

# ANALYSING RESEARCH IN FAMILY BUSINESS AND DEFINING THE DIRECTION FOR FUTURE RESEARCH

## Introduction

Families own or manage approximately 75% of all enterprises in the world and dominate most economies [Chrisman et al., 2010]. Family businesses constitute a diverse group of business entities, both in terms of size, income, industry, and strategy. The sector of micro, small and medium-sized enterprises is the dominant environment for the functioning of family enterprises.

Among the well-known family businesses, companies such as IKEA, Porsche, BMW, Carrefour, Auchan, Michelin, Novartis Group and Sodexo should be mentioned. Family businesses in the United States include well-known firms such as Ford, Walmart, Bechter, Cargill, Dow-Jones, Forbes, Hewlett-Packard, Milton, Marriott, and Levi-Strauss. Family businesses also include the great Indian conglomerate Tata Group and the largest Colombian conglomerate controlled by the Santo Domingo family.

The share of family businesses on the market decreases with the growth and age of the enterprise. The most frequently quoted statistical data indicate that 30% of family businesses are taken over by the second generation, only 15% of companies from this population are taken over by the third generation, and only 3% of companies are transferred to the next generation of the family [Ward, 1987].

The specificity of family enterprises consists mainly in the coupling of two components, family and enterprise, determining the way of functioning, cultivated values, goals, and financial policy [Ježak et al., 2004: 16–20].

In scientific research, the issue of family entrepreneurship has been taken up relatively recently. The interest in this topic grew significantly only after 2000. Research

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on family businesses is conducted from various research perspectives, which makes it difficult to compare the results and draw conclusions. There is no coherent theory of an enterprise, in particular a family enterprise. Research conducted in various fields covers from several to tens of thousands of enterprises. The varied methodology includes diverse forms of data collection. There are interviews, case studies, surveys, and expert panels. The research time range and levels of analysis are different. The most numerous studies are conducted in the USA (57.3% of all publications), Canada (9.7% of all publications), Western European countries: Great Britain (8% of all publications), Spain (3.8% of all publications), and Japan, China, and Australia [Benavides-Velasco et al., 2013]. The issue of the family businesses is undertaken by specialized magazines, for example “Family Business Review” as well as other prestigious magazines in the field of management: *Academy of Management Journal*, *Administrative Science Quarterly*, *Entrepreneurship Theory and Practice*, *Journal of Business Venturing*, *Journal of International Business Studies*, *Journal of Management*, *Journal of Management Studies*, *Organization Science* or *Strategic Management Journal*.

Family Business Review is a peer-reviewed, scientific journal regularly placed at the forefront of the top 20 journals in the field of business – according to the Citation Index. This indicator is a measure of the impact and prestige of scientific journals. It suggests the influence of a given journal on the world of science.

The purpose of this article is to present the state of research related to family entrepreneurship. Articles published in prestigious journals will be analysed. The most frequently used research methods, tools, and tendencies in scientific research as well as future research directions in the field of family entrepreneurship will be indicated.

## 1. Methodology

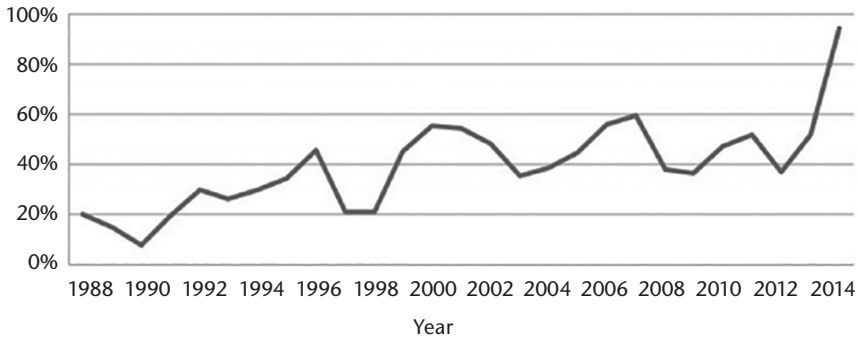
The publications appearing in the American “Family Business Review” from 1988, i.e., since its inception until 2014, were analysed. We found 855 articles published in the journal at that time. Out of the entire group of articles, those based on scientific research were listed.

Empirical studies identified in the publications were divided according to the data obtained into qualitative, quantitative, and mixed.

