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# Being in time and the family owned firm

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**Summary** Family businesses have a unique relationship with time, offering a genetic and cultural embodiment of ancestral heritage, a focus of dreams, plans and fears for the future. This paper considers the nature of time and what it means for business owning families to manage in time. Using qualitative techniques, the experiences of twelve family firms are explored. Heidegger's ideas about time are considered as an explanatory power about how temporal practices and processes use time. This work demonstrates that time is not only, always, sequential. Family firms deploy an effective temporal repertoire, moving between habitual world time and a more calculative clock time as circumstances demand, showing how and why different practices emerge in the praxis of family business.

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## Introduction

Time seems to play a critical role in family business. Populist portrayals frequently describe the family-owned business in the dramatic rhetoric of the dynasty, the empire, the house; of lineage, and of clan. Family firm scholarship may deploy less grandiose discourse, but similar meanings are implicit within its emphasis on tradition, legacy, succession, generations, and inheritance. Redolent with the most profound temporal connotations, this language exposes the very heart of what is unique about the family-owned firm. Indeed the “familiness” of the family firm (Habbershon, Williams, & MacMillan, 2003) can be partially attributed to time. Through

their sense of shared being through time, and their sustained continuity of spirit, a specific temporal metaphysics, their sense of being, unfolds. Family firms are not only *socially* distinctive, but comprise a distinct *temporal* frame, with time particularly relevant for the co-production of sense and order. In these uniquely rich organizational environments, the (inherently mutable) heritage of the past, and the (ever changing) shared projections of the future, are both linked and enacted by actions in the present.

It is this unfolding of time, and in time, that presents our research problem. Given the apparent significance of time in the sense of being a family business, how can we understand how time is used? We attempt to use the insights of Heidegger, who famously, if controversially, argues that we exist temporally, both in and through time. This profound notion shows how time gives us meanings, and provides us with an ontological structure. Applied to the family firm, we can begin to discern why some actions take place. Accordingly, our contribution is to show how whilst family firms exist in the

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present, they are simultaneously located in the past but thrown into the future. Not only does time permeate the meanings of the family firm, but also different ontologies of time help to explain how practices change.

Family firms provide a bountiful, highly socialized context within which to study managing in time, offering an especially relevant trans-generational perspective. The oldest (family) firms in the world are ongoing relational performances, which personify and curate a family's heritage, whilst simultaneously acting as context for business organizations. For example, Houshi Ryokan founded in 718 AD in Komatsu, Japan has been both home and enterprise for 46 generations of the Houshi family. The inn, spa, restaurant, museum, craft shop and confectionary workshop of this business embody many of the ways in which the past is kept alive in the present of family firms. Houshi Ryokan's website explains the healing spa's origins in a Buddhist religious leader's dream more than 1300 years ago. He subsequently instructed an acolyte – the first Zengoro Houshi – to build an inn and even today this founder's spirit and vision are explicitly invoked as the enterprise's heart. With its metaphysical founding myths from ancient days, ancestral personification of organizational culture and its merchandizing of tradition, Houshi Ryokan highlights the significance of times past for the futuring of family firms.

The future has a special resonance for the family firm. This future focus is very evident in the strategizing of the Rothchild family. Over 150 years they favoured marriages made between cousins to ensure continuation of strong family bonds, and to avoid subsequent dilution of their businesses' assets. The dynasty's marriage was planned with a firm eye to the future protection of their commercial interests. But different types of assets are deployed over time. The Howard family's Yorkshire arboretum project was planted in 1975. Yet it would not be opened to the public until 20 years later. Full maturity of some tree varieties will take many years more, and the "infant" woodland is now managed as a not-for-profit venture in conjunction with Kew Gardens. This latest expression of more than 300 years of family horticulture, this kind of commitment to a vision of the far-flung future, is almost unthinkable in a non-family enterprise. Indeed, since the family leader responsible for the development was 55 years old when planting began, he did so in full knowledge that the project would achieve completion well after his own death. The future – especially that more distant future horizon of the next generation and beyond – can thus be seen to drive today's family firm decisions just as much as does the past. Consequently, incumbent CEOs are frequently portrayed as stewards of the family assets for coming generations. Special efforts are made to develop and train young family members for leadership, to begin building the venture's future in the here and now.

The past and the future, then, impinge upon the present of family firms in ways which are substantively different from the temporal experiences of other organizational forms. Nevertheless, what time might mean for the family firm is left largely unexplored by the growing body of scholarship examining these organizational forms. Time is alluded to tangentially as the medium through which the all-important family resources are developed and protected: "a good steward in a family business is a decision maker who is a caretaker of a family's assets, who desires to pass a healthier

and stronger business to future generations" (Davis, Allen, & Hayes, 2010, pp. 1093-1094).

The family firm is thus seen as a vessel which transports treasured assets safely and securely from the past, to the future. Indeed, 'familiness' itself is typically represented as a complex and unique bundle of resources (Habbershon et al., 2003; Habbershon & Williams, 1999). What matters to researchers has been the treasure itself, and the ways that the vessel and its crew act so as to secure these treasured resources. Yet the temporal landscape through which this journey is made has yet to profoundly engage family firm scholars. Stewart has pointed out the fundamental moral incompatibility between the logics of kinship and of markets: "norms of the hearth, of kin, of family revolve at one pole of exchange. . . norms of the market revolve at the other pole" (2003, p. 385). Perhaps, in choosing to concentrate on the treasure, on the *market* logic of family-owned firms, the continuity of kinship logic has been overlooked, and with it, that sense of time which all families substantiate. Our purpose here is to consider, directly and clearly, the nature of time in the family firm. What does it mean for a business owning family to manage in time?

The exploration reflects on the temporal implications of change processes in family firms. Three countries were selected for the fieldwork – Scotland, England, and Greece. Twelve family firms were chosen who were willing to share openly their experiences with the research team through semi-structured interviews.

The paper utilizes a Heideggerian reading of organizations as a conceptual lens for interrogating (relational) temporality. We also reflexively engage with this theoretical frame in the light of these family firm processes. We show how it helps to explain the lived practice of family, as the relationally driven emergence of an immanent stream of patterned actions. We begin by reviewing, and problematizing, the treatment of time in the family firm literature, and considering the wider issue of families and time. Next, an overview of Heidegger's philosophy of time is presented to set the conceptual framework for the study. We then set out our method, and progress to a reflexive interrogation of family firm practices in the light of the Heideggerian frame. This leads us back to the future, the present, and the past, as we develop a fuller account of temporality in family firm praxis. We find that different ontologies of time play out different temporal roles, and that the many times of the family firm interact to provide a rich context for examining and explaining on-going managerial praxis and process.

## Time and family firm scholarship

The temporal underpinnings of family firm scholarship permeate the literature, typically in a fashion which focuses on time's strategic value in developing and sustaining family resources. Aronoff and Ward (1995) explain how family firms are a "thing of the past but a model for the future". They argue that family firms have the capacity to transcend time. Indeed, Zellweger (2007) emphasises what he calls "patient" capital to distinguish long termness. Sirmon and Hitt (2003) talk about long term horizons; so the general view is one of continuity and endurance over time. Lumpkin, Brigham, and Moss (2010) ascribe the family firm's long term orientation to

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