

## **Interrelatedness of family and small business**

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### **Abstract**

We present a view that social construct-family- is closely intertwined with the economic construct-small business-. We also demonstrate that the notion of family is deeply entrenched in the thoughts of small business owners. In the extant literature, relationship between family and business has been very well established. However, it lacked to demonstrate the process of interrelatedness as understood and internalized by the business owners. By exploring stories of present small business owners in form of narratives, we have established the process though which family and business are perceived to be closely interlinked.

**Key Words:** Family, Small Business, Business owner, Embeddedness, Family and business interrelatedness.

## **Introduction**

Using network approaches Economic sociologists (Granovetter, 2005; Uzzi, 1997) have established that social structures such as relationship networks affect the economic performances. Based on these explorations, theory of embeddedness is being formulated. Theory of embeddedness informs that every human act, may it be economic, or political has a root in social structure. In the present research, following the same logic of embeddedness, we try to develop a case for family and small business.

Recent attempt by Drakopoulou et al. (2013) is an effort towards capturing subjective and perceived cognitive thinking of the individuals on temporal meaning of business. Although, Drakopoulou et al., through a primary data, captures a backward thinking ability and family committedness of the present business owners, there are no narratives in the study which locate the firm back into their family making it a case for embeddedness.

Another important attempt in the direction of family and business embeddedness, Aldrich and Cliff (2003), drawing upon the US census data on key macro social indicators tried demonstrate a linkage between family structure and changes in entrepreneurial structures. However, the study does not provide a microscopic, individual specific analysis of business embeddedness in family.

In the study, we chose small business owners as unit of analysis. These businesses are perennial in nature, small in size with employee size varying from 1 to 30. These businesses are mostly into wholesale, retail and manufacturing (appendix 1). Selection of such domain of business units became quite overt as the extant literature largely takes small scale, medium and large scale firms as unit of analysis. These small business can be defined as "any business that is independently owned and operated, not dominant in its field, and does not

engage in any new marketing or innovative practices" (Carland et al. 1984; Amboise and Muldowney 1988)

Drawing upon small business owners' subjective interpretations of family's role in delineating their economic action orientation, we bring insights on how family becomes a central social construct in dictating economic actions of individuals. The study uses qualitative methods of data collection, and analysis.

We conclude the study by arguing that economic construct-small business-cannot be disassociated from the sociological construct-family-.

The paper is organised under five themes: Introduction, Literature review, Research Methodology, Findings, and Concluding Remarks.

### **Literature Review**

While on the one hand, classical and neo-classical economists (Marshall, 1956) view firm (business unit) as a purely market driven entity under the conditions of perfect information, on the other hand, institutional economists (Coase, 1937) view firm (business unit) as a governance structure. This shift in thinking made it possible to look beyond cost and profit centric analysis of a firm/business entity. As a further development of Coase's views, Williamson (1985) argues that a firm/business is a social hub consisting of people of various kind. This people centric approach and a mapping of human relation within a business transaction paved way for further analysis around various social constructs such as trust, relation, personal communication and etc. As an important departure, Granovetter's (1985) work on social embeddedness demonstrated not only the interlinks between social and economic affairs of individuals, but also provided new perspectives on how economic act of individuals is embedded in social affairs (Uzzi, 1997).

If we take our discussion further from here, as a starting point, if we look at evolution of an individual's life, family becomes the first ever dominant social institution. As every individual begins their social life from family, they (as child, adult, youth and elderly) develop social consciousness through their family interactions. Irrespective of the degree of family's influence on actor/individual (Granovetter, 2005), there is a common consensus among researchers in the field of entrepreneurship, and economic sociology that family plays an important role in enabling the family's actor's participation in other roles. This may include formal economic activities, social ventures, or informal form of small economic activities (Breton-Miller & Miller, 2009).

The inseparable nature of interrelatedness between economic and social structures (Mintz and Schwartz 1990, p. 203) is widely accepted by the researcher. Mostly they have attempted to explain the objective implications of family on the business (Chrisman, Chua, Pearson, & Barnett, 2010) by treating family as a resource provider, and social capital builder for the business (Arregle, Hitt, & Sirmon, 2007). Taking the view of Parsons and Smelser (1956), we view family as the first very institution for every individual, and hence any economic activity the individual engages with will have a reference to his/her family's origin, family's identity, family's status in the region, and family's member itself. Instead of invoking the objective implications<sup>1</sup> of family on the business or economic action orientation of the member of the family, we attempt to construct the meaning of family for an economic action orientation of an individual using the subjective interpretations of the individuals who are economic actors.

Recent attempts by Drakopoulou, Anderson, and Jack (2013) provides evidences on backward thinking of present business owners and their commitment to family vision. From their study, although, it becomes clear to us that the interconnection between family and

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<sup>1</sup> Instead of arguing how effective a family is in gaining access to key economic resources for its members who engage in economic actions.

business are woven with a thick thread which cannot be easily disassociated, they do not provide enough evidence on the process through which family as a distinctive social action oriented entity shapes the thoughts of young people on a particular economic activity. Through data, it also does not demonstrate particular instances where social centric action orientation dictates the terms of an economic action orientation of individuals to assert that the economic world belongs to social world.

Though, temporal thinking of today's business owner (entrepreneur) makes them appear more loyalists and committed beings to their ancestral vision, it is important to show how family as a collective social action oriented entity achieves this goal by adopting various steps and strategies. That is why looking at the process becomes vital in capturing the role of family in dictating the economic actions of the individuals. Drawing upon small business owners' subjective interpretations of family's role in delineating their economic action orientation, we bring insights on how family becomes a central social construct in dictating economic actions of individuals.

### **Theoretical Framework: Embeddedness Approach**

Although, economic actions such as production, and prices could be objectively judged, they are not free from subjective interpretations of individuals (Weber,1947, p.158). Because, people tend to attribute their versions of meanings based on the stories they heard or the discussions they had with other individuals. This interactive nature of human and process of meaning construction of conversations limits individual capacity to visualise the objective meaning attributed to certain commonly used economic constructs. Therefore, analysis of economic orientation of an individual need to include non-economic actions (Ibid,1947, p.159) in analytical preview. Reason for this is that economic actions are embedded in

‘networks’<sup>2</sup> of personal relationships. Therefore, economic action cannot be explained with reference to individual’s economic motives alone (Granovetter & Swedberg, 1992, p.9). If economic motives are treated in isolation, individuals are viewed as mere utility seekers who try to maximise satisfaction at a given point in time with limited resources, thus subjecting individuals to atomistic nature of behaviour. To understand an individuals’ overall motivation to take part in a particular economic activity, it is important to understand his/her social scenario. In other words, social institutions play a role in binding an individual to a particular economic activity.

Taking the case of small business ownership, we attempt to build on a duality between social action orientation and economic action orientation. On the one hand, while we treat small business as an economic action oriented institution, on the other hand, we treat family as a social action oriented institution. Drawing a picture of interrelatedness between these two institutions with the help of subjective interpretations of the individuals who participate in economic action is what we attempt in this research. As Weber observes subjective interpretations are key to explain objective reality (Weber,1947, p.158).

Parsons and Smelser (1956) view that family is the first ever social institution for every individual. As every individual begins their social life from family, they (as child, adult, youth and elderly) develop social consciousness through their family interactions. Thus, it becomes quite obvious that analysis of an economic action of an individual need to be developed around his/her social consciousness that is drawn from his/her family interactions. As further developed by economic sociologists (Granovetter & Swedberg, 1992, p.9) every act (including the economic one) of individuals are embedded in their social world of reality. As family is the very first social institution, we intend to explore the links between family and an economic action such as small business. Thus our research question is how do small

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<sup>2</sup> Here network refers to a regular set of contacts(Granovetter & Swedberg, 1992, p.9).

business owners perceive the role of family in relation to their small business? We build on the theoretical perspective of economic sociology that economic actions are intertwined within the social life of individuals.

## **Research Methodology**

### ***Region of the Study***

Udupi, a small city in Karnataka, India is a place with historical lineage of its own kind. Infamously known as a temple city, the Udupi had given birth to one of the Hindu religious cults, *Dvaita* (dualistic) school of Philosophy (Founder father, Madhvacharya 1238-1317)<sup>3</sup> in 13<sup>th</sup> century AC. Since then, the city has been one of the famous tourist destinations. The entire city's urban space is surrounded by temples and Mathas (Bhatt and Gopal 2006, p.370). In recent times the city is also surrounded by several small and medium size firms, mainly in the domain of manufacturing. Udupi city looks like a small business hub as it, within its urban space, consists of varied business activities in small business segment, primarily operating in retail, wholesale, and small scale manufacturing activities (CSO, 2008 [as per National Industrial Classification{NIC}]).

Selection of small business owners from Udupi for probing questions on interrelatedness of economic and social constructs was a purposeful choice made by the researchers based on the cues such as the city's long lineage of religious institutionalisation, and a very long history of the city in general, and the business activities in particular.