Quantitative analysis (quantitative analysis), a numerical representation and processing of data describes and explains the phenomena of the data subject.

Qualitative analysis (qualitative analysis), the analysis and interpretation of observations, operate not on numbers but focus on exploring the basic meanings and structures.

Figure 1. Growth of empirical articles in the Family Business Review (FBR) in 1998–2014 (n = 855)

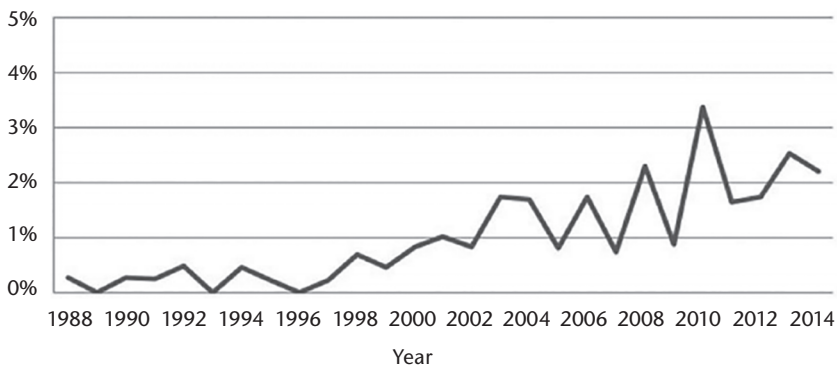


Source: Evert et al. [2016].

Additionally, articles from nine prestigious management journals publishing research on family businesses in 1988–2014 were analysed:

- Academy of Management Journal,
- Administrative Science Quarterly,
- Entrepreneurship Theory and Practice,
- Journal of Business Venturing,
- Journal of International Business Studies,
- Journal of Management,
- Journal of Management Studies,
- Organization Science,
- Strategic Management Journal.

Figure 2. Growth of family business empirical articles in other journals, 1988–2014 (N = 13,101)

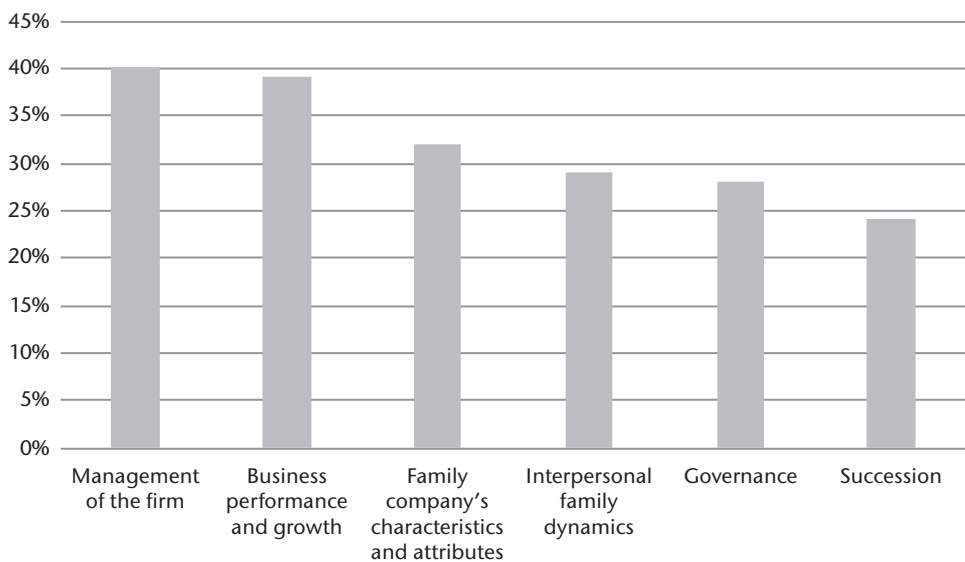


Source: Evert et al. [2016].

Figure 2 graphically shows the increase in the number of empiric articles published in prestigious management journals on family businesses.

We found 13,101 articles and filtered it by searching for articles with “family” in the abstract. This eliminated works that did not address family businesses specifically. This process left 407 potential papers. Then only those based on own research were selected. Ultimately, 146 articles were obtained for the final research sample.

Figure 3. The most frequent subject of research on family businesses (N = 465)



Source: own study based on Evert et al. [2016].

After summing up selected articles from the Family Business Review and nine prestigious management journals, a sample of 465 articles was obtained: 319 from FBR and 146 from other journals.

The most frequent topics in the analysed sample included:

- Management of the firm (40%) – articles classified under this area include research into strategic processes. This topic appeared in 185 articles out of 465.
- Business performance and growth (39%) – the results of enterprise and development are the second most frequently occurring theme in the research sample and appeared in 180 articles. It is a general look at how organizations perform from financial and non-financial perspectives.
- Characteristics and attributes (32%) – 150 articles from the general sample were classified, and they referred to the distinguishing features of an enterprise, person or group.

- Interpersonal family dynamics (29%) – dynamics studies appeared 133 times and concerned the interaction and involvement of family members, as well as conflicts and disagreements.
- Governance 28% – this was a key topic in 132 articles.
- Succession 24% – this was the sixth most popular research topic in the area of family businesses.

The articles often contain more than one research area, therefore the above division is not entirely precise and the total percentage sum exceeds 100%.

The PUI (Percentage Use Indices) index was established for the analysis of the statistical methods and techniques used. It was calculated by dividing the frequency of application of a given technique or method by the total number of articles tested. For example, a PUI of 0.23 indicated that 23% of the items in the research sample were based on a given testing method with at least one research hypothesis.

## 2. Findings

A significant increase in the number of published articles on family entrepreneurship, the number of conferences and journals has been noticed. This may indicate the growing importance and prestige.

There is a substantial growth of empirical articles published. Empiricism is the practice of basing ideas on testing, observation or experience. It plays a vital role in development. It sheds light on a given topic, describes a situation or event, and provides explanations.

Of the 465 articles analysed, 339 were based on qualitative research, 90 were quantitative in nature, and 36 combined quantitative and qualitative approach.

The vast majority of empirical research includes one level of analysis. This is the simplest case in statistical analysis concerning one sample. On the other hand, there is a noticeable trend towards multilevel analysis, especially among articles not related to the FBR journal. Multilevel analysis is a method of analysing data with complex variability, which usually presents a comprehensive view of the variability associated with each level of the study.

As for the time dimension, cross-sectional studies were the dominant form of research conducted in the analysed research sample. These studies are the observation of a sample or cross-section of a population or phenomena collected at one point in time. Many studies explaining the problem are cross-sectional studies. However, there is a noticeable increase in longitudinal studies, especially among articles published in the FBR journal, from 14% in 1988–1996 to 34% in 2006–2014.

Notable trends exist regarding sampling. We noticed the increasing role of international samples. With time the use of European samples became especially

popular, growing from 16% (1988–1996) to 35% (1997–2005), and 37% (2006–2014). A similar tendency is visible both in the FBR journal and other prestigious management journals.

Survey constituted a dominant form of data source. However, a substantial amount of growth occurred in the area of archival sources of data. Inference on the basis of archival data was the second most popular form. Furthermore, in the case of the FBR, an interview and multiple sources were often used. The situation was different in magazines not typically related to family entrepreneurship, here the basis for drawing conclusions were archival data.

### 3. Analytical techniques

When analysing the research sample, qualitative, quantitative, and mixed studies were distinguished.

Quantitative research is the process of collecting and analysing numerical data. It bases on verification of neutral theory by analysing the relationships between the variables. As part of quantitative data analysis, we have numerous statistical analyses from the simplest to the more advanced. Among the basic techniques of quantitative data analysis, a decrease in the importance of simple descriptive statistics (mean, standard deviation) used to verify hypotheses or research questions was observed. However, an increasing role of more advanced techniques such as hierarchical regression ( $r = 0.66$ ;  $p < 0.001$ ), panel data analysis ( $r = 0.51$ ;  $p < 0.01$ ), multinomial logistic regression ( $r = 0.48$ ;  $p < 0.01$ ) and structural equation modelling ( $r = 0.55$ ;  $p < 0.01$ ) was present.

Qualitative research is an important part of the research on family businesses. Considering the FBR journal, the popularity of this type of research fell from 25% in 1988–1996 to 19% in 2006–2014. In other magazines, the change was even greater, from 38% in 1988–1996 to 6% in 2006–2014. Along with the general decrease in the number of qualitative studies, there is a decrease in the use of standardized interviews. However, an increase in the use of deductive applications of qualitative methods appears to be commonly used.

## Conclusion

Family business has undergone significant changes in the last few decades and has aroused great interest in the world of science. This is reflected in the growing number of scientific publications on family businesses and ongoing research. Methodologically, quantitative research gains on importance, while the use of qualitative research

is decreasing. Archival data are the dominant data source used in the article.. An increase in the importance of longitudinal studies based on the criterion of time has been noticed. There is a growing number of research from outside the United States and a visible increase in European research. The importance of simple descriptive statistics is diminishing due to the use of more advanced statistical techniques such as hierarchical regression or panel analysis.

The key challenges and suggestions addressed to researchers include clear definition and good justification of the created research constructs and the use of qualitative research, especially to explain causal relationships. A better understanding of causality is also provided by longitudinal studies that allow observation over time. The significance of applying generalizations is emphasised, which requires an appropriate approach to creating a research sample. It requires diversity in terms of both industry and regions.

Research opportunities are present in various topics.

Management of the firm: decision-making process in a family business offers many research opportunities, i.e., in the field of identification of mechanisms for making strategic choices and understanding their motives or preferences.

Business performance and growth: an understanding of how socio-emotional well-being influences the effectiveness of the enterprise. There is a noticeable need to create a measure that will help to better understand the differences between family and non-family businesses and the differences within the family businesses themselves. Another important area of research is how a change in the management or ownership of the company affects the financial and non-financial performance of the company over time, and how transformational events, such as an organisational crisis (death of the president, scandal) influence company's performance.

Characteristics and attributes: character, individual qualities, and attributes hidden in families deserve further exploration, the creation of new typologies, and analysis, and how the personal characteristics of the founders relate to the espousal of certain strategic orientations of the company.

Interpersonal family dynamics, i.e., relationships between closest family members, may play a greater role than is attributed to them. Identify and investigate how family businesses cultivate the "familiness" factor. How family capital is used to achieve business goals. The study of the relationship between family owners and managers and the changes in these relationships along with generational changes.

Succession, the concept of intention, goals and the influence of family members and their effect on succession seems to be important, the impact of the company's strategy and its structure on the succession process, tracking the effect of non-family members on the course of succession and non-financial performance, the combination of temporal perception, orientation of family members' styles to individual corporate and industry succession results.

Family businesses are an important area of research. They are the backbone of many countries' economies. Therefore, it is important to acquire as much knowledge as possible about their functioning and the problems they struggle with. This serves not only the families associated with the enterprise, but also the state and society in which they operate.

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## ANALYSING RESEARCH IN FAMILY BUSINESS AND DEFINING THE DIRECTION FOR FUTURE RESEARCH

### Abstract

Correctly and reliably collected data are the basis for a good analysis and proper inference. The growing number of publications related to family entrepreneurship indicates the need for research in this field. Empirical articles concerning family businesses published in prestigious journals were analysed. The paper's aim is to assess the state of current empirical research as well as to show the directions for future research efforts. The author's intention is to provide a review of the methodologies and analytics used in family businesses studies. Conclusions were drawn regarding distinct empirical challenges in family business research and suggestions were provided to scholars regarding future research.

**KEYWORDS: FAMILY BUSINESS, RESEARCH METHODS, EMPIRICISM, STATISTICS**

**JEL CLASSIFICATION CODES: L20, L21**

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## ANALIZA BADAŃ W PRZEDSIĘBIORCZOŚCI RODZINNEJ ORAZ KIERUNEK PRZYSZŁYCH BADAŃ

### Streszczenie

Prawidłowo i rzetelnie zebrane dane są podstawą dobrej analizy i poprawnego wnioskowania. Rosnąca liczba publikacji związanych z przedsiębiorczością rodzinną wskazuje na zapotrzebowanie na badania w tym zakresie. Przeanalizowano artykuły empiryczne opublikowane w prestiżowych czasopismach z obszaru zarządzania dotyczące firm rodzinnych w latach 1988–2014. Wyciągnięto wnioski dotyczące zarówno poruszanej tematyki, jak i wykorzystywanych metod oraz technik badawczych. Ostatnią część artykułu stanowią wskazówki dotyczące dalszej pracy badawczej w obszarze przedsiębiorczości rodzinnej.

**SŁOWA KLUCZOWE: BIZNES RODZINNY, METODY BADAWCZE, EMPIRIA, STATYSTYKA**

**KODY KLASYFIKACJI JEL: L20, L21**