aspirations across institutional contexts. The difference here is that entrepreneurs do not have to go beyond their family to look for other entrepreneurs; with the advantage that family takes care of its members and their resources meaning trust on each other is highly beneficial, that does not necessarily happen from an individual perspective with ‘entrepreneurs knowing other entrepreneurs’. Learning from experienced entrepreneurs how to cope with the weak institutional context may help aspiring entrepreneurs to acquire skills and relationships (Estrin, Korosteleva and Mickiewicz, 2013). In similar but stronger fashion, it is demonstrated in this study that the entrepreneurial family compensates for the weaknesses in the institutional context by exploiting the advantages of its social construction determined by being family entrepreneurs. This ready-made network benefits from the resources and capabilities already mentioned, but also by the strength of their social capital enhanced by the trust, shared values, multiple interactions and stewardship formed in the family setting.

Figure 11: Entrepreneurial familiness enhancing institutional alignment



This provides them with advantages over individual entrepreneurs, who have traditionally been the focus of analysis in institutional theory. Access to resources and capabilities in the entrepreneurial family strengthens the competitive advantage of the ventures within family, through the antecedents, dimensions and outcomes of familiness supported by the social capital in the family. As this analysis shows, individual entrepreneurs face constraints in accessing such resources, whereas entrepreneurial families have a ready-made pool of resources available to them. In challenging institutional environments such resource endowments become more important, as families can seek to circumvent traditional formal institutional rules by accessing resources through family members. This research finds that in cases where entrepreneurial families utilise their collective resources and capabilities, the informal institutional norms and values in entrepreneurial families act to complement the formal institutional rules in place. While institutional asymmetries are evident, over time change is possible as norms and values inform the development and improvement of formal institutional arrangements.

As Figure 12 demonstrates, the individual entrepreneur is typically subject to the institutional environment; however, as Figure 13 shows where the entrepreneur is part of an entrepreneurial family this can serve to mediate the impact of the institutional environment. Where entrepreneurial family members benefit from the support to navigate and overcome the threats of weak and challenging institutional environment. This in turn reduces the risk and exposure associated with entrepreneurial activity, which if effective serves to foster more productive entrepreneurship of family members. In many developing economies, institutions are incongruent and asymmetries persist but the entrepreneurial familiness serves to enhance the congruence of institutions and with it the enable entrepreneurial family members to mitigate the challenges of the institutional environment.

In entrepreneurial families, the different array of businesses, entrepreneurs and resources can provide distinct features to members and entrepreneurial families when facing the challenges of weak institutions, acting as a shield in which family members support each other. It is argued that the entrepreneurial family serves as an important support to reduce the effect of the negative implications of institutional context. Operating akin to ‘business groups’ (Granovetter, 2010), entrepreneurial family members benefit from their activities bound together in formal and informal ways to overcome institutional challenges. An important finding is that entrepreneurial families originate not only to solve problems but also because of their special skills and abilities as shown by their entrepreneurial familiness resources and capabilities, extending on past assertions that business groups emerge as a response to market failures and environmental problems (Granovetter, 2010). Beyond Cerutti’s (2016) premise that family firms coevolve with their context getting to the entrepreneurial family interlinked in a business group reality; in this research it is argued that entrepreneurial

Figure 12. The entrepreneur and the institutional environment

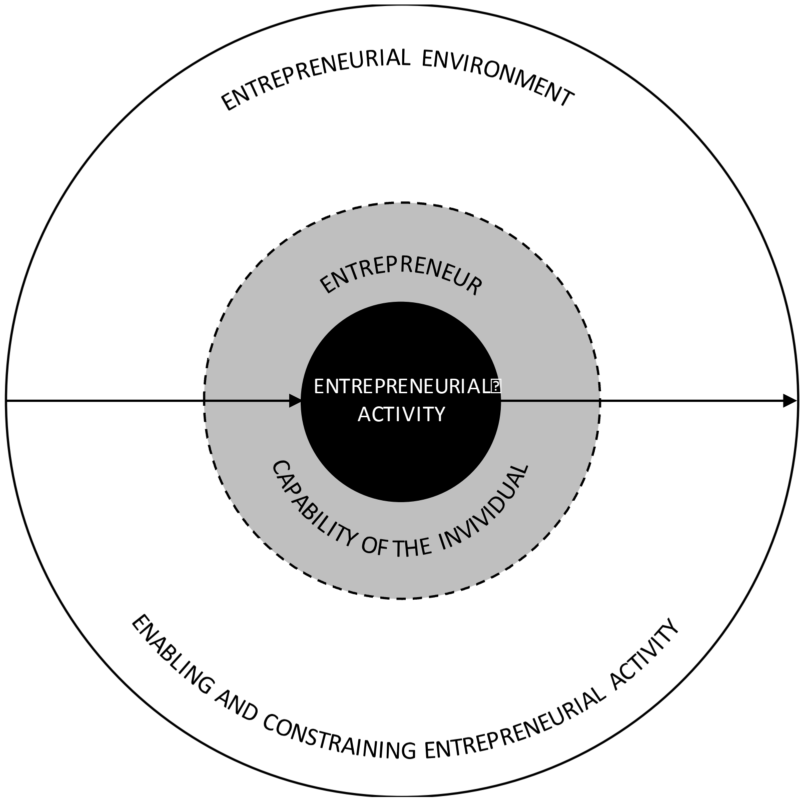
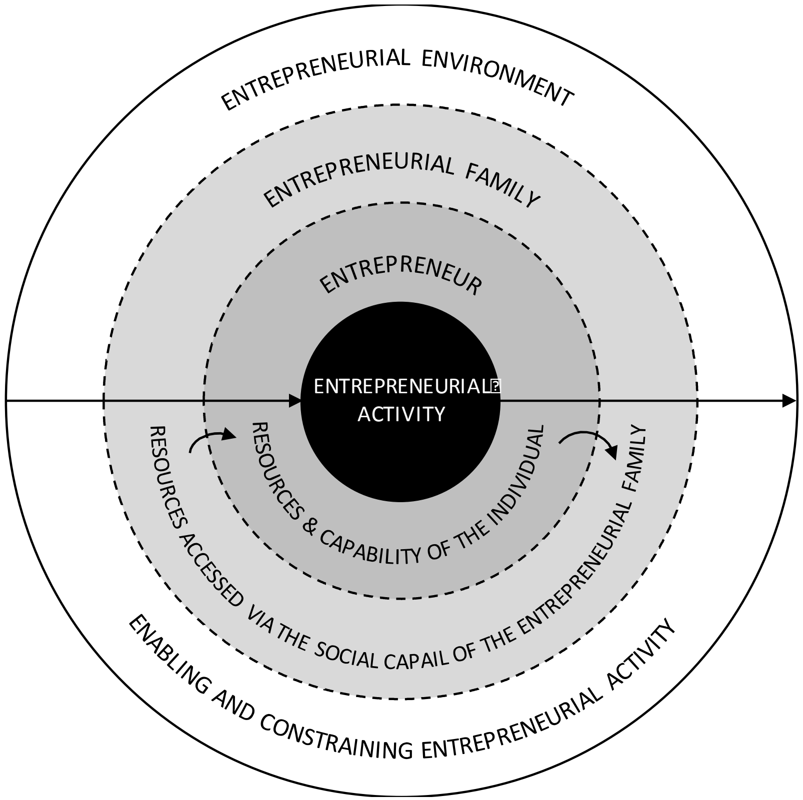


Figure 13. The entrepreneur, entrepreneurial family and the institutional environment



families arise to reduce the influence in the effects of the institutional environment. Under that premise, this research moves away from normally depicted business group literature, especially in Latin America, focused on perdurable and large business groups (Fernández Pérez, Lluch and Barbero, 2015) to a focus on SME'S to exemplify their specific nature of support. This takes the form of different configurations in entrepreneurial families to the ones of stand-alone entrepreneurs using traditional family resources.

7.4 Conclusions

Building on Litz, Pearson and Litchfield (2012) call for greater diversity in studies of family business, this chapter contributes to research by examining the links between institutions and entrepreneurial families. In doing so, the entrepreneurial family definition allowed to examine how family members support each other through institutional challenges. While the role of institutions in family entrepreneurship is increasingly recognised (Reay, Jaskiewicz and Hinings, 2015), there is currently no research which examines how the social capital of entrepreneurial families differs from other individuals and groups and the advantages and disadvantages of this in navigating institutional challenges. The relational, cognitive and structural dimensions of social capital in the entrepreneurial family enable the sharing and mobilisation of resources across entrepreneurs along with the creation of capabilities that conforms the familiness, as analysed thoroughly in Chapter 6. It is carried forward in this chapter to understand the way they make use of their entrepreneurial familiness in their context, to overcome the identified challenges.

While exploring the answer to research objective four on how does the institutional environment affect the entrepreneurial activity of entrepreneurial family members, it is highlighted how although attempts have been made to improve formal institutional arrangements substantial challenges still exist for entrepreneurs facing corruption, adopting new reforms, practising informality and overcoming security issues. It is also emphasised that these challenges are not isolated but are interdependent, making it a more complex situation for owner/entrepreneurs with their firms. In this study formal and informal institutions are considered to examine the institutional environment, building on research considering the multiple institutional strategies that entrepreneurs may use, not only focusing on one given part of the institutional environment (Ahlstrom and Bruton, 2002; Manolova, Eunni and Gyoshev, 2008). This chapter then further explores research objective five to understand how and why the entrepreneurial family navigate institutional challenges acting as a collective unit of support in an emerging economy where institutions are predominantly weak, moving away from the individual perspective when looking at institutions. Such support is important as family units can be considered to be a 'house' which rises, stands, falls and sometimes rises again (Litz, 2008). This also contributes to the family firm literature by making a differentiation of a particular type of business family, the entrepreneurial family, and recognises the diverse contexts in which they operate. The interactions between members provide support within entrepreneurial families while facing institutional challenges. Previous research has suggested that the environment in some emerging countries, can be known of having a long history of instability for business activity coming from a weak institutional structure (Bruton, Ahlstrom and Li, 2010; Nordqvist *et al.*, 2011). Having Mexico as empirical focus, it is found that while reforms are happening to democratise productive activity, entrepreneurial families in some cases circumvent them with strong culture and informal institutions being directed towards informal activity in order to compensate for the challenges they face with so little formal guidance to follow reforms.

Developing economies are often characterised by weak and rapidly changing formal institutions as well as informal institutions which are often unsupportive of productive entrepreneurial activity. Members in entrepreneurial families navigate through institutional challenges, while supporting each other in developing slow but relatively prevalent informal institutions. Reforms in emerging economies have mainly focused attention on formal institutions (Manolova and Yan, 2002); yet informal institutions are as important in fostering entrepreneurship (Williams and Vorley, 2015) and thus play a substantial role in entrepreneurial development with family members supporting each other to navigate institutional challenges and thus contribute to the development of an entrepreneurial culture. Shifts in values, norms and attitudes in an entrepreneurial family translate into developing entrepreneurial spirit across generations (Zellweger, Nason and Nordqvist, 2012). In many ways, reforms to the formal environment are undertaken with little or no consideration as to the depth of informal institutions. Nonetheless, informal institutions are as important for the development of entrepreneurship as formal institutions, and while reforming informal institutions is possible it is often a slow process, since the norms and values passed from one generation to the next can be resistant to change (Winiecki, 2001).

This chapter has demonstrated how entrepreneurial families with their familiness serve to navigate and overcome institutional challenges of owner/entrepreneurs belonging to the entrepreneurial family in the institutional context of Mexico. It is highlighted how although attempts have been made to improve formal institutional arrangements, substantial challenges still exist including difficulties in adopting and adapting to new reforms, weak formal and informal institutions, dependence to public sector, corruption and security issues. The interaction among members enables entrepreneurial families to support each other through the imperfect institutional environment, and thus while many of the institutional challenges would affect individual entrepreneurs as well, entrepreneurial families are better able to overcome them through their entrepreneurial familiness.

Chapter Eight: Discussion and Conclusions

This thesis presents an in-depth study of entrepreneurial families in the context of a challenging institutional environment. The research has identified the family as an evolving organisation that should be examined beyond the nuclear family notion or the structural view of the family, to a more socially constructed and transactional view. Moving beyond the focus on the family business, the thesis advances understanding about support dynamics distinctive to entrepreneurial families by the interaction that multiple owner/entrepreneurs have with others in the same family with regards to their firms. This is a new perspective to investigate entrepreneurial phenomena in family business and family entrepreneurship research within an institutional context. Thus, the thesis has provided a multi-level study considering the wider institutional environment, the entrepreneurial family and the family members. The nature of family influence in family business and family entrepreneurship highlights the importance of this organisational unit, it is surprising how research has only started to acknowledge the family as centre to study related matters. For this purpose, the overall research aim for the study was:

> To examine the dynamics of support within entrepreneurial families influencing entrepreneurial activity in a challenging institutional environment.

The research advances new insights about how family members support each other within the family as they navigate and respond to institutional challenges. This thesis has first developed a typology identifying different types of entrepreneurial families based on their configuration and types of support. The study then elaborates on the construct of familiness. As originally conceived, familiness was defined from a resource-based-view at the firm-level as the idiosyncratic resources and capabilities resulting from the interactions between the family, its individual members, and the business to create competitive advantage and wealth (Habbershon and Williams, 1999; Habbershon, Williams and MacMillan, 2003). The research shows that in entrepreneurial families the focus should be moved from the firm to the family, and the foundation of familiness should be social capital theory by which the dimensions of familiness are created, applied and modified for the benefit of family members. Support is given to members and their firms through the resources and capabilities existing in the family, not in a single focal business. As such, unique resources and capabilities are identified in entrepreneurial families, and also the process of sharing and mobilisation is examined depending on the support members give to each other. It shows that depending on the type of configuration of support in the family (formal or informal) different entrepreneurial activity occurs in the family. Where there is formal support, members are more concerned with keeping the family business and engaging in entrepreneurial activity to support that firm. Where there is informal support, the focus is not concentrated in one firm; entrepreneurial activity is directed towards the support and expansion of: a) the family firm, b) the portfolio of other firms and 3) individual ventures of members. All these businesses receive benefits from the entrepreneurial family even when they are considered non-family firms. The study also demonstrates that members in entrepreneurial families are part of the institutional environment but also influence (often reduce) the effects it exerts on their everyday life operating their multiple firms. To unpack the contributions of the study, this chapter discusses the key themes from the analysis and reflects on the conceptual framework developed throughout the empirical chapters. The chapter then concludes with a discussion of potential areas for future research and final thoughts.

8.1 Discussion of key themes from the research

This study takes a new perspective to look at family entrepreneurship as socially constructed. Family, entrepreneurship, family business and institutions have not been addressed simultaneously in this way before. This moves understanding past the household and nuclear family by highlighting the interdependence of entrepreneurs in the family beyond those boundaries (cf. Rodriguez *et al.,* 2009; Danes, Stafford and Haynes, 2009;

Danes and Olson 2003; Alsos, Carter and Ljunggren, 2014), and also underscores the importance of the interactions of the family for the construction of entrepreneurship. The study identifies when the interrelation between family members is beneficial for entrepreneurial activity (cf. Steier and Greenwood 1999; Smith and Lohrke 2008; Arregle *et al.*, 2013), and when is not, according to the way members interact with each other in response to the institutional context, past the individual view (cf. Estrin, Korosteleva and Mickiewicz, 2013; Tonoyan, Strohmeyer and Habib 2010).

This research addresses important gaps in the literature relating to the heterogeneity of family entrepreneurship; the dimensions and processes behind the familiness construct in family business; the way institutional environment affects entrepreneurial families and how these respond to it in relation to both formal and informal institutions. The study has also showed the complexity between the internal processes in entrepreneurial families and their relation with the external contextual factors which also impact simultaneously on the interactions within the family. It has demonstrated that internally, entrepreneurial families interact with and support each other in the daily operation of their firms by making the most of the entrepreneurial resource and capability base (familiness) that resides close to them within their own family. But also has showed the way the same valuable familiness base serves to face, navigate and overcome the challenges that the institutional environment places on their firms.

Integrating theories in family entrepreneurship, social capital and institutions, an empirical typology of entrepreneurial families was created and examined in-depth (Chapter 5). The configuration of support and the construct of familiness (antecedents, dimensions and outcomes) were employed to illustrate the differences between the types of entrepreneurial families (Chapter 6), which enabled to understand how they respond to institutional challenges together (Chapter 7). The study has demonstrated how the fields of family business and family entrepreneurship need to consider first the composition of the family to understand entrepreneurial processes and family business behaviour, showing that not all theoretical concepts can be applied in the same way to different types of families. Thus, the typology raises questions in the generalisability and broader relevance of theories that do not consider family heterogeneity. The key contributions and implications of the thesis will now be addressed.

8.1.1. Family support dynamics in entrepreneurial families beyond family firms

The types developed for this study contribute to research by moving beyond past typologies involving multiple firms, and the dual perspective of organic (one firm) and portfolio entrepreneurial families (more than one firm) proposed by Michael-Tsabari, Labaki and Zachary (2014). The typology captures the different dynamics present in portfolio entrepreneurial families that can add to the cluster model which was only empirically tested with one historical case. The identified types extend the 'family-in-business' and 'family-as-investor' mind-sets theoretically proposed by Habbershon and Pistrui (2002). While it is acknowledged in this typology that entrepreneurial families showing formal support are more interested in a particular family business, akin to family-in-business mind-set, and families with informal support that resemble more the family-as investor mind-set; this typology provides a more comprehensive view by exploring the dynamics between multiple members and their firms and the way how they provide support. By looking more broadly at how members support each other with their individual or collective firms and the value they put on family and on the businesses. Beyond the two types presented by Habbershon and Pistrui (2002), it is also important to acknowledge independent entrepreneurs (Type I) because even when they comply with the entrepreneurial family definition of this study, they do not act as a cohesive unit but provide insights similar to lone entrepreneurs. Hybrid entrepreneurial families (Type IV) provide a more comprehensive view of the dynamics that do not fall exclusively in one type or the other. Finally, this typological approach does not only consider families owning multiple firms, but also the individual perspective of multiple members who are owner/entrepreneurs and who comprise the entrepreneurial family. Past research has started to focus in ‘families in business’ rather than ‘family businesses’ but to understand families, multiple actors need to be considered as there are more than one lead entrepreneur in the family, as demonstrated in this research. This enabled for a fine-grained understanding of the different types of entrepreneurial families, contributing to family entrepreneurship, not only family business or entrepreneurship separately but integrating the field. A significant implication of this understanding is to develop, amend and extend previous conceptualisations that have been inconclusive or contradictory in some cases. For example, the value of family ties in entrepreneurship, research highlights that family ties can hinder entrepreneurship while others suggest that family facilitates venture creation. This study provides clarity to this dilemma by drawing upon the types of entrepreneurial families, the different types of support they provide associated with the development of certain entrepreneurial activity. The interpretation and analysis has proven to unpack these complex phenomena with a nuanced lens identifying the underlying characteristics of families and its members that lead to different types of entrepreneurship. This also demonstrates that members in entrepreneurial families can provide the type of benefits that have been previously related to ‘weak ties’ (Granovetter, 1973). This illustrates that strong ties (family owner/entrepreneurs) can also bring an external and heterogeneous resource base because owner/entrepreneurs move in their own different circle with their firms. Beyond the dichotomous perception of strong and weak ties, the analysis shows the nuances of reality with the gradations and variations as shown by the type of support.

The identification of the configurations of support in entrepreneurial families in terms of what the family can bring to their members shows contrasts with previous findings. Contesting that the business advice that family members offer entrepreneurs in emerging countries is of ‘lower value or quality as they usually have little expertise or lack an understanding of business development’ (Arregle *et al.*, 2013, p. 23). As showed in entrepreneurial families, members value the business advice that other members in the family provide because they are ‘more experienced’. Also, when they have access to external business advice they choose to be supported by family because the level of commitment and trust is different (to the exception of Type I- Independent entrepreneurs). The explanation of the contrast in findings may be enhanced because Arregle et al's (2013) focuses on focal single entrepreneurs without differentiating the type of family members (e.g. with or without business experience) in family ties, not considering the family business background of the entrepreneur and because of the quantitative nature of the study. That is why business advice networks from family ties resulted non-important in emerging economies. It appears that this is a fragmented view of family support. In fact, Arregle et al. (2013) acknowledge this as a limitation to their study in which the entrepreneur's family enterprising background is not considered, which could have an effect on the relevance of family in business advice and resource support. This was actually the case of Type I- individual entrepreneurs who showed that family ties and resources were not relevant for their businesses. In the case of formal entrepreneurial families, family support sometimes resulted redundant and overlapping (Arregle *et al.*, 2013) but this was not the case in informal and hybrid entrepreneurial families. The typology demonstrates the nuanced differentiation of dynamics that show when and how family support is beneficial.

The findings indicate that while transgenerational entrepreneurship is a strong component of entrepreneurial families, there should also be also consideration to the power of what could be termed as *intragenerational entrepreneurship* (between siblings or members of the same generation) past the 'sibling partnership' (Gersick *et al.*, 1997). The difference of the intragenerational dynamics found in this study compared to past research that recognises sibling interaction, is the consideration of multiple firms in the family which enables a support structure, rather than the existence of a family business which may cause sibling rivalry taking over the only family business or resulting in the eventual sibling partnership. The existence of different siblings who are owner/entrepreneurs of their own firms makes the entrepreneurial family a special type of family where the entrepreneurial spirit is not only inculcated from senior to junior generations, but within members of the same generation. Although is acknowledged that there is high transmission of values and knowledge across generations through the natural socialisation process of the family. Intragenerational entrepreneurship is a distinctive feature of entrepreneurial families by which it is demonstrated that not all entrepreneurial families have a dominant actor for entrepreneurial activity. The existence of a dominant actor is possible in entrepreneurial families in line with previous studies but this research also recognises the influence dynamics that multiple members of the family have over each other, predominantly among siblings. The interaction then amongst all members in the family becomes very important in the entrepreneurial family because members take on certain roles in these interactions; for example, sibling owner/entrepreneurs learning from each other, sharing resources and capabilities; and parents entrepreneurs keeping the family together sometimes acting as mediators. It was found that this was true mainly when parents were owner/entrepreneurs as well, who would nurture the strength of the social capital across the family as enduring attachment of the entrepreneurial family. While in other types of families (Type I) where each sibling had their own firm but did not interact significantly in terms of support and sharing of resources, the parents did not have any enterprising background nor were current owner/entrepreneurs. The typological classification developed in this study has enabled in-depth analysis like the importance of intragenerational entrepreneurship through the multiple configurations of support and heterogeneity of family found in entrepreneurial families.

The research also contributes to understanding the transactional view of the family (Koerner and Fitzpatrick 2002) beyond the structural or the household view. Comparing Alsos, Carter and Ljunggren (2014) research on households and entrepreneurial activity in which they state that the household is the glue linking business portfolios and resources, and that the larger the family the greater potential resource base, the evidence in this thesis provides a different perspective when focusing on the entrepreneurial family. First, the study acknowledges that ‘big is not best’ as stated by Alsos, Carter and Ljunggren. (2014). The typology of entrepreneurial families confirmed that the amount of members or the amount of resources is not determinant for support family dynamics in entrepreneurial activity, for example Type I- Independent entrepreneurs did not make use of the potential resource base they could have access to benefit their firms. Second, the researcher finds that it is not the household but the social capital in the entrepreneurial family that is the glue that holds the family together for entrepreneurial activity and that enables access to wider family resources and creation of capabilities, even when entrepreneurs do not share the same household. In fact, Alsos, Carter and Ljunggren (2014) acknowledge that adult off-spring are still part of the entrepreneurial activity of the family even when they have left the household but they do not take their study outside that unit of analysis, this revels that the entrepreneurial family perspective contributes to better capture the activity of entrepreneurial family members beyond the household perspective. The typology created contributes with new and extended conceptual understandings when looking at the family and multiple entrepreneurs, as opposed to the typical firm perspective in family business, and individual perspective in entrepreneurship research.

8.1.2 New conceptualisations of familiness in the study of entrepreneurial families

The study of familiness has been dominated from research on the firm and focusing separately on the components of the construct. When looking at familiness from a family level and taking into consideration all its components – antecedents, dimensions and outcomes – simultaneously, it results in appropriate empirical testing and theory development, taking the construct forward. Some implications and new conceptualisations are the result of this holistic approach contributing to the conceptual development of familiness. This also complements previous research which may not be applicable in the same way to the family and firms within.

Previous research has taken familiness separately to identify the dimensions (Pearson, Carr and Shaw, 2008; Irava and Moores, 2010), the way they are used in the family firm (Arregle *et al.*, 2007) and the family influence on the firm (Zellweger, Eddleston and Kellermanns, 2010). Yet, these studies consider single-firms and represent a fragmented approach to familiness. This thesis presents an integrated study demonstrating the characteristics that lead to the formation of familiness, the idiosyncratic resources and capabilities, and the inherent process of transforming resources into specific capabilities, as well as the consequences it poses to benefit entrepreneurial activity. It also demonstrates that family-related constructs can be applied to non-family firms; this is possible by focusing on the family with its multiple members and firms. The nuanced accounts of owner/entrepreneurs and the identification of the type of businesses in the family, allows the understanding that non-family firms can also benefit from familiness. The integrated approach not only identifies the elements of familiness but also the processes by which those elements are formed and deployed for entrepreneurial activity. It also demonstrates the benefit they generate to members in the family while interacting with their institutional environment.

From a focus of firm-level analysis, Sirmon and Hitt (2003) argue that non-family firms do not enjoy the benefits of familiness resources. This study finds that, when looking at familiness from a family level perspective the resources and capabilities are available to all entrepreneurial members in the family to be used and employed in their firms. For example, financial capital resources as survivability capital entrepreneurial families are available also to non-family firms; the pool of financial resources in the family can serve a member with his firm to get over hard financial times even when it is not considered the core family business. It was found that this support also comes with a patient capital characteristic thanks to strong social capital with commitment and trust existing in the entrepreneurial family. This adds to understanding how familiness can contribute to other businesses beyond the family business, view that had been limited in past research focused on specific firms. For human capital resources, members acquire knowledge and skills from other members to be used in their own businesses, managing either family or non-family firms. In the case of social capital resources, the benefits of strong ties are preserved while networks can also be diverse from members creating their own networks in their non-family firms. The utilisation of familiness in entrepreneurial families across firms is supported by the notion that the focus is not only centred in the family business but also in the range of firms across the family (Steier, 2015).

Past research has remained inconclusive and conflicting regarding the entrepreneurial nature of family firms, finding both low and high levels of entrepreneurial activity. In this study, the variation of familiness helps clarify the ongoing debate regarding whether family enterprises behave entrepreneurially (Zahra, Hayton and Salvato, 2004; Kellermanns and Eddleston, 2006) or more conservative (Dertouzos, Lester and Solow, 1989; Nordqvist and Melin, 2010). The analysis has showed that where there is formal configuration of support, there is less diversification and less risk-taking, as a result of the collective nature of actions and lack of expertise in other markets (e.g. *FAM4, FAM12*). Families choose to be conservative not wanting to risk family wealth (Sharma, Chrisman, and Chua, 1997) which might be explained by the dependence members have on each other. Formal support influences the focus in one particular firm rather than in the portfolio of firms, making them less entrepreneurial. While families showing informal configuration of support take advantage of the diversity of business knowledge in the family to recognise and pursue entrepreneurial opportunities (Barney, Clark and Alvarez, 2003), to be explored individually or collectively. This is a significant contribution of this study that shows the unique dynamics of family members with their firms that enhance or hinder entrepreneurship, answering several research calls on this matter (Nordqvist and Melin, 2010; Michael-Tsabari, Labaki and Zachary, 2014; Rosa, Howorth and Cruz, 2014; Craig, Garrett and Dibrell, 2015).

Familiness changes over time according to the amount of capital resources available to family and firms as a consequence of its flow (Sharma, 2008) and according to the configuration of support. The nature of familiness develops in relation to both the family and firm's needs; this contrast with past views of familiness centred in firm needs. Looking at familiness in this perspective, combined with portfolio entrepreneurship enables to capture the nuances of the dimensions of familiness; it also highlights the bidirectional effect from familiness to enterpriseness. This advances understanding of familiness by also looking into the enterpriseness of the family (Frank *et al.*, 2010) as feedback mechanism benefitting members. In entrepreneurial families, familiness changes according to the needs of the individual, the family and the multiple firms, co-existing simultaneously.

The entrepreneurial family provides a setting where members with multiple business experience meet, contrasting to past research on the limitation of benefits of family support because of homogeneity of information and resources available to entrepreneurs; and extends that portfolio entrepreneurs have wider access to resources family entrepreneur's resources in entrepreneurial families are more diverse and flexible because of their own business path. Anderson, Jack and Dodd (2005) found that one-quarter of the support network that entrepreneurs found outside their firm, were of kin nature providing not only affective but professional support similar to the professional support business networks could provide. This differs from studies that state that family support may offer blind encouragement because of lack of business knowledge resulting in wasted resources and capabilities (Arregle *et al.*, 2013). This research builds on Anderson, Jack and Dodd's (2005) assertion but highlighting the advantages of the particularity of the entrepreneurial family, the diversity of resources and heterogeneous business-related information are concentrated and available to entrepreneurs within the boundaries of the entrepreneurial family through the entrepreneurial familiness. Also, stressing that support is not only present in terms of the accessibility of the resources but in the value of the interactions that enable members to act individually or collectively with other entrepreneurial members. Even when there is not a formal configuration of support like co-ownership, members of the entrepreneurial family can act collectively at any time highlighting the advantage of the ready–made network of owner/entrepreneurs. Familiness functions in benefit of the family business, the portfolio of firms in the family and individual ventures. With this perspective, this research contributes to understanding the ‘middle ground’ between entrepreneurship and family business research that was been neglected (Dodd, Anderson and Jack, 2015).

The contribution of the consideration of intrafamily entrepreneurship in familiness adds to the entrepreneurship literature, examining the processes by which entrepreneurial families undertake portfolio entrepreneurial activities from the use of their resources and capabilities according to their organisational form. The investigation of this process is still scarce (Sieger, Zellweger, *et al.*, 2011). It is important to note, that moving beyond past traditional views of portfolio entrepreneurship based on resource-based theory (Westhead and Wright, 1998; Sieger, Zellweger, *et al.*, 2011; Baert *et al.*, 2016) the perspective here is based on social capital theory, as the foundation that enables intrafamily entrepreneurship. As a result, familiness is supported by the interactions of their members (not by the amount of resources) that give life to the mobilisation of resources and creation of capabilities. This is distinct from scattered resources family (not owner/entrepreneurs) can provide to lone entrepreneurs. This study gives also a finer understanding of the functions and the different types of entrepreneurial activity happening in the family, identifying the types of resources and capabilities developed according to organisational configuration of support in entrepreneurial families.

8.1.3 Entrepreneurial families response to the institutional environment

While the institutional environment affects individual entrepreneurs and individuals are often the focus of institutional research, this study shows the way entrepreneurial families interact with institutions differently from individuals. It is argued that entrepreneurial families are better able to overcome the challenges with their ready network of support enhances by their social capital in the family. Members decide to face institutional challenges together as a business group instead of facing them separately or without that support network, like individual entrepreneurs or other family firms often do. Entrepreneurial families may act as business groups but while a business group is a set of legally independent firms, tied formally or informally (Granovetter, 2010) under coordinated action in some cases of a single focal entrepreneur (Khanna and Rivkin, 2001); entrepreneurial families are distinguished by the existence of multiple entrepreneurs members of the same family managing their firms collaborative or independently. As with family firms, business groups respond to the institutional environment where they operate (Aoki, 2001). Past research argues that family ownership is the result of an underdeveloped institutional and economic environment (Fogel, 2006; Morck, Stangeland and Yeung, 2000). Efforts to research business groups have mainly considered large business groups and listed companies in different countries from an economic perspective (Cerutti, 2016). An explanation for this may be that business groups conformed of legally separate firms (or small firms) can be difficult to find; as such, the entrepreneurial family has proved useful to spot different firms that may be acting as business groups without a holding a legal status. This is a significant contribution to business groups and institutional theories by focusing on entrepreneurial families that enable understanding of 'invisible' units that have been largely ignored (Granovetter, 2010).

The findings show that institutional challenges are interconnected; family owner/entrepreneurs hardly experience individual institutional challenges. Chapter 7 shows how entrepreneurial families respond with interaction among their members to navigate through the weak institutional environment. It has also shown the relationships between challenges and the entrepreneurial familiness employed to overcome those challenges. Hence, moving theory forward by presenting a thorough examination on how the entrepreneurial family performs and gives function to the institutional environment under a supportive action within the boundaries of the socially constructed family. While this research was conducted in Mexico, important lessons can be taken for contexts characterised by weak or unstable institutional environments. It is a common factor that where institutions are less developed, as in in emerging economies, there will be a higher level of family involvement in business activities in comparison to economies with strong institutions

(Steier, 2009a). The study shows that formal institutions play an important role in how entrepreneurial activity develops, at the same time, informal institutions prevail, through family interactions helping navigate institutional challenges and contributing to the development of an entrepreneurial culture. In such institutional environments, families and entrepreneurs can organically build their network to leverage resources and compensate for institutional challenges. This research shows how the entrepreneurial family contributes to underdeveloped institutions.

Although some evidence has found negative implications regarding business groups such as monopolistic practices (Cerutti, 2016) and opportunistic activity ('parasites'), there is also recognition that business groups in certain economic contexts represent a positive role in contributing to underdeveloped institutions ('paragons') (Khanna and Yafeh, 2007). Thus, this research addresses that ongoing debate and show how the particular context and the nature of these entrepreneurial families contribute to looking at the business group more as a 'paragon' than a 'parasite' when they complement institutions. For example, the entrepreneurial family as an organisation able to reduce corruption practices by providing effective support to nascent entrepreneurs leaving public positions which are more vulnerable to corruption. The application of the classification to the study of entrepreneurial families take understanding forward on business groups and how they emerge (Granovetter, 2010). One form of behaviour is that they emerge from a single firm (mainly Type II) that serves as initial entrepreneurial effort to open related or subordinated firms, while the second relates to the existence of independent firms interacting without a clear central firm (Type III, IV). Past research, has mainly focused on business groups emerging from diversification activity of a single firm (Granovetter, 2010); the entrepreneurial family has served as a practical unit to identify 'open business groups' that are often challenging to find (Rosa, Howorth and Cruz, 2014). It also proves that unrelated diversification can persist with family owner/entrepreneurs making use of a wider set of resources and capabilities from the multiple firms in the family.

Firms in less developed countries tend to be more family dominated (Khanna and Palepu, 1999), which creates strong a sense of group identity and solidarity that facilitates resource mobilization (Granovetter, 2010). In emerging markets, firms need strong networks and personal connections to share resources when facing uncertainty (Luo, 2003). In entrepreneurial families, the different arrangement of businesses, as well as the existence of diverse entrepreneurs and resources provides members and entrepreneurial families with advantages when facing the institutional context, acting as an effective organisation through which family members support each other. Extending on Cerutti's (2016), this goes beyond traditional business group literature in Latin America, focused on large business groups (Fernández Pérez, Lluch and Barbero, 2015) to a focus on small and medium businesses. Support takes different configurations in entrepreneurial families to the ones of lone entrepreneurs using resources from members in traditional families (not owner/entrepreneurs).

