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II

RESOURCE BASED VIEW ON MULTIGENERATIONAL FAMILY DYNASTY: STUDY OF SINEBRYCHOFF MERCHANT AND INDUSTRIAL FAMILY IN THE GRAND DUCHY OF FINLAND (1809-1917)

by
Nemilentsev, M., Kirmanen, A., & Kansikas, J. (2010)

In K. Karjalainen, T. Solankallio, & S. Kauko-Valli (Eds.), Yrittäjän ystävänä : professori Hannu Niittykangas 60 vuotta. Jyväskylä: Jyväskylän yliopisto, taloustieteiden tiedekunta, 1457-036X, n:o 179, 38-67

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ABSTRACT

In the research paper historical inquiry will be conducted in order to trace the roots of family dynasty resources in the Late Empire Russia. To be precise, one successful, Russian origin, merchant and industrial family that made its business in the Grand Duchy of Finland will be analyzed. Major purpose lies in defining core resources and culture-specific attributes of family dynasty.

The Russian merchant and industrial class on the verge of the 20th century represented the most powerful and financially efficient layer of business community, contributing yearly the lion's share to the gross national product and employing thousands of former peasants in the Russian Empire. That is to say, after the liquidation of serf dependence first two decades of the 20th century (until the monarchy's overthrow in 1917) were the most successful period for the Russian economy hitherto. With a great autonomy both economically and politically within the Russian Empire, Grand Duchy of Finland was practically a fertile field for multiple Russian entrepreneurial families to test innovative methods of production, establish good rapport with Western subcontractors and elaborate family business ownership in accord with international market terms.

The results of the study show that resources in leadership, social capital, financial capital, decision-making, culture, relationships, governance, and knowledge, are needed in family business dynasty to survive from one generation to another.

Key words: family business; dynasty; merchant family; industrial family, multigenerational family business, resource based view.

INTRODUCTION

The aim of this study is to understand long term family business resources in multigenerational family business, Sinebrychoff. The study compares Sinebrychoff generations between 1809 and 1917 and tries to understand what kinds of resources family business dynasty needs. Empirically, the study is based on primary data from archives.

Theoretically, the study is rooted into the resource based view. Sinebrychoff human, social, financial, and psychological capital, might offer explanations what kinds of resources dynasty needs. Resource based view, together with both agency and stewardship theories, has widely discussed why family businesses survive through generations. Table 1 below illustrates the differences between agency and stewardship theories. It shows that the two theories concentrate on the behavior of the firm's owners and managers. However, observing merely the relationship between the principals and their trusted managers, and their traits and behavior can not yield a comprehensive picture of the competitive advantage of a firm. The firm's strategy, resources and possessed skills have significant impact on the competitiveness as well. Moreover, agency and stewardship theories discuss the cost reduction achieved by the alignment of interests of owners and managers, or by the collectivistic behavior of the steward. Naturally, competitive advantage has also other factors than mere cost reduction; firm's ability to effectively utilize its unique resources affects significantly its competitive advantage (Habbershon & Williams 1999, 6-7).

TABLE 1 Comparison of Agency Theory and Stewardship Theory (Davis et al. 1997, 37)

	Agency Theory	**Stewardship Theory**
Model of Man	Economic man	Self-actualizing man
Behaviour	Self-serving	Collective serving
Psychological Mechanisms		
Motivation	Lower order/economic needs (physiological, security, economic) Extrinsic	Higher order needs (growth, achievement, self-actualization) Intrinsic
Social Comparison	Other managers	Principal
Identification	Low value commitment	High value commitment
Power	Institutional (legitimate, coercive, reward)	Personal (expert, referent)
Situational Mechanisms		
Management Philosophy	Control oriented	Involvement oriented
Risk orientation	Control mechanisms	Trust
Time frame	Short term	Long term
Objective	Cost control	Performance Enhancement
Cultural Differences	Individualism	Collectivism
	High power distance	Low power distance

The term "resources" refers to tangible and intangible assets, possessed capabilities on the firm level and on the employee level, organizational processes, firm attributes, information, knowledge etc. that the firm controls, and which positively affect its efficiency (Barney 1991, 101). Obviously, not all of the firm's resources contribute to the competitive advantage. For example, firm's employees are a resource, but if they are incapable or lack motivation, they create no advantage for the firm. According to Barney (1991, 105-106), a resource must have the following characteristics, in order to provide *sustained* competitive advantage:

(a) it must be valuable, in the sense that it exploit opportunities and/or neutralizes threats in a firm's environment,
(b) it must be rare among firm's current and potential competition,
(c) it must be imperfectly imitable, and
(d) there cannot be strategically equivalent substitutes for this resource that are valuable but neither rare or imperfectly imitable.

Let us observe the condition (c), resource's imperfect imitability, more precisely, because in the context of Sinebrychoff family business it has significant implications. In order to be imperfectly imitable, a resource cannot be acquired by other firms. A firm can have imperfectly imitable resources for one, or a combination, of these three reasons: a) firm's *unique historical conditions* provide the ability to acquire the resources, b) there is a *causally ambiguous* connection between the resources and firm's sustained competition advantage, or c) the resource is *socially complex* (Barney 1991, 107). Obviously the resources, which provide sustained competitive advantage are often firm specific, i.e. these resources are unique and cannot be transferred as such to another company. This heterogeneity of resources may give competitive advantage to a particular company (Habbershon & Williams 1999, 8).

Despite the unique and valuable resources a particular firm possesses, it probably will not achieve sustained competitive advantage, if the firm's managers are unable of managing the resources effectively. Effective resource management is a continuous process. Sirmon and Hitt (2003) proposed a three-level process model for resource management: a) resource inventory, b) resource bundling, and c) resource leveraging. (Sirmon & Hitt 2003, 344-353.) Resource inventory is like any raw material inventory; its value fluctuates in the course of time. Therefore, the resource inventory must be continuously evaluated, non-valuable resources must be discarded from it, and new, valuable resources must be added to it. Family businesses and small, young and entrepreneurial firms rarely possess all of the resources that creating a competitive advantage requires. In order to gain access to the absent resources, these firms should approach their networks and create alliances. Additionally, the obtained resources in the inventory must be bundled in to groups, which then must be effectively leveraged. Finally, the firm's competitive advantage is created through the strategy, which the managers develop by using these resources (Sirmon & Hitt 2003, 344-353).

RESOURCE BASED VIEW AND FAMILY BUSINESSES

Family businesses have been described with such adjectives as unusually complex and dynamic, and they have been noted to hold a great amount of intangible resources. These characteristics have attracted family business scholars to apply the RBV of competitive advantage to the analysis of the family business (Habbershon & Williams 1999, 3). Furthermore, one can without difficulty observe that Barney's (1991) conditions for imperfectly imitable resources apply to family businesses, and especially their human and social capital.

Habbershon and Williams stress the inimitability of family businesses' resources. They state that family businesses do have *historically unique conditions*, such as reputation, or the organizational culture, which is based on the family's values. The authors continue by listing some of the resources that are especially related to family businesses; examples of *socially complex resources* are "deeply embedded formal and informal decision making processes in family management", unique mentoring relationship between generations, and relationships between the family and the stakeholders in the supply chain. Additionally, the authors claim that family firms "may have numerous intuitive-based resources not accounted for in the everyday assessment of their competitive advantage", meaning that they definitely posses *causally ambiguous* resources, which are difficult to discover and analyse. Thus, family businesses have the potential to obtain imperfectly imitable resources, which in turn will create sustained competitive advantage (Habbershon & Williams 1999, 12).

Sirmon and Hitt (2003) categorized family businesses' unique resources and attributes to five classes that provide competitive advantage. They are: a) human capital, b) social capital, c) patient financial capital, d) survivability capital, and d) governance structures and costs. Human capital refers to resources of individual employees of the firm, i.e. knowledge, skills and capabilities. In family firms, human capital has complex characteristics due to the simultaneous family and business relationships. On the one hand, this trait has the potential to decrease the family businesses competitive advantage, due to nepotism. On the other hand, unique relationships between family members and between family and business have been noted to create unusual commitment, and enhanced transfer of firm-specific tacit knowledge. Sirmon and Hitt conclude that human capital is the most valuable resource of a family business.

Another important resource is social capital, which includes the relationships between individuals or between organizations, and the utilities acquired from these relationships, such as access to resources held by the alliance. Patient financial capital refers to family business owners' long investment horizons, which allows family businesses to employ creative and innovative strategies, which are hard to apply, when investors are requiring fast profits and quarterly results. Family businesses' survivability capital refers to business family members' collectivistic goal setting, i.e. the actions, which family members are willing to do for the good of the business. These include, for example, altruistic loaning, contributing, and sharing. Governance structures as a resource means that family businesses unique governance structures frequently result in low agency costs (Sirmon & Hitt 2003, 341-352).

FAMILINESS AND FAMILY SOCIAL CAPITAL – RESOURCES UNIQUE FOR FAMILY BUSINESSES

Habbershon and Williams (1999, 11) categorized the firm level resources to four classes: *physical capital resources*, e.g. plant, raw material, and intellectual property, *human capital resources*, e.g. knowledge, skills, and training, *organizational capital resources*, e.g. culture, policies, controls, and information, and *process capital resources*, e.g. leadership, the team, and commitment to communication. According to the authors, family business literature has identified attributes of family businesses from all of the above-mentioned categories. They continue by employing the concept of "familiness", which they define to be "the unique bundle of resources a particular firm has because of the systems interaction between the family, its individual members, and the business." The concept of familiness forms a "unified systems perspective on family business", meaning that it provides a mechanism for researchers to investigate the performance of family businesses, which are noted to include "complex arrays of systemic factors that impact strategy processes and firm performance outcomes", and to lack definitional clarity (Habbershon & Williams 1999, 11; Habbershon et al. 2003, 352).

As mentioned above, not all resources provide competitive advantage. Also familiness is not inevitably a creator of competitive advantage. If its not managed and maintained, or the firm does not consider it as a valuable resource, and neglects its improvement and nurturing, familiness may become a burden. The concept of "constrictive familiness" refers to this familial burden (Habbershon & Williams 1999, 13).

The potential for competitive advantage is provided by so called "distinctive familiness". Distinctive familiness creates familial advantage, which results in inimitable offerings appreciated by the customers (Habbershon & Williams 1999, 13). Habbershon et al. (2003, 461) proposed that the wealth-creating performance of family businesses is generated by advantages provided by the distinctive familiness, which is a key-concept in their unified systems model of firm performance. Chrisman, Chua and Litz (2003, 467) commented Habbershon's et al. (2003) model, and proposed that mere wealth creation is too narrow a view of family businesses' defining function. According to their opinion, in the family business context, wealth creation, i.e. economical profit, has value only as a mean to an end. As a consequence, Chrisman, Chua and Litz (2003) substituted value creation for wealth creation in Habbershon's et al. model, and justified this approach with prior research, which has indicated that unique resources can be influenced by non-economical considerations.

According to Bourdieu (1986, p.51) "*Social capital is the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition…*" Social capital is a resource, as alliances, contacts, and networks, in innovative ecosystems. (Coleman 1988). Social capital can be divided into bonding and bridging social capital (Putnam 2000). Bonding social capital is based on ties between individuals within a group (such as ties within an owning family in a family business), while bridging social capital are the external contacts outside a firm. Both are needed, as resources, to develop sustainable innovations (Adler and Kwon 2002).

Social capital has been analysed in business studies in the contexts of networks and social contacts (Manolova et al. 2007), references and their usage (Packalen 2007), strategic alliances and ties (Yiu and Lau 2008), trust (Lei-Yu et al. 2008), networks (see for example Chua et al. 2003 or Lockett et al. 2006) and networking (Greve and Salaff 2003; Downing 2005; de Bruin et al. 2007). Individual factors such as experience, and the age of entrepreneurs, increase the quantity and quality of social capital. Social capital influences the creation of new firms and business ideas. Entrepreneurs utilize social capital to start new firms and to run existing enterprises (Greve and Salaff 2003; Davidsson and Honig 2003). Social capital, in a combination with human, financial, physical and psychological capital, is needed in innovation ecosystems. Cumulative social capital increases the likelihood of opportunity recognition, and seizing business opportunities through combining entrepreneurial actions.

Promoting attitudes, and intention to become an entrepreneur, has created a basis for entrepreneurship education. Learning to become an entrepreneur is a resource (like social capital) consuming process: it contains desirability (ideas, attitudes, beliefs), feasibility (business planning), and creation of businesses. It challenges entrepreneurship educators to teach students at different stages of an entrepreneurial career (Gasse and Tremblay 2006). While entrepreneurial culture - through entrepreneurial orientation and entrepreneurial self-efficacy - is promoted since 1980s in education, skills to increase, activate, and nurture social capital have been missing. Learning to manage social capital seems to be one of the future goals in educating entrepreneurs in innovative ecosystems. Through educating entrepreneurial orientation among students - behaviour, attitude and actions based on innovativeness, competitiveness, proactiveness, risk taking, and autonomy - entrepreneurial culture can progress through increasing entrepreneurial self-efficacy.

Sirmon and Hitt (2003, 341-352) listed five categories of unique resources, which are often linked to family businesses' competitive advantage, one of which was firm's social capital. The authors gave an example of social capital's value by referring to alliances between organizations, which provide, for example, resources that are not held by all parties of the alliance. However, social capital as a resource includes much more. Social capital's development in an organization requires four factors: time, interaction, interdependence, and closure. Evolution of lasting social structures requires time and stability. These social structures, e.g. networks, develop norms of cooperation and high levels of trust. In the course of time, roles and duties in the network become clear. Parties of social structures commit to the continuity of the relationship, and by doing so, enhance the development of other factors of social capital. Interaction, on its part, is the tool for maintaining social capital, as reciprocal interaction within a social structure consolidates the structure's social capital. Furthermore, social capital's development depends upon mutual interdependence within a social structure. Interdependence increases the effects of cooperation, and encourages risk-taking by extending the benefits of actions from the individual level to the social structure level. Lastly, existence of closure in a social structure has been shown to positively affect the development of norms, identity, and trust.

According to Arregle et al. (2007, 76), "closure is the extent to which actor's contacts are interconnected, which affects the observance of behavioural norms." A closure separates members of the social structure from non-members, thus strengthening the norms and codes of conduct inside the closure, which in turn result in mitigated opportunism inside the social structure. Therefore, a closure creates a dense social network, which improves the transactions between network members (Nahapiet & Ghoshal 1998, 257-258; Arregle et al. 2007, 76).

Advantages that social capital provides are numerous. Nahapiet and Ghoshal (1998) identified from prior literature that social capital enhances the effects of the actions taken in the organization. They continue by noting that social capital has also been stated to reduce opportunism, due to high levels of trust it creates, resulting in cost reduction as monitoring costs decrease. In addition, researchers have found that social capital increases organizational learning and encourages innovativeness in the organization. Moreover, the authors state that social capital has a crucial role in the creation of organization's new intellectual capital. Social capital definitely has the characteristics of an inimitable resource, thus the authors suggest that the differences in performance between firms may result from differences "in their ability to create and exploit social capital" (Nahapiet & Ghoshal 1998, 245, 260).

Family business literature has made an extension to social capital theory with theory of "family social capital" (Arregle, Hitt, Sirmon & Very 2007, 76) or "family capital" (Hoffman, Hoelscher & Sorenson 2006), which are basically two similar concepts with different names. In this study, it is referred to as family capital. Habbershon and Williams (1999, 12) noted that family businesses hold inimitable resources, which are, inter alia, causally ambiguous, i.e. it is difficult to comprehend, how the resources create the sustained competitive advantage. Hoffman et al. (2006) have proposed a model of family capital, which should assist in understanding this ambiguous link. Also Arregle et al. (2007) have formed a theory of family social capital, which, such as Hoffman et al.'s model, is based on the theory of social capital.

In the core of the social capital theory are the relationships between individuals and organizations, and the advantages gained from these relationships. These individuals and organizations form social structures, which act as incubators for social capital. An archetype of a social structure is a family, which is known to include stronger, more intense, and long-lasting ties, i.e. relationships, than other social structures. Therefore family capital can be considered to be a special form of social capital, which does not exist outside the family structure. Furthermore, like social capital, also to family capital needs to be nurtured, maintained, and developed (Hoffman et al. 2006, 136).

Family capital manifests itself through internal and external information channels, dense closure, and family norms. Internal and external information channels refer to social networks that link them to their external environment, and which exist inside the family and the business. Efficient internal information channels may lead to high network centrality and to access to unique resources. Moreover, cohesive information channels inside the family and the business enhance communication, the transfer of tacit knowledge, and creation of new knowledge. External information channels refer to family businesses' interaction with outside organizations and professionals. Because of strong internal information channels and the family history, families are able of creating a dense closure. Dense closure enhances the evolution of family norms, since a closure mitigates its members' intentions to violate the closure's norms. Family norms form the guidelines for expected and accepted behavior of family members, and, later in the family business, they are applied to the employees as well.

Ultimately family norms will strengthen the reputation of family business, by increasing its trustworthiness in the eyes of customers and other stakeholders. In addition to the reputation, family norms intensify the collective trust, by allowing family members to rely on each other and work in cooperation. Collective trust encourages family members to contribute to the family's efforts, since they know that family will help back, when its members need it to. Lastly, family norms include identity and moral infrastructure. Identity means the separation of "us" from "them", which is enhanced by collective goals and group norms, i.e. closure. In a social structure without identity, little information will be shared or knowledge created. Moral infrastructure is "…identified as the interpersonal structure or network that reinforces beliefs about self, family, business, and the larger community and how these entities should relate" (Hoffman et al 2006, 137-139).

According to Arregle et al. (2007, 78) family social capital, i.e. family capital, influences the development of organizational social capital in family businesses. As the family is the dominant group in the firm, because of its ownership share and management positions, it has the ability to decide the direction of the firm (Arregle et al. 2007, 78). Thus, family capital is a crucial factor in family businesses competitive advantage. In line with Arregle et al.'s (2007) views of family capital is Hoffman et al.'s (2006, 137) notion that family capital in family businesses is available sooner than social capital in non-family businesses. This results from families' intense, immediate and enduring relationships. Therefore, especially beginning, family businesses do not need to develop social capital, as non-family firms do. Furthermore, family capital is unique in every family business, so non-family businesses do not have the possibility to duplicate it.

Family capital has the ability to decrease transaction costs, because of the prevalent family norms, closure, and information channels. In addition, reputation is a valuable resource that stems from family businesses trustworthiness in the eyes of customers, and creates additional value for the family business. In conclusion, family capital is an enduring strategic resource, which probably enables family businesses to achieve competitive advantage over non-family businesses (Hoffman et al. 2006, 137-141).

DATA AND METHODOLOGY

For the present study originally historical and cultural primary data was collected from both the Finnish Central Archive of Business Activity (ELKA) in Finnish, Swedish and Russian languages. Since the study is economic by nature, historical and cultural sources were processed from the perspectives of the transgenerational family business as well as resource-based view described previously as the theoretical preunderstanding.

In particular, data was derived from the Finnish edition of the biographic book "*Sinebrychoffit*" (Mäkelä-Alitalo et al. 2009), where the rare building schemes and portraits helped recreate the commercial spirit of the past. The internet portals "*Biographiakeskus*" and "*Sinebrychoffhistoria*" played also a decisive role in understanding social status of the Sinebrychoff family members. For increasing transparence of judgments on Sinebrychoff's merchant significant in the Finnish society, additional literature pieces were investigated. "*Venäläiset kauppiaat Helsingin historiassa*" ("The Russian merchants in the Helsinki history") tells about other families, connected or non-connected with the Sinebrychoffs, who performed on the front of the Finnish industry. Another edition of "*Venäläiset Suomessa 1809-1917*" ("The Russians in Finland 1809-1917") reveals the meaning of the Russian spirit in Finland as well discusses on the cultural impact of the Russian merchants in the Great Duchy of Finland.

To find out whether the Sinebrychoff family set of values remained in the forthcoming generations, the number of end-of-year reports before merger with the Carlsberg concern was researched (Oy Sinebrychoff Ab, Toimintakertomus 1978-1979, Vuosikertomus 1980-1988). Finally, the critical reviews of the historical data as well as modern outlooks on the brewery history were received from the corporative newspaper "*Oluen Ystävät: Oy Sinebrychoff Ab:n asiakaslehti*" (1996-1999), where historical sage about Sinebrychoff founder, Nikolai, was presented.

Thus methodological choice was following: historical case study based on primary and secondary data available to understand resource based view in the Sinebrychoff family dynasty.

THE SINEBRYCHOFF FAMILY: FINNISH BREWERY DYNASTY WITH RUSSIAN ROOTS

FAMILY BACKGROUND

The Sinebrjuhovs emigrated from the Gavrilov district (that is located near Yaroslavl, Russia) to Vanha Suomi (Old Finland) province in Finland and were serving as army food suppliers in the end of 1790s (Kuhlberg, 2002). There was a general practice for the Empire Helsinki and Viapori to enlist to the services of Russian businesses and subcontractors (Kurkinen, 1984). Commercial success of the Sinebrychoff family dynasty was preconditioned by an energetic start of the brewery founder, Nikolai Sinebrychoff. Nikolai together with his brothers, Ivan and Pavel, made fortune in the Great Duchy of Finland, facilitated cultural development of the Finnish capital and brought up the next generation of family members in compliance with Orthodox traditions and family set of values.

1ST GENERATION OF SINEBRYCHOFF FAMILY

First generation of the Sinebrychoff family business, namely Nikolai, Ivan, Pavel and Anna, put the foundations, core principles and sense of responsibility to their progeny. They owned brewery and other family assets accountably to their own employees, community and Church. Success of Pavel Sinebrychoff and outright crash of his son Nicolas are better perceived through the generational peculiarities (not the differences) and ownership strategy of each of the family members.

NIKOLAI SINEBRYCHOFF (1789-1848)

Nikolai Sinebrychoff was the elder child of the poor Russian peasant Petr Sinebrjuhov (Sinebrychoff, around 1750-1805). It became clear that after his father's demise in 1805, 16-year-old boy, Nikolai, took full responsibility of the business activities (Mäkelä-Alitalo, 2009). Young and brave, entrepreneur open-mindedly widened the business.

Nikolai Sinebrychoff made personal reserves both as a Helsinki merchant and, first of all, as a Viapori wine dealer and brewery owner. In Viapori Sinebrychoff quickly increased his ownership stake. Ownership plans of Nikolai broached a possibility to saturate the market and bear the competition by means of family ownership stake beyond the alcohol sector. In 1819 as a result of the auction Nikolai purchased the monopolistic right for brewing, and two years later, in 1821, the construction of the plant in the heart of the Finnish capital had begun. In 1833 Nikolai got permission for foreign trade from the city administrative court.

His brother Pavel Sinebrychoff worked as a translator. With the outlet to international, global in a sense, markets the Sinebrychoff family started systematically augmenting ownership stake. Working shoulder by shoulder with his brother, Pavel gained so required business experience to his majestic flair of socially demanded activities.

Nikolai Sinebrychoff operated in several directions simultaneously, and appropriately he was the first family member awarded with the title of Counselor of Commerce in 1835 (Oluen Ystävät, 3-4/1996, 4/1997). Business aspirations of Nikolai Sinebrychoff stretched also to Russia and Poland. Additionally, he was the chief contractor of the Uspensky Cathedral in Helsinki (the main Orthodox Church in Finland). Considerable ownership that was created by Nikolai Sinebrychoff consisted not solely of the brewery industrial investment. He was also engaged in the direct international ownership. He subcontracted stone, sand and steel to Tsarskoe Selo and Nikolaevskaja rail road building site.

On the forest tracks Nikolai found and then bought half price the fallen trees, and then sold them at a much higher price as logs for railroad ties. Export of vine was mainly into Russia and Poland, and Ivan Sinebrychoff acted as his brother's representative salesman in those countries (Oluen Ystävät, 1,4/1998). Nikolai was interested in panning for gold in Siberia. Nikolai Sinebrychoff contracted "with own materials and masters". 'Pecking order financing', or unwillingness to be dependant on the lenders' capital, was a peculiarity of the Sinebrychoff family also in the forthcoming generations.

Although Nikolai had not ever learned Swedish or lived in the mansion on Bulevardi street, he was all the time within the community circle. He had managed to establish strong liaisons with all authoritative figures in the capital. Nikolai's care of the next generations of family owners and necessity to fulfill moral functions towards the Finnish society (i.e. control the operational and sale processes in Viapori) affected Paul's and later on Nicolas' ownership style (Oluen Ystävät, 1, 2/1999).

Gross ownership value that Nikolai left to his offspring in Helsinki was about 99,300 silver rubles (according to estate inventory deeds). Two thirds (nearly 67,000 rubles) of this amount formed real estate and lots. Value of products and belongings of brewery and winery numbered 28,000 rubles that was a quarter of what was left after Nikolai's death. There were also debt notes primarily from banks (44,000 rubles).

IVAN SINEBRYCHOFF (1790-1879)

Ivan Sinebrychoff became a forceful merchant, with the assistance of his brother Nikolai. Fame of the main family business value - Sinebrychoff brewery owned by Nikolai - eased other business sectors' development and allowed Nikolai's brothers to spread web of contacts at greater speed. Nikolai had managed to broaden family success to Russia and especially to Poland.

For younger brothers, Ivan and Pavel Sinebrychoff, a new stage in life began after Nikolai's death in 1848. Ivan Sinebrychoff worked in Helsinki from 1848 until 1852 as a managing director at the brewery that belonged earlier to Nikolai (Mäkelä-Alitalo, 2009). Ivan and Pavel Sinebrychoff first of all drew a wise agreement with the husbands of their sisters: brothers-in-law were regarded to be excluded out of all family legacies. So the family equity was not under distribution. Provisions were made for keeping family property untouched. After that brothers decided to distribute inheritance among them: Ivan received 3/4 of Nikolai's businesses and Paul - 1/4 (Kuhlberg, 2002, 152-156). Ivan Sinebrychoff received all Nikolai's Polish and Russian enterprises, whereas Pavel Sinebrychoff was endowed with the Finnish businesses. So Ivan Sinebrychoff moved to Russia, St.-Petersburg. However, brothers were taking also family liabilities to the fullest extent: in this sense, ownership was regarded as not only rights and profits, but also liabilities and responsibility.

As members of the Sinebrychoff family noted, Ivan was ill-tempered and autocratic by nature. This observation well correlates with the division of legacy, or namely with its percentage allotment. However by the end of his life, Ivan was really rich and later became the zealous believer. Ivan was remembered by the Finnish community in connection with his generous gift - Aleksandr Nevsky icon - to the Kotka Orthodox Church. Ivan Sinebrychoff died in 1879 at the age of nearly 94. Religious aspirations of the brothers passed to their children, but the core principles of the owning the family firm in accord with religion and family traditions remained safe across generational borders.

PAVEL SINEBRYCHOFF (1799-1883)

In addition to strong Russian cultural backgrounds and orthodox religious values, all members of the Sinebrychoff family easily assimilated to the circle of Swedish-speaking elite and other bourgeoisies. So was Pavel Sinebrychoff, younger brother of Nikolai and Ivan.

Commercial and financial success of Pavel started only after his brother's, Nikolai, demise in 1848. Pavel Sinebrychoff continued business of his elder brother both in Helsinki and Vyborg (Jääskinen, 2009). In the same year Pavel got married with Anna (whose contribution to the dynasty prosperity will be discussed in more details). There were born four children in their family: Maria, Anna, Nicolas, and Paul Jr. Although law made a wife of lower status than the spouse, she could influence husband's decisions at home and be a productive decision-maker at work. Behind successful males there have often been wise women. Collaboration work of the spouses, Pavel and Anna, was imbued with the strong feeling of emotional ownership and key sense of reliability towards each other (Mäkelä-Alitalo et al., 2009, 44-47). Emotional endurance of the business matters is expected to make economic growth of the family enterprise possible.

For more than fifteen years Pavel was the monopolist in wine industry. But the situation drastically changed, when exclusive trade right was given to license agency, what consequently prohibited the Sinebrychoff winery to produce: a number of competitors occurred to be reckoned with. Pavel Sinebrychoff recognized that time had come for massive investments. He was among almost every erected business beside the brewery. Hufvudstadsbladet (the Swedish language Finnish newspaper) wrote that Pavel Sinebrychoff generously sponsored other developing family enterprises (http://www.kansallisbiografia.fi).

After limits on beer and wine production had been imposed, it was a wise decision to invest family funds into arising ventures. Pavel Sinebrychoff bought real estate from different sites of the city, bought stake in Helsinki dockyard and also acquired controlling interest in Turppa gun-powder factory, spa-hotel 'Villensauna'. As a result of diversifications of main businesses and creation of retail chain, Pavel had succeeded in multiply increasing company's turnover. And again, strategic foresight aligned with pro-active in-time ownership steps eased achieving the dominant positions in the Finnish capital niche. By the moment of his death in 1883, Pavel left for his descendants 3.7 million marks of net ownership, half of which included real estate rights (Mäkelä-Alitalo et al., 2009, 108).

As a brewery' head, Pavel belonged to most powerful citizens of Helsinki. For several years in a row he was the person with the greatest income. Moreover, in 1870s he was the biggest taxpayer in Finland, and only the Finnish Bank paid more for the state (http://www.sinberychoff.fi/ tiedostot/sinebrychoffit.html). Apart from business activities Paul Sinebrychoff participated in cultural development of Helsinki. In 1853 in the capital negotiations were proceeding about building of new theater. Additionally, Counselor of Commerce Pavel Sinebrychoff founded pension trust, what was a breakthrough in the Finnish social system, since there had not been any government pension provided yet. For employees Pavel constructed rental apartments and built a school for personnel's children.

Contrary to his brother and business partner Nikolai, Pavel Sinebrychoff learnt Swedish, which made possible to easier win respect and fame among the cultural elite. Advantageous marriages of daughters Maria and Anna even greater strengthened family business lead positions. Pavel Sinebrychoff was multisided, socially pro-active person. He belonged to the Helsinki city council and open-handedly helped the Orthodox Church. Pavel also participated in the activities of the Helsinki Russian Parish, donated considerable amounts to the building of the orthodox churches and rearmament as well as sponsored the iconostasis. However the Sinebrychoff family social conscience was not at all for public attention.

The Orthodox Russian patriarchic instances influenced the owning style of Pavel Sinebrychoff, although for decades of competition he learned how to make in-time radical decisions. As a distinctive feature of Pavel Sinebrychoff, he had a capability to combine traditional Russian everyday religiousness with hard-headed business principles (Vupiska, 1804). He featured more Russian religious philosophy (Tynkkynen, 2001, 68-69; Koukkunen & Kasanko, 1977), than the practicality of the big beer and vine manufacturer. Unlike contemporary Nikolai, Pavel bore more the Russian spirit.

Irreproachable family life and unfeigned respect for everyone contributing to the common good complete the attributes of Pavel's and Anna's Sinebrychoff set of values, moderate and mature in principle. There was a respect for employees at its high, but disregard and malpractices from subordinates were instantly suppressed. Labor force was regarded by family as one of the key factors of business continuity across generations. There were legends about especially farther relations of Paul Sr. to factory employees and lower status person

Frequent fits forced Pavel Sinebrychoff, who was approaching to his 80th anniversary, to leave governance of the family firm in late 1878 and make transfer to the next generation - to his 22 years old first-born son Nicolas. Generational succession was significantly eased with establishment of a new legal structure - public limited company. So it was seen as one of the innovative steps in estate planning of that time. One of the main reasons for joint company was a possibility to retain stock within a family for future generation. Notes of proactive ownership might be considered in this respect. Apart from legal reorganization, principles of brewing did not change. On the contrary family business went on producing up-quality beer with long traditions of taste.

Pavel died in 1883. The burial service was read in Uspensky cathedral that was constructed by Pavel. Thousands of people followed the burial procession from the Uspensky cathedral to the Russian cemetery. The press underlined all achievements of the Sinebrychoff family business in the reign of Pavel were obliged to his hardworking and social status in the community.

ANNA SINEBRYCHOFF (1830-1904)

Ownership of a family enterprise usually involves creating an elaborate system of values and principles, which family members consequently rely on. In the Sinebrychoff family dynasty, in its two most prominent generations, Anna Sinebrychoff featured that value-creator and largely contributed to the international fame, both economic and social, of the brewery.

Anna was socially open and charitable person, who had taken every day's responsibilities for the common good. Anna Sinebrychoff loved and appreciated her husband, who raised their family to the unprecedented heights. Paradoxically, how only 19-years-old Anna, whose mother was a housekeeper in the Sinebrychoff's mansion, became at the age of 50 an extremely rich owner of her spouse's estate. Anna Sinebrychoff turned out to be a talented business partner and worked in pair with her husband for more than 33 years that was their whole marital life.

Anna Sinebrychoff became an influential person for the whole Helsinki city. Her business acumen and management sense were critical for widening her husband's numerous ventures. And at the age of 53, being already a widow, Anna was promoted to the position of the chief executive of the incorporated enterprise (Jääskinen, 2007). She doubled the personal property for only 20 years behind the wheel after her spouse's death. Inheritance capitals were wisely invested into more valuable government securities that gave regular increases in income. Consultants played a critical role in ownership planning of the whole family. Anna showed much sympathy towards deprived social groups, but did it mainly in private, thus avoiding public appreciation. She constructed the school for employees' children, bought cloths for poorest pupils, supplied elders with food, and was generous at giving interest-free loans.

According to the will, Anna Sinebrychoff established two trusts, one of which was targeted at subsidizing poor pupils and another – for elder people. In the neighborhood with the Hietalahti factory Anna established the hospital in 1870s, where factory employees and members of their families could get free of charge medical treatment (Mårtenson, 1969). Additionally residents of the surrounding village were using the services of the hospital (Oy Sinebrychoff Ab:n työterveyshuollon tausta ja kehitys, 1985). Hospital had a strong social meaning. As far as is known, other factory medical points and social activities in Finland of that time were not a patch on it.

There is no reason in comparing after-demise belongings of Anna Sinebrychoff with her husband's 3.7 million marks, because descendants kept also corporation's ownership. After establishment of joint-stock company business assets were regarded differently from that of the private assets of family members. Progeny of Anna Sinebrychoff received twice as much compared to personal holdings of Pavel Sinebrychoff.

2ND GENERATION OF SINEBRYCHOFF FAMILY

Second generation of the Sinebrychoff family inherited considerable ownership with fine perspectives for future success. However external forces, such as market competition and political pressure played its role in later development of the business. Nicolas' drawbacks together with Paul's saving challenges are considered in greater details to show the survivability of the Sinebrychoff businesses and role of social constituent of ownership in the industrial development.

NICOLAS SINEBRYCHