Family entrepreneurship culture, entrepreneurial intent, futures and foresight in Scottish Pakistani communities

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ABSTRACT

Family businesses are an important sector of the economy and the Pakistani community in Scotland has as long been associated with the creation of family businesses, the vast majority of which remain in the first generation to settle in Scotland. Their future ownership remains unclear and is a matter of some economic and social importance. The current paper reviews the literature around culture, entrepreneurial intent and aspirations within this distinct community to provide foresight on the factors likely to influence future plans. By aligning this work with current literature from the field of family business, the paper develops foresight being considered both the community and business aspects as part of a coherent whole. The future for the businesses owned and managed by the Pakistani community in Scotland is likely to be mixed, as some develop toward heritage business status whilst others fall victim to changing economic conditions. Highly varied aspirations for the next generation also play a role as some but by no means all families see the continuation of the family business as the ideal.

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1. Introduction

Family businesses remain the most common form of business in Scotland and beyond (Seaman, McQuaid, & Pearson, 2014; Sharma, 2004) run by families in a wide variety of different communities, with distinct cultures and aspirations for the future of the family and the business. The Pakistani community has long been associated with entrepreneurial behavior and the creation of family businesses, but Scotland’s Pakistani family business community differs from the general Scottish family business community in one vital respect: in terms of generational control, the vast majority of businesses are still controlled by the first generation to settle in Scotland and their future ownership remains unclear (Scottish Government, 2007).

Data on the general family business community in Scotland is relatively sparse, but two reports from the Scottish Government are pertinent to the current discussion. The Scottish Executive Annual Survey of Small Businesses in Scotland was published in 2005 and 2007 and indicates relatively consistently that while around 70% of all Scottish family businesses remain under the control of the first generation, among minority ethnic groups the figure rises to about 97%. Other data from the survey indicates that the profile of businesses operated by minority ethnic groups is not substantially different from the general community. The distinction appears only in terms of generational control and the reasons are unclear.

This paper explores the future of family businesses from one distinct community which resulted from migration from Pakistan to Scotland, either directly or via other countries. Cultural differences, added to the very distinct business format

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adopted by many on arrival in Scotland offer considerable potential for difference. Similarly, in terms of entrepreneurship theory, there is considerable evidence that the Pakistani family business community developed in response to the ‘push’ factors often associated with migration (Welsh, Seaman, Bent, & Ingram, 2003). Whether a generation who were ‘pushed’ into business aspire that second and subsequent generations will go on to further develop the same business format is in itself debatable. Thirdly, many of the businesses were set up following waves of migration so the differences in generational control may simply be due to the founding generation not having achieved what they perceive as retiral age. Succession may therefore follow. The entrepreneurial intentions of second and subsequent generations are, therefore, a key consideration. Whilst research in this area is sparse, there is evidence around current knowledge of the Pakistani family business community in Scotland, their educational aspirations for the next generation and the future impact on their family business community that links to a greater understanding of the factors likely to affect their family businesses.

A Futures perspective on this group of businesses is developed here as a model, capturing the most common paths for the future development of family businesses and applying this to allow the potential routes forward for the Pakistani community to be viewed in context.

2. The Pakistani community in Scotland

2.1. Community background and structure

Pakistan is an acronym first adopted by a group of Muslims at Cambridge in the early 1930s encompassing the following geographical areas; Punjab, Afghanistan, Kashmir, Iran, Sind, Turkistan, Afghanistan and Baluchistan. The establishment of Pakistani communities in Scotland, primarily in the 1950s and 1960s, happened via a variety of routes including those who arrived in the UK directly from Asia and those who came via, for example, Uganda. The community that developed in Scotland has been highly involved with the creation, ownership and management of family businesses, many of which are still in first generation ownership and follow a retail format that is fast-changing if not failing.

Communities, however, are a cultural construction (Anderson, 1983) that shape difference in recognition (Brah, 1992) defined here as a social group differentiated from others by cultural practices and the relation in which it stands to others (Young, 1997). The community effect in many ways works to reinforce the experience of differentiation and being positioned as different (Modood, Beishon, & Virdee, 1994) although (Amit & Rapport, 2002) believe the identities derived from communities are about what is shared rather than what differentiates communities. Pakistanis have formed a community in Britain with a distinctive culture to which many Pakistanis are deeply attached. One of the most fundamental experiences of a Muslim child is that of being a member of a social group (Goodison Group in Scotland, 2014), based on social bonding more than on individual talent or achievement.

2.2. Family structure

The family is the densest social network (Bassani, 2003) that children are a part of and children are both directly and indirectly affected by its members. Linked through descent (demonstrated or stipulated) from a common ancestor, marriage or adoption families have some degree of kinship. Families provide a function for successful societies, producing the next generation and socialising common values (Fletcher, 1966). Whilst many (Eagle, 1989; Krein & Beller, 1988; Wells, 1995) report evidence on the disadvantages associated with being a single parent family on their child subsequent educational attainment, Pakistani family structure has received less attention in the literature with regards educational attainment and entrepreneurial intention.

The structure of families traditionally hinges on relations between parents, children and spouses. There are five structural rules for Pakistani family composition (Dwyer, Modood, Sanghera, Shah, & Thaper-Bjorkert, 2006); joint and extended families, patrilineal descent, patrilocal residential rule, patriarchal authority and respect—related to age, gender, and preferential marriage patterns. Family from the prescriptive point of view of Islam, is the means of organising the Muslim community, the institution which regulates human behavior (Bowen, 1993). Among Pakistani families there is a tradition toward living in a consanguineal family (Ballard, 1982) consisting of the mother, father, children and the fathers family all living under one roof. Traditional family values that were incorporated in the 1800s (Bassani, 2003) include supremacy of father in the family and males in society, women’s role at home to care for and educate her children, and marriage as a necessity of procreation. How these principals adapt into second and subsequent generations, however, is the matter of some debate.

3. Education and entrepreneurial intent

3.1. Perceived value of education

Some scholar examine the meaning of schooling for 50 young British Pakistani Muslims whose parents migrated to England post war (Goodison Group in Scotland, 2014). The main motive for academic success is not that of individual advancement it is toward the material well being and moral standing of the family and community (Goodison Group in Scotland, 2014). Their results suggest that young Muslims devote more attention to their studies and learn a great deal as a