An exploration of familiness through a Bourdieusian mixed methods study of innovation in SME manufacturing firms in the United Kingdom

Volume One

Udeni Salmon

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Abstract

Objectives  This research explores the nature of familiness within SME manufacturing family firms in the United Kingdom. The study aims to provide a definitive answer to whether familiness exists in this sphere, explores the nature of familiness and concludes with recommendations for improving the business performance of family firms. The research applies the theoretical lens of Pierre Bourdieu to understanding the nature of family firms through examination of the innovation process.

Prior Work  Previous literature has reached differing conclusions about whether the family firm is indeed distinct from the non-family firm. There is therefore a need to understand, not only whether familiness exists, but also what the nature of these unique qualities are. Bourdieu’s theoretical concepts of doxa, fields and habitus have been applied separately to multiple social settings, but this study is the first to apply these powerful concepts in conjunction to explain familiness. Innovation activities have been selected as the most appropriate business activity for exploring the nature of familiness, because prior work has indicated that the stultifying influence of family can inhibit innovation. The manufacturing sector has been chosen for this study as previous research has shown that innovation is crucial for long-term survival in this sector. Surprisingly, there remains a gap in empirically based policy support and advice for family firm innovation in the UK, which this research helps to fill.

Approach  A mixed methods, convergent parallel design is proposed. Quantitative analysis uses a dataset of 582 manufacturing SMEs to determine through descriptive statistics whether there are distinctive differences between family and non-family firms. A factor analysis then produces statistically derived factors of familiness. Hypotheses, derived from both the
statistical analysis and the literature, are then tested using chi-squared techniques. The mixed methods approach continues with a qualitative analysis that provides rich insights of how familiness contributes to innovation. The primary dataset for qualitative analysis consists of 27 semi-structured interviews with SME family manufacturing firms. Cross-case, thematic analysis produces a Bourdieusian-derived conceptual grouping of family firms. Throughout the quantitative and qualitative analyses, Bourdieu’s theories of habitus, fields and doxa provide an insightful underpinning conceptual framework.

**Findings** The quantitative findings confirm there are distinct differences between family and non-family firms in the SME manufacturing sector in the UK, which leads to the conclusion that familiness does exist. The quantitative findings provide surprising results that innovation is higher in older family firms, and that innovation is not related to awareness of external support. The qualitative findings show that Bourdieusian concepts of doxa, habitus, and fields used in conjunction provide a powerful theoretical explanation for the values and motivations that drive distinctive family firm behaviour. A triangulation of results produces a taxonomy of family firms according to their innovation activity and their unique family characteristics.

**Value** The taxonomy represents a contribution to theoretical knowledge by developing Bourdieusian-inspired theory as to how familiness can be used to develop competitive advantage. The methodological contribution to knowledge is made through an innovative convergent parallel mixed methods design. Future family firm researchers can use this design to establish the existence of familiness through quantitative techniques and to explore the nature of familiness using a qualitative approach. The research makes a contribution to practice by making recommendations for family firms and policy suggestions for national and local governments to support family firm innovation.
# Table of Contents

1 Introduction ........................................................................................................................................... 1  

1.1 Research Aim ...................................................................................................................................... 4  

1.2 Research Objectives .......................................................................................................................... 4  

1.3 Research Questions ............................................................................................................................ 5  

1.4 Layout of thesis ................................................................................................................................... 7  

1.5 Chapter Summary ............................................................................................................................... 8  

2 Literature Review .................................................................................................................................. 9  

2.1 Introduction ........................................................................................................................................ 9  

2.1 Overview of the Literature ............................................................................................................... 10  

2.2 Theories and Significance of the Family Firm .................................................................................... 11  

2.2.1 The Context of Family Firm Studies ............................................................................................ 11  

2.2.2 Theories of Familiness ............................................................................................................... 13  

2.2.3 Measuring Familiness ............................................................................................................... 25  

2.2.4 The Economic Significance of Family Firms ........................................................................... 26  

2.2.5 The Contested Existence of Familiness .................................................................................... 29  

2.3 Derivation and Definition of Bourdieusian concepts ...................................................................... 31  

2.3.1 Bourdieu’s Theoretical Perspectives ......................................................................................... 31  

2.3.2 The Importance of Power in Bourdieusian Theory ................................................................... 33  

2.3.3 How Individuals are Connected in Bourdieusian Theory .......................................................... 33
2.3.4 Bourdieu’s Diverse Methodological Approach .......................................................... 33

2.3.5 The Philosophical Origins of Bourdieu’s Theories ....................................................... 34

2.3.6 Habitus – the habits, behaviours, and skills of an individual ....................................... 38

2.3.7 Doxa – the rules that govern individual behaviour ......................................................... 45

2.3.8 Fields – the spaces in which individuals work and play ................................................. 47

2.3.9 Bourdieu in Business Innovation Literature ............................................................... 53

2.4 The Nature and Role of Innovation ................................................................................. 55

2.4.1 Innovation as a Site for Struggle .................................................................................. 55

2.4.2 Development of Thought on Innovation ...................................................................... 56

2.4.3 Precursors for Successful Innovation .......................................................................... 57

2.4.4 Innovation in the Family Firm ..................................................................................... 61

2.4.5 Innovation in relation to Bourdieusian theory ............................................................. 62

2.5 The Manufacturing Context ............................................................................................. 65

2.5.1 Manufacturing in the United Kingdom ....................................................................... 66

2.5.2 Family Firms in the Manufacturing Sector .................................................................. 68

2.5.3 Wider Issues in the Manufacturing Sector ................................................................... 71

2.5.4 Policy Support for Manufacturing ............................................................................... 73

2.6 Chapter Summary ............................................................................................................ 75

3 Methodology ....................................................................................................................... 78
3.1 Research Design Process.................................................................78
3.2 Philosophical Approach .................................................................80
3.3 Ontological and Epistemological Approach ........................................82
3.4 Methodological Approach: Mixed Methods .........................................84
3.4.1 Validity of the Mixed Methods Approach .......................................85
3.4.2 The Convergent Parallel Design .....................................................88
3.5 Quantitative Research Design ..........................................................93
3.6 Qualitative Research Design ...........................................................97
3.6.1 Cross-Case Study Selection Criteria ..............................................98
3.6.2 F-PEC Familiness Scale ...............................................................101
3.6.3 Questionnaire Design .................................................................103
3.6.4 Discourse Analysis as the Analytic Method ......................................105
3.6.5 Qualitative Validity and Reliability ...............................................108
3.6.6 Transcription Conventions ...........................................................112
3.7 Ethical Considerations ........................................................................113
3.8 Unit of Analysis in the Research Design ..............................................114
3.9 Limitations of the Research Design ..................................................115
3.10 Chapter Summary.............................................................................116
4 Quantitative Findings..........................................................................118
4.1 Overview of the Quantitative Analysis ................................................119
4.2 Descriptive Comparative Statistical Analysis .......................................120
4.2.1 Business Profile ........................................................................................................ 121
4.2.2 Business Performance ............................................................................................... 134
4.2.3 Business Growth ....................................................................................................... 142
4.2.4 Innovation Capability ............................................................................................... 149
4.2.5 External Support ....................................................................................................... 166
4.2.6 Business Owner Profile ............................................................................................ 170
4.3 Factor Analysis ............................................................................................................. 178
4.3.1 Exploratory Factor Analysis ..................................................................................... 179
4.4 Hypothesis Development and Testing ......................................................................... 185
4.4.1 Hypothesis 1: Relationship between Firm Age and Innovation .............................. 185
4.4.2 Hypothesis 2: Relationship between Innovation Capability and Innovation ........ 187
4.4.3 Hypothesis 3: Relationship between Awareness of External Support and Innovation 189
4.4.4 Hypothesis 4: Relationship between Qualifications and Innovation ...................... 191
4.5 Chapter Summary ....................................................................................................... 195
5 Qualitative Findings ........................................................................................................ 197
5.1 Description of Interview Data ...................................................................................... 197
5.2 Doxa: the Rules of the Family Firm ............................................................................. 204
5.2.1 Creating Doxa in the Family Firm .......................................................................... 204
5.2.2 Maintaining Doxic Rules ......................................................................................... 209
5.2.3 Doxic Tropes: Altruism, Integrity, Nepotism and Denial ....................................... 217
5.2.4 The Influence of Doxa on Innovation ...................................................................... 222
<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.3</td>
<td>Habitus as the Lived Expression of Doxa</td>
<td>226</td>
</tr>
<tr>
<td>5.3.1</td>
<td>Habitus as Skilful Behaviours</td>
<td>227</td>
</tr>
<tr>
<td>5.3.2</td>
<td>Habitus as Physical and Emotional States</td>
<td>231</td>
</tr>
<tr>
<td>5.3.3</td>
<td>The Influence of Habitus on Innovation</td>
<td>236</td>
</tr>
<tr>
<td>5.4</td>
<td>Fields as the Arena Governed by Doxa and Habitus</td>
<td>243</td>
</tr>
<tr>
<td>5.4.1</td>
<td>Defending the Field of Business and Family</td>
<td>244</td>
</tr>
<tr>
<td>5.4.2</td>
<td>Building Pathways to External Fields</td>
<td>248</td>
</tr>
<tr>
<td>5.4.3</td>
<td>The Role of Illusio in Remaining in the Field</td>
<td>253</td>
</tr>
<tr>
<td>5.4.4</td>
<td>The Influence of Fields on Innovation</td>
<td>256</td>
</tr>
<tr>
<td>5.5</td>
<td>Chapter Summary</td>
<td>259</td>
</tr>
<tr>
<td>6</td>
<td>Discussion and Recommendations</td>
<td>261</td>
</tr>
<tr>
<td>6.1</td>
<td>Research Question One: Gaps in Familiness Theories</td>
<td>261</td>
</tr>
<tr>
<td>6.2</td>
<td>Research Question Two: Applying Bourdieu to Family Firms</td>
<td>265</td>
</tr>
<tr>
<td>6.3</td>
<td>Research Question Three: Differences between Family and Non-Family Firms</td>
<td>268</td>
</tr>
<tr>
<td>6.4</td>
<td>Research Question Four: Doxa, Fields, Habitus and Innovation</td>
<td>271</td>
</tr>
<tr>
<td>6.5</td>
<td>Research Question Five: Create a Taxonomy of Family Firms</td>
<td>275</td>
</tr>
<tr>
<td>6.6</td>
<td>Research Question Six: Recommendations for Family Firms</td>
<td>281</td>
</tr>
<tr>
<td>6.7</td>
<td>Research Question Seven: Policy to Support Family Firms</td>
<td>283</td>
</tr>
<tr>
<td>6.8</td>
<td>Chapter Summary</td>
<td>285</td>
</tr>
<tr>
<td>7</td>
<td>Conclusion</td>
<td>287</td>
</tr>
</tbody>
</table>
7.1 Contribution to Knowledge ........................................................................................................................................ 287
7.2 Contribution to Theory .................................................................................................................................................. 287
7.3 Contribution to Practice .................................................................................................................................................. 289
7.4 Contribution to Methodology .......................................................................................................................................... 290
7.5 Directions for Future Research ...................................................................................................................................... 291
7.6 Conclusion to the Research ............................................................................................................................................... 294
7.7 Chapter Summary ............................................................................................................................................................... 296
8 References ............................................................................................................................................................................. 300
List of Tables

Table 1  Relationship of Research Questions to Research Objectives ........................................6

Table 2  Theoretical Antecedents of Familiness.................................................................14

Table 3 Precursors for successful innovation in business literature .....................................58

Table 4 Characteristics of the Convergent Parallel Design ..................................................90

Table 5 Project Plan for the Convergent Parallel Design ......................................................92

Table 6 Rationale for the Purposive Sample Approach.........................................................99

Table 7 Firm selection based on Familiness and Innovativeness as in the F-PEC scale .........102

Table 8 Qualitative Validity and Reliability Process............................................................109

Table 9 The number of family-owned businesses (mean percentage) as compared to non-
family owned businesses, by industry sector, n=number of family-owned businesses
...............................................................................................................................................121

Table 10 The number of generations which have controlled SME family firms across all
industry sectors and across the manufacturing sector in the UK in the year 2012,
n=number of family firms, % = mean percentage of all family firms.........................123

Table 11 Comparison by firm size (micro, small and medium) between SME family firms
and SME non-family firms across all sectors in the UK in the year 2012, n=number of
firms, % = mean percentage of all firms .............................................................................125
Table 12  Comparison by size (micro, small and medium) between SME family firms and SME non-family firms in the manufacturing sector in the UK in the year 2012, n=number of firms, % = mean percentage of all firms.................................................................126

Table 13  Comparison by age bands between SME family firms and SME non-family firms in the manufacturing sector in the UK in the year 2012, n=number of firms, % = mean percentage of all firms .................................................................127

Table 14  Comparison by gender of owner between SME family firms and SME non-family firms by industry sector in UK in the year 2012, n=number of firms, % = mean percentage of all firms .............................................................................................................129

Table 15  Comparison by Minority Ethnic Group identity of owner between SME family firms and SME non-family firms in the manufacturing sector in the UK in the year 2012, n=number of firms, % = mean percentage of all firms Table was not released for reporting by the UK Data Service .........................................................................................................................131

Table 16  Comparison by Minority Ethnic Group identity of owner in SME family firms and SME non-family firms by industry sector in UK in the year 2012, n=number of firms, % = mean percentage of all firms .............................................................................................................132

Table 17  Comparison between SME family firms and SME non-family firms in profit change in the previous 12 months in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms .........................135

Table 18  Comparison between SME family firms and SME non-family firms in the change to employment of people in the previous 12 months in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms ..........136
Table 19  Comparison between SME family firms and SME non-family firms in the plans to employ people in the next 12 months in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms ..................................138

Table 20  Comparison between SME family firms and SME non-family firms in changes to turnover in the previous 12 months in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms .................................139

Table 21  Comparison between SME family firms and SME non-family firms in plans for turnover in the next 12 months in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms .................................141

Table 22  Comparison between SME family firms and SME non-family firms in plans for growth in the next 2-3 years in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms.................................142

Table 23  Comparison between SME family firms and SME non-family firms in perception of their capability to enter new markets, in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms .................................144

Table 24  Comparison between SME family firms and SME non-family firms in plans to increase turnover by exploiting new markets over the next 2 to 3 years, in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms ........................................................................................................145

Table 25  Comparison between SME family firms and SME non-family firms in sales of goods, services or licenses outside the UK, in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms .................................146
Table 26  Comparison between SME family firms and SME non-family firms in expectations of closing or making a full transfer of the business, in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms ..........147

Table 27  Comparison between SME family firms and SME non-family firms in plans for developing and launching new products or services, in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms ..........149

Table 28  Comparison between SME family firms and SME non-family firms in capability for developing and launching new products or services, in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms ....150

Table 29  Comparison between SME family firms and SME non-family firms in introduction of new or changed products or services, in the last 12 months, in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms ..............................................................151

Table 30  Comparison between SME family firms and SME non-family firms in introduction of products or services which are completely new or new to the business, in the last 12 months, in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms ..............................................................152

Table 31  Comparison between SME family firms and SME non-family firms in introduction of processes which are completely new or new to the business, in the last 12 months, in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms ..............................................................154

Table 32  Comparison between SME family firms and SME non-family firms in whether the processes introduced which are completely new or new to the business, in the last 12
months, in the manufacturing sector of the UK in the year 2012, $n=$ number of firms, 
$\% =$ mean percentage of all firms ................................................................. 155

Table 33 Comparison between SME family firms and SME non-family firms in applications for financing in the last 12 months, in the manufacturing sector of the UK in the year 2012, $n=$ number of firms, $\% =$ mean percentage of all firms ................................. 156

Table 34 Comparison between SME family firms and SME non-family firms in reasons for financing applications in the last 12 months, in the manufacturing sector of the UK in the year 2012, $n=$ number of firms, $\% =$ mean percentage of all firms ................................. 157

Table 35 Comparison between SME family firms and SME non-family firms in applications for tax credits in respect of innovation in the last 12 months, in the manufacturing sector of the UK in the year 2012, $n=$ number of firms, $\% =$ mean percentage of all firms ................................. 158

Table 36 Comparison between SME family firms and SME non-family firms in plans to achieve growth through increasing skills of the workforce, in the manufacturing sector of the UK in the year 2012, $n=$ number of firms, $\% =$ mean percentage of all firms ................................. 162

Table 37 Comparison between SME family firms and SME non-family firms in type of training arranged in the last 12 months, in the manufacturing sector of the UK in the year 2012, $n=$ number of firms, $\% =$ mean percentage of all firms ................................. 163

Table 38 Comparison between SME family firms and SME non-family firms in type of staff who received training in the last 12 months, in the manufacturing sector of the UK in the year 2012, $n=$ number of firms, $\% =$ mean percentage of all firms ................................. 164
Table 39 Comparison between SME family firms and SME non-family firms whether training led to formal qualifications, in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms ................................................................. 165

Table 40 Comparison between SME family firms and SME non-family firms in awareness of external sources of support, in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms ...................................................................... 167

Table 41 Comparison between SME family firms and SME non-family firms in whether external advice or information was sought in the last 12 months, in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms ............................................................................................................................ 168

Table 42 Comparison between SME family firms and SME non-family firms in reasons for seeking external support, in the manufacturing sector of England in the year 2012, n=number of firms, % = mean percentage of all firms ............................................................................................................................ 169

Table 43 Comparison between SME family firms and SME non-family firms age range of owners, in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms ............................................................................................................................ 171

Table 44 Comparison between SME family firms and SME non-family firms in whether business owners hold qualifications, in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms ............................................................................................................................ 172

Table 45 Comparison between SME family firms and SME non-family firms in the type of business owner qualification, in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms ............................................................................................................................ 173
Table 46 Comparison between SME family firms and SME non-family firms in the owner’s propensity to work from home, in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms........................................174

Table 47  Comparison between SME family firms and SME non-family firms in the type of business location, in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms .........................................................175

Table 48  Comparison between SME family firms and SME non-family firms in the whether the main business premises are also the family premises, in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms. 176

Table 49  Chi-Square Test of Association Between Firm Age and Innovation .......................186

Table 50  Chi-Square Test of Association between Innovation Capability and Innovation Activity ........................................................................................................................................188

Table 51  Chi-Square Test of Association between Awareness of External Support and Innovation ........................................................................................................................................190

Table 52  Chi-Square Test of Association between Level of Qualification and Innovation  192

Table 53  Hypothesis testing outcomes .........................................................................................193

Table 54  Gender and Role of People Interviewed ......................................................................197

Table 55  Role and Family Relationship of People Interviewed ...............................................199

Table 56  Generation and Innovation Levels of Firms Interviewed .........................................200

Table 57  Word Frequency Count in the Interview Transcripts ..............................................202
Table 58  Taxonomy of Family Firms in relation to Familiness and Innovation ........................275
List of Figures

Figure 1: Map of the Literature .......................................................... 10

Figure 2: A Social Capital Model of Familiness ........................................... 22

Figure 3: An Illustration of Habitus, Doxa and Fields in the Family Firm .......... 52

Figure 4: Research Design Process .......................................................... 79

Figure 5: The Convergent Parallel Design ............................................... 89

Figure 6: Contextual and Theoretical Approaches to Discourse Analysis ........... 107

Figure 7: The Five Distinguishing Features of Family Firms ......................... 177

Figure 8: The Nine Constructs of Familiness ............................................. 183
# Definition of Key Terms

The key terms that are used in the following work are defined below:

<table>
<thead>
<tr>
<th>Term/Concept</th>
<th>Definition</th>
<th>Derivation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Habitus</td>
<td>The behaviours, skills and attitudes that are displayed by an individual and that are particular to a field. Habitus is produced by the external forces of society, is communicated physically and is internalised, to the point of being unconscious, in an individual.</td>
<td>“the cognitive structures which social agents implement in their practical knowledge of the social world… internalized, embodied social structures” (Bourdieu, 1984a)</td>
</tr>
</tbody>
</table>

¹ “Family Firm” is the term used throughout rather than “Family Business”, as “Family Firm” is the variable used in the UK government dataset (Department for Business Innovation and Skills, 2014c) that is the quantitative dataset used in this research.
<table>
<thead>
<tr>
<th>Term/Concept</th>
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<th>Derivation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doxa</td>
<td>The “sens practique” or “common sense” that applies to a particular field. Doxa are rules are often implicit and accepted unconsciously. Those who hold power in a field will enforce doxa. Doxa will be displayed through habitus.</td>
<td>“By using doxa we accept many things without knowing them, and that is what is called ideology” (Eagleton &amp; Bourdieu, 1992)</td>
</tr>
<tr>
<td>Field</td>
<td>The social and physical spaces in which habitus is enacted and actors compete for power. A field will be governed by its own doxa.</td>
<td>“a historically constituted area of activity with their specific institutions and their own laws of functioning” (Bourdieu, 1990c, p. 87)</td>
</tr>
<tr>
<td>Innovation</td>
<td>Introduction of new a product, service or process to a firm; the innovation can be new to the firm or entirely new.</td>
<td>Small Business Survey 2012: SME Employers, Department for Business Innovation and Skills</td>
</tr>
<tr>
<td>Small Medium Enterprise (SME)</td>
<td>A business which employs fewer than 250 people.</td>
<td>Small Business Survey 2012: SME Employers, Department for Business Innovation and Skills</td>
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</table>
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I am deeply indebted to my supervisors, Professor Kurt Allman and Dr Jonathan Lord, whose expertise, encouragement, and kindness sustained me on this long journey. My colleagues and friends at Salford Business School have offered invaluable support, which frequently went above and beyond the call of duty; I am particularly grateful to Professor Ralph Darlington, Jenny Hinsley, Dr Morvern McEachern, and Dr Tony Syme. Professor Amanda Broderick and Emeritus Professor Martin Hall provided crucial inspiration at an early stage. Later, Christian Spence of the Greater Manchester Chamber of Commerce provided great practical assistance in contacting family firms. The ISBE and EIASM organising committees encouraged me to share my research at an early stage with experts from the world of family business studies. The NARTI research consortium, in particular Professor Caroline Gatrell, provided the opportunity to attend a most useful qualitative methodology seminar at Keele University.

I also owe thanks to the family firms who generously shared their time, their stories, and their hospitality. I hope that this research will contribute to the success of this enduring and important part of the economy and of the wider world.

My family and friends have, as always, supported me with their love.

This work is dedicated to my husband, Paul Andrew Salmon. I could not have done this without you.
1 Introduction

Alfred Marshall, writing *Principles of Economics* in 1890, assumed that most firms were family firms. Family firms were led by “able men” with innate qualities of entrepreneurial zeal and intelligence, which, combined with luck, resulted in family firms dominating the 19th century economy in the United States and in the United Kingdom (A. Marshall, 1890). Today family firms remain the most popular form of business ownership, with over 72% of SME firms in the United Kingdom in 2014 defined as family-owned businesses (Department for Business Innovation and Skills, 2014d). Yet despite the prevalence of family firms, there is a lack of advice for local councils and national government in the United Kingdom based on empirical evidence (European Commission, 2009b; Institute for Family Business, 2014), particularly in relation to the manufacturing sector (Department for Business Innovation and Skills, 2014a). This research will meet this gap in providing evidenced and targeted policy advice.

In addition to the lack of policy advice, there is a lack of academic research into family firms in the United Kingdom (Seaman, Graham, Falconer, & Stepek, 2010). In particular, there is a theoretical gap in the definition of familiness which is the collection of distinctive traits in a family firms (Zellweger, Eddleston, & Kellermanns, 2010). Familiness forms the conceptual underpinning to family firm research by claiming that family firms are so distinctive as to merit specific study. However, there is a lack of wider theory underpinning the concept of familiness (Bird, Welsch, Astrachan, & Pistrui, 2002), particularly from the fields of philosophy, ethnography and sociology. This study meets a theoretical gap in bringing the powerful sociological “thinking tools” of Pierre Bourdieu to inform a more comprehensive explanation of familiness.
In addition to the theoretical gap mentioned above, there is debate as to whether familiness definitively exists (Weismeier-Sammer, Frank, & von Schlippe, 2013). This may be due to sector-specific differences between family firms (European Commission, 2009b), which have made it hard to confirm whether familiness can exist across heterogeneous industries. This study therefore meets an empirical gap in terms of answering the question as to whether familiness exists in the sector of manufacturing family firms.

This study explores the existence and nature of familiness through examining different ways in which innovation happens in family firms. While the literature on family firm innovation is growing (De Massis, Frattini, & Lichtenthaler, 2012; Zahra, Labaki, Abdel Gawad, & Sciascia, 2013), most of the literature is quantitative in nature, with findings showing that family firms are in general less innovative than non-family firms. For example, family firms spend less on resource and development (R&D) activities than other firms of equivalent size, age and industry (Zahra, 2005). Family ownership is negatively associated with R&D expenditure because, it has been theorised, a large part of their wealth is derived from their shareholdings, which makes them risk-averse (Munari, Oriani, & Sobrero, 2010). Across this growing body of literature, findings show that the more family members are involved in ownership, the higher the agency problem, with reduced spending on innovation inputs, such as R&D spending, as well as outputs, such as the number of patents, new products and new processes (Block, 2012). Alfredo De Massis, a leading researcher into family firm innovation, calls for more fine-grained investigation of how the family firm approaches innovation (De Massis, Frattini, Pizzurno, & Cassia, 2015): a call which this research will answer.
Innovation is crucial for family firm survival, particularly in the manufacturing sector (Government Office for Science, 2013). Family firms formed 70% of all SME manufacturing firms in 2014 (Department for Business Innovation and Skills, 2014d), suggesting that familiness is, in fact, compatible with innovation. The effect of familiness on innovation is disputed: some researchers argue that it assists innovation by introducing ideas from younger generations (Dodd, Theoharakis, & Bisignano, 2014) and by creating a more diverse leadership team (De Massis et al., 2015). Other research points out the lack of innovation due to risk-aversive strategies from ageing family members (Zahra, 2005). This study will meet an empirical gap through quantitative analysis of a large secondary data set and cross-case qualitative analysis of how family firms approach innovation in the manufacturing sector.

Manufacturing was selected as a lens for this study due to the importance of innovation for the survival of firms in the manufacturing sector (House of Commons Library, 2014). Manufacturing is also a traditional source of family firms in the UK (Institute for Family Business, 2010, 2014) and provides a rich dataset of firms that were older than second or third generation for both interview and statistical secondary data, due to the long history of manufacturing in the UK (Government Office for Science, 2013; Sector Skills Council Manufacturing Consortium, 2012).

This section has introduced the topic of family firms, innovation, and manufacturing. The relevance of these topics has been explained and an empirically-based, theoretically-informed study has been justified. The next section of this chapter will outline the research aim, research objectives, and research questions.
1.1 Research Aim

This research aim is: “to critically analyse the nature of ‘familiness’ in relation to business performance and innovation in SME manufacturing firms based in the United Kingdom.”

The research will critically analyse the nature of familiness which is the unique set of skills and attributes possessed by family firms (Zellweger et al., 2010). The research will confirm the extent of differences between family and non-family firms in relation to their business performance; identify the key factors unique to family firm performance; assess the extent to which Bourdieusian theory can explain these differences; explore how the individual family firm approaches innovation, and ultimately, suggest how policy-makers and family firm owners can improve innovation in the family firm sector.

1.2 Research Objectives

The research objectives are the specific steps that will be taken to achieve the research aim. The research objectives are described below:

Objective 1: Critically analyse the literature on family-owned businesses, Bourdieusian theory and innovation.

Objective 2: Establish the extent and attributes of familiness through statistical analysis of secondary, quantitative data.

Objective 3: Explore the nature and attributes of familiness through textual analysis of primary, qualitative data.

Objective 4: Produce a taxonomy of family firms underpinned by Bourdieu’s theories of doxa, fields and habitus as a tool for researchers to understand patterns of family firm behaviour.

Objective 5: Produce policy and practice recommendations for government and businesses on how to improve innovation in family firms.
1.3 Research Questions

The research questions are the specific areas of knowledge that the research project will answer to ensure the objectives are met. The following research questions have been selected for their relevance to the field of knowledge, their importance to policy and practice, their novelty in extending previous findings, and their feasibility in terms of the research timeline.

1. What are the theoretical and empirical gaps in how familiness been used to explain the distinctive nature of family firms?
2. How can Bourdieu’s theories of doxa, fields and habitus be applied to meet these theoretical gaps in our understanding of familiness?
3. What significant empirical differences exist between family and non-family firms in relation to business performance and what is the nature of those differences?
4. How do doxa, fields, and habitus influence innovation in individual family firms?
5. Can a taxonomy of family firms be created which combines firstly the empirical differences between family and non-family firms and secondly family firms’ unique approach to innovation?
6. How can family firm owners leverage familiness to improve innovation?
7. What types of government policies would best help family firm owners to improve innovation?

In mixed methods study, the process of relating the research objectives to the research questions is more complex (Onwuegbuzie & Leech, 2006) due to the complexity of the phenomenon under study. Furthermore, the use of the pragmatic philosophy, which is focussed on solving problems, requires that the research objectives are driven by the research questions (Greene, 2007; Tashakkori & Teddlie, 2010). The relationship of the research objectives and
questions is described below. The location of the answers to each research question in this thesis is also provided below:

Table 1 Relationship of Research Questions to Research Objectives

<table>
<thead>
<tr>
<th>Research Question</th>
<th>Research Objectives</th>
<th>Location in Study</th>
</tr>
</thead>
<tbody>
<tr>
<td>What are the theoretical and empirical gaps in how familiness been used to explain the distinctive nature of family firms?</td>
<td>Objective 1: Critically analyse the literature on family-owned businesses, Bourdieusian theory and innovation.</td>
<td>Literature Review</td>
</tr>
<tr>
<td>How can Bourdieu’s powerful theories of doxa, fields and habitus be applied to meet these theoretical gaps in our understanding of familiness?</td>
<td>Objective 2: Establish the extent and attributes of familiness through analysis of secondary, quantitative data.</td>
<td>Quantitative Findings</td>
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<tr>
<td></td>
<td></td>
<td>Qualitative Findings</td>
</tr>
<tr>
<td>What significant empirical differences exist between family and non-family firms in relation to business performance and what is the nature of those differences?</td>
<td>Objective 2: Establish the extent and attributes of familiness through analysis of secondary, quantitative data.</td>
<td>Quantitative Findings</td>
</tr>
<tr>
<td>Research Question</td>
<td>Research Objectives</td>
<td>Location in Study</td>
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<td>----------------------------------------------------------------------------------</td>
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<tr>
<td>How do doxa, fields and habitus influence innovation in individual family firms?</td>
<td>Objective 3: Explore Bourdieusian themes in relation to innovation and familiness through analysis of primary, qualitative data.</td>
<td>Qualitative Findings</td>
</tr>
<tr>
<td>Can taxonomy of family firms be created in relation to familiness and innovation?</td>
<td>Objective 4: Produce a taxonomy of family firms underpinned by the quantitative and qualitative findings.</td>
<td>Discussion and Recommendations</td>
</tr>
<tr>
<td>How can family firm owners leverage familiness to improve innovation?</td>
<td>Objective 5: Produce policy and practice recommendations for government and businesses on how to improve innovation in family firms.</td>
<td>Discussion and Recommendations</td>
</tr>
<tr>
<td>What types of government policies would best help family firm owners to improve innovation across the different taxonomies of family firms?</td>
<td>Objective 5: Produce policy and practice recommendations for government and businesses on how to improve innovation in family firms.</td>
<td>Discussion and Recommendations</td>
</tr>
</tbody>
</table>

1.4 Layout of thesis

The thesis is laid out as follows: the first chapter is this, the introductory chapter, which is followed by the literature review chapter. The next chapter covers the methodological...
approach, which is then followed by the quantitative findings and qualitative findings. The subsequent chapter is the discussion chapter and finally, the conclusion chapter. The conclusion chapter includes policy recommendations and future directions for research. The references section ends this volume. A second volume contains the appendices with details of a structured journal review and details of the quantitative and the qualitative study, followed by the interview transcripts.

The style of this thesis is based on the sixth edition of the Publication Manual of the American Psychological Association (American Psychological Association, 2010).

1.5 Chapter Summary

This introductory chapter has outlined the study by describing the research aim, objectives and research questions, including where answers to the research questions can be found in this document. The chapter has outlined the relevance of the topic to academic and policy debate. The discussion now moves on to a critical analysis of the literature in four sections: firstly, the literature on the nature of the family firms; secondly, a discussion of Bourdieu’s concepts of doxa, fields and habitus; thirdly, a description of the nature and role of innovation and finally a discussion of the manufacturing context.
2 Literature Review

2.1 Introduction

This chapter critically reviews the literature associated with the research questions by investigating four areas: family firms, Bourdieusian theories, innovation theories and the manufacturing industry.

Firstly, the distinctive nature of family firms is discussed. This section will critically evaluate theories of familiness and will be followed by a discussion of innovation in family firms and the significance of family firms to the economy. Secondly, Bourdieu’s concepts of habitus (physical and mental habits), doxa (rules) and fields (social spaces) are explored and the extent of their use in business studies and in innovation studies is outlined. Thirdly, the role of innovation in maintaining competitive advantage in a firm is discussed, as is the wider development of thought on innovation. Fourthly, the significance of innovation for the manufacturing industry and the context of manufacturing as the site of this study is analysed. These four sections together will summarise the theoretical and empirical grounding of the research.

The chapter forms the basis from which the research methodology will be developed. In the first section below, the nature of family firms and the ambiguous nature of family firm advantage will be discussed.
2.1 Overview of the Literature

In order to provide a simple, visual overview, the literature has been mapped out in the diagram below:

Figure 1: Map of the Literature

![Map of the Literature](image)

The literature mapped above will be discussed in the following order: the discussion will start with the theories and significance of family firms (the literature shaded in green in the diagram above), followed by Bourdieusian concepts of habitus, fields, and doxa (the literature shaded in orange), followed by innovation literature (the literature shaded in dark blue) and concluding with the literature on manufacturing (the literature shaded in light blue).

The overall conceptual framework of Bourdieu drives the literature selected for both the discussion on familiness and on innovation. The literature on family firm innovation draws from the wider conceptual framework of innovation by authors such as Schumpeter and Penrose, Kuhn, and Amabile. The literature on manufacturing is largely empirical, policy
oriented and organised in relation to the wider context of innovation and of family firms. The literature on manufacturing both influences the discussion of innovative family firms and is also influenced by the discussion on family firms. This chapter now continues with a detailed discussion of the unique nature of the family firm.

2.2 Theories and Significance of the Family Firm

This is the first of four sections which explore the nature of the family firm. The first section begins with an examination of the history of family firm studies. Then, theories of familiness and the distinctive nature of family firms will be critically evaluated. The methods for measuring familiness will be then outlined and the selection of a particular measurement tool, “F-PEC” (Astrachan, Klein, & Smyrnios, 2002), will be justified. The importance of family firms to the wider economy will be explained and policy support for family firms from the UK government will be examined. This section will conclude with evidence to demonstrate that family firms are both distinctive and important to the economy of the United Kingdom.

2.2.1 The Context of Family Firm Studies

Within the United States of America and the United Kingdom, family firms have long been the mainstay of the economy (Sharma & Carney, 2012). Alfred Marshall (1890) believed in the “shirtsleeves to shirtsleeves in three generations” aphorism: that family firms would inevitably decline as future generations would be less ambitious and, by the third generation, the family firm would have withered altogether (Lazonick, 2005). Marshall saw family firms as crucial for economic growth and social equality, because they would prevent a few large firms from dominating the economy. At this stage, family firms dominated the business landscape in the 19th and early 20th century (R. Harris, 2000) indicating there was little need to research them differently to the few existing non-family firms. As the inter-war years created new forms of firm ownership in the early 20th century, historians, economists, accountants, lawyers, and
business scholars started to pay attention to the distinctive nature of family firms (Colli & Rose, 2007).

Early studies focussed on the negative aspects of family firms. Schumpeter was critical of the stagnation and wealth concentration created by “family ownership of controlling parcels of stock [which] make many an owner-executive behave as the owner-manager did of old” (Schumpeter, 1943, p. 165). Subsequent literature found family-focussed, irrational objectives in conflict to business-focussed, rational objectives (Calder, 1961; Levinson, 1971). For example, family firm owners, who rewarded their staff irrespective of ability, reduced an individual’s incentive to innovate (Kerr, Harbison, Dunlop, & Myers, 1962). However, even these influential authors recognised that irrational motives were not the unique preserve of family firms: “After all, family self-interest is similar to any other human factor that competes with or otherwise interferes with corporate objectives.” (Donnelley, 1964, p. 97). Chandler noted that the financial conservatism, lengthy decision-making and desire for control from the owner-managed family firms hindered their growth into a large-scale, industrial enterprises (Chandler Jr. & Hikino, 1994). Recommendations from these early scholars were for family firms to become less like family firms: to recruit non-family boards and managers, to reduce oversight from family members and to use shorter investment timeframes.

There is now considerable evidence that early writers underestimated the resilience and creativity of the family business. Family businesses continue to be the dominant form of business globally (Miller, Le Breton-Miller, & Scholnick, 2008). Both the ubiquity and idiosyncratic nature of family firms explain the scholarly attention family firms receive (Sharma, 2004). Family firm scholars have investigated how family firms overcame the

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2 The family of the business theorist Alfred du Pont Chandler Jr. was, ironically, part of the du Pont family, which, contrary to du Pont Jr.’s prediction, successfully transformed into a huge industrial enterprise.
difficulties identified by earlier scholars, including how to planning for smooth succession (Hubler, 1999; Lansberg & Astrachan, 1994; Scholes, Westhead, & Burrows, 2008), effective management of non-family members (Michael-Tsabari & Wee Liang, 2013; Sonfield & Lussier, 2009b) and creating objective governance systems (Chen & Hsu, 2009; Steier, Chrisman, & Chua, 2004). Scholars have also identified the distinctive values of family firms, such as stewardship of the firm for future generations (Miller, Le Breton-Miller, & Scholnick, 2008), the patient deployment of capital (Danes, Stafford, Haynes, & Amarapurkar, 2009; Sirmon & Hitt, 2003) and location near or even within the family home (Getz & Carlsen, 2005). Demographic changes are also creating new opportunities for family firms. Longer life-spans are creating “beanstalk” families, where three or more generations of a family business are actively involved in the business (Björnberg & Shams, 2005) and where younger family members can learn from and contribute to the strategies developed by their older relatives. The distinctive behaviours and values identified by such studies have recently been termed familiness.

### 2.2.2 Theories of Familiness

The focus on familiness as a source of sustainable competitive advantage over non-family competitors has occurred recently, as family business research has matured from its practitioner roots in the early 21st century, to its current stage of adolescence (Lorna, Nicholas, & Regan, 2011; Schulze & Gedajlovic, 2010). Familiness is a concept that has been deployed within a variety of theories, as summarised in the table below.
<table>
<thead>
<tr>
<th>Theoretical Viewpoint</th>
<th>Key Family Firm Studies</th>
<th>Unit of study</th>
<th>Study Conclusion</th>
<th>Critical Gaps of the Theory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agency Theory (Jensen &amp; Meckling, 1976)</td>
<td>(Block, 2012; Chrisman &amp; Patel, 2011; Fama &amp; Jensen, 1983; Kidwell, Kellermanns, &amp; Eddleston, 2012; Schulze, Lubatkin, Dino, &amp; Buchholtz, 2001)</td>
<td>Individual level</td>
<td>Familiness as behavioural problems, to be managed through improved governance.</td>
<td>Fails to address non-financial motivations; assumes rational actors; assumes organisational conflict.</td>
</tr>
<tr>
<td>Stewardship Theory (Chrisman, Chua, Kellermanns, &amp; Chang, 2007; Donaldson &amp;)</td>
<td>Individual level</td>
<td>Familiness as behavioural assets, to be leveraged for</td>
<td>Assumes rational actors; assumes no organisational</td>
<td></td>
</tr>
<tr>
<td>Theoretical Viewpoint</td>
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<tr>
<td>Socio-Emotional Wealth (Berrone, Cruz, &amp; Gomez-Mejia, 2012)</td>
<td>Pearson, Carr, &amp; Shaw, 2008</td>
<td>Individual level</td>
<td>Familiness as a unique source of positive attributes.</td>
<td>Assumes no negative outcomes from familiness.</td>
</tr>
</tbody>
</table>

The next section will discuss each of these five theories in more detail.

**Theory 1: Resource-Based View**

The first theory of familiness to be discussed is the resource-based view (RBV) of strategy (Barney, 1991). The RBV view been used to locate familiness as an organisational asset that is impossible to imitate (Chrisman, Chua, & Litz, 2003; Litz, Pearson, & Litchfield, 2012). RBV-influenced family firm theory describes familiness as the cumulative effect of “the systems interaction between the family, its individual members and the business” (Habbershon & Williams, 1999, p. 11). Habbershon (2006) argues that the unique interaction between a family and its environment create unique synergies that can promote long-term value creation. High
levels of altruism, trust, and hard work create an advantage during the early stages of a firm. However, at a later stage, familiness can create agency problems, specifically “group think” and difficulty in managing non-family employees. The major weakness of applying RBV to family firms is that it does not open up the “black box” of the family. How family values and dynamics combine to deploy familiness vary greatly across firms. In a wide-ranging survey of the critiques of RBV, it is pointed out that it is hard to derive management guidelines on how to deploy resources from RBV theory (Kraaijenbrink, Spender, & Groen, 2010). As family firm managers have been found to be poor at strategic planning (Eddleston, Kellermanns, & Sarathy, 2008), RBV becomes even less helpful in assisting family firm owners to deploy their rare and valuable resources. While Habbershon’s RBV-influenced definition of familiness borrowed lightly from agency theory, subsequent family firm theorists have given agency theory a more central role in explaining familiness.

Theory 2: Agency Theory

The second theory of familiness to be discussed is agency theory. This theory states that the agent-manager will tend towards opportunistic self-serving behaviour, rather than behaviour aimed at maximising the principal’s interest (Jensen & Meckling, 1976). Agency theory proposes that there are two aspects of agency-type relationships: firstly, the interests and plans of the agent-manager and of the principal-owner; secondly, the risk-taking propensity of the agent-manager and the principal-owner. Both these aspects have a tendency to diverge under certain circumstances. This divergence may lead to a conflict of preferences when making investment and other decisions (Eisenhardt, 1989). Principals-owners of family firms prioritise the harmonising of conflicting preferences. This is achieved by implementing incentives (both encouraging and punitive) to ensure that the their agent-managers are behaving in a way that meets their own objectives (Sharma & Carney, 2012). The costs of negotiating and
implementing these incentives, as well as the costs of monitoring them, are referred to as agency costs. These costs can be high. Information within the family firm is often asymmetric and family members know much more than their non-family colleagues (Alchian & Woodward, 1988).

Early agency theorists argued that family firms have no agency problems, as the principal-owner and agent-manager are all family members and will therefore share the same goals (Fama & Jensen, 1983; Schulze, Lubatkin, & Dino, 2003). However, the rise in popularity of agency theory (Zellweger et al., 2010) is attributable to subsequent research indicating that agency problems can be seen throughout family firms. The problems can be caused by children (agents) seeking to exploit parents (principals) through opportunistic behaviour such as shirking, free-riding or unjustifiably high financial compensation (Chrisman & Patel, 2011; Kidwell et al., 2012). Family members may dilute investment into research and development, as family members may be less familiar with firm processes, distracted by family rivalries and more focussed on short-term gain (Block, 2012). Outside the family firm, conflict between family and non-family shareholders creates agency costs (Villalonga & Amit, 2006). The strength of agency theory is in its pragmatic recommendations as to how to reduce agency costs within the family firm, such as recruiting non-family board members, employee inductions which require learning the family values, and apprenticing younger family firms to external firms (Chen & Hsu, 2009; Kellermanns & Eddleston, 2006; Steier et al., 2004). Agency theory’s strength is in the recognition of conflicts that are inherent in the family firm. The weakness of agency theory is the assumption that all actors are motivated by either opportunism or financial self-interest, which disregards the altruism inherent in family firms.

The limitations of agency theory have fostered the growth of stewardship theory, which foregrounds non-financial motives (Donaldson & Davis, 1991, 1993).
Theory 3: Stewardship Theory

The third theory to be discussed is stewardship theory. Stewardship theory argues, in opposition to agency theory, that managers are motivated by “the need to achieve, to gain intrinsic satisfaction, to exercise responsibility…and thereby gain recognition from peers and bosses” (Donaldson & Davis, 1991, p. 16). Stewardship theorists argue that family firms are more altruistic than non-family firms, fostering long-term loyalty in employees (Davis, Allen, & Hayes, 2010) and providing empowering leadership more likely to generate opportunities for employees (Eddleston et al., 2008).

Stewardship theory is considered suitable for family firms with high goal congruence, stable staffing and symmetric information, and where the family wishes to retain its dynamic (Davis et al., 2010). The distinction between value capture and value creation, which is a growing part of entrepreneurship literature (Santos, 2012), indicates when agency and stewardship theory should be used. When value is being created, in the early stages of a firm, there will be high levels of trust, few non-family members, and simple decision-making. At this stage, stewardship theories are more suitable. (Dodd & Dyck, 2015). When value is being captured, in the later stages of the firm, there will be lower levels of trust, more non-family members and complex decision-making. At this stage, agency theory is more applicable (Dodd & Dyck, 2015). An additional strength of agency and stewardship theories is their wider relevance to business literature and that they can both be applied to the family firm under certain circumstances (Miller et al., 2008).

The strength of agency and stewardship theory, and the connection to the theories selected for use in this research study, is in the recognition of the complex values and behaviours that
operate within the family firm (Madison, Holt, Kellermanns, & Ranft, 2016). However, stewardship and agency theory can produce incompatible recommendations: for example, agency theory recommends monitoring and policing systems to identify and punish opportunistic behaviour. Stewardship theory argues that this type of punitive control and monitoring could dis-incentivise employees and family members who are working to altruistic goals (Chrisman et al., 2007).

A further weakness of both theories is in the assumption that individuals are driven by longer-term goals, whether these goals are primarily for their own, or for others’ benefits. As early as 1943, Schumpeter noted that consumerism and smaller family units resulted in short-term horizons because of the owner’s self-interest: “from the standpoint of his individualistic utilitarianism…he loses the capitalist ethics that enjoins working for the future irrespective of whether one is going to harvest the crop oneself” (Schumpeter, 1934, p. 160). A further weakness of agency and stewardship theories is their reduction of complex family relationships to a simple binary relationship between the agent-manager and principal-owner. This “arid and superficial portrait” of the family firm has been criticised as ignoring the nature of familiness and how the family firm uniquely relates to its environment (Gedajlovic, Lubatkin, & Schulze, 2004, p. 901).

**Theory 4: Social Capital Model**

A more complex and rich description of familiness comes from the fourth theory to be discussed: the social capital model, which is the first to implicitly draw upon Bourdieusian theory, although the debt to Bourdieu is rarely acknowledged in the literature (Fine, 2001, 2010). The first systematic sociological analysis of social capital was described by Bourdieu in an, as yet untranslated, article in the *Actes de la Recherche en Sciences Sociales* in 1980. This
definition was later enhanced and translated to an English-language journal, where Bourdieu argues that social capital is “the aggregate of the actual or potential resources which are linked to a durable network or to… membership in a group” (Bourdieu, 1980). Bourdieu took an instrumental analysis to defining “social capital” and focussed on how advantages can accrue to people who belong to the group. An additional benefit was the convertibility of social capital into economic capital. This conversion can take place, in a family firm through subsidized loans, investment tip-offs, and preferential access to markets (Portes, 1998).

Furthermore, social capital does not occur accidentally: it is consciously created from “the network of relationships [that] is the product of investment strategies, individual or collective, consciously or unconsciously aimed at establishing or reproducing social relationships that are directly usable in the short or long term.” (Bourdieu, 1985, p. 242).

Considerable investment is required to maintain these social relationships, which extend from the family firm to suppliers, customers and banks outside the firm. Bourdieu’s concept of social capital therefore takes place within a wider framework which requires definition and understanding. It is this wider framework that uses the less-well known “investigative apparatus” (Fine, 2010) of habitus, doxa, and fields. The way in which Bourdieu’s powerful analytical framework can be used to understand this wider framework will be described later in this chapter.

The concept of social capital has become popular within business and economics literature (R. Lee, 2009; Woolcock, 1998) due to its ability to explain non-economic factors affecting outcomes. As such, social capital has been used as a residual theoretical and empirical factor which is capable of capturing anything non-financial that might contribute to firm performance,
as in influential studies by Coleman (1988), Nahapiet and Ghoshal (Nahapiet & Ghoshal, 1998) and Lesser (2000). Sociologists have argued that the concept of social capital has become “parasitical, only prospering in its own degraded and degrading way through drawing upon social theory selectively and, inevitably, at its expense.” (Fine, 2010, p. 4). In particular, Bourdieu’s focus on class, power, conflict and the way that different types of capital (such as social capital or cultural capital) are used to reproduce and transform society has been overlooked by family firm literature. Family firm literature continues to assume rational and self-interested actors and an entirely positive view of the benefits that social capital can bring (Arregle, Hitt, Sirmon, & Very, 2007; Chang, Memili, Chrisman, Kellermanns, & Chua, 2009; Pearson et al., 2008).

The social capital model of family firms (Pearson et al., 2008) demonstrates these problems of superficiality and over-optimism. However, as the main Bourdieusian theory relating to family firms, it justifies in-depth discussion. The social capital model of family firms combines social capital with an RBV perspective to offer another lens through which to view familiness. The model argues that family is a type of social network, and family firm members can share the same relational (norms and obligations) and cognitive attributes (vision and language) (Arregle et al., 2007). These relations and attitudes have been developed and reinforced since childhood. The structural dimension argues that the family firm has unique interactions within the firm, which encourage strong ties between family members. These “social capital resources” result in capabilities of superior information exchange, shared goals and congruent actions (Pearson et al., 2008). Women have been argued to have less social capital than men, which results in the absence of women in ownership and management roles in family firms (Renzulli, Aldrich, & Moody, 2000). The illustration below outlines how family firm interactions provide unique developmental conditions for creating social capital.
The social capital model illustrated above has not been widely adopted as an explanation for familiness in family firm literature. This is partly due to the confusion of terms in the model: “trust”, which appears in this model as part of the “relational dimension” of social capital, should not be equated with social capital as the model proposes. Elsewhere in the extensive business literature on social capital, Fukuyama (1995) and Inglehart (1997) both confuse trust as being equivalent to social capital. In Bourdieu’s model, trust is conceptually different from social capital, being both a source and effect of social capital: for example, trust between family members may generate behaviours that build social capital. The effect of social capital may result in improved trust; for example, the social capital of a family firm owner may contribute to building trust with their suppliers. This is an effect that takes many years to build. Furthermore, trust is a psychological state of one individual towards another, whereas social capital is a form of social obligation which is convertible, under certain circumstances, into economic capital. Another difficulty with the model illustrated above is that social capital is viewed as having an entirely beneficial effect on the business. Depending on the type of family
firm, social capital may generate insularity and risk-aversion, both of which are detrimental to creating innovation.

A more fundamental weakness of social capital, stewardship and agency theories is the assumption that rational self-interest governs both owners and employees, and that business decisions are taken for the benefit of the firm, albeit through either controlling or a supportive systems. Penrose noted that profits are not the main motivation of many family firm owners, who instead view their firm “as their life’s work, as a constructive creation to which they can point with pride and which they can pass on in full strength to their children” (Penrose, 1959).

**Theory 5: Socio-Emotional Wealth**

Penrose’s observation is the source of the fifth theory of familiness to be discussed; social emotional wealth (SEW) theory, whereby the key motivation for family firm owners is to use the family business to enhance their personal reputation, rather than business profits, through the generation of social capital (Sirmon & Hitt, 2003).

Socio-emotional wealth theory works from Penrose’s original premise, that the social and emotional resources of a family firm dominate decision-making (Berrone et al., 2012). SEW also draws from behavioural theory to argue that the perspective of the dominant principals influences their choices. For principals who are family firm owners, their perspective is to conserve socio-emotional endowment. If this endowment is threatened, for example, by diversifying which would reduce family control, then family firm owners will make decisions in order to protect it that may put the firm at risk. SEW is better described as a benefit, rather than a source of wealth, as, unlike wealth, it cannot be stored, traded, or generate earning. Instead, SEW is the pride or satisfaction that comes from ownership and control of the firm.
SEW theory attempts to break down the “black box” of the family firm by describing the resources and capabilities that create competitive advantage. SEW theories are less powerful on how the family interacts with society, the market and wider economic conditions. Proponents of SEW theory argue that is has the potential to become dominant as a paradigm for explaining familiness in family business studies (Berrone et al., 2012). However, the difficulty in constructing a practical scale of SEW familiness has limited the application of SEW to wider family firm research.

Discussion of these five theories has shown that familiness continues to be an elusive concept despite attempts to locate it using RBV, agency/stewardship, social capital and SEW theories. RBV, agency/stewardship and social capital theories were developed for businesses where the economic imperative is primary (Berrone et al., 2012). SEW theory fails to account for wider influences outside the black box of familiness. Social capital theory, which has the most pronounced Bourdieusian influence, has the most promising basis for defining familiness given its ability to connect the wider ecosystem in which a family firm operates with the unique values and actions of the family.

Despite the theories mentioned above, the problem of defining familiness at a theoretical level (Sharma, Chrisman, & Gersick, 2012). There have long been calls for studying family firms from a multi-dimensional perspective in order to develop a more holistic understanding of the family firm (Seaman, 2012). This study will go on to develop a Bourdieusian-derived explanation of the nature of familiness.
2.2.3 Measuring Familiness

As can be seen from the discussion above, the wider field of family business studies continues to suffer from the problem of defining familiness. This problem has contributed to the difficulty in establishing family business as a valid area of academic and policy research (Steier et al., 2004; Stewart, 2010). The editorial in the very first issue of *Family Business Review* introduced the problem of how the family business should be defined (Lansberg, Perrow, & Rogolsky, 1988). Crucially, the involvement of a family in the business does not necessarily lead to familiness (Irava & Moores, 2010). Authors continue to note the variety and scale of family firms worldwide (Colli & Perez, 2012; Garcia-Alvarez & Lopez-Sintas, 2001; Marques, Presas, & Simon, 2014; Sharma, 2004). Given the heterogeneity of family firms, it has been recommended that explicit measures are used to place individual family firms on a scale of familiness (Litz et al., 2012; Pearson, Holt, & Carr, 2013; Zellweger et al., 2010). A number of scales exist for measuring familiness across different areas of activity and identity, including scales for corporate social responsibility (Marques et al., 2014), socio-emotional wealth (Berrone et al., 2012) and family culture (Björnberg & Nicholson, 2007) and ownership, management, and governance (Astrachan et al., 2002). Astrachan, Klein and Smynios’ “F-PEC” tool (2002) provides the most comprehensive overview of family firm activities. F-PEC, or “Familiness-Power Experience Culture”, defines familiness as a scale across three aspects: Power (the extent to which the family is involved in ownership, management, and governance), Experience, (the number of generations of family involved in the firm) and Culture (the extent to which the cultural values of the family are replicated in the firm). In addition, F-PEC is one of the most widely used scales in family firm literature (Pearson et al., 2013), and therefore its use in this study locates this study within the wider field of family business literature. F-PEC has also been independently tested as the most valid and reliable of familiness scales (Holt, Rutherford, & Kuratko, 2009; Pearson et al., 2013). These tests report each of the three
constructs involved, (power, experience and culture), as being highly internally consistent (alpha =.75) through factor analysis (Astrachan et al., 2002). Given the rise in empirical research in family business studies in the last 25 years (Evert, Martin, McLeod, & Payne, 2015), using an established scale is crucial to provide an construct validity and reliability when comparing family firms to each other. F-PEC is however insufficient to provide an in-depth exploration of the nature of familiness as it restricts itself to only three dimensions. Attributes of family firms, such as their interaction with other fields of activity are excluded or minimised. The differences in output between family firms and non-family firms (such as profit, turnover, and innovation) are not examined by the F-PEC scale. Therefore this study will provide a more comprehensive and discriminating method of identifying familiness by using statistical differences, exploratory factor analysis, and chi-squared testing.

This section has justified the use of the F-PEC scale in order to provide a valid and reliable sample of family firms for the qualitative part of this study. The deficiencies of F-PEC in providing a fine-grained analysis of familiness have also been explained. The need for a detailed exploration of familiness, which will be provided by this research, has thereby been justified.

2.2.4 The Economic Significance of Family Firms

In order to justify the main focus of family firms for this study, it is important to understand the significance of family business to the United Kingdom economy. In the most recent report on United Kingdom family firms, commissioned by the Institute of Family Business, United Kingdom family firms were responsible for 9.2 million jobs, or 40% of total private sector employment in 2013 (Institute for Family Business, 2014). Family firms generated revenues of
£1.1 trillion in 2010, or 35% of private sector turnover, and £81.7 billion in tax receipts, or 14% of government tax receipts, in 2010 (Institute for Family Business, 2010).

It is estimated that the North-West region has the third highest number of family firms in the United Kingdom after London and the South-East region, with 301,603 or 10.2% of all family firms in the United Kingdom (Institute for Family Business, 2014). Four out of the top 10 positions in “North West Business Insider’s Power 100” of 2013 were held by family firm owners (North West Business Insider, 2013): Fred and Peter Done who own Betfred, John Whittaker, whose family owns the Peel Group, Chris Oglesby whose family owns Bruntwood and Simon and Bobby Aurora, a second generation family firm who own B&M. All these family businesses had a market valuation of between £2 billion and £6 billion in 2015.

Proving the existence of family and non-family differences is difficult, given the inconsistency in differentiating between family and non-family firms in existing datasets. Large-scale, reliable datasets which differentiate between family firms and non-family firms do exist. These include the quarterly Labour Force Survey (Office for National Statistics, 2013a) and the Small Business Survey (Department for Business Innovation and Skills, 2013b). However, combining information from these datasets is problematic in terms of family firm-specific research. The first problem is that each United Kingdom dataset uses different definitions: the Labour Force Survey questionnaire from 2012-2013 did not define “family business”. Instead, respondents were asked “Do you work for a family business?” and were therefore expected to self-define a “family business” (Office for National Statistics, 2013b). However the Small Business Survey 2012 asked respondents whether or not their business was ‘majority-owned by members of the same family’ and then used this information to code the business as family-owned or not (Department for Business Innovation and Skills, 2013b). The United Kingdom government’s
decision to use two different definitions of “family business” is surprising given that the European Commission found over 90 different definitions of family business in use in 2009 (European Commission, 2009a) and recommended that governments use only one definition in future. The use of two different definitions in the Labour Force Survey and the Small Business Survey means these datasets cannot be combined within the remit of this study. Secondly, neither dataset includes information for large family firms. For these reasons, the focus of this is study is SME family firms. The Small Business Survey has been selected as the primary quantitative data source, as it provides the most comprehensive overview of business performance.

Given the significance of the family firm to the United Kingdom economy, there is a lack of consistent family firm-specific policies within the United Kingdom. The Regional Development Agency (RDA) from 1998 to 2010 offered local training to SMEs, including family firms, The RDA’s remit for encouraging regional growth subsequently became the responsibility of Local Enterprise Partnerships, or LEPs (National Audit Office, 2010). The RDAs were intended to generate economic growth and reverse decline in regions, and in SME firms, above what would have been possible from the private sector alone (National Audit Office, 2010). The LEPs were intended to share knowledge and ideas between businesses and local government. However, neither the RDA nor the LEP strategies for the North-West included specific remits to assist family firms. The most recent United Kingdom government report into family firms does not make specific policy recommendations for family firms, despite noting their prevalence as part of the economy (Department for Business Innovation and Skills, 2013b). The report also notes their tendency to be clustered in the micro or small end of the spectrum, which indicates a reluctance or inability to grow and a tendency to avoid borrowing for growth. These differences suggest that family firms are indeed distinct from non-
family firms and require additional support to help them grow. Elsewhere, recommendations have been made by the Institute for Family Business and by the European Commission (European Commission, 2009b; Institute for Family Business, 2010, 2014). Until the BIS report of 2013, these were the only organisations with a United Kingdom remit to have commissioned and published research into the family firm. These recommendations include:

1. Assistance to succession planning in family business to ensure that business ownership transfers in an organised way which protects the long term continuity of the business.

2. Providing management education and mentoring programmes specific to family business.

3. Specific programmes including tax reliefs to improve R&D, training, and export increases in family firms.

These policy recommendations will be reviewed and updated in the Conclusions section of this study following the in-depth quantitative and qualitative analyses.

2.2.5 The Contested Existence of Familiness

There appears to be an ambivalence about whether familiness exists, that is whether the performance of family firms is indeed different from those of non-family firms. The “Small Business Survey 2012 SME Employers – Focus on Family Business” remains the only United Kingdom government survey to have been undertaken on large-scale family data (Department for Business Innovation and Skills, 2013b). This survey covers the differences in performance between family and non-family firms, but does not analyse the differences by sector. The report concludes that:
“SBS 2012 data on family firms is not sufficiently distinctive between family and non-family firms as to suggest that observed variation in recent business performance and expectations for the future is strongly driven by differences in the competence levels of family and non-family firms.” (Department for Business Innovation and Skills, 2013b, p. 96).

The conclusion above explains why there is no specific policy support for family firms: the UK government does not believe that there are sufficient distinctions between family and non-family firms. However, the report goes on to acknowledge that:

“it is possible that [most of the differences] for family firms were the result…of differences in the size and sector composition of the family business and non-family business sectors rather than relating to “family business” qualities as such.” (Department for Business Innovation and Skills, 2013b, p. 96).

This statement qualifies the earlier conclusion that there are no significant differences between family and non-family firms. The report authors do not acknowledge that there may be sector differences which would, if taken into account, reveal that family and non-family firms behave distinctively. The implication for this study is that there is a lack of clear justification at the United Kingdom government level as to whether family firms are indeed distinctive, and whether any potential distinctiveness is caused by familiness rather than by size or sector differences. This research will meet this empirical gap by confirming the distinctive nature of family firms through quantitative analysis, and by exploring the nature of the familiness through a Bourdieusian analysis.

This section has outlined the history of family business studies, critically evaluated theories of familiness and justified the selection of “F-PEC” as a measure of familiness. This section has outlined the difficulty in defining the concept of familiness, which has been broadening since the inception of family firm research, to include ever-more values and behaviours. In
conclusion, the lack of a universal theory relating to familiness continues to be a barrier to furthering the family firm research agenda (Weismeier-Sammer et al., 2013). This research will fill this theoretical gap through the application of a Bourdieusian conceptual framework to the understanding of familiness. Finally, this section has outlined the importance of family firms to the wider economy, noted the lack of policy support for family firms and the ongoing policy debate about whether family firms are indeed distinctive. This research will fill this empirical gap by establishing, through the use of a large-scale, valid and reliable dataset, whether family firms are indeed substantively different from non-family firms.

2.3 Derivation and Definition of Bourdieusian concepts
This section will define Bourdieu’s use of the terms, habitus, doxa and fields, and provide an overview of how these “thinking tools” were derived from earlier philosophers and scientists. This chapter will go on to explain Bourdieu’s meta-theoretical interests which are crucial in understanding how the “thinking tools” fit into a wider framework of power, domination and reproduction in society. Examples of how doxa, fields and habitus can operate within the family firm have been provided, in order to justify the selection of these “thinking tools”. The chapter concludes by exploring the extent to which Bourdieusian analysis has been used in entrepreneurship and innovation literature. This section starts with situating Bourdieu within the wider context of sociology.

2.3.1 Bourdieu’s Theoretical Perspectives
Pierre Bourdieu (1930-2002) and his theoretical perspectives have been widely referenced in Western sociology (Bourdieu & Wacquant, 1992; Fine, 2010; Jenkins, 2002). His concepts, such as habitus, fields and doxa, do not, however, form a “grand theory” in the style of those “practitioners [who] never get down from the higher generalities to problems in their historical and structural contexts” (Mills, 1959, p. 33). Bourdieu was impatient of ideologies, including
Marxism and abstract theory, because he believed they implied an “aristocratic…separation between the true knowledge and false consciousness” (Eagleton & Bourdieu, 1992, p. 113). Bourdieu was instrumental in outlining a path of retreat from the extremes of postmodernism and neo-liberalism (Fine, 2010). Bourdieu’s statements of intent and his work present considerable contradictions: while he conducted empirical research, his conceptual language appears fundamentally anti-positivist. While his concepts of habitus, fields and doxa were developed out of the specific empirical context of post-colonial Algeria in the 1960s (Bourdieu, 1979), he proceeded to apply them to many other political contexts, places and times. Bourdieu rarely refers to “theory” in the titles of his own work or in chapter headings (Bourdieu, 1977; Edelman, Bourdieu, Thompson, Raymond, & Adamson, 1992), yet he is widely referred to as a sociological theorist by admirers and critics alike (Bourdieu, Calhoun, LiPuma, & Postone, 1993; Fowler, 1997; Gorski, 2013; Jenkins, 2002; Shusterman, 1999)

This study takes the approach that is more helpful to think of Bourdieu as practical thinker, rather than an abstract theorist. In this view, Bourdieu, in the vein of Durkheim, defended categorisation and using instruments of analysis in the social sciences. Bourdieu subsequently presented the body of his work as “thinking tools visible through the results they yield” (Bourdieu & Wacquant, 1992) or as “orienting tools for research” (Gorski, 2013).

Yet consigning Bourdieu to the realm of pure pragmatism runs the risk of removing his analytic concepts from a broader framework of principles, and of using his concepts superficially. Bourdieu explicitly rejected the “conceptual gobbledygook…that is good for textbooks…and passes for “theory” in much of Anglo-American social science” (Bourdieu & Wacquant, 1992, p. 50). His concepts are much more than simple methodological tools. Instead, Bourdieusian concepts are located in a number of meta-theoretical principles, which will now be addressed:
2.3.2 The Importance of Power in Bourdieusian Theory

The analysis of power is the foundation of Bourdieu’s work (Fowler, 1997; Gorski, 2013). His “thinking tools” aim to uncover the hierarchical, judgemental nature of the social world. In the social world, custom and practice are perpetuated through processes of reproduction and domination (Gorski, 2013). Individuals are classified and judged by those higher up in the social order. Language, clothing and behaviour are used to dominate those lower in rank and to maintain power structures. Habitus can be used to uncover how power is perpetuated through custom and practice; doxa, are the taken-for-granted rules that enforce social hierarchies, and fields are the specific geographical and social sites of struggle over resources. The three conceptual tools that will be used in this study, habitus fields and doxa, are critical to understanding the operation of power in the social world.

2.3.3 How Individuals are Connected in Bourdieusian Theory

Bourdieu’s work examines the structures of relations that connect and differentiate individuals (Bourdieu & Wacquant, 1992). This focus is well suited to a study of family firms, where there are family structures that differentiate between parent and child, and also between owner and employee. Relational thinking allows the neat avoidance of focussing on a single unit of analysis, which is a known problem in family firms: whether to study the firm or the family (Melin, Nordqvist, & Sharma, 2014).

2.3.4 Bourdieu’s Diverse Methodological Approach

Bourdieu used large-scale datasets both inductively and deductively and it was through studying marriage statistics in Algeria that Bourdieu started to criticise the rule-governed strictures that denied power to women (Bourdieu, 1979). He later used large-scale datasets to inductively derive theories of habitus and doxa in the field of culture (Bourdieu, 1984a), which were supplemented by in-depth interviews to understand how individuals subjectively experienced habitus and doxa, in this particular field. His reliance on quantitative and
qualitative data for both theory-building and theory-testing has led to accusations of “residual positivism” (Jenkins, 2002, p. 60; Laberge, 2007). His focus on power and domination are based on a privileging of the “objective” nature of a hostile external world, rather than the individual differences in how this world is subjectively experienced. Bourdieu is, therefore, a mixed methods, positivist researcher, with a firm belief in the existence of a social reality that has the power to influence individual behaviour. Mixed methods is an appropriate methodology for investigating how behaviours and power structures are reproduced within family firms. Bourdieu’s mixed methods approach is therefore used in this research, which seeks to confirm whether familiness does indeed exist in the field of the family and the firm.

2.3.5 The Philosophical Origins of Bourdieu’s Theories

Turning to the philosophical origins of Bourdieu’s concepts, his concepts of habitus, fields and doxa did not originate from a single philosophical figure (Weininger, 2005). Instead, Bourdieu borrowed widely from earlier sociologists in developing his unique concepts. Bourdieu was trained in classical philosophical theories and lectured on Durkheim and Saussure in 1958-1959 when trying to establish the limitations of “pure theories” (Bourdieu, 1990b, p. 6).

Bourdieu’s early work applied structuralism to the study of Algerian society. Bourdieu’s structuralism can be seen in the conception of the social world as a space of objective relations, that transcend the individual (Bourdieu, 1979). For some time, Bourdieu worked as a “blissful structuralist” (Bourdieu, 1990d, p. 9) as can be seen in his description of the symbolism of the Kabyle house in Algeria. This study was published in 1970 in an selection of essays presented as a 60th birthday present to the arch-structuralist Lévi-Strauss and is an excellent early example of how observations of behaviour can be used to infer power relations between people. Bourdieu, using the structuralist method, describes how the physical organisation of the house
can be used to understand the social relations of those using them. From the starting point of the “social fact” of the house he goes on to infer the culture and religion of the Kabyle community. Bourdieu’s analysis was, even at the time, recognised as a brilliant piece of structuralist analysis:

Bourdieu’s article (translated into English) is without doubt one of the finest illustrations I know of a concrete, ethnographic, and structural analysis. This study of the interior of a Kabyle house is exemplary of what the analysis of a ‘total social fact’ is and should be all about. (Scholte, 1973)

Bourdieu identifies power disparities between men and women, albeit still expressed within the structuralist framework of how the physical world controls the social world:

The orientation of the house is fundamentally defined from outside, from the standpoint of men, and, so to speak, by men and for men, as the place men come out of. ‘Man is the lamp of the outside, woman the lamp of the inside.’ One must not be misled by the appearance of symmetry: the lamp of day is only apparently defined in relation to the lamp of night. In fact the nocturnal light, the female male, remains subordinate to the diurnal light. ’Man trusts in God, woman looks to man for everything.’ (Bourdieu, 1970, p. 750).

Already, Bourdieu is highlighting the misleading symmetry to which structuralist interpretation confines him. Structuralism did not explain how power disparities arise, how behaviours are
formed, and how individuals internalise, and are then influenced by, external structures. He was eventually to reject the structuralism of Lévi-Strauss and Althusser as reducing people to mere “automata, regulated like clocks, in accordance with laws they do not understand” (Bourdieu, 1990b, p. 9).

Bourdieu credited Wittgenstein with requiring a philosopher to have “radical doubt”, which is the need to continuously question what appear to be self-evident rules (Bourdieu, 1990b, p. 9). Bourdieu extended the need for continuously questioning self-evident rules beyond philosophers to all those who wished to be liberated from limiting habits of thought and action. Habitus and doxa are behaviours and values which are often unconscious and never questioned by those who are imprisoned by them. It is this unconsciousness that gives them their power to control large parts of people’s lives.

Bourdieu’s theories were also influenced by Durkheim, whose work encompasses kinship, culture and capital. Durkheim, one of the founders of sociology, emphasised the importance of social structures that were external to the individual, yet exerted control on speech and individual choices (Durkheim, 1893). These social structures, Durkheim argued, are powerful influences on individual behaviour and can be objectively analysed by social scientists. Bourdieu took from Durkheim the belief that sociological study should be generalised in order to influence policy. Durkheim’s use of large data sets to observe social behaviours (Durkheim, 1897), influenced Bourdieu’s later use of government-produced datasets in order to infer sociological values.

Durkheim used ethnographic methodologies to develop the concept of a “clan” (Durkheim, 1893), which was the most primitive unit of economic activity. The clan acts out mutual
obligations towards its members, such as helping out for free, and acting ruthlessly towards competitors. Durkheim envisaged the clans as the next economically-driven evolution from the family. Families, in contrast, were a more primitive form of social contract, which operated by “mechanical solidarity”: a set of mutual obligations and shared values which are imposed upon them (Durkheim, 1912). Durkheim’s concept of a “clan” and a “family” could still be used to describe a family business in the early, or growth stage, whereby family members, driven by mutual obligations, help out in the family business for free.

Durkheim did not envisage that the indigenous “tribes” he described in the Americas and Australia were capable of sharing common social structures with industrialised societies. In a move that was controversial at the time, Bourdieu applied Durkheim’s concepts and scientific methods to urbanised, Western society (Di Maggio, 1979). Bourdieu argued that classifications, such as doxa, fields, and habitus, could be derived from Kabyle tribes and applied to modern French society. Durkheim’s concepts of social classifications, such as “clans”, and Durkheim’s ethnographic and quantitative techniques were also transferable to modern societies.

In addition to the use of mixed methodologies and ethnographically derived classifications, Bourdieu was also interested in the power of language. Bourdieu’s conception of language as a way to both communicate and construct our thoughts was derived from Wittgenstein. Wittgenstein’s critique of Cartesian thought was to argue that thought and physical ability are separate concepts (Crossley, 2013). Bourdieu also argued that habit is both mental and physical: for example, the way that we know where to place our fingers when typing, even though we are not consciously aware of doing so (Bourdieu et al., 1993). Bourdieu’s concept of habitus is that it is both a physical ability, which is perfected over a period of time, as well as a mental habit (Lizardo, 2004). Habitus is expressed through language, as well as being
structured through language, such as words and phrases which are considered acceptable in a certain setting.

Finally, Bourdieu was inspired by Marx’s view that while a man makes his own history, he does not do so in circumstances of his choosing (Webb, Schirato, & Danaher, 2002). Although Bourdieu was later to use Marxist language in his concept of social capital and cultural capital (Bourdieu, 1985), he was dismissive of a purely economic view of society. Bourdieu’s interest in how power is transmitted is of particular relevance to this study. Family firms, where the founder’s children are powerless to model the firm in their image, and are bound by language and values of the founder, are well suited to the application of theories of power.

This section has explained the philosophical and methodological origin of Bourdieu’s theories. The diverse origins of Bourdieu’s theories are mirrored in their diverse application, which justifies how powerful and flexible these concepts are. Bourdieu used doxa, fields, and habitus to understand social settings ranging from education (Bourdieu & Passeron, 1990), to art (Bourdieu, 1984a), religion (Bourdieu, 1987), and sport (Bourdieu, 1978). This study will also employ his “thinking tools” to a wide setting, which spans the family, the business, and the manufacturing sector and innovation activities.

2.3.6 Habitus – the habits, behaviours, and skills of an individual

Habitus is Bourdieu’s attempt to ground practices in terms of both historical and cultural ideologies, and, on the other hand, an individual person’s ideology (Webb et al., 2002, p. 15).
Bourdieu acknowledged that the concepts of habitus derive originally from Aristotle’s “hexis”, which is translated as a “state”, “stable situation” or “way of being” (Rodrigo, 2012). Bourdieu also explicitly referenced Hegel, Husserl and Mauss in his development of habitus (Bourdieu, 1990b, p. 12). Hegel introduced used concept of “sittlichkeit”, or “ethical life”, where the individual applies a cultural definition of what is ethical to their life (Moyar, 2011): “sittlichkeit” was Hegel’s response to the Kantian “moral life”, where the definition “moral” is timeless and universal. Bourdieu was also influenced by Husserl’s idea of habitus or “Habitualität”, or how people develop habitual styles of thinking, which then become ossified into permanent convictions (Moran & Cohen, 2012). Mauss (Durkheim’s nephew) developed an anthropological definition of habitus to mean a bodily technique, which is specific to a social setting, and which demonstrate the individual’s mastery of their environment (Mauss, 1979). This “techniques du corps” refers to the ways by which people, according to the society to which they belong, know how to use their bodies.

A major weakness of habitus is that, as with all Bourdieu’s concepts, there is no single, consistent definition. Bourdieu revisited his description of habitus throughout his career in order to address criticisms and meet the demands of new empirical applications (Crossley, 2013). Bourdieu’s work has been judged guilty of “obscurantism” (Lizardo, 2004, p. 378), his definitions as “elliptical” and “inaccessible” (Di Maggio, 1979, p. 1462). His writing has been described as “wooden” (Hazareesingh, 2016) and “long-winded, obscure, complex and intimidatory” (Jenkins, 2002, p. 9). From the outset, Bourdieu’s definition of habitus appears almost circular:

The structures constitutive of a particular type of environment (e.g. the material conditions of existence characteristic of a class condition) produce systems of durable,
transposable dispositions, structured structures predisposed to function as structuring structures, that is, as principles of the generation and structuring of practices and representations which can be objectively "regulated" and "regular" without in any way being the product of obedience to rules, objectively adapted to their goals without presupposing a conscious aiming at ends or an express mastery of the operations necessary to attain them and, being all this, collectively orchestrated without being the product of the orchestrating action of a conductor. (Bourdieu, 1977)

The loops and repetitions of Bourdieu’s language are an attempt to escape simplistic oppositions: the “individual versus society, action versus structure, freedom versus necessity” (Edelman et al., 1992). In rejecting the determinism of social life, which he felt was reductive and a particular weakness of the structuralists (Bourdieu, 1987), Bourdieu also rejected the idea that people consciously and rationally choose every one of their actions. While his language is difficult to understand, his concepts are powerful. Bourdieu envisaged habitus as a bridge between the external structures and individual decision-making. Habitus will now be explained in more detail.

There are three ways in which habitus can be understood. Firstly, we can understand habitus as a concept in an individual’s head, that drives his or her activities in a way that the individual cannot fully articulate. Furthermore, habitus may be not in the rational interests of the individual who performs it. This is where the concept of habitus meets Bourdieu’s theories of power: the dominant “who move in their worlds as fish in water” (Bourdieu, 1987) do not need to engage in rational thought as to how to achieve the goals that best suit their interests. Their habitus will naturally generate socially desirable actions which meet their interests. Those who are not dominant in a society either do not understand the habitus, or the habitus does not meet
their individual interests. For example, a working-class person in an art gallery will not understand how to talk knowledgeably about art: their silence or uninformed opinions will be understood as confirmation of their ignorance. In this way, habitus becomes a product of necessity; Bourdieu noted that the working class eat high-calorie, fattening food because they cannot afford anything else; their habitus is an inevitable product of economic necessity, yet they are judged as being coarse and tasteless: “Taste is amor fati, the choice of destiny, but a forced choice, produced by conditions of existence…which leave no choice but the taste for the necessary.” (Bourdieu, 1984a, pp. 173–174).

Bourdieu produced a more refined definition of habitus in 1989, nine years after his initial formulation:

The habitus, as the system of dispositions to a certain practice, is an objective basis for regular modes of behaviour, and thus for the regularity of modes of practice, and if practices can be predicted, the effect of the habitus is that agents who are equipped with it will behave in a certain way in certain circumstances. (Bourdieu, 1986)

In this second definition we can understand habitus as an expression of cultural norms, or “acquired dispositions” that can be observed through the individual’s interactions with each other and with their environment: habitus is not an abstract concept, it is manifest in an individual’s behaviour, yet habitus can be replicated without explicit direction, so that a group of individuals will display the same set of behaviours. Habitus has predictive power: we can formulate hypotheses for future actions, based on previous actions. This makes the concept of habitus particularly useful for this research, which attempts to understand how familiness, a
type of habitus unique to the family firm, can predict behaviour in relation to innovation. Habitus not only predicts an individual’s behaviour, but also operates with a number of individual actions to produce a systematic effect. This means that familialness should be observable across a number of different behaviours. Bourdieu described a middle-class habitus as follows:

Banalities about art, literature or cinema are inseparable from the steady tone, the slow, casual diction, the distant or self-assured smile, the measured gesture, the well-tailored suit and the bourgeois salon of the person who pronounces them. (Bourdieu, 1984a, p. 170).

In the quotation above, we can see that habitus is a physical manifestation, in the same way that “hexis” is carried in the body, through deportment, stance, language and dress. Habitus is a bodily state, and can be described as “as a system of acquired dispositions functioning on the practical level as categories of perception and assessment or as classificatory principles as well as being the organising principles of action.” (Bourdieu, 1990b, p. 13)

Thirdly, habitus is a classificatory system, which enables us to name aspects of a person, or object. Here, we see a tension between Bourdieu’s dislike of binary oppositions, and his willingness to use simple classifications. However, Bourdieu recognises that, simply by the act of classification, we start to objectify and judge individuals:

The network of oppositions between high (sublime, elevated, pure) and low (vulgar, low, modest), spiritual and material, fine (refined, elegant) and coarse (heavy, fat, crude, brutal), light (subtle, lively,
sharp, adroit) and heavy (slow, thick, blunt, laborious, clumsy), …is the matrix of all the commonplaces which find such ready acceptance because behind them lies the whole social order. (Bourdieu, 1984a, p. 470)

While classifications are useful for the ethnographer and the social scientist, Bourdieu warns us that classification also represents the dominant and dominated. Taxonomies are therefore, in the Bourdieusian world, always value-laden. Bourdieu challenges the assumption that social systems are subject to change; instead he used statistical tools to demonstrate that, far from being dynamic systems, “there is stability, there is inertia” (Carles, 2002), and that dominant forces try to maintain, rather than change, the status quo. Habitus will “underlie the unity of the life-style of a group or a class” (Bourdieu, 1990) and is therefore durable; it allows a family business to learn through the lens of what is normal and acceptable behaviour, but also prevents learning, in that it privileges past behaviours.

Bourdieu explicitly set his definition of habitus against definitions of action whereby the individual makes a conscious and deliberate choice as to how to behave. Bourdieu found it unfeasible that “each action [is] a sort of unprecedented confrontation between the subject and the world.” (Bourdieu, 1986). Habitus therefore instructs the individual, albeit instantaneously and unconsciously, how to behave. However, at moments of crisis, habitus may be suspended in favour of rational judgement:

By way of aside, habitus is one principle of production of practices among others and although it is undoubtedly more frequently in play than any other, one cannot rule out that it may be superseded under
certain circumstances – certainly in situations of crisis which disrupt
the immediate adjustment of habitus to field – by other principles,
such as rational and conscious computation. (Bourdieu, 1987).

The habitus of a family will be shared by its members and the concept of habitus gives weight
to historical events. The passing of time is crucial to the operation of habitus: collective
practices, and power structures, are carried forward in a process of reproduction, through the
eyeryday interactions of daily life. History is experienced as the axiomatic necessity of daily
rituals. In this way, history forms the cornerstone of habitus. Habitus is therefore a “a shared
body of dispositions, classificatory categories and generative schemes is, if it is nothing else,
the outcome of collective history” (Jenkins, 2002, p. 80)

In a family business, habitus has appeared as a “kitchen sink” environment i.e. the recurring
conflict between, for example, the parent who still sees their grown child/successor as a
rebellious teenager, even though this person is now grown and her behaviour has changed. To
what extent can the family move beyond their habitus, constituted from past behaviours and the
application of doxa, to allow for learning from new experiences and behaviours? The weakness
of Bourdieu’s concept habitus is that is learned implicitly, without formal instruction. But this
may not be true of a family business, where a strong founder, often a male, will explicitly
define acceptable behaviour, both within the family, and within the business (Garcia-Alvarez &
Lopez-Sintas, 2001).

Bourdieu himself noted in his study of the Kabyle that their habitus discourages innovation, but
also that “if innovation is always suspect – and it is not only insomuch as it flouts tradition – it
is because the peasants are always inclined to see it as the desire to distinguish oneself, to stand
apart, as a way of challenging others and crushing them.” (Bourdieu, 1979, p. 18). While this
study will apply Bourdieu’s Kabyle-derived concepts of doxa, fields, and habitus to family firms, the actual doxa, fields, and habitus will differ between the Kabyle and modern family firms. This is because a pre-industrial, agrarian, rural society based on wide kinship is clearly different from SME manufacturers based on nuclear family structures in the United Kingdom. Modern SME manufacturers are actively encouraged to be innovative (Government Office for Science, 2013; House of Commons Library, 2015b). Innovation would therefore be expected to be part of the habitus of modern manufacturers. It can therefore be envisaged that SME manufacturers, whether family or non-family, have developed a habitus that rejects tradition, embraces competition and are keen to innovate.

2.3.7 Doxa – the rules that govern individual behaviour

Habitus is created and reinforced by doxa. Bourdieu, in observing Algerian and his own French societies, developed the concept of doxa: the cultural competencies which are shorthand to interpreting the world around them. As with habitus, Bourdieu formed his concept of doxa from ethnographic observation of the economics in the Kabyle community in Algeria (Bourdieu, 1979). Here he noted that economic decisions are not made from rational self-interest, but from cultural practices: for example, the mason who built houses for a Kabyle community, but who refused to host the final, celebratory meal because he had not factored in the cost of the meal into his wages; the Kabyle community paid his invoice, but refused to ever hire him again. Moreover, they spread the story of the mason to other Kabyle communities, who also refused to hire him. The mason had not only rejected the doxa, or the unspoken rule that a meal must be hosted by the mason, but had, more unforgivably, explicitly highlighted the true nature of the doxa: that the meal was an economic transaction, not a genuine and spontaneous gesture of hospitality from the mason towards the community. In this case, the doxa, or “the rule of the game was that objective…calculability must never appear as such.” (Bourdieu, 1979, p. 21)
Bourdieu provided another formulation of doxa as the “sens practique”, where it displayed in an individual’s “commitment to presuppositions – doxa – of the game” (Bourdieu, 1990d, p. 66). Doxa provide the ability to instantly understand the rule of the game, or the specific, unspoken assumptions of a particular field. Doxa, therefore, refer to the normative rightness of accepted ideas, or what an individual considers probable, and can be contrasted with scientific demonstration. Doxa are also dangerous, in that, by being accepted unquestioningly, they lead to “misrecognition” and thence to submission to the dominant players in the field:

[One] may be the victim of that particular form of misrecognition…and public enunciation of the doxa. The knowledge supplied by incorporation of the necessity of the social world, especially in the form of the sense of limits, is quite real, like the submission which it implies and which is sometimes expressed in the imperative statements of resignation: ‘That’s not for us’ (or ‘not for the likes of us’). (Bourdieu, 2000, p. 185)

Doxa can be self-limiting, not only in their ability to reinforce power structures, but also in closing off lines of argument or action. Doxa are also “the aggregate of the presuppositions which the antagonists regard as self-evident and outside the area of argument, because they constitute the tacit condition of the argument.” (Bourdieu, 1975). Doxa therefore can limit the potential for innovation. Radically different behaviours require a radically different way of thinking.

Doxa are ingrained and serve a useful purpose in helping us navigate the fields in which we operate. Each field, according to Bourdieu, has its own set of doxa (Bourdieu & Wacquant,
1992). This means that doxa are hard for outsiders to recognise, let alone to articulate. This poses a challenge for researchers, who must uncover doxa even though doxa are largely unrecognised by those who are being interviewed. Bourdieu’s instructions to his own researchers were to follow principles of “active listening”, whereby repeated questioning would bring the researcher to the heart of what was being said, thereby exposing doxa (Bourdieu & Accardo, 1999). A similar method has been used in the interview protocol for this study (Interview Question Design.

Doxa are acquired by birth or “through a slow process of co-option and initiation which is akin to a second birth” (Bourdieu, 1990d, p. 68). The implication for the field of family firms is that the family members acquire their understanding of their doxa i.e. the values and behaviours of both the family and their business from birth. Entrepreneurial family business members also need to acquire an understanding of the doxa by which their customers, suppliers and employees operate in order to grow their businesses. The ability to learn new doxa relating to the fields of business while being able to smoothly navigate the doxa of their own families is a distinguishing feature of the family firm. Outsiders, who may be familiar with the doxa governing a particular industry, may be unfamiliar with the doxa governing the family who are involved in the business.

2.3.8 Fields – the spaces in which individuals work and play

Bourdieu drew on a history of field theory in order to develop his own concept of the field or of the physical and social spaces which individuals inhabit. Field theory was first developed in the physical sciences, starting with studies of electro-magnetism (J. C. Maxwell, 1873) and subsequently has been further developed in fluid mechanics (Malvern, 1969) and in quantum physics (Wilczek, 1999). Field theory explains how some elements will change state depending
on the interaction between elements and the field which contains those elements. One aspect of field theory is the practice of describing the whole field of which an element is a part, rather than analysing an element in terms of its inherent state or a causal sequence. The Gestalt psychologist Kurt Koffka, (1886-1941), whom Bourdieu would have been familiar (Crossley, 2013), developed a psychological interpretation of field theory (Koffka, 1935), arguing that the individual, in his or her life space, constitutes a field, and that the individual constructs a perception (or gestalt) through synthesising discrete elements from their lives. The Gestalt psychologist understands the individual by assembling individual elements (family, work, sexuality) to re-create their entire world-view.

The scientific philosopher Ernst Cassirer (1874-1945) also translated the scientific concept of the field into in the social sciences (Yontef, 1979).

> The field itself can no longer be understood as a merely additive whole, as an aggregate of parts. The field is not a thing-concept, but a relation-concept. It is not composed of piece but is a system, a totality of lines of force. (Cassirer, 1961, p. 160).

For Cassirer, the relational structure, not the inherent property of each element, is the real object of scientific enquiry. The set of relationships on which a field configuration is based, and which is specific to each field, truly allows us to understand the object.

We can therefore see that Bourdieu was able to draw on a rich literature of field theory when developing his own concept of the field. Bourdieu explicitly acknowledged the influence of Cassirer and Lewin in his concept of the field, or “champs”(Bourdieu & Wacquant, 1992). In Bourdieu’s field theory, as with earlier definitions of the field, the structure of the environment is central, as are the forces between individual elements in the field. For Bourdieu, the social world is a relational space, and a field is an autonomous area of activity that contains the doxa,
or the rules of functioning; the doxa define the relations amongst the individuals within a particular field. The field is a structured space, of positions between individuals, where each individual is struggling for a better position. “Champs” in French also refers to a field of play, as in “champs des courses” or “racetrack”, but also to a meadow, as in “Champs-Elysées” or “Elysian Fields”. Bourdieu’s notion of a field, therefore, can only exist where there is competition, or power struggles on behalf of the players. A field is generally unstable, containing a fluctuating distribution of power at any one time.

Fields [are] historically constituted areas of activity with their specific institutions and their own laws of functioning. The existence of a specialized and relatively autonomous field is correlative with the existence of specific stakes and interests via the inseparably economic and psychological investments that they create in the agents endowed with a certain habitus, the field and its stakes (themselves produced as such by relations of power and struggle in order to transform the power relations that are constitutive of the field) produce investments of time, money and work etc. (Bourdieu, 1990c)

Here we can see, in Bourdieu’s complex description, the connection between habitus and field. Each agent of the field is characterised by their level of power, their interests and their habitus. There are, therefore, dominated and dominating agents in the field. The practices and strategies of the agents in the field can only be understood relationally: in terms of how an agent interacts with those around them.

Durkheim distinguished between the different types of struggle between economic fields, and noted that even within a field, there may be agents who do not compete:
The soldier seeks military glory, the priest moral authority, the statesman power, the industrialist wealth, the scientist professional fame. Each one of them can therefore reach his goal without preventing others from reaching theirs. This is the case even when functions are less remote from each other. The optician does not compete with the psychiatrist, the shoemaker does not compete with the hatter etc. (Durkheim, 1893).

However, as the functions become closer and even identical, then competition is inevitable. As competition increases, agents struggle for the same resources. This means that “as for those that discharge exactly the same function, they cannot prosper save to the detriment of their fellows.” (Durkheim, 1893).

Bourdieu was interested in the forces that generate struggles between agents, in fields where resources are scarce and competition is fierce to obtain them. If agents are struggling for resources within the field of the firm, then efforts are diverted to managing these struggles. This diversion of effort can be counter-productive for firm performance, as formulated in agency theory (Fama & Jensen, 1983). The extent to which these struggles are inefficient for the family firm will be examined later in this study.

Durkheim considered families to be exempt from this type of field struggle, and that the field of family was clearly different from the field of the corporation:

Family members share in common their entire existence, whereas the members of a corporation share only their professional concerns. The family is a kind of complete society whose influence extends to economic activity as well as to that of religion, politics and science etc….In one sense, the corporation’s sphere of influence is more limited.” (Durkheim, 1893).
We can therefore designate the family and the firm as being two distinct, but overlapping fields, with the same players taking up different positions (father-owner; son-employee), but with similarities in terms of their power. The diagram below explains how habitus, doxa and fields correspond to the structure of the family firm.

2.3.9 Illusio as the illusion that the game is worth playing

Illusio is the concept linked to the field and doxa which Bourdieu devised to explain why players remain in the “field”, even when the personal costs are high. Illusio is “the extent to which the players concur in their belief in the game and its stakes…that this game is worth playing.” (Bourdieu & Wacquant, 1992, p. 99) Bourdieu connected illusio to both “ludus”, the game, as well as to “collusion”, that the players all agree that the game is worth playing. Each field requires the players to have illusio, so that they are prepared to invest in the stakes of the game and to develop “practical mastery of its rules” (Bourdieu & Wacquant, 1992, p. 117). The “rules” of the family firm are the doxa, which take years to understand and therefore require a high degree of investment in playing the game. The family firm is a high-stakes field, where there are risks to personal relationships, financial health, and reputation if the firm fails. These all require a strong investment in the belief, or illusio, that the “game is worth the candle” (Bourdieu & Wacquant, 1992, p. 99).
In the case of a firm owner, who is also a father, the father-owner is an agent, operating both in the “playing field” of family and the “killing field” of the business. He would have a distinct habitus for the field of family, one that may involve informal dress, an indulgent approach to his children, gestures, such as hugs, and emotional language, such as endearments. His habitus and his field would be operated by doxa, the rules which organise and give meaning to his behaviours. The rule of family operates on a long-term basis, which is the lifespan of each agent. The family rules prioritise the care and protection of the other agents, or family members. Despite this harmonious example, there may still be elements of a power struggle in the family as time wears on: an ageing parent, who becomes frail and dependent on their children; a re-marriage, which introduces a new agent in the form of a step-parent, with a different level of power to children. The family field is autonomous: family rules and behaviours operate independently of the business.

In the field of business, as opposed to the field of family, the owner has a different habitus: the owner would dress, speak, and behaves differently. The doxa, or rules of business, favour the
shorter-timeframe of business, and encourage a competitive attitude towards other employees. A firm is the site for power struggles between its employees: for pay, training, status, and other resources.

Familiness is the intersection between the fields of family and of the business. In other words, familiness is where doxa and habitus interact within the overlap between family and business. Bourdieusian field theory says little about the intersections between fields, even though individuals are active in more than one field in an industrialised society. This study aims to examine the intersection between fields, which this study posits as the source of familiness. This study will go onto also understand how habitus and doxa compete or complement each other in this intersection, and whether the resulting familiness is of benefit or hindrance to firm performance. The investigation of habitus and doxa in relation to familiness will be part of this study’s contribution to knowledge.

2.3.10 Bourdieu in Business Innovation Literature

In order to understand the extent to which Bourdieu has been neglected in the fields of innovation and entrepreneurship in the business literature, a systematic literature review was undertaken. Firstly, the ABS Academic Journal Guide was selected as an indicator of quality in publishing. The ABS Guide has been criticised for providing only a partial and subjective overview of quality academic publishing (Hoepner & Unerman, 2012; S. Hussain, 2015). However, it remains the most widely used quality benchmark within business literature (Kelly, Harvey, Morris, & Rowlinson, 2013) Secondly, journals relating to the area of interest in the study were identified, which led to the selection of all journals in the “Entrepreneurship” and “Innovation” sections. The search terms were restricted to variations of “Bourdieu” and “Bourdiesusian”. The full list of journals and the results are provided in Appendix A in the
supporting volume. The search showed that out of the thousands of articles in 25 “Entrepreneurship” titles, only 15 articles referenced Bourdieu in the article abstract and only one in the article title. Out of the thousands of articles in 29 “Innovation” journals, only six articles referenced Bourdieu in the abstract and none in the title. While Bourdieu appeared more frequently in the main body of some articles, generally in relation to social capital, the explicit use of his theories are under-represented in mainstream business literature.

Bourdiesian analysis therefore remains predominantly within the realm of sociological literature (Portes, 1998), despite offering a powerful theoretical explanation of many social worlds, including that of business. This absence is surprising, given that fields of business and of family being rich in power struggles, internal forces between actors whose motivations are guided by frequently unacknowledged, but powerful rules. This study will fill a gap in knowledge by undertaking the first comprehensive application of Bourdiesian theory to family firm literature.

To summarise this section, Bourdieu’s use of the terms, habitus, doxa and fields have been defined, and an overview of how these “thinking tools” were derived from earlier philosophers and scientists has been provided. This section has also provided an overview of Bourdieu’s meta-theoretical interests, in terms of understanding power, domination and reproduction in society. Examples of how doxa, fields and habitus could operate within the family firm have been provided, in order to justify the selection of these tools for family firm research. The central role of familiness to family firm studies and how familiness is the intersection between the family and the firm has been illustrated. The section has concluded by demonstrating the lack of Bourdiesian analysis in entrepreneurship and innovation literature. While the explicit use of Bourdiesian theory is rare in business literature, his concept of social capital has been more widely used, albeit without reference to his wider theories of habitus, fields, doxa, and his overarching theory of struggle, power and conflict within social worlds (Fine, 2001, 2010).
This study therefore meets gaps in terms of applying Bourdieusian concepts to the understanding of familiness, and also in meeting a wider gap in relation to the application of Bourdieusian theory to entrepreneurship and innovation studies. The discussion now moves on to discuss the nature and role of innovation.

2.4 The Nature and Role of Innovation

This section of the literature review will outline the reasons for selecting innovation as an activity of interest for this study and the definition of innovation used in this study. This section will then go onto outline the development of thought on innovation, successful precursors of innovation and existing studies on innovation in family firms. This section will conclude with the previous use of Bourdieusian theories to innovation studies.

2.4.1 Innovation as a site for struggle

Innovation has been selected for this study, as it is a key aspect of differentiation between family and non-family firms (De Massis et al., 2012, 2015; Zahra, 2005; Zahra et al., 2013). Furthermore, innovation is a relatively distinct area of activity, which will allow us to examine how familiness operates in an individual firm. An additional justification for selecting an activity as distinct as innovation is that Bourdieu’s theories of how habitus and doxa operate within a field are most effective when applied to a field that is circumscribed (Hilgers & Mangez, 2013). Innovation is a relatively autonomous domain of activity with a family firm, with its own processes and products. Furthermore, the habitus and doxa governing innovation, which is associated with risk-taking and profit-making, are considerably different from those traditionally associated with a family, such as conservatism and altruism. These differences could create struggles within the family firm, and Bourdieusian concepts are well suited to an analysis of power differences and conflict.
This study defines innovation as “products, services and processes which are new to the firm or new to the market”. This definition not only is consistent with the definition used in secondary dataset, the Small Business Survey, but also has the advantage of being similar to the definition of innovation used in the first major survey of family firm innovation (De Massis et al., 2012). This definition also has particular relevance to the manufacturing sector in the United Kingdom, which relies heavily on technological innovation (Coad et al., 2014; Hooker & Achur, 2014).

2.4.2 Development of thought on innovation

The management literature on innovation has been driven by its role in economic and social change, and has led to cross-disciplinary research centres, producing a diverse and ever-expanding body of literature (Fagerberg, Mowery, & Nelson, 2006). Providing a comprehensive overview of the literature on innovation is therefore considered impossible. The definition of innovation will therefore be confined to its relevance for manufacturing firms in the United Kingdom. Innovation is considered to be the practical application of creativity (Amabile, 1996) and is also significant departure from existing norms, requiring a degree of expert knowledge (Dewar & Dutton, 1986). Innovation, in the context of manufacturing, can be applied to processes, such as prototyping or inventory cycle times (Davenport, 1992), and also to products (Utterback & Abernathy, 1975), organisational forms (Teece, 1992) and services (Drejer, 2004).

Innovation has been considered an organisational necessity for all firms since Schumpeter, 1950, argued that firms must innovate in order to renew the value of their assets. Since then, innovation has been considered crucial to improving the financial position of firms (Zahra & Covin, 1994) primarily because of the crucial role it plays in generating competitive advantage (Lengnick-Hall, 1992; Porter, 1980). Innovation has been considered key to knowledge-
intensive industries, such as technology and manufacturing, due to shorter product lifecycles, increasing competition and the growing expectations of customers (Blundell, Griffiths, & Van Reenen, 1999; Knight & Tamer Cavusgil, 2004; Whittington, Owen-Smith, & Powell, 2009). Innovation has been shown to be crucial to the long-term success not only of firms, but also of nations (Cohen, 2010), which has created a significant interest from United Kingdom policymakers in how to encourage innovation amongst its industries (Coad et al., 2014).

2.4.3 Precursors for successful innovation
The precursors for successful innovation were identified by Utterback (1975) as being internal, external and relational: firstly, favourable environmental factors which drive the need for innovation and technical know-how. Secondly, internal firm characteristics, including a diversity in task assignments which encourages problem-solving skills in staff, and also relationships between technical and non-technical personnel which create knowledge about how technical products result in improved sales. Finally, communication between the firm and outside world is required in order to understand how innovation can meet market needs. This process-based view of innovation is based on earlier research which identifies firm-level tendencies and systematic differences in the innovation process (Myers & Marquis, 1969). However, these analyses of innovation continue to omit the role of “unspoken rules” and the individual’s own culture in generating innovation. Teece (1986) includes legal aspects and structural aspects within the precursors for successful innovation, such as ownership of complementary assets, the ability to protect innovation through the use of patents, and an understanding of the dominant technological design in the industry.

This analysis derives from a structuralist interpretation of innovation (Kuhn, 1962). In the Kuhnian model, scientists work within a common structure, whereby their values, techniques and quality standards are agreed. These attributes collectively define the prevailing scientific
“paradigm”. While the paradigm may gradually evolve, it will not be replaced until, over time, the body of anomalous observations become overwhelming. At this point, despite resistance, these anomalies eventually provoke a revolution. At this point, a “paradigm shift” occurs, which demands a revisiting of established knowledge and new directions for research. In this model, the precursor of innovation is internal and relational, requiring individuals to collectively provoke a crisis.

The nature of struggle and power in this model is also closely related to the Bourdieusian concepts of struggle within the scientific field of power.

The precursors for successful innovation, as described in the literature, are summarised in the table below:

**Table 3 Precursors for successful innovation in business literature**

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<tr>
<th>Author</th>
<th>Type of firm</th>
<th>Precursors for successful technological innovation</th>
<th>Theoretical antecedents</th>
<th>Relevance to research question</th>
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<tbody>
<tr>
<td>Teece (1986) in EJIM</td>
<td>Manufacturing firms are covered in the literature review, but there is no empirical evidence.</td>
<td>Ownership of complementary assets.</td>
<td>Kuhnian description of scientific evolution: early vs. mature stages of an industry.</td>
<td>This relates more to the position of the firm in the marketplace, than the culture of the firm and its process for creating technological innovation.</td>
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<td>Ability to protect innovation by patents.</td>
<td>Dominant technological design in the industry.</td>
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<td>Utterback and Abermathy (1975)</td>
<td>120 firms across 5 industries and 567 commercially significant innovations.</td>
<td>Stage of development of production process, i.e. production process characteristics.</td>
<td>Myers and Marquis (1969)</td>
<td>Relates technological innovation to lifecycle stage and competitive strategy. Familiness here is described by RBV theory, whereby it generates an internal unique resource.</td>
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<tr>
<td>Utterback (1971)</td>
<td>Literature review only, no empirical evidence is used and the paper generates diversity in task assignments and entrepreneurial communication</td>
<td>Favourable environmental factors, i.e. need for innovation and technical know-how. Internal characteristics – diversity in task assignments and innovation as also requiring tasks and also enabling communication</td>
<td>Marquis (1969)</td>
<td>Recognises Importance of firm culture – view of process-based innovation; enabling diversity in innovation; also requiring tasks and also enabling communication</td>
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<td>Author</td>
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Craig and Moores (2006) 2 stages of data collection over 10 years; Stage 1 was 178 family firms in Australia; a 2nd stage collected 67 responses. Firm age is a relevant variable: established family firms place significant importance on innovation. Less formality and greater decentralisation are positively correlated with innovation. A wide network of contacts and speed of information acquisition is positively correlated. Adizes (1979) 10 lifestage model. The authors call for further qualitative investigation of the familiness aspects which assist innovation – less formality and a wide network of contact are not necessarily...
The literature on family firms’ innovativeness is growing (De Massis et al., 2012; Zahra et al., 2013) as researchers investigate how family firms can use innovation to remain competitive. Quantitative studies of panel data have demonstrated while family firms are, in general, undertaking innovation, they are less likely to invest in R&D projects than non-family firms of equivalent size, age and industry (Zahra, 2005). A study of United Kingdom family firms with a high level of “power”, as per the F-PEC definition, has shown that family ownership is associated with diminished R&D expenditure because, it has been theorised, a large part of their wealth is derived from their shareholdings, making them risk-averse (Munari et al., 2010). It is theorised that the higher the “power” of the firm in the F-PEC model, (i.e. the more family members are involved in ownership) the higher the agency problem, with reduced spending on the inputs to innovation (such as R&D investments), as well as outputs such as the number of patents, new products and new processes generated (Block, 2012).

The study of the nature of innovation in family firms remains relatively new. The underlying question of whether family firms are more innovative than non-family firms produces conflicting results (De Massis et al., 2012). One stream of family firm literature indicates that family firms are more innovative than non-family firms (Zahra, 2005), particularly in the early
stages of the firm (Craig & Moores, 2006). Another stream argues that family firms are less innovative and invest less in research and development (Block, 2012; Czarnitzki & Kraft, 2004). There are frequent calls for further research into the nature of family and non-family firm differences in relation to innovation (De Massis et al., 2015; Kraus, Pohjola, & Koponen, 2011; Zahra et al., 2013). There are also further calls for qualitative research in order to refine the nature of familiness (Block, 2012) and to understand how constructs such as power, influence and culture are deployed to distinctive advantage (O’Boyle, Pollack, & Rutherford, 2012).

Innovation is therefore considered useful to refine the F-PEC scale and also to explore the Bourdieusian concepts of “shape-shifting” between habitus, doxa and fields. The ability to innovate requires a level of risk-taking and some studies have shown family firms to be more likely to avoid risk than non-family firms (Naldi, Nordqvist, Sjöberg, & Wiklund, 2007). However, the influence of an entrepreneurial family member can moderate risk-aversion tendencies, particularly in the innovation of processes and products (De Massis et al., 2012). Given that a family-dominated organisational form is unable to experiment with innovation in organisational form, it may be that there is a constant tension between the static nature of their family-dominated organisational form and the entrepreneurial family members’ desire to “shape-shift” and therefore to innovate.

2.4.5 Innovation in relation to Bourdieusian theory

The Resource-Based View (RBV) is the business model that connects innovation, Bourdieusian theory and family firms. It is therefore necessary to explain why RBV was considered to be theoretically inadequate for this study. RBV is derived from Barney’s (1991) seminal work
which first synthesized the fragmented literature on firm resources into a framework. The resulting RBV is an attractively simple method of evaluating a firm’s grouping of resources: resources that were unique, valuable, difficult to imitate and hard to substitute endow a firm with an enduring competitive advantage. However, RBV lacks a sufficiently powerful sociological explanation for how individual family members interact with each other. The relational aspect of how individuals within family firms relate to each and to the outer world is considered to be a neglected aspect of family firm studies (Seaman, McQuaid, & Pearson, 2014). This study provides this relational explanation by using Bourdieu’s field theory. Furthermore, RBV does not examine the unconscious rules that govern the behaviour of individual family firm members. As a result, RBV does not explain the nature of struggle within the family firm, and how power differentials have implications for how, or whether, innovation takes place. While the RBV confirms that familiness is undoubtedly a unique resource, it does not uncover how familiness can hinder or help innovation. This study therefore rejects the relatively simplistic RBV in order to apply a more ambitious theoretical explanation for how familiness is generated and contributes to successful innovation.

Bourdiesian theories are well suited to a critical investigation of innovation within the manufacturing industry. Habitus and doxa are accrued over many years and are therefore relatively static. However, family firms are considered to be both distinctive and, in some cases, innovative. While there has traditionally been relatively little research into innovation within the manufacturing sector (Schroeder, Scudder, & Elm, 1989), recent trends in manufacturing innovation literature continue to privilege a positivist and technical approach (Vecchi & Brennan, 2009). The study of innovation within manufacturing has traditionally been approached from technical disciplines, such as engineering, operations, supply chain management or information systems (Fichman, 2004). The studies above have investigated manufacturing from a largely uncritical stance. Their conclusions have generally focussed on
developing processes and tools to support the technical aspects of the innovation process, rather than on understanding the human motivations and interactions that produce innovation. These studies describe innovation in technical, rather than conceptual language and assume that innovation is both desired and necessary from the owner’s viewpoint. This study adds theoretical value by taking a sociological approach. A Bourdieusian approach will place the phenomenon of innovation in relation to the unique social world of the family firm. Given the structural transformations which technological innovation has created and the increasing speed and force of technical change, it is timely to take a step back and consider innovation within a wider context of how family members wield power and control. This study will use the conceptual tool of habitus, doxa and fields to explore the dynamics of power and reproduction, to existing studies of innovation in the family firm. To date, mainstream innovation literature has relegated power to negotiation tactics or to the social networks of individuals. Habitus, fields and doxa are powerful concepts in themselves, but derive their greatest theoretical significance in their interrelationships: how do the doxa inform what is permissible in a given habitus? Does a family firm have a distinctive habitus and how does it change between the fields of business and family? Bourdieu considered his theories to be essential in understanding how far-reaching changes, such as globalisation, impacts on marginalised communities; as such, his theories are well-suited for smaller family firms, struggling to survive in the globalisation, continually innovating world of manufacturing.

This section has outlined the development of thought on innovation and explained the definition of innovation used this in study. The precursors for innovation have been discussed, as this research examines whether familiness is indeed a family-firm specific precursor. The existing studies on innovation in family firms have been discussed, including calls for further qualitative analysis to understand the nature of innovation within family firms. Finally, the relevance of Bourdieusian theories to innovation studies has been explained. The use of
 qualitative analysis and Bourdieusian theory to understand innovation establishes how this study contributes to knowledge.

2.5 The Manufacturing Context

Manufacturing has been selected as a specific industry sector for this study for the following four reasons. Firstly, it is a sector where innovation is crucial for continued existence (Castellacci, 2008; European Union, 2013; Government Office for Science, 2013). Globalisation and the increasing speed of technology have required those manufacturing firms still in existence in the United Kingdom to adopt process, product, or organisational innovations to remain competitive (Oke, Burke, & Myers, 2013). Innovation is the focus of activity for this study, in order to understand whether and why family firms are distinctive from non-family firms. Therefore the manufacturing sector has been chosen to study the innovation activity of family firms.

Secondly, manufacturing is a long-established industry which has traditionally been the home of family firms in the United Kingdom (Institute for Family Business, 2014). Despite the intensive competition in the manufacturing sector, some family manufacturing firms have successfully innovated and grown as a result such as Warburtons bread manufacturers (Warburtons, 2016), while others have maintained their position in a niche market, such as the Whitechapel Bell Foundry (Whitechapel Bell Foundry, 2015). Manufacturing is therefore an appropriate focus for a study of how family firms approach innovation, and leverage their familiness in order to remain competitive.

Thirdly, the size and cultural importance of the manufacturing sector for the United Kingdom government (Foreign and Commonwealth Office & The Rt Hon George Osborne MP, 2011; House of Commons Library, 2014) has resulted in a number of high-quality surveys which document the activity and attributes of manufacturing firms (Department for Business
Innovation and Skills, 2014c; Office for National Statistics, 2017; White, 2014). This has provided an excellent secondary data source for the purposes of this study.

Fourthly, manufacturing is a clearly delineated industry (code C) within this secondary data source: the Small Business Survey dataset (Department for Business Innovation and Skills, 2013a), which makes it easier to analyse family firms in this sector. Hence the choice of manufacturing for this study, in preference to sectors which have a higher number of family firms such as “Code GHI - Wholesale and Retail Trade/Transportation and Storage/Accommodation and Food Services Activities” or “Code KLM - Financial and Real Estate; Professional, Scientific and Technical Activities” or “Code PQRS - Education/Social Work; Arts/Entertainment; Other Services”. Having discussed the reasons why manufacturing was selected for this study, the context of manufacturing in the United Kingdom will now be explored.

2.5.1 Manufacturing in the United Kingdom

Within the group of advanced economies, manufacturing development paths are diverging. The United Kingdom, along with the USA, is experiencing a decline in manufacturing, with services growing in relative size since 1990 (UNIDO, 2013). The UNIDO report (2013) shows that in contrast, of the top quintile developed nations, Japan and Germany are experiencing growth in both employment and turnover in the manufacturing sector. The United Kingdom manufacturing is therefore now competing with increasingly better positioned countries. The decline in the fortunes of the manufacturing sector is reflected in manufacturing’s shrinking share of total United Kingdom economic output. Manufacturing has declined from 30% of Gross Value Added³ (GVA) in the early 1970s to 10% in 2012, with the services sector rising from 10% to 79% in 2012. Manufacturing has also seen a decline in its contribution to

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³ Gross Value Added is defined in this study as the contribution to the economy of each individual producer, industry or sector in the United Kingdom (The Office for National Statistics, 2016).
United Kingdom employment figures, from 22% in 1981 to 8% in 2011 (House of Commons Library, 2014). The manufacturing sector in the United Kingdom is characterised by a wide range of firm sizes, with a higher than average share of turnover, profit and export activity generated by a small number of large, internationally owned multinational firms (Government Office for Science, 2013).

Much of this change can be attributed to innovations including increased automation, the move of assembly manufacturing to lower-cost counties, and the widespread implementation of lean practices (House of Commons Library, 2015b). The impact for family firms is that, as non-specialist roles shrink, it will be harder to find employment within the firm for any family member without an appropriate specialism. The loyalty shown to employees by long-standing family firms will become hard to maintain, as unskilled workers are replaced by automation.

Faster shipping and communications technology has allowed manufacturers to unbundle the different tasks – from product design, to assembly, to sales – that would previously have taken place in the same factory (European Union, 2013; Government Office for Science, 2013). At the same time, computers and computer-aided design have made it easier for firms to replace expensive workers, who were in the past represented by strong unions, with automation (Castellacci, 2008).

The impact of these changes will be challenging for those family firms who have invested in technologies, people, and processes that are becoming outdated. This is particularly true for smaller family firms, who are generally reluctant to invest in expensive technology and are loyal to an ageing workforce (Diéguez-Soto, Manzaneque, & Rojo-Ramírez, 2016; Nieto, Santamaria, & Fernández, 2015). These innovation-averse family firms will be at a disadvantage to their larger competitors who account for the majority of R&D expenditure in the manufacturing sector (House of Commons Library, 2014). This study will investigate how SME family firms in the manufacturing sector leverage their family-specific capabilities in
order to innovate. The next section looks at family firm-specific issues in the manufacturing sector.

2.5.2 Family Firms in the Manufacturing Sector

The limited research available on the history of family firms in the manufacturing sector argues that inadequate succession planning caused frequent firm failure (Scranton, 1992). A study of manufacturing family firms in Philadelphia showed that proprietors' sons would be apprenticed to the factory floor and expected to learn their fathers’ technical skill sets. However, these practical experiences failed to prepare the next generation for the increasingly complex commercial aspects of manufacturing (Scranton, 1984). This led to the development of “practical apprenticeships” (Black, 2007), whereby family owners who were reluctant to engage their sons in formal education, rotated their sons around the different departments of the firm. This rotation of activity allowed their sons to acquire the broader knowledge required to manage a manufacturing firm: sales, transportation, recruitment of staff, legal, and accounting knowledge.

Recent research into family manufacturing firms finds that providing a diverse knowledge base for family firm successors in the manufacturing industry continues to be problematic (Calder, 1961; Zellweger, Nason, & Nordqvist, 2011). In addition to knowledge, the entrepreneurial attitude required to undertake the risks required for successful innovation did not always transmit to the second generation (Zahra, 2005). Suggestions for future research in this direction include understanding how entrepreneurial values, such as risk-taking product and process innovation, and pro-activeness, are transmitted from one generation to another (Zellweger et al., 2011). This study will investigate this question of how family values (as explained by the Bourdieusian concepts of doxa and habitus) are transmitted from the previous to the current owner.
Where training, in both knowledge and values occurs, family firms appear to prefer on-the-job training. A sample of 918 family and non-family firms across all industries indicate, that, as the firm grows in size, family firms are less likely to invest in formal training for their employees (Reid & Adams, 2001). Family firms continue to rely on on-the-job training, which prioritises the immediate technical knowledge required to perform their role, rather than extending their skills to encompass project management, sales, or other related organisational activities (Kotey & Folker, 2007). Other studies have speculated that family firm owners have deep knowledge of their firm and of their industry, (this study would term such deep knowledge as habitus). The owner’s expertise therefore, it is argued, compensates for the lack of formal training for their employees (Reid, Morrow, Kelly, & Mccartan, 2002).

The finding that family firms are less likely to invest in training as they grow is consistent with earlier research that family firms are less likely to adopt formal processes for innovation as their firm grows (J. P. Marshall et al., 2006a). The result is that family firms will grow in an inefficient way, which could explain some findings that family firms are more likely than non-family firms to fail in the long-term (Office for National Statistics, 2017). The resistance to formal processes is consistent with the recent finding that family-owned and family-managed firms in the manufacturing sector of the United Kingdom are less likely than non-family firms to adopt formal management processes (Office for National Statistics, 2017). Family-owned and family-managed firms are therefore largely responsible for the poor productivity experienced by UK manufacturers in comparison to those of other developed countries (Block, 2012). However, family-owned but non-family managed firms have the highest level of formal management processes. This has called for a recommendation that more family-owned firms outsource their management to non-family members (Office for National Statistics, 2017) in order to improve their productivity. This study will explore whether family firms are more
likely to adopt formal processes for innovation, whether they are more likely to be short-lived than non-family firms, and the reasoning behind adopting or rejecting formal processes.

A further cause of poor productivity in family-owned manufacturing firms could be due to the high value placed on direct participation in and supervision of the manufacturing process by family owners (H. S. James, 1999). Family owners have thereby become wedded to existing manufacturing processes, to the point of excluding innovative new ways of working. Previous research has indicated how family firms have resisted hiring outside parties who, although they could introduce new methods of working, had no family interest in the firm (Scranton, 1984). Historically, the marriage of sons and daughters was a method for developing trade alliances or bringing capital into the firm, rather than introducing a mechanism for introducing innovations (Scranton, 1992). In particular, there is no evidence that women in the family were seriously considered as successors or awarded a significant role within the firm (Colli & Rose, 2007). Given that women now have the right to own property and financial assets, it would be expected that women should now be considered as successors in the family firm. Recent research indicates that this is not, however, the case (Dumas, 1998; Martinez Jimenez, 2009).

This study will investigate whether the ownership structure of family firms is more diverse than non-family firms, and also whether women continue to play a significant role in the family firm.

This section has discussed the family firm-specific issues in the manufacturing industry, including insufficient training of the next generation, an aversion to formal management processes which would improve productivity, the reluctance to invest in new technology, and the exclusion of women from succession. Ultimately, there has been no substantive empirical research into the causes of these differences between family and non-family firms in the manufacturing sector. The lack of research represents a major gap in our understanding of family firms and of the manufacturing sector. This study will add value in analysing not only
whether these family-specific issues are convincingly demonstrated in the sample, but will explore the causes of these differences. While the literature discussed above has explored family-firm specific issues, there are broader challenges to the manufacturing sector which will now be discussed.

**2.5.3 Wider Issues in the Manufacturing Sector**

In addition to the family firm-specific issues described above, there are significant wider issues which face all firms in the manufacturing sector of the United Kingdom. In order to provide a comprehensive overview of the sector, these issues will now be discussed. The most recent government policy report into manufacturing identified a number of key issues which manufacturers will have to overcome if they are to successfully compete in a future, globalised market (House of Commons Library, 2015b).

Firstly, the increasing customisability of products combined with production away from factories (due to nanotechnology and additive technology) has resulted in increasingly long and complex supply chains. This means that manufacturers will have to be highly responsive to customer needs. Studies of family firms have suggested that, due to their long-term strategic horizons, family firms seek out closer connections with customers (Miller et al., 2008). This could be partly due to the need to bolster relationships in times of economic downturn (Gomez-Mejia, Nuñez-Nickel, & Gutierrez, 2001). Family firms are more likely to have long-term customer relationships which have been nurtured over successive generations (Tokarczyk, Hansen, Green, & Down, 2007). In manufacturing family firms, these customer relationships generate product innovations, due to customers asking trusted family firm manufacturers to generate new ways of solving their problems (De Massis, Chirico, Kotlar, & Naldi, 2014). It could therefore be anticipated that successfully innovating family firms would build on existing customer relationships and seek out new ones.
Secondly, manufacturers will have to cater to new export markets. The continued growth of the consumer base in Brazil, Russia, India, China and South Africa (BRICs) and the ‘next 11’ countries will increase demand (Franco & Oliveira, 2016), but the UK’s main export destination is forecasted to remain the European Union and the United States of America (Office of National Statistics, 2016). Previous research has suggested that family firms export to culturally similar countries (D. Harris, Martinez, & Ward, 1994), with immigrant family firms prioritising exports to their country of origin (Basu & Altinay, 2002; Carney, 2007). The result appears to be that family firm ownership is correlated with exports, but negatively associated with the number of exported-to countries (Zahra, 2003). The suggestion is that the family firm owner’s desire for control, their risk-aversion in relate to export, and their “values” significantly reduce their ability to enter into strategic export alliances (Graves & Thomas, 2008). Future suggestions for research include establishing how the family unit influences the development of new export markets, and what the family “values” are that affect internationalisation (Graves & Thomas, 2008; Kontinen & Ojala, 2010).

Finally, manufacturers in the United Kingdom are expected to become increasingly dependent on skilled workers (House of Commons Library, 2015b). The lack of skilled workers is a wider problem for manufacturers in the European Union (European Union, 2013) and the global economy more widely (UNIDO, 2013). Manufacturers in the United Kingdom suffer from a particular lack of Science, Technology, Engineering, and Maths (STEM) qualified workers (House of Commons Library, 2015a) and demand for STEM-qualified workers is expected to outstrip supply in years ahead (House of Commons Library, 2014). A further lack of more widely-skilled employees, such as those who are also trained in project management and IT software, is further hampering UK manufacturers(House of Commons Library, 2015b). A study of 230 family and non-family firms SME firms across all sectors in Northern Ireland has found that family firms are less likely to invest in training for their employees than non-family firms.
and train fewer employees than non-family firms (De Kok, Uhlner, & Thurik, 2006). If family firms in the manufacturing sector do not invest in training employees, particularly in providing them with the STEM knowledge required for the technical demands of manufacturing, these family firms will unable to compete successfully with their non-family counterparts who do invest in training.

2.5.4 Policy Support for Manufacturing

The coalition government was formed on 11 May 2010 and published their first, and still most recent, report into manufacturing in 2013 (Government Office for Science, 2013). Manufacturing continues to exert a powerful hold on politicians in the United Kingdom: George Osborne, Britain’s finance minister from 2010 to 2016, stated “We want the words: ‘Made in Britain, Created in Britain, Designed in Britain, Invented in Britain’ to drive our nation forward.” (Foreign and Commonwealth Office & The Rt Hon George Osborne MP, 2011). The current prime minister, Theresa May, has created a new government department responsible for a “comprehensive industrial strategy”, including investment in science, new technologies and growth programmes; the teaching of science, technology, engineering, digital proficiency, and maths; and upgrading transport infrastructure (Department for Business, 2016). Details of the industrial strategy are as yet unspecified at the time of writing, but support is expected to focus on “world leading sectors”, of which high-tech manufacturing will be a part. The majority of family firms are in traditional sectors of manufacturing (Institute for Family Business, 2014) which may not benefit specifically from the new Industrial Strategy.

From 2002 to 2012, the major government support for manufacturers was provided through the Manufacturing Advisory Service (MAS), which was funded by the Department for Business Innovation. MAS had a remit of helping SME manufacturing businesses improve and grow, through providing small grants and free advice to SMEs who apply for support (Department for Business Innovation and Skills, 2014b). In December 2014, MAS was incorporated into the
Business Growth Service, a government-backed programme to help firms, including manufacturing firms, access advice for exporting, accessing finance, building leadership and management skills. As part of the November 2015 Spending Review settlement, the UK government closed MAS, which ceased operation on 31 March 2016 (South West Manufacturing Advisory Service, 2015).

In addition to the Manufacturing Advisory Service, current Government policy is to encourage manufacturers to take up apprenticeships which will address skills shortages and to encourage exports through trade delegations (House of Commons Library, 2014). However, the Government is not addressing the improvement of local transport links, nor of increasing regional decision-making powers, both of which have been independently cited as requirements for reviving manufacturing (New Economy, 2013).

In conclusion, manufacturing continues to be of strategic importance to the United Kingdom and is an industry in which innovation is crucial for success. This section has described why manufacturing was selected as the sector for this study. Family-firm specific issues to manufacturing have been discussed, as have broader sectoral issues. The policy support provided by the United Kingdom government for manufacturing has been discussed: skills development, providing tax incentives for R&D, and encouraging exports. However, the extent to which this support has assisted SME family firm manufacturers in the United Kingdom has not been assessed in the literature to date. This is a significant omission, given the reluctance of family firms more widely to engage in formal training and to invest in R&D. Furthermore, the literature suggests that research is required into the behaviour of family firms in relation to key manufacturing challenges; specifically, the need for a closer relationship with customers; developing new export markets and an increasing dependence of skilled workers. By investigating these key manufacturing challenges, this study will provide a contribution to
knowledge. This study will also provide an informed set of suggestions for government policy for family firms in the manufacturing sector.

2.6 Chapter Summary

This chapter has established the answer to the first research question, by establishing the theoretical and empirical gaps in how familiness has been used to explain the distinctive nature of family firms. This summary will draw the threads of the literature review together by describing their relevance to this study.

The first thread to be discussed was the relatively recent nature of family firm academic literature which has resulted in a lack of wide-ranging studies on the distinctive nature of innovation in manufacturing family firms. The literature therefore justifies a study which combines quantitative and qualitative data in order to arrive at a holistic understanding of innovation in family firms.

The next thread to be discussed was the contested nature of familiness. Researchers and policymakers are still arguing that family firms are not substantively different from non-family firms. There is a resulting lack of policy support from the UK government for family firms. Given the economic importance of family firms to the UK economy, it is important to understand if policy support is indeed required from local and national governments. There is also the need for advice which can be readily understood and applied by family firms themselves. This study will therefore provide an empirically-founded set of policy recommendations for family firms.

The subsequent thread to be discussed was the lack of an over-arching theory of familiness. The existing theoretical models of familiness was critically discussed. There is a need for a stronger theoretical basis for family firm studies, that is able to reconcile the way that
behaviours, skills, and values interact across the arena of the firm, and of the family. This study will develop a Bourdieusian-inspired contribution to family firm theory.

The next thread to be discussed was the Bourdieusian approach, specifically the concepts of doxa, habitus and fields. The ways that these concepts interconnect to form a powerful framework of understanding human relations was discussed. The limited use of Bourdieu in the innovation literature was confirmed through a journal search. This discussion confirmed the suitability of doxa, fields and habitus as tools for understanding the family firm.

The subsequent thread to be discussed was the role of innovation in maintaining competitive advantage in a firm, and its particular significance for the family firm. The family firm is primarily interested in maintaining competitive advantage so as to pass the firm on to the next generation, therefore innovation activities would appear to be crucial. Innovation would therefore be an appropriate activity for investigating the differences between family and non-family firms, as family firms would be expected to be more innovation-active; this finding justified the quantitative section of this study, which investigates the differences in innovation activity between family and non-family firms. The lack of critical, qualitative analysis of firm-level innovation was highlighted, which justifies the qualitative section of this study, which investigates the power dynamics and conflicts around innovation activity.

Finally, the context of manufacturing as the wider site of this study was justified in relation to family firms: manufacturing is a sector in which both family firms and innovation play an important role. The continuing importance of manufacturing to policy-makers was discussed, as was the lack of SME-specific national and local policy support; these findings justify the production of targeted policy suggestions to help SME manufacturing firms.

This literature review chapter has summarised the theoretical and empirical basis for the research. This chapter forms the basis from which the research methodology will be developed.
The next chapter will outline the methodology used to analyse the innovation in family manufacturing firms, starting with how the methodology has been inspired by Bourdieu’s pragmatic philosophical approach.
3 Methodology

This chapter outlines the rationale for selecting a “mixed methods” approach. The pluralism of technique and pragmatism of mixed methods (Creswell, 2010) was selected as for the following reasons: firstly, mixed methods can encompass both large-scale analysis (using quantitative data) which is required to confirm whether the research question of whether the phenomenon of familiness exists in SME manufacturing firms in the United Kingdom. Secondly, mixed methods can also include the small-scale focus (using qualitative data) required to research question of exploring the nature of familiness. This chapter will initially outline the research aim with the supporting ontological and epistemological assumptions and then proceed to explain the research design and timings of the research activities in relation to the overall project. The chapter concludes with an evaluation of the validity of this research design and the challenges thrown up by a mixed methods approach.

3.1 Research Design Process

The diagram overleaf outlines the sequential process of how the research was designed and implemented:
Figure 4: Research Design Process

Select the philosophical approach
Pragmatism

Confirm ontology and epistemology
Both objective and subjective truths are explored.

Deduce methodological level
Convergent parallel design: quantitative and qualitative data collection; results “converge” at a later stage.

Construct quantitative and qualitative technical levels
Obtain the secondary dataset: complete training and IT setup requirements.
Design semi-structured interviews using pilot studies; apply sample selection criteria for main qualitative study; collect open-ended data; pre-code themes.

Describe findings from the quantitative and qualitative data
Quantitative analysis (SPSS) of BIS secure dataset, using descriptive statistics, factor analysis, hypothesis development and testing.
Qualitative analysis (NVivo) of interview data using discourse analysis of transcribed data against pre-coded themes.

Compare results
Compare the results: how do results converge, diverge or otherwise relate to generate a more complete understanding of familiness?

Interpretation
Interpret the combined results to generate a taxonomy of familiness in relation to innovation.

Recommendations
Generate policy recommendations for government and practical recommendations for family firms on improving innovation.

Source: Adapted from Crotty (Crotty, 1998) and Creswell (2011)
3.2 Philosophical Approach

The philosophical approach (together with the ontological and epistemological assumptions) form the basis of the methodology selected for a research project (Saunders, Lewis, & Thornhill, 2012). Therefore the philosophical approach should be established prior to selecting a methodological approach (Sommer Harrits, 2011). In this study, the philosophical approach has been derived from the two major problems in this study. The first problem is whether the phenomenon of familiness exists in the SME manufacturing sector of the United Kingdom. The second problem is the extent to which a theoretical under-explanation of familiness can be compensated for by Bourdieusian theory. Solving the first problem requires that external, objective realities are studied in order to understand whether there is a distinctive difference between family and non-family firms. Solving the second research problem requires an in-depth observation of family firm in order to observe how Bourdieusian theory can explain their internal, subjective viewpoints. The objective reality of business performance and innovation in SME family firms will be measured by data points such as profitability, turnover, innovation activity and firm characteristics. The subjective judgements of individual family firm members will be measured by the language and meanings revealed through interviews and photographs. Therefore this study attempts to straddle both the objective (positivist) and subjective (social constructionist) view of reality.

A purely objective view of reality will not be suitable for this study. The knowledge of what constitutes familiness for a family firm owner is not concrete and objective, but will vary by individual. The family firm owner’s view of reality will be subjective and individual, and cannot, therefore, be uncovered through an investigative methodology based on a purely positivist philosophy.
A purely subjective view of reality will also be unsuitable for this study. The subjective view prioritises the search of deep meaning which is attached to an individual. The foregrounding of an individual perspective means that patterns of behaviour and size-related effects are not investigated. This study attempts to establish whether there are large-scale differences between family and non-family firms, which calls for a large-scale data analysis, which is unsuitable for a purely anti-positivist viewpoint.

The pragmatic philosophical viewpoint is able to do justice to both objective realities and subjective judgements (Feilzer, 2010). Pragmatism can therefore be used as the basis for a mixed methods approach (Creswell, 2014). Pragmatic philosophy values a common-sense, truth-seeking, which values solutions to problems:

“All idea upon which we can ride, so to speak; any idea that will carry us prosperously from any one part of our experience to any other part, linking things satisfactorily, working securely, saving labour; is true for just so much, true in so far forth, true instrumentally. This is the view that…truth in our ideas means their power to “work”. (W. James, 1907)

In addition to this outcome-focussed stance, pragmatic philosophy also takes more of an empiricist stance (Jordan, 2013). Empiricist psychology argues that sensory impressions are processed in the mind through existing conceptual systems and beliefs. The mind then generates bodily actions in the world (Crossley, 2013). This is consistent with the process which Bourdieu describes through his concepts of doxa (conceptual systems and beliefs), habitus (the bodily actions generated by conceptual systems) and fields (the social world) (Eagleton & Bourdieu, 1992).
Therefore, Dewey and Bourdieu appear to be consistent in the belief that there can be multiple logics for interpretation and evaluation (Bourdieu, 1990d; Dewey, 1938). They also share the viewpoint that there is an important historical and contextual dimension to interpretation and evaluation (Bourdieu, 1998; Dewey, 1938). This research will also adopt this version of pragmatic philosophy, whereby pragmatism is a “middle way” (Seale, 1999, p. 470) between the constraints of empiricism and the dissolution of deconstructionism. Mixed methods is the methodology derived from pragmatism, by being problem-centred, pluralistic and real-world oriented (Creswell & Plano Clark, 2011). This study takes the stance that the philosophical validity driving mixed methods has been largely established (Alvesson & Kaj, 2009). However recent research warns that a study that includes both data types without integration of epistemology and ontology is simply a “collection of methods” (Harrison, 2013). Therefore the ontological and epistemological assumptions will now be discussed.

3.3 **Ontological and Epistemological Approach**

The ontological approach taken in this research relates to the nature of the reality being studied. In the case of the social sciences, the realist ontology assumes that reality consists entirely of permanent social structures (Sommer Harrits, 2011) and these social structures continue to exist independently of individuals existing in the social structures (Bourdieu et al., 1993). In the case of a realist ontology, the methodology selected would seek to objectively measure this reality, as the individual’s perspective may not be representative of the wider social structure (Campbell & Overman, 1988). The opposing ontological standpoint is that of social constructionism, whereby social structures exist only in the mind of the individual, who creates their own reality through everyday encounters with other people (Berger & Luckman, 1966). While these ontological paradigms are starting to overlap (Burr, 2003), they are still relatively distinct, and it is important for mixed methods researchers to be clear about their ontological...
standpoint (Sommer Harrits, 2011). Pragmatism, therefore, supports an ontology that regards human knowledge as contextual.

“The common-sense world includes, to be sure, perceived objects, but these are understood only in the context of an environment. An environment is constituted by the interactions between things and a living creature. It is primarily the scene of actions performed and of consequences undergone in processes of interaction.”

(Dewey, 1938, p. 150)

The quotation above implies that the pragmatic approach to research design is to focus on the nature of the problem as understood by relations between individuals. In the case of this study, quantitative data (the business performance) is understood in terms of the environment in which the data is found (family firms as compared to non-family firms). Furthermore, pragmatism offers a methodologically pluralistic approach (Feilzer, 2010), which is better to do justice to the complexity of family firms.

While the ontological standpoint examines the nature of reality, the epistemological debate relates to how individuals understand this reality and the extent to which it can be known (Denscombe, 2010). In terms of a pragmatist philosophy, the epistemological viewpoint emphasises the importance of human practices in developing an understanding. It is an epistemology that foregrounds the importance of language and conceptual frameworks in the search for knowledge (Long, 2002). Given that the Bourdieusian conceptual framework can be revealed through language (Edelman et al., 1992), an epistemological stance that foregrounds the importance of language in revealing knowledge has been selected for this study.

The view of this researcher is that reality, as explored in the qualitative section of this research project, is subjective. Reality, as described in the quantitative section of this research, is objective. The nature of qualitative enquiry is that the researcher’s identity influences the data
that is gathered and interpreted (van Dijk, 1993). The researcher’s personal beliefs have therefore influenced how relevant themes are drawn out from the interview data. The researcher’s status as a Mancunian, Asian, middle-class woman, will have influenced how interview participants responded to questions, although it cannot be known exactly how these aspects of the researcher’s identity interacted with each interview participant. The researcher has over 20 years of experience as a manager in the private, public, and voluntary sector in the United Kingdom, and abroad. This wealth of experience enabled the researcher to maintain a confident, sympathetic interviewing style. This interviewing approach was rewarded by a high level of personal disclosure from interview participants.

Having explained the pragmatist philosophical, ontological and epistemological assumptions in this section, the methodological approach that has been driven by these assumptions will now be discussed.

### 3.4 Methodological Approach: Mixed Methods

The section above described the philosophical, ontological, and epistemological stance of this project: firstly, a pragmatic philosophy that seeks a holistic understanding of the existence and nature of familiness; secondly, an ontological approach that takes human knowledge as contextual and situated in social structures, and finally, an epistemology that foregrounds the importance of language in revealing objective and subjective realities. A mixed methods design has been selected as being the most appropriate research design for this project. “Mixed methods” is a relatively recent term for a methodological approach that has been used for a much longer timeframe (Creswell, 2010). The pluralism of technique and pragmatism of approach led to the selection of mixed methods as the only type of methodology able to encompass both the large-scale analysis required to confirm the existence of familiness, and
also to include the small-scale focus required to investigate the nature of familiness. As mixed methods is still a relatively controversial approach (Sommer Harrits, 2011), the next section provides a justification for why mixed methods was selected.

### 3.4.1 Validity of the Mixed Methods Approach

Mixed methods research has increased in popularity (Bryman, 2006) as the increasingly complex world of management studies has required proficiency in statistics, psychology and the understanding of human relationships (Easterby-Smith, Thorpe, & Lowe, 2008). Mixed methods in social sciences has a more common approach as researchers and methodologies enter the field from a variety of professional and academic backgrounds (Cassell & Lee, 2011). Yet mixed methods remains a controversial choice of research methodology (Creswell & Plano Clark, 2011). This section will justify the reasons for selecting mixed methods. Mixed methods is defined in this study as “a combined methodology that uses the qualitative and quantitative approaches into a single study” (Tashakkori & Teddlie, 2010, pp. 17–18).

#### 1. Response to the research aim

In this study, the research aim has been central to driving the choice of mixed methods. This follows advice from Creswell (2003) that “research problems suitable for mixed methods are those in which one data source may be insufficient [or] results need to be explained”. In this study, the research aim is to explore the nature of familiness. One data source (or one family) is considered insufficient due to the complex and contested nature of familiness (Tagiuri & Davis, 1996). The research aim can only be answered through multiple questions, such as “Does familiness exist?” and “What are the key differences in family firm performance?” These questions must be answered through reference to a large-scale dataset. This calls for quantitative analysis. The research questions which ask “What accounts for the key differences in family firm performance?” and “Can Bourdieusian theories of doxa, fields and habitus help
us understand these key differences?” must be answered through understanding the subjective attitudes of family firm members. These questions call for qualitative analysis. Therefore, neither purely quantitative nor qualitative analysis will do full justice to the research aim.

2. Consistency with Bourdieusian approach

A mixed methods approach was also selected for consistency with Bourdieu’s methodological techniques. Bourdieu’s concepts of doxa, fields and habitus were derived from analysing both quantitative data, such as large-scale surveys and government records, and also qualitative data, such as interviews, photographs and ethnographic observation. Furthermore, Bourdieu was sceptical of a purely positivist approach which interpreted data without reference to the social and political power relations which lay behind them (Bourdieu, 1990d). His research publishes photographs and interviews alongside the quantitative data, which, together with analysis from quantitative data, converge to produce conclusions of how power and conflict play out in social fields (Bourdieu, 1970, 1979, 1984a). This study uses the same research approach, whereby quantitative and qualitative analyses are performed separately. The discussion section that follows the analysis will compare and contrast the qualitative and quantitative findings. The quantitative study analyses broad trends across the United Kingdom, while the qualitative study will delve more deeply into distinctive nature of power relations within the family.

Bourdieu argued that his although his sample size for his mixed methods approach was small, the conclusions of his research into culture and status could be valid in other countries. His “thinking tools” of doxa, habitus, and fields provided “a reading that seeks to identify, behind the specific institution of a particular society, the structural invariant and, by the same token, the equivalent institution in another social universe” (Bourdieu, 2013, p. xiv). The research approach in this study also seeks to identify common structural invariants in the fields of family and of business. The study is therefore focussed on the small sample of United Kingdom SME
manufacturing firms. As with Bourdieu’s study, this study takes a mixed methods approach to argue that the structural invariants produced by this research will be more broadly applicable beyond the world of United Kingdom SME manufacturing family firms, to SME family firms more broadly.

3. Suitability for the complexity of family firms

A mixed methods approach is generally argued to provide a more complete set of data for investigating complex social phenomena (Creswell & Plano Clark, 2003), and in the case of this research, SME family firms are a particularly complex social phenomenon (Ram & Holliday, 1993). Given the inherent complexity involved in the secretive and diverse world of family business, mixed methods provides a wider variety of methodological tools to apply to a phenomenon which mixes both the family and the business.

4. Calls for greater methodological diversity

A mixed methods approach will answer recent calls for more methodological diversity in the area of family business studies (De Massis et al., 2012; Litz et al., 2012; Melin et al., 2014; Sharma, Chrisman, & Gersick, 2012) and in the area of management studies more widely (Harrison, 2013; Thorpe & Ellwood, 2011).

5. Consistency with philosophical approach of pragmatism

There is an increasing acceptance that the debate over the philosophical validity of mixed methods is over (Alvesson & Kaj, 2009), however recent research warns that a study that includes both data types without integration of epistemology and philosophy is simply a “collection of methods” (Harrison, 2013). This research avoids this problem by the careful justifying the epistemological and ontological assumptions earlier in this chapter. This study is
informed by a pragmatist viewpoint, which prioritizes problem-solving and practical outputs (Tashakkori & Teddlie, 2010). Pragmatism also places importance on real-world impact (Long, 2002) and this research will generate recommendations for family firms who wish to innovate and will also provide practical policy advice for governments wishing to support family firms in the manufacturing sector.

6. Personal Experience of the Researcher

A researcher must possess an appropriate skill set in order to successfully carry out mixed methods (Creswell & Plano Clark, 2011). In this case, the researcher has a postgraduate-level academic background in business and the sciences. This background includes the ability to conduct and analyse statistical analysis using software packages. This background also includes knowledge of the wider context of business and of family firms. The researcher also has graduate-level academic background in the arts. This has provided the researcher with the ability to analyse qualitative data and develop themes based on textual data. The researcher also has professional experience in working with family firms in the private and philanthropic sectors, and is therefore able to develop the trust required when conducting interviews.

3.4.2 The Convergent Parallel Design

This section will outline the most common mixed methods designs, explain why a triangulation design was selected and will justify the selection of a particular triangulation design: the convergent parallel design.

There are four commonly used mixed methods designs (Creswell & Plano Clark, 2011): firstly, the convergent parallel design when the qualitative and quantitative data is equally prioritised, gathered and interpreted concurrently and with the results mixed during the discussion phase. Secondly, there is the embedded design which mixes both quantitative and qualitative data in an overall quantitative or qualitative design. Thirdly, there is the explanatory design which
prioritises the collection and analysis of quantitative data in the first phase. Fourthly, there is the exploratory design which prioritises the collection and analysis of qualitative data in the first phase.

The embedded, explanatory, and exploratory designs have been rejected because both qualitative and quantitative research questions are given equal weight in this study: both the existence of familiness (which is tested quantitatively) and the nature of familiness (which is tested qualitatively) are given equal priority.

This leaves the convergent parallel design, which is the most well-known type of mixed methods design (Creswell & Plano Clark, 2011). The convergent design was, in earlier conceptualisations, referred to as a “triangulation” design (Creswell & Plano Clark, 2011) but this term becomes confused with the use of triangulation in qualitative research (Greene, Caracelli, & Graham, 1989) and has since been discarded. The convergent parallel design has the following characteristics:

“uses concurrent timing to implement the quantitative and qualitative strands during the same phase of the research process, prioritises the methods equally and keeps the strands independent during analysis and then mixes the results during the overall interpretation.” (Creswell & Plano Clark, 2011, p. 70)

**Figure 5: The Convergent Parallel Design**
As the diagram above shows, the “convergence” of results takes place after the data collection and data analysis. The convergent parallel design has previously been used by researchers to assess the extent to which a societal phenomenon exists, and to explore the nature of this phenomenon in more detail (Creswell, 2014). Arnauld and Fetters in 2011 used a convergent parallel design to assess the extent of help-seeking and the structures which influence help-seeking behaviours in Japanese women. They used standardised surveys to investigate the extent to which help-seeking exists amongst Japanese women mixed with in-depth interviews to understand how help-seeking is influenced by societal structural factors (Arnault & Fetters, 2011).

In this thesis, the convergence is explained in the discussion and recommendations chapters. Here, qualitative and quantitative data is triangulated in order to converge on the answer to the central research aim, which is to provide a critical analysis of the nature of “familiness.”

The specific rationale for selecting a convergent parallel design and the characteristics of the convergent parallel design are described below:

Table 4: Characteristics of the Convergent Parallel Design

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Convergent Design</th>
<th>Rationale for selecting in this research Study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Definition</td>
<td>Quantitative and qualitative data collection stages take</td>
<td>Concurrent timing of both stages because the data sources are different. The</td>
</tr>
<tr>
<td>Characteristic</td>
<td>Convergent Design</td>
<td>Rationale for selecting in this research Study</td>
</tr>
<tr>
<td>---------------</td>
<td>------------------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>place concurrently; followed by separate quantitative and qualitative analyses. Finally, a comparison of both analyses produces a combined interpretation.</td>
<td>quantitative data is a large, secondary dataset. The qualitative data is textual and is derived from interview transcripts designed and collected by the researcher.</td>
<td></td>
</tr>
</tbody>
</table>

| Purpose of the design | To produce a holistic and thorough understanding of a phenomenon. | Familiness is a complex, ambiguous and controversial phenomenon which requires a variety of data sources and analysis techniques to be more fully understood. |

| Typical philosophical paradigm | Pragmatism, with a focus on problem-solving, methodological plurality and the bridge between objective and subjective realities. | Familiness is a contested phenomenon, therefore the existence of familiness needs to be tested objectively in a large-scale dataset, while also to exploring the subjective nature of familiness through personal realities in individual world views. |

| Level of interaction between the stages | No interaction. | Separate data collection and analysis phases required due to time constraints. However, the nature of a sole researcher meant there was, in practice, a certain extent of interaction between the stages. |
### Characteristic | Convergent Design | Rationale for selecting in this research Study
---|---|---
Priority of the stages | Both qualitative and quantitative have equal priority. | The number and nature of the research questions require both quantitative and qualitative stages to be given equal importance.

Data mixing strategies | Two strands are merged after separate data analyses. | The qualitative and quantitative strands are mixed at the interpretation stage. This is where views of familiness produced by quantitative results will be compared to those produced by qualitative results.

Based on Creswell & Plano Clark, 2011

The staging of each part of the convergent parallel design is significant, as it involves synthesizing qualitative and quantitative results at a specific time to produce a more complete understanding of the phenomenon. Hence the project plan for the convergent parallel design is described in the table below:

**Table 5  Project Plan for the Convergent Parallel Design**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Timing – Year and Month of PhD process</th>
<th>Chapter Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research Design and Pilot</td>
<td>Year 2 – Months 1-3</td>
<td>Methodology</td>
</tr>
<tr>
<td>Quantitative Data Collection</td>
<td>Year 2 – Month 4</td>
<td>Quantitative Findings</td>
</tr>
<tr>
<td>Quantitative Data Analysis</td>
<td>Year 2 – Months 5-7</td>
<td>Quantitative Findings</td>
</tr>
</tbody>
</table>
3.5 Quantitative Research Design

The quantitative research design tests the research question relating to whether there are distinctive differences between family and non-family firms in the SME manufacturing sector of the United Kingdom, with a particular focus on innovation. As this study explores how doxa, fields and habitus can be used to explore the nature of familiness, a decision was made to use a dataset of SMEs, rather than larger firms, in which familiness can more easily be observed. This is because larger firms are more likely to hire non-family managers and these formal management mechanisms dilute the family influence (Sonfield & Lussier, 2009b; Zhang & Ma, 2008).

The data selected for the quantitative analysis is the dataset “SN 6856 Small Business Survey, 2010-2012” (Department for Business Innovation and Skills, 2013a). This is a large-scale representative telephone survey of SME business owners in the United Kingdom, commissioned by the Department for Business Innovation and Skills, the Scottish Government and Invest NI. This is the most recent and the most comprehensive survey of the SME manufacturing industry, which distinguishes between family and non-family firms, in the
United Kingdom. As such, it represents the largest, most reliable dataset which was readily available for this research. Data of this quantity and quality could not otherwise have been obtained within the timescales of this research project.

Given the confidential nature of individual company records, SN 6856 is not available for public access. Therefore, the researcher applied for and was granted “Secure Researcher Status” and was required to complete data confidentiality and data security training. The evidence of authorisation of researcher status from the UK Data Service is provided in Volume 2.

The dataset “SN 6856 Small Business Survey, 2010-2012” consists of a raw SPSS file with accompanying codebook lookups. The SPSS file contains the results of 30 minute interviews, conducted between June and September 2012, with a representative sample of United Kingdom SME employers. The results of the research are securely stored by the UK Data Service and the owner of the dataset is the Department of Business Innovation and Skills. The complexity of ownership and storage rights for this dataset has added to the rigor and effort required for this analysis. Within each of the four United Kingdom nations, the sample was stratified by industry sector within employee size band, which makes the dataset particularly relevant to the scope of this research: the dataset enabled the identification of family firms and non-family firms within industry sector (manufacturing) and employee size band (SME). The survey used Standard Industrial Classification codes from 2007 (Companies House, 2015) to classify industry sector.

The original purpose of the Small Business Survey 2012 was to understand key enterprise indicators amongst SMEs and SME owners, including recent turnover and growth of the firm, the business owner’s use of business support, their experience of accessing finance, their intentions to grow turnover and employment and, crucially for this report, their innovation practice and capability (Department for Business Innovation and Skills, 2013a). The methodology of analysing a pre-existing dataset has the benefit of using the most up to date,
comprehensive and reliable sample of SME firms in the United Kingdom. Furthermore, this dataset has not been used for further analysis beyond the BIS Research Paper published in 2013 (Department for Business Innovation and Skills, 2013a). As such, the analysis set out in subsequent chapters represents a contribution to knowledge as being the first detailed analysis of manufacturing firms (both family and non-family) ever performed on SN6856.

The weakness of this dataset is that it is surprisingly small for a survey that is used to form United Kingdom government policy and represents only 0.1% of the total population of businesses. SN6856 consists of 5723 records from an estimated total of 5.24 million businesses (Department for Business Innovation and Skills, 2013a). However, the random sample approach, which selected 6000 records at random from the Inter-Departmental Business Register (IDBR) database, and further sample stratification, is considered to have produced the most representative sample SMEs across the United Kingdom (Department for Business Innovation and Skills, 2014d).

The first stage in the quantitative analysis was to perform a descriptive statistical analysis using SPSS in order to compare the differences between family and non-family firms across variables relating to firm characteristics and business performance. The analysis took place within the UK Data Service secure environment, as is required by their confidentiality requirements (UK Data Service, 2014). The UK Data Service offers a choice of SPSS or Excel for data analysis. SPSS is considered to be more suitable for analysis of large datasets and more complex statistical analyses (Pallant, 2007), such as the exploratory factor analysis and chi-squared techniques used in this study.

This initial quantitative phase will compare key business performance metrics, such as profit, turnover, firm size and age. In order to answer the research question relating to innovation in family firms, innovation indicators will also be compared. These include variables such as the...
introduction of new product and services, the investment in innovation, the intention to innovate in future, and the adoption of industry best practice. More general variables, such as training, staff development, and interaction with support organisations, will provide an understanding of how family and non-family firms differ in activities relating to innovation. This initial statistical analysis will confirm whether family firms are indeed different to non-family firms across a number of key variables relating to innovation and business performance. This analysis will exclude firms with zero employees as a one-person firm is insufficiently complex field for exploring the nature of familiness (Zahra, 2003; Zellweger et al., 2010). The operation of doxa and habitus also requires the study of a field containing more than one individual (Bourdieu et al., 1993).

The second stage of the quantitative analysis is to conduct both Exploratory Factor Analysis and Parallel Analysis to produce a statistically-derived conceptual grouping of the variables of interest. This conceptual grouping will reduce the large number of variables to a smaller number of conceptual groupings, or factors. These factors will then be analysed for Bourdieusian themes, such as whether family firms’ relationship with customers can be explained through doxa, whether their approach to training and staff development can be explained through habitus and whether their willingness to interact with the outside world can be explained through the concept of fields.

The third and final stage of the quantitative analysis is to use the results of the descriptive statistics and factor analysis in order to develop of a number of hypotheses. These hypotheses, will relate the key aspects of familiness to each other. These hypotheses will be tested using a chi-squared technique. These three stages of quantitative analysis (descriptive statistical analysis, factor analysis, and chi-squared testing) will together answer the research question relating to whether familiness exists. The quantitative analysis will also start to explore the extent to which Bourdieusian themes can explain the nature of familiness.
This section has described how the quantitative analysis will firstly use descriptive statistics to analyse the extent to which family firms differ from non-family firms in the SME manufacturing sector of the United Kingdom. The quantitative analysis will start with a statistical analysis to describe key business metrics, including the profit, turnover, firm size and age, as well as innovation-related activities, such as staff training, interaction with other fields, the extent of product and process innovation, and how firms finance innovation. Then the exploratory factor analysis and parallel analysis will combine the large number of variables studied in the quantitative analysis to identify key factors of interest in relation to the family firms. In this way, the key constructs of familiness will be identified from the exploratory factor analysis and parallel analysis. The final stage in the quantitative design is to develop hypotheses based on the factor analysis and on the descriptive statistical analysis. The hypotheses will be tested using the chi-squared technique. At the same time as the quantitative data collection and analysis is taking place, the qualitative data collection and analysis will also take place. The qualitative research design will now be discussed.

### 3.6 Qualitative Research Design

In the convergent parallel design used in this research, the qualitative research design is constructed at the same time as the quantitative research design. The qualitative design is intended to answer the research question relating to providing a Bourdiesian answer to the under-theorised nature of familiness. A cross-case study will provide points of comparison and contrast between family manufacturing firms. The advantage of cross-case analysis is that it enables the researcher to generate knowledge through individual interviews, by comparing and contrasting cases and thereby accumulating knowledge (Khan & VanWynsberghe, 2008). Case studies are considered particularly appropriate to organisation studies because they promote “understanding the dynamics present within single settings” (Eisenhardt, 1989, pg533) by using a variety of lenses, which allows for multiple facets of the phenomenon to be explored and
defined. This ability to study multiple systems is particularly relevant to family business research because family firms operate at the intersection of two systems: the business and the family (Tagiuri & Davis, 1992).

The validity of the cross-case study method is based on the view that the case study method is inductive and concerned with building theory from a small number of cases that can be generalised (Gillham, 2000). The cross-case study design assumes that the case study is inherently generalisable, as there is a micro-macro link in social behaviour (Gerring, 2007) and that, by understanding a small, but key part, the whole phenomenon can be better understood. The cross-case research design in the study of family firms enables theoretical replication (Chirico, 2008; Nordqvist, Melin, & Hall, 2008), which enhances the external validity of the findings. This cross-case approach will rely on the triangulation of data points (Yin, 2013), in order to generate a family firm taxonomy which could apply across an industry (manufacturing) and organisation type (family firm). The known problem of the unit of analysis in family business – is it the family or the business? – is neatly avoided by the case study approach, which allows the researcher to view both the family and the business within the same study. Case studies are therefore considered a valid and appropriate methodology for the study of family firm issues: (Giovannoni, Maraghini, & Riccaboni, 2011; Michael-Tsabari, Labaki, & Zachary, 2014; Salvato, Chirico, & Sharma, 2010).

3.6.1 Cross-Case Study Selection Criteria

The initial selection of case studies is a random selection of 200 companies taken from the FAME database, which is provided by the firm Bureau van Dijk (Bureau van Dijk, 2015). FAME is a database of companies in the United Kingdom covering, financials, information about directors and managers, financial strength metrics including credit scores and ratings and
CCJs, shareholders, subsidiaries, corporate structures and families, industry descriptions, SIC codes and filed accounts held at Companies House.

Case study selection is considered problematic, as it depends on a very small selection of cases that are nevertheless expected to provide insight into a causal relationship across a larger population (Gerring, 2007). Purposive sampling can overcome these problems by selecting firms based on variables of interest. The table below explains the attributes of the purposive sample for this study, based on a suggested checklist by Takkashori and Teddlie (2009):

**Table 6 Rationale for the Purposive Sample Approach**

<table>
<thead>
<tr>
<th>Attributes of the Sample</th>
<th>Purposive Sampling</th>
<th>Relevance to this study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose of Sampling</td>
<td>To generate a sample that will address the qualitative research question.</td>
<td>Case studies will be selected where the sample can be examined to understand the interplay between familiness and innovation, as explored through doxa, fields and habitus.</td>
</tr>
<tr>
<td>Generalisability</td>
<td>Seeks a form of transferability between cases and reality.</td>
<td>Case studies will be selected in order to provide a form of generalisation to the wider reality of family firms in the manufacturing sector.</td>
</tr>
<tr>
<td>Rationale for selecting cases and units</td>
<td>Selection of cases deemed most informative in relation to the research questions.</td>
<td>Selection according to the constructs of familiness and their innovativeness, which reflect the central research question.</td>
</tr>
</tbody>
</table>
## Attributes of the Sample

<table>
<thead>
<tr>
<th>Sample Size</th>
<th>Purposive Sampling</th>
<th>Relevance to this study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Typically small: 30 or fewer cases.</td>
<td>22 firms and 27 interviews will allow for the constructs of culture and innovation to be examined across as wide a sample as possible.</td>
<td></td>
</tr>
</tbody>
</table>

| Depth/Breadth of information per case/unit | Focuses on depth of information generated by each case. | Focuses on breadth of information generated by units collectively. |

| Time Considerations | Snapshot. | The qualitative survey will take place at a particular point in time. |

| Objectivity/Subjectivity | Analysis across both objective and subjective dimensions. | Thematic analysis of objective structures: power, experience and culture are experienced subjectively within family firms. |

| Form of data generated | Focuses on narrative data, though numeric data can also be generated. | An ethnographic approach will generate narrative and visual data, such as photographs, social media snapshots and others that will be translated into codes. |

Source: based on (Teddlie & Tashakkori, 2009)

Using the purposive sampling technique, firms were selected which met the following criteria:

- The firms fitted the criteria of SMEs as per the definition used in the Small Business Survey.
The firms had activities in the manufacturing industrial codes used in the Small Business Survey (Department for Business Innovation and Skills, 2013a).

The firms scored both “high” and “low” under the definition of familiness used in the F-PEC scale (Astrachan et al., 2002).

The firms scored both “high and “low” under the definition of innovation used in the Small Business Survey (Department for Business Innovation and Skills, 2013a).

Polar sampling across the two key dimensions (“High” and “Low”) allows contrasting patterns in the data to be more readily observed. Polar sampling is recommended for researchers of family business (de Massis, Kotlar, 2014) as the theory created from extreme cases is more likely to be relevant across a variety of types of family firm. The next sections explain the F-PEC familiness scale, and the innovation scale and how both scales were applied to derive the selection of family firms in the qualitative sample.

3.6.2 F-PEC Familiness Scale

These questions are based on the widely used and independently validated F-PEC scale (Astrachan et al., 2002). The scale was slightly adapted for this study so that the questions could be answered from publically available material:

**Power**

- Are more than 50% of owners family members? Yes = High No = Low
- Are more than 50% of the governance board also family members? Yes = High No = Low

**Experience**

- Has the family business been established two or more generations ago? Yes = High No = Low

**Culture**
• Do the website and marketing materials promote the family nature of the firm? Yes = High No = Low

**Innovation Scale**

These questions were developed based on the innovation questions used in the SBS 2012 survey, and also so that they could be answered from publicly available data.

• Do the website and marketing materials mention the introduction of new products in the last 2 years? Yes = High No = Low

• Do the website and marketing materials mention the introduction of new processes, including internationalisation, in the last 2 years? Yes = High No = Low

• Do the accounts include R&D expenditure on innovation in the last 2 years? Yes = High No = Low

The initial interview questions were tested on a pilot study of 10 family SME manufacturing firms. The list of questions was redesigned following the pilot study, in order to establish the most effective questions and interview approach.

Following the pilot study and semi-structured interview redesign, the final sample was developed. Firstly, the FAME dataset and publically available data were interrogated to assess the firm was a manufacturing SME family firm. This yielded a sample of 200 firms. The researcher then followed up with a phone call to the firm’s Head Office to confirm whether the firm was a family-owned firm and whether the family would agree to be interviewed.

The final selection of 22 firms was made on the basis on the scales of familiness and of innovation:

**Table 7 Firm selection based on Familiness and Innovativeness as in the F-PEC scale**
<table>
<thead>
<tr>
<th></th>
<th>High-Familiness</th>
<th>Low-Familiness</th>
</tr>
</thead>
<tbody>
<tr>
<td>High-Innovativeness</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>Low-Innovativeness</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>12</strong></td>
<td><strong>10</strong></td>
</tr>
</tbody>
</table>

The final sample yielded a variety of variables other than familiness and innovation, such as the size and age of business, the number of employees and the sub-sector of manufacturing. This heterogeneity made it harder to generalise the qualitative findings across the wider population of family firms in the United Kingdom. However, the variety had the benefit of enabling a rich analysis of the theoretical concepts of doxa, fields, and habitus.

### 3.6.3 Interview Question Design

There is some debate over whether interviews should be idiographic, concerned with exploring the distinctive features of a single case (Bryman, 2008; Luthans & Davis, 1982; Tsoukas, 1989), or nomothetic, investigating a larger population and concerned with generalisation. This study takes the latter view, which is that the interviews with a small number of cases are inherently generalisable, due to the existence of a micro-macro link in social behaviour (Gerring, 2007). Interviews are a popular empirical approach within family business research. Family firm research suffers from the problem of the whether the family or the business is the unit of analysis (Habbershon, Williams, & MacMillan, 2003). Case studies allow the researcher to view both the family and the business within the same interview. Multiple interviews across a number of family firms have been used to build up a more
generalisable view of how familiness concepts operate across different types of firm in relation to innovation activity (Chirico, 2008; Zellweger & Sieger, 2012).

Even without the mixed method component, semi-structured interviews, combined with other data sources, are considered to have a relatively high validity within qualitative analysis (Gillham, 2000; Yin, 2013) due to their ability to triangulate data by using multiple sources. In this sample, a larger set of 27 interviews enables us to generalise our observations. The use of open-ended questions allows for more honesty in recollections than in structured, closed-ended questions (Flick, 2009). However, the use of pre-determined elements (the “structure” in the semi-structured interview design) allowed the comparison of key data points (Flin, O’Connor, & Crichton, 2008). In this case, the key data points were how Bourdieusian concepts of doxa, habitus, and fields played out in the family firm.

The first stage in implementing the qualitative design was to conduct ten pilot interviews, in order to test the validity of the interview questions. The pilot interviews asked explicit questions about “rules”, fields and “habits”, which caused confusion for interviewees. The final list of interview questions was re-designed to explicitly ask questions about innovation, while questions about doxa, fields and habitus were avoided. The number of questions was also reduced, so that the interview lasted less than one hour. This allowed enough time to explore the main theoretical concepts while not being so long as to tire interviewees. Photographs were also taken, as in Bourdieusian analysis, in order to capture visual evidence of habitus and doxa, such as the dress code, size and layout of the family owner’s office, photographs of family on the wall. This enabled the researcher to see how Bourdieusian concepts affected innovation “in vivo” (Gerring, 2007) as well as subsequently during data analysis. The interview questions were designed to allow the researcher to witness the intentionality, the reasoning and the underlying mental and emotional in the business decision-making process in relation to innovation. The list of questions is provided in Volume 2, Appendix D – Semi-Structured
Interview Questions and Invitation to Interview. The themes which emerged during quantitative analysis were pre-coded in NVivo. NVivo was selected over other CAQDAS tools, such as ATLAS.ti, MAXqda, and N6, due to large user base and availability of online tutorials (Zamawe, 2015). In addition to the use of “nodes”, which are particularly suited to thematic analysis (Bringer, Johnston, & Brackenridge, 2004), NVivo was evaluated to be the most appropriate for the systematic evaluation of qualitative data.

3.6.4 Discourse Analysis as the Analytic Method

Qualitative data is considered essential for understanding the processes that construct social life (Berger & Luckman, 1966) and interview data particularly so due to the directness and uniqueness of the spoken word (Burr, 2003). The analytical method chosen in this research is discourse analysis, where “discourse” refers to practices of talking and writing (Woodilla, 1998). Discourse analysis is based on an interrelated set of texts, which the researcher studies in order to understand how meaning is constructed (Parker, 1992). Discourse analysis has been chosen because it allows the social context and power dynamics inherent in family firms to emerge through the analysis of language (Phillips & Hardy, 2002). Furthermore, discourse analysis assumes that language does not just reflect reality, but also constructs reality (L. Wood & Kroger, 2000), just as Bourdieusian concepts of doxa, habitus, and fields construct and reinforce each other in the minds of family firm owners. Discourse is influenced by, and also reinforces, social structures (van Dijk, 1993), in this case, the family firm, with the constraints of family values and accepted behaviours. This analysis will therefore consider the family structures, manufacturing subsector and family values within each family firm. Discourse analysis cannot be built from an individual text because it is the interrelations between texts, including where there are conflicts and inconsistencies, that constitute a discourse (Phillips & Hardy, 2002). The analysis therefore uses NVivo nodes to identify interrelations and also discusses cases which appear to run counter to prevailing trends.
Unlike traditional analysis, which assumes that speech directly reflects the speaker’s thoughts (Phillips & Hardy, 2002), discourse analysis which allows for more creativity in interpreting the data (Alvesson & Kaj, 2009). Therefore, there are a number of ways of applying discourse analysis. The diagram below indicates how this study applies discourse analysis.
This study takes the view of “interpretive structuralism”, which looks at the broader social context rather than focussing on close textual analysis. This allows us to focus on the context of the family, the business, and the various external fields. This study is also located towards the constructivist rather than the critical approach, in starting with the pre-existing constructs of doxa, fields and habitus, rather than using the text to inductively develop new constructs. The constructivist approach seeks to understand how individual family members seek to construct their reality. This design therefore uses discourse analysis solely as a methodology, but also as part of the epistemology of this mixed methods design. This study uses discourse analysis to explain how social phenomena (the field of family and the field of business), decisions (whether and how to introduce innovation) and identities (as child or parent, employer or benefactor) are produced by language. This is why discourse analysis is often referred to as more than just a methodology (Sommer Harrits, 2011).
The interpretive structuralist approach focuses on the discourse that constructs the social context. Previous studies using this approach include the study of leadership as a relational process through an examination of the language, humour and story-telling used by managers to encourage their followers to enact changes (Fairhurst & Uhl-Bien, 2012). Interpretive structuralism is also used to foreground the role of social context and field (the unique nature of AIDS, the new field of AIDS support organisations) in how peripheral employees became institutional entrepreneurs in the field of Canadian HIV/AIDS treatment (Maguire, Hardy, & Lawrence, 2004). These studies indicate that interpretive structuralism is a methodology and epistemology used in studies similar to this one, which foregrounds the study of social structures in an organisational context.

Descriptions of the environment and interviewees’ gestures are used in this study as examples of non-verbal messages which can be analysed alongside speech (Van Dijk, 1995). Such observations of the workplace and behaviours are consistent with the methodology Bourdieu used when developing the concepts of doxa, fields and habitus (Bourdieu, 1979, 1984a, 1990d) and is therefore relevant to this study, which takes a closer look at how doxa, fields and habitus apply to family firms. A final justification for using discourse analysis is that interviews reveal how individuals construct themselves when talking to an interviewer: this method of self-revelation is similar to how the interviewees construct themselves in other fields of talk (Phillips & Hardy, 2002). This chapter will now describe the interview data in order to answer questions of reliability and validity.

### 3.6.5 Qualitative Validity and Reliability

The table below describes the process for establishing qualitative validity and reliability. The process described below combines Silverman’s (2010) five interrelated aspects of qualitative validity, Phillips and Hardy’s (2002) description of validity in discourse analysis, Rubin and

Table 8 Qualitative Validity and Reliability Process

<table>
<thead>
<tr>
<th>Step</th>
<th>How validity and reliability are improved</th>
<th>How the step was implemented</th>
<th>Where the results of each step can be found</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Transcribe each interview.</td>
<td>Written transcripts are easier to read and code, and can be subsequently shared with other reviewers, thereby improving the reliability of the findings.</td>
<td>A full and accurate word-for-word transcription of questions and answers.</td>
<td>Volume 2, Appendix G – Transcription of Interview Transcripts</td>
</tr>
<tr>
<td>Step</td>
<td>How validity and reliability are improved</td>
<td>How the step was implemented</td>
<td>Where the results of each step can be found</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------</td>
<td>---------------------------------------------</td>
</tr>
<tr>
<td>on conceptual themes.</td>
<td>themes of doxa, fields and habitus. The relevance of findings to the research question, at the highest level, is thereby ensured.</td>
<td>other nodes are organised.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A word frequency count improves reliability through being able to provide transparency of how frequently research themes appeared.</td>
<td></td>
<td>Qualitative Findings</td>
</tr>
<tr>
<td>4. Integrate the descriptions from interviews with several companies integrate</td>
<td>Validity improved by combining the insights from interviews with several companies integrate</td>
<td></td>
<td>Qualitative Findings</td>
</tr>
<tr>
<td>Step</td>
<td>How validity and reliability are improved</td>
<td>How the step was implemented</td>
<td>Where the results of each step can be found</td>
</tr>
<tr>
<td>------</td>
<td>------------------------------------------</td>
<td>-------------------------------</td>
<td>---------------------------------------------</td>
</tr>
<tr>
<td>different interviewees.</td>
<td>those best informed of an event or organisation.</td>
<td>comments from more than one member of the family. Deviant cases, which express contradictory views to the majority are also analysed.</td>
<td></td>
</tr>
<tr>
<td>Further validity is tested by including an analysis of deviant cases. Discourse analytic technique provides further rigour in analysing verbal statements.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Combine concepts and themes to generate own theory.</td>
<td>Incorporation of context and history to ensure a complete and sensitive understanding ensures validity. Work out explanations for what has been described in interviews and observations. Look for a set of related concepts and themes that together answer the research questions.</td>
<td>Incorporation of manufacturing industry, specific family structures and firm and family history in the analysis.</td>
<td>Qualitative Findings</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Methodology
<table>
<thead>
<tr>
<th>Step</th>
<th>How validity and reliability are improved</th>
<th>How the step was implemented</th>
<th>Where the results of each step can be found</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. Generalise the findings.</td>
<td>Analyse whether principles discovered within the research may apply to other settings.</td>
<td>If explanations apply beyond the research, discover if they apply elsewhere, at all times, or under some set of specified conditions.</td>
<td>Qualitative Findings Discussion</td>
</tr>
</tbody>
</table>

**3.6.6 Transcription Conventions**

Transcription involves interpretation of the spoken language and is therefore not only a methodological, but a theoretical decision (Ochs Elinor, 1979). The decision as to what should be transcribed should be made on the basis of the research goals (Jorgenson & Phillips, 2016). The research goals involve assessment of whether Bourdieusian themes of doxa, fields and habitus are helpful in understanding familiness. These goals involve pre-determined concepts, and therefore a detailed microlinguistic analysis which uses grounded theory, would not be
suitable (Bringer et al., 2004). This research therefore uses a system that shows pauses, silent periods and overlaps between speakers, based on the simplified version of Gail Jefferson’s system which is often used in discourse analysis (Alvesson & Karreman, 2000; van Dijk, 1993). The detailed transcription notation is provided, along with the transcripts in Volume 2.

This section has described how the qualitative analysis has been constructed. The qualitative analysis explores the Bourdieusian concepts of doxa, habitus and fields in relation to innovation in family firms through 27 in-depth interviews with SME family firms in the manufacturing sector of the NW. The semi-structured questions attempt to illuminate how Bourdieusian concepts of doxa, fields and habitus can be understood through innovation activities. The questions are tested through a pilot study of 10 interviews. The sample of family firms is selected according to whether they score on the scales of innovation activity (using the definition from the Small Business Survey dataset) and familiness (using the F-PEC scale). Pre-coding of themes, based on the variables of interest from the quantitative analysis, ensures a valid and reliable interpretation of results.

Having discussed the qualitative and quantitative research design, this section now considers ethical aspects of this research.

3.7 Ethical Considerations

Ethical considerations are considered crucial in family business research (Nordqvist et al., 2008) due to the overlap between the business and family fields. Family firm members are particularly likely to disclose personal and sensitive data during interviews. Family firm researchers therefore need to be particularly careful to provide assurances of confidentiality and anonymity. Furthermore, interviewing human subjects requires that they are fully aware of the nature of the research and how their data will be used (Saunders et al., 2012).
Full ethical approval was sought and granted from the University of Salford for both the qualitative and quantitative research. This multi-stage, rigorous process approved the research instruments, including the emails and phone scripts which requested interviews and the interview topics. The ethical framework used in this research gave participants the right to review the transcripts of the interviews and to include corrections, remove sensitive data or to withdraw at this stage. No participants requested corrections, removal of data, or withdrawal. All interviewees were the owners or senior managers of the firm, and did not require additional authorisation to share their views with the researcher. All company and individual names have been anonymised, as have any references to the company business which would allow the individual company to be identified. The quantitative analysis has complied with the ethical requirements from the UK Data Service, to remove of all cells with a count of less than 10, in order that individual companies could not be identified (Department for Business Innovation and Skills, 2013a).

Ethical considerations include how to mitigate for the subjectivity of interpreting verbal accounts. The researcher is required to be as objective as possible when analysing verbal accounts, in order to avoid misrepresenting the views of participants and introducing bias (Easterby-Smith et al., 2008). In order to maximise the transparency and replicability of the qualitative analysis, full transcripts of the interviews have been provided in Appendix G in the supplementary volume. Having discussed the ethical considerations in this study, the problem of the unit of analysis in family firm research will now be discussed.

3.8  Unit of Analysis in the Research Design
The unit of analysis in family business research is considered problematic, as both the family and the business are simultaneously the unit of analysis (Holt et al., 2009; Moores, 2009;
For this research design, both the business and the individual family member are concurrently the unit of analysis. The family business member concurrently trades off their personal role within the family with their role within the firm. They are also balancing the needs of the family, such as to provide an income for future generations, with the needs of innovation, which require a more risk-taking approach. Using a single unit of analysis will allow synergies, as well as counteracting forces, to be observed. Finally, the single unit of analysis allows the close study of theoretical constructs of fields, doxa and culture, which are relevant to both an organisation, as well as to an individual. Having discussed the research philosophy, ontology, epistemology, and methodology, including the ethical and unit of analysis considerations, this section now provides summary of the justification for a mixed methods approach.

### 3.9 Limitations of the Research Design

The limitations of the research design and how these limitations have been addressed are described below:

1. **Conceptual differences in the secondary dataset**

   Firstly, there is a conceptual difficulty of integrating a Bourdieusian perspective into an analysis of a secondary dataset, which has been generated from an entirely different theoretical perspective. This challenge will be overcome by selecting the variables which are most relevant to the Bourdieusian themes explored in this study, including innovation activity, learning, geographical location, ambitions, and statements of personal values and beliefs.

2. **Unconscious nature of Bourdieusian concepts**

   Secondly, the nature of Bourdieu’s concepts is that they are often unconscious and unspoken (Lizardo, 2004; Myles, 2004; Weininger, 2005) and therefore difficult for an individual to
describe verbally. The interviewer will therefore use an interpretive structuralist approach to bring out the nature of doxa, fields and habitus as they are reported in the text.

3. Lack of time to build trust with family firms

Thirdly, the nature of this study is that limited time was available in which to develop a close and trusting relationship with a family business, in order for them to divulge sensitive insights. Hence the research question is restricted to innovation activity. Following the pilot study, it became clear that answering questions about innovation was more successful in eliciting Bourdiesian concepts than answering questions directly about the beliefs and values of the family.

4. Resource Limitations

On a practical level, there are resource limitations in relation to this type of study. Mixed methods data collection and analysis is a resource-intensive activity. Therefore, the research question has a very limited ontology, restricted to manufacturing SME family firms in the United Kingdom. This will make the timescales involved in this research more feasible.

5. Restrictions on the secondary dataset

The UK Data Service, which is the owner of the secondary secure dataset “SN 6856 Small Business Survey, 2012” has placed restrictions on the publication and sharing of results from the dataset, including restriction on viewing cell counts less than 11. This has prevented detailed analysis, such as analysing all results by firm size. However, the majority of tables were able to be reported in full.

3.10 Chapter Summary

Bourdieu claimed that the conclusions of his mixed methods research into doxa, fields and habitus in France could apply to other societies. He argued that the plurality of methods he used
produced a reliable and valid set of data, and consequently “a reading that seeks to identify, behind the specific institution of a particular society, the structural invariant and, by the same token, the equivalent institution in another social universe” (Bourdieu, 2013, p. xiv). The mixed methods research methodology in this study seeks to confirm the extent to which common “structural invariants” also exist in family firms, in respect of the highly competitive area of innovation. Furthermore, family firms are characterised by the need to balance the divergent identities, interests, and priorities of members of the family and the business systems, all of which are aspects that are particularly difficult to capture through purely quantitative or qualitative methods. This is why mixed methods has been selected as the most appropriate methodology for this study of family business research.

A mixed methods approach is recommended for research which relies on a diversity of views (Bryman, 2008; Greene et al., 1989). In this case, in order to answer a wide-ranging research question, the research design includes viewpoints taken from organisational leaders, family members, policy-makers, and support organisations. Family business is a theoretically heterogeneous field and a diverse methodological approach is therefore recommended (De Massis, Kotlar, 2014). In this way, the research design used in this study adds value to family business literature in general.

The mixed methods design used in this study is a contribution to knowledge, in that it adds to the calls for methodological diversity in family firm studies. The mixed methods research design adds value to Bourdieusian scholars, who wish to apply this quantitative-qualitative research design to other fields of social science. Having discussed the mixed methods approach of this study, the quantitative findings generated from the first stage are now discussed.
4 Quantitative Findings

Earlier chapters have discussed the research problems which need to be solved, including the problem of whether familiness exists and the problem of defining the distinctive nature of family firms. The previous chapter has outlined the pragmatic philosophy behind the convergent parallel research design, which prioritises problem-solving and a holistic, contextual view of the phenomenon under investigation. This chapter will outline the results of the quantitative study. A comparison of family and non-family manufacturing SMEs, will establish definitively whether familiness exists and what the nature of these differences are through a rich analysis of large-scale survey data. The analyses consist of a series of statistical analyses followed by an exploratory factor analysis and hypotheses testing. The secondary dataset used was wide-ranging survey of business performance across 5,115 SME business owners in 2012 in the United Kingdom. A more detailed explanation of the methodology, list of questions, and variables from this dataset is provided in Appendix B – Additional Detail on the Quantitative Methodology which is contained in the supporting volume.

The chapter opens with descriptive statistics in order to establish the significant differences between the business performance of family firms to non-family firms using variables of interest to the research question, i.e. variables which related to business performance, familiness and innovation. A visual summary of these differences is then presented. The chapter moves on to present the results of factor analysis, using both Exploratory Factor Analysis and parallel analysis techniques, to provide a statistically-derived conceptual grouping of the variables of interest. This conceptual grouping will be analysed for Bourdieusian themes. A number of hypotheses are then developed which are formulated from the results of descriptive statistics and factor analysis. Finally, these hypotheses are tested using a chi-squared technique. The conceptually and statistically derived groupings will be compared with a grouping presented in the qualitative analysis in the next chapter.
The chapter now opens with an overview of the quantitative analysis.

4.1 Overview of the Quantitative Analysis

This study explores the nature of familiness in SME firms because familiness can more easily be observed without the dilution of family influence that happens in larger firms (Sonfield & Lussier, 2009b; Zhang & Ma, 2008). Researchers have argued that large family firms, which have long been part of the global economy (Burch Jr., 1972) adopt business practices of other large organisations, thereby displaying less familiness.

Therefore, the initial quantitative analysis is based on the largest, most reliable dataset of family and non-family manufacturing SME firm owners: “SN 6856 Small Business Survey, 2010-2012” (Department for Business Innovation and Skills, 2014c). The purpose of this survey was for the UK government to understand key enterprise indicators amongst SMEs and SME owners, including recent turnover and growth of the firm, the business owner’s use of business support, their experience of accessing finance, their intentions to grow turnover and employment and, crucially for this report, their innovation practice and capability. This dataset has not been used for further analysis beyond the BIS Research Paper, Small Business Survey 2012 (Department for Business Innovation and Skills, 2013a). This survey did not examine the manufacturing sector in particular, nor analyse the key factors of familiness, nor develop and test hypotheses relation to familiness and innovation. As such, the analysis set out in this chapter represents the first theoretically derived analysis of manufacturing family firms ever performed on SN6856 and is therefore a contribution to knowledge.

The UK Data Service has agreed to release the data in the remaining section of this chapter. Their release of this data is subject to inclusion of the following statement:

“The UK Data Service agrees that the attached outputs are non-disclosive, and cannot be used to identify a person or organisation.
The use of these data does not imply the endorsement of the data owner or the UK Data Service at the UK Data Archive in relation to the interpretation or analysis of the data. This work uses research datasets which may not exactly reproduce National Statistics aggregates.”

The data presented below is therefore subject to the following confidentiality requirements: firstly, cells beneath a certain count (the exact number cannot be disclosed) cannot be released, as this could enable the identification of individual firms. Where cell numbers fall below this count, the rows have been merged. Where it has been impossible to merge cells, as in four by four tables, the entire table has been removed and a description of the finding has been inserted instead.

Secondly, the categories “Don’t Know” and “Unwilling to Answer” have been removed from all tables, as a large number of the responses to these questions fell below the cell count.

Finally, sub-totals within certain tables are not provided, as this could enable the identification of individual firms.

4.2 Descriptive Comparative Statistical Analysis

This section uses descriptive statistics to compare family with non-family firms across the following areas. Two subsets of dataset SN 6856 were extracted: one consisting of family firms with more than zero employees in the manufacturing sector (n=330) and the other of non-family firms with more than zero employees (n=252) in the manufacturing sector. The selection was performed using the query “SIC Code” variable equal to all the manufacturing codes contained in the 2007 SIC code list (Companies House, 2015) and the “Family Firm” variable equal to “Yes”. The analysis goes on to compare these two subsets (family with non-family firms) across seven areas: business profile, business performance, growth, innovation capability, training, external support, and business owner profile.
This section now goes on to examine the first of these seven areas: business profile.

### 4.2.1 Business Profile

This section examines the differences between family and non-family firms across business profile, starting with a sectoral analysis and the number of generations in family firms, then moving on to compare family and non-family firms by firm size, firm age, gender and ethnicity of firm owners. Below is provided the overall number and percentage of family firms across all sectors, including firms with one employee or no employees.

**Table 9** The number of family-owned businesses (mean percentage) as compared to non-family owned businesses, by industry sector, n=number of family-owned businesses

<table>
<thead>
<tr>
<th>Sector (SIC 2007)</th>
<th>n = number of family-owned businesses</th>
<th>Family Owned Businesses as a mean percentage of all businesses (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>All SME Employers = total</td>
<td>4768</td>
<td>62</td>
</tr>
<tr>
<td>ABDE Agriculture/Mining</td>
<td>204</td>
<td>86</td>
</tr>
<tr>
<td>C Manufacturing</td>
<td>671</td>
<td>62</td>
</tr>
<tr>
<td>F Construction</td>
<td>457</td>
<td>72</td>
</tr>
<tr>
<td>GHI Wholesale and Retail</td>
<td>1220</td>
<td>70</td>
</tr>
<tr>
<td>Trade/Transportation and Storage/Accommodation and Food Service Activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>J Information/Communication</td>
<td>255</td>
<td>42</td>
</tr>
<tr>
<td>KLM Financial and Real Estate;</td>
<td>724</td>
<td>50</td>
</tr>
<tr>
<td>Sector (SIC 2007)</td>
<td>n = number of family-owned businesses</td>
<td>Family Owned Businesses as a mean percentage of all businesses (%)</td>
</tr>
<tr>
<td>----------------------------------------------------------------------------------</td>
<td>--------------------------------------</td>
<td>-------------------------------------------------------------------</td>
</tr>
<tr>
<td>Professional, Scientific and Technical Activities;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N Administrative/Support</td>
<td>302</td>
<td>65</td>
</tr>
<tr>
<td>PQRS Education/Social Work;</td>
<td>935</td>
<td>46</td>
</tr>
<tr>
<td>Arts/Entertainment; Other Services</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The finding above shows that family firms form the majority of all SME firms and their prevalence justifies the research aim of this report. This finding is consistent with a report for the European Commission, which estimated that 70% to 80% of all enterprises were family firms (European Commission, 2009b). The final report of the European Commission’s Expert Group for Family Business, estimates that 60% of all enterprises are family firms (European Commission, 2009a). Acknowledging that family firms are an important part of the SME sector, the “Small Business Act for Europe” highlights the need for the “recognition of the special role of SMEs and in particular family-based enterprises, their typically local base, socially responsible attitudes and capacity to combine tradition with innovation” (European Commission, 2008, p. 1).

In the United Kingdom, the 2010 Small Business Survey estimated that 61% class the business as a family business (Department for Business Innovation and Skills, 2011). The expected number of family firms in the 2012 dataset is therefore consistent with wider national and international estimates. The percentage of family firms in manufacturing has
dropped by 3% since 2010, (Department for Business Innovation and Skills, 2011), which is consistent with predicted decline in the global manufacturing sector (World Bank, 2009) and which is also consistent with being supplanted by the services sector in the United Kingdom (Business Growth Service, 2014).

Table 10 The number of generations which have controlled SME family firms across all industry sectors and across the manufacturing sector in the UK in the year 2012, n=number of family firms, % = mean percentage of all family firms

<table>
<thead>
<tr>
<th>Industry Sector</th>
<th>1 Gen (n, %)</th>
<th>2 Gen (n, %)</th>
<th>3 Gen (n, %)</th>
<th>4 Gen (n, %)</th>
<th>Other/Don’t Know /Unwilling to answer (N, %)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>All family firms</td>
<td>1634 firms or 62%</td>
<td>679 firms or 25%</td>
<td>212 firms or 8%</td>
<td>78 firms or 3%</td>
<td>64 firms or 2%</td>
<td>2667 or 100%</td>
</tr>
<tr>
<td>Manufacturing firms</td>
<td>170 firms or 51%</td>
<td>111 firms or 34%</td>
<td>27 firms or 8%</td>
<td>11 firms or 3%</td>
<td>11 firms or 3%</td>
<td>330 or 100%</td>
</tr>
</tbody>
</table>

The results show that in the manufacturing sector, family firms are longer-lived, being more likely to survive to two generations. A widely cited but empirically unfounded finding is that 33.3% of family firms survive beyond the first generation to the second generation, and that a further 10% survive to third generation (Kets de Vries, 1993). The data above is largely consistent with this finding, showing that 34% of all current manufacturing family firms have survived to the second generation and 8% have survived to the third generation.

Cuccuelli’s and colleagues’ analysis of Italian manufacturing firms demonstrated that successful family firms fail to pass their advantages down through the generations:
manufacturing family firms which outperform the sector are more likely to under-perform the sector once the next generation takes over (Cucculelli & Micucci, 2008). The implication for family firms is that, over time, manufacturing firms are likely to falter and eventually fail. This research finding correlates with the data above and shows that family firms are indeed increasingly likely to fail with each subsequent generation. This phenomenon can be explained by theories such as the S-curve, whereby radically new technologies are developed by new firms, rather than the market leaders (Foster, 1986). The tendency of mature firms to incrementally refine their technologies, at increasing costs, means they are less likely to spot or adopt new successor technologies (Christensen, 2009). Furthermore, firm lifecycle stage should be considered as a potential moderating factor for technology firms (Koberg, Uhlenbruck, & Sarason, 1996), as factors such as the centralisation of power, which occurs in more mature firms, can discourage innovation.

The number of generations involved running in the family firm is a proxy for familiness. The number of generations is one of the variables captured in the F-PEC scale. Given that the average lifespan of a Standard and Poor 100 firm in 2011 was 15 years (Foster & Kaplan, 2003), this finding indicates that family firms are longer-lived than non-family firms. In Bourdieusian terms, captures the concept of “illusio”, or the belief that the “game is worth the candle” (Bourdieu, 1990a, p. 195). Illusio is necessary for a field to function, as the “field” or “game” requires players willing to create the doxa, or rules of the game. Illusio that the game is worthwhile is also required for players to invest their time, money and lives to pursue the objectives and obtain the profits offered by the field (Bourdieu & Wacquant, 1992). If family firm owners and their children subscribe to a strong “illusio” that the family firm is an enterprise worth investing in, then the family firm will continue to survive. Subsequent qualitative analysis will explore the roles of “illusio” in the family firm, and the extent to which “illusio” contributes to innovation.
The finding above that family firms are longer-lived than non-family firms would appear to indicate that family firms are also larger. Previous research has indicated that longer-lived firms are also larger in size (Fort, Haltiwanger, Jarmin, & Miranda, 2013; Simon & Bonini, 1958). The table below compares family firm size with non-family firm size.

Table 11 Comparison by firm size (micro, small and medium) between SME family firms and SME non-family firms across all sectors in the UK in the year 2012, n=number of firms, % = mean percentage of all firms

<table>
<thead>
<tr>
<th>Business Type</th>
<th>Micros (1-9 emps) (n, %)</th>
<th>Small (10-49 emps) (n, %)</th>
<th>Medium (50-249 emps) (n, %)</th>
<th>Totals (n, %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-family firms</td>
<td>710 or 33%</td>
<td>852 or 41%</td>
<td>533 or 25%</td>
<td>2095 or 100%</td>
</tr>
<tr>
<td>Family firms</td>
<td>1187 or 45%</td>
<td>1046 or 39%</td>
<td>434 or 16%</td>
<td>2667 or 100%</td>
</tr>
</tbody>
</table>

Contrary to expectations, family firms are more dominant in the micro end of the SME spectrum even though they are longer-lived than non-family firms. Only 16% of medium-sized firms are family firms as compared to 25% of non-family firms. Family firms appear therefore to be failing to grow, or resisting growth, irrespective of the type of industry. The reason for this resistance to growth could be entirely rational: for example, family firms have been found to resist growth if it entails a loss of control for the family (Daily & Dollinger, 1992). This has led scholars to argue that family firms are not subject to the normal growth expectations of the standard firm, as they operate “income substitution businesses” (Cowling & Westhead, 1998, p. 36) with no plans to increase employee numbers or sales. Another reason for the lack of growth could be the family firm’s failure to innovate. Innovation has long been viewed as the most reliable basis for longer-term firm growth and survival (Penrose, 1959; Schumpeter, 1934). Subsequent hypothesis testing will explore whether the
family firms who innovate are indeed the larger and more long-lived firms. The next table makes a comparison by size, this time within the manufacturing sector.

Table 12  Comparison by size (micro, small and medium) between SME family firms and SME non-family firms in the manufacturing sector in the UK in the year 2012, n=number of firms, % = mean percentage of all firms

<table>
<thead>
<tr>
<th>Sector and Business Type</th>
<th>Micros (1-9 emps) (n, %)</th>
<th>Small (10-49 emps) (n, %)</th>
<th>Medium (50-249 emps) (n, %)</th>
<th>Total (n, %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing – non-family firms</td>
<td>56 firms or 22% 36%</td>
<td>90 firms or 42%</td>
<td>106 firms or 42%</td>
<td>252 or 100%</td>
</tr>
<tr>
<td>Manufacturing – family firms</td>
<td>85 firms or 26% 49%</td>
<td>163 firms or 49%</td>
<td>82 firms or 25%</td>
<td>330 or 100%</td>
</tr>
</tbody>
</table>

This analysis shows that manufacturing family firms are larger than family firms, indicating that manufacturing is a growth-oriented sector. However, family firms are still likely to be clustered around the “small” size than non-family firms and are less likely to be found in the “medium” end of the spectrum. This indicates that a general reluctance or inability for family firms to grow is also to be found in family firms in the manufacturing sector. Continuing the analysis of why family firms fail to grow, the historical viewpoint is that the continued existence of the small firm is an anomaly (Solow, 1956). The persistence of the small firm is argued to be partly due to the superior agility of small firms over large firms (Penrose, 1959, pp. 220–225) or to market imperfections (Ross, 1953).

The predominance of micro and small family firms in the United Kingdom manufacturing sector may also be attributable to technological change. New manufacturing technologies,
such as 3D printing, have reduced economies of scale (Petrick & Simpson, 2013).

Deregulation and privatisation have increased. This trend encourages the formation of new firms and increases the opportunities for smaller businesses to take business away from their larger, slower competitors (Audretsch, 2004). Furthermore, previous research suggests that small business owners do not wish to pursue growth (Davidsson, 1989; Storey, 1994), due to factors such as loss of control and fear of employee dissatisfaction. Early theories of the family firm speculated that familiness generally prevented firm growth, due to factors such as in-fighting, poor staff retention, excessive caution and poor management (Calder, 1961).

The results above indicate that family firms are indeed less willing, or able, to grow than non-family firms. This justifies further study of how human values, habits and rules of conduct help or hinder growth ambitions.

A comparison of manufacturing firms by age bands is now provided in the table below, to establish whether there are significant age differences between family and non-family firms.

Table 13  Comparison by age bands between SME family firms and SME non-family firms in the manufacturing sector in the UK in the year 2012, n=number of firms, % = mean percentage of all firms

<table>
<thead>
<tr>
<th>Sector and Business Type</th>
<th>1-5 years</th>
<th>6-10 years</th>
<th>11-20 years</th>
<th>More than 20 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(n, %)</td>
<td>(n, %)</td>
<td>(n, %)</td>
<td>(n, %)</td>
<td></td>
</tr>
<tr>
<td>Manufacturing – non-family firms</td>
<td>24 firms or 32 firms</td>
<td>53 firms</td>
<td>142 firms</td>
<td>252 or 9.5% 12.7% 21% 56.3% 100%</td>
<td></td>
</tr>
<tr>
<td>Manufacturing – family firms</td>
<td>16 firms or 28 firms</td>
<td>64 firms</td>
<td>220 firms</td>
<td>330 or 5.1% 8.5% 19.4% 66.7% 100%</td>
<td></td>
</tr>
</tbody>
</table>
The results show that long-lived manufacturing firms are more likely to be family firms than non-family firms. The results also show that a new manufacturing firm is less likely to be a family firm. Families are therefore less likely to be the type of innovative entrepreneur found in Mark I Schumpeterian theories, which emphasise the role of the entrepreneur in innovation, (Castellacci & Zheng, 2010; Malerba, Orsenigo, & Breschi, 2000). However, family firms seem to be better able to survive “the indefinite state of warfare between firms” (Schumpeter, 1943, p. 69), which results in the destruction of uncompetitive firms, and the creation of dominant firms. The result above indicates that risk-taking entrepreneurship, which drives the “perennial gale of creative destruction” (Schumpeter, 1943, p. 76), is not necessarily associated with older firms. This finding therefore justifies the development and testing later in this section of the relationship between firm age and the tendency to innovate.

As this dataset represents the most recent, valid and large-scale survey of SME family firms in the United Kingdom, there was no comparable United Kingdom dataset with which to compare results. However, the age and size profile of firms is consistent with family firm research, which showed that family firms in manufacturing are older and smaller than non-family firms (Zahra, Hayton, & Salvato, 2004). This finding is also consistent with earlier research that family firms across all sectors are more likely to be older than their non-family equivalents (Miller et al., 2008). Indeed, the increasingly prevalent view in family firm literature is that family firms are able to draw on the practical and emotional support from their unique “social capital” (Brigham, Lumpkin, Payne, & Zachary, 2013) thereby surviving for longer periods. The prevalence of the “social capital” theory in explaining family firm’s superior longevity further justifies the use of Bourdieus’s theories in this study. The age and size profiles of firms shown in these results provide confidence that this sample is representative of the wider population of family firms, and so further analysis of this dataset is validated.
Table 12: Comparison by gender of owner between SME family firms and SME non-family firms in the manufacturing sector in the UK in the year 2012, n=number of firms, % = mean percentage of all firms: *table was not released by the UK Data Service*

A comparison by gender of owner between SME family firms and SME non-family firms in the UK manufacturing sector shows that family firms are more likely to have a woman owner than non-family firms. However, because there is such a small number, overall, of non-family female owners, the table itself could not be reproduced due to the reporting restrictions of the UK Data Service.

Although the table itself is not represented, the results showed that women more likely to own a manufacturing family firm than a non-family manufacturing firm. This positive result is set within a wider context of women’s underrepresentation in SME United Kingdom businesses (Department for Business Innovation and Skills, 2013a). Academic studies of women in family firms and women-led family firms, has long been recognised as being sparse and fragmentary (Dumas, 1998; Lerner & Malach-Pines, 2011; Litz et al., 2012; Salganicoff, 1990; Sonfield & Lussier, 2009a). Furthermore, the lack of empirical research as to the numbers of women in family firms (Martinez Jimenez, 2009) makes it difficult to assess whether the figure above of women-owned family firms is representative of the wider family business sector in general. In order to understand whether this figure is representative of all women-led family firms, the discussion now turns to a sector-wide analysis.

Table 14 Comparison by gender of owner between SME family firms and SME non-family firms by industry sector in UK in the year 2012, n=number of firms, % = mean percentage of all firms

4 As one or more of the cells has a count of fewer than 10, the total number of firms cannot be published due to data confidentiality reporting restrictions.
A sector-wide analysis shows that family firms, across all sectors, are more likely to be led by women. Furthermore, in sectors that have no women-led non-family firms, such as primary and construction, there are family firms that nevertheless have some women present. This finding contradicts early research, which indicated that family firms are paternalistic and conservative (Dumas, 1998; Salganicoff, 1990), presenting obstacles to promotion, assuming male succession and failing to recognise women’s’ contribution. However, this finding supports later research that indicates, where women are business owners, they are more likely to pass the firm on to their daughters (Cadieux, Lorrain, & Hugron, 2002). Women entrepreneurs are more likely to be found in sectors which are low-paid, and which also have a high number of women owners (Sappleton, 2009), suggesting that a lack of supportive networks prevent women from entering certain industries. These wider structural problems also affect women in family-owned businesses. Bourdieusian concepts of habitus (behaviours...
and language) and doxa (the explicit and unspoken rules of a field) are useful in understanding gender as a persistent, but not permanent structure (McNay, 1999). Bourdieu argued that the concept of doxa is a tool well suited to describing the oppression of women in public fields:

“The best illustration of the political import of doxa is arguably the symbolic violence exercised upon women. I think in particular of the sort of socially constituted agoraphobia that leads women to exclude themselves from a whole range of public activities.” (Bourdieu & Wacquant, 1992, p. 74)

The qualitative analysis later in this research will explore how doxa and habitus contribute to creating a supportive, or an oppressive, culture for women in family firms. However, this initial finding is indicative that family firms display a habitus and doxa that are more conducive to women leadership than those of non-family firms. This section now examines whether the structures of family firms are conducive to minority-ethnic group (MEG) led businesses.

Table 15  Comparison by Minority Ethnic Group identity of owner between SME family firms and SME non-family firms in the manufacturing sector in the UK in the year 2012, n=number of firms, % = mean percentage of all firms

The exact percentages in this table cannot be provided because of reporting restrictions on cell counts of less than 10. The results, although they cannot be provided in full, show that family firms are slightly more likely than non-family firms to have an MEG owner.

For firms with a management board, family firms are slightly more likely than non-family firms to have one or more MEG board members, although further analysis is not possible, as

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5 As one or more of the cells has a count of fewer than 10, the total number of firms cannot be published due to data confidentiality reporting restrictions.
the number of MEG-lead firms for both family and non-family groups is fewer than 11, and therefore cannot be reported due to the UK Data Service confidentiality restrictions. Whereas the number of women-led family firms in manufacturing reaches the threshold of more than 10 firms, the number of MEG-led firms in manufacturing does not.

In order to understand whether this figure is representative of all MEG-led family firms, the discussion now turns to a sector-wide analysis.

Table 16 Comparison by Minority Ethnic Group identity of owner in SME family firms and SME non-family firms by industry sector in UK in the year 2012, n=number of firms, % = mean percentage of all firms

<table>
<thead>
<tr>
<th>Sector (SIC 2007)</th>
<th>Family firms - MEG owner</th>
<th>Non-family firms - MEG owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABDE Primary and F Construction and</td>
<td>67 firms or 6.6%</td>
<td>27 firms or 7.7%</td>
</tr>
<tr>
<td>GHI Wholesale and Retail</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade/Transportation and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Storage/Accommodation and Food</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services Activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>J Information Communication and</td>
<td>16 firms or 5.5%</td>
<td>19 firms or 4.4%</td>
</tr>
<tr>
<td>KLM Financial And Real Estate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N Administrative Services and PQRS</td>
<td>39 firms or 10.6%</td>
<td>24 firms or 4.3%</td>
</tr>
<tr>
<td>Other Services</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A sector-wide analysis shows that, unlike with women-led firms, MEG-led family firms are less likely to exist across all sectors. Despite the paucity of studies on MEG-led family firms
in the United Kingdom (J. G. Hussain, Scott, & Matlay, 2010), the overall consensus is that MEG-led family firms in the United Kingdom are heterogeneous (Basu, 2004) and that MEG-led firms can be found across a variety of sectors. The finding above indicates that MEG-led firms are in fact constrained to three out of the seven SIC code groupings. Four of the seven industries in the UK had no MEG-led firms, which indicates the high level of segregation and exclusion in MEG obtaining ownership across the range of industries in the United Kingdom. Furthermore, the finding above indicates that MEG-led family firms are clustered in the low-skilled and low-paid sectors of wholesale retailing and food services. This clustering may be due to the low start-up costs for activities in food services and retail sectors, as opposed to manufacturing (Clark & Drinkwater, 2010). These sectors may be more appealing to recent immigrants without inherited capital or access to bank funding.

Ethnic group, as defined by the individual’s country of origin and family background, plays a role in entrepreneurial and innovation preferences (Basu, 2004), yet these preferences are also determined by education and prior experience (J. G. Hussain et al., 2010). The sector-level differences in MEG-led family firms could also be the product of cultural preferences and attitudes towards education (Basu & Altinay, 2002), which lead MEG-led family firms towards certain industries. Furthermore, racism and the dominance of large corporate capital in the wider business environment have been cited as a theory for why so few MEG-led firms are found in capital-intensive industries (Ram & Jones, 2012). This theory partly explains the finding above, which shows a lack of MEG-owned firms in the capital-intensive construction sector and the high numbers of MEG-owned firms in service sectors. The finding above indicates that ethnic background is too broad a brush to understand why some family firms are more likely to innovate than others. Bourdieu’s theories of doxa, fields and habitus could help to explore the class and cultural factors towards education and innovation in MEG-led family firms. Bourdieu, later in his career, decried anti-Algerian racism, which “caricatures an
ambiguous historical reality in order to reduce it to the reassuring dichotomies of Manichean thought” (Bourdieu, 1998, p. 22). His concepts of habitus and doxa explain how dominant classes in society explain their position by creating doxa which justify their dominant position; racism, in this context, is the symbolic and actual violence required to justify their “belief that they are essentially superior. Every racism is an essentialism” (Bourdieu, 1984b, p. 177).

In the context of family firms, the doxa could involve the refusal of financial or social support needed for MEG-led family firms to establish themselves in a particular industry, or field. The exploration of nationality, ethnicity and religion are complex, and deserving of further research in themselves. However, a brief Bourdieusian analysis of ethnicity on the habitus and doxa of an individual MEG-led family firm will be performed during the qualitative phase of this research.

In conclusion to this section on the firm profile, the results show that firm size, firm age, gender and ethnicity of owners are largely consistent with earlier family firm research. It can also be demonstrated that family firms have already shown a marked difference from non-family firms in being more diverse, smaller and older than non-family firms. The statistical results do not explain the reasons for these differences. Therefore subsequent qualitative analysis will use Bourdieu’s sociological constructs as explanatory tools.

Having established the differences between family and non-family firms in relation to business profile, the discussion now moves on to discuss their differences in business performance.

**4.2.2 Business Performance**

The business performance of family firms takes place in the overall context of declining manufacturing within the United Kingdom compared to global competitors. Between 1970 and 2002, the United Kingdom was ranked 4th in the world in terms of total manufacturing output, but has since slipped to 8th in 2013 (House of Commons Library, 2015a). Yet
manufacturing remains central to national economic growth (Neusser & Kugler, 1998), particularly in relation to its contribution to R&D and productivity (UNIDO, 2014).

Manufacturing family firms must therefore out-compete not only non-family firms in the United Kingdom, but also global competitors to remain successful. This section examines how family and non-family firms differ in terms of their profit, employment plans and turnover.

Table 17 Comparison between SME family firms and SME non-family firms in profit change in the previous 12 months in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms

<table>
<thead>
<tr>
<th>Sector and Business Type</th>
<th>Profit has increased in the last 12 months (n, %)</th>
<th>Profit has decreased in the last 12 months (n, %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing – non-family</td>
<td>212 or 84.1%</td>
<td>38 or 15.1%</td>
</tr>
<tr>
<td>Manufacturing – family firms</td>
<td>263 or 79.7%</td>
<td>56 or 17%</td>
</tr>
</tbody>
</table>

The results indicate that family firms are less likely to report an increase in profit and more likely to report a decrease in profit than non-family firms in the last 12 months. Given that family firms are more long-lived than non-family firms, it could be theorised that family firm values are less focussed on generating short-term profits and more likely to prioritise values of business survival.

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6 As one or more of the cells has a count of fewer than 10, the total number of firms cannot be published due to data confidentiality reporting restrictions.
This finding is consistent with recent research which shows that succession planning prioritises keeping the business within family control in order to maximise the financial and socio-emotional wealth that accrues to the family (Daspit, Holt, Chrisman, & Long, 2015). This finding seems to indicate that family firms may be willing to prioritise longevity over short-term profitability, which is a finding confirmed by other studies of United Kingdom family firms (Dodd et al., 2014; Glover & Reay, 2013). This finding indicates that family firms reject the market-dominant doxa of “profit-first” in favour of doxa that values long-term survival and stability. The results above demonstrate that family firms have distinctive profit aspirations from non-family firms. In rejecting profit motivations, family firms appear to prioritise other types of value to the purely financial.

The next table compares whether family firms are more likely to have downsized their staffing base than non-family firms.

Table 18  Comparison between SME family firms and SME non-family firms in the change to employment of people in the previous 12 months in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms

<table>
<thead>
<tr>
<th>Sector and Business Type</th>
<th>Employed more people 12 months ago than currently (n, %)</th>
<th>Employed about the same number of people 12 months ago (n, %)</th>
<th>Employed fewer people 12 months ago than currently (n, %)</th>
<th>Total (n, %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing – non-family</td>
<td>58 firms or 23%</td>
<td>107 firms or 42.5%</td>
<td>87 firms or 34.5%</td>
<td>252 firms or 100%</td>
</tr>
<tr>
<td>Manufacturing – non-family</td>
<td>62 firms or 18.8%</td>
<td>157 firms or</td>
<td>111 firms or</td>
<td>330 firms or</td>
</tr>
</tbody>
</table>
The results show that family firms are more likely to have maintained their employee base than non-family firms. This finding shows that SME family firms are resisting the trend in amongst other United Kingdom manufacturers to reduce employment. Employment in United Kingdom manufacturing firms is being reduced at a faster rate than in other countries (UNIDO, 2013). The high productivity of the United Kingdom manufacturing in relation to other sectors is due to the relatively small number of staff compared to their output (O’Mahony & Timmer, 2009). However, the over-staffing of small manufacturing firms has long been a cause for concern. J.M Keynes defined the problem in 1928:

“There [is] probably no hall in Manchester large enough to hold all the directors of cotton companies, they run into thousands. One of the first things should be to dismiss the vast majority of these people, but the persons to whom this proposal would have to be made would be precisely those directors.” (Keynes, Johnson, & Moggridge, 1928, p. 323)

Endorsing Keynes’ observation, the finding above shows that family firms are not planning to reduce their number of employees. This could be due to the altruistic reason of prioritising their employees’ needs above those of profit. Altruism is increasingly being recognised as a distinguishing feature of family firms (Brigham et al., 2013; Daspit et al., 2015; Sonfield & Lussier, 2009b). This could be because family firms prioritise the trust and stability of long-term employees and could also explain why family firms are less likely to generate profit. This finding justifies further exploration of how altruistic motivations are expressed in the habitus of individual family firm owners.
Table 19  Comparison between SME family firms and SME non-family firms in the plans to employ people in the next 12 months in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms°

<table>
<thead>
<tr>
<th>Sector and Business Type</th>
<th>Plan to employ more people in 12 months’ time than currently? (n, %)</th>
<th>Plan to employ about the same in 12 months’ time than currently (n, %)</th>
<th>Plan to employ fewer in 12 months’ time than currently (n, %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing – non-family</td>
<td>94 firms or 37.3%</td>
<td>124 firms or 49.2%</td>
<td>32 firms or 12.7%</td>
</tr>
<tr>
<td>Manufacturing – family firms</td>
<td>88 firms or 26.7%</td>
<td>193 firms or 58.5%</td>
<td>47 firms or 14.2%</td>
</tr>
</tbody>
</table>

The results show that family firms are more likely to have plans to maintain existing staff numbers in the next 12 months than non-family firms. These results also indicate that family firm owners are more cautious about employing more people in future. Consistent with the earlier finding that family firms do not plan to increase profits, the findings show that despite static or declining turnover, family firms are more likely to maintain or increase their employee numbers.

This finding also appears to confirm the scant empirical research on family firm HRM practices in downturns, which suggests that family firms will retain employees even during financial downturns (Lansberg & Astrachan, 1994) and that family firms are important in maintaining national employment during recessions (R. C. Anderson & Reeb, 2003). A more recent finding indicates that family firms are more likely to display supportive, albeit

° As one or more of the cells has a count of fewer than 10, the total number of firms cannot be published due to data confidentiality reporting restrictions.
informal, HRM practices towards their employees (Cennamo, Berrone, Cruz, & Gomez-Mejia, 2012; Pittino, Visintin, Lenger, & Sternad, 2016).

Previous research has indicated that family owners prioritise long-term survival (Lumpkin & Brigham, 2011; Zahra et al., 2004), which can be facilitated by maintaining power over other employee families. Habitus is developed over many years, through repeated actions (Bourdieu, 1990d). By ensuring a long-term workforce, the founding family can spend years training their workforce to ensure that their preferred habitus remains in place. Further research will demonstrate how habitus is maintained and enforced in the workplace by examining individual families in more detail.

Table 20  Comparison between SME family firms and SME non-family firms in changes to turnover in the previous 12 months in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms

<table>
<thead>
<tr>
<th>Sector and Business Type</th>
<th>Turnover has increased in the last 12 months (n, %)</th>
<th>Turnover has stayed the same in the last 12 months (n, %)</th>
<th>Turnover has decreased in the last 12 months (n, %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing – non-family</td>
<td>122 firms or 48.4%</td>
<td>45 firms or 17.9%</td>
<td>27 firms or 32.5%</td>
</tr>
<tr>
<td>Manufacturing – family firms</td>
<td>144 firms or 43.6%</td>
<td>75 firms or 22.7%</td>
<td>105 firms or 31.8%</td>
</tr>
</tbody>
</table>

As one or more of the cells has a count of fewer than 10, the total number of firms cannot be published due to data confidentiality reporting restrictions.
Consistent with the finding that family firms are less likely to plan for increased staffing numbers, this finding shows that they are also less likely to report growth in turnover and more likely to have a static turnover than non-family firms. This confirms earlier findings that family firms in particular, may be likely to value non-financial goals.
As with plans for staff recruitment, family firms are more pessimistic than non-family firms. They are more likely to expect a decrease in turnover in the next 12 months and less likely to expect an increase in turnover. An increase in turnover was considered a highly important goal by 60% of European innovative enterprises between 2010 and 2012 (Eurostat, 2013). The findings above indicates that United Kingdom SME manufacturers are less innovative than their European counterparts, or less inclined to consider an increase in turnover to be a highly important goal of innovation.

These findings can be explained using agency theory. Agency theory argues that incentives and risk controls in a business must align the goals of the managers with the goals of the owners (Jensen & Meckling, 1976). One strand of family firm literature uses agency theory to argue that there are fewer conflicts of interest in small family firms, as the owners are also

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As one or more of the cells has a count of fewer than 10, the total number of firms cannot be published due to data confidentiality reporting restrictions.

Table 21 Comparison between SME family firms and SME non-family firms in plans for turnover in the next 12 months in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms

<table>
<thead>
<tr>
<th>Sector and Business Type</th>
<th>Turnover expected to increase in the next 12 months (n, %)</th>
<th>Turnover expected to stay the same in the next 12 months (n, %)</th>
<th>Turnover expected to decrease in the next 12 months (n, %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing – non-family</td>
<td>128 firms or 50.8%</td>
<td>24 firms or 9.5%</td>
<td>88 firms or 34.9%</td>
</tr>
<tr>
<td>Manufacturing – family firms</td>
<td>146 or 44.2%</td>
<td>43 or 13%</td>
<td>133 or 40.3%</td>
</tr>
</tbody>
</table>
managers (Block, 2012; Habbershon, 2006; Schulze et al., 2003). Agency theory would argue that the finding above indicates that family owners are not necessarily less ambitious than non-family owners.

Instead, family owner/managers are willing to provide more realistic turnover projections than those in shareholder-owned firms, whose managers are expected to state they will grow the business in order to please their owners (Fama & Jensen, 1983). However, agency theory fails to explain wider findings from these descriptive statistics, which is that family firms consistently demonstrate non-profit-oriented values, goals and dynamics. The qualitative analysis will explore family conflicts in more detail, where, contrary to the predictions of agency theory, family members pursue internecine fights to the detriment of the business.

In conclusion to this section on firm performance, the results show that family firms are less ambitious, more altruistic and possibly more pessimistic than non-family firms. The analysis in this section has also identified how the theories of habitus and doxa can be used to explain the strategic choices of firm owners.

### 4.2.3 Business Growth

Having discussed family firm owners’ lack of ambition in the previous section, the discussion now examines growth. Growth of turnover is considered to be essential for achieving the scale required for manufacturing to become cost-effective (Castellacci & Zheng, 2010) and is assumed to be a prime ambition for all firm owners (Penrose, 1959; Simon & Bonini, 1958). Innovation is viewed as key determinant of growth (Audretsch, Coad, & Segarra, 2014; Tucker, 2002) due to its ability to create competitive advantage. This section examines the extent to which family and non-family firms are planning for growth.

| Table 22 | Comparison between SME family firms and SME non-family firms in plans for growth in the next 2-3 years in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms |
Family firm owners are more likely to expect a lack of growth in the next 2 to 3 years, which is in line with the earlier finding that they are less likely to plan for an increase in turnover and less likely to plan for an increase in employee numbers. This finding is of concern for the wider economy. While 87% of manufacturing firms employed fewer than 20 employees in 2010 (Government Office for Science, 2013), manufacturing firms with over 250 employees generated 88% of the Gross Value Add in 2013 (Office for National Statistics, 2013a). Small family firms which are not planning to grow will therefore be less valuable to the economy, as they will contribute less to research and tax receipts than more ambitious family firms. This finding contradicts earlier empirical research of 676 small family and non-family firms in Canada which found no significant differences in actual or projected growth between family and non-family firms (Miller et al., 2008). Growth plans for small firms have long been demonstrated to vary by firm age, industry subsector, firm size and time period (Covin & Slevin, 1989; Rostamkalaei & Freel, 2016). Further analysis on how family firm growth varies by size is unfortunately not possible due to the reporting restrictions on this data.
suggestion for further research would be to analyse family firm growth by firm size on the larger 2015 dataset (Office for National Statistics, 2015a).

The absence of sales growth plans in SME family firms may be due to the perceived loss of control due to firm growth (Berrone et al., 2012), or due to the non-financial motivations that drive innovation in family firms (Chrisman, Chua, De Massis, Frattini, & Wright, 2015). The finding above justifies further qualitative investigation into the motivations of family firm owners, in order to understand why family firms are less likely to be actively planning for growth.

The following analysis now describes the extent to which firm owners feel capable of entering new markets and leveraging external expertise.

Table 23  Comparison between SME family firms and SME non-family firms in perception of their capability to enter new markets, in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms ¹⁰

<table>
<thead>
<tr>
<th>United Kingdom</th>
<th>V Poor (n, %)</th>
<th>Poor (n, %)</th>
<th>Average (n, %)</th>
<th>Strong (n, %)</th>
<th>V Strong (n, %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sector</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– non-family</td>
<td>16 or 6.3%</td>
<td>23 or 9.1%</td>
<td>76 or 30.2%</td>
<td>75 or 29.8%</td>
<td>51 or 20.2%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>26 firms or</td>
<td>40 firms or</td>
<td>99 firms or</td>
<td>95 firms or</td>
<td>61 firms or</td>
</tr>
<tr>
<td>– family</td>
<td>7.9% or</td>
<td>12.1%</td>
<td>30%</td>
<td>29.8%</td>
<td>18.5%</td>
</tr>
</tbody>
</table>

¹⁰ As one or more of the cells has a count of fewer than 10, the total number of firms cannot be published due to data confidentiality reporting restrictions.
While none of the findings show important differences, family firms are slightly more likely to describe themselves as either “poor” at their capability to enter new markets than non-family firms. They are also slightly less likely to describe themselves as “very strong”. This finding, while equivocal, is consistent with research that shows family firm owners are reluctant to take the time and risk to build the new relationships required to enter new markets (Pukall & Calabro, 2013). Entering a new “field”, which could be either a new domestic customer base or an international base, requires firm owners to learn new doxa and new habitus. For a family firm, this may mean learning a new language and business regulations and different customer expectations, which requires an ability to handle complexity and risk.

Table 24 Comparison between SME family firms and SME non-family firms in plans to increase turnover by exploiting new markets over the next 2 to 3 years, in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms

<table>
<thead>
<tr>
<th>Sector and Business Type</th>
<th>Plans to increase</th>
<th>Does not plan to increase</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>turnover by exploiting new markets over the next two to three years</td>
<td>turnover by exploiting new markets over the next two to three years</td>
<td></td>
</tr>
<tr>
<td>Manufacturing – non-family</td>
<td>199 or 79%</td>
<td>53 or 21%</td>
<td>252 firms or 100%</td>
</tr>
<tr>
<td>Manufacturing – family firms</td>
<td>248 or 75.2%</td>
<td>82 or 24.8%</td>
<td>330 firms or 100%</td>
</tr>
</tbody>
</table>
The majority of SME manufacturing firms, both family and non-family, are planning to increase turnover by exploiting new markets. New market development has long been a strategy for firm growth (Ansoff, 1968) and continues to be important for family firms (Ward, 2016). However, family firms are less likely to be planning to enter new markets and are more likely to enter in a spontaneous or unplanned way (Cesinger et al., 2016). This finding is consistent that family firms are less ambitious in terms of entering new markets is consistent with the earlier findings in this chapter that family firm owner are less ambitious in terms of growth, profit, and turnover.

Table 25 Comparison between SME family firms and SME non-family firms in sales of goods, services or licenses outside the UK, in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms

<table>
<thead>
<tr>
<th>Sector and Business Type</th>
<th>Sells goods, services or licenses outside the UK (n, %)</th>
<th>Does not sell goods, services or licenses outside the UK (n, %)</th>
<th>Total (n, %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing – non-family</td>
<td>178 or 71%</td>
<td>74 or 29%</td>
<td>252 firms or 100%</td>
</tr>
<tr>
<td>Manufacturing – family firms</td>
<td>160 or 49%</td>
<td>170 or 51%</td>
<td>330 firms or 100%</td>
</tr>
</tbody>
</table>

This result shows a profound difference between family and non-family firms: family firms’ are considerably less likely to export than non-family firms. Family firms’ lack of export activity is unrepresentative of the manufacturing sector: United Kingdom manufacturers are more likely to export than other types of industry (R. Harris & Moffat, 2013) and the manufacturing sector accounted for 85% of all United Kingdom exports in 2014 (Office for
National Statistics, 2014). However, United Kingdom manufacturers’ level of intra-EU trade is declining compared to their European competitors (Eurostat, 2014). The finding above is also consistent with earlier research that shows SME family firms are less likely to internationalise than SME non-family firms (Fernández & Nieto, 2006; Graves & Thomas, 2008). Family firm owners may be less willing to adopt a habitus that includes new cultural practices and languages. They may also be unwilling to take the risk that is involved in entering a new field. This finding justifies further Bourdieusian investigation into the habitus of family firms and how their doxa and specific “field” hinder them from export capability.

Table 26  Comparison between SME family firms and SME non-family firms in expectations of closing or making a full transfer of the business, in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms

<table>
<thead>
<tr>
<th>Sector and Business Type</th>
<th>Expect to close or make full transfer of the business in next 5 years (n, %)</th>
<th>Expect to neither close nor make full transfer of the business in next 5 years (n, %)</th>
<th>No plans to close or make full transfer the business in the next 5 years (n, %)</th>
<th>Don’t Know (n, %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing – non-family</td>
<td>11 firms or 3%</td>
<td>41 firms or 16.8%</td>
<td>23 firms or 72.6%</td>
<td>23 or 9.1%</td>
</tr>
<tr>
<td>Manufacturing – family firms</td>
<td>12 firms or 3.6%</td>
<td>49 firms or 14.8%</td>
<td>251 firms or 76.1%</td>
<td>18 firms or 5.5%</td>
</tr>
</tbody>
</table>

11 As one or more of the cells has a count of fewer than 10, the total number of firms cannot be published due to data confidentiality reporting restrictions.
The findings above show that family firms are slightly more likely to plan to retain their business in the next 5 years.

Currently, the foreign-owned manufacturing sector in the United Kingdom is likely to overtake the United Kingdom-owned sector in terms of output, GVA and employment by 2020 (Moffat, 2013). This result indicates that family firms, who are slightly more likely to hold on to their business, will play a part in slowing the purchase of United Kingdom manufacturing firms by foreign-owned companies.

The “illusio” that the game of the business worth playing is not considerably stronger in family firms than in non-family firms. There is a lack of research relating to the motivations of family firms who are closing their business, possibly due to the sensitivities around business failure (De Massis et al., 2014). The finding indicates that family firms are slightly more likely than non-family firms to have definite plans for selling or retraining their business. A recent study of 117 sales of family firms across Europe, demonstrated that family firm owners wish to retain the “family agenda” post-sale firm (Scholes et al., 2008). Further research, using Bourdieusian theories, will investigate whether family firm’s reluctance to sell stems from the retention of the “family agenda” by refusing to share the tacit knowledge, or unspoken doxa of the family firm. Recent research has questioned the value of “business closure” as a meaningful measure of business outcome, due to the variety of reasons and results for closure (Headd, 2003). Qualitative research will also investigate whether family firms who are planning to close, envisage successful outcomes: for example, through a planned exit strategy or whether they are closing because of business failure.

In conclusion to this section, family firms are less likely to plan for growth or increases in turnover, and those who are planning for increases in turnover, are less likely to do so by exploiting new markets. The pattern of risk aversion, staying small, and maintaining the status
quo continues with these findings. The analysis will now reveal whether this caution extends to the most risky of business activities: the capability and willingness to innovate.

**4.2.4 Innovation Capability**

The literature review section has highlighted the importance of innovation for firm survival and for the manufacturing sector in particular. Innovation also has an important role in the prosperity of a nation. The collective result of innovation by individual firms has long been considered the driver of long-run economic growth (Galindo & Méndez, 2014; Nelson & Winter, 1982; Schumpeter, 1934), hence the variety of United Kingdom and EU government strategies to promote innovation (European Commission, 2004; Eurostat, 2013; S. Robson & Achur, 2012). In theories of evolutionary economics, entrepreneurial firm owners use knowledge to innovate, which then disrupts incumbent firms and drives economic growth (Cyert & March, 1963; Levitt & March, 1988). This section examines the extent to which manufacturing family firms have a distinctive approach to planning, financing and implementing innovation.

**Table 27** Comparison between SME family firms and SME non-family firms in plans for developing and launching new products or services, in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms

<table>
<thead>
<tr>
<th>Sector and Business Type</th>
<th>Plans to develop and launch new products/services (n, %)</th>
<th>Does not plan to develop and launch new products/services (n, %)</th>
<th>Total (n, %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing – non-family</td>
<td>167 or 66.3%</td>
<td>85 or 33.7%</td>
<td>252 firms or 100%</td>
</tr>
</tbody>
</table>
As with plans for growth, turnover and employment, family firms are less likely than non-family firms to be planning new products and services. Given that family firms form a large proportion of all businesses, and that innovation in products and services is particularly important in the fast-changing manufacturing industry, this warrants further investigation of why family firms are not planning to innovate, and what can be done to improve their future innovation planning. Earlier researchers have connected a desire in family firms to avert loss (Chrisman & Patel, 2011), with a corresponding reluctant to invest in potentially-loss making innovation. This finding is consistent with earlier research that shows a higher propensity to innovate has been linked with early-stage manufacturing family firms (Bammens, Van Gils, & Voordeckers, 2010): the majority of manufacturing family firms in this sample are second generation and older. This finding warrants specific investigation as to how firm age is related to innovation, and will be tested in a chi-squared test later in this chapter.

Table 28 Comparison between SME family firms and SME non-family firms in capability for developing and launching new products or services, in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms

<table>
<thead>
<tr>
<th>Sector and Business Type</th>
<th>Very poor or poor (n, %)</th>
<th>Average (n, %)</th>
<th>Strong or very strong (n, %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing – non-family</td>
<td>40 or 12.3%</td>
<td>80 or 24.5%</td>
<td>125 or 49.6%</td>
</tr>
</tbody>
</table>

12 As one or more of the cells has a count of fewer than 10, the total number of firms cannot be published due to data confidentiality reporting restrictions.
Family businesses are equally likely as non-family firms to describe themselves as “strong” or “very strong” when it comes to their capability to develop and introduce new products and services. However, they are more likely to describe themselves as “very poor” or “poor”. It appears therefore that family firms are more likely to hold extreme attitudes about their ability to innovate. The relevance of Bourdieu’s sociological theories to business were predicted in 1943 by Schumpeter, who stated that “social structures, types and attitudes are coins that do not readily melt” (Schumpeter, 1943, p. 11) and that these structures predicted firm owner behaviours.

<table>
<thead>
<tr>
<th>Sector and Business Type</th>
<th>Introduced new or changed products/services (n, %)</th>
<th>Has not introduced new or changed products/services (n, %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing – non-family</td>
<td>61 firms or 48%</td>
<td>65 firms or 51.2%</td>
</tr>
<tr>
<td>Manufacturing – family firms</td>
<td>89 firms or 58.2%</td>
<td>62 firms or 40.5%</td>
</tr>
</tbody>
</table>

13 As one or more of the cells has a count of fewer than 10, the total number of firms cannot be published due to data confidentiality reporting restrictions.
The finding above shows that, although family firm owners are more likely to claim they have limited innovation capability and that they are less likely to plan for innovation, they are also more likely to have innovated in the last 12 months. This is a surprising finding, given that innovation across all firm sizes is best conducted in a planned way (Coad et al., 2014; Gray, 2013; Teece, 2010). This finding indicates that, where family firms innovate, they do so in an unplanned way. Planning is generally considered critical for the complex activity of innovation in smaller firms (Mumford, Bedell-Avers, & Hunter, 2007) and family firms have already been found to be less likely to plan in the related areas of HRM (Pittino et al., 2016), financial strategy (Westhead & Howorth, 2006), and governance (Gedajlovic et al., 2004). This finding warrants specific investigation as to how confidence in the ability to innovate is related to innovation activity, and will be tested in a chi-squared test later in this chapter.

Innovation, it is argued in this research, is the result of habitus and doxa which encourage confidence, risk-taking and the willingness to embrace the new. This finding indicates that a Bourdieusian lens is well suited to the apparently contradictory beliefs and activities around innovation in the family firm.

Table 30  Comparison between SME family firms and SME non-family firms in introduction of products or services which are completely new or new to the business, in the last 12 months, in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms

<table>
<thead>
<tr>
<th>Sector and Business Type</th>
<th>Completely new (n, %)</th>
<th>New to the Business (n, %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing – non-family</td>
<td>38 firms or 62.3%</td>
<td>22 firms or 36.1%</td>
</tr>
<tr>
<td>Manufacturing – family firms</td>
<td>68 firms or 76.4%</td>
<td>21 firms or 23.6%</td>
</tr>
</tbody>
</table>

As one or more of the cells has a count of fewer than 10, the total number of firms cannot be published due to data confidentiality reporting restrictions.
Innovation can be either a breakthrough advancement to the business (radical innovation) or an improvement on existing products and services (Dewar & Dutton, 1986). Of the firms who have introduced new products and services, family firms are more likely to have introduced radical innovation. This demonstrates that, for the family firms who are willing to innovate, they are willing to introduce significant changes. The finding above contradicts earlier research of 550 Spanish firms, which found that family firms are more likely to attempt and achieve incremental innovations and that family firms are less likely to attempt and achieve radical innovation (Nieto et al., 2015).

The finding above also contradicts earlier research which found that incremental, rather than radical, innovation was prevalent in a sample of United Kingdom SMEs across a number of sectors (Department for Business Innovation and Skills, 2013a). The contradictory findings could be due to different definitions of “innovation”, smaller sample sizes, sector-level and country-level differences. This justifies further investigation of what individual family firms consider to be “radical” and “incremental” in terms of innovation and why they would prefer one type of innovation over another. This finding also contradicts earlier research which suggests that radical product innovation is more likely to take place in large, decentralised organisations with a concentration of technical specialists (Drejer, 2004; Ettlie, Bridges, & O’Keefe, 1984).

Comparing the findings to extant literature appear to confirm that apparent that there is a lack of empirical research into the nature of innovation within United Kingdom manufacturing SMEs. While there has been speculation that United Kingdom SMEs lack the capability to innovate due to material or resource factors (Oke et al., 2013), there is a need for a more observational research methods to understand why SME firms adopt a particular innovation strategy (Laursen & Salter, 2006).
Table 31  Comparison between SME family firms and SME non-family firms in introduction of processes which are completely new or new to the business, in the last 12 months, in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms

<table>
<thead>
<tr>
<th>Sector and Business Type</th>
<th>Introduced new or changed processes (n, %)</th>
<th>Has not introduced new or changed processes (n, %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing – non-family</td>
<td>58 firms or 45.7%</td>
<td>68 firms or 53.5%</td>
</tr>
<tr>
<td>Manufacturing – family firms</td>
<td>66 firms or 43.1%</td>
<td>84 firms or 54.9%</td>
</tr>
</tbody>
</table>

Unlike with products, family firms are slightly less likely than non-family firms to have introduced new processes.

There is limited empirical evidence relating to the extent and nature of process innovation in small, established firms, outside those in the hi-tech sector. However this finding reinforces research that shows small firms are more likely to introduce new products than new processes (Berends, Jelinek, Reymen, & Stultiëns, 2014; Tidd, Bessant, & Pavitt, 2005). The limited family firm research that exists on process innovation indicates that process innovation is correlated with family firm success, particularly as process innovation is seen as an antecedent to successful product innovation (Kraus et al., 2011).

As one or more of the cells has a count of fewer than 10, the total number of firms cannot be published due to data confidentiality reporting restrictions.
Table 32  Comparison between SME family firms and SME non-family firms in whether the processes introduced which are completely new or new to the business, in the last 12 months, in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms

<table>
<thead>
<tr>
<th>Sector and Business Type</th>
<th>Completely new (n, %)</th>
<th>New to the Business (n, %)</th>
<th>Total (n, %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing – non-family</td>
<td>48 or 82.8%</td>
<td>11 or 17.2%</td>
<td>57 or 100%</td>
</tr>
<tr>
<td>Manufacturing – family firms</td>
<td>55 or 83.3%</td>
<td>11 or 16.7%</td>
<td>66 or 100%</td>
</tr>
</tbody>
</table>

This finding shows that, unlike with products, family firms are equally likely to have introduced radical innovations in the area of processes as have non-family firms. Both family and non-family firms are much more likely to have introduced radical process innovation than radical product innovation.

This finding justifies further qualitative investigation of processes which are the visible doxa or rules of the firm. This finding indicates that the majority of process innovation in family firms is radical innovation. Family firm owners are willing to radically re-write the rules of a firm in order to develop significantly new processes.

The discussion now turns to a comparison between family and non-family firms in their applications for financing in the last 12 months, so as to investigate any differences in willingness to accrue debt to fund activities such as innovation.
Table 33  Comparison between SME family firms and SME non-family firms in applications for financing in the last 12 months, in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms

<table>
<thead>
<tr>
<th>Sector and Business Type</th>
<th>Yes – applied for financing in last 12 months (n, %)</th>
<th>No – has not applied for financing in last 12 months (n, %)</th>
<th>Total (n, %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing – non-family</td>
<td>84 or 33.3%</td>
<td>168 or 66.6%</td>
<td>252 or 100%</td>
</tr>
<tr>
<td>Manufacturing – family firms</td>
<td>116 or 35.2%</td>
<td>214 or 64.8%</td>
<td>330 or 100%</td>
</tr>
</tbody>
</table>

Family firms are slightly more likely to have applied for financing than non-family firms in the last 12 months. This finding is inconsistent with earlier research that finds no difference between family and non-family firms in debt financing (S. Coleman & Carsky, 1999) or research that finds family firms avoid debt financing because of risk aversion and loss of control (M. González, Guzmán, Pombo, & Trujillo, 2013). However, this finding confirms subsequent, industry-specific research indicating that family firms are willing to maximise debt in order to keep the business in the family (Glover & Reay, 2013).

The discussion now investigates the reasons why firm owners seek external finance.
Table 34 Comparison between SME family firms and SME non-family firms in reasons for financing applications in the last 12 months, in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms

<table>
<thead>
<tr>
<th>Sector and Business Type</th>
<th>3 most popular reasons (in decreasing order)</th>
<th>3 least popular reasons (in decreasing order)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturng – non-family</td>
<td>Working capital or cash flow</td>
<td>Acquiring intellectual property</td>
<td>84 or 100%</td>
</tr>
<tr>
<td></td>
<td>Acquiring capital or equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Buying land or buildings</td>
<td>Training</td>
<td></td>
</tr>
<tr>
<td>Manufacturng – family firms</td>
<td>Working capital or cash flow</td>
<td>Acquiring intellectual property</td>
<td>116 or 100%</td>
</tr>
<tr>
<td></td>
<td>Acquiring capital or equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Buying land or buildings</td>
<td>Training</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>R&amp;D</td>
<td></td>
</tr>
</tbody>
</table>

It appears that family firms and non-family firms prioritise the same 3 reasons for financing: predominantly to acquire capital or equipment or buy land, which are both growth-oriented reasons. More worryingly, cashflow or working capital was the major reason for applying for finance, which suggests that SME manufacturers, in both the family and non-family sector, are struggling to survive. These findings are consistent with recent findings, albeit across larger manufacturers, which indicated that most manufacturers are not planning to invest in new technology in the immediate future (Business Growth Service, 2014).

These findings are not consistent with a literature review of technological innovation in family firms (De Massis et al., 2012), which cited a number of recent studies showing that family firms are less likely to invest in R&D (whether by borrowing or not) than non-family
firms (Block, 2012; Chen & Hsu, 2009; Munari et al., 2010). One explanation is that family firms who wish to keep their R&D activities hidden from the market are less likely to report investment in R&D through their accounts (Schmid, Achleitner, Ampenberger, & Kaserer, 2014).

Macroeconomic theories point to the Schumpeterian hypothesis that market power leads to more innovation. Previous studies have shown a positive association between R&D expenditure and market concentration in competitive markets (Dasgupta & Stiglitz, 1980; Hashmi & Biesebroeck, 2016). However, United Kingdom manufacturing firms are more likely to invest in R&D than other sectors (Office for National Statistics, 2013a). United Kingdom manufacturers are also less likely to invest in R&D than their global competitors, especially with regard to new products (Eurostat, 2013). It appears from the results above, that SME manufacturers are less likely than their larger counterparts to apply for finance in respect of R&D funding, or perhaps that they prefer to fund R&D through other means.

Table 35  Comparison between SME family firms and SME non-family firms in applications for tax credits in respect of innovation in the last 12 months, in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms\

<table>
<thead>
<tr>
<th>Industry Sector</th>
<th>Received (n, %)</th>
<th>Neither applied nor received (n, %)</th>
<th>Don’t’ know/ (n, %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing – non-family</td>
<td>17 or 13.7%</td>
<td>87 or 70.2%</td>
<td>13 or 10.5%</td>
</tr>
<tr>
<td>Manufacturing – family</td>
<td>13 or 8.4%</td>
<td>126 81.3%</td>
<td>16 or 10.3%</td>
</tr>
</tbody>
</table>

16 As one or more of the cells has a count of fewer than 10, the total number of firms cannot be published due to data confidentiality reporting restrictions.
Family firms are less likely to have applied for and received tax credits in respect of innovation. Schumpeterian-based models of endogenous growth predict that policy measures, such as tax credits, increase the growth rate of the economy by encouraging innovation (Aghion & Howitt, 2006; Czarnitzki, Hanel, & Rosa, 2011). There is little consensus as to the effectiveness of fiscal support from governments on innovation activities across all firms (David & Hall, 2000; Jaumotte & Pain, 2005), although there is more support for the finding that fiscal support encourages smaller firms to undertake R&D, who would not otherwise invest in innovation (Clausen, 2009; X. González & Pazó, 2008). Family firms, which are smaller than non-family firms, are therefore missing out on a potential source of funding for R&D activity.

Furthermore, endogenous growth models view innovation as sector-specific (Nelson & Winter, 1977). It is widely acknowledged that there are widely varying levels of entry costs, pricing factors, supplier types, knowledge flows and technologies in the manufacturing sector (Malerba, 2006). It is unlikely that small family firms hold monopolistic power. Therefore, innovation activity becomes even more important for family firms who are aiming to secure their foothold in the volatile manufacturing market.

However, these findings show that the majority of family firms are not planning to increase turnover, invest in R&D, increase staff and are less likely to report a profit. This is surprising, given that majority of family firms are planning to grow. It appears that they are undertaking innovation activity, not to increase profits as would be expected (Schumpeter, 1934) or for growth, but for other reasons. A subsequent finding in this chapter shows that family firms have a relative lack of knowledge about external sources of support and that they are less likely to seek external help for strategic advice. These family firms may suffer from information asymmetry, which leads them to follow a “satisficing” innovation strategy.
(Nelson, Winter, & Schuette, 1976) whereby they invest minimum efforts into improvements which provide immediate returns.

Tax credits are considered to be an effective form of R&D support for SMEs (Castellacci & Lie, 2015). A study of Swiss firms concluded that tax incentives are a particularly effective form of support for radical innovation in particular (Beck, Lopes-Bento, & Schenker-Wicki, 2016). Consistent with the finding that family firms are less likely to plan for growth; family firms are also less likely to apply for tax credits in respect of innovation.

Family firms are less likely than non-family firms to apply for tax credits to invest in R&D. This is where direct investment from the United Kingdom government into R&D could assist these firms. The Schumpeterian-based endogenous growth theory considers government investment in R&D to be crucial to economic growth and innovation (V. Anderson & Hanna, 2007; Lafuente, Szerb, & Acs, 2015), partly due to factors which inhibit private investment in R&D (Schumpeter, 1943). However, the United Kingdom government invests considerably less in direct R&D than its European or international competitors, investing only 1.67% of GDP in 2014 behind the EU average of 2% and Germany’s investment of 2.8% (Office for National Statistics, 2015b). In contrast, Israel and South Korea have been spending 4% of their GDP on R&D for the last 10 years (World Bank, 2015). Based on this relative under-investment, a policy recommendation would be for more direct investment from the United Kingdom government into SME firms so as to encourage innovation.

In summary to this section, innovation requires new ways of thinking, coupled with a determination to follow them through, and an awareness of what the market will require. Habitus is a powerful concept for explaining how our thinking becomes routine and how our desires and values lead us to engrained ways of behaving. A weakness of Bourdieu’s theory of habitus appears to be that it fails to explain innovation. The creation of habitus requires
stability, repetition and conformity over many years. Yet, there are family firms who continue to innovate, and these are often the ones who achieve long-term success. It could be argued that these families have created a habitus that supports innovation. The data above does not explore the social structures and attitudes that underlie a firm owner’s estimation of their innovation capability. This finding justifies further research into the reasons how family firms estimate their innovation capability, why they are reluctant to innovate, and whether that reluctance can be explained in terms of their unique nature as a family business.

The discussion now turns to the findings relating to training, which is a key part of innovation capability. Competence building has increasingly been considered to be important in developing the technological changes required for innovation (Donovan, Maritz, & McLellan, 2013; Edquist, 2005; Smith, 2001). Training is considered to be particularly important for the manufacturing sector in developed countries, which is increasingly subject to competition from rapidly developing nations (OECD, 2011).
Table 36  Comparison between SME family firms and SME non-family firms in plans to achieve growth through increasing skills of the workforce, in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms

<table>
<thead>
<tr>
<th>United Kingdom</th>
<th>Plans to achieve growth through increasing skills of the workforce over the next 2 to 3 years (n, %)</th>
<th>Does not plan to achieve growth by increasing skills of the workforce over the next 2 to 3 years (n, %)</th>
<th>Total (n, %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry Sector</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing – non-family</td>
<td>46 firms or 18.3%</td>
<td>206 firms or 81.7%</td>
<td>100% or 252 firms</td>
</tr>
<tr>
<td>Manufacturing – family firms</td>
<td>92 firms or 27.9%</td>
<td>238 firms or 72.1%</td>
<td>100% or 330 firms</td>
</tr>
</tbody>
</table>

Family firms are more likely to consider staff training crucial for their growth plans. Training is considered risky in an imperfect labour market because the benefits of training accrue to other employers when trained staff move on to other organisations (Acemoglu, 1997; Lewis, 2014). However, family firms are more likely to retain their staff, meaning that training benefits will accrue to the family firm. A subset of firms (the rationale for the selection of subset not provided) was asked further questions about the type and recipients of training.
Table 37 Comparison between SME family firms and SME non-family firms in type of training arranged in the last 12 months, in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms

<table>
<thead>
<tr>
<th>United Kingdom</th>
<th>Yes Formal off the job training (n, %)</th>
<th>Yes – Informal on the job training (n, %)</th>
<th>Yes – both type of training (n, %)</th>
<th>No training was arranged (n, %)</th>
<th>Total (n, %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>22 or 18.5%</td>
<td>28 or 23.5%</td>
<td>51 or</td>
<td>18 or 15.1%</td>
<td>119 firms or</td>
</tr>
<tr>
<td>– non-family</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>36 or 20.9%</td>
<td>34 or</td>
<td>67 or</td>
<td>35 or 20.3%</td>
<td>172 firms or</td>
</tr>
<tr>
<td>– family firms</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>

Family firms are more likely to have provided either formal, or informal training, but not to have provided both in the last 12 months. Overall, family firms were less likely to have provided any type of training (79.7% vs. 84.9%), despite being more likely to consider staff training to be crucial for growth plans. The lack of training in manufacturing is one of the key causes of the skills gap in the United Kingdom (House of Commons Library, 2014). The reasons why family firms are less likely to have invested in their staff, despite being more likely consider training a key component of growth, requires further investigation.
Table 38  Comparison between SME family firms and SME non-family firms in type of staff who received training in the last 12 months, in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms

<table>
<thead>
<tr>
<th>United Kingdom</th>
<th>Managers (n, %)</th>
<th>Other Employees only (n, %)</th>
<th>No managers were trained (n, %)</th>
<th>Total (n, %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry Sector</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing – non-family</td>
<td>64 or 53.8%</td>
<td>37 or 31.1%</td>
<td>18 or 15.1%</td>
<td>119 firms or 100%</td>
</tr>
<tr>
<td>Manufacturing – family firms</td>
<td>73 or 42.4%</td>
<td>63 or 36.6%</td>
<td>36 or 20.9%</td>
<td>172 firms or 100%</td>
</tr>
</tbody>
</table>

Family firm owners are more likely to train other employees, and less likely to train managers. Early research has indicated that management training is essential for SME firms, particularly family firms, to develop strategic capability (Chandler Jr. & Hikino, 1994).

Family firm-specific training is available at a number of UK higher education providers and has been argued to give family firm owners the specific training they require to govern their distinctive firms (Collins, Seaman, Graham, & Stepek, 2013).

Given that many SME family firm owners are also managers, the relationship between owner qualification and innovation is therefore worth further examination. A hypothesis will be developed in the next section to examine this relationship.
Family firms are less likely to invest in training for a formal qualification. This finding is consistent with family firm owners’ lower qualification status, which may suggest a business focus that is more pragmatic and less concerned with formal skills. Formal skills are also more transferable than non-formal skills. Given that earlier findings show that family firms are more likely to keep their staff within the firm, family firms may be reluctant to invest in training which would encourage their staff to move.

Overall, SME family firms are more likely to invest in formal training and non-managerial training than non-family firms. Family firms will therefore benefit from funds associated with the European Commission’s commitment to “life-long learning to re-skill or up-skill the workforce” as central to a vision for European manufacturers to remain competitive (European Commission, 2004). Family firm’s willingness to train their staff will also improve the relative weakness of workforce skills in the United Kingdom manufacturing sector.

<table>
<thead>
<tr>
<th>United Kingdom</th>
<th>Industry Sector</th>
<th>Yes – designed to lead to a formal qualification (n, %)</th>
<th>No – not designed to lead to a formal qualification (n, %)</th>
<th>Total (n, %)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Manufacturing – non-family</td>
<td>53 or 54.1%</td>
<td>45 or 45.9%</td>
<td>119 firms or 100%</td>
</tr>
<tr>
<td></td>
<td>Manufacturing – family firms</td>
<td>68 or 51.9%</td>
<td>63 or 48.1%</td>
<td>172 firms or 100%</td>
</tr>
</tbody>
</table>
compared to their European competitors (New Economy, 2013; Sector Skills Council Manufacturing Consortium, 2012).

Bourdieu viewed the academic education of children and young people as a key mechanism for perpetuating structures of power (Bourdieu & Passeron, 1990). However the managerial and staff training described in the findings above, is not necessarily the same as academic education. Governments and business studies differ from Bourdieu’s sceptical approach to education, as generally viewing training as an uncomplicated and positive investment for both the industry and for those being trained (Commons Select Committee, 2015; Donovan et al., 2013; European Union, 2013; Kotey & Folker, 2007). Further qualitative research is required as to why family firm owners think training is important, and what knowledge, values and power structures they hope to transmit through training. The discussion now turns to another important source of knowledge for staff: the external support received by the firm.

4.2.5 External Support

Along with training, the extent to which business owners look outside their immediate environment for advice, finance and support is representative of their curiosity, and their willingness to trust those outside the field of family and business. Penrose (Penrose, 1959) emphasised the importance of the firm owner being able to identify market opportunities in an argument that anticipates the theory of absorptive capacity (Cohen & Levinthal, 1990). particularly where government policy strengthens technical knowledge within firms (Antonelli, Crespi, & Scellato, 2013).
Table 40 Comparison between SME family firms and SME non-family firms in awareness of external sources of support, in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms \(^\text{17}\)

<table>
<thead>
<tr>
<th>Name of External Support Provider</th>
<th>Manufacturing – non-family (n, %)</th>
<th>Manufacturing – family (n, %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tools for Business on the .Gov website</td>
<td>141 or 56.0%</td>
<td>187 or 56.7%</td>
</tr>
<tr>
<td>British Business Bank</td>
<td>166 or 65.9%</td>
<td>169 or 51.2%</td>
</tr>
<tr>
<td>UKTI</td>
<td>141 or 56.0%</td>
<td>135 or 40.9%</td>
</tr>
<tr>
<td>Mentor SME</td>
<td>31 or 12.3. %</td>
<td>45 or 13.6%</td>
</tr>
<tr>
<td>Manufacturing Advisory Service (SMAS in Scotland)</td>
<td>25 or 9.9%</td>
<td>27 or 8.2%</td>
</tr>
<tr>
<td>Technology Strategy Board</td>
<td>12 or 6.0%</td>
<td>11 or 3.3%</td>
</tr>
<tr>
<td>None of the above</td>
<td>25 or 9.9%</td>
<td>42 or 12.7%</td>
</tr>
<tr>
<td>Total Number of Firms Asked</td>
<td>252</td>
<td>330</td>
</tr>
</tbody>
</table>

Family firm owners are less likely to have heard of UKTI and less likely to consider that they are strong at exporting. Family firm owners are also less likely to have heard of the Technology Strategy Board, which is surprising, given that more family firms are likely to have innovated in the last 12 months. Family firm owners are also less likely to have heard of

\(^{17}\) As one or more of the cells has a count of fewer than 10, the total number of firms cannot be published due to data confidentiality reporting restrictions.
the British Business Bank which provides financial assistance for firm owners wishing to grow their firms. This finding is consistent with the earlier finding that family firms are less likely to plan for growth and therefore are less likely to secure the finances or partners to support export.

However, the findings above demonstrate that fewer than 10% of SME manufacturing firms (whether family owned or not) have heard of the Manufacturing Advisory Service, which was set up in 2002 to provide professional advice and expert support to manufacturers.

Table 41  Comparison between SME family firms and SME non-family firms in whether external advice or information was sought in the last 12 months, in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms

<table>
<thead>
<tr>
<th>United Kingdom</th>
<th>Sought external advice (n, %)</th>
<th>Has not sought external advice or advice (n, %)</th>
<th>Total (n, %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry Sector</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing –</td>
<td>144 or 57.1%</td>
<td>105 or 41.7%</td>
<td>252 firms or 100%</td>
</tr>
<tr>
<td>non-family firms</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing –</td>
<td>199 or 60.3%</td>
<td>128 or 38.8%</td>
<td>330 firms or 100%</td>
</tr>
<tr>
<td>family</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Family firm owners are slightly more likely to have sought advice than non-family firm owners which could speak either to a curiosity that is particular to family firms, or to a lack of confidence which has driven them to ask for external advice. Previous research has demonstrated that firms who seek collaboration, understand customers, and learn from competitors are more likely to innovate successfully than inward-looking firms (Laursen &
Salter, 2006; S. Lee, Park, Yoon, & Park, 2010). If family firms are unaware of sources of support for growth and export, this could explain their inability or unwillingness to grow.

Table 42  Comparison between SME family firms and SME non-family firms in reasons for seeking external support, in the manufacturing sector of England in the year 2012, n=number of firms, % = mean percentage of all firms

<table>
<thead>
<tr>
<th>Industry Sector</th>
<th>Information relating to daily running of the business (n, %)</th>
<th>Strategic advice to help introduce a stepped change to grow your business (n, %)</th>
<th>Both of these (n, %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>32 or 30.5%</td>
<td>37 or 35.2%</td>
<td>27 or 25.7%</td>
</tr>
<tr>
<td>non-family firms</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>61 or 42.4%</td>
<td>33 or 22.9%</td>
<td>40 or 27.8%</td>
</tr>
<tr>
<td>family</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Family firm owners are more likely to seek information relating to day to day advice and less likely to seek strategic advice for firm growth. Strategic external advice-seeking has been positively associated with SME firm growth (Dyer, Linda M.Ross, 2008; P. Robson & Bennett, 2000) and with increasing turnover within United Kingdom SMEs in particular (Berry, Sweeting, & Goto, 2006). Furthermore, a study of 700 SMEs in the Netherlands found that seeking external advice by the management team was positively correlated with initiating innovation activities (Alexiev, Jansen, Van den Bosch, & Volberda, 2010). However, Schumpeter believed that long-term planning in a volatile industry, such as manufacturing, was pointless and was similar to “shooting at a target that is not only indistinct, but moving”

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18 As one or more of the cells has a count of fewer than 10, the total number of firms cannot be published due to data confidentiality reporting restrictions.
(Schumpeter, 1943, p. 76). More recently, small manufacturers have been advised to focus on short-term planning and building long-term inter-company networks (Covin & Slevin, 1989). The value of long-term relationships helps with open innovation (Chesborough, 2007) and crowdsourcing (Bessant, 2013; von Hippel & Euchner, 2013). The relationship between family firms who are aware of external, strategic advice and family firms who innovate will be investigated through a chi-square test later in this chapter.

In conclusion to this section, family firms are less likely to be aware of external support and less likely to have sought strategic advice for their business. Knowledge linkages between producers, suppliers, users and higher education have been shown to persist over time (Malerba, Orsenigo, & Peretto, 1997; Roper & Hewitt-Dundas, 2008). This indicates that the performance of family firms will suffer from their owners’ isolation from wider networks. Business owner characteristics account for much of the strategic decision making in an SME. This final section now concludes with a description of the differences between family and non-family firm owners.

4.2.6 Business Owner Profile

This section of descriptive analytics concludes with an analysis of the profile of family firm owners. The research question investigates the essence of family firms and uses a sociological lens to do so which requires an examination of the business owner’s profile. Research has attempted to classify family firm owners by their values (Garcia-Alvarez & Lopez-Sintas, 2001) in order to overcome the problem of heterogeneity in family firm owners. A recent slew of family firm literature has ignored discussing firm owner characteristics in favour using socio-emotional wealth as the distinguishing feature of family firm ownership (Berrone et al., 2012; Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson, & Moyano-Fuentes, 2007; Stockmans, Lybaert, & Voordeckers, 2010; Zellweger & Dehlen, 2012). Socio-emotional wealth theories were discussed in the Literature Review chapter and are concepts taken from psychology.
Socio-emotional wealth uses the value ascribed to non-economic utility as the distinguishing characteristic of family firm owners. This study uses Bourdieusian concepts of doxa and habitus (which are possessed by the individual) to explore familiness, therefore firm owner characteristics are an important part of this discussion.

Table 43  Comparison between SME family firms and SME non-family firms age range of owners, in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms

<table>
<thead>
<tr>
<th>Age Range</th>
<th>Manufacturing – non-family</th>
<th>Manufacturing – family</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(n, %)</td>
<td>(n, %)</td>
</tr>
<tr>
<td>Between 18 and 34</td>
<td>14 or 5.6%</td>
<td>29 or 8.8%</td>
</tr>
<tr>
<td>Between 35 and 44</td>
<td>44 or 17.5%</td>
<td>57 or 17.3%</td>
</tr>
<tr>
<td>Between 45 and 49</td>
<td>46 or 18.3%</td>
<td>51 or 15.5%</td>
</tr>
<tr>
<td>Between 50 and 54</td>
<td>63 or 25%</td>
<td>55 or 16.7%</td>
</tr>
<tr>
<td>Between 55 and 64</td>
<td>68 or 27%</td>
<td>98 or 29.7%</td>
</tr>
<tr>
<td>Over 64</td>
<td>12 or 4.8%</td>
<td>35 or 10.6%</td>
</tr>
</tbody>
</table>

Family firm owners occupy the extreme ends of the age spectrum and are considerably more likely to be over the age of 64 or between the ages of 25 and 34. This finding is consistent with previous research that demonstrates that family firm CEOs remain in tenure longer than non-family firm CEOs (Lansberg, 1999). The explanation for this finding could be attributed to problems with succession planning. An ageing population of family firm owners in the

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19 As one or more of the cells has a count of fewer than 10, the total number of firms cannot be published due to data confidentiality reporting restrictions.
West that has financial assets is reluctant to hand over to younger generations (Higo & Khan, 2014). The wider economy also offers attractive employment prospects for younger family members outside the firm which encourages family firm owners to remain in positions of ownership and to delay handing over (Björnberg & Shams, 2005).

**Table 44 Comparison between SME family firms and SME non-family firms in whether business owners hold qualifications, in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms**

<table>
<thead>
<tr>
<th>United Kingdom</th>
<th>Yes – Hold Qualifications</th>
<th>No – Don’t hold qualifications</th>
<th>Total (n, %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry Sector</td>
<td>(n, %)</td>
<td>(n, %)</td>
<td></td>
</tr>
<tr>
<td>Manufacturing – non-family</td>
<td>219 or 86.9%</td>
<td>33 or 13.1%</td>
<td>252 firms or 100%</td>
</tr>
<tr>
<td>Manufacturing – family firms</td>
<td>250 or 75.8%</td>
<td>80 or 24.2%</td>
<td>330 or 100%</td>
</tr>
</tbody>
</table>

Family firm owners are less likely to hold formal qualifications than non-family firm owners. A lower level of education in a study of 1500 United Kingdom SME owners was found to be associated with lower levels of innovation (Gray, 2013). This may be due to lower levels of education reducing the “absorptive capacity” of the firm owner and reducing the firm’s ability to incorporate and deploy business intelligence (Zahra & George, 2002). If family firm owners are less likely to have formal qualifications, they may therefore be less able to innovate successfully. Given the earlier result showing that family firms are less likely to train managers, a hypothesis will be developed for testing later in this chapter on whether family firm owner qualification is related to innovation taking place.
Table 45 Comparison between SME family firms and SME non-family firms in the type of business owner qualification, in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms

<table>
<thead>
<tr>
<th>United Kingdom</th>
<th>Manufacturing – non-family</th>
<th>Manufacturing – family firms</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(n, %)</td>
<td>(n, %)</td>
</tr>
<tr>
<td>A postgraduate degree or doctorate, NVQ, SNVQ Level 5 or equivalent</td>
<td>72 or 34.3%</td>
<td>35 or 14.6%</td>
</tr>
<tr>
<td>A degree, higher degree HND, HNC, NVQ, SNVQ Level 4 or equivalent</td>
<td>78 or 37.1%</td>
<td>101 or 42.3%</td>
</tr>
<tr>
<td>An apprenticeship</td>
<td>34 or 16.2%</td>
<td>56 or 23.4%</td>
</tr>
<tr>
<td>2 or more A levels</td>
<td>26 or 12.4%</td>
<td>47 or 19.7%</td>
</tr>
</tbody>
</table>

Of those that hold qualifications, family firm owners are less likely to hold a postgraduate degree than non-family firm owners. Although earlier generations of manufacturing family firms relied on shop-floor expertise rather than formal qualification (Scranton, 1992), more recent research demonstrates that advanced qualifications are correlated with innovation in the manufacturing sector (Virkkala, 2007). Within the United Kingdom, the lack of Level 4 qualifications amongst staff within most manufacturing sub-sectors has been identified as a cause for government concern (Sector Skills Council Manufacturing Consortium, 2012). The qualification status of family firm owners, let alone its contribution to innovation and firm success, has not been widely studied. However, a study of 321 family business owners concluded that a higher education level was correlated with the longevity of the business (Winter & Fitzgerald, 1993).

20 As one or more of the cells has a count of fewer than 10, the total number of firms cannot be published due to data confidentiality reporting restrictions.
Bourdieu’s examination of schools and universities played a crucial role in the development of the concept of habitus: formal education was viewed by Bourdieu as a powerful influence in forming our speech, values and aspirations (Bourdieu & Passeron, 1990). Additionally, an “institutionalised education” contributes to an individual’s cultural and social capital, enabling the formation of powerful networks (Bourdieu, 1984a). Family firm owners are less likely to hold a postgraduate degree and more likely to be qualified to A level or apprenticeship level. Their lack of learning could be related to their ability to take part in external networks and also to plan for growth.

Table 46 Comparison between SME family firms and SME non-family firms in the owner’s propensity to work from home, in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms

<table>
<thead>
<tr>
<th>Industry Sector</th>
<th>Owner works from home at least one day per week (n, %)</th>
<th>Owner does not work from home at least one day per week (n, %)</th>
<th>Total (n, %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing – non-family</td>
<td>34 firms or 13.5%</td>
<td>218 firms or 86.5%</td>
<td>252 firms or 100%</td>
</tr>
<tr>
<td>Manufacturing – family firms</td>
<td>65 or 19.7%</td>
<td>265 or 80.3%</td>
<td>330 or 100%</td>
</tr>
</tbody>
</table>

The field of business and the field of family merge together in the home office. Here, it is apparent that family firm owners are more likely than non-family firm owners to work from home. Working from home is considered a family-friendly policy (ACAS, 2014). However, SMEs are less likely to introduce home-working as a policy than as a response to an individual employee’s needs (Dex & Scheibl, 2001). There have been no studies performed of
family firm owners and their home-working preferences, but a survey of 210 Scottish SMEs found that only 2% of firms operated a working from home policy for their employees (G. Maxwell, Rankine, Bell, & MacVicar, 2007). This suggests that manufacturing family firm owners are more likely than non-family firm owners to use their power to take advantage of flexible working even though they may not have granted the same privilege to their staff.

Table 47 Comparison between SME family firms and SME non-family firms in the type of business location, in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms

<table>
<thead>
<tr>
<th>United Kingdom Manufacturing</th>
<th>Urban Area (n, %)</th>
<th>Small Town (n, %)</th>
<th>Rural Area (n, %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing – non-family</td>
<td>185 or 73.4%</td>
<td>36 or 14.3%</td>
<td>30 or 11.9%</td>
</tr>
<tr>
<td>Manufacturing – family firms</td>
<td>224 or 67.9%</td>
<td>55 or 16.7%</td>
<td>50 or 15.2%</td>
</tr>
</tbody>
</table>

The finding above shows that the geographical location or physical “field” of the family firm is more likely to be in a small town or rural area than of the non-family firm. This is consistent with findings that family firms consist of the larger part of rural economies (Brewton, Danes, Stafford, & Haynes, 2010) and that family firms are more likely to be found in rural areas than large cities (Cowling & Westhead, 1998). United Kingdom policy from the 1950s to 1970s was to issue industrial development certificates to encourage manufacturing growth in urban, depressed areas, with unintended effect of limiting the expansion of manufacturing plants in small towns and rural areas (Broadberry & Leunig, 2013). Family

---

21 As one or more of the cells has a count of fewer than 10, the total number of firms cannot be published due to data confidentiality reporting restrictions.
firms appear to have bucked the trend by remaining in unfashionable areas. Given what is now known about the importance of knowledge sharing through agglomeration (Krugman, 1990), particularly for the manufacturing sector (Fujita & Thisse, 2013), family firms in low-knowledge areas may be less able to innovate because they are less able to find complementary skills and knowledge nearby.

Table 48 Comparison between SME family firms and SME non-family firms in the whether the main business premises are also the family premises, in the manufacturing sector of the UK in the year 2012, n=number of firms, % = mean percentage of all firms

<table>
<thead>
<tr>
<th>United Kingdom</th>
<th>Yes – main business</th>
<th>No – main business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>premises also family home (n, %)</td>
<td>premises not also family home (n, %)</td>
</tr>
<tr>
<td>Manufacturing – non-family</td>
<td>11 or 3.2%</td>
<td>244 or 96.8%</td>
</tr>
<tr>
<td>Manufacturing – family firms</td>
<td>18 or 5.5%</td>
<td>312 or 94.5%</td>
</tr>
</tbody>
</table>

Family firms are slightly less likely than non-family firms to have their businesses located within their home premises, although the vast majority of family firms have their business premises located separately from their family homes. There is little empirical evidence of where sector-specific SME family firms locate their work premises. A study of 56 family firms found that in an unspecified number of industry sub-sectors, business was conducted in the family home, and that the business premises also functioned as a second family home (Björnberg & Nicholson, 2012). Research highlights the importance of support from spouses and children in home-based family firms (Beach, 1993; Van Auken & Werbel, 2006). The connection between home-based entrepreneurship and lower profits, turnover and potential

---

22 As one or more of the cells has a count of fewer than 10, the total number of firms cannot be published due to data confidentiality reporting restrictions.
for growth has been noted in previous studies (Thompson, Jones-Evans, & Kwong, 2009). These finding would indicate that the fields of family and business have a tendency to overlap. This finding indicates that the geographical fields of family and of business are located separately. The qualitative research will investigate the extent to which these fields also operate under different rules of engagement and behaviours.

The 40 tables described above are summarised below in diagrammatic form. The diagram shows a conceptual grouping of familiness, or of the distinguishing features of family firms.

**Figure 7: The Five Distinguishing Features of Family Firms**

<table>
<thead>
<tr>
<th>Firm Owners</th>
<th>Firm Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Older, more diverse, long-term ownership, less qualified, less ambitious, less confident, works from home</td>
<td>Less profitable, lower turnover, smaller growth, established firm, stable staffing</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Innovation Approach</th>
<th>External Orientation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unplanned product and service innovation, radical innovation, less likely to claim tax credits</td>
<td>Less aware of government support, seeks support for non-strategic advice, less likely to export</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Physical Orientation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural location, home-based business</td>
</tr>
</tbody>
</table>

Taking each feature in turn, the key aspects of “familiness”, as derived from the comparative statistical descriptions in the tables above, are summarised below:
1. The performance of family firms is less impressive in profit, turnover and growth terms than of their non-family counterparts. However, family firms are more likely to be long-lasting and have a more stable staffing and invest in training, which suggests family firm motivations are more altruistic.

2. Family firms’ external orientation is weak, with family firms being less aware of government sources of support, considerably less likely to export, or seek strategic advice than non-family firms. Family firms are also more likely to seek tactical advice on immediate business issues, suggesting they do not have the knowledge or confidence to answer these questions internally.

3. The physical orientation of family firms is more likely to be in rural or small town locations, away from the infrastructure, skills and research capabilities of cities.

4. Firm owners are likely to be older and less highly qualified than non-family firm owners, but are also more likely to be female or from a BME than in the non-family sector.

5. The innovation approach of family firms is surprising: they are less likely to plan for innovation, less likely to seek financial assistance with innovations and are less confident about their firm’s ability to innovate. However, family firms are much more likely to undertake innovation than non-family firms, particularly radical innovation. Qualitative analysis will be required to understand how individual firm owners undertake such high-risk innovation.

Further quantitative analysis will now uncover the key constructs underlying the variables discussed individually above.

### 4.3 Factor Analysis

Having established the differences between family and non-family firms in a number of key areas using simple descriptive statistics, the analysis turns to two types of factor analysis:
exploratory factor analysis (EFA) and parallel analysis to provide a statistically-driven
grouping. EFA and parallel analysis are suitable for reducing the rich dataset described above
by uncovering constructs underlying the variables. The research question attempts to
understand the theoretical construct of familiness and to describe the components which
underlie familiness. EFA and parallel analysis are therefore suitable as techniques which
attempt to uncover key theoretical constructs (Bandalos & Kaufman, 2010; Tabachnick &
Fidell, 2007). EFA will be conducted across the entire dataset so as to constitute the widest
possible number of cases for the sake of accuracy. This is considered necessary as only a subset
of firms were asked questions about training and innovation. However, the approach of using
the entire dataset has the limitation that non-manufacturing family firms have been included in
the analysis.

4.3.1 Exploratory Factor Analysis
Prior to conducting EFA, there are a number of methodological steps that must be performed,
each of which has important consequences for the results obtained. (Fabrigar, Wegener,
MacCallum, & Strahan, 1999; Pallant, 2007). The steps are described below:

Phase 1: Assess suitability of data

The first step in the initial phase is to assess the suitability of data for a factor analysis. This
requires computing a correlation matrix for the 26 variables selected. An initial correlation
matrix will determine whether the 26 variables selected are related to each other. This test has
the benefit of justifying whether it is worthwhile conducting a factor analysis (Bryman &
Cramer, 2011, p. 321). The correlation matrix demonstrated that the majority of items are
significantly correlated at less than the 0.05 level with one another. This suggests that the 26
variables constitute one or more factors.
The next step is to confirm the sample size is sufficiently large. While there is agreement on a minimum sample size, the general recommendation is for as large a sample as possible. The overall family firm dataset, across all industries is 1580, which exceeds Tabachnick and Fidell’s recommendation of a minimum of 300 cases (Tabachnick & Fidell, 2007). The next step is to ensure that the ratio of participants to variables should be sufficiently high to enable a valid result. There are 26 variables of interest in the dataset, and using conservative guidance of 10 cases for each item (Everitt, 1975; Nunnally & Bernstein, 1994), a sample size of 1284, which is the total number of family firms who provided valid responses to all 26 variables, provides 49 cases for each item, which is a more than adequate size. The next step is to specify the strength of intercorrelations, which has been selected as greater than 0.3 (Tabachnick & Fidell, 2007). In addition, Bartlett’s test of sphericity will be administered, which tests that the sample intercorrelation matrix is not derived from a population in which the intercorrelation matrix is itself a sample matrix. Bartlett’s test has therefore been set to p < .05 as per the standard recommendation (Pallant, 2007). The Kaiser-Meyer-Olkin index will be used as a measure of sampling adequacy and has been set to 0.6 as a minimum value (Pallant, 2007).

**Step 2: Factor Extraction**

The next step was to select a factor extraction procedure in order to fit the common factor model to the data. Principal axis factoring was selected because an initial analysis of the dataset showed that data across the variables was not normally distributed. Principal Axis Factoring is the most appropriate technique to use where distributional assumptions cannot be made (Fabrigar et al., 1999). In determining how many factors to include in the analysis, the requirement of balancing parsimony (by selecting a model with the smallest number of factors) has been balanced against validity (a model with a sufficient number of common factors to account for the correlations among measured variables). In general, underfactoring (specifying too few factors in a model) has been regarded as introducing more serious errors to factor
loading estimates than overfactoring (Fabrigar et al., 1999; Fava & Velicer, 1992; J. M. Wood, Tataryn, & Gorsuch, 1996). Given the difficulty of determining the correct number of major factors, three reputable procedures have been included.

Firstly, the Kaiser-Guttman, or eigenvalue criterion was used for factor selection, which computes the eigenvalues for the correlation matrix (Kaiser, 1958). Eigenvalues, (also called characteristic values or latent roots) are the variances of the principal components, and an Eigenvalue of more than 1 has been selected as the minimum value assigned to a principal component. There is considerable debate about the validity of Kaiser-Guttman procedure, with recommendations to use the procedure in tests where there are fewer than 30 variables and the number of cases is greater than 250 (Bryman & Cramer, 2011; Stevens, 2009), as in the case of this research.

The second procedure used for factor selection is the Scree test (Cattell, 1966), which plots the eigenvalues to create a visual plot.

The third procedure used for factor selection is parallel analysis, which is considered a more robust method of analysis than the Scree test or Kaiser’s criterion (Bandalos & Kaufman, 2010; Zwick & Velicer, 1986) but is rarely conducted due to the difficulty of writing syntax in SPSS for the procedure. Given the nature of the secure data environment, where syntax cannot be imported, the parallel analysis was conducted using an online SAS programme created in 2008 (Patil, Singh, Mishra, & Todd Donavan, 2008). The technique and results are explained Appendix C – Syntax and Results for the Exploratory Factor Analysis, which can be found in the supplementary volume.

**Step 3: Factor Rotation and Interpretation**

An oblique rotation will be performed to determine which factors are most strongly loaded. An oblique rotation, unlike an orthogonal rotation, does not force factors to be unrelated (Pallant,
Oblique rotation allows for the possibility that factors are correlated and therefore provides a more realistic view of variables which are likely to be correlated in real life (Bryman & Cramer, 2011). The optimal structure will be defined from the oblique rotation. Items that correlate less than .30 with a factor will be omitted from consideration, as per standard convention (Bryman and Cramer, 2011).

**Results of Factor Analysis**

Bartlett’s test was .000, which is less than the 0.05 as minimum value. The values of the communalities for the principal axes varied from .113 for the first item to .318 for the ninth item. This demonstrates that the first item has the largest amount of variance shared by the test, and subsequent values show the next largest amount that is not related to or explained by the first variable. There is no clear break at which the number of factors level off. The graphical scree test showed a break after the first 3 factors at which the eigenvalues show a more gradual levelling off. In addition to this visual test, the Kaiser criterion selected nine factors for extraction. Volume 2 shows the detail of the item loading under oblique rotation for the final nine factors that were selected for being of meaningful interest. Loadings of less than 0.30 were suppressed, recommended in standard practice (Bryman and Cramer, 2011). The results of the principal axis analysis and the parallel analysis are provided in Volume 2.

**Findings of Factor Analysis**

The descriptive findings prior to factor analysis confirmed that family firms are distinctive from non-family firms in the manufacturing sector. Subsequently, factor analysis has enabled a statistically valid categorisation of distinctiveness.

Both EFA and parallel analysis techniques suggest that nine factors exist in the data. Examining the underlying variables, the factors can be described as follows. The constructs below are not displayed in any particular sequence:
Figure 8: The Nine Constructs of Familiness

Discussion

The 9 factors above have been subjectively derived from the factor analysis procedures. This is consistent with statistical analysis in the social sciences, where it is not expected to be able to definitively establish causation (Bandalos & Kaufman, 2010; Everitt, 1975; van der Eijk & Rose, 2015). These 9 statistically derived factors show a further thematic development from the earlier 5 conceptual factors. Bourdieusian themes start to emerge: ambition, confidence, extraversion, personal experience and innovation experience are forms of habitus. These values and histories contribute to the innovation decisions made by firm owners. When firm owners prioritise long-term survival over short-term profit, they demonstrate the doxa that
govern investment decisions. The co-location of business and home show that the fields of family and business clearly overlap, as most family firms are located in different places.

**Limitations of the factor analysis**

The variables are mostly categorical and a limitation of factor analysis on categorical data is that it can lead to an inflated number of dimensions (van der Eijk & Rose, 2015). For this reason, factor analysis has not been used here to develop a scale, but to establish initial theoretical groupings. These groupings will be further explored through qualitative analysis. A further limitation is that only 150 family manufacturing firms had valid responses to all 26 variables of interest. Therefore, the wider dataset of all family firms across all industries (1250 cases) was selected for factor analysis. This has therefore blurred distinctions between different industries. To overcome this limitation, the theoretical groupings described above will be refined through a more careful selection of case studies for qualitative analysis and will be limited to manufacturing family firms.
4.4 Hypothesis Development and Testing

Based on the findings above from the SME dataset, their relationship to literature on family firms, manufacturing and innovation and the theoretical groupings above, a number of hypotheses can be developed. These hypotheses will test areas of association between distinctive aspects of family and innovation. The results of these tests will confirm whether familiness is indeed associated with innovation.

The statistical correlational technique of Chi-square test for independence was selected to test the hypotheses above because the hypotheses involved exploring the relationship between categorical variables. A limitation of the dataset is that only a subset of firms (those older than 2 years) was selected for questions regarding innovation which reduces the sample size. In addition, the data is categorical, which means that more powerful parametric statistical tests for association cannot be used. All statistics were calculated using IBM SPSS, the “Chi-square” function within the Descriptive Statistics tab.

4.4.1 Hypothesis 1: Relationship between Firm Age and Innovation

As seen in the previous section, family firms are older than non-family firms, yet are more likely to undertake innovation. While empirical evidence linking innovation with firm age is scarce, a survey of 2300 Spanish manufacturing firms found that, controlling for age and firm size, newer firms are more likely to innovate (Huergo & Jaumandreu, 2004). However, more recent research into family firms has demonstrated that family firms in a later lifecycle stage are more likely to innovate as a response to technological uncertainty (Craig & Moores, 2006).
From the data findings above and the literature, a hypothesis can be developed that a relationship exists between the two categorical variables of “firm age” and “product innovation over the last 12 months”.

Table 49 Chi-Square Test of Association Between Firm Age and Innovation

<table>
<thead>
<tr>
<th>Firm Age</th>
<th>Introduced new or significantly improved products in the last 12 months?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>2 years</td>
<td>N/P</td>
</tr>
<tr>
<td>3 years</td>
<td>N/P</td>
</tr>
<tr>
<td>4 years</td>
<td>N/P</td>
</tr>
<tr>
<td>5 years</td>
<td>N/P</td>
</tr>
<tr>
<td>6-10 years</td>
<td>N/P</td>
</tr>
<tr>
<td>11-20 years</td>
<td>21</td>
</tr>
<tr>
<td>More than 20 years</td>
<td>55</td>
</tr>
<tr>
<td>TOTAL</td>
<td>90</td>
</tr>
</tbody>
</table>

Chi Square Tests

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. 2 sided</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi Square</td>
<td>11.079</td>
<td>6</td>
<td>0.086</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>13.379</td>
<td>6</td>
<td>0.037</td>
</tr>
<tr>
<td>No of Valid Cases</td>
<td>153</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Symmetric Measures

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phi</td>
<td>0.269</td>
<td>0.086</td>
</tr>
<tr>
<td>Cramers V</td>
<td>0.269</td>
<td>0.086</td>
</tr>
<tr>
<td>N of valid cases</td>
<td>153</td>
<td></td>
</tr>
</tbody>
</table>

As can be partly seen from the data above, the age category sample is skewed towards older firms, which means that expected frequencies in cell counts are lower than is normally assumed. In the table above, 43% of expected cell counts have a value of 5 or more. The

23 The “NP” relates to values of 11 or less, which cannot be provided due to UKDS confidentiality reporting restrictions.
standard advice is that 80% of cells in a Chi Square test should have an expected frequency of 5 or more (Cochran, 1954; Pallant, 2007). However, (Koehler & Larntz, 2012) suggest that if there is a minimum of 10 total observations (there are 153 in this sample) and a minimum of 3 categories (there are 7), and the square of the total number of observations is at least 10 times the number of categories (which is true in this case), then the chi-square approximation should be reasonably accurate. The findings above should still be treated with appropriate caution.

To be significant, the Sig. value should be 0.05 or smaller (Pallant, 2007). In this case, the value of 0.086 is smaller than 0.05. The result of the Chi-square test for independence is as follows: $X^2 (1, n=153) = .269$, $p = .86$, Cramers $V = .086$. Therefore, there is an association between older firms and those that have introduced innovation into their products in the last 12 months. This finding implies that family firms develop a habitus, over time that encourages innovation. Further qualitative analysis will be required to understand why older family firms are more likely to innovate.

**4.4.2 Hypothesis 2: Relationship between Innovation Capability and Innovation**

Based on the findings above, it is apparent that family firms are more likely to describe their innovation capability as “poor” or “very poor”, yet they are more likely to have innovated in the previous 12 months. Literature suggests that innovation capability is the ability to transform a firm’s resources into marketable innovation (Breznik & Hisrich, 2014) and is the most important capability that a firm can possess (Birchall & Tovstiga, 2005). There should therefore be a strong relationship between the minority of family firms who rate their innovation capability highly and their innovation activity.
From the findings above and the literature, the hypothesis is developed that a relationship exists between the two categorical variables of estimated capability of introducing new products and innovation to products and services over the last 12 months.

Table 50 Chi-Square Test of Association between Innovation Capability and Innovation Activity

<table>
<thead>
<tr>
<th>Capability to Innovate</th>
<th>Yes</th>
<th>No</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>V Poor</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poor</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average</td>
<td>23</td>
<td>26</td>
<td>49</td>
</tr>
<tr>
<td>Strong</td>
<td>32</td>
<td>13</td>
<td>45</td>
</tr>
<tr>
<td>Very Strong</td>
<td>30</td>
<td></td>
<td>41</td>
</tr>
<tr>
<td>TOTAL</td>
<td>90</td>
<td>62</td>
<td>152</td>
</tr>
</tbody>
</table>

Chi Square Tests

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. 2 sided</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi Square</td>
<td>44.572</td>
<td>4</td>
<td>0.000</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>54.248</td>
<td>1</td>
<td>0.000</td>
</tr>
<tr>
<td>No of Valid Cases</td>
<td>152</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Symmetric Measures

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phi</td>
<td>0.524</td>
<td>0.000</td>
</tr>
<tr>
<td>Cramers V</td>
<td>0.524</td>
<td>0.000</td>
</tr>
<tr>
<td>N of valid cases</td>
<td>152</td>
<td></td>
</tr>
</tbody>
</table>

There is one cell with an expected count of less than 5 (10%); therefore the expected frequency cell count assumption has not been violated.

The result of the Chi-square test for independence is as follows: \( X^2 (1, n=152) = 44.572, p < .001 \), Cramers V < .001. There is an extremely strong correlation between the firm owner’s confidence in the firm’s ability to innovate, and their success in doing so. This shows that do

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24 Certain cells have been left blank due to reporting restrictions from the UKDS.
the more confident firm owners successfully innovate, in which case a habitus which promotes confidence, and doxa which promote innovation, have a powerful effect on firm innovation.

4.4.3 Hypothesis 3: Relationship between Awareness of External Support and Innovation

Successive United Kingdom governments have expressed an enthusiasm for supporting manufacturing through microeconomic policies (House of Commons Library, 2015). United Kingdom governments have, for decades, avoided investment in high-quality vocational training in order to increase the intermediate level skills which are likely to be under-supplied by the market (Broadberry & Leunig, 2013). Therefore the lower-cost microeconomic policy of choice has been sector-specific advice through government and other agencies. It would therefore be expected that an association exists between awareness of external support and innovation activity.

From the findings earlier in this chapter and the literature, the hypothesis is developed that a relationship exists between the two categorical variables of “not aware of any sources of external support” and innovation to products and services over the last 12 months.
Table 51 Chi-Square Test of Association between Awareness of External Support and Innovation

<table>
<thead>
<tr>
<th>Awareness of external support</th>
<th>Yes</th>
<th>No</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aware of one or more sources of external support</td>
<td>75</td>
<td>50</td>
<td>125</td>
</tr>
<tr>
<td>Not aware of any sources of external support</td>
<td>13</td>
<td>13</td>
<td>28</td>
</tr>
<tr>
<td>TOTAL</td>
<td>90</td>
<td>63</td>
<td>153</td>
</tr>
</tbody>
</table>

Chi Square Tests

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. 2 sided</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi Square</td>
<td>0.841</td>
<td>2</td>
<td>0.532</td>
</tr>
<tr>
<td>Continuity Correction</td>
<td>0.17</td>
<td>1</td>
<td><strong>0.680</strong></td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td></td>
<td>2</td>
<td>0.532</td>
</tr>
<tr>
<td>Fisher’s Exact Test</td>
<td></td>
<td></td>
<td>0.533</td>
</tr>
<tr>
<td>No of Valid Cases</td>
<td></td>
<td></td>
<td>0.338</td>
</tr>
</tbody>
</table>

Symmetric Measures

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phi</td>
<td>0.51</td>
<td>0.53</td>
</tr>
<tr>
<td>Cramers V</td>
<td>0.51</td>
<td>0.53</td>
</tr>
<tr>
<td>No of valid cases</td>
<td>153</td>
<td></td>
</tr>
</tbody>
</table>

The result of the Chi-square test for independence is as follows: $X^2 (2, n=153) = 0.51$, $p = .68$, Cramers V =0.532. As this is a 2 by 2 table, the value in Yates’ Correction for Continuity has been used (Pallant, 2007). There is no relationship between the firm owner’s awareness of external support and their rate of innovation in the last 12 months. This is a theoretically unexpected finding, as awareness of external sources of advice has been linked to successful innovation. It appears that for family firms, there is no connection between a limited
awareness of outside support and the ability to successfully innovate. This means that a
habitus that is inward-looking and self-sufficient does not preclude innovation.

**4.4.4 Hypothesis 4: Relationship between Qualifications and Innovation**

Family firm literature has evidenced a correlation between firm owner education levels and
continuation of the firm (Winter & Fitzgerald, 1993), but there is little literature on the
correlation of firm owner qualification and innovation activity. Employee-level qualifications
are considered important for innovation (Czarnitzki & Kraft, 2004; Kraft, 1990) and the
United Kingdom government has a target of increasing science, technology, engineering and
maths (STEM) qualifications in the manufacturing sector workforce (Government Office for
Science, 2013). The United Kingdom government believes that STEM qualifications are
required for manufacturing firms to successfully compete on a global stage (Commons Select
Committee, 2015). Investigation of the importance of firm-owner qualifications and
innovation therefore fills a knowledge gap as to how important it is for firm owners to be
qualified if they are to undertake innovation activity.
Table 52  Chi-Square Test of Association between Level of Qualification and Innovation

<table>
<thead>
<tr>
<th>Do you currently hold any qualifications?</th>
<th>Yes</th>
<th>No</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>74</td>
<td>42</td>
<td>116</td>
</tr>
<tr>
<td>No</td>
<td>15</td>
<td>20</td>
<td>35</td>
</tr>
<tr>
<td>Unwilling to answer</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>90</td>
<td>62</td>
<td>152</td>
</tr>
</tbody>
</table>

**Chi Square Tests**

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. 2 sided</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi Square</td>
<td>5.573</td>
<td></td>
<td>.191</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>5.859</td>
<td></td>
<td>.191</td>
</tr>
<tr>
<td>No of Valid Cases</td>
<td>152</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Symmetric Measures**

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phi</td>
<td>.191</td>
<td>.062</td>
</tr>
<tr>
<td>Cramers V</td>
<td>.191</td>
<td>.062</td>
</tr>
<tr>
<td>No of valid cases</td>
<td>152</td>
<td></td>
</tr>
</tbody>
</table>

The result of the Chi-square test for independence is as follows: $X^2 (1, n=152) = 5.573$, $p < .191$, Cramers V < .191. There is a weak association between the qualification status of firm owners and their innovation activity. The habitus of family firm owners is the focus of this research and this finding shows that education levels, an important marker of social class (Bourdieu & Passeron, 1990), are only weakly associated with innovation. Family firm owners do not necessarily require an investment in their own education in order to innovate successfully.

---

25 Certain cells have been left blank due to reporting restrictions from the UKDS.
The findings of the four chi-squared tests are summarised in the table below:

**Table 53  Hypothesis testing outcomes**

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Result from correlational analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hypothesis 1: Increase in firm age is associated with innovation taking place in the last 12 months</td>
<td>Weakly Supported</td>
</tr>
<tr>
<td>Hypothesis 2: Increase in capability to innovate is associated with innovation taking place in the last 12 months</td>
<td>Strongly Supported</td>
</tr>
<tr>
<td>Hypothesis 3: Seeking external advice is associated with innovation taking place in the last 12 months</td>
<td>Strongly rejected</td>
</tr>
<tr>
<td>Hypothesis 4: Firm owner qualifications are associated with innovation taking place in the last 12 months</td>
<td>Weakly supported</td>
</tr>
</tbody>
</table>

The results that are surprising are those that show older firms are more likely to innovate and that advice-seeking is not associated with innovation. The chi-squared findings will be incorporated into the discussion chapter later in this thesis.

**Limitations of the Analysis**

This section will now outline the limitations to the quantitative analysis and how they were addressed. Firstly, the questionnaire, designed by BIS for a business performance and policy framework, was not designed to correspond to the Bourdieu’s theoretical framework and concepts of habitus, doxa and fields. Therefore this analysis could not precisely draw out the
sociological perspectives of the data. However, the analysis does allow for an initial confirmation of whether habitus, doxa and fields can be used to further our understanding of business performance, and whether the more in-depth investigation of these concepts, presented in the qualitative chapter, is justified.

The second limitation is that analysis by firm size, such as micro, small and medium, was not possible for most analyses. This was because the UK Data Service does not allow cell counts of less than 10 to be released for reasons of data confidentiality. Hence, the total counts for some tables cannot be calculated from the individual cell counts where an individual cell count was 10 or less. However, the research question is not closely connected to firm size, therefore this omission has no major impact on the overall research aim.

The third limitation is that the dataset represents only 0.1% of the total population of businesses, consisting of 5115 records over a total estimated population size of 5.24 million businesses (White, 2014). However, this dataset has been subject to the reliability and validity tests described in Volume 2. Furthermore, the dataset is considered sufficiently robust for United Kingdom government policy to be developed based on the dataset and is the most representative large-scale dataset to date of manufacturing SME family firms in the United Kingdom.

The fourth limitation is that the definition of family firm in the dataset is more simplistic than that used in the qualitative survey in the subsequent chapter. The ONS definition is broader and consists of answering “Yes” to the following question: “Is your business a family owned business, that is one which is majority owned by members of the same family?” Some family firms may therefore have been included in the ONS dataset and in the analysis below which have been excluded from the more restrictive F-PEC definition used in the qualitative analysis later this in report. However, as the purpose of the quantitative analysis is to compare attitudes
and performance between family and non-family firms, a broad definition of family firm is valid for the purposes of this research.

4.5 Chapter Summary

The results of the quantitative analysis can be summarised as follows.

Firstly, an extended descriptive statistical analysis was produced which compared family to non-family firms across 26 variables relating to innovation. The result was summarised into 5 areas of difference: firm owners, firm performance, external orientation, innovation approach and physical orientation. This analysis revealed a range of differences across firm age, firm size, export activity, firm owner education, gender and ethnicity, geographical location, and also a difference in innovation approaches.

Secondly, factor analysis provided a more statistically refined summary of 9 areas of difference ambition, co-location, confidence, personal experience, innovation experience, profitability, firm longevity, and extraversion and staff investment. Both the conceptual and statistical groupings reveal Bourdiesian themes such as ambition, altruism and external orientation to be a type of habitus. The physical co-location of work and home are revealed to be a type of field. Spontaneity in innovation, firm longevity and investment in staff are revealed to be a type of doxa.

Thirdly, hypotheses were developed, based on earlier findings in this chapter and business literature. The hypotheses tested associations of family firm characteristics with innovation: firm age, innovation capability, the seeking of external advice and owner education levels. The results of the hypotheses were that certain family firm behaviours, beliefs and characteristics are associated with innovation. These findings justify further qualitative analysis to explore how doxa, fields and habitus operate at individual and firm level.
The findings reveal that family firms are polarised in terms of firm characteristics and innovation: they are both long-term and short-term business planners, both young and old in terms of firm owner age, and are both high and low innovation capability and innovation activity. These findings suggest selecting a similarly polarised sample of family firms for the qualitative analysis is appropriate, specifically, firms that undertake high and low levels of innovation activity, and that are also high and low on aspects of familiness.

Finally, this chapter has established that significant differences exist between family and non-family firms in relation to firm and owner characteristics and that these differences can potentially be explained through the concepts of doxa, fields, and habitus. This chapter has described the quantitative findings showing that familiness exists; the next chapter will explain the nature of familiness using doxa, fields, and habitus using the qualitative findings.
5 Qualitative Findings

This chapter discusses the qualitative findings, starting with how the Bourdieusian concepts of doxa, fields and habitus emerge in family firms, and proceeding to explore how doxa, fields and habitus influence innovation. The chapter opens with a description of the interview data in order to address questions of validity in the sample. The chapter then discusses how doxa, fields, and habitus explain the unique nature of family firms in three sections: the first section describes doxa, or the rules of the family business, the second section describes habitus, or the behaviours in the family business, and third section discusses the social field of the family business and its associated fields of customer and external support. In each of these three sections, the effect of each Bourdieusian concept on innovation is discussed. The chapter now opens with a description of the interview sample.

5.1 Description of Interview Data

This section provides a demographic breakdown of the qualitative sample in order to confirm the validity and appropriateness of the sample. 22 family firms were interviewed, giving a total of 27 interviewees.

Table 54 Gender and Role of People Interviewed

<table>
<thead>
<tr>
<th></th>
<th>Owner (n, %)</th>
<th>Board-Level</th>
<th>Employee (n, %)</th>
<th>Total (n)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Director (n, %)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>18 or 82%</td>
<td>4 or 18%</td>
<td>0 or 0%</td>
<td>22</td>
</tr>
<tr>
<td>Female</td>
<td>1 or 20%</td>
<td>4 or 80%</td>
<td>0 or 0%</td>
<td>5</td>
</tr>
</tbody>
</table>

TOTAL: 27

The table above shows that the gender split amongst family firm owners in the qualitative sample (82% male) is broadly consistent with the gender split of the family firm owners in...
the quantitative sample. Over 90% of family-owned manufacturing firms in the quantitative sample were owned by men. Both samples reflect the wider reality of family firms: that women in family firms are not generally found in ownership roles (Dumas, 1998). In this sample, women are more highly represented in board-level roles (such as Director) rather than as owners. This is consistent with family firms more widely, where women rarely inherit the firm, but are represented on the board (Martinez Jimenez, 2009). The overall percentage of women at board level of an SME family firm in the United Kingdom has not been reported to date (Department for Business Innovation and Skills, 2014a), therefore it cannot be estimated whether the overall percentage of women at board or owner level in the sample (18%) is representative. However, by including more women in the qualitative sample, different voices can be analysed, which improves sample validity when using the discourse analytic method (Phillips & Hardy, 2002). The inclusion of women participants also allows for the analysis of gender in constructing the unspoken rules and values (doxa) and ways of behaving (habitus) in the family firm. Furthermore, the lower-level status of the majority of female interviewees allows for a fuller exploration of women’s frustrations with a less powerful role. The side-lining of female family members to more junior positions has been noted in previous family firm research (Dhaliwal, 2000; Handler, 1989).

The impact of family relationships on the family firm is now discussed. This study defines family firm as “a firm that self-identifies as a family firm and where the family are actively involved in the firm”. The inclusion criteria for this sample were as follows: that all firms had to self-identify as a family firm; additionally, at least one interviewee from each firm had to be a family member and/or the Chief Executive. The family status and position of each interviewee establishes their authority to talk about innovation decisions and also about the nature of family values. “Immediate” refers to a family member who is a sibling, child or
parent within the family firm structure. “Non-family” refers to an interviewee who is outside the family structure.

Table 55 Role and Family Relationship of People Interviewed

<table>
<thead>
<tr>
<th></th>
<th>Owner (n)</th>
<th>Board-Level</th>
<th>Employee (n)</th>
<th>Total (n, %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Immediate</td>
<td>14</td>
<td>6</td>
<td>3 %</td>
<td>23 or 85%</td>
</tr>
<tr>
<td>Non-Family</td>
<td>0</td>
<td>3</td>
<td>1 %</td>
<td>4 or 15%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>27 or 100%</td>
</tr>
</tbody>
</table>

The majority of interviewees, 85% of the total sample, describe themselves as immediate family members. This improves the validity of the results by ensuring that the respondents are well versed in the nature of family values. Furthermore, research which attempts to create a taxonomy of family firms based on values requires interviewees who are also family members (Garcia-Alvarez & Lopez-Sintas, 2001). The majority of interviewees are at the owner or board-level; this improves the validity of the sample by ensuring that the most influential family members in a firm, who are most qualified to discuss strategy and innovation, are those being interviewed (Nordqvist et al., 2008).

The demographic analysis concludes with a discussion of how the number of generations and innovation levels in each firm affects the validity and reliability of the sample.
### Table 56  Generation and Innovation Levels of Firms Interviewed

<table>
<thead>
<tr>
<th></th>
<th>One generation (n, %)</th>
<th>Two generations (n, %)</th>
<th>Three or more generations (n, %)</th>
<th>Total (n, %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Innovation</td>
<td>3 firms</td>
<td>9 firms</td>
<td>3 firms</td>
<td>15 or 70%</td>
</tr>
<tr>
<td>Low Innovation</td>
<td>1 firm</td>
<td>3 firms</td>
<td>3 firms</td>
<td>7 or 30%</td>
</tr>
<tr>
<td>Total</td>
<td>4 firms or 17%</td>
<td>12 firms or 52%</td>
<td>7 firms or 30%</td>
<td>22 firms or 100%</td>
</tr>
</tbody>
</table>

The table above suggests that the majority of highly innovative firms interviewed for this study are two or more generations old. This is consistent with the finding that only 33.3% of family firms survive beyond the first generation (Björnberg & Nicholson, 2012). The existence of only one firm that is low in innovation and one generation old means that voices from a young, but minimally innovative firm are under-represented in this sample. This is consistent with a discourse analytic technique which acknowledges that not all voices can be heard (Phillips & Hardy, 2002) and that the analyst will selectively prioritise deviant cases and under-represented voices (Jorgenson & Phillips, 2016). In this case, the firm that is one generation old and is low in innovation will be presented in more detail, as a deviant case of particular interest. This firm is of particular importance to the study as family firms that are failing and about to close are particularly difficult to locate for research purposes (J. P. Marshall et al., 2006b). The findings will discuss the doxa and habitus that have led to this firm’s early demise.

The overall age profile of high innovation firms in the qualitative chapter maps closely to the age profile of all family manufacturing firms in the quantitative chapter (Table 13).
Comparison by age bands between SME family firms and SME non-family firms in the manufacturing sector in the UK in the year 2012, n=number of firms, % = mean percentage of all firms). The greater number of high-innovation older firms in the qualitative sample also is consistent with the Chi-Squared results (Table 49 Chi-Square Test of Association Between Firm Age and Innovation) which finds that majority of innovative family firms are older firms. However, the profile of low innovation firms in the qualitative chapter is skewed heavily towards the older age bracket. This could be due to a sampling error, whereby family firms that are one generation old and that are not succeeding were not willing to be interviewed for this study.

A word frequency count can be useful to show the most commonly occurring themes in discourse analysis (Onwuegbuzie & Leech, 2006). Word counts have been found to be a valid method for analysing verbal expressions in qualitative research, particularly in relation to deeply held beliefs (Kahn, Tobin, Massey, & Anderson, 2007); doxa and habitus are deeply held beliefs and behaviours (Bourdieu, 1984a), therefore a word count is an appropriate method to initially analyse the transcripts. The screen-print below shows the results of the NVivo “Word count” function for the top 35 most popular words across all 30 interviews. As is standard practice in analysing word counts in interview transcripts (Bazeley & Jackson, 2013), frequently occurring words, such as “the”, “and”, have been removed.
Table 57  Word Frequency Count in the Interview Transcripts

<table>
<thead>
<tr>
<th>Word</th>
<th>Length</th>
<th>Count</th>
<th>Weighted Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business</td>
<td>8</td>
<td>956</td>
<td>1.74</td>
</tr>
<tr>
<td>People</td>
<td>6</td>
<td>641</td>
<td>1.17</td>
</tr>
<tr>
<td>Family</td>
<td>6</td>
<td>506</td>
<td>0.92</td>
</tr>
<tr>
<td>Company</td>
<td>7</td>
<td>429</td>
<td>0.78</td>
</tr>
<tr>
<td>Work</td>
<td>4</td>
<td>404</td>
<td>0.67</td>
</tr>
<tr>
<td>Time</td>
<td>4</td>
<td>369</td>
<td>0.52</td>
</tr>
<tr>
<td>Years</td>
<td>5</td>
<td>353</td>
<td>0.38</td>
</tr>
<tr>
<td>Dad</td>
<td>3</td>
<td>286</td>
<td>0.37</td>
</tr>
<tr>
<td>Year</td>
<td>4</td>
<td>209</td>
<td>0.34</td>
</tr>
<tr>
<td>Innovation</td>
<td>10</td>
<td>203</td>
<td>0.30</td>
</tr>
<tr>
<td>New</td>
<td>3</td>
<td>187</td>
<td>0.29</td>
</tr>
<tr>
<td>Working</td>
<td>7</td>
<td>165</td>
<td>0.29</td>
</tr>
<tr>
<td>Money</td>
<td>5</td>
<td>162</td>
<td>0.28</td>
</tr>
<tr>
<td>Product</td>
<td>7</td>
<td>157</td>
<td>0.28</td>
</tr>
<tr>
<td>Businesses</td>
<td>10</td>
<td>156</td>
<td>0.26</td>
</tr>
<tr>
<td>Staff</td>
<td>5</td>
<td>155</td>
<td>0.25</td>
</tr>
<tr>
<td>Manchester</td>
<td>10</td>
<td>141</td>
<td>0.25</td>
</tr>
<tr>
<td>Day</td>
<td>3</td>
<td>136</td>
<td>0.25</td>
</tr>
<tr>
<td>Father</td>
<td>6</td>
<td>136</td>
<td>0.25</td>
</tr>
<tr>
<td>Worked</td>
<td>6</td>
<td>135</td>
<td>0.24</td>
</tr>
<tr>
<td>Stuff</td>
<td>5</td>
<td>133</td>
<td>0.24</td>
</tr>
<tr>
<td>Values</td>
<td>6</td>
<td>130</td>
<td>0.24</td>
</tr>
<tr>
<td>Made</td>
<td>4</td>
<td>123</td>
<td>0.22</td>
</tr>
<tr>
<td>Customers</td>
<td>9</td>
<td>119</td>
<td>0.22</td>
</tr>
<tr>
<td>Firm</td>
<td>4</td>
<td>119</td>
<td>0.22</td>
</tr>
</tbody>
</table>
The count shows that “business” (n=956) shows up nearly twice as much as “family” (n=641). This finding demonstrates that the business field is more dominant than the family field.

Family is still, however, the third most common word, after “business” (n=956) and “people” (n=506). The less informal “dad” (n=286) shows up twice as frequently as “father” (n=130), indicating that informality is a predominant cultural aspect of the family firm. The father is the only family member to appear in the top 30 word count which demonstrates that patriarchies are more common in family firms. These findings confirm that the sample conforms to the wider status of family firms as patriarchal units (Anna, Chandler, Jansen, & Mero, 2000; Fairlie & Robb, 2009; Lerner & Malach-Pines, 2011).

This section has discussed the demographic characteristics of the qualitative sample and has confirmed that the age profile, gender, innovation intensity, roles, and number of generations involved are consistent with the wider world of family firms, thereby confirming the validity of the qualitative sample. The next section starts the analysis of the qualitative data by discussing the implications of frequently occurring words in the sample.
This chapter now moves on to a deeper analysis of the transcript data, specifically answering the second and third research questions: how can Bourdieu’s theories of habitus, doxa, and fields be applied to meet theoretical gaps in our understanding of familiness, and how do habitus, doxa, and fields influence innovation in family firms. The next section begins with a discussion of doxa.

5.2 Doxa: the Rules of the Family Firm

Doxa are the unspoken rules of a community (Eagleton & Bourdieu, 1992) which guide their everyday social, cultural and political practices (Bourdieu, 1975). The findings below show that doxa can be viewed as the cultural competencies which guide members of a family firm when making strategic decisions. Doxa therefore helps us understand the nature of familiness. For example, if the family firm has a cultural competence which favours altruism towards staff, then they will choose to retain staff during a downturn, rather than replace staff with automation. The following themes emerge from the analysis of interview data in relation to doxa: how doxa are created in the family firm; how doxa are maintained by the family within the family firm; the doxic tropes most commonly found in family firms and, finally, how doxa influence innovation. This section opens with how doxa are created within the family firm.

5.2.1 Creating Doxa in the Family Firm

Doxa encompass the range of values, beliefs and unspoken rules which govern the field (Fowler, 1997; Myles, 2004). Doxa require “undisputed, pre-reflexive, naïve, native compliance” (Bourdieu, 1990d, pg.68) and Bourdieu believed that, in order to amass such a body of knowledge, doxa are inculcated from birth (Bourdieu, 1984b). The findings below
show that the family firm passes down doxa through generations, so the latest generation enters the family firm already armed with these unspoken rules:

“One cannot enter this magic circle by an instantaneous decision of the will but only by birth or through a slow process of co-option and initiation which is akin to a second birth” (Bourdieu, 1990d, pg.68).

In the majority of firms which are second generation or older, family members were trained through play and work at early age. In these cases, business premises are described as a literal nursery by the family firm owners who grew up there:

Interview 15, Excerpt 1:

But you know this was also my kindergarten. We weren’t always this big. We had a small bakery in those days. When I was eight, nine, ten, instead of going to childminders I was going to the bakery because I wanted to work with my dad. I wasn’t working I was playing of course. [3.0] But it was being involved with my dad, seeing my dad.

In this firm, the co-option and initiation process into doxa (Bourdieu, 1984a) began at an early age, when parents approve of their entrepreneurial schemes:

Interview 15, Excerpt 2:

So in those days at college you had to make all your bread and cakes and pies in the practical lessons and you had the opportunity to buy them [2.2]....So I used to take trays and bags and everything, filled up, take them across the road and sell them, [My Dad] said “Fair play there lad. You’ve learnt the art of making money.

The excerpt above is an example of how the family firm owner prefers his son to learn about selling than to learn about baking. This finding shows how doxa can be used to understand which type of knowledge is prioritised in succession planning. Succession planning is one of the most commonly studied themes in the field of family literature (Sharma, Chrisman, & Chua, 2003; Steier, 2001). The transmission of tacit knowledge has been considered to be
essential for effective succession planning (Hubler, 1999; Lansberg & Astrachan, 1994; Scholes et al., 2008). Tacit knowledge is the capacity of individuals to acquire more knowledge than they are able to communicate (Polanyi, 1966). The strength of tacit knowledge is its ability to become a competitive advantage, being difficult to imitate and impossible to codify, thereby leading family firms to unusual success (Tokarczyk et al., 2007). The problem associated with tacit knowledge is its difficulty for non-family members to acquire. Tacit knowledge has therefore been cited as a succession planning problem (Sonfield & Lussier, 2009b) in family firm literature. In this study, the concept of doxa is a sociologically-informed reframing of which knowledge must be transmitted to the successor. The role of “tacit knowledge” in familiness can be understood in a more sophisticated way as an expression of doxic values.

While the transmission of tacit knowledge is a key to success, tacit knowledge, or doxa more generally, can be powerful inhibitors. Bourdieu originally envisaged doxa as being potentially self-limiting (Eagleton & Bourdieu, 1992). Bourdieu argued that doxa has the potential to be socially regressive, not only through reinforcing existing power structures, but also in closing off lines of action (Gorski, 2013). In the majority of second-generation or third-generation family firms, the successors never considered any alternative line of action to the doxa of inheriting and working in the family firm:

Interview 15, Excerpt 3:

IE\textsuperscript{26}: And slowly, slowly, slowly, I moved into my dad’s shoes and that wasn’t career choice it was a life [laughs] it was a life decision really. It was preordained [4.5] you move on.

IR: did you ever think of doing anything different?

\textsuperscript{26} “IE” refers to “Interviewee” and “IR” refers to “Interviewer”. The full list of transcription conventions is provided in Volume Two of this thesis.
IE: No. Never ever, ever, ever, ever, ever, ever. Never. Never. It was a life choice it wasn’t a career, strategic move. I can still remember to this day my dad sitting me on his knee and saying “one-day son [raps twice on the table] all this will be yours.

In one of the firms, the expectation of inheritance was felt to be a good match for the self-image of the successor. The findings show that for some heirs, the doxa of family firm inheritance, contrary to Bourdieu’s generally negative view of doxa, was an opportunity to be welcomed:

Interview 25, Excerpt 4:

All I ever wanted to do was to work here really. [2.1] Probably from the age of 13 or 14. I just saw the opportunity that was in front of me really and just, the idea of when they just working for myself. Not always working for someone which is, yeah, is nice having the freedom to do what you want because you think that’s the right way. Not always been told this is the way to do it. [3.2] When I was younger, I had a little bit of an authority problem. So I thought if I’m working for myself I’ve got no one to answer to.

In contrast to the example above, doxic expectations relating to male succession are deeply disempowering for women. In these cases, these doxic expectations of male succession destroy the firm itself. Fathers expect to pass on their firm to their sons, excluding more capable daughters as in the example below.

Interview 19, Excerpt 5:

I could only step in because my dad was poorly and incapacitated with a stroke because he just didn’t believe women should work. He was so chauvinistic, an Irish immigrant, from a big family from a very poverty stricken background. So he just thought girls should be seen and not heard. Interestingly, he offered my husband a job and wanted him to work in the business.

The role of gender in succession planning is under-researched (Lerner & Malach-Pines, 2011) and this study introduces some ways in which doxic expectations could be studied as a
way of predicting succession problems. In many cases, doxa which reinforce gender stereotypes were justified as being part of a wider society’s norms and expectations;

Interview 17, Excerpt 7

Because I think people went into industries because it was industry of the area. Everything was “something and sons”. And we were “something and sons”. And so the sister of the three brothers, she was never going to be part of this business. And so family looked after her, the business paid for her flat and set her up. And I believe she married somebody from the business which was very common.

Where daughters are allowed into the family business, they are often put into gender-stereotyped roles. This concurs with Bourdieu’s description of how doxa take the form of “a sense of limits…like the submission which is implies and which is sometimes expressed in the imperative statements of resignation, ‘That’s not for the likes of us’ (Bourdieu, 2000, p. 185):

Interview 19, Excerpt 8

They’ve minimised what the daughter is and what her role is and traditionally that was “put them in bookkeeping and finance.” But they put the son in sales, because I think that’s all very bullish and brutish. Although cause a that causes a lot of friction on the shop floor where the daughter is really experienced in process operations.

This is consistent with the finding that women in family firms, although they have expertise, have less “social capital” than men, leaving them less equipped to deal with external fields (Renzulli et al., 2000). Other family owners acknowledged their own gender-specific expectations but presented them being as part of the doxa of male involvement and female exclusion, as in the example below.

Interview 1, Excerpt 9

IR: How many family members are involved in running the business?
IE: My son more than my daughter. It is along gender lines.

Even where male owners have not excluded their daughters, women recognise their exclusion in a family firm where doxa of male superiority is prevalent amongst staff, as in the example below:

**Interview 14, Excerpt 10**

Because I was younger, female, a family member coming into a new department which they’d never had before. I was not popular when I had first come in. Because with me a lot of people thought, “change” and some people like change and some people don’t. And that was really tough.

The concept of doxa is “the relationship of immediate adherence to a field, the pre-verbal taking for granted of that world” (Bourdieu, 1990d, p. 68). A minority of second generation owners expressed regret that they had not explored another field, or even resentment that they had to work longer than anticipated:

**Interview 21, Excerpt 11**

As I was saying, as I was finishing the University course, my dad became ill and we knew he wouldn’t live right long and so I decided to come into the business which I did. Because the family circumstances really made me [5.2]. My youngest daughter was still finishing school. I knew I couldn’t afford to retire because I had to support her through that. [3.1] I had to support all my other children through that. So I decided not to retire and continue on in the business as best I could on my own.

Having discussed how doxa are created within the family firm, and their potential to both liberate and limit individual family members, the discussion now turns to how doxic rules are maintained.

### 5.2.2 Maintaining Doxic Rules

Doxa are being continuously created and have to be maintained by the next generation so as to avoid being diluted. One family member was inspired at an early age by the family doxa of
hard work. He has since decided to maintain the family doxa by remaining in the family firm, rather than start his own firm:

Interview 23, Excerpt 12

I wanted to set up on my own and then all of a sudden something clicked in my mind. I mean we are very close family anyway. And then it just sort of clicked in my head, switching mentality to try and build something that already existed. What my Mum and Dad have worked long and hard to build rather than try something my own and possibly succeed or simply not. [2.2] It made more sense to sort of try and push what the family has been working for 23 years or so.

As well as being “pulled” towards the field of family through the ties of closeness and loyalty, other family members are “pushed” towards the field of family through a strict enforcement of doxa. Symbolic violence is the mechanism used by powerful players for enforcing doxa in a particular field (Edelman et al., 1992; Weininger, 2005). Symbolic violence is prevalent in the family firms interviewed. In the following excerpt, a family firm owner uses violent language to enforce doxa:

Interview 2, Excerpt 13

And I say to people “Welcome to the family and all I’m going to tell you is that if you’re a nice person, these people will save you, but if you try to portray yourself as a clever little shit, they’ll let you walk into a minefield and you’ll be blown up pretty quick. But don’t blame them, blame yourself." (2.1) I say that to everyone who joins the business.

Symbolic violence thrives on “misrecognition” which was Bourdieu’s term for the way that victims excuse and misinterpret their own subordination. “I call misrecognition the fact of recognising a violence which is wielded precisely is as much as one does not perceive it as such.”(Bourdieu & Wacquant, 1992, p. 168). The example below demonstrates how the family endorse the aggressiveness and domination of the father:

Interview 10, Excerpt 14
My dad didn’t suffer fools he knew exactly what he was going to get, very tenacious, banged his fist on the table if he didn’t get what he wanted. My mum is the shop counting the money as normal. She said she was the boss. She still is because she pays the wages. That’s a family joke.

In the excerpt above, the mother is clearly not the boss. The acceptance of her inferior status becomes normalised through becoming a family joke. The mother’s subordinate status is reinforced and the father’s control of the family continues unchallenged. Bourdieu claimed that doxa are hard for individuals to articulate because they are insidious, part of the social structure around them, and absorbed from birth (Bourdieu et al., 1993). In the excerpt below, the symbolic violence which is used to run the firm, becomes normalised by family members who are subjected to that violence:

Interview 13, Excerpt 15

You see, I would never have thought I was a particularly strong person. Turns out that I probably am now. [2.1] And I think it is just because my parents are. You would never know that anything fazes my dad. He can get a bit shouty. Actually, no I lie, because you know that he gets stressed because he gets very shouty. [1.1] But he certainly wouldn’t let it break him. He is not going to crawl under the duvet and cry. He will come out scratching.

In the example above, the misrecognition of anger and repression is misinterpreted as strength. Shouting is transformed in the next sentence to an expression of resilience and finally to bravery. Crying and hiding are spoken of derisively, as a habitus or behaviour that is not acceptable in this family firm. Instead, the doxa of anger, retaliation and repression are passed down from the father to the adult child.

In order to maintain family control, doxa have to be maintained in the wider staff team. In the example below, retiring staff transmit doxa to new recruits:

Interview 11, Excerpt 16
The people start very young and very few people ever retire so a lot of the mentoring for the young people is done by the older people who are past retirement age. [3.3] If you could sum up in a few words so for example what I would say to like the old boy who works in our laboratory. ‘You’ve got a few years to [mimes the action of wringing out a towel] wring your brain out. So there’s nothing left in it. So it’s just like an empty shell. So all of it has passed onto to the younger ones. It is just completely empty. For the old people fundamentally their role, their job is in training.

In this interview, the family firm is a field which “empties” the minds of the people who worked there. Describing outgoing employees as am “empty shell” is more than a figure of speech: the bodies of former staff are literally buried within on site:

Interview 11, Excerpt 17

Two of our most senior staff are buried here. Which is a bit weird.

The fact that staff members are buried on site is described by the interviewee as “weird”, but it is also a source of pride, as this information was freely volunteered to the interviewer. In the example below, staff members were subjected to symbolic violence, apparently for the overall good of the firm:

Interview 2, Excerpt 18

However, in that process, I actually turned the people into a conscript army. So actually, you could go through the whole process of educating people of the who, what, where and why and what you were all about, when in fact as far as they were concerned, why did we need to change?

Yet staff members are also seen as an extended part of the family firm. Staff loyalty is repaid to those who deserve it by the firm owners:

Interview 10, Excerpt 19

It is a family business. The family values is, is to work diligently, making sure that the business is run well so it can
look after the people of the business, so we are a family business. For example so a good colleague of mine, he has been quite poorly he has worked with us for the last 40 years. The last thing I’m going to do is if he is off sick I’m not going to not pay him so he’s been three months. On full pay. [2.1] But that’s what you do isn’t it. If a person dedicates my life to you, [2.3] if they are a little bit ill, you don’t drop them because they can’t work. You are going to support them he has supported us for a long time.

Here, three months sick pay is not seen as part of a standard contract, as would be common practice in a larger firm, or in the public sector, but is instead a special reward in a small firm for years of service.

The majority of family firms interviewed stated that they recruit staff for similar values, or doxa, rather than skills or knowledge. This value-based recruitment maintains doxa, because doxa cannot be quickly learned by new staff. In this way, doxa, or the rules of the family, are maintained, even with the introduction of non-family members. This recruitment strategy has been described as “negotiated paternalism” in the family firm, where the family’s values are imposed on recruiting practices (Ram & Holliday, 1993) with the effect that staff benefit from job opportunities they would never otherwise have received, but where they are also expected to be totally loyal to the firm.

Interview 16, Excerpt 20

I’m a firm believer that I would rather have somebody the right attitude and the right skills. Because you can teach skills but you can’t teach attitude. So many people hire on a skills basis and then fire on an attitude basis. We call these people, high performing individuals are terrorists. They are terrorists in your business. They will create more issues than anything else. [4.1] Get people with the right attitude and he’s not got a problem.

Interview 14, Excerpt 21

So you want people to be treated how you would want to be treated. So we want people to have a great experience with us and recommend us and I think that is bred into us, all the team members.
Interview 12, Excerpt 22

What we have been about doing in the last 20 years, and my external experience has been part of that, blending, relying, we have got people turning up for work every day.

The use of the term “bred into” demonstrates the doxic thinking at work: that values are inculcated in staff through Bourdieu’s description of doxa as “the slow process of co-option and initiation which is akin to a second birth” (Bourdieu, 1990d, p. 68). Family firm owners who want to avoid conflict will rely on the “blending” process of recruiting new staff whose values are harmoniously merged with the loyal staff, turning up for work every day.

Bourdieu’s description of how doxa can be inculcated leads to the conclusion that doxa can be adopted, albeit in a painstaking, slow method, by non-family members. Family values have been seen as a key element of familiness by previous researchers (Björnberg & Shams, 2005; Holt et al., 2009; Kellermanns & Eddleston, 2006). This research shows how doxa provides a more powerful lens for understanding familiness than “family values”. Doxa includes the potential for positive family values to succeed, albeit at the psychological cost of an individual. This research also shows how doxa incorporates the idea of tacit knowledge.

The findings demonstrate that doxa can be more similar in some members of a family than in others, thereby becoming a powerful predictor of who should be chosen as successors. For example, in two out of the first generation family firms, the ambition and entrepreneurialism of the founder was closer to members of his in-laws or cousins than that of the immediate family. Succession planning based on doxic similarity is more likely to be successful than on blood-line alone.

In the excerpt below, the second generation describes how her move into the family firm was inevitable because of her stronger affinity with her uncle’s doxa of success and ambition than that of her own parents:
Interview 14, Excerpt 23

It was always like, my uncle always had his own company. I knew that he was successful because, you know as you’re growing up, I always looked up to him and thought, he’s a really good businessman, he used to have nice cars, as a kid you notice these things.

Another founder of a family firm explains his affinity with his father-in-law in contrast to the lack of shared interests with his father:

Interview 18, Excerpt 24

My dad is not an entrepreneur, my Dad’s [4.0] he’s [4.4] My grandfather is a farmer. [2.1] Which is sort of an entrepreneur, in a way I suppose. My dad, or the grandad I knew, was a farmer. My mum’s side of the family were businessmen, but again, but again I don’t think they were small business type people. My dad was in banking and then in politics so I didn’t. [5.5] He isn’t of that inclination so much. [3.2] I get much more from my wife’s side. And [my father-in-law] was very good at what he did. He was very successful in dairy and he did fruit juice as well.

The excerpt above reveals a reluctance to discuss the founder’s own father and the enthusiasm for his wife’s side of the family. Family firms are those that can be married into, as well as those that are inherited.

The power of doxa is that they are adopted unconsciously and inform an individual’s belief of what is normative (Bourdieu, 1998). The doxa in family firms is so powerful that interviewees who were able to articulate their business and family values could not distinguish between them:

Interview 18, Excerpt 25

IR: Would you say that your family values have come across and your business values?

IE: Totally, yes.

IR: What kind of values?
IE: I think, I suppose. Honest, hard work, trying to do the best, quality, trying to get something that’s worth having to customers. [2.1] Not being interested in cutting the corner or the shortcut, I want all our customers to be delighted and happy.

Interview 24, Excerpt 26

IR: In terms of the family values and your business values. Would you say that they overlap?

IE: Yeah I think so. I’ve tried to bring my kids up to be honest and to be truthful because if you don’t tell the truth you don’t always remember what you’ve told lies about. And the way that we are with prices and with customers. [2.0] We try and have a product list that we will discount into volume rather than having prices all over.

Clearly, “quality”, “cutting the corner” and “prices” are not values that families have. These are values that belong to the world of business. The conclusion drawn is that the fields of family and of business are so overlapping that individuals cannot distinguish between family values and business values. The powerful connection between family and business values are another attribute of familiness (Denison, Lief, & Ward, 2004; Garcia-Alvarez & Lopez-Sintas, 2001; Lambrecht, 2005). The Bourdieusian concept of doxa as deeply held beliefs can help to explain why family firms are so different from non-family firms.

This section concludes with the finding that doxa, in successful second and third generation family firms, are largely inherited from the founder. These doxa are then internalised and replicated through hiring practices in order that new staff embody the same doxa as the founding family. Finally, doxa which encourage entrepreneurialism and ambition can be leveraged to the benefit of the firm by bringing these family members into leading firm positions. Finally, family firm doxa are so ingrained that family members cannot differentiate between family values and business values.
5.2.3 Doxic Tropes: Altruism, Integrity, Nepotism and Denial

This section describes the four recurrent themes of doxa: altruism, integrity, nepotism and denial. The relevance of these themes to family firm literature is explained.

The first theme to emerge is altruism which is frequently referred to as one of the core values of the family firm. The firm owner’s dedication to their staff will often outweigh commercial considerations, as is shown in the example below of a manufacturing firm that remained in a small village for many years beyond what was commercially sensible:

Interview 1, Excerpt 27

But we were in a little, tiny village about 30 miles in the countryside, so it was no problem to shut down and come here. The advantage of here is the labour, whereas in there, we couldn’t get anybody at all to work. (1.4) We couldn’t get the numbers, and when they did come to work, they just weren’t interested. It is a cosy, little operation out there. A pub down the road and a lovely, beautiful area to live in. Fabulous people, I mean, really nice. (1.7) Seven years we worked there. It was great working there, but in terms of output it was appalling.

Other family firms will demonstrate their compassion for staff by avoiding new technology in case it results in redundancies. This tendency to take altruism beyond what is financially logical is a barrier to innovation for family firms (Nieto et al., 2015).

Interview 14, Excerpt 28

We do take staff seriously. We’ve got 120 people whose mortgages we are paying. We are feeding their families. So if we make a bad decision on a new machine [3.9] Yes it affects us but most importantly all of them. And so when we are innovating we do think about the knock on effect a lot more. I don’t know if that’s different in other companies or whether that’s more inbred to us [laughs].

Interview 24, Excerpt 29

And staff are important. I have 18 mortgages. That’s how I look at it. They come to work. It’s my job to keep them in work. And I take that quite seriously. And that has possibly, possibly held
us back a little bit. I have tended to invest in people rather than machinery or whatever.

The second doxic theme to emerge is integrity, which business owners interpreted as the need to apply their personal values to business practices:

Interview 21, Excerpt 30

The family values are my values that I’ve been brought up with. It’s as simple as that. Treat people as you would want to be treated yourself.

Interview 24, Excerpt 31

So the family values, the values within the business is a reflection of the family values that have been imbued into both myself and my brother by my parents.

Interview 8, Excerpt 32

You can't keep family and work values quite separate. They are difficult to hide. But I think it’s pretty much taken for granted that, you know, you wear your religion, you wear your ethics, you wear your morals honestly, throughout your working life, throughout your home life.

Previous research has argued that the high levels of altruism in family firms is the basis for their distinctiveness (Zellweger et al., 2010) and that family firms receive financial benefits from demonstrating integrity and altruism in the business (Schulze et al., 2003). In the excerpt below, access to funds and improved relationships with customers and supplier are rewards for altruism and integrity:

Interview 8, Excerpt 33

My house is on the line if anything goes wrong. But that brings its own advantages, because people all of a sudden [2.8] it brings with it a level of trust in your suppliers. So I could ask for hundred thousand pounds credit from anybody and I will get it straightaway. Because we been around for so long. People trust us people, know us, we have had occasions where we have taken some major, major, major hits, but our suppliers have always been paid.
However, the majority of third generation family firms had discovered the tendency for doxa to become barriers to improvement. In this excerpt, the firm owner attributes firm longevity to his policy of recruiting new staff, who introduce new ideas to the firm:

Interview 12, Excerpt 34

So I think we’ve been successful. I think it’s easier, I mean the more successful you are, you grow, you are bringing in more people so you’ve got more new ideas. [3.9] So when you keep doing the opposite and you keep declining, which is where we were in 1993, you just can’t bring new people in and actually what you are doing is ending up with an ever smaller group of people who have done the same thing every day for the last 20 years.

This is consistent with findings that family firms become resistant to change in the absence of a strongly innovative firm owner (Moss, Payne, & Moore, 2013). This is also consistent with findings that older and larger family firms build up a bureaucracy that is resistant to change (Chirico, 2008) and results in stagnation.

The third doxic theme to emerge is nepotism, or the recurring tendency of the family firm to favour family members over non-family. Nepotism occurs when loyalty to the family is taken to an extreme. The tendency of doxa to remain unquestioned encourages family firms to appoint the obvious successor without considering whether they are the right person for the role. The danger of nepotism is that it encourages family firms to adopt conservative strategies, thereby preventing growth. The lack of growth in the competitive industry of manufacturing can ultimately result in family firm closure (Miller et al., 2008). In the excerpt below of the deviant case (the one family firm in the sample that combined low innovation with low familiness), nepotism resulted in the failure of the firm:

Interview 17, Excerpt 35

Family members were given positions that they would not have had if it was based on a commercial decision anywhere else. So my uncle was a 28-year-old that took over, the third generation
MD, he didn’t want to be MD and he felt he didn’t have a choice. He never mourned for his father because, literally, he describes taking his father’s warm leather briefcase, this is the language he used to me, and his hat that sat on the cupboard. He put it on and he could still feel his father. To run with that sense of weight [3.3] I just find unbearable. He was an engineer but he was not a great MD and he admitted that when he was 78 having done it for 40 years.

In the majority of second and third generation family firms, family members pre-emptively denied an imaginary charge of nepotism.

Interview 13, Excerpt 36

I don’t believe in nepotism in the slightest. [2.2] Neither does my dad. There was never any “one day to all this is going to be yours.

Interview 14, Excerpt 37

Because you come into the family business, it is the hardest thing to do as an employee because everyone thinks you got the job because of your surname not because of your ability. [2.2] So you’re not just trying to do your job you’ve got to prove yourself to everyone, rightly or wrongly that’s what happens.

Interview 16, Excerpt 38

But whatever it was I had to pay my way because I didn’t want anyone to think that I was born with a silver spoon in my mouth. I was here. If I was going to be here it was because I was good at what I did. [2.2] Not because I was my father’s son.

The existence of nepotism in family firms has been found to lead to incentive mechanisms heavily biased towards the family (Fernández & Nieto, 2006) which in turn dissuades external experts from joining the firm. This has been found to restrict the growth of high-tech firms in the Chinese family business sector (Chen & Hsu, 2009), because external investors did not want to fund firms which would divert their funding to family members.
The fourth theme to emerge in relation to doxa was a culture of denial. The existence of nepotism and the appointment of inadequate successors led to a culture of denial in all the family firms that had to be rescued or that closed.

Interview 12, Excerpt 39

I think what we had is a management team not helped by my father’s illness, which had been in denial. [3.2] We had been doing badly. And rather than flagging up that there is a problem here and we need to change. We had almost hidden from reality.

Interview 17, Excerpt 40

The Board were only ever looking at what had gone on. And I think there was a false sense of security around that because he had been trading by this point for a good number of years and it had done us very well. There was part denial and part just complete blinded-ness to what was going on.

The existence of conflict and rivalry in the family firm has long been acknowledged (Boles, 1996; Kaye, 1991) and was even used to predict the eventual demise of the family firm (Levinson, 1971) as family firm owners would be replaced by outsiders. In the excerpt below, symbolic violence is exerted by parents against children in order to maintain existing doxa.

Interview 19, Excerpt 41

Their whole management knowledge or business knowledge is “will just keep selling it. If we sell and get our heads down it’ll be okay.” [5.1] Children are saying something different to them, we are in their 30s or 40s and saying “Just hang on a minute. We need to innovate, we need to look at this, we need to get some structure in.” So there’s battle and fallout about that.

Family members who are incompetent indulge in sabotaging actions, which can ultimately damage or destroy the family firm (Kidwell et al., 2012). The excerpt below describes how the culture of denial was so strong that her proposed change was sabotaged:

Interview 17, Excerpt 42
I wanted to restructure the shop floor and realised that when my uncle was going to announce restructuring the shop floor, he buckled. [2.9] He was not ready for that kind of responsibility. Because actually I was going to get rid of people. He couldn’t cope with the change. He buckled. [2.2] Literally [3.8] It was a moment that I will remember forever. Him standing up and he was speechless.

This section has demonstrated how the commonly occurring forms of doxa, altruism, integrity, nepotism and denial, can both hinder and help the family firm. The discussion now turns to the effect of doxa on innovation and how family firms have leveraged their “unspoken rules” to develop a creative environment.

### 5.2.4 The Influence of Doxa on Innovation

This section outlines how doxa can help or hinder innovation, the types of doxa that lead to innovation and how the doxa of customers influence the type of innovation that takes place in a family firm. Firstly, the apparent paradox of doxa in relation to innovation will be discussed.

The paradox is that doxa would appear to be inherently incompatible with innovation. The existence of doxa, or the unspoken rules that inform our practices, would appear to prevent innovation from taking place. This is because doxa tend to reinforce existing practices, rather than encourage new ideas to be developed (Fowler, 1997). Bourdieu’ conception of doxa is that doxa are inherently regressive. Doxa lead to a shutting down of creative impulses by reinforcing existing power structures in the minds of those who are dominated.

We need thoroughly to sociologize the phenomenological analysis of doxa as a uncontested acceptance of the daily lifeworld…to discover that, when it realises itself in certain social positions, among the dominated in particular, it represents the most
radical form of acceptance of the world, the most absolute form of conservatism.

(Bourdieu & Wacquant, 1992, p. 74).

This section will argue that this apparent paradox does not exist. While certain doxa do indeed lead to stagnation, other doxa can encourage innovation. This argument will justify the recommendations later in this thesis as to how family firms can adopt doxa which promote innovation.

In a minority of high-innovation family firms, the conservatism encouraged by doxa leads to power-plays whereby innovations are restricted to the senior team and that the wider workforce are excluded from suggesting or introducing innovation. In a minority of the high-innovation firms, the source of innovation is restricted entirely to the owners:

Interview 3, Excerpt 44
IR: What about innovation? How do you decide to do something new or something different?
IE: Well…
IR: Does that come from Japan?
IE: Yeah, yeah. (1.2) Mainly. (2.0). We attend all the shows, Marketing Director, Managing Director.
IR: And would the workforce come up with some suggestions?
IE: [Quickly] No.

Interview 10, Excerpt 45
The ideas come from me, my brother and my father. It’s as simple as that. And we tell them, this is what we would like you to have a look at.

However, the remaining high-innovation firms actively encouraged suggestions from staff and customers, guided by doxa that value openness and curiosity:
Interview 5, Excerpt 46

We are constantly looking at what we are currently doing and how we do it. We are very open to suggestions from anyone. A lot of the time we get suggestions from customers to get the product better because they assume we haven’t thought of it yet.

Interview 6, Excerpt 47

Everyone at the company is welcome to make suggestions, whether it is on the shop floor, “We can do this faster” all the way up to the top.

Indeed, the doxic rules required for innovation, such as risk-taking, ambition and curiosity, are often introduced by new staff or a new generation. In most of the high-innovation, second and third generation family firms, innovation-friendly doxa had to be introduced for the sake of firm survival. The interviewee below describes taking over a family firm where the doxa had led to losses and his introduction of radical innovation in staffing profiles and technology:

Interview 12, Excerpt 48

My dad died in November 1993, the business was declining at around 10% per annum and losing £1 million per year. So we had really an almost, Year Zero situation where we had a business model that didn’t work and wasn’t viable. Linked to that was a lot of the equipment that we had was past its sell by date but we didn’t have the money to invest to modernise.

A new doxic phase that promotes innovation is tellingly described here as “Year Zero”, a reference to a violent revolution in Cambodia, which reset the national clock to zero in order to attempt to reset history. Symbolic violence is therefore introduced in the choice of language, and the interviewee proceeded to enforce technological and personnel changes.

Interview 12, Excerpt 49

We replaced one or two of the dinosaur bits of equipment. We did a lot of early retirement deals to avoid a very skewed age profile where all your young guys have gone and all your old guys are still here.”
From that point onwards, delegated authority was introduced, which is a doxa, or set of values, that has been demonstrated to unleash innovation by empowering staff (Çokpekin & Knudsen, 2012) and releasing management to focus on strategic decisions (Birkinshaw & Hood, 2001)

Interview 12, Excerpt 50

They are really left with a lot of autonomy to do what they want. They have got the autonomy to run the business as a business. So if they want a new forklift, they buy a forklift… Just get on with it. So we’ve really pulled ourselves out of the detail.

The majority of high-innovation second and third generation family firms speak of the necessity of blending doxa: they take the advantages of the loyalty inherent in an old family firm and mixing it with new ideas from a younger generation. Other owners prefer to use younger staff to gradually introduce innovations, even though the innovations were less polished than if new staff had been recruited:

Interview 11, Excerpt 51

So our website at the moment is not very good at all in terms of layout. She is trying her best, but [3.6]. There are all sorts of little innovation-y bits in there. You know the next big idea has been applied to it. I quite like it actually but it is rubbish.

Doxa that encourage innovation are not always introduced gently by from the existing owner, or by force from the younger generation. In the remaining 8 out of 12 multi-generation, high innovation family firms, innovation-friendly doxa were an inherent feature of the previous owner:

Interview 10, Excerpt 52

IR: So your dad had this philosophy of trying new things?
Indeed, the curiosity that is an attribute of an entrepreneurial innovator (Burch, 1986) is demonstrated both in the workplace and also in the home: a sign that doxa are common across the fields of family and the field of the business:

Interview 5, Excerpt 53

We like to go away, and that’s what Dad is like really. He doesn’t like to sit around the pool and fester. There’s things to do, we are in a different part of the world, let’s go and see something else, we don’t want to eat in the same restaurant twice, we don’t want to go to the same place twice. So yeah, I suppose, innovative, he’s always making things. We are both into mountain bikes and motorbikes and cars and stuff.

The description of sitting still as “festering” reflects the distaste for continuing to do things in the same way that is felt by many of the high-innovation family firms.

This section on the manifestation of doxa in family firms has described the four most commonly occurring types of doxa: altruism, integrity, nepotism, denial. The use of symbolic violence to maintain doxa has been described, as has the use of doxic practice in staff recruitment. Finally, the findings show that doxa do not necessarily lead to stagnation. When entrepreneurialism and curiosity are either inherent to the firm or introduced to the firm as new doxa, then innovation becomes part of firm activity. This chapter now turns to an exploration of habitus, which is the lived expression of doxa.

5.3 Habitus as the Lived Expression of Doxa

Habitus is how doxa manifests in the behaviours and actions of an individual. This section will outline a view of habitus as a set of skilful behaviours which can provide a unique advantage for a family firm. This section will go on to describe habitus as a series of emotional and physical states resulting from traumatic events. Finally, this section will describe the relevance of habitus to innovation in the family firm.
5.3.1 Habitus as Skilful Behaviours

Habitus was described by Bourdieu as a “line of action” (Bourdieu & Wacquant, 1992, p. 131) which occurs in a specific field. In this sense, habitus can be seen as a skilful behaviour which the family firm members use to gain unique advantages.

All interviewees were keen to display their deep knowledge of the products and processes of the firm which, in the majority of second and third generation firms, had been acquired from childhood:

**Interview 8, Excerpt 54**

I mean that’s how I remember it, being in school as seven, eight-year-olds, finishing school, daddy used to pick me up, take me to the factory. I used to help out, do my homework in the office. It was my brother, my uncle, my mum, my aunties, all chipping in. And as and when they got a little bit of experience they learned the ropes, you know, they went from one job to another, and you know they went their own ways, started up their own business, started up their own factory. So it was sort of [3.1] in a way they were learning the trade and passing it on.

The ability to pass knowledge throughout generations has been cited as a key factor in successful second generation family firms (Cabrera-Suárez & Martín-Santana, 2012; Steier, 2001). The ability to not only absorb knowledge from a previous generation but also to continuously update it is a source of pride in high-innovation family firms:

**Interview 8, Excerpt 55**

IR: So even down to design, even down to [2.9] programming the machines, programming and knitting program and getting the machines in it that net, I know how to do all that. So that’s where it really really helps. I can go into a factory and I don’t like it, I can say this is how we change it, this is how we change the machine setting to get that effect.

IR: Are there many people who could do that?

IE: probably about half a dozen in the whole of the UK.
The skills and knowledge shared between family members is important to the success of a manufacturing firm, where staff, owners and machinery are generally physically co-located and information is transmitted directly, from person to person (European Union, 2013; UK Commission for Employment and Skills, 2015). In addition to absorbing the skills and knowledge of the first generation, the second generation introduces new skills and knowledge. This process of renewal is a process crucial for family firm innovation (De Massis et al., 2012) and survival (Sharma et al., 2003).

**Interview 8, Excerpt 56**

So I took over and until that time my father who wasn’t educated in this country he had come over as a migrant in the early 1960s and he was manufacturing and supplying middlemen [4.2]. So I had been educated in this country, I could talk, I could be eloquent, I could design stuff I could go in and do presentations, so the next step for me was to really cut out the middleman and start supplying people directly, which is what I then did.

The example above demonstrates how habitus is renewed and customer fields are extended through the second generation. The second generation’s confidence in spoken English and in possessing a university education minimises the effects of racism and exclusion from mainstream sources of capital which have blighted ethnic minority firms (Ram & Jones, 2012). This interviewee’s siblings have chosen paid employment, which supports the finding that possession of higher education qualifications in the children of immigrants dampens entrepreneurial intent (Clark & Drinkwater, 2010). This supports the view that ethnic minority businesses are not a choice, but the only option for paid employment for first generation immigrants (Basu, 2004; J. G. Hussain et al., 2010; Ram & Holliday, 1993). Ethnic minority family firms may be less likely, therefore, to succeed beyond the first generation. The existence of the family firm enables skills and knowledge to be acquired...
more quickly than would be possible in a non-family firm (Welsh, Bent, Seaman, & Ingram, 2003), as in the excerpt below:

Interview 8, Excerpt 57

Had it not been for the fact that I was walking into a family firm, I would not be here today. I would not have had the support to enable me to travel to Japan, to travel to Germany, it is all these courses, to learn all the stuff. Whereas had I been an Outsider, maybe I would not have been afforded that luxury…Because we were a family firm and we had every sort of department, any one of us at any stage could go out and learn this stuff. We had that... [1.8] If you weren’t a family firm, it would have been perhaps a lot more political, it would have been a lot more [3.3] it would have meant me rising in the hierarchy to such a level where the management felt, you know, they felt the need to send me out, or hire someone that was already, you know, technically savvy enough to go out and do this.

Training of staff is seen as essential by all the high-innovation firms. Training has the benefit to family firms of inculcating the family’s doxa, as well as maintaining competitiveness in the marketplace. The findings show that firms are frustrated at the lack of government support for their training costs and have resorted to recruiting staff from abroad who have those skills:

Interview 3, Excerpt 58

We need people who can sit at a sewing machine and do that. The only way to do that is to bring people in from wherever. (2.1) Countries that have those skills. People in Poland, Lithuania, Czechoslovakia, Hungary, are available.

Interview 13, Excerpt 59

And another driver for innovation is reducing skills in the workforce. [2.3] We don’t find it easy to recruit. In terms of getting bums on seats, that’s improved recently. In terms of getting good bums on seats, yes, very very difficult. [2.2] If it wasn’t for Eastern Europe, we wouldn’t have a third of our workforce. If we relied solely on British workers, we would be probably dead.
Interview 13, Excerpt 60

But obviously, there are still apprenticeships available but they are rubbish. [2.5] I think modern day apprenticeships are shameful. They cater to the lowest common denominator. As part of an apprenticeship there are “key skills”. The implication being that if you do an apprenticeship, you probably can’t read or write terribly well.

The findings suggest that training costs are reluctantly assumed which supports earlier research findings that family firms are less likely to deliver formal employee training than non-family firms (Reid & Adams, 2001). The lack of formal training may be related to the fact that family firms prefer to employ other families. While much of the family business literature has focussed on training of family members, particularly in relation to succession (Astrachan & Kolenko, 1994; De Kok et al., 2006; Reid et al., 2002), it is clear that training families who are not part of the founding family, is also crucial.

Interview 13, Excerpt 61

The Slovakian people came here came from an agency. They are a family. We had a tutor in every week for about 18 months for English lessons. You know it’s good for the m and it’s good for the business because they can communicate inside the business. Because it pays back. Not only in feeling good about yourself.

Interview 11, Excerpt 62

The company is the people and the families within the business. So the development of our people is, like, everything. It sounds corny, people are the future and the young people are the future.

Interview 12, Excerpt 63

You have a long-termism in terms of the people here whose families have worked in the business for two, three generations. Particularly where a father works here and teaches his son how to do whatever he is doing and he teaches is grandson and goes from generation to generation. So I think there is that, that feeling of doing something which is a long term.

The finding above demonstrates that training staff includes a short-term temporal calculation, which previous research has found to be based on whether the cost justifies the benefit
(Zaheer, Albert, & Zaheer, 1999). The finding above shows that family firms appear, in contrast, to deliver training out of respect for staff who have been there for a long time. This “long-termism” is a feature of habitus. Habitus is a form of socialised behaviour (Jenkins, 1992), it has a temporal dimension, it is built up over a lifetime and it is able to predict the future. “Habitus may be understood as virtual “sedimented situations” lodged inside the body that wait to be reactivated” (Bourdieu & Wacquant, 1992).

The highly innovative family firms quoted above avoid short-termism by taking a long-term approach to staff training, which has been recommended for highly entrepreneurial firms (Moss et al., 2013) and also for family firms which are planning to exist for multiple generations (Miller et al., 2008).

### 5.3.2 Habitus as Physical and Emotional States

Habitus is a bodily state (Crossley, 2013) and is the way that individuals physically react to the doxic rules that operate in their field. Anger is a type of routine behaviour, or habitus, that has been found to be prevalent in many family firms (Berrone et al., 2012; Kaye, 1991; Levinson, 1971). Anger and conflict are mentioned in 10 of the firms interviewed. In one of the firms, conflict is embraced as a positive source of energy and ideas.

**Interview 19, Excerpt 64**

So if there was any conflict, which was quite a lot, it was because in our personal relationship we had loads of conflict. Really, [3.6], we always loved arguing. It sounds awful doesn’t it, “loved arguing”. But a very volatile relationship.

Family firm literature cites conflict as an inevitable result of the complex and dynamic nature of the family firm (Kidwell et al., 2012) where competing ideologies come
together. Conflicts can be productive for the family, new businesses are created family members set up new ventures (Gura, 2011). A number of family members described the origins of their firm as arising from conflict within the extended family:

Interview 9, Excerpt 65

But [my father] was the fifth generation, fourth generation probably in that actually. He got fed up with the family because it was all spread out. It’s fine if you’ve got a single bloodline, one person carrying on, but as soon as you’ve started to dissipate amongst all the different cousins and aunts and uncles and brothers and Christ knows what, if you’re not careful you get in-fighting. Some businesses manage that very well. But they hadn’t and he was the youngest son and they didn’t really listen to him and so he left.

However the majority of interviewees cite conflict as being entirely negative for themselves and for the business.

Interview 13, Excerpt 66

So they used to fight a lot and that was quite destructive for the business obviously. But the general manager was also quite overbearing and used to be. Used to rule like a bully really. Used to be his way and we were wrong at everything.

Interview 13, Excerpt 67

I think that the set up of the business used to be quite different. Finally my uncle, he left. [2.9] He and my dad used to clash, badly. It was a proper beating of the chest, alpha male. [2.2] He wanted to be in charge of the business. Dad was like “it’s my train set get your hands off”.

Interview 8, Excerpt 68

You know when you’re in a family business because you know, family allegiances and sort of quibbles and quarrels tend to creep in. I know it’s a bit clichéd but it’s true to an extent in that family businesses don’t last. So whereas siblings might get on outside of work but work in business does tend to take its toll. And I know a lot of people who started off in partnership, started off as family businesses and to this day I can’t think of a single one that has lasted unfortunately. Including our own.
Family conflict creates unique pressures for family firms (Kellermanns & Eddleston, 2004). The “quibbles and quarrels” described above create a habitus that is a key part of familiness. An important role for non-family members is to manage these conflicts, as in the example below:

Interview 5, Excerpt 69

He is absolutely brilliant. Even though he’s not related to us at all. He is like a real calming force. He is like the angel on Dad’s shoulder so I think without him our business would operate very differently. I think me and Dad would have a much more difficult relationship because he would be very, very erratic.

The role of non-family members has mainly been researched in relation to governance (Sonfield & Lussier, 2009b). The findings in this study contribute to the under-researched aspect of the role of non-family members. The finding above demonstrates how a more harmonious habitus can be created through the recruitment of non-family members. These non-family members reduce conflict and improve intra-family relationships.

In addition to anger, stress was mentioned by nearly all the firms interviewed. Stress is a habitus which shows itself in physical exhaustion, such as slumped shoulders, a hunched posture and tiredness on the face. These physical attributes were demonstrated by many of the family firm members during interview. Stress was seen as inevitable consequence of the pressures of business, but was also seen as a powerful motivator for remaining in the business:

Interview 22, Excerpt 70

It was our business. Your neck on the line. So again that all came back to you. You couldn’t cope. It were a sinking ship. But there were days when I just worked so hard, six till 10 at night whatever. Hardly eating, hardly drinking when you are there. And you are just [3.2] knackered. [4.1] Totally, totally worn out.

Interview 19, Excerpt 71
So when you talk to the brother, he is very bullish and quite arrogant and “I’ve got to keep this business going and I don’t have a choice.” And when I said “It’s interesting that you use the word ‘choice’”. He just said “Well, there wasn’t the choice was there? I couldn’t have not worked in the business.” It was from a very young age that it was drummed into him that he had to carry on.

In addition to stress, resentment was also mentioned by the majority of the firms. As with anger and stress, resentment was seen as a powerful motivator for the family firm member to wrest control from under-performing family members. Stress, resentment, and anger were all unexpected methods of introducing innovative thinking to the firm:

Interview 12, Excerpt 72
And actually one of the things I was completely clear about is that it wasn’t going to let history repeat itself. My father had done all the work and my uncle had a free ride. I was quite clear that I wasn’t going to act as a vehicle for my uncle’s expensive hobbies.

Interview 16, Excerpt 73
I will have in two years time sole ownership of the company. But I have been here since 19. I started work here full-time in 1983. I have put in every penny that I’ve got. [1.0] I’ve borrowed money against my house. I have done all sorts to keep the company going. I don’t see why, when we sell the company, my brothers should benefit an equal share when they didn’t put the money in the first place.

The importance of understanding motivation, which is often driven by emotions such as anger, resentment and stress, highlighted in literature on family firm acquisition (Mickelson & Worley, 2003). Non-family firms who are thinking of acquiring family firms often underestimate the power of emotion, in this case demonstrated by their physical habitus, in driving the conditions of sale.

Habitus can be understood a bodily state (Crossley, 2013) or as emotional and physical states. The family firm was referred to as a physical person in a minority of firms. Their chosen
metaphors referred to images of cancer and death. Upon the death of individual family member, the firm was infected with their illness and transformed into a sick or dying person.

**Interview 17, Excerpt 74**

He also felt a sense of duty to the family and so left a tumour to grow. And that tumour was [4.1]. So our ability to flex and change was actually part of the tumour that wasn’t being dealt with. So there were surface issues but the things that were really going on or below the surface, the ninety percent. The ten percent they were dealing with, the ninety percent was eating away.

**Interview 17, Excerpt 75**

And it was preparing for the inevitable. Because by this point we were 106 years old and… It was about letting it go, dignity.

**Interview 19, Excerpt 76**

So we did a project and that caused a huge strain and burn. Months after both parents died. His mum died suddenly on Friday 13 October, my dad died, we were two days in hospital with him. It was a horrible time. [2.3] Two funerals and all the rest of it and all the chaos. It’s not surprising that it cracked

These findings contradict previous research which indicates that the death of an entrepreneurial founder can create risk-aversion in the succeeding generation (Michael-Tsabari et al., 2014; Siebert & Walsh, 2013). These findings indicate that death of a founder is a traumatic, possibly terminal event in the state of a firm which occurs too late for the successors to heal the firm. Indeed, the death of the firm is explicitly linked to the failure to innovate.

**Interview 10, Excerpt 77**

IE: The man from ASDA said “innovate or die”.

IR: Is that something you believe?

IE: That’s been my philosophy since my dad.
The findings above demonstrate how habitus expresses familiness, through framing to the skilful behaviours unique to a family firm and the physical and emotional states which generate unexpected business outcomes.

This section now moves on to discuss the role of habitus in generating, or hindering, innovation.

### 5.3.3 The Influence of Habitus on Innovation

Habitus, unlike doxa, is often an activity “accompanied by a strategic calculation of costs and benefits in times of crises, in which the routine adjustment of subjective and objective structures is brutally disrupted.” (Bourdieu & Wacquant, 1992, p. 131). Second and third generation family firms display a habitus in which cautiousness balances opportunism and where family members make a tactical decision to profit from unexpected disruptions to the wider economy. The Second World War, in particular, was used as an opportunity. It was during the war that entrepreneurial founders started the family manufacturing firm:

**Interview 7, Excerpt 78**

My Dad was a mining engineer. Through the war years, helping to keep the mines going in Yorkshire, the rest of the family were in this part of the world and he saw an opportunity to buy a business which was based here.

**Interview 12, Excerpt 79**

My father was 14 when he was pulled out of school to come and work in a family business. He was with a 15-year-old who had been there a few months along with the people who are too old or infirm to fight. That was our company through the Second World War. You wouldn’t want to recreate the same thing. It was born out of the necessity of what was happening at the time. Because everybody of fighting age was shooting Germans in France.

**Interview 17, Excerpt 80**

In world war two [2.2], the business innovated at that point dramatically. [1.0] Because we were metalworking, we stopped
making shop fittings. We made stirrup pumps, part of the Spitfires so we took the machinery and the skills that we have got, and as so many did, shifted what they were doing and all efforts went into the cause. And I think, with some things, unifying, and so awful, that’s where again innovation continued.

The excerpts above display a mixture of pride in the opportunism demonstrated by family firm founders, as well as a rueful acknowledgement that they profited from the war. The habitus displayed by these family firms was a complex mixture of growth aspirations which could be safely undertaken during war due to a guaranteed market, but which were risky under peacetime circumstances due to the shrinking of the market and the increase in competition. During peacetime, the high-innovation firms display an appetite for exploration activities: the organisational activities required for radical innovation which involve risk-taking, discovery and invention (March, 1991). Family businesses spoke about exploration as a one-off, high-risk event, which required great personal courage but which resulted in significant growth:

Interview 9, Excerpt 81

I thought I will invest £300,000 into the machinery. And that was quite a leap of faith, because we hadn’t really got £300,000 at the time. So that’s when you take your risks as a business owner. That’s when you have to borrow the money from a bank. That’s when the bank ask you for the personal guarantees. That’s the difference between bobbing along, as a lot of people do, and putting your house and your life on the line to draw on the money to invest into something that you feel something that you feel, that you have faith in.

The family owner refers to “faith” and “feeling”, which suggests an emotional motivation for a risk-taking innovation, rather than a logically calculated business motivation. Although exploration activities are more costly in the short-term, these activities are necessary for long-term survival, particularly in manufacturing firms (Bierly & Daly, 2007). Innovation breakthroughs take many years to reap rewards. This finding is consistent with research
indicating that family firms who are able to effectively use exploration strategies at critical points in the firm’s history will achieve better performance in the long-run (Moss et al., 2013). The counterpart to exploration strategies are exploitation strategies to produce incremental innovation through refinement, production, execution and efficiency (March, 1991). In successfully innovating family firms, these findings uncover a habitus which tends towards the ability to balances opportunism with conservatism. The result is that resources are hoarded for recession:

Interview 15, Excerpt 82

By 2008, the recession kicked in, and [my competitors] have got no fat around their middle. I’ve still got plenty of fat around my middle. If you’ve got no fat around the middle, you are sunk. Because you can’t take that shock and deal with it. [2.2] You haven’t got enough reserves to deal with a recession.

This conservatism is part of a long-term view, which was a habitus displayed by all of the second and third generation family firms, whether innovative or not. These family firm owners were proud of their long-term horizons, which they felt were more durable and ethical than non-family firms:

Interview 12, Excerpt 83

These are good things in any family business I think. There’s a sense of permanence and belonging and long-term. I think if you go in to a typical stock exchange type business, you’ve got more of an interest in the share price, this year’s results earnings per share and so on. The dividend stream. I think in a family business you are taking much more longer term view, inevitably.

A habitus of long-termism is crucial for innovation in family firms, as firms have staff with long service, accumulated knowledge and patient capital, all of which are key drivers for innovation (Sirmon & Hitt, 2003). The excerpt below is typical of the “quiet perseverance” typical of family firms (Sharma, Salvato, & Reay, 2014).
Interview 12, Excerpt 84

So I think there is that, that feeling of doing something which is long term. I think it feeds into innovation. I think you can do things in a family business which might not be beneficial this year, they might be very detrimental this year, next year whatever… You can take the view that you keep going and going and going until you come up with a product which you can commercialise.

The excerpt above describes the habitus which drives family firms to “keep going and going and going”. This finding is consistent with research that shows that family firms display assumptions of constancy and longer time frames (Brigham et al., 2013; Miller et al., 2008).

Habitus is the physical expression of the doxic rules (Bourdieu, 1990c). Where a family firm has a doxa of curiosity and restlessness, this leads to innovation behaviours that are spontaneous and unplanned. In the majority of high-innovation family firms, there is no formal innovation process:

Interview 12, Excerpt 85

It is a bit like the skunkworks principle. People who have got a spare couple of hours grabbing their colleagues and going into a dark corner and coming out with the magic answer. So I think we are having to be a bit more formal. But that’s just because it’s become a bigger business and it’s harder to do things informally really.

This finding contradicts with a recent survey into UK manufacturing firms which show that family firms are less likely to introduce formal processes as they grow (Office for National Statistics, 2017). Other family firms introduce formal processes, albeit reluctantly:

Interview 18, Excerpt 86

We don’t have formal meetings for innovation, no. We despise formal meetings. [2.1] But we are doing more of them now as we get bigger.

These findings show that, while family firms are reluctant to introduce formal processes, they do eventually introduce them. High-innovation family firms are therefore capable of
changing their habitus when it prevents firm growth. This causal connection between innovation, firm size and formalisation of innovation processes is consistent with the dynamics of Schumpeterian competition (Nelson & Winter, 1982) because, in a highly competitive industry where competitors will appropriate any innovation advantage, successful firms will be those who have innovated successfully, thereby creating the conditions for growth. These findings indicate that family firms innovate in an unplanned way which then drives growth. Their increasing size then forces them to adopt formal processes. This finding contradicts Pavitt’s view of innovation and growth whereby firms grow to a certain size, then start to innovate through the search for scale economies in production (Pavitt, 1984).

The qualitative findings shed light on the issue of when firms have to decide when to innovate. While previous research has examined the relationship between family firm age and innovation (De Massis et al., 2014), there has been little research into the relationship between customer profile and innovation in family firms. The long-standing, high-innovation family firms displayed a habitus which balanced the need for innovation with the knowledge of conservative customer tastes. Habitus, in relation to innovation, is therefore also the skill of knowing when to innovate.

Interview 10, Excerpt 87

You submit something to a customer and he’ll go, “No, I don’t like that.” And he will let you submit the same thing and go “oh I like that”. And I’ll think “I submitted that two years ago.” Because you’re in front of yourselves. Because flavour is an education as well.

Family firms have displayed a willingness to wait longer than non-family firms for returns on investment (Munari et al., 2010), which is essential in an industry where customers also need time to learn new tastes.
Where customers have traditional tastes, incremental innovation occurs by stealth:

Interview 10, Excerpt 88

Our signature product is a potato and meat pie, very humble potato and meat pie. It’s so ingrained in this area that is part of the genetic code. You’ve got have a [Company Name]’s potato and meat pie. It’s our signature product. I’m going to say to you that it’s the same recipe as my dad started. I’m going to say that because it sounds good. It’s actually not because flour changes every year. [2.2] It’s a natural product. The salt levels, people want a lot less salt. We are putting something like three times less salt then we did in my Dad’s day. But we take it out very, very slowly so people don’t notice.

The product is part of the local “genetic code”, or habitus. As such, the owner takes pride in the fact that their product innovation is inimitable, due to the timing and content of its secret formulation. Product and process secrecy is one of the options open to innovators who are worried that their innovations will be appropriated by their competitors (Pavitt, 1984). In this case, the secrecy is due to the reluctance to startle consumers with a radical new innovation.

Elsewhere, family firms take pride in a habitus of quality. This habitus is traditional in nature and is consistent with findings that show that family firms are adept at innovating through retaining their traditions of niche, high quality products (De Massis, Fratinni, Kotlar, Messeni Petruzzelli, & Wright, 2016). Expensive ingredients, slow processing times, and hand-mixed food manufacturing processes are combined to create innovation through a return to tradition:

Interview 24, Excerpt 89

I think the biggest innovation we have probably got is that we have gone backwards to go forwards, what I mean by that is we make our stuff the traditional way. There has been a lot of shortcuts brought into the food industry. Red cabbage. The traditional way, you’d steep them in brine solution overnight. And what that does, the salt get into the cells of the vegetables and it forces the water out and you know there’s a chemical process going on. 18 hours afterwards, you would then put them in vinegar. The modern way of doing it is that they pack them virtually fresh and add extra salt and vinegar.
Low-innovation family firms will use tradition as a reason to avoid innovation completely. Here, the unkempt appearance of the office is testament to habitus of stagnation and indifference:

**Interview 7, Excerpt 90**

“The office wallpaper and carpets are heavily stained. The furniture dates from the 1970s. There are large files piled onto broken chairs, old fax equipment, and a broken laptop in the Finance Director’s office. The owner’s office has an old PC and a large desk, which is covered with overflowing ashtrays and paperwork. He wheezes heavily when speaking.

The firm owner’s neglect of his office and of his health is indicative of a reluctance to introduce improvements across his business. Stagnation and resistance to innovation are behaviours found in low-innovation family firms (Dodd et al., 2014; Miller et al., 2008). The firm owner claims that his customers’ unrealistic expectations prevent him from innovating:

**Interview 10, Excerpt 91**

IR: So are you saying that you don’t need to be innovative?

IE: No. In terms of the product, it hasn’t changed much, it’s the forms, the different shapes and people come up with hare-brained schemes for all sorts of things.

In the example above, the belief that customer suggestions are “hare-brained schemes”, rather than suggestions for potential innovations, has led to the belief that there is no requirement to innovate. The result is an extreme form of conservatism. Conservative managers have been found to reject innovation because they view it as a costly and disruptive activity (Miller & Friesen, 1982). Elsewhere, the findings indicate that low-innovation firm owners claim that the product is inherently unsuited to innovation:

**Interview 21, Excerpt 92**
It’s very much a traditional product. [3.1] We are making very similar things to what we were making [4.0] We make what people want.

Ethnic minority firms have been found to rely on tradition (Seaman et al., 2014), at times to the exclusion of engaging in wider society. Their insularity has been correlated with the failure to innovate in ethnic minority firms (Carney, 2007). The finding above shows that an over-reliance on tradition can be also be found in ethnic minority family firms. Furthermore, the finding indicates that habitus tends to endure in the absence of disruption (Bourdieu et al., 1993; King, 2005) and that past practices in strategy and innovation will evolve in the same direction (Miller & Friesen, 1982).

This section has described the effect of habitus on innovation and specifically, how the distinctive family firm habitus of long-term patience combined with canny opportunism creates both radical and incremental innovations. Innovations in family firms are generated through a mixture of formal and informal processes, although the formal processes are generally adopted out of necessity as the firm grows larger. The timing of innovations is crucial, with highly innovative firms being able to balance conservative customer tastes with wider market changes. Innovation by stealth occurs in markets where an innovation can be easily appropriated by the competition, or where customers would reject an innovation out of habit. Finally, a habitus of insularity and contempt for the customer leads to a complete failure to innovate. The discussion now turns to examining the location of both habitus and doxa: the field.

5.4 Fields as the Arena Governed by Doxa and Habitus

This section will discuss the social space of the family business: the field. In order to reiterate the importance of the interlocking concepts of doxa, fields, and habitus, this section will briefly reiterate how these concepts work together. Bourdieu frequently used sporting
metaphors to describe the interconnecting concepts of field, doxa, and habitus (Bourdieu, 1975, 1984a). The sporting field is governed by the rules of play, which Bourdieu termed doxa (Shusterman, 1999). Doxa specify the behaviour that is acceptable, and breaking the rules of behaviour can lead to ejection from the field. Players compete for dominance in a particular field (Bourdieu, 1990d), through their skills and behaviours, which Bourdieu described as habitus. Each field will have its own rules of play, players, and skills. The extent to which this analogy extends to the field of the family and of the business will now be discussed.

Having reviewed the concepts of the field, doxa, and habitus, this section now moves on to a detailed discussion of the multiple fields relating to the family firm, starting with the field of the business. As part of the discussion, the nature of “illusio” (or the willingness to remain within the field of business) will be explained. The discussion will then examine the field of customers, then the wider fields of government and external advisors. Finally, the chapter will conclude with a discussion of how fields influence innovation in the family firm.

5.4.1 Defending the Field of Business and Family

Habitus and doxa are specific to a particular field. As has been discussed in previous sections, habitus represents behaviours typical of a field, and doxa represent the rules which govern a field. Family firms represent the intersection of the two specific fields: the business and the family. The family member operates as a player in both fields: in the home as a father or son, and in the workplace as an owner or employee. Bourdieu viewed the field as a constantly evolving game of play, or of struggle: “each [field] has its dominated and dominating; its struggles for usurpation and exclusion, its mechanisms of reproduction.” (Bourdieu & Wacquant, 1992, p. 106).
Bourdieu was interested in how fields exclude outsiders, either through the creation of high barriers to entry, such as professional qualifications or membership of an elite social group (Bourdieu, 1975, 1990d). Family firms are inherently exclusive (Schulze et al., 2003; Zellweger & Sieger, 2012) as succession is limited to family members. However, family firms displayed a wide variation in their willingness to welcome the external world. The findings showed that family firms that were low in familiness, irrespective of whether they were high or low in innovation, were hard for the researcher to locate and enter:

Interview 3, Excerpt 93

The factory is surrounded by very high gates, topped with razor wire. Visitors are instructed to press a buzzer to be allowed in. Staff are buzzed in and out to prevent them from stealing the products. The reception area has no seating for visitors. The receptionist said they do not have many visitors. There are no seats in IE’s office for visitors and, apparently, no meeting rooms.

Interview 21, Excerpt 94

The factory is located on derelict land, behind a small road. There are no signs, no obvious front door, and no windows. I telephone the office number to find out where they are. I am directed to a side entrance, where a small doorbell is located about 6 ft up from the ground. I struggle to reach it. Later I am told that the owner deliberately hides the factory to prevent it from being broken into by thieves.

Both these firms had created a physical barrier to entry to their field. The rationale in both cases was to deter burglars, but the result was that customers and visitors were also deterred from entry. This finding is consistent with research that shows that a willingness to welcome customers and suppliers (visitors from other fields) is a precondition for successful innovation (Tajeddini & Trueman, 2008; Teece, 1986).

Moving closer to home, the findings suggest more variation in how family members join the field of the business. Some family firms welcomed family members into the business, but
only when these members have failed to launch another type of career. These family firms place a pre-condition on firm entry: that the family member has nowhere else to go:

Interview 25, Excerpt 95

When I was younger, I had a little bit of an authority problem. So I thought if I’m working for myself I’ve got no one to answer to. So I came here at 16 pretty much, we joke about it, it was like a seven-year apprenticeship really.

Interview 22, Excerpt 96

There was no work-life balance [in my previous job]. Yes I was paid well but you tend to think there’s more to life than that. So I had hit a brick wall, thinking what to do. And it were pretty much at that instant [1.8] and I didn’t consider it for long. Pretty much at that instant Dad came along and said “Your uncle is retiring.” [2.7] I don’t, I can’t remember it massively. But he said if you want can work with me. And I thought I why not?

This excerpt shows the effect of critical incidents (unexpectedly leaving school, workplace burnout, and death of a family member) on a family business that is ready for succession planning. This finding is consistent with earlier research that shows crisis points act, in conjunction with the lifecycle stage of a family firm, to generate radical changes (McAdam, Reid, & Mitchell, 2010). In the excerpt below, not only was there an accidental entry to the field, but also a lack of succession planning that will lead to the demise of the field entirely:

Interview 7, Excerpt 97

In 1990 my father was getting on and I’d come to the end, as far as I was going with my career so I came back to the business and I took over very shortly before my father died, so since then I’ve been running the two businesses and I’ve nobody, there’s no succession you see.

While these family firms offer a career of last resort to their family members, others welcome non-family into the field of the business. The findings confirm earlier research that family firms offer a stable working environment for other families (Institute for Family Business,
In this way, the field of business becomes connected to fields of other families who work in the firm

Interview 25, Excerpt 98

Yes so there are two brothers who work here, there are three couples, one of whom is my brother and his girlfriend. [4.2] Four if you include my mum and dad as well. [2.2] Four couples. My godfather works here. Someone who knew my dad when my dad for started working, works here. Yes so it’s very everyone’s interlinked really. [4.2] My daughter’s godfather works here. We do a lot of things where we go out as a group. Go to the pub for a couple of pints and a pizza or something. [2.2] But it’s is good to bond on them days.

By recruiting other families who have the same social and work ethics as they do, the family firm is able to perpetuate the doxa and habitus of their own family and their own firm. Family firms maintain porous boundaries in their field, not only through recruiting families, but also through maintaining connections with other families as suppliers.

Interview 16, Excerpt 99

IR: So you have been working with Czechoslovakia for a while?

IE: Well it’s now called the Czech Republic. So it’s not even the country anymore. So yes, my dad was going there from the 1950s. [1.2] And the guy I’m dealing with now, I still know his dad. But my Dad knew his Dad. We still work in that way. I have the same relationship with a guy I work with in India. I am now working with the son, so our dads had the first cooperation, so now it’s the sons that are carrying on the business.

The interviewee acknowledges that, even though the country has changed, his relationship with the family supplier has not. This is consistent with findings of long-term relationships between suppliers and SME firms (P. Robson & Bennett, 2000; C. L. Wang & Altinay, 2012). Both suppliers and the family firm have maintained a consistent habitus in their field, so they continue, together, to “work in that way”. Fields are thus reproduced, with existing power structures (fathers and sons) in place. However, when family firm owners have to
navigate other external fields, such as those of customers, local, and national governments, the power dynamics become much more complex.

5.4.2 Building Pathways to External Fields

Highly innovative family firms put significant effort into maintaining close relationships with their customers. They are prepared to put in unsociable hours and personal goodwill in order to maintain at the forefront of their customer’s attention:

Interview 8, Excerpt 100

We treat people like friends, you don’t treat them like customers and that’s the main thing that comes across being a family. You are talking to a member of “the wider family” in inverted commas. Even the buyers from the big store groups from the big chains, they can ring me up 11 o’clock on a Sunday evening and they do that. We just have a chat at the weekend or something.

Interview 2, Excerpt 101

Your USP actually becomes, whatever your business is, your relevance to your customer. So you say, “How do I find out my relevance to my customer?” By going and asking them. Many people assume and make [sighs] generalisations and various other things.

Awareness of customer needs combined with a personal approach is typical of the highly innovative family firms in this sample. Enhanced customer relationships due to high levels of trust has been found to be characteristic of family firms (Garcia-Alvarez & Lopez-Sintas, 2001; Tokarczyk et al., 2007). The first of the two excerpts above is from an ethnic minority family firm; previous research has demonstrated how minority ethnic small businesses gain a competitive edge by developing close customer relationships (Welsh et al., 2003). The findings here show that the doxa of close and trusting customer relationships is crucial building pathways to the field of the customer, as the excerpt below demonstrates.

Interview 8, Excerpt 102
You’re able to do that because you are a family firm. If I was work for Richard Roberts plc I could never do that. They would never think of calling me up and that’s what family firm brings you are able to compare that and customers know that. They can talk to you in a different way. They can trust you.

In the low innovation family firms, the close relationship with customers becomes an excuse for complacency, to the extent that these firms are reluctant to explore new sales channels.

Interview 19, Excerpt 103

So he taught himself sales and he is very traditional at it. And it’s a handshake and my word is my bond, and you know. All his customers are totally and utterly, you know exactly like him. So he wanted to work with very traditional big companies who respect and still have respect for that sort of age and that approach [3.5] something he’s had some success from in the last 10 years.

Interview 22, Excerpt 104

Dad thinks that people are very loyal. But he’s had customers for 50 years. And he thinks that if they were going to change supplier then they would tell us. But my mindset is very different. You wouldn’t tell anybody, why would you? That person is just doing a job isn’t he? He or she doesn’t own the company. Why do they care if they are can find something cheaper.

In the firms above, an insularity and over-reliance on tradition have fossilised customer relationships. Values such as openness to new ideas, including new sales channels, have been found in long-standing family firms (Garcia-Alvarez & Lopez-Sintas, 2001; Moss et al., 2013). Where trust breaks down, the relationship with these powerful customers becomes abusive.

Interview 13, Excerpt 105

So all these things came altogether and it was just one thing after another and it was the week before Christmas we get dragged into essentially the headmaster’s office for an absolute kicking. [1.1] For no reason other than to be humiliated. Because we had already done everything we could. We have
given them the assurances that we were pedalling like nutters to try and make things right. It is just too scary really.

In the example above, the increasing power imbalance between the field of the customer and the field of the business has taken an emotional toll on the individual. Bourdieu noted that the autonomy and power of fields varies over time, such as the artistic field, whereby we “once believed that art and artists have achieved their freedom from external forces. Now what do we observe today? A return of patronage, of direct dependency, of the state, of the most brutal forms of censorship.” (Bourdieu & Wacquant, 1992, p. 161). As small manufacturing firms are unable to compete with the demands of large customers, they start to consider exiting the field.

Interview 22, Excerpt 106

And we did get to the point where you spend a lot of time staring into the mid-distance and drooling. [2.2] Thinking “Oh God, this has got to stop.” [1.2] So it can be very stressful.

In contrast to the close connection with customers, whether mutually supportive or not, family firms expressed a sense of distance from the field of government. Here, their language changed from one of affection to one of alienation. Family firms express concern that their needs, whether for research or tax breaks, are being ignored or are not even understood.

Interview 1, Excerpt 107

I think that, being trite about it, government should educate themselves. That would be a really good first start. Stop banging on about SME this and SME that, really deeply educate themselves. The long-term solution is how to embed research in SMEs, because that’s what I think has to happen.

Interview 5, Excerpt 108

They need to drop the tax on profit. I do quite often think that government, less the current government, but they have this idea, that businesses and business owners are sort of run by big
fat men in ivory towers, drinking champagne and laughing at all the poor workers.

The physical field of government is seen by family firms to be in London. The players in this field are seen as belonging to a elite which does not understand family firms. Building strong relationships with government has been associated with the long-term success of SME family firms (Berrone et al., 2012), particularly in relation to access to government contacts for new markets (Chetty & Blankenburg Holm, 2000). However, across all firms, there was a tendency to see both local and central government as monolithic and unsupportive.

Furthermore, the government was seen to be overly committed to London, irrespective of any future devolution of power to the North of England:

Interview 25, Excerpt 109

Just try and pull some of the you know some of the benefits of being a business to the North.. Everything is just very [3.1] I can understand why, it is the capital. But everything is London orientated. It's like we don’t exist. It's like we are in Victorian times up here.

Interview 13, Excerpt 110

I wouldn’t want to be in London because it’s revolting. I say keep [London] as far away from me as possible. I lived there and I hated it. [2.5] All this rubbish with HS2 as far as we are concerned makes no difference at all.

Interview 16, Excerpt 111

We had issues when the government decided that we are all using too much electricity, so they taxed it, greenhouse gases. According to them, some git in London, pardon my French, we were a waste company. Because that’s what he saw. He didn’t have any clue what we did. [1.7] It’s a joke. I use a lot of electricity. What do I use it for? To stop stuff going into landfill. I still have to pay the tax.

Closer to home, family firms claim that, even though they are part of the same physical field, that local government is equally unsupportive:

Interview 16, Excerpt 112
Our street does not have a postcode. [3.2] We have to have a postcode for our registered address. The council wanted to use another street as our address. I’ve got no problem with using this as our entrance that’s not an issue. But there is no postcode. It’s just [2.1] I’m sorry [2.8] At the end of the day politicians are politicians for their own sake. Not for the benefit of the people who voted them in. I am just cynical.

Interview 20, Excerpt 113

Do I think the Council have let me down? Yes I do. Because we’ve had, we are very visible from the road and this little, if you like, industrial estate is very much forgotten, because it’s a very old industrial estate. The buildings aren’t pristine and new and we have been neglected. So they will clean the next road to the bridge. They actually have a responsibility to clean that road to just outside my gates. It is actually to the lamppost outside the gate of that building that they have a responsibility for, but they neglect that little bit.

Interview 20, Excerpt 114

I’ve been, really disappointed in the Council. And back here, there is a huge, huge pile of rubbish. That pile of rubbish was allowed to develop and the planning authority and the environmental agency allow that to happen. The business has gone into liquidation. They are pursuing him. Legislation I know takes a long time but why did they allow to happen? [2.2] We are infested with rats because of it

Most family firms, whether innovative or not, feel that both the national and local fields of government are hostile to them. The exception was a family firm that had taken advantage of research funding.

Interview 1, Excerpt 115

The Council, bless their cotton socks, chucked us some money. They went round looking for deserving causes, projects that wouldn’t go unless they helped. The Council gave us a brilliant little pump priming sort of piece. Though we were relying on a research centre and the way they are constituted as part of the university meant that their interest was merely fulfilling the process, rather than achieving the objective and the process was to develop a product which they did, but it wasn’t something that was marketable.
The gratitude for government financial support for innovation and frustration with working with a government-sponsored research centre was unusual in the sample. This could be because SMEs and government have long had competing institutional cultures which has hindered the growth of SME manufacturing firms (Reay & Hinings, 2009). The cultural clash with the Advance Manufacturing Research Centre (AMRC) did not help to create a marketable innovation, despite the AMRC being part of a government-funded approach to help commercialise innovations (House of Commons Library, 2015b). Prior research has pointed to the statistically insignificant connection between government advice and SME growth (P. Robson & Bennett, 2000). These findings confirm the irrelevance of government advice for growth by demonstrating that interviewees do not require advice. Instead, they require practical assistance with reducing taxation, more comprehensive waste collection, assistance with training, and improving transport links and local signage. Given that the UK government wishes to support SMEs and the manufacturing sector (Department for Business Innovation and Skills, 2013a), this research will offer specific recommendations for local and government in a later section.

5.4.3 The Role of Illusio in Remaining in the Field
The absence of government assistance, the stress of dealing with powerful customers, and the highly competitive industry require family firm owners to have a strong desire to remain within the field of business. Bourdieu described this motivation to remain within the field, or to stay in the game of play, as “illusio”. Illusio is the belief in an outcome that justifies remaining on the field of play, or that the game is worth the candle. Illusio, in Bourdieu’s formulation, is “the sense of investment in the game and the outcome, interest in the game, commitment to the presuppositions – or doxa – of the game.” (Bourdieu, 1990d, p. 66). Illusio requires energy to maintain. Perseverance has been noted as a key feature of many
family firms (Lumpkin & Brigham, 2011). However, these findings show that there is a strong association between a lack of illusio and low innovation in family firms:

Interview 8, Excerpt 117

And it’s interesting, but I don’t see myself going on and on and on doing it.

Interview 9, Excerpt 118

I’ve seen other family businesses that have died, they’ve just brought family in, paid them and then there was nobody with any drive to take it forward and you get that whole generational thing. The first guy sets it up, the second one builds it, the third one goes bust. You see it really quite often.

The lack of motivation to continue has, unsurprisingly, been associated with family firm failure (Winter, Danes, Koh, Fredericks, & Paul, 2004). The willingness to persevere has been attributed to the long-term aspirations in the family firm (Lambrecht, 2005).

Perseverance, which is required to sustain illusio, is based on the belief that efforts made today will pay off tomorrow. Innovation is one of the activities that depends on this long-term orientation (Teece, 2010), because it takes time for some innovations to accrue value in the marketplace. While illusio was much higher in the highly innovative family firms, their motivation to keep going was rarely based on value-creation. Instead, their motivations ranged from fear of remaining in a mainstream career, to enjoyment of the creative process, to determination to live up to the family name.

Interview 18, Excerpt 119

IR: Would you say it was worth it? Has it been worth it?

IE: Yeah, yeah, definitely. I actually can’t [3.6] I actually dread to think what I would be like now if I kept with the conventional career option. Apart from possibly redundant. [4.1] Bitter and redundant.
Interview 1, Excerpt 120

I guess I enjoy it from that point of view. (1.2) I probably enjoy it too much. (1.4) It’s a hobby rather than a business.

Interview 16, Excerpt 121

IE: I love it. I absolutely love it. I was so unsure before I came here because you think is going to affect your relationship, you know, your family, like you know, like, what you… “What if I don’t do a good enough job?” You do put a lot into it but you give it a million per cent, because it’s your family and you want to look [3.3] Once again it’s their reputation [2.4] So it’s our reputation now [1.3] so you make sure you do…

Pride in the family name has been cited as a powerful motivator for family firms (Brockhaus, 2004), but there is less evidence on the effect of personal interests, such as hobbies, or on avoiding conventional careers as a motivator for remaining in a family firm. These findings shine additional light on more personal motivations for remaining in a family firm.

In certain cases, the family firm owner could not provide a single rational reason for continuing to remain in the field:

Interview 26, Excerpt 122

IR: Did you consider giving up at that point?

IE: Oh yeah. When I say consider, it was never a consideration of mine to give up. It was a matter of, could I survive without it, without those contracts. [3.1] And it meant we went from staff level of 18 down to, sort of, 10.

IR: What kept you going throughout that time?

IE: I don’t really know it’s just [laughs] sheer madness.

This section has shown how illusio is present in highly innovative family firms and absent in low innovation family firms. This section has also discussed the varied reasons for persevering in the field of play, beyond what is rational from a business viewpoint. The next section will discuss how the concept of field can be applied to the pursuit of innovation.
5.4.4 The Influence of Fields on Innovation

This section will outline how the concept of a field helps to explain how innovation takes place. Family firms who are willing to enter new fields, such as the field of the customer, achieve a head start with innovation. These new fields bring new ideas:

Interview 9, Excerpt 123

You can’t sit in your office and have an idea. Well you can, but there are other people out there. They’ve got as many good ideas as everybody else has.

Highly innovative family firms use the field of customers not only to obtain ideas for product innovation, but also to develop service innovation which is becoming an increasingly large part of manufacturing innovation (Castellacci, 2008; Roper & Xia, 2014). The findings show that high-innovation family firms leverage their strong relationship with customers to develop service innovations. Service innovation gives these family firms a competitive advantage, particularly in manufacturing: a market with low barriers to entry and high levels of competition (Blundell et al., 1999; Chetty & Blankenburg Holm, 2000; European Union, 2013; Office for National Statistics, 2017):

Interview 14, Excerpt 124

With regards to innovation we do tend to listen to our customers a lot more. We tend to be led a little bit by them. Because in manufacturing there is all this R&D that goes on but unless is that the price point that the customer wants to pay for and it’s what they want, it tends not to go anywhere. [5.3] But where our innovation comes through we feel is more in the customer service.

The findings show that highly innovative family firms mine customer suggestions for new innovations. These firms see their relationship with customers as being a key competitive advantage.

Interview 14, Excerpt 125
So we offer something above and beyond for [our customers]. With regards to who we partner with as well. So we’ve signed an NDA, we’ve had companies come to us saying “I’ve had this idea can you help me put it in the market?”

Radical innovations, such as those mentioned above, are characterised by boundary crossing (Oke et al., 2013). The findings show that the risk of entering new fields is reduced when strong relationships with other fields, such as the field of the customer, can be leveraged. This is consistent with research demonstrating that small family firms are characterised by wide networks which are maintained for a variety of business, social, and family reasons (Seaman et al., 2014).

The interviews above demonstrate that family firms who exploit the field of customers are more innovative than those who do not (De Massis et al., 2012; Kraus et al., 2011).

Furthermore, some family firm owners are willing to literally visit new fields in order to bring back ideas.

**Interview 10, Excerpt 126**

My dad sent me round the place, I went to work in France, I went to work in Germany, I went work in London. [3.3] My dad was a firm believer in travel and education. He used to say “travel is the University of life, lad”. And I still believe that.

**Interview 5, Excerpt 127**

Dad worked in Japan for 2 years and lived there and their whole business model is based on constant improvement, which it should be. . It makes you realise how innovative they were. (2.1) Simple things as well, like , a queue at the train station, a line showing you where the carriage door would be. That impressed him and impacted him and made him quite open to change.

Absorptive capability is the ability of a firm to adopt, transform and apply develop new ideas (Zahra & George, 2002). SMEs who display absorptive capability are more likely to develop product and process innovations (Gray, 2013; Politis, 2005). The family firms quoted above use travel to new fields as a way of improving their absorptive capability. However, they are
using travel to new fields to adopt new concepts, such as continuous improvement, rather than specific products or processes.

The families quoted above clearly include travel and close customer contact as part of their habitus. Family firms who do not enjoy travel or interaction with customers require external advisors to help them enter new fields.

Interview 21, Excerpt 127

[Our business advisor] has got lots of email addresses and phone numbers and contacts in the Water Board. Because he had a few hours to spare and it was paid for by Europe, he set about actually contracting on our behalf to see if he can, you know, break down the barriers that they create around themselves. They [the Water Board] want to buy from smaller manufacturers but they don’t just want any Tom, Dick and Harry. They want the right quality. But we going to have a go at it. And it’s been free, his expertise. It’s been free for us.

For this firm, advisors who put them in contact with demanding customers have driven the innovation process. This finding is consistent with research that shows larger customers with higher quality requirements can drive innovation (Ghoshal & Bartlett, 1990; P. Robson & Bennett, 2000). Many of the family firms in this survey went into manufacturing for their love of engineering. Their sales skills are poor. These findings suggest that SME manufacturers in the UK require assistance with sales (Government Office for Science, 2013; House of Commons Library, 2015b). An additional hurdle for SME firms is the complexity of large tenders (HM Treasury, 2011). The findings show that family firms who are being helped with tendering have been reinvigorated by this external support:

Interview 21, Excerpt 128

I quite like the idea of some of that now we have a future, widening the horizon a bit and maybe picking up some of that work again if possible. I didn’t have a clue how complicated the tendering process has got. And it has. Because it’s been Europeanised.
Collaboration with customers has been shown to improve employment and turnover growth in SME manufacturing United Kingdom firms (Armbruster, Bikfalvi, Kinkel, & Lay, 2008; P. Robson & Bennett, 2000). Sales and collaboration with large suppliers is seen as highly beneficial by the firms interviewed. The field of customers, the government and the wider field of the EU market have not always easy for smaller family firms to access (Institute for Family Business, 2010, 2014). Those who are confident to do so, are able to envisage a long-term future for their firm.

This section has outlined how the field of business is defended, how the external fields of customers and government are negotiated and the value of new fields in bringing ideas for innovation. This chapter has discussed how family firm members remain in the field, and the role of illusio in maintaining their motivation during times of crisis. This section concludes the discussion of habitus. The overall discussion of doxa, fields and habitus and its relevance to the research question will now be summarised.

5.5 Chapter Summary
The qualitative chapter opened with a description of the demographic data relating to the 27 interviews. The validity and reliability of the interview data was described first, before the chapter moved on to an in-depth discussion of how doxa, habitus, and fields were powerful tools for explaining familiness. The discussion also explored the extent to which doxa, habitus, and fields are useful tools in helping to explain the phenomenon of innovation. Doxa, or the unspoken rules of a family firm, can help to explain how family firms are able to balance the inherent conservatism of a long-term orientation with the need, often driven by the habitus or interests of the family, to innovate. Doxa explain how innovations are implemented, either by force, or by a skilful blending of the traditional and the new. Habitus is helpful in understanding how family firm behaviours can combine patience with
opportunism to successfully innovate. Habitus also explains the phenomena of formal or informal innovation processes, depending on the family’s culture. Understanding of customer’s behaviour, or habitus, can lead to innovation by stealth, whereby traditional customers require innovations to be discreet. Finally, a habitus that displays insularity and a contempt for customers leads to the lack of innovation, and declining sales. The concept of fields helps to explain why firm owners who are reluctant to enter new fields become isolated, and unaware of industry-wide shifts. Family owners who enjoy travel are more likely to innovate, not necessarily due to export, but due to a mindset that prizes curiosity and risk. The concept of fields helps to explain how, having imported ideas from a new field, firms demonstrate absorptive capacity, or the ability to apply learnings from a new field to their own firm.

Overall, the findings from this chapter have answered two of the research questions: firstly, how the Bourdieusian concepts of doxa, habitus and fields help to explain the idiosyncrasies of family firms; and secondly, how doxa, habitus, and fields help to explain the presence, or absence of innovation in family firms.

The qualitative findings will be discussed with the quantitative findings in the next chapter. The results will be compared and contrasted in order to obtain a more complete answer to the research questions about the extent to which Bourdieusian concepts can be used to explain the nature of familiness, and the impact on innovation in SME manufacturing family firms.
6 Discussion and Recommendations

The previous chapters have separately analysed quantitative data and qualitative data as is consistent with the convergent parallel design. This research has the ambition of providing both confirmation of whether familiness exists in the SME manufacturing sector of the United Kingdom, and also a rich narrative of the nature of familiness and its influence on innovation. Therefore, a mixed methods approach is the natural choice for this research aim. The previous discussions of quantitative and qualitative data have shown how a convergent parallel design has enabled both a statistically rigorous and analytically complex set of primary analyses (Tashakkori & Teddlie, 2010). This chapter will now combine qualitative and quantitative analyses to allow for a richer discussion in this research than would be possible from a single method analysis.

This first section of this chapter will discuss the answers to each of the first four research questions. The second section in this chapter will discuss answers to the fifth research question by developing a taxonomy of family firms. The taxonomy will bring together the qualitative and quantitative findings by answering the primary research themes of familiness and innovation. The final section of this chapter will answer the sixth and seventh research questions by providing recommendations for family firms and for governments as to how to support family firm innovation. The next section now discusses the first of the four research question, which was the impetus to the research: what are the theoretical and empirical gaps in discussions of familiness.

6.1 Research Question One: Gaps in Familiness Theories

The first research question was “What are the theoretical and empirical gaps in how familiness been used to explain the distinctive nature of family firms?” The literature review
establishes that the five main theories used to explain familiness each have theoretical or empirical gaps, which call for a more robust underpinning of a theory of familiness. This section explores how research findings support or contradict these five theories of familiness.

The first theory of familiness is the Resource-Based View (RBV) (Barney, 1991), which is a firm-level theory. RBV explains familiness as a source of competitive advantage which can be improved through external interactions (Habbershon, 2006; Habbershon et al., 2003). However, the RBV assumes that external interactions are crucial for family firms; this theory also fails to open the “black box” of the family to understand how, or indeed whether, family values help firm growth. The quantitative research shows that family firms are less likely to seek external support, whether for innovation funding or strategic advice, than non-family firms. Family firms therefore, in general, do not consider external interactions to be crucial for their success. The chi-squared results show that there is no relationship between the firm owner’s awareness of external support and their rate of innovation in the last 12 months. This demonstrates that, not only is external support considered unimportant by most family firms in the sample, but it is also unnecessary for successful innovation. The qualitative results also demonstrate the weakness of the RBV of familiness, by demonstrating that family values and behaviours (doxa and habitus) are more important in determining the nature of familiness than external interactions.

The second theory of familiness is agency theory (Jensen & Meckling, 1976), which is an individual-level theory. Agency theory has explained familiness as a source of behavioural problems which can be managed through improved governance (Block, 2012; Chrisman & Patel, 2011; Kidwell et al., 2012; Schulze et al., 2001). However, agency theory assumes that all motivations are financial, that actors are rational and that organisational conflict is an inherent part of all family firms. The quantitative findings show how family firms are less
likely to report increased profits in the last year or to be planning for increased turnover in the next 12 months. These findings demonstrate that family firms are, in general, more likely to have non-financial motivations. The qualitative findings suggest that, not only are family firm owners likely to act irrationally, but that organisational conflict is not an inherent part of all family firms. Long-standing family firms introduce harmony either through a buffering agent, such as the non-family member, or by a slow and patient approach to introducing potentially conflict-inducing changes.

The third theory of familiness is stewardship theory which is a reaction against agency theory (Davis et al., 2010; Donaldson & Davis, 1991). Stewardship theory suggests that familiness is an individual-level asset, which leverages long-term, non-financial, rational motivations of the family for improved firm performance (Chrisman et al., 2007; Davis et al., 2010). The quantitative results show, in contrast to stewardship theory, that family firms do not prioritise firm performance and are less likely to be planning for firm growth than non-family firms. These findings are supported by the qualitative results which show that some family firms are not planning for the long-term because they have failed to find a successor. Furthermore, the qualitative findings show that family firms are willing to irrationally persist in stressful and financially unrewarding circumstances. These findings disprove the theoretical basis of both agency and stewardship theories. Family firm owners are not always rational agents.

Fourthly, the social capital model is loosely based on Bourdieu’s theory of social capital (1980) and argues that familiness is a result of the unique social capital built up by a family firm over time. Social capital in a family firm is developed through the high levels of trust between family members (Pearson et al., 2008) and through close relationships with suppliers built up over many generations (Danes et al., 2009). The quantitative results appear to support this theory in that family firms are longer-lasting than non-family firms. The
qualitative results partially support the social capital theory of familiness by demonstrating that some family firms develop social capital in terms of multi-generational relationships with suppliers and customers. However, the qualitative findings also present a more nuanced view by demonstrating that, despite a long-standing existence, family firms can also have low levels of inter-family trust and high levels of conflict with both suppliers and customers. This lack of social capital, which would be expected to have developed over many generations, eventually results in firm collapse. Social capital is a non-financial form of capital and is not always a sufficiently robust defence against the face of modern manufacturing challenges: globalisation, technological change, and skills shortages (Government Office for Science, 2013). The qualitative findings show that social capital is as likely to result in firm stagnation because family firm owners rely increasingly on personal relationships to maintain sales, rather than seeking new markets or new technologies.

The fifth and final of the theories of familiness is socio-emotional wealth theory which suggests that familiness is an individual-level attribute. Socio-emotional wealth theory suggests that family firm owners prioritise their psychological wealth over their financial wealth: personal ego drives strategic decisions, rather than the requirements of the firm (Berrone et al., 2012). The quantitative results tentatively endorse this theory through confirming that family firm owners are likely to be older than non-family firm owners; this finding suggests that the personal satisfaction of ownership is higher than in non-family firms. The qualitative results present a more complex picture: while family firm owners relish the challenges and autonomy of their role, they are often overwhelmed by the competitive challenges of their industry, daunted by the challenges of having to carry on the family firm name, and as likely to prioritise employee satisfaction and stability as to amass personal wealth.
In answer to research question one, there are sufficiently large gaps in existing theories of familiness to warrant the new, Bourdieusian approach taken by this research. The quantitative and qualitative findings have demonstrated that existing theories of familiness, particularly those that posit a rational motivation for family firms, are empirically incomplete as they do not explain the inconsistent behaviour of family firms in the quantitative and qualitative samples. Furthermore none of these theories fully explain how family values (doxa) and learned behaviours (habitus) interact across the family and the business. This is where the findings in relation to Bourdieusian theories of doxa, habitus, and fields will now be discussed.

6.2 Research Question Two: Applying Bourdieu to Family Firms

The second research question was to identify how Bourdieu’s powerful theories of doxa, fields and habitus can be applied to meet the theoretical gaps in our understanding of familiness.

Taking doxa as a starting point, quantitative results show that the “rules” of familiness can be seen in the habitual prioritisation of non-financial goals, such as firm longevity, employment stability, lower profits and lower growths. Doxa are the unconscious rules applied within the family and the business. The qualitative findings showed that these rules are self-limiting, causing family firms to continue with traditional processes, sales channels, and products, rather than venture into risky new innovations. These doxa can be seen to perpetuate gender inequality through prioritising sons over daughters in succession planning. The quantitative findings show that women are under-represented as owners in family firms. A Bourdieusian approach therefore reveals the power dynamics that operate unchallenged in many family firms. Finally, the qualitative findings illuminate the Bourdieusian concept of symbolic violence. Doxa are maintained through the mixture of coercion, incentivisation, recruitment
of like-minded personnel, and appeals to family values. Bourdieu’s description of doxa being inculcated from birth, or through a slow process of induction (Bourdieu, 1990d), explains why the quantitative findings show that family firms are slow to recruit new staff or to reduce the existing workforce. In Bourdieusian explanation of familiness, a stable, long-standing employee base is more likely to endorse the family doxa.

Habitus is created and reinforced by doxa (Lizardo, 2004), and is a physical and emotional state of being, created by the individual’s value system (McNay, 1999). Habitus is a helpful concept in exploring the particular behaviours and feelings of a family firm. Quantitative results show that family firms are less confident than their non-family equivalents: they are more likely to class themselves as poor in innovation capability, despite the fact that they are more likely to innovate. Qualitative results show the tendency for arguments, resentments, laughter, and mutual support that characterise the habitus of family firm. Habitus can also be viewed as skilful behaviours (Bourdieu et al., 1993) and the quantitative results show that family firms are more likely to formally train their staff, including managers, which indicates a prioritisation of skill and the willingness to invest long-term in the wider “family” of their employees. The qualitative results show that family firm owners have prioritised learning, often due to the founding parents’ insistence on curiosity as an essential business skill. These family firm owners are able to apply new skills, or a new habitus, to advance the family firm.

Finally, the findings show that the fields of the family and of the firm are strongly overlapping. The Bourdieusian concept of the field is demonstrated in the quantitative findings, in that family firms are more likely to be home-based than non-family firms. The geographical location, or physical field, of the family firm is therefore a distinctive feature. The qualitative findings show the extent to which family owners are prepared to go to defend the physical field of their firm, by erecting high gates outside the factory or by hiding the
factory from view altogether. The field is further protected by recruiting staff and family members with a similar doxa and habitus to their own. Furthermore, Bourdieu’s concept of the field helps to explain how family owners are able to enter new fields. Combined with a doxa that promotes growth, and a habitus of curiosity, the qualitative findings showed how firm owners leverage the knowledge from those fields, such as customer suggestions for new products, in order to grow the firm. Illusio is a powerful concept in relation to why family firm owners stay in the field: combined with a doxa of endurance and a habitus of hard work and the ability to shrug off stress, illusio enables firm owners to remain in the field of business. Illusio prevails even when a more rational decision (as advanced by agency stewardship or RBV theory) would have been to sell the business.

The strength of Bourdieusian concepts in understanding familiness is in their collective explanatory strength: doxa, habitus, and fields together explain how unconscious, but deeply held values and behaviours can combine to produce new forces for innovation in the family firm, or how they can stultify and tear apart a harmonious firm, and a family. The other strength of Bourdieusian concepts of doxa, fields, and habitus is in their power to explain more than one dimension of the family firm: other theories of familiness explore one dimension of the family firm: either the individual, or the firm. Bourdieusian theory is able to encompass the firm, the individual, and the family.

The weakness of Bourdieusian theory is in its difficulty in explaining how doxa and habitus can change, often radically, from one generation of the family firm to the next. Doxa and habitus are essentially conservative forces which perpetuate existing behaviours (Jenkins, 2002). Qualitative results showed how highly entrepreneurial family owners can be succeeded by a highly conservative child. Bourdieusian theory does not explain how family
firms, having created a “norm” of innovation, then fail to innovate in the subsequent generation.

A methodological weakness of Bourdieu is that, even through his concepts of doxa, fields, and habitus were derived through large-scale surveys and in-depth interviews (Griller, 1996) suggesting that his methodological approach would suit a mixed methods study, these concepts emerge much more strongly in the qualitative findings. This may, however, be due to the secondary nature of the quantitative dataset, which was constructed to answer government policy questions (Department for Business Innovation and Skills, 2013a) rather than to explore Bourdieusian concepts. Future researchers may wish to construct a dataset which was specifically constructed to uncover themes of doxa, habitus, and fields.

Overall, Bourdieu’s concepts of doxa, fields, and habitus provide a collective strength in explaining familiness. These “thinking tools” have strong explanatory power in their ability to combine the interplay between the distinctive values and behaviours in the family firm. This discussion chapter now moves onto the third research question: to provide an empirically-grounded answer to the distinctive nature of family firm performance.

6.3 Research Question Three: Differences between Family and Non-Family Firms

The third research question posed is “What significant empirical differences exist between family and non-family firms in relation to business performance and what is the nature of those differences?” This question was initiated from the enduring controversy as to whether family firms are indeed different to non-family firms (Cowling & Westhead, 1998; Zellweger et al., 2010). This question is answered by the quantitative findings, which are based on the Small Business Survey (SBS) 2012 (Department for Business Innovation and Skills, 2013a). The findings of the descriptive statistical analysis produced five distinguishing features of
family firms: firstly, that family firms are more likely to have an older, less qualified, less ambitious, less confident family firm owner. This finding is concerning for the longevity of family firms, as older family firm owners are more likely to create increased conflict, which is less likely to result in formal succession plans (J. P. Marshall et al., 2006b).

Secondly, family firms are more likely to have lower profits, lower growth and smaller turnover. They are also more likely to have stable staffing profile. This is consistent with earlier research that shows that family firms have non-financial motivations (Carney, 2005).

Thirdly, family firms demonstrate an internal orientation manifested in a lack of awareness of government support, non-strategic advice-seeking and a lack of export capability. This finding supports earlier research that points to an in-ward looking conservatism that is prevalent in family firms (Dunn, 1996) and also to their lack of export capability (Institute for Family Business, 2014).

Fourthly, family firms favour an innovation approach which is characterised by unplanned service and product innovation; radical, rather than incremental innovation and innovation based on existing firm resources, rather than using grants, loans, or tax credits. This finding is consistent with earlier findings that family firms are more likely to undertake unplanned innovation (De Massis et al., 2015) but contradicts the same research that shows family firms are less likely to undertake radical innovation.

Fifthly, family firms are more likely to have a physical base which is rural than urban and are more likely to be home-based. This is concerning for the longevity of family firms, as rural-based family firms are shown to be less resilient in the face of economic change and personal stress (Brewton et al., 2010).
In summary, the descriptive statistical findings provide that there are empirical differences between family and non-family firms. The subsequent exploratory factor analysis provides a statistically valid categorisation of familiness across the entire SBS 2012 family firm dataset. This analysis revealed nine constructs of familiness, or ways in which family firms are different from non-family firms: ambition, co-location, confidence, innovation experience, personal experience, profitability, firm longevity, external orientation and staff investment. These quantitatively-derived constructs will be combined with the insights from the qualitative analysis to produce a taxonomy of family firms in relation to familiness and innovation. Finally, the chi-squared results showed two unexpected findings: that firm age and innovation are positively correlated, in contradiction of findings that show that newer manufacturing firms more likely to innovate than older firms (Huergo & Jaumandreu, 2004). Also unexpected was the result that awareness of government support organisations is not correlated with innovation: family firms appear to innovate successfully without the need to consult government-funded support organisations. This has important implications for governments who have invested in lower-cost advice organisations (House of Commons Library, 2014) rather than higher-cost skills training (Broadberry & Leunig, 2013). These implications will be discussed in the Recommendation section. One expected finding from the chi-squared analyses was that firm owner’s who rate their innovation capability as high are more likely to have innovated. This supports findings which suggest that innovation capability is an important capability for firms seeking competitive advantage (Birchall & Tovstiga, 2005). Having established the findings which confirm that family firms are distinctive in various aspects of business performance, and that familiness does exist, the discussion now explores how family firms’ distinctive approach to innovation can be explained through the concepts of doxa, fields, and habitus.
6.4 Research Question Four: Doxa, Fields, Habitus and Innovation

The fourth research question posed is “How do doxa, fields, and habitus influence innovation in individual family firms?” The role of values, habitual behaviours, and physical spaces of the family firm is explored in depth in the qualitative findings. Innovation was selected as an activity to be analysed using Bourdieusian concepts as it is a relatively distinct area of activity, therefore enabling a focussed examination of how doxa, fields, and habitus operate. Furthermore, innovation is a crucial requirement for the long-term success of United Kingdom manufacturing (Coad et al., 2014; Hooker & Achur, 2014) and therefore is of policy interest to the United Kingdom government (Government Office for Science, 2013; House of Commons Library, 2014). Finally, approaches to innovation (whether radical or incremental; planned or unplanned) are a key differentiator between family and non-family firms (De Massis et al., 2012, 2015; Zahra et al., 2013). This section will discuss in turn how doxa, habitus, and fields influence innovation.

Doxa are not inherently inimical to innovation: high innovation family firms displayed values that promoted improvements, competitiveness, and trying new ideas. There is no prior research that investigates application of doxa to innovation, this finding supports earlier research that shows family firms are more likely to rely on an entrepreneurial founder to promote innovation (De Massis et al., 2012). Doxa can also encourage innovation when a more entrepreneurially-minded successor enters the firm. In this case, symbolic violence, through sacking non-compliant staff, reallocation of budget to R&D, and the introduction of new policies, is used to enforce innovation. While conflict is an inevitable result of introducing innovation to a previously stagnating firm, the research suggests that firm owners who are able to manage conflict are also able to successfully grow their firms. This supports findings that show that family firm owners who take an active role in leading their firm are also more likely to introduce innovations (De Massis et al., 2015; Miller et al., 2008). Doxa
that prioritise risk-taking, ambition, and curiosity promote behaviours (or habitus) that support innovation.

Habitus is informed by doxa and highly innovative firms display a habitus that is able to balance contradictions: a conservatism that prioritises saving, long-term financial horizons and tradition is successfully balanced with one-off, expensive investments. Opportunism in relation to new market opportunities is balanced with caution in introducing the introducing of new products to a market that is traditional in their tastes. These findings support the view that family firms are more likely to innovate based on “gut instinct” than by using formal processes (De Massis et al., 2014) and that the timing of innovation is as important as the innovation itself (Bowen, Rostami, & Steel, 2010; Reinganum, 1989). However, the findings have implications for firms with high growth ambitions: family firms with formal planning processes are more likely to successfully grow (Nieto et al., 2015).

The findings showed that owners who were actively involved with the family firm in childhood were more likely to be innovative. A deep knowledge of the firm, their staff, and their customers, gave them the confidence to take the risks associated with innovation. The importance of habitus, or long-term expertise, in explaining the unique way in which family firms innovate is also found in the quantitative results, which show that older firms are more likely to innovate. Their habitus was more disposed toward innovation from an early age. This is consistent with findings that a tendency to innovate, and a comfort with risk-taking, are associated with exposure to business in the founder’s family (Garcia-Alvarez & Lopez-Sintas, 2001; Storey, 1994). The long-termism demonstrated by high-innovation family firms is supported by research which suggests that family firms are more likely to have the patience to invest in innovations with a potentially long-term payoff (Antonelli et al., 2013).
The willingness of family firms to discuss their habitus, or their lived values, supports research which shows that “inspiration, faith, loyalty, and honour” are more likely to be the founding principles of family firms than non-family firms (Nicholson, 2008, p. 73). The combination of doxa (the unconscious rules or values) and habitus (the lived expression of rules and values) provides a powerful method of analysing the motivations and behaviours of innovation in family firms.

Both doxa and habitus take place in a particular field: the family firm. The qualitative and quantitative findings have shown the unique way in which the family firm interacts with other fields, including the business, the customer and the wider environment. The discussion will now address the relationship of fields to innovation.

The field of family and the field of business appear to be hard to differentiate for many innovative family firms. Family owners found it hard to distinguish between the doxa of each field. These firm owners cited hard work, quality, loyal customer relationships, and integrity as values relating to both the field of the family and the field of the firm, even though quality products and customer relationships are hardly the characteristics of domestic family life. This finding is consistent with research that shows that the merging of human and business values is characteristic of family firms (Nicholson, 2008; Zellweger et al., 2010). The qualitative results showed that high-innovation family firms are willing to discuss innovations at work, at home, and in social spaces such as the pub, and the quantitative results showed that family manufacturing SME firms are more likely to have their living premises co-located with their business premises. The willingness of family firms to blur the boundaries between the field of family and the field of home, even though this is more stressful for them, demonstrate the commitment required for innovation (Montobbio, 2003; Schmid et al., 2014).
The qualitative findings show that family firms who successfully innovate are comfortable exploring new fields, such as the field of the customer. This is consistent with earlier findings that innovative family firms obtain new product and process ideas from customers (De Massis et al., 2012). The qualitative findings and quantitative results show that older family firms have the absorptive capacity to integrate these ideas into their organisation. The qualitative and quantitative results also show that family firms tend to innovate in an unplanned and spontaneous way. The qualitative findings here explain the quantitative findings: the quantitative findings show that family firms spend less on R&D and this is explained by the qualitative findings which show that family firms are unaware of, or have been disappointed by, sources of external support for innovation.

Both qualitative and quantitative findings support earlier research that family firms rely on the close communication and unplanned interactions to absorb knowledge within their firms (Adler & Kwon, 2002). The combination of a doxa that promotes curiosity, risk-taking, and opportunism, a habitus that balances the long-term view with the short-term ability to take risks, and a willingness to apply these behaviours across multiple fields all contribute to innovation. By triangulating qualitative and quantitative findings, this research answers the fourth research question: that Bourdieusian concepts can be powerfully combined to form a theoretical underpinning to familiness. Furthermore, the combination of doxa, fields, and habitus provides a flexible analytic tool for predicting successful innovation behaviours in family firms.

The discussion section now concludes with the answer to the fifth research question: whether a taxonomy of family firms can be built in relation to familiness and innovation.
6.5 Research Question Five: Create a Taxonomy of Family Firms

This section provides the answer to the fifth research question: can a taxonomy of firms be created in relation to familiness and to innovation? This chapter creates a taxonomy of family firms which combines the quantitative and qualitative findings to provide a classification of family firms. Taxonomies are useful in business studies because they reduce many different type of businesses into a smaller number of clusters with common traits (de Jong & Marsili, 2006). A taxonomy is particularly useful for this study as it reduces the large number of tables and factors from the quantitative analysis together with the findings of the qualitative analysis into a smaller number of easy to remember categories. The simplicity of this approach is particularly useful in innovation studies, where a taxonomy provides an empirically-justified framework for policy suggestions (Pavitt, 1984).

Table 58 Taxonomy of Family Firms in relation to Familiness and Innovation

<table>
<thead>
<tr>
<th>Innovator Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spontaneous radicals</td>
<td>Radical innovations.</td>
</tr>
<tr>
<td></td>
<td>Unplanned processes.</td>
</tr>
<tr>
<td></td>
<td>Use of symbolic violence to introduce new doxa and habitus.</td>
</tr>
<tr>
<td></td>
<td>Confident to enter new fields.</td>
</tr>
<tr>
<td>Statist altruists</td>
<td>Growth-aversion.</td>
</tr>
<tr>
<td></td>
<td>Staff-first; innovation-second.</td>
</tr>
<tr>
<td></td>
<td>Doxa and habitus remain unchanged.</td>
</tr>
<tr>
<td></td>
<td>Avoid entering new fields.</td>
</tr>
<tr>
<td>Patient opportunists</td>
<td>Long-term horizons for major innovation payoff.</td>
</tr>
<tr>
<td>Innovator Type</td>
<td>Description</td>
</tr>
<tr>
<td>----------------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>Short-term horizons for incremental process improvements.</td>
</tr>
<tr>
<td></td>
<td>Doxa and habitus evolve gradually.</td>
</tr>
<tr>
<td></td>
<td>Fields are monitored and entered if required.</td>
</tr>
<tr>
<td>Curious travellers</td>
<td>Likely to innovate.</td>
</tr>
<tr>
<td></td>
<td>Uses travel to source innovations.</td>
</tr>
<tr>
<td></td>
<td>Doxa and habitus evolve in response to new fields.</td>
</tr>
<tr>
<td></td>
<td>New fields are actively sought out and entered.</td>
</tr>
<tr>
<td>Insular deniers</td>
<td>Export-averse and customer-avoiding.</td>
</tr>
<tr>
<td></td>
<td>Denial of external changes that affect the business.</td>
</tr>
<tr>
<td></td>
<td>Doxa and habitus of the founder remains dominant.</td>
</tr>
<tr>
<td></td>
<td>New fields are actively avoided.</td>
</tr>
</tbody>
</table>

The taxonomy is made up of five categories which will be discussed in turn. The first category is that of the “spontaneous radicals”. The quantitative results showed that family firms are less likely to plan for innovation in products and services (Table 27) yet are more likely to undertake innovation that non-family firms (Table 29). They are also more likely to undertake radical innovation in products, services (Table 30) and processes (Table 32). The chi-squared results show that there is no relationship between awareness of external support and innovation in family firms (Table 51) which suggests that some family firms are innovating without the potentially valuable knowledge or financial assistance from external organisations. The qualitative findings showed that high innovation, high familiness firms
were more likely to “despise formal meetings” (Excerpt 86), yet more likely to introduce radically different product or service lines. “Spontaneous radicals” are the shock troops of family firm innovators, who are unafraid to introduce radical changes to their products and services, despite the lack of formal planning. Where the wider organisation is reluctant to change doxa and habitus, the spontaneous radicals are more likely to enforce innovation using symbolic violence. The spontaneous radicals are more likely to take a “Year Zero” (Excerpt 48) approach to innovation, whereby processes and products are entirely revamped, in a high-conflict situation. This requires the deployment of symbolic violence (Excerpts 12, 13, 14) or the enforcement of new doxic norms of innovation: these methods include including selective redundancies (Excerpt 48), promotion of innovation-oriented staff (Excerpt 34), recruitment of innovation-oriented family members (Excerpts 37, 38), and, in certain cases, verbal bullying to ensure that doxic rules are followed (Excerpts 13, 14).

The second category is that of the “statist altruists”. The quantitative findings show that family firms are less likely to be planning for increases in turnover (Table 21) or for increases in growth (Table 22). Their lack of ambition appears to be a long-term trend, as family firms are also more likely to be micro or small in size across all sectors (Table 11), including the manufacturing sector (Table 12). Family firms are less likely to have changed their staffing levels in the last 12 months, either by having removed staff or recruited staff (Table 18), which suggests a conservative preference for keeping the same staff in place. Family firms are more likely to be planning an increase in turnover through increasing the skills of their workforce (Table 36) and, unsurprisingly, are more likely to invest in formal staff training (Table 37). This is despite results that family firm owners are more likely to be unqualified that non-family firm owners (Table 44) and, even when they are qualified, are less likely to have graduate-level qualifications than non-family firm owners (Table 45). However the chi-squared results (Table 52) explain this apparent contradiction: family firm owner
qualification is unrelated to their innovation activity, suggesting that they rely on qualified and trained staff to undertake innovation activity. The qualitative results show that low innovation, high familiness family firms are more likely to avoid introducing new technological changes for fear of reducing staff numbers. These “statist altruists” would prefer to train existing staff to develop innovations, even though the end product or service could be “rubbish” (Excerpt 52). Statist altruists, while being slow to innovate, are nevertheless important to the stability of the wider economy, as they invest in long-term training and contribute to higher levels of employment. Doxa and habitus rarely change. Indeed, staff members who reinforce existing doxa are preferred over new staff, whose desire to introduce change make them “terrorists in your own organisation” (Excerpt 41). Statist altruists are less likely to enter new fields to obtain new ideas and are also unlikely to export their products. Their paternalistic approach prioritises continuity and staff loyalty over externally-driven market changes.

The third category is that of the “patient opportunists”. The quantitative results show that family firms are more likely to be older firms (Table 13), less likely to have plans to sell their business (Table 26) and less likely to borrow to finance innovation (Table 34). The chi squared results demonstrate that older family firms are more likely to be innovative (Table 49), which indicates that the confidence to innovate is acquired over many years by family firms. The qualitative data shows that patient opportunists are likely to store “fat around the middle” (Excerpt 82) by avoiding loans, and re-investing profits into the company. These firms then wait for opportunities to exploit. This approach takes advantage of major environmental crises, such as war or recessions, which remove weaker competition and open up new markets. The patient opportunists value the loyalty of their workforce and are more likely to blend traditional methods with new approaches for an incremental and low-conflict approach to innovation. Doxa and habitus evolve naturally, through “blending” (Excerpt 22).
the attributes of loyalty and trust with new ideas from younger staff. Fields are monitored for the potential to enter, and opportunities are seized if there are worthwhile profits to be made.

The fourth category of family firms is that of the “curious travellers”. The quantitative results show that family firms, despite being less confident in their capacity to innovate (Table 28), are nevertheless more likely to introduce new products and processes than non-family firms (Table 29, Table 30), which implies a certain recklessness, or that the drive to innovate is coming from a source other than confidence. In addition, the qualitative results suggest that high-innovation family firm owners source innovation ideas from travel. They not only naturally curious, but also enjoy travelling (Excerpts 127, 128). Travel abroad is a source of new ideas and inspiration for these types of innovators, irrespective of whether their firms export their products or not. Exploring other domestic fields, such as customers and suppliers (Excerpts 124, 125, 126) also brings innovation ideas to these firms. The “curious travellers” are firms who are active innovators who observe best practice from abroad and take suggestions from customers and suppliers to improve their products and processes. The “curious travellers” import new doxa and habitus from new fields. Fields are explored for their own sake, although confidence and curiosity tend to be concentrated in the owners rather than becoming a habitus of the wider firm. The “curious travellers” are not as effective at developing formal processes to ensure that their knowledge is absorbed into the firm.

The fifth and final category in this taxonomy is that of the “insular deniers”. The quantitative results show that family firms are less aware of external sources of support (Table 40), less likely to seek external advice or support (Table 41), particularly for strategic reasons (Table 42). Family firms are more likely to have an older firm owner (Table 43), suggesting that they are less effective at implementing succession. These qualitative results show that low-innovation firms are likely to deny the need to innovate (Excerpts 91), are less likely to meet
new customer needs (Excerpt 92). These family firms compound their insularity by failing to plan for succession (Excerpts 35, 39, 40). They are also less likely to consider women or wider family members as part of a succession plan (Excerpts 7, 8, and 9). The insular deniers are both unaware of external changes through remaining embedded in the family firm, and they are likely to delay, minimise or entirely avoid innovation, even when confronted with an explicit request from a customer. The qualitative findings demonstrate the result: a tired, ageing family owner in charge of the firm beyond the point from which it can successfully rejuvenate its sales and customer base. Doxa and habitus remain static, to the point where they introduce damage to firm profits and to staff morale. The fields of the customer and the wider environment are avoided or even ridiculed (Excerpt 91). While illusio, or the will to maintain the family firm, is strong in all other types of family firm, the “insular deniers” have little pride in the family firm. This type of family firm will contemplate selling or even the demise of the firm within the owner’s lifetime.

This section has developed a taxonomy of family firms in relation to innovation and familiness, which results in five categories of family firm innovators. The categories support wider research that points to the heterogeneous nature of family firms (Ward, 2016). In addition, the findings confirm that taxonomies of innovation are useful in mapping the different business practices that are characteristic of smaller firms (de Jong & Marsili, 2006). While the taxonomies do not contain specifically Bourdieusian themes, the process of categorisation is consistent with how doxa, fields, and habitus operate within an individual: to produce “internalised, ‘embodied’ social structures” (Bourdieu, 1984a, p. 471) that control their practices. The findings show that a number of innovation practices (radical or incremental; long-term or short-term; planned or unplanned) can be systematically linked to family firm-specific behaviours: curious or indifferent; static or dynamic; traditional or modern. The family firm taxonomy developed in this research therefore confirms findings
that an innovation taxonomy is an integrative tool which can unite the quantitatively-measured and qualitatively-measured perspectives of innovation (Pavitt, 1984).

Following the establishment of a taxonomy of family firms, a series of empirically justified recommendations are now made. The recommendations are based on findings from the literature review and findings from the qualitative and quantitative research.

6.6 Research Question Six: Recommendations for Family Firms

Both the qualitative and quantitative findings and also the literature review provide a rich and detailed basis for making practical recommendations. The recommendations are primarily for SME family firms in the manufacturing sector of the UK who wish to promote innovation. Family firms have been advised to adopt innovation practices that are specific to the family firm sector because not all innovation advice is universally applicable (De Massis et al., 2015). The recommendations in this research will help family firms develop long-term horizons, which is a strategy that also has the benefit of encouraging the succession planning crucial for family firms (Dodd et al., 2014). Developing empirically based recommendations for family firms in relation to innovation is a research direction recommended by recent family firms scholars (Brigham et al., 2013).

1. Take advantage of tax breaks and financial support for innovation

While family firms are more likely to innovate than non-family firms (Table 29), they are less likely to obtain tax breaks for innovation (Table 35). The family firms who had received government funding found this support useful (Excerpt 116). Tax breaks and other financial support for R&D that does not involve borrowing could finance some of the innovation activity already taking place in family firms. A further benefit of applying for R&D tax breaks would be the need to formalise innovation processes. Previous research has
recommended that UK family firms formalise risk-taking entrepreneurial ventures in order to capture and apply lessons from the past (Y. Wang & Poutziouris, 2010).

2. **Encourage new ideas for innovation from a wide variety of sources: staff, customers, wider market.**

High-innovation family firms in the qualitative sample consistently imported ideas from their staff, their customers, their suppliers, and even from their holidays. This regular contact with other fields ensures that family firms have a wide range of contacts, some of which have been built up over generations. Family firms can leverage these high-trust relationships with people outside their immediate circle in order to develop new product and process ideas.

3. **Develop succession plans to maintain innovation activity**

Family firms are more likely to plan to retain their business than non-family firms (Table 26). This indicated that succession planning should ensure that doxa that maximise innovation are passed on to the next generation. High-innovation firms in the qualitative sample involved young children in the family firm from an early age (Excerpts 1, 3, and 4) and that innovative behaviours (habitus) and the belief in innovation (doxa) are maintained in the family firm. Succession plans should not be restricted to the management level: multi-generation family firms deliberately recruited young people to ensure that the wider workforce was refreshed (Excerpts 33, 48, 50). Skilled workers coming up to retirement were expected to train up young staff (Excerpt 15) to ensure that both tacit and explicit knowledge was passed on.

4. **Consider female family firm successors**

Although family firms are more likely to have a female owner than non-family firms (Table 14), the vast majority of manufacturing family firms have male owners. The qualitative data showed that women are frustrated by their exclusion or by their late involvement in the firm.
Including daughters, sisters, or wives as potential successors would provide family firm owners with more diverse skill set and knowledge base.

5. **Combine a long-term strategic approach with short-term opportunism**

High innovation family firms were more likely to use a long-term approach to innovation (Excerpts 83 and 84). This patient deployment of resources allows for radical innovations to be developed, that have a longer-payoff. This is combined with short-term opportunism that takes advantage of wider economic conditions (such as recessions) that threatens more leveraged competitors. Given the lower export capabilities of the family manufacturing firms in the quantitative sample (Table 25) and their ability to respond creatively to economic crises, UK SME family firms in the manufacturing sector may be well-placed to survive and thrive in market changes such as Brexit.

This section has discussed the answers to the fifth research question: what recommendations can be made for SME family manufacturing firms to leverage their familiness in order to improve innovation. The next section will discuss the answers to the final research question: the type of government policies that could best support family firms.

6.7 **Research Question Seven: Policy to Support Family Firms**

The literature review identified that government policy for manufacturing, while it supports focussed policy support for industry sub-sectors (House of Commons Library, 2015b), does not support business types, such as family firms. Furthermore, there are no government-specific policies to support family firms more broadly (Department for Business Innovation and Skills, 2014a). The quantitative findings in this research justify the following policy recommendations for family firms in the manufacturing sector. The policy recommendations are limited to a consideration of innovation in the context of leadership and management in business.
1. Assistance with skills development of workforce and owners.

Family firms are more likely to invest in staff training than non-family firms and plan to grow by investing in staff training (Table 36, Table 37, Table 38). Firm owners in the qualitative sample were dissatisfied with the apprenticeship scheme (Excerpt 109 and 110). Government support to increase the numbers of technically skilled workers would be consistent with current recommendations for long-term government policy for the manufacturing sector (Government Office for Science, 2013; House of Commons Library, 2015b). Family firm owners are less highly qualified than non-family manufacturing owners (Table 44), although the level of family firm owner qualification has no correlation with their innovation activity (Table 52), therefore government investment to improve owner qualifications appears to be less justified.

2. Increase financial and practical support for family firm innovation

Family firms are less likely to be aware of government support agencies such as the Manufacturing Advisory Service and UKTI (Table 35), despite advisory services being a key part of the government policy to support manufacturing (House of Commons Library, 2015b). The qualitative sample revealed that, of the one firm that had used a government-funded research advisory service, the service had focussed on following the process, rather than on producing practical innovation outcomes (Excerpt 110). This government-funded research body was therefore negatively judged as being a self-interested entity, rather than as being a service for businesses that was genuinely promoting innovation. Practical assistance from government, such as promoting tax breaks for innovation, would be more useful for family firms. Family firms are less likely to claim for tax breaks for innovation (Table 35) perhaps because they are unaware of this type of support. Family firms are more likely to fund innovation through retained earnings rather than loans (Table 33, Table 34). Support for
patient capital and a source funding other than banks would also be consistent with suggestions for government support for family firms who have a long-term horizon and a risk-averse strategy to borrowing (Department for Business Innovation and Skills, 2014a).

3. **Support for firms that are planning on stability, rather than growth**

Family firms are less likely to plan for growth (Table 22), increases in turnover (Table 21), or increases in profits (Table 17) than non-family firms. Family firms are consequently smaller than non-family firms in the manufacturing sector (Table 12). By avoiding “creative destruction” these companies have been criticised for under-performing in the market (Foster & Kaplan, 2003). However, as family firms are older than non-family firms (Table 13), and are also more likely to retain staff during a downturn (Table 19), family firms nevertheless contribute to the long-term stability of employment and the economy. Government support was considered in the qualitative sample to be skewed towards SMEs who want to grow (Excerpt 113), therefore government support for family firms who want to maintain a stable existence should also be considered.

6.8 **Chapter Summary**

This chapter has provided answers to the first five research questions, by providing empirical evidence to support the gaps in familiness theories. These gaps were initially identified in the literature review. The chapter has gone on to summarise which Bourdieusian concepts could be applied to our understanding of familiness, what the differences are between family and non-family firms, and how doxa, habitus, and fields influence innovation in individual family firms. The chapter has gone on to produce a taxonomy of family firms in relation to familiness and innovation. The chapter has concluded by developing recommendations for family firms in the manufacturing sector and policy recommendations for governments who wish to support family firms in the manufacturing sector. While many of these policy
recommendations in relation to supporting manufacturing are similar to those already included in government policy (Government Office for Science, 2013; House of Commons Library, 2015b), others have been derived from the findings in this research, and are specifically targeted at certain types of family firm. This chapter has therefore provided empirically founded and family firm-specific recommendations for national and local government, which will help family firms to achieve their full potential. The next chapter will conclude the study by summarising the contribution made to theory, to practice, and to methodology.
7 Conclusion

The final chapter describes the different aspects of the contribution to knowledge made by this research project. The contributions to theory, to practice, and to methodology are discussed separately. The chapter concludes with directions for future research.

7.1 Contribution to Knowledge

The research presented in this thesis demonstrates a contribution to knowledge in three distinct areas: to theory, to practice, and to methodology which will be addressed in turn.

7.2 Contribution to Theory

Firstly, a theoretical contribution has been made to the understanding of familiness. Familiness is the key concept underpinning family firm research. A critical review of the existing theories are currently used to described familiness have been presented in the literature review. These theories have been shown to be lacking by only applying to certain types of family firms and by excluding the powerful and rich theories from sociology. Agency and RBV theories has been shown to apply only to rational family firms, and social capital and socio-emotional wealth theories to non-rational family firms. None of these theories have the explicatory power to understand the complex and sometimes inconsistent combinations of rational business planning and non-rational human motivations that are found in family firms. This study has show that, even where Bourdieusian concepts have been used in family firm research, only one of Bourdieu’s concepts has been used at a time: social capital or habitus. The result has been a limited exploration of the family firm, for example, social capital as used to explore competitive advantage (Arregle et al., 2007; Danes et al., 2009) or habitus as used to explore ethical behaviour (Vallejo & Langa, 2010).

Bourdieusian theory, specifically the concepts of doxa, fields, and habitus, has been used in this study as powerful theoretical lens to understand the nature of familiness. Therefore this
research provides a broader contribution to theory by demonstrating how Bourdieu’s concepts of doxa, habitus and fields can be successfully combined to explore the nature of familiness. Doxa are the unspoken rules of the family firm which are enforced through symbolic violence and through recruiting staff and family members with similar doxa. Doxa can be both empowering, in that they encourage altruism and integrity, but also discouraging, in that they reinforce nepotism and denial. Doxa drive habitus, which can be seen as the lived expression of doxa. Habitus explains the high levels of technical and social skills seen in family firms, but also the bodily states of stress and tension. Doxa and habitus exist within the overlapping fields of family and fields of business. The theoretical concept of field and illusio helps to explain why families are committed to their business, even when it is no longer economically or psychologically beneficial. Fields are also a theoretical tool to explore how family firms build pathways to external players, such as customers, advisors, and suppliers. This study makes a contribution by showing how a Bourdieusian theory of familiness is applicable to a wide range of family firms, more so than the major, current theories of familiness identified in the literature review. This study makes a contribution to theory by describing how a Bourdieusian inspired theory is applicable to both rational and non-rational family firms (unlike social capital and socio-emotional wealth theories), incorporates the family, the business, and external actors, such as suppliers and customers (unlike the RBV) and incorporates non-family members (unlike agency and stewardship theories).

These Bourdieusian concepts also make a contribution to theory by explaining how innovation theory can be enriched by using the concepts of doxa, habitus, and fields. This study shows how a doxa of curiosity and experimentation, combined with a habitus that prioritises travel and close external relationships results in the exploration of new fields, new
customers, and new suppliers. This particular combination of doxa, fields, and habitus results in the tendency to innovate.

This research also makes a contribution to theory by answering calls from the family firm research community to draw on sociological theory in order to improve our understanding of how family dynamics impacts the business (Litz et al., 2012). Applying the Bourdieusian theories of doxa, fields, and habitus (which are usually applied in sociological studies), this study has provided a new analytical conceptual framework which could be usefully applied to the exploration of familiness for firms in other industries and other countries.

7.3 Contribution to Practice

An initial contribution to practice is made through the development of a taxonomy of family firms. The taxonomy provides a simple and flexible method of classifying family firms according to their innovation behaviour. The taxonomy can be used by future researchers to understand how a diverse group of family firms approaches innovation.

A further contribution to practice is made through this research through the targeted advice for family firm SMEs in the manufacturing sector. A series of recommendations which is feasible and specific can be used by family firms to improve their innovation performance, by better understanding how their values and behaviours could be limited their growth.

A final contribution to practice is made through the provision of evidence-based policy suggestions for local and national governments. The literature review highlights that family firms in the United Kingdom, despite being a long-standing part of the business landscape (European Commission, 2009a; Institute for Family Business, 2014), are not specifically supported through government policy. This research analyses the relative weaknesses of family firms through the quantitative data and explores the concerns of family firms through the qualitative data. Based on this analysis, recommendations are then made for how local
and national governments can better support family firms. The result of taking up these recommendations would be a more vibrant family firm sector that is more resilient in face of increasing challenges in a highly competitive manufacturing sector.

### 7.4 Contribution to Methodology

This study has made a contribution to methodology by firstly, using the methodology inspired by the Bourdieusian theoretical concepts. Bourdieu used quantitative and qualitative data to derive his concepts of doxa, habitus, and fields. This study replicates his approach by also using mixed methods in a study which applies his concepts to a new area: that of the family business. This consistency in theoretical and methodological approach could be used in future studies which intend to introduce an existing theory into a new application.

This study has made an additional contribution to methodology by using a combination of statistical techniques to the first ever analysis of manufacturing family firms using the Small Business Survey 2012 dataset. This rich dataset has never before been subjected to exploratory factor analysis, parallel analysis, and chi-squared techniques in order to mine its extremely large number of variables.

An additional contribution to methodology has been made in the development of a mixed methods approach, combining existing government-sourced data, which is high in reliability and validity, with in-depth interviews. This approach answers calls for greater methodological diversity in family firm research on innovation (De Massis et al., 2012). This approach has resulted in a definitive answer to the question of whether family firms are indeed distinct from non-family firms in the SME manufacturing sector of the UK through the use of quantitative data. This methodology has also enabled an in-depth, rich investigation of the nature of familiness through interviews with family members. This
triangulation of data using mixed methods provides conclusions which are both reliable and valid.

A further contribution to methodology is made through the creation of a framework which supplements a statistical analysis of quantitative data from the Small Business Survey with in-depth interviews to provide policy recommendations for both governments and firms. This framework could be used to provide a rich, evidence-based method for providing policy and firm recommendations in future.

7.5 Directions for Future Research

The literature review, methodology, and the findings provide fruitful areas for suggesting further research. Seven further research projects are outlined below:

1. Future research could investigate the extent to which the “thinking tools” of doxa, fields, and habitus explain the nature of familiness in other sectors. The literature review highlighted the lack of theory to explain the essential nature of familiness, specifically the newer sectors of knowledge intensive firms, many of which are in the services area (Coad et al., 2014). These firms are of particular interest given their importance in generating innovations (Whittington et al., 2009) and in the way that services are supplanting and complementing the manufacturing industry (House of Commons Library, 2014). The use of Bourdieusian theory, specifically the use of doxa, fields, and habitus, could provided a fresh approach to explaining the nature of SME family firms in newer, more dominant sectors.

2. A future line of research could investigate how familiness impacts growth in SME family firms. The literature review highlighted that high-growth firms are
considered important for generating jobs and income for local and national economies (Levie & Autio, 2013; C. L. Wang & Altinay, 2012). The findings suggest that family firms remain smaller and are less ambitious than non-family firms. This implies that family firms are more in need of the greater capital investment and skills increase that was considered to be crucial to the United Kingdom’s continued economic growth by the final set of recommendations from the European Council prior to the referendum in favour of Brexit (Council of the European Union, 2016). This direction for future research could extend to a quantitative study of the extent to which housing and transport issues are a significant barrier for growth for family firms. These issues were described during the qualitative interviews, but the extent of this problem could usefully be scoped through a larger-scale survey.

3. A future research direction would be to modify the mixed methods approach used in this research to investigate innovation in other sectors, countries, or sizes of family firms. Innovation studies in family firms have recently been dominated by quantitative studies (Chen & Hsu, 2009; De Massis et al., 2012, 2015; Nieto et al., 2015). A mixed methods approach has the benefit of establishing whether the familiness aspect of the research question exists by comparing family to non-family firms through quantitative analysis. A qualitative analysis can then explore the familiness aspect in more detail. This would require an explanatory sequential design (quantitative data collection and analysis, followed by qualitative data collection and analysis) rather than the convergent parallel design which was used in this research.
4. A further research project would be to undertake a longitudinal study of how SME manufacturing family firms develop in relation to innovation activity, particularly whether intentions to innovate, to recruit more staff, or to grow are followed through the following year, would now be possible. This line of enquiry would shed more light on whether family firm owner plans are carried through in practice. The quantitative data findings have demonstrated the richness of valid, reliable business data on SME family firms that is available through the UK Data Service in the Small Business Survey (SBS) series of datasets. A longitudinal study was not possible due to the differing definitions of “family firm” across SBS 2014 and previous years. To avoid this, and other problems with varying definitions, SBS 2015 has now been made the first in a longitudinal series.

5. A research project that also uses SBS 2015 would be to re-run the analysis in this study and break down the analysis by micro, small, and medium firm size. SBS 2015 now includes 15,502 firms. This is a considerably larger dataset than the 5,723 firms in the SBS 2012 dataset used in this study and the 5,115 firms in SBS 2014. A firm-size analysis would allow a more fine-grained understanding of whether smaller family firms exhibit different attributes to larger ones in the SME sector.

6. Another research project, also using the SBS 2015 quantitative dataset would be to compare pre-Brexit and post-Brexit firm performance: family firms in manufacturing are considerably less likely to export, less likely to recruit new staff, and more likely to train their staff, than their non-family counterparts. The impact
of Brexit on exports, training, and staff recruitment between family and non-family firms could therefore be assessed.

7. A final research project would be a longitudinal study which follows SME family firms in the areas of innovation. This qualitative study would be able to track individual family firms to understand how doxa, fields, and habitus change over time. Given the relatively short timescales of this research project, a long-term relationship was not built up with the family firms interviewed. Furthermore, the trust required to successfully investigate Bourdieusian concepts in qualitative research (Jenkins, 2002; Rubin & Rubin, 2012) would be built up over a series of years.

7.6 Conclusion to the Research

This research project can be summarised as follows: a critical literature review was conducted to identify the weaknesses in existing theories of familiness. The literature review described the continuing difficulty in definitively establishing whether family firms are indeed different from non-family firms. Bourdieu’s concepts of doxa, fields, and habitus were discussed, with a note as to the methodological pluralism of his approach. The way in which innovation assists firm growth and contribution to the economy was highlighted, using the theories of Schumpeter and Penrose. The important role played by manufacturing in the generation of innovation and in the domain of family firms was explored, together with the limited policy support available for manufacturing family firms. The literature review justified the central research theme: whether a difference between family firms and non-family firms can be established and what would be a theoretically rigorous explanation of the nature of that difference.
The methodology explained the philosophical approach of pragmatism which informed the study, followed by a justification for using the mixed methods design best suited for examining both objective and subjective truths. The quantitative and qualitative research designs were explored and the validity, reliability and ethical considerations were explained. Finally, the limitations of the research design were outlined.

Descriptive statistical analysis performed across the Small Business Survey 2012 produced the differences in the following areas: owner profile, firm performance, innovation approach, external orientation and physical orientation. Exploratory factor analysis performed on these variables produced a clustering of family firm traits into Figure 8: The Nine Constructs of Familiness: ambition, co-location, confidence, innovation experience, profitability, personal experience, firm longevity, extraversion, and staff investment. A further 4 hypotheses were developed and tested following these results to further analyse the interaction between innovation and family firm traits: the conclusions from hypothesis testing is that older family firm are more likely to innovate; the confidence to innovate is strongly likely to result in innovation; higher firm owner qualifications are more likely to be associated with innovation taking place and that seeking external advice is not related to innovation taking place.

The qualitative analysis showed how doxa (the rules that apply to business and family), habitus (the skills and behaviours of family firm owners) and fields (the arenas of the family and of the business) form the theoretical basis for familiness. These Bourdieusian concepts were combined to explain how altruism, integrity, nepotism, and denial are manifested in family firms. The physical and emotional states of family owners: stress, anger, and, grief were discussed, as was the ability to move confidently across fields of customers and suppliers. The way in which doxa, habitus, and fields combine to support innovation was outlined.
The qualitative and quantitative results were then combined to produce a taxonomy of family firms. The taxonomy is based on their extent of familiness and their approach to innovation. This resulted in five types of family firm: spontaneous radicals, statist paternalists, patient opportunists, curious travellers, and insular deniers. The benefit of a taxonomy is to assist future researchers to quickly and accurately define family firm innovators, based on their innovation behaviours.

Five feasible and empirically-derived recommendations for family firms were made. The recommendations were to take advantage of financial support for innovation, source ideas for innovation from as wide a circle as possible, develop succession plans which focus on innovation, consider female successors, and combine long-term patience with short-term opportunism.

Five policy suggestions for local and national governments were then made: skills training for manufacturing workforce; practical and financial support for innovation; support for firms wishing to remain stable, rather than grow; a rebalancing of power from the South to the North; and maintaining clean, affordable sites for manufacturers.

This section has summarised the research project and its findings. The next section will summarise this final chapter, and will end with two quotations which encapsulate the findings.

7.7 Chapter Summary

This final chapter has discussed the contribution to knowledge and directions for future research generated by this research project. In conclusion, the research project has uncovered four main themes in relation to family firms, Bourdieusian concepts, and innovation in the SME manufacturing sector. These themes are:
1. The differences between family and non-family firms in business performance

2. The use of Bourdieusian theory using doxa, fields, and habitus to explore the distinctive nature of familiness

3. The role of doxa, field, and habitus in encouraging innovation through promoting curiosity, a long-term approach, opportunism and altruism.

4. The importance of government policy in skills training, access to patient capital for innovation, and in improving the local environment for family firms

These areas have the potential for subject matters of further research in relation to family firms in the manufacturing sector. The overall finding in relation to family firms is that the death of family firms (A. Marshall, 1890) has been greatly exaggerated. Family firms continue to ride the wave of “creative destruction” (Schumpeter, 1943, p. 76) that comes in the wake of innovation. Successful family firms continue to be a source of spontaneous innovation and patient investment of capital in risky innovation. Successful family firms contribute more widely to society by being long-term employers of staff who invest in their training and by providing the opportunity for firm ownership to women and to minority ethnic groups. There is clearly potential for family firms to improve by seeking and maintaining close relationships with the fields of suppliers and customers, and by taking advantage of existing financial and information support for innovation. Bourdieusian theories of doxa, fields, and habitus, which posit that the knowledge and confidence inculcated in a family from birth produce a deep expertise, have proved well suited to explaining how successful family firms can outlast their rivals. Family firms therefore appear, in their own distinctive way, to continue being a major part of the business landscape.

This research concludes with two insights that encapsulate the findings of this research: the importance of familiness in promoting mastery of an environment:
“Total, imperceptible learning, performed within the family from the earliest days of life…confers the self-certainty which accompanies the certainty of possessing…legitimacy, and the ease which is the touchstone of excellence. This unconscious mastery…derives from slow familiarization and is a practical mastery.” (Bourdieu, 1984a, p. 59).

Bourdieu’s quote describes the importance of family in helping an individual to develop the self-assurance to succeed in their environment. The quote also describes mastery of certain skills, which are developed during childhood and reinforced by family members.

“If you are born into a family business you start your apprenticeship many years before going into work. I learned a lot about the importance of visiting shops. I learned the benefits of getting to know your colleagues and looking after them. I also learned that whenever you are offered a golden opportunity, you grab it straightaway.” John Timpson, fourth generation owner of high street services family business, Timpson (Timpson, 2010, p. 30)

Timpson’s quote demonstrates how family firm members acquire their self-assurance by spending many years in the firm before they assume responsibility for major strategic decisions. Timpson also describes the importance of understanding customers and staff, and also of taking opportunities.

These quotes summarise the findings of this research: that family firms are distinctive and that their distinctiveness can be explained by their values (doxa), their skills and behaviours (habitus), and their interactions with their surrounding
environment (their fields). Family firms will continue to be an enduring and increasingly well-researched part of the business landscape for generations to come.
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