### ***Data Collection and Analysis***

The unit of analysis (what or who is being studied) in the study is small business owner. We conducted in-depth interviews with the small business owners. They are the one who

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<sup>3</sup>He is the founder of the *Dvaita* (dualistic) school of Philosophy and religion. Accessed on [http://dvaitavedanta.files.wordpress.com/2007/10/madhva\\_basics.pdf](http://dvaitavedanta.files.wordpress.com/2007/10/madhva_basics.pdf)



currently owns and operates the business. Ownership of the business may be in form of sole ownership, partly owned, or shared with other family members or any other individual. Interviews were conducted with business owner, because "approaching the creation of family firms from the....founder's (present owner's) personal experiences can be an important element in advancing our understanding of how they form and develop (firms/business)" (Morris et al. 2010, p.1058).

Udupi city consists of 35 municipal wards, out of which we chose two major wards (*Shiribidu* and *Tenkapete*) for a reason that these two wards consist of variety of business units in one location, whereas in other wards business units are spread across. *Shiribidu* and *Tenkapete* are also at the centre of the city surrounding Udupi *ashta* (eight) *Mathas* (monasteries). If we look at the history of these businesses, they existed between 1910 and 2006 (appendix 1) accounting for a long history. As the field work revealed (appendix 1), employee size of the sample businesses varied between 1 and 30.

To develop a rich narratives, qualitative research framework (Glaser & Strauss, 1967; Strauss & Corbin, 1990; Yin, 2003 ) has been deployed. By applying the in-depth interview as a dominant method of data collection, we have interviewed sixty five small business owners (appendix 1). We used an open ended questionnaire (appendix 2) to probe on the main research question. Data was collected between November 2010 and April 2011. Interview with each respondent took minimum 45 minutes to 1 hour. As the respondents spoke in *Kannada*, a native language of Karnataka, views were written down by the interviewer in the same language. That was possible because the researcher is familiar with *Kannada*. Then the narratives in Kannada were translated into English.

In order to address our primary research objective that how a business is embedded in social institution such as family, our initial question was what would small business owners

perceive of their family in connection with their business. As we started our probing, we gathered new categories. We also had realised that family cannot be directly assessed in connection with business which one person from the family runs. Instead, there are intervening factors which must be accounted to analyse the interconnection between family and business. To gather enough evidence for the family embeddedness of small businesses, we had to probe through newly emerged categories such as ancestral lineage, return to home from abroad, learning, inspiration, support and blessings from family, extended family, small income, and conflict of interests. Through narratives, eight categories were discovered. Once categories were identified, using iterative method (reading the story back and forth), narratives were organised to create a logical flow of the stories as shared by different respondents. As per the triangular approach, views of multiple respondents are used as supportive and repetitive evidences along with perspectives from extant literature. Data collection was called off when we realised that there were no more new themes emerging from the new interviews. Although, this was realised by the 60<sup>th</sup> interview, we decided to continue for next few interviews so that we would be assured of saturation (Strauss & Corbin, 1990) of data collection.

## **Findings**

As it appears, invariably small business of the kind which is under the study is more or less a family owned business entity. Establishment of a new small business is largely a family sponsored activity. No explicit distinction is made between ancestral inherent businesses and self established businesses of the respondents, because, both the form of businesses appear to have family at the centre. However, if in case, the business is an age old entity of a family, then the engagement of the respondent in his/her family business is taken as a starting point.

## **Ancestral lineage of Business**

Most often, emotional connectedness (Drakopoulou et al., 2013) with their family and family's ancestors' economic affairs is expressed through the notions such as 'my family's business'. This one notion is enough to prepare young people to participate in family's business. Some interesting proverbs -*rice paddy to rice paddy in three generations*(Chinese), Irish proverb, *clogs to clogs in three generations* (Grote, 2003) and an infamous kannada<sup>4</sup> proverb, "*Appa hakida alada mara*" (My father planted this Banyan Tree)- are indicative of what happens to young crop of people who grow within a family of small business owners. Young people may have a tendency of resorting to their family's occupation or business.

"Our elders were doing the same job (business). I have continued it. For me continuing this business was the only option, because it is a family business".

View of another respondent provides further evidence to consolidate the above view.

"This is my family business. This business was established by my grandfather. That is why I continue this. In those days, this shop was first of this kind of business activity. I am the third generation person in this business. This business brings with it a legacy of the family".

Ancestral pedigree of a business seemingly transforms the view of a young person towards his/her family business. Legacy seems to have generated a sense of responsibility and confidence among young individuals in the family. Having seen their ancestors in a particular domain of occupation or business, young people, at their early age, were inspired to take up family business. This view is in consistent with the views of Drakopoulou et al. (2013).

"This is my ancestor's business shop. Hence, I want to continue. It gives me a great sense of responsibility and joy in carrying out the legacy of my family in the field of this small business".

In fact, there is a family legacy and reverence that the young business owners carry in their life if the business is an inherited activity.

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<sup>4</sup> Kannada is a mother tongue of people of Karnataka, a state in India.

"My father started a small business back in 1942; some time back, I had taken this over. I take a pride in carrying this business forward. Being the eldest son in the family, I have responsibilities of carrying my family's legacy forward. Being part of this business, I am happy that I have been able to walk in the path of my father".

Ancestral lineage as a business family continues irrespective of geographies. For instance, ancestors having a business in a far place like Madras (now Chennai) may inspire young generation to establish business in a place which is different from their ancestral business location. The germs of learning from their preceding generation are quite powerful and constantly provide energy and inspiration to do something in a similar passion<sup>5</sup>. Transmission of knowledge by family members becomes essential in inspiring young people. Story telling is one of the methods of knowledge transmission.

"My ancestors started the same business in Madras several years back. I wanted to continue the same business in my home town (Udupi). I learnt about their struggle in this business through stories of my father and mother that inspired me to start with the same business as my ancestors. Their struggle and lessons are sources of inspiration".

A family business brings an important quality such as family pride that dictates the terms and conditions for the younger generation in the family. The view below is indicative of the sense of responsibility a family business passes on to a new generation, especially in a society that inherits the qualities of hierarchy within the family structure compelling the eldest son of the family to be more responsible and take the family's legacy forward. Here, the aspect of compulsion becomes overt.

"I am the eldest son in my family. Because of my father, I came into this business. Otherwise, I would have done something else in my life".

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<sup>5</sup> The view that entrepreneurs are embedded in family becomes vital in analysing the link between the social institution - family- and its members in connection with the business that they own or run, "family members have spent most of their lives together under conditions of very significant interdependence, family social bonds are enduring, emotionally involving, and encompassing in scope. Such bonds cannot help but have an impact on family members and other actors when they work together in a business context" (Breton-Miller and Miller 2009, p.1177)

Although, it appears that the eldest people are compelled to carry out their family business, there is a sense of family legacy and an inherent feeling of responsibility which the young people want to take on their shoulders.

Family business puts tremendous responsibility of pride and legacy on the young people in the family. Also, responsibility or looking after the elderly people in the family becomes a critical factor in deciding the future course of action.

"When I was child, my grandparents looked after me and they fulfilled all my demands and needs. In fact, I wanted to go out and do something else, but now it has become a compulsion. It is a time to payback. In other words, it is a time to reciprocate what they have done when I was small. Now they are old and cannot do anything. It is my responsibility to be here and look after them. To ensure bread and butter for my grandparents and for myself, I found myself suitable in this business".

### **Home return from Abroad**

Family attachment and inspiration can be such that it can pull a young person back from his/her happy land and put him/her back into basics of family affairs. In the process, s/he would also be encouraged and supported to do a business of their interest.

"From my grandparents and my other family member I got tremendous inspiration to come into this business. I was in the Gulf before this".

A sense of responsibility that a family business puts on the younger generation is so deep that it is almost difficult to break out of it. As it is clear in the view of a respondent, death of an elderly person in the family puts a strain on the career aspirations of younger people. However, young people do not consider it to be an obstacle in their career progression owing to the family legacy attached to the business they are into.

"Since three generations, we have been running this business. After my father's death, I had to take care of this business. Death of my father made me come back from Dubai quitting a seemingly prosperous career".

Another respondent views that his/her return to home from mid-east Asia was a result of inspiration drawn from his/her family pointing at voluntary home return from abroad and

wilful engagement in small time business. This view clearly points out that family as an agent plays an important role in bringing people back to home and helping them in engaging in a business of their interest.

"I was in Gulf for many years. In fact, it was not my plan to move back into Udupi. Over a period of time, it so happened that I was inspired by my family member's struggle and their engagements in small time business activities. I finally decided to come back and engage myself in this business".

Another respondent who comes back from mid-east Asia, leaving his/her employment, points out about his/her business as if it is a casual engagement. The respondent neither regrets for his/her comeback, nor expresses greater appreciation for what s/he is into. Importantly, s/he strengthens his/her father's (family) business by investing part of money s/he earned in Gulf. This tendency indicates a natural sense of interest towards the business.

"My father was doing this business before; I am just carrying this forward. That's all. I was in Gulf country before getting involved in this business. I brought some of my earning from Gulf and pumped that money in this business".

### **Learning, Inspiration, Support and Blessings from Family**

Family members in the process of business do not remain passive participants or consumers of the benefits earned through business. They seem to be very active in the whole process.

"Whenever there are difficulties in my business, I straight away consult my father. He is very generous; he shares his views and experience with us whenever required".

Family plays important roles of mentoring, inspiring, and handholding the younger generation. The following views are clearly indicative of the greater roles played by members of the families in the process of establishment, upbringing of the business unit, and knowledge dissemination, especially strategic learning within a business set up. From this it is easy to draw certain important lessons such as family members are viewed as integral part of the ongoing business process. Life of a business owner within and outside the family is not

distinct from each other. As we see below business owners draw their very basic instinct of inspiration from their own family members.

"A few years back my husband started a gent's wear (a cloth centre) shop. Being part of the system, I have seen the growth of our business very closely. Over a period of time, having seen him growing well in business, I was inspired by him, and then decided to start a ladies wear (cloth centre) shop. If I am in this business today, entire credit goes to my husband. He has not only inspired me, but also guided me in the process and more importantly, made me a self-reliant person. Now, I consult him for any guidance and suggestion about day-to-day operations and other related information".

In the context of business establishment, one can argue that setting up a business unit requires basic qualities such as good knowledge or hands on experience in the field, basic resources, and the volition power to take on challenges. But, as viewed by a respondent, individuals often require the support of their families.

"I have 10 years of work experience in this business field. After having acquired such a long experience, I wanted to start my own business in the same area. Then I sought my brother's help. He wholeheartedly came forward to help me. Now he is also a partner in this business. This would not have been possible, had I ventured into this all alone".

It is apparent that in the process, family members gain knowledge and familiarity with the business that their family is into. This seems to be a defining factor which prepares them to engage in the family business.

"This is my family business; I liked it and hence continued in it. I have been closely observing the business since my childhood days; I learnt it over a period of time. I like the way, this business is. So I got myself engaged in it".

"I am into this business, precisely because of inspiration from elders in the family. (Moreover) my father was also in the same business. Having learnt the tricks of the business from him, I established my own".

Small business owners constantly exchange ideas with their family members on the way in which they conduct business and pass on their learning to the new generation. The very basic character of sharing of knowledge is such that it may prepare the younger generation for the challenges in business. In the process, it may inspire someone from the family to take up this business. Having learnt business lessons taught from their ancestors or elders in the family,

present generation of business owners may approach it differently. For instance, they may prepare their children with more of formal education in their own business arena.

"My father started this business. During the course, he taught me the intricacies of this business. Having learnt lessons of this business from my father, I wanted to continue in this business. Seeing the scenarios in this business, I have sent my son for formal education in the same field. Now he (my son) has diploma in jewellery design".

Family support is detrimental and decisive in deciding the course of business of a family. It may be in the form of transferring the inherited property to the new generation, or helping young people to establish business by sharing their experiences, be it career related experience or business/enterprise related expertise. In the following views one point becomes clear that business owner, in certain cases, learn lessons of employee and employer relations through the experiences of his/her father.

"My father was working in the same business line, but in a different shop as an employee. He always shares his experience with us. His experience as an employee was a lesson for us (his children) not to become an employee, but to think towards starting of our own business and be an employer. That is how today we could help ourselves have a business of our own".

In another case, a respondent had developed an interest in self employment and dislike towards the status of being an employee. There again, family and family members have a bigger role to play. Right from teaching the lessons of business to the younger generation, family peers play an important role in moulding the thought process in a particular manner so as to encourage the new generation to participate in their family business activities.

"Since generations, our family has been learning and doing this business. I got engaged in this business as a result of some thoughts sown by my family members. (In fact), I never liked to work under somebody".

Family members' support in the process of business becomes vital in deciding the future success/failure, and emergence of a new business. A respondent views that one can sustain a business activity as long there are more members in your side as support team.



"We had a business in sales (selling clothes and electrical items). This was possible because there were enough number of people in my family who supported the business in different ways. After the disintegration of the joint family, number of family members got drastically reduced. This scenario forced us to re-look into our previous business. Given the low support system at present and less population in the family, we resorted to this small time business shop".

Interestingly, family at times can be an entity that challenges your thoughts and generates a provocative spirit in you. As pointed out by our respondents, a split up between brothers created such a feeling of desperation<sup>6</sup> and challenge in the respondent who finally decided to start his/her own business, while doing away from his/her family business which he/she (respondent) claims to be a larger business entity.

"Once, our family had a big business in the same field. Because of some reasons (family concerns), we brothers got separated. Then I decided to establish this small business for myself".

"Initially we had hotel business. We had a rift in family between brothers. Hence we all started different business".

Even more interesting case is such that younger people, even today, attribute their success to a normative feeling such as 'blessing'. Despite having done everything; from establishment to sustenance of the business, a respondent does not seem to claim any credit for himself/herself. This tendency is partly because of the social construct such as 'blessings'. Success is often attributed to providence or divine intervention, thereby passing the credit of success to ancestors. It is also a belief that the wishes and blessings of the elders in the society would harbour success. In this context, it is important to note that a set of belief can define loyalty towards his/her family in general and ancestors in particular.

"I had a deep inner urge to start this business; I put together all my effort to make it possible. But, this business would not have been possible without the blessings of my ancestors".

It only means that the upbringing of the children within the family is such that younger generation tend to believe that there is something called wishes or blessings by elderly people in the family (Cater & Justis, 2009). For some small business owners, showing greater

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<sup>6</sup> An experience in the context of business and family from Middle East reveals that succession as an institutions plays a crucial role in regulating business affairs of the actor (Welsh & Raven, 2006). Probably in this case appropriate mechanism of conflict resolution through the mediation of family member and other closely connected people is most necessary.

reverence towards their parents is more important than taking credit to themselves. Such thoughts are familial and cultural elements which are practiced and understood in the course of life.

### **Extended family**

Without disputing the reason for love marriages, it is observed that there is a linkage between success of family business and arranged marriages, because this type of marriage "let business families select for talent and business purposes" (Mehrotra et al. 2011, p.1122). Interestingly, management succession through arranged marriage is seen as a way towards resilience of family firms (Chrisman, Chua, & Steier, 2011). In the present study, although we do not make any point about the success or failure, we only present the view that engagement in a small business for an individual is not a self made choice or predetermined opportunity selection, rather it is a result of participation of the individual in social institution, marriage where relationship between two families linked to business. It informs us that even marriage can be one of the reasons why engagement in family small businesses becomes inevitable. In fact, there are reasons as to why in-laws, especially son-in-law becomes part of the business? As observed in the present study, it may be because they share similar family values, especially shared bunch of values such as *honesty, respect, diligence, perseverance* and *fairness* (Santiago, 2011).

"My business and my marriage have a connection. This business was carried out by my father-in-law. After the marriage, I have taken it (bakery business) over".

Extended family linkages and interactions may also help individuals to shape up their aspirations to become business owners.

"My inspiration in business comes from my brother-in-laws (my wife's brothers) who have different forms of business interests and ventures". In addition, my father-in-law's guidance is always there for us. His support is very important in the process. He was into cloth selling business. I learnt this business from him. The learning that I had with him had greatly helped to start my own business".

This makes it clear that the engagement of individuals in small businesses results through an act of marriage. Marriage, a social institution not only extends the family, but also widens the social and economic interactions between families.

So far, in the above discussion, we have seen a positive face of the extended family. It was argued that both family and extended family have played critical role in boosting the moral of a new generation in the family to get engaged in business. However an extended family may also adversely impact the life of young people. Our respondents view that they have had bitter memories with their maternal uncles. The dark side of the story is such that extended family of one of our respondents had exploited him/her and his/her siblings, when they were young, by thwarting their participation in formal education. As a result, today the respondent had to force himself/herself into the business for which s/he was not willingly prepared to venture in.

"We have been forced to continue in this business (bar and restaurant), because, when we were at our young age, our relatives (uncle) used us as workers in this business. We could not do much in the education front; therefore, we are left with no way other than banking upon our experience and continuing with the same business. This is quite unfortunate in our life. Had we been educated, we would have done something else".

### **Family's small business and small income**

There are other issues involved in the family business affairs. As we see further, it is interesting to see if business environment within a family curtails the growth of children in terms of their progression in education.

It is possible in the given nature of embedded characteristics of business within a household system that children may get carried away with the business environment (specifically small family businesses) and focus less on educational growth. It is also possible that given the nature of inherent property may not encourage young people to look for alternative means of life through search processes.

"This is a kind of business that we have been doing since generations. (In fact), we could have done something else; probably seeking job in market. But, we do not possess essential educational background that may hinder our job search. We regret that today, because none of us did pay much attention to studies in those days (young age)".

On the contrary, given the nature of businesses these small business owners engage in, it may be possible that they may not afford to provide a desired education to their children. One of the respondents report that his/her ancestors and parents were engaged in a casual employment and later switched over to a small time business like automobile garage. This transition in occupation might not have yielded enough income when it was most desired, especially for the purpose of education of children, hence compelling the youth to continue in what their ancestors and parents were engaged into.

"My ancestors and parents used to do labour work (casual) in iron sector. Later my parents switched over to this (automobile garage) business. I am somehow carrying forward the same business, because there seems no other way for me. My primary education may not take me anywhere. Fortunately, I have more than 20 years of experience in this business".

### **Family and conflict of interests**

Family appears to be an important institution that can influence the new generation to compromise with dreams of their childhood days. One of the respondents views that there is a greater responsibility and pride in what his/her family has been engaging in. Since family compels an individual to do this, there is no option left for him/her to make a choice of

his/her own. An example of a sacrifice is that a young boy dropping out of the school when s/he was at seventh standard.

"I am the eldest son at (my) home. I had to take the responsibility of this business right after my class 7, because of some unwanted circumstances. Since it is my family business, I could not let it down for (my) studies. I had to compromise and put my hands in business".

Within a family setting, there is a room for disappointment and feeling of being compelled to engage in family small business. As viewed by one of the respondents, there was no convergence of interest about the choice of business activity to be engaged by the family. Disagreements of this kind between father and son led to a scenario where son remained reluctant to engage in his father's business. This becomes an interesting point to debate on because, in the above discussion, it appeared to be a positive view on the family and its members where support flows from elderly members towards young people to engage in a business. However, to overtly express disagreement with his father's decisions, son waited until his father's death, probably to ensure that he does not go against his father's interest when he is alive. The dilemma is such that the respondent neither participated in his/her father's business nor established a business of his/her own; rather s/he remained silent and engaged himself/herself as an employee in some other business activity. These kinds of silent protests stem from the belief that disclosing the rift between family members to the society may lead to free interpretation of family's unity and strength. The respondent waited until the death of his father and then established a business of his/her interest. The point to be noted is that family and family members can also be a source of support and encouragement, at the same time, owing precaution and protectiveness towards its youth, it may not want to test its members by encouraging them to venture in new businesses.

"My father had another business (different from the business in which the respondent is engaged in). I did not want to do the same business. During his period, I neither took part in his business nor liked the business he was into. I wanted to do something different, but he never wanted me to risk myself. Knowing this, I never wanted to make it an issue in the family. After his (father's) death, I started my own business in which I was working before my father's death. As I started working, I learnt this work well".

In the above view it becomes clear that the over embedded character of family where parents and elders expect their new generation to carry their family legacy may hinder new thinking and experiments by venturing into new business activities implying less scope for trial and error. Recently, some studies, especially psychologists attempted to understand this phenomenon. Some reasons are indicative and throw some light on individual behavioural aspects. One such reason may be a complexity with which new generation emerges with a constant interaction between family and business, where the question of identity of self, in terms of *how to achieve my dreams?* may not be as important as *what is my dream?* as Grote (2003) puts it nicely "establishing an identity (dream) may prove to be even more difficult than making that dream a reality for family members trapped in a complex web of vertical generational triangles (parents above and children below) and horizontal triangles (siblings and nonfamily members)" (Grote 2003, p.123). Intrapersonal complexity of the family member in a business family may hamper the individual's aspirations to an extent.

Looking at this, it is quite possible to make a conjecture that family legacy and economic life (Scranton, 1986) of individuals whose families own business appear to be an intertwined process where choice for an individual, in particular the younger generation, is limited in scope.

### **Concluding Remarks**

It becomes quite clear that family has a key controller of economic aspirations of individuals. It becomes very clear that family, a social construct controls the economic construct, small

business. This paper provides evidences to argue that economic affair is derived from social affair of individuals.

In both voluntary and non-voluntary participation of individuals in small businesses, family-a sociological construct plays a significant role. Therefore, social institution such as family and economic institution such as business cannot be sharply distinguished. However, there may be minute differences at the perceptive contours of individuals. Analysis of the kind that is undertaken in this research lays direction to explore the embeddedness of economic constructs in sociological constructs. Treating these constructs in isolation may not give a holistic view of interconnectedness.

## Appendix 1: Details of In-depth interviews: basic features of respondents' businesses

Sl. No	NIC 4 digits <sup>^</sup>	Type of Business description as per NIC 2 digits	Actual Business	Business's birth year	Number of employees*
1.	4771	Retail and Wholesale	Tailoring and cloth sales	1984	2
2.	4752	Retail and Wholesale	Hardware and Fittings	1941	2
3.	4752	Retail and Wholesale	Glass cutting and sales glass materials building	1970	1
4.	1071	Manufacturing	Bakery food item	1998	14
5.	4520	Retail and Wholesale	Tyre sales and wheel alignment	1996	12
6.	5610	Accommodation and Food service activities	Restaurant	2004	24
7.	4761	Retail and Wholesale	Gift and Fancy Store	2005	1
8.	4789	Retail and Wholesale	Electronic Services and Sales of electronics	1990	3
9.	4759	Retail and Wholesale	Consumer Durables electrical sales	1986	12
10.	4752	Retail and Wholesale	Glasses and Mirror	1944	1
11.	4321	Other Service related Categories	Electrical contractor and marriage decoration	2007	9
12.	1811	Manufacturing	Printing and binding	2007	2
13.	4773	Retail and Wholesale	Jewellery work & sales	1968	1
14.	9609	Other Service related Categories	Saloon shop	2006	1
15.	7420	Other Service related Categories	Photo studio	1925	2
16.	4763	Retail and Wholesale	Bi-Cycle Shop	1942	8
17.	4763	Retail and Wholesale	Sports goods	1989	1
18.	5510	Accommodation and Food service activities	Hotel/Lodging	2002	24
19.	4773	Retail and Wholesale	Jewellery marketing	1995	1
20.	4762	Retail and Wholesale	Cassette sales	1985	7
21.	1030	Manufacturing	Pickles sales	2000	2
22.	2011	Manufacturing	Chemical dealers	2001	1
23.	4662	Retail and Wholesale	Metal shop	1910	6
24.	4721	Retail and Wholesale	Vegetable shop	1984	4
25.	4763	Retail and Wholesale	Sports goods	2000	2
26.	4761	Retail and Wholesale	Books and stationary	1980	1
27.	1010	Manufacturing	Chicken and Mutton stall	1970	3
28.	4751	Retail and Wholesale	Readymade garments and kids wear	2003	8
29.	4773	Retail and Wholesale	Bangles stores	1948	1
30.	4773	Retail and Wholesale	Fertilizer and Pesticides	1969	6
31.	4759	Retail and Wholesale	Furniture shop	1997	4
32.	1071	Manufacturing	Sweets shops	1998	14
33.	4721	Retail and Wholesale	Grocery and general items	2005	1
34.	4771	Retail and Wholesale	Footwear	2006	1
35.	4762	Retail and Wholesale	Cassette/CD selling business	2006	3
36.	4530	Retail and Wholesale	Automobiles	1935	2
37.	4663	Retail and Wholesale	Cement Dealer	2000	3
38.	4752	Retail and Wholesale	Marbles and floor materials	2006	30
39.	4759	Retail and Wholesale	Mattresses, Pillows, and bed sheets	2000	5
40.	4773	Retail and Wholesale	Titan, sonata watch sales	1999	7
41.	8549	Other Service related Categories	Coaching	1998	13
42.	4530	Retail and Wholesale	Automobile spare	1985	2
43.	8219	Other Service related Categories	Photocopying and stationary	2005	5
44.	9602	Other Service related Categories	ladies Beauty parlour	1999	2
45.	5630	Accommodation and Food service activities	Wine shop	1975	4



46.	4761	Retail and Wholesale	Fancy store: Handy crafts making	1985	2
47.	4764	Retail and Wholesale	Toys and bangles	2006	2
48.	1071	Manufacturing	Bakery Items	1992	3
49.	4741	Retail and Wholesale	Aquarium and Mobile sales	2005	2
50.	4759	Retail and Wholesale	Musical instrument Repair and sales	2001	1
51.	4772	Retail and Wholesale	Ayurveda Products	1986	1
52.	4530	Retail and Wholesale	Automobile spare parts	1993	2
53.	4759	Retail and Wholesale	Utensils and metal merchant	1910	7
54.	3520	Manufacturing	HP Commercial Gas dealer	1994	12
55.	4752	Retail and Wholesale	Hardware paints	2006	1
56.	4741	Retail and Wholesale	Computer sales and services	2000	5
57.	4663	Retail and Wholesale	ACC Cement Dealer	1945	10
58.	4772	Retail and Wholesale	Medical store	2000	2
59.	5630	Accommodation and Food service activities	Bar restaurant	1975	15
60.	4759	Retail and Wholesale	water Purifier Equipment	2001	6
61.	5911	Manufacturing	Video, shooting and mixing	2006	2
62.	4773	Retail and Wholesale	Flower Shop	2006	1
63.	1811	Manufacturing	Printing press	1993	5
64.	4759	Retail and Wholesale	Refrigerator for industries	2004	2
65.	4721	Retail and Wholesale	FMCG products	2005	2

Source: Primary data

NIC: National Industrial Classification.

^ NIC 4 digits are used as reference points and description of NIC 2 digits is given in table for broad classification of businesses.

\*Number of employees includes the owner of the business as the size of the business appears to be small, business owners themselves manage all the activities.

## Appendix 2: Open ended data schedule

1. What was the motivation behind engaging in this small business activity?
2. Did you explore other options before taking a call on joining this business?
3. What were the other interests that you had before joining this business?
4. Whom do you think in your family made/makes an important contribution in your life as far as the business activity is concerned?

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