8.2 A conceptual framework of entrepreneurial families

Meeting the research aim and objectives resulted in clarifying and understanding the nature of entrepreneurial families and how and why they work in certain way, as such a conceptual framework was developed (Figure 14). The figure presents notes on the adjustments made from the initial framework presented in Chapter 3 (Figure 3) and discussed below. This framework includes relevant elements when studying support dynamics and summarises the complexity of the underlying idiosyncratic features of the entrepreneurial family and its interaction with institutions, contributing to both the family entrepreneurship field and the literature on institutions. As such, this thesis shows the nature of entrepreneurial families as a form of 'families in business' and considers 'family-specific issues' (Salvato and Aldrich, 2012) helping to overcome institutional challenges through the developed construct in this thesis: the entrepreneurial familiness. Given that studies of family businesses should offer contributions in the form of new units of analysis and mediating variables (Reay and

Whetten, 2011), this study provides a new focus of entrepreneurial families and how it relates to institutions.

A key contribution of this study is in demonstrating how members of entrepreneurial families provide each other with advantages which are not replicated in more traditional family firms or for individual entrepreneurs. This was obtained through examining support dynamics in entrepreneurial families influencing entrepreneurial activity in an institutional environment, obtaining further significant contributions.

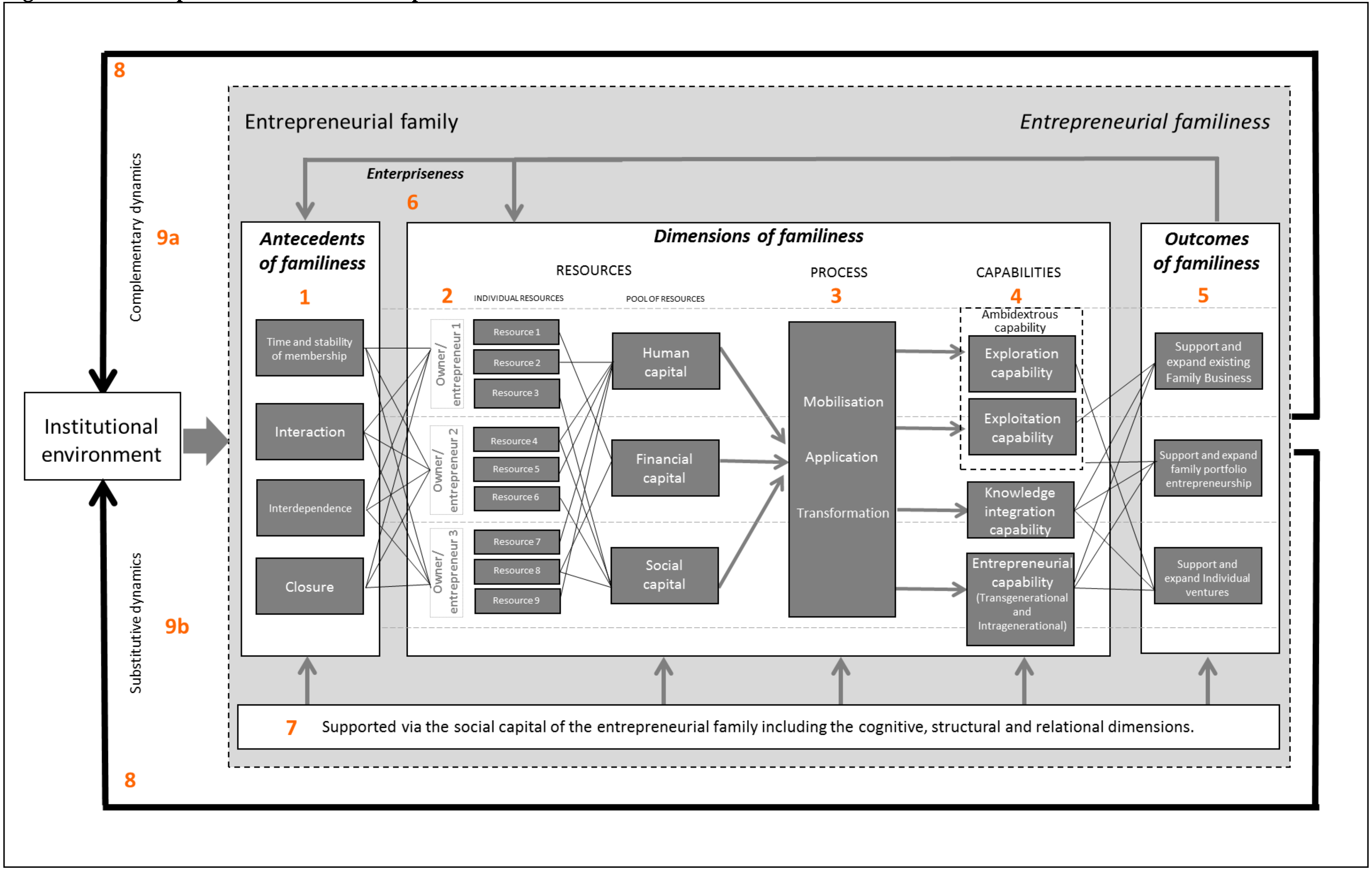
First, the thesis addresses the constraints limiting the majority of family businesses, entrepreneurship and institutional research that focuses on the individual-level and/or firm-level of analysis. Instead, the emphasis is made on the family to understand the effects of support dynamics on entrepreneurial activity, as opposed to stand alone entrepreneurs. Moreover, considering a transactional view of the family, socially constructed, beyond the boundaries of blood and legal ties or co-habiting status (household). This contributes to the emerging field of family entrepreneurship by focusing on family influence rather than the individual entrepreneur or business venture, adding to the legitimisation as unique field of inquiry in contrast with the field of entrepreneurship (Randolph and Vardaman, 2015). By unpacking the complex reality and heterogeneity of family, a typology of entrepreneurial families was created to contribute to the understanding of different support dynamics that enable different combinations of resources and capabilities that result in diverse forms of entrepreneurial activity. Thus, the typology integrated different areas of family entrepreneurship into holistic and detailed view of the types of entrepreneurial families considering multiple entrepreneurial outcomes in the context of the family further than new venture creation.

Second, the thesis extends the original construct of familiness proposed by Habbershon and Williams (1999), shifting the focus from the firm-level to the family-level of analysis. This research builds on past research on familiness (Pearson, Carr and Shaw, 2008; Sharma, 2008; Arregle *et al.*, 2007), and extends it by identifying not only the sources of capital resources and unique capabilities to entrepreneurial families, but also the process in which family owner/entrepreneurs employ them. It develops the construct forward with the study of its dimensions, antecedents and outcomes in a holistic approach. Antecedents of entrepreneurial familiness are analysed as the conditions that enable the use of resources and development of capabilities: 1) in line with the existence of multiple members and multiple firms in the study, first an individual element is added to the framework which regards to the resources each owner/entrepreneur contributes to the collective pool of resources available in the entrepreneurial family; 2) an important consideration of the study of familiness is the recognition of the components of its dimensions as resources and capabilities, but also demonstrating that there is a process; and 3) in between from which resources become capabilities. As such, making a novel differentiation between resources (what entrepreneurial families 'have') and capabilities (what they 'do), normally depicted as a single component of the dimensions of familiness. In this respect, this study also identifies and analyses the different idiosyncratic capabilities (4) found in entrepreneurial families which enable the outcome of familiness. By proposing intrafamily entrepreneurship as an outcome of familiness it enables the opportunity to further develop the concept in a way that it is not only concerned with expanding the existing family business or creating new ventures, but also the 'support and expansion' (5) of all business ventures (family firm, family portfolio and individual ventures). The entrepreneurial family provides valuable nuances to understand complex dynamics in entrepreneurial processes undertaken by individual members or by teams within the family, showing the ways owner/entrepreneurs get involved formally or informally; and the implications behind that type of involvement.

Advancing on the interdependence between family and business, the research addresses familiness as family's influence on enterprise; and also recognises the recent construct of enterpriseness as enterprise's influence on family (Frank *et al.*, 2010).The characteristic of enterpriseness is part of the framework (6) from the evidence found in the study in which the outcomes of familiness in terms of entrepreneurial activity had an impact on the family, thus in familiness too; in other words, the influence that business(es) have on the family and in consequence on other firms in the family. This study demonstrates that the study of familiness also requires the acknowledgement of enterpriseness, thus it provides two directions of flow of influence taking forward past frameworks on the study of familiness (Pearson, Carr and Shaw, 2008). Examining familiness as a process rather than as a resource demonstrates that familiness and enterpriseness are both dynamic processes that happen simultaneously. The findings show that enterpriseness is contingent on the stages of the firm, the needs of the family and the individuals affecting the resources and capabilities in the entrepreneurial family. The antecedents, dimensions and outcomes, as well as enterpriseness, are all supported by the social capital of the family including its cognitive, structural and relational dimensions (7). The social capital along with the support configuration in the family determine the way members access and employ common resources, as the way they develop capabilities in the collective for entrepreneurial activity.

Third, beyond the internal interactions or micro relationships, the study takes forward this to understand how and why entrepreneurial families behave in certain way in regards to the macro relationships to the institutional environment in which they operate. This is possible first by relating the entrepreneurial family to their context, understanding the most pressing challenges that entrepreneurs are subject to in the context on Mexico and further by carrying this to understand how the resources and capabilities in the family are leveraged to navigate and overcome those institutional challenges as a collective unit for their entrepreneurial endeavours. This research also shows how the dynamics in entrepreneurial families lead to institutional dynamics (feedback loop 8) to be either complementary (9a) or substitutive (9b) of the institutional environment being not only subject to, but also able to influence the effect of institutions.

Figure 14. A conceptual framework of entrepreneurial families



8.3 Discussion of research objectives

To explore the overall research aim, five research objectives were developed for this purpose. Each one will be addressed individually and will relate to the broader research aim as well as to the development of the conceptual framework presented at the end of this section.

> **Research objective 1:** To examine the distinctive features of entrepreneurial families and how they differ from each other

To answer this objective, the thesis has demonstrated that consideration of the components of family entrepreneurship in a holistic way makes it possible to understand entrepreneurial processes occurring in the context of the family. This research has taken variables from family, family business and entrepreneurship (Table 5) to understand 'the organisation family' (Rau, 2014) engaged in entrepreneurial activities. Through the focus on entrepreneurial families with multiple owner/entrepreneurs and multiple firms co-existing in the family, different characteristics were identified such as the existence of family business or enterprising background in the family, type of household and number of generations interacting with each other, which are important family features. Co-ownership of firms, existence of external business partnerships with non-family members, intergenerational succession plans (or formal succession processes) in place for family businesses and the focus on certain industries are among the distinctive features of entrepreneurial families from the family business perspective. While the concentration on the family business, the family portfolio of firms or individual business ventures are features considered in the entrepreneurship factor of family entrepreneurship. The combination of these features result in their organisational configuration in terms of the support that occurs in the family. This configuration of support in turn leads to different behaviour which is shown in the next research objective.

Research objective 2: To understand how support is configured in entrepreneurial families

The study finds that the configuration of support was an important factor to determine differences across entrepreneurial families. Their organisational form in terms of support was determinant to understand further entrepreneurial activity. The interpretation from the evidence of responses in entrepreneurial families showed that members practised support in different ways. For example, family members could show little support to other owner/entrepreneurs, other could show recurrent but informal support or formal support with members highly related to each other; there was also found a combination of both formal and informal support across different members in the same family with their diverse firms. The focus on the interactions and relationships in the family, as opposed to in the firms, demonstrated that support directed towards family and non-family firms existed in the entrepreneurial family. This gives a different viewpoint from past studies in family business and entrepreneurship research. In contrast with previous studies (Steier and Greenwood, 1999; Smith and Lohrke, 2008; Arregle *et al.*, 2013), family support is relevant for entrepreneurs because other members are owner/entrepreneurs too beyond the creation stage, and it can also represent an advantage for non-family firms. Resources and capabilities from familiness are available to members belonging to the entrepreneurial family to use in any type of firm. Focusing on one individual or on a focal family firm would have been posed limitations to the in-depth exploration of support dynamics in the family.

From analysing the distinctive features in entrepreneurial families and the configuration of support, the types of entrepreneurial families was developed. The developed typology served to address research objectives 1 and 2, and has also functioned as the basis of this study that is carried forward in responding the following research objectives. The typology and the analysis of familiness have enabled the understanding of entrepreneurial behaviour contributing to past debates whether families in business behave entrepreneurially or not. For example, evidence throughout the thesis showed how formal and informal support leads to different ways families and their members act towards entrepreneurial opportunities. The types developed add significant insight to the study of entrepreneurial families as such an approach has not been undertaken previously in the socially constructed conceptualisation of the family. In this family unit, members co-exist simultaneously as well as a combination of family and non-family firms. This contributes to the understanding of how the family behaves internally in certain ways, contributing to understanding portfolio entrepreneurship and entrepreneurial teams by the existence of multiple levels of support in entrepreneurial families. It also demonstrates a variation of familiness that affects their entrepreneurial activity as it is demonstrated in the following research objective.

> **Research objective 3:** To examine how does familiness affect the entrepreneurial activity of entrepreneurial family members

This study develops a new theoretical lens through a framework created from the integration of the resources and capabilities in the entrepreneurial family to enable entrepreneurial activity supported by the dimensions of social capital that serve to mitigate the challenges of the institutional environment by substitutive or complementary dynamics (see end of this section). The holistic approach of familiness analysing the antecedents, dimensions and outcomes provides a full picture of the familiness construct in entrepreneurial families. It shows that the antecedents as the conditions to develop social capital are determinants for the sharing and mobilisation of resources being human, financial and social capital resources (both bonding and bridging). From there the process of creation of capabilities gives a wide understanding of the processes behind entrepreneurial families to use and leverage those resources to create specific capabilities that in turn help develop entrepreneurial activity in the form of intrafamily entrepreneurship as outcome of familiness. The shared resources and capabilities are a means to explore and/or exploit entrepreneurial opportunities; the insights demonstrate that the interactions and combinations of the dimensions of familiness, along with their organisational form, result in different entrepreneurial behaviour. Some families are more concerned, for instance, in supporting and expanding the family business, or supporting and expanding the family portfolio or more devoted to supporting individual ventures for different reasons. As such, this new conceptualisation offers the examination of the distinct resources and relationships, at the heart of the family, that shape their usage and the capabilities derived from them for diverse entrepreneurial activity.

While social capital explains entrepreneurial familiness and how members use resources and capabilities across the family in firms, other forms of capital were also evident (Arregle *et al.*, 2007; Pearson, Carr and Shaw, 2008; Sharma, 2008). The differences between entrepreneurial families in the typology presented are attributed to the type of support configuration they practise in the family. This contributes to understanding other forms of capital in the context of familiness in family business and entrepreneurship. This in turn also determines the way they access and use common resources, as well as develop capabilities for entrepreneurial activity, via the social capital in the family including the cognitive, structural and relational dimensions. This is a novel application of familiness using the family as unit of analysis while considering multiple firms, moving away from the resource-based view of the firm as previous basis for familiness. This study demonstrates that while the nature of familiness in entrepreneurial families is common in regards to their antecedents, dimensions and outcomes; it differs depending on the organisational form.

> **Research objective 4:** To examine how the institutional environment affects entrepreneurial families

Research objective four is addressed as a basis to understand how and why entrepreneurial families respond to the institutional environment. The response to these enables contextualising family business and entrepreneurship in the wider institutional environment, shedding light in two ways. First, the interpretive analysis provided the identification of five key institutional challenges affecting entrepreneurial families, 1) Changes in policy, 2) Weak formal institutions, 3) Dependence to public sector, 4) Corruption, and 5) Security. An important consideration here is that these challenges showed high interdependence between each other, demonstrating the complexity of the environment that family owner/entrepreneurs and entrepreneurs in general live while managing their firms in the context of Mexico. Second, these institutional challenges were addressed both in relation to formal and informal institutions, when normally studies focus more on a certain institutional deficiency against formal institutions (Tonoyan, Strohmeyer and Habib, 2010). Support dynamics in the family as a response to the external environment are discussed in the following, as well as the effect they have on institutions. In doing so, it is showed that while many of the institutional challenges affect individual entrepreneurs, entrepreneurial families are better able to navigate and overcome these challenges for two reasons: 1) the advantages that emerge from knowing other entrepreneurs (Estrin, Korosteleva and Mickiewicz, 2013); and 2) further advantages inherent of entrepreneurs belonging to the same family (trust, stewardship, shared values).

> **Research objective 5:** To understand how and why entrepreneurial families navigate institutional challenges in the institutional environment

The research has shown that entrepreneurial families chose to navigate and overcome institutional challenges as a collective with their multiple firms. It demonstrated that institutional approaches to family business in past research are not widely applicable to the entrepreneurial family. First, the dynamics of the regulative, normative and cognitive pillars in institutions are different from the study of single-firm families in comparison to entrepreneurial families. For example, when looking at the family with multiple businesses, not a focal firm, it was found that cognitive dynamics depend on the configuration of support; as such, the roles in the family are not necessarily replicated in the business environment because not all members work in the same family business. Second, the findings from the study of an individual actor in past institutional theory research, contrast from some of the findings in this thesis explored in Chapter 7. Specifically, it is demonstrated that individual entrepreneurs face constraints to access resources, whereas entrepreneurial families have a ready-made network and pool of resources that they can benefit from, supported by the strength of social capital enhanced by trust and values in the family setting. In the chapter and in response to this objective the researcher theorises how the entrepreneurial family interacts with its specific institutional environment, formal and informal institutions, by substituting or complementing institutions. This contributes to this institutional avenue of research by examining how entrepreneurial families support their members through the navigation of formal and informal institutional challenges.

8.4 Pushing family business and family entrepreneurship forward

The thesis addresses the nature of entrepreneurial families as a form of 'families in business' by theorising how entrepreneurial families interact with their specific institutional environment. Concerning family entrepreneurship and family business research, the thesis addresses the constraints in the majority of family business research that focus on the firm-level of analysis, in a vacuum neglecting the context; by positioning the entrepreneurial family, the entrepreneur and the institutional environment together in the study. By doing so, this research pushes the literature on family business and family entrepreneurship forward through the following.

The proposed typology of entrepreneurial families contributes to understanding the influence that multiple entrepreneurs have over each other, contributing to a collective perspective of entrepreneurship (Fletcher, 2006). It also moves beyond the dichotomy between the distinction of families owning one business and families owning multiple businesses (Habbershon and Pistrui, 2002; Michael-Tsabari, Labaki, and Zachary, 2014; Steier, Chrisman, and Chua, 2015). The typology provides a more comprehensive view of families owning multiple businesses and their support structure. It also enables the differentiation of the dynamics to evidence when and how family support demonstrates to be valuable for members in entrepreneurial families. This allows to move forward from past research where family support has been considered either detrimental (Arregle *et al.*, 2013; Nordqvist and Melin, 2010) or beneficial to entrepreneurial activity (Anderson, Jack, and Dodd, 2005; Nordqvist and Melin, 2010). By understanding the type of support, the study also builds on past notions of the entrepreneurial family, such as the one from Nordqvist and Melin (2010) where an entrepreneurial family is defined as a social structure 'that can both drive and constrain entrepreneurial activities' (p.214). The four types of entrepreneurial families identified in the thesis show when and how the resources, capabilities and type of support are conducive or restrictive to entrepreneurial activity.

The thesis extends the original construct of familiness proposed by Habbershon et al. (1999), shifting the focus from the firm-level to the family-level of analysis. This research adds to past strong research on familiness (Pearson *et al*., 2008; Sharma, 2008; Arregle *et al*., 2007), extends it and modifies it by identifying not only the sources of capital resources and unique capabilities to entrepreneurial families, but also the process in which family owner/entrepreneurs employ them. It develops the construct forward with the study of its dimensions, antecedents and outcomes in a holistic approach and advances the way enterpriseness manifests in entrepreneurial family. Enterpriseness is vital in entrepreneurial families because the support given to different members in the family normally comes from other existing firms; as such the directionality also occurs from business to family and not only from family to business (Frank *et al.*, 2010). Contrasting past studies, familiness is studied integrating family, family business and entrepreneurship through looking at entrepreneurial families; hence building on family entrepreneurship research (Bettinelli, Fayolle and Randerson, 2014).

Positioning entrepreneurial families in an institutional environment helped to contextualise entrepreneurship (Ramírez-Pasillas and Brundin, 2017), family business (T Reay, Jaskiewicz and Hinings, 2015) and family entrepreneurship (Randerson *et al.*, 2015) . By focusing in a developing economy such as Mexico, this research enabled to 'un-westernize' research (Ramírez-Pasillas and Brundin, 2017); for example, when looking at the informal economic aspect of some entrepreneurial families where informal activity complements the formal. It is important to highlight the nuances made in the context in Mexico including the where, who, how, why and when entrepreneurial activity takes place (Welter, 2011). In this thesis, the *where* was the institutional setting of Mexico, the *who* the entrepreneurial family, the *how* referred to the processes of interaction in the entrepreneurial family, while the *why* linked the institutional setting to understand the motives and challenges of entrepreneurial activity. Finally, the *when* enabled to understand changes and the impact of processes in entrepreneurial activity. This responded to a number of calls to focus on the context in family business and family entrepreneurship research (Randerson *et al.*, 2015).

8.5 Future research

The data collected in this research can originate further insights beyond the current thesis, some additional research questions may arise. For example, it is acknowledged that succession is an important issue in family firms, while some examination was conducted in terms of succession further analysis integrating social capital, family business succession, transgenerational entrepreneurship and context could extend knowledge on succession in families where more than one business exist. In this holistic way, enabling a fine-grained understanding of how and why succession processes work in entrepreneurial families in a particular context. The findings in the thesis also suggest new research questions that could be further explored. The revised conceptual framework presented could be extended by considering the feedback loop of enterpriseness, from business to family. As such, if family events happen (divorce, death, etc.) and entrepreneurial family resources change, can enterpriseness be sustained? And what effects will that bring to the creation of capabilities? There is still a wide opportunity to research the implications of enterpriseness in entrepreneurial families. In terms of the existence of formal and informal economic activity in some entrepreneurial families, it would be worth further exploring how entrepreneurs decide on the formal and informal elements of their firms? Understanding that entrepreneurs can be fully compliant with some legal aspects while being in conflict with others (Webb *et* *al.*, 2013); consequently, how and why entrepreneurs take these decisions in comparison with the family and non-family firms existing in the entrepreneurial family? Another avenue of research is socioemotional wealth, while the proposed framework emphasises on non-financial outcomes, intrafamily entrepreneurship could be linked to levels of socioemotional wealth in entrepreneurial families.

Familiness is still an emergent construct which requires further research. The focus on this study has been on entrepreneurial families, and it would be valuable to examine familiness in other conceptualisations of family. In addition, the examination of the potential negative impacts of familiness and resource (mis)allocation amongst family members requires further investigation. Further research may involve identifying success factors in the familial relationships between entrepreneurs in the same family that foster support and guidance as a collective unit. The entrepreneurial family typological approach presented can be further explored in diverse national and industrial contexts too. It would also be worthwhile to investigate the effect of institutional dynamics in other developing countries that can often act collectively in their family setting, conducting comparisons between countries with similarities and differences in regards to institutional reforms will provide a rich avenue for future research. Another potential interesting avenue would be to examine how institutional change impacts on different countries between developing and developed countries focusing on the role those family entrepreneurs play in the navigation of institutional challenges and the adoption of institutional change.

8.6 Final thoughts

This study has focused on family support dynamics to understand entrepreneurial families from a social construction assumption of reality, underpinned by interpretation of interactions within members of the family and in relation to the wider institutional context. By doing so, the research extends and provides new ways to understand families owning multiple firms in the context of emerging economies contributing to the fields of family entrepreneurship and institutions. As specified in this chapter, the results in this thesis generate novel conceptualisations beyond the normally depicted firm-focus in family business research and individual perspective of entrepreneurship. It also extends on contextualising entrepreneurship and family firms by adopting an institutional lens which highlights the underlying characteristics of an emerging economy such as Mexico.

The typology in this study has enabled analysis of a significant amount of information, reduce fragmentation in past research as well as understand dimensions that explain better family entrepreneurship taking into consideration the institutional context. This analysis shows the significant aspects and configuration of support in entrepreneurial families that result in different entrepreneurial activity within the family but also by being subject to and shaping the effects of the institutional environment. This study also has implications for practice. It opens up new family dynamics that exist in entrepreneurial families different from the ones explored in individual family businesses. Practical implications for entrepreneurs may derive from this research by highlighting unique characteristics and attributes of entrepreneurial families that can have an impact on family and family firms to become entrepreneurial.

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Appendices

Appendix 1. Ethics form approval

The University Of Sheffield.

Downloaded: 23/08/2017
Approved: 27/01/2015

Mariana Estrada Robles
Registration number: 130122379
Management School
Programme: PhD Management

Dear Mariana

PROJECT TITLE: Exploring the effects of family dynamics in entrepreneurial families
APPLICATION: Reference Number 002147

On behalf of the University ethics reviewers who reviewed your project, I am pleased to inform you that on 27/01/2015 the above-named project was **approved** on ethics grounds, on the basis that you will adhere to the following documentation that you submitted for ethics review:

- University research ethics application form 002147 (dated 16/01/2015).
- Participant information sheet 004647 version 1 (16/01/2015).
- Participant consent form 004639 version 1 (16/01/2015).

If during the course of the project you need to deviate significantly from the above-approved documentation please inform me since written approval will be required.

Yours sincerely

Malcolm Patterson
Ethics Administrator
Management School

Appendix 2. Information sheet

Sheffield University Management School.

PARTICIPANT INFORMATION SHEET- INTERVIEWS

Research project: Exploring the effects of family dynamics in entrepreneurial families

I would like to invite you to take part in my PhD research project. Before you decide it is important for you to understand why the research is being done and what it will involve. Please take time to read the following information carefully and discuss it with others if you wish. You are also free to ask me if there is anything that is not clear or if you would like more information.

Thank you for reading this.

1. What is the project's purpose?

Family businesses represent great contributors to the world economy impacting positively on wealth and job creation; however, families are rarely seen as entrepreneurial. Normally, an entrepreneurial venture is not achieved by a lone individual as it is often considered; family plays an important role in this process. Little is known about how family dynamics affect fundamental entrepreneurial processes. In order to address this gap, the key research question for the present study is how do family dynamics influence entrepreneurial activity in entrepreneurial families? Consequently for this investigation, 'entrepreneurial families' are defined as families where more than one member is an owner/entrepreneur who interacts with other entrepreneurs members of the same family.

Entrepreneurial families represent a very different form of family businesses and existing literature has not fully explained what characterises them and their members. The main purpose of this study is to examine the variety of relational dynamics of multiple entrepreneurs within a family, analysing the entrepreneurial orientation, activity and support of entrepreneurial families and family members in their businesses.

2. Why have I been chosen to participate?

You have been selected because the entrepreneurial nature of your family having different entrepreneurs and multiple businesses in the family, making it an ideal case entity to achieve the research purpose of this project. As part of your family, you have been selected to participate because you have experienced what is like to be an owner/entrepreneur of a business providing a significant opportunity to explore the interactions with other owner/entrepreneurs in your family.

<u>Being part of this research may bring potential benefits, findings may involve identifying success factors in the familial relationships between entrepreneurs in the same family that foster support and guidance as a collective unit.</u>

3. Do I have to take part?

Taking part in this research is entirely voluntary and up to you. If you decide to participate you will be given this information sheet to keep (and be asked to sign a consent form). Refusal to agree to participate will involve no penalty or negative consequences to you. You will have the choice to discontinue or withdraw participation at any time without giving any reason and without having negative consequences.

<u>Practical and beneficial implications may derive from this research for the entrepreneur and the entrepreneurial family by making a reflection and highlighting unique characteristics that can have a positive impact for the firm and the business family. Taking part in this research will also contribute to knowledge in the Family Entrepreneurship field that will help develop a better understanding to make recommendations for entrepreneurs and provide policy makers with a clearer idea for the development of targeted policies.</u>

4. What will happen if I agree to take part?

The following will happen if you agree to take part

i. I will have a face-to-face interview with you, that will be recorded if you agree to it, you can express your permission about recording in the consent form that gill be given alongside this information sheet.
ii. The interview will be confined to entrepreneurial aspects of your activity in your business as well as the interactions undertaken between family members to create/manage/sustain businesses in the family. Your interactions support and activities in the family in regards to different businesses and entrepreneurs/relatives, will be relevant in an attempt to explore the effects of family dynamics happening in entrepreneurial families, like the family you form part of.
iii. The questions at the interview have been planned in a way to represent a guideline to have a conversation with you regarding certain topics.
iv. Your responses during the interview will be kept anonymous.
v. You will be assigned a participant identification number. The number does not carry any personal information about you; it will only be used to take count of the participants in this project.

    After our meeting/interview: I will conduct analysis from your previous interview, and very probably ask you to accept a second interview to develop certain topics more in-depth.

5. What do I have to do?

The information you share with me will be securely stored, analysed by me to form part of the findings in my PhD thesis. However, your real name will not be recorded anywhere in the data or in the analysed information; your name will be referred as a pseudonym if it is needed to make a reference on any of your individual responses. Your business(es) name will not appear either anywhere in recorded data and information. You will be kept anonymous; hence, there are no foreseen risks or disadvantages of taking part.

6. What are the possible benefits of taking part?

Whilst there are no immediate benefits for those people participating in the project, it is hoped that this work will provide valuable opportunities for entrepreneurs in the family to analyse current activities undertaken and perhaps think of improving certain matters within the family and businesses. Findings may involve identifying success factors in the familial relationships between entrepreneurs in the same family that foster support and guidance as a collective unit.

7. What happens if the research study stops earlier than expected?

If this happens, reasons will be clearly explained to every participant.

8. What if I am not happy with the way that the research is carried out?

Please contact me if you wish to raise a complaint along the way. You may contact the principal supervisor of this project if you feel that I have not handled your complaint to your satisfaction.

Dr Nick Williams
Sheffield University Management School
Conduit Road, Sheffield S10 1FL
Phone: +44 (0)114 222 3454
Email: nick.williams@sheffield.ac.uk

9. Who will access the information I share with you?

The information you share with me, along with information from other participants, will be securely stored on a PC, analysed by me to answer the research questions and write a PhD thesis. However, your real name will not be recorded anywhere in the data or in the analysed information. I will ensure that all information from this project is kept securely. Nobody but the research team (myself and two PhD supervisors) team will have access to responses/data.

10. What will happen to the results of the research project?

The results of this study will constitute part of my PhD thesis that will be submitted to the Sheffield University Management School. Additionally, results and findings may also be published in selected academic journals. You will however not be identified in any report or publication.

11. Will my taking part in this project be kept confidential?

All the information that we collect about you during the course of the research will be kept strictly confidential. You will not be able to be identified in any reports or publications, meaning all collected data will be reported anonymously as part of my PhD studies and any other publications as a result of this research. Data will be kept securely, including the transcribed data on a password-protected PC. Personal details will not be kept with interview data. Nobody but the research team (myself and two PhD supervisors) team will have access to responses/data.

12. Who has ethically reviewed the project?

This project has been reviewed by the University of Sheffield Research Ethics Committee.

13. Contact for further information

In case you wish to obtain more information about the project please contact Dr Nick Williams (contact details given above) and/or Dr Tim Vorley, contact details as follows:

Dr Tim Vorley
Sheffield University Management School
Conduit Road, Sheffield S10 1FL
Phone: +44 (0)114 222 3486
Email: tim.vorley@sheffield.ac.uk

Finally, I would like to let you know that a copy of this information sheet and a signed consent form will be given you to keep.

Your participation in this project is highly appreciated and valued.

Many thanks.

Information sheet- Spanish

Sheffield University Management School.

HOJA INFORMATIVA DEL PARTICIPANTE

Proyecto de investigación:
Análisis de los efectos de la dinámica familiar en familias emprendedoras

Me gustaría invitarle a participar en mi proyecto de Investigación Doctoral. Antes de que usted decida, es importante que entienda por qué se realiza esta investigación y sus implicaciones. Por favor tome tiempo para leer la siguiente información cuidadosamente. Siéntase con la libertad de realizar preguntas si considera que hay algo que no está claro o si desea mayor información.

Gracias por tomarse el tiempo de leer este documento.

1. ¿Cuál es el propósito del proyecto?

Las empresas familiares representan grandes contribuyentes a la economía mundial generando un impacto positivo en la riqueza y la creación de empleo. Sin embargo, las familias que poseen empresas familiares raramente se consideran como emprendedoras. Normalmente, una empresa no se logra con el esfuerzo de un solo individuo, ya que a menudo se considera que la familia juega un papel importante en este proceso. Poco se sabe acerca de cómo la dinámica familiar afecta a los procesos fundamentales del emprendimiento. Para hacer frente a esta oportunidad, la pregunta de investigación clave para el presente estudio es *¿Cómo la dinámica familiar influye en la actividad empresarial familias emprendedoras?* En consecuencia de esta investigación, **"las familias emprendedoras"** se definen como familias en las que más de un miembro es un empresario-propietario que interactúa con otros emprendedores miembros de la misma familia.
Familias emprendedoras representan una forma muy diferente de empresas familiares y la literatura existente no ha explicado plenamente lo que a ellos y a sus miembros caracteriza. El objetivo principal de este estudio es examinar la variedad de las dinámicas relacionales de varios empresarios dentro de una familia, el análisis del espíritu emprendedor, la actividad y el apoyo de los familiares en sus negocios.

2. ¿Por qué he sido elegido para participar?

Usted ha sido seleccionado debido al carácter emprendedor de su familia teniendo diferentes empresarios y varios negocios en la familia. Por lo que presenta un caso ideal para lograr el propósito de investigación de este proyecto. Como parte de su familia, ha sido seleccionado para participar porque usted ha experimentado lo que es ser un propietario/empresario de un negocio, lo cual proporciona una gran oportunidad para explorar las interacciones con otros empresarios en su familia.
Ser parte de esta investigación puede aportar beneficios potenciales para usted, los hallazgos pueden implicar la identificación de los factores de éxito en las relaciones familiares entre los miembros de su familia, identificando áreas de apoyo y orientación como una unidad colectiva.

3. ¿Tengo que participar?

La participación en esta investigación es totalmente voluntaria y depende de usted. Si usted decide participar se le dará esta hoja de información (y se le pedirá que firme un formulario de consentimiento). Al negarse a participar no incurre en ninguna penalización o consecuencia negativas para usted. Tendrá la opción de suspender o retirar su participación en cualquier momento sin dar ninguna razón y sin tener consecuencias negativas.
Aspectos prácticos y productivos pueden derivar de esta investigación para el empresario y la familia emprendedora haciendo una reflexión sobre sus negocios; resaltando características únicas que pueden tener un impacto positivo para las empresas y la familia emprendedora. La participación en esta investigación también contribuirá al conocimiento

en el campo del Emprendimiento Familiar que ayudará a desarrollar una mejor comprensión; de tal manera hacer recomendaciones para los emprendedores y proporcionar a los legisladores una idea más clara para el desarrollo de políticas específicas.

4. ¿Qué sucederá si estoy de acuerdo para participar?

Lo siguiente ocurrirá si acepta participar

vi. Tendré una entrevista cara a cara con usted, que se grabará si está de acuerdo con ello; usted puede expresar su permiso acerca de la grabación en el formulario de consentimiento que se le proporcionará junto con esta hoja de información.

vii. La entrevista se limitará a los aspectos empresariales de su actividad en su negocio, así como las interacciones realizadas entre miembros de la familia para crear / gestionar / mantener los negocios de la familia. Su interacción, el apoyo y las actividades de la familia en lo que respecta a las diferentes empresas y empresarios familiares, serán relevantes en un intento por explorar los efectos de la dinámica familiar que suceden en familias emprendedoras. Como la familia a la que usted forma parte.

viii. Las preguntas en la entrevista se han planificado en una forma de representar una guía para tener una conversación con usted con respecto a ciertos temas.

ix. Sus respuestas durante la entrevista se mantendrán anónimas y confidenciales.

x. Se le asignará un número de identificación de participante. El número no lleva ninguna información personal acerca de usted; sólo se puede utilizar para tomar cuenta de los participantes en este proyecto.

Después de nuestra entrevista, voy a realizar un análisis de su entrevista anterior, y es posible que le solicite que acepte una segunda entrevista para desarrollar ciertos temas con mayor profundidad. Esto en total sería toda su participación, como máximo dos entrevistas o en su caso solamente una.

5. ¿Qué tengo que hacer?

La información que comparta conmigo será almacenada con seguridad, analizada solamente por mí para formar parte de las conclusiones de mi tesis doctoral. Sin embargo, su nombre real no se grabará en cualquier parte del proceso o de la información analizada, su nombre será referido como un seudónimo si es necesario hacer una referencia a cualquiera de sus respuestas individuales. Los nombres de sus negocios no aparecerán en ningún lugar ni en la información registrada. Se le mantendrá en el anonimato; por lo tanto, no hay riesgos previstos o desventajas por tomar parte en esta investigación.

6. ¿Cuáles son los posibles beneficios de participar?

Si bien no hay beneficios inmediatos para las personas que participan en el proyecto, se espera que este trabajo proporcione valiosas oportunidades para los empresarios en la familia. Por lo que se espera que puedan analizar las actividades actuales emprendidas y tal vez reflexionar en la mejora de ciertos asuntos de la familia y los negocios existentes. Los hallazgos pueden implicar la identificación de los factores de éxito en las relaciones familiares entre los miembros de su familia, identificando áreas de apoyo y orientación como una unidad colectiva.

7. ¿Qué pasa si el estudio de investigación termina antes de lo esperado?

Si esto sucede, las razones se explicarán claramente a cada participante.

8. ¿Qué pasa si no estoy contento con la forma en que la investigación se lleva a cabo?

Por favor, póngase en contacto conmigo si desea levantar una queja en el camino. Usted también puede comunicarse con el supervisor principal de este proyecto si se siente que no he manejado su queja a su satisfacción.

Dr. Nick Williams
Sheffield University Management School
Conduct Road, Sheffield S10 1FL
Teléfono: +44 (0) 114 222 3454
Email: nick.williams@sheffield.ac.uk

9. ¿Quién va a acceder a la información que comparto con ustedes?
La información que comparta conmigo, junto con la información de otros participantes, se almacenará de forma segura en un disco duro. La información será analizada por mí para responder a las preguntas de investigación y escribir una tesis doctoral. Sin embargo, su nombre real no se grabará en cualquier parte del proceso o de la información analizada. Me aseguraré de que toda la información de este proyecto se mantenga segura. Nadie más que el equipo de investigación (dos supervisores de doctorado y yo) tendrán acceso a los datos.

10. ¿Qué pasará con los resultados del proyecto de investigación?
Los resultados de este estudio constituirán parte de mi tesis doctoral que será presentada a la Escuela de Negocios de la Universidad de Sheffield en el Reino Unido. Además, los datos analizados y los resultados también pueden ser publicados en revistas académicas seleccionadas. Usted no obstante, jamás será identificado en ningún informe o publicación.

11. ¿Mi participación en este proyecto se mantendrá en secreto?
Toda la información que recopilemos sobre usted durante el curso de la investigación se mantendrá estrictamente confidencial. Usted no podrá ser identificado en los informes o publicaciones, que significa que todos los datos recogidos serán reportados anónimamente como parte de mis estudios de doctorado y otras publicaciones. Los datos se guardarán de forma segura, incluyendo los datos transcritos en un disco duro protegido mediante contraseña. Los datos personales no serán mantenidos junto con datos de la entrevista. Nadie más que el equipo de investigación del equipo (dos supervisores de doctorado y yo) tendrán acceso a la información.

12. ¿Quién ha revisado éticamente el proyecto?
Este proyecto ha sido revisado por la el Comité de Ética de la Universidad de Sheffield en el Reino Unido. La aprobación que ha dado este Comité es resultado del cumplimiento de todos los aspectos requeridos para mantener una investigación ética en cada momento.

13. Contacto para más información
En caso de que desee obtener más información sobre el proyecto, por favor póngase en contacto con el Dr. Nick Williams (datos de contacto indicados anteriormente) y/o el Dr. Tim Vorley, cuyos datos de contacto son los siguientes:

Dr. Tim Vorley
Sheffield University Management School
Conduct Road, Sheffield S10 1FL
Teléfono: +44 (0) 114 222 3486
Email: tim.vorley@sheffield.ac.uk

Por último, me gustaría hacerle saber que le daré una copia de esta hoja de información y un formulario de consentimiento firmado.

Su participación en este proyecto es altamente apreciada y valorada.

Muchas gracias de antemano

Appendix 3. Participant consent form

Sheffield University Management School.

PARTICIPANT CONSENT FORM

Title of Research Project:

Exploring the effects of family dynamics in entrepreneurial families.

Name of Researcher: Mariana A Estrada-Robles

Participant Identification Number for this project: __________

Please initial box

1. I confirm that I have read and understand the information sheet explaining the above research project and I have had the opportunity to ask questions about the project.

2. I understand that my participation is voluntary and that I am free to withdraw
at any time without giving any reason and without there being any negative consequences. In addition, should I not wish to answer any particular question or questions, I am free to decline. *Researcher contact* *m.estradarobles@sheffield.ac.uk*

3. I understand that my responses will be recorded and kept strictly confidential. I give permission for recording and for members of the research team to have access to my anonymised responses. I understand that my name will not be recorded or linked with the research materials, and I will not be identified or identifiable in the
report or reports that result from the research.

4. I agree for the data collected from me to be used in future research

5. I agree to take part in the above research project.

________________________	________________	____________________
Name of Participant (*or legal representative*)	Date	Signature
Mariana A. Estrada-Robles	________________	____________________
Lead Researcher	Date	Signature

To be signed and dated in presence of the participant

Copies: *Once this has been signed by all parties the participant should receive a copy of the signed and dated participant consent form, the letter/pre-written script/information sheet and any other written information provided to the participants. A copy of the signed and dated consent form should be placed in the project's main record (e.g. a site file), which must be kept in a secure location.*

Sheffield University Management School.

Participant consent form- Spanish

FORMULARIO DE CONSENTIMIENTO

Proyecto de investigación:

Análisis de los efectos de la dinámica familiar en familias emprendedoras

Nombre del investigador: Mariana A Estrada-Robles

Número de identificación del participante para este proyecto: __________

Por favor marque la casilla

1. Confirmo que he leído y entendido la hoja de información que explica el proyecto de investigación y he tenido la oportunidad de hacer preguntas sobre el proyecto. ☐

2. Entiendo que mi participación es voluntaria y que soy libre de retirarme en cualquier momento sin necesidad de justificación y sin incurrir en consecuencias negativas. Además, de no querer responder a cualquier particular pregunta, estoy libre de rechazar. Contacto del investigador: m.estradarobles@sheffield.ac.uk ☐

3. Entiendo que mis respuestas serán grabadas y estrictamente confidenciales. Facilito permiso para grabar la entrevista (sólo voz) y para que los miembros del equipo de investigación tengan acceso a mis respuestas anónimamente. Entiendo que mi nombre no se grabará en ningún momento o será vinculado con el material de investigación. Tampoco será identificado (o identificable) en los informes que resulten de la investigación. ☐

4. Estoy de acuerdo en que los datos recabados puedan ser utilizados en futuras investigaciones. ☐

5. Estoy de acuerdo en participar en el proyecto de investigación. ☐

________________________	________________	____________________
Nombre del participante (*o del representante legal)*	Fecha	Firma
Mariana A. Estrada-Robles	________________	____________________
Investigador	Fecha	Firma

Deberá ser firmado y fechado en presencia del participante.

Copias: *Una vez que este documento ha sido firmado por todas las partes, el participante debe recibir una copia del formulario de consentimiento firmado y fechado, así como de la hoja de información del participante. Una copia del formulario de consentimiento firmado y fechado, debe ser colocada en el expediente principal del proyecto que debe mantenerse en un lugar seguro.*

Appendix 4. Interview protocol and interview guideline

Sheffield University Management School.

Interview Protocol

Participant # _______________
Family # __________________
Interview #_________________
Date ______/_______/_______

Thank you for your participation today.

My name is Mariana Estrada-Robles and I am a PhD student from the University of Sheffield conducting data collection in Entrepreneurial families for my thesis.

Thank you for completing the previous survey, this interview will take about 60 minutes and will include questions about your experiences being an entrepreneur in an entrepreneurial family. I would like your permission to tape record this interview, so I may accurately document the information you convey. If at any time during the interview you wish to discontinue the use of the recorder or the interview itself, please feel free to let me know.

All of your responses are confidential. Your responses will remain confidential and will be used to develop a better understanding of how entrepreneurs of the same family support each other in their businesses. The purpose of this study is to understand the relational dynamics of entrepreneurial families and multiple entrepreneurs within the family that in turn enable and hinder entrepreneurial activity throughout the different businesses in the family

At this time I would like to remind you of your written consent to participate in this study. I am the researcher, specifying your participation in the research project: Exploring the effects of family dynamics in entrepreneurial families. You and I have both signed and dated each copy, certifying that we agree to continue this interview. Thank you for that.

As it was mentioned in your participant information sheet and consent form, your participation in this interview is completely voluntary. The Sheffield Management School Research Ethics Panel has ethically approved this research. If at any time you need to stop or take a break, please let me know. You may also withdraw your participation at any time without any consequence.

Practical and beneficial implications may derive from this research for the entrepreneur and the entrepreneurial family by making a reflection and highlighting unique characteristics that can have a positive impact for the firm and the business family. Taking part in this research will also contribute to knowledge in the Family Entrepreneurship field that will help develop a better understanding to make recommendations for entrepreneurs and provide policy makers with a clearer idea for the development of targeted policies.

Do you have any questions or concerns before we begin? Then with your permission we will begin the interview.

Follow on to interview guideline.

Interview protocol – Spanish

Protocolo de entrevista

Participante # _______________
Familia # __________________
Entrevista #_________________
Fecha ______/_______/_______

Gracias por su participación el día de hoy. Mi nombre es Mariana Estrada-Robles y soy un estudiante de Doctorado en Administración en la Universidad de Sheffield en el Reino Unido. Actualmente estoy realizando la recolección de datos sobre familias emprendedoras para mi tesis.

Gracias por acceder a esta entrevista la cual tomará unos 60 minutos e incluirá alrededor de 10 preguntas generales acerca de sus experiencias de ser un empresario en una familia emprendedora. Me gustaría su permiso para grabar esta entrevista (voz), de esta manera poder documentar con exactitud la información que me proporcione. Si en cualquier momento durante la entrevista desea dejar de utilizar la grabadora o acabar la propia entrevista, por favor no dude en hacérmelo saber.

Todas sus respuestas son confidenciales. Sus respuestas permanecerán en todo momento confidenciales y serán utilizadas para desarrollar una mejor comprensión de cómo los emprendedores de una misma familia se apoyan mutuamente en sus negocios. El propósito de este estudio es comprender las dinámicas relacionales en las familias emprendedoras con varios empresarios que, a su vez, permiten o dificultan la actividad emprendedora a través de los diferentes negocios de la familia.

En este momento me gustaría recordarle el consentimiento por escrito para participar en este estudio. Yo soy el investigador, especificando su participación en el proyecto de investigación: Análisis de los efectos de la dinámica familiar en las familias emprendedoras. Usted y yo hemos firmado y fechado cada copia, certificando que acordamos continuar esta entrevista. Gracias.

Como se mencionó en la hoja de información del participante y formulario de consentimiento, su participación en esta entrevista es completamente voluntaria. El Comité de Ética de la Escuela de Negocios en Sheffield ha aprobado esta investigación ya que cumple con todas las características requeridas para ser éticamente responsable. Si en algún momento tiene que dejar la entrevista o tomar un descanso, por favor hágamelo saber. También puede retirar su participación en cualquier momento sin ninguna consecuencia negativa.

Aspectos prácticos y productivos pueden derivar de esta investigación para el empresario y la familia emprendedora haciendo una reflexión sobre sus negocios; resaltando características únicas que pueden tener un impacto positivo para la empresa y la familia emprendedora. La participación en esta investigación también contribuirá al conocimiento en el campo de Emprendimiento Familiar que ayudará a desarrollar una mejor comprensión; de tal manera hacer recomendaciones para los emprendedores y proporcionar a los legisladores una idea más clara para el desarrollo de políticas específicas. ¿Tiene alguna pregunta o inquietud antes de empezar? Luego, con su permiso vamos a empezar la entrevista.

Interview guideline

Interview guideline

Background information about Interviewee

Male ____ Female ____ Age_____
Main business_________________Economic sector_______________________
What is your position in the company? ________

Topic	Related questions
Family business (if there was one)	1. Can you give me a little bit of the history of the family business? If not Can you give me a little bit of the history of your firm? (expect long response on sector, size, origin of the firm, etc.)
Portfolio entrepreneurship	2. Can you give me a description of the different companies that other entrepreneurs in the family own? 3. What do you think were the main reasons to create more ventures?
Family Dynamics and support in the family (resources and interactions)	4. How do you interact with other members in your family? Members that own or manage another firm 5. Do you receive any type of support from them? What type of support? 6. What do you think are the advantages of being part this family in relation to your firm? Why? 7. What do you think are the disadvantages of being part this family in relation to your firm? Why? 8. Are you involved in any other firm in the family? 9. Do you support others with their businesses? What type of support do you give? 10. How is this support developed?
Entrepreneurial families (capabilities and interactions)	11. How would you describe the relationships and interactions between family owner/entrepreneurs? 12. What is the impact you see of that on your firm? 13. Are there any specific interactions that you think are unique in your family because of the existence of different entrepreneurs in the family? 14. What is your opinion about the family owning multiple firms ? 15. Where do you think the entrepreneurial spirit comes from, in you, and in your family?
Challenges (institutional) and plans	16. How would you describe the current situation of Mexico in relation to managing your firm? 17. Would you reflect on the challenges you have faced with your firm and what were the impacts? 18. How have you dealt with them? 19. Have others in the family have been part of this process? How have they participated? 20. Do you have any plans for your firm?

Interview guideline – Spanish

Guía de entrevista

La información general sobre el Entrevistado

Masculino ____ Femenino ____Edad ______
Empresa (principal)______________________ Sector económico _______________________
Posición en la empresa ___________________

Tema	Preguntas relacionadas
Negocio familiar	1. ¿Puede darme un poco de la historia de la empresa familiar? SINO ¿Puede darme un poco de detalle sobre la empresa donde labora? Fundador, giro, tamaño, historia de la empresa
Emprendimiento múltiple	2. ¿Puede darme una pequeña descripción de las diferentes empresas que otros emprendedores en la familia poseen y manejan? 3. ¿Cuáles cree que fueron las principales razones para crear más empresas?
Dinámica familiar y apoyo en la familia (recursos e interacciones)	4. ¿Cómo interactúa usted con otros miembros de su familia? Con aquellos que poseen y administran algún negocio 5.¿Usted recibe algún apoyo de otro miembro de la familia con sus negocio_ ¿Qué tipo de apoyo? 6.¿Cuáles cree que son las ventajas de ser parte de esta familia en relación con su negocio? ¿Por qué? 7. ¿Cuáles cree que son las desventajas de ser parte de esta familia en relación con su negocio? ¿Por qué? 8.¿Está usted involucrado en otro negocio de la familia? 9. ¿Usted provee algún apoyo a otro miembro de la familia que posea un negocio? ¿Qué tipo de apoyo? 10. ¿Cómo se desarrolla este apoyo?
Familias emprendedoras (competencias e interacciones)	11. ¿Cómo describiría usted las interacciones y relaciones entre los miembros de su familia que son dueños o emprendedores de una empresa? 12. ¿Cuál es el impacto que usted nota en su empresa? 13. Existen interacciones específicas que usted piensa que son diferentes en su familia a causa de la existencia de diferentes emprendedores que pertenecen a la misma familia? 14. ¿Cuál es su opinión de que la familia posea varias empresas? 15.¿De dónde cree que venga el espíritu emprendedor en usted, y en la familia?
Retos (institucionales) y planes	16.¿Cómo describiría la situación actual de México en relación con su negocio? 17.¿Podría reflexionar sobre los retos que ha vivido con su negocio y cómo lo ha impactado? 18.¿Cómo los ha manejado? 19.¿Otros miembros de su familia han sido parte de este proceso? ¿Cómo han participado? 20.¿Tiene planes para su negocio? ¿Cuáles son?

Appendix 5. Example of field notes

Participant # INT 21 and INT 22
Family # 6
Date 30/April/2015

Interview with participant 21 took place first. He is the father in the entrepreneurial family. The interview took place in his office. He was hesitant when I asked what his position in the firm was. He mentioned Director and later owner. During the interview he referred himself as president of the business.

He took a good deal of time when asked about challenges and implications of working with the government. Perhaps because he was trying to talk about sensitive matters related to how he had 'obtained opportunities' from the government to operate his business. But emphasised that his company (of 18 years now) was a result of hard work of 40 years.

Had to stop recording for a bit because he received a phone call.

Interview continued. Later, son came into the office greeted me and they started chatting about one of the businesses. It was confirmed, from what INT21 mentioned that constant communication was a key element of their interaction. By their speech it seemed that they both had ample knowledge of what was going on with the firm. They both emphasised in their interviews that they were independent but worked 'hand by hand' and were in touch 3-5 times a week.

INT21 was less open to discuss family matters than INT22. When father and son interacted, there were no signs of the father having a strong behaviour with son. However, when talking to the son he mentioned that sometimes at the beginning it was difficult to interact with his father because when he was learning his father gave orders as a father. But now he feels he is very independent and he thinks his entrepreneurial spirit comes a great deal from his father but he definitely believes it also comes down to his abilities and ambition.

They both mentioned in their own interview that only the two of them are involved with their firms (again, even when independent). There are no other members in the family participating, or who give support.

They also mentioned independently that each one took decisions on their own but they share thoughts and advice to take those decisions.

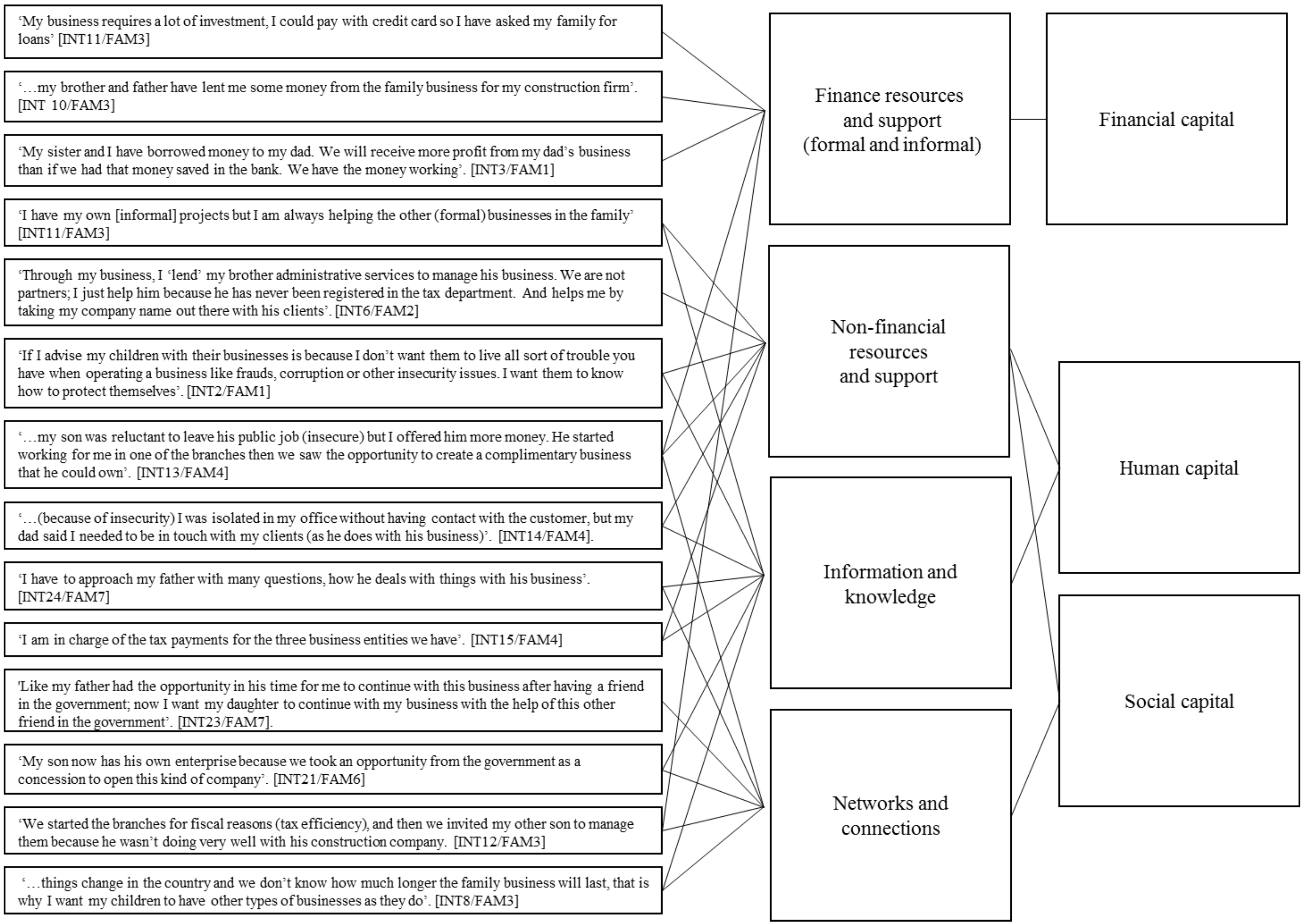
Seems like the father is the one who has given more support in terms of financial support.

Albeit mentioning they don't allow others to be involved, son has another company with an external business partner as a result of the insecurity he has lived with his first firm. The father is not involved in this one.

The doors of the office always remained open during both interviews and interactions. * Go back to interviews to see what support the son gives. Interesting example of his friends who have started a company, compared to him.

Appendix 6. Data analysis (1)

Illustrative quotes from Interviews with Entrepreneurial Families **Entrepreneurial Family Resources**



Appendix 6. Data analysis (2)