



Investigating the actual career decisions of the next generation: The impact of family business involvement



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ABSTRACT

While the current family business literature has deeply informed our understanding of the career intentions of adolescents with a family background in business, a salient gap emerges regarding the ways in which family business involvement impacts the careers of the next generation. This article reports the empirical results of an interpretive qualitative study of the phenomenon of the careers of next-generation family members. The findings suggest that the family business involvement of the next generation not only influences but also alters the careers of the next generation. Helping is proposed as a key means of family business involvement for the next generation and a unique resource for family businesses. Through the activity of helping, the next generation explores the arena of the family business, which has significant consequences on career decision making.

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Introduction

It has been recognized that participation in the family business is inevitably a career option for those who come from a family business background (Schröder, Schmitt-Rodermund, & Arnaud, 2011). Eckrich and Loughhead (1996) note the immense impact of the next generation's career decisions on the future planning, investment and continued survival of the family business. However, given the importance of the career decisions of the next generation, we know relatively little about how next-generation family members make career decisions and how their family business background and involvement influences these decisions. The current literature informs us that prior family business exposure serves as an important intergenerational influence on entrepreneurial intent (Carr & Sequeira, 2007) and that children with a family business background have an unclear sense of their career interests (Eckrich & Loughhead, 1996). We also know that for next-generation family members that grow up in a family business, career planning involves the balance of the exploration of personal career interests on the one hand and family interests and employment opportunities within the family

business on the other hand (Schröder & Schmitt-Rodermund, 2013).

However, whether this balancing act between personal career interests and family interests ultimately alters or influences the career paths of the next generation is unknown. A deeper understanding of the balancing act that next-generation family members encounter may be crucial to their involvement in the family business. Next-generation family members find themselves in a double-bind situation as they struggle to make career decisions both as family members and as potential successors. As Lansberg (1983) notes, the exchange of resources in a family business is guided by implicit affective principles that focus each person's attention on the needs and long-term well being of the other. Next-generation family members may make career decisions based on the long-term well being of the family business as opposed to their own personal career interests. This exploratory research seeks to deepen our understanding of how next-generation family members make career decisions by asking the following question: 'how does family business involvement affect the career decisions of the next generation?'

Handler (1990) warns that if next-generation family members become too involved in the family business before discovering their own path, they may compromise their personal goals. However, involvement in the family business for next-generation family members is unavoidable. Our research demonstrates that for next-generation family members, their involvement in the family business

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by helping from a young age is a natural behavior that is engrained in their roles as family members. Our qualitative, interpretive study into the careers of twelve next-generation family members in Ireland establishes the family business as an arena for career exploration for the next generation in childhood, adolescence and later in life. Career exploration is integral to career choice and career development (Blustein, 1997). Career scholars have shed light on the relationship between exploration and identity formation. Schmitt-Rodermund and Vondracek (1999) describe childhood activities as an indicator of childhood exploration that plays a role in vocational identity formation. Helping in the family business is a childhood activity for next-generation family members that continues throughout their lives and careers. We agree with Schmitt-Rodermund and Vondracek (1999), who found that the roots of exploratory behaviors are established in childhood rather than in adolescence, while noting as Blustein (1997) notes that exploration can occur at any life stage.

Our exploratory research makes an important contribution to the current literature on the careers of next-generation family members. We propose that the family involvement of the next generation through the activity of helping influences and in some cases alters the career decisions of next-generation family members. As the inclination of the next generation to help in the family business is deeply engrained from childhood, next-generation family members struggle to make 'pure' career choices, as they are torn between helping and doing what is best for the family business and pursuing their own careers. While the family business provides the next generation with a platform for career exploration, it also adds to the complexity of the career decision-making process. As next-generation family members find themselves in a double bind as family members and potential successors, our research highlights the importance of developing procedures for managing the contradictions inherent in their roles as next-generation family members. Career-planning structures that encourage dialogue between predecessors and next-generation family members need to be developed to assist next-generation family members in managing their involvement in the family business.

While continuity of all business types is important, the involvement and role of the next generation in the continuity of family businesses (Ward, 1997) deems the career choices of the next generation particularly relevant and significant to the family business field. As Schröder and Schmitt-Rodermund (2013) note, the vocational decisions of the next generation have tremendous consequences not only for their own careers but also for the future management and leadership of the family business. In Ireland, family businesses represent up to 90% of the indigenous business sector and provide approximately 50% of employment (Birdthistle & Fleming, 2005). Our research demonstrates that next-generation family members in Ireland continue to help out in the family business, regardless of whether they choose a career in the family business. While the tradition of helping in family businesses in Ireland is captured in official statistics (www.cso.ie), this role of helping is associated with farming and conventional types of family businesses as opposed to a contemporary reality for the next generation. The tradition of helping of the next generation provides family businesses with a unique resource that may ensure the continuity of family businesses. While helping in the family is not an uncommon activity (Telzer & Fuligni, 2009), the effect of helping as a means of family business involvement on the careers of the next generation has not been explored in the family business context.

This article begins with an overview of the limited family business literature on careers in family firms followed by our research methodology. The findings precede the discussion of our research, and conclusions and suggestions for future research complete the article.

The careers of next-generation family members: An overview

Although early on in family business research, Handler (1990) flagged the experiences of next-generation family members as vital to understanding the transmission of ownership, few studies have focused on how next-generation family members make career decisions and whether prior family business involvement influences or affects these decisions. The current literature in the family business field draws our attention to the career intentions of adolescents with a family business background. Stavrou and Swiercz (1998) explored the intentions and aspirations of next-generation family members who seek a leadership role in their family business. Reasons for agreeing or refusing to take over the family firm were identified. These reasons were classified under the family dimension, market dimension and personal dimension. A significant finding of their study recognizes that family dimensions, which refer to behaviors elicited primarily from family membership, such as family dynamics, were significant and related to offspring's intentions *not* to join the family business.

Stavrou and Swiercz (1998) also highlight the importance of the personal dimension with regard to career choice, echoing Eckrich and Loughhead (1996), who claim that children of business owners appear to have a less clear sense of their career interests, goals and talents than children of non-business owners. In their study of the effects of family business membership and psychological separation on the career development of late adolescents, these authors conclude that next-generation family members experience difficulties in establishing their vocational identity (referred to by Eckrich and Loughhead as vocational identity deficit) due to the influence of their family business background on their self-efficacy or self-confidence. Sharma (2004:13), in response to Eckrich and Loughhead's assertion, states, "Although this observation reveals a difference in vocational clarity of family members, it would be interesting to understand why this lack of clarity prevails and its implications for individual disposition and firm performance." While Carr and Sequeira (2007) recognize the potential impact of family business background and the role the family plays in the career choices of family members, their study focuses solely on the effect of prior family business exposure on entrepreneurial intent. Using a revised version of the Theory of Planned Behavior (Ajzen, 1985) combined with a symbolic interactionist perspective, they conclude that prior family business exposure serves as an important intergenerational influence on entrepreneurial intent. While the authors recognize the unique socialization experiences of next-generation family members, they limit their findings to entrepreneurial intention. Zellweger, Sieger, & Halter's (2011), in their study of the career choice intentions of students with a family business background, investigate how intentional successors differ from both intentional founders and employees. They affirm Sharma and Irving's (2005) proposal of commitment as an antecedent of the focal behavior to pursue a career inside a family business and conclude that high levels of internal locus of control (i.e., individuals with a high level of internal locus of control believe the outcome of an event to be within their control) lead to a preference of a particular type of employment. Zellweger et al. (2011) deepen our understanding of the antecedents to career choices, particularly the career choice of succession. They conclude that the transitive likelihood of career intent depends on the degree of entrepreneurial self-efficacy and independence. They also claim that the family business context as an entrepreneurial experience should bias the career choices of the next generation.

Schröder et al. (2011) investigated the determinants of the career choice intentions of adolescents with a family business background from the perspective of both adolescents and their parents. They conclude that personality, gender, identification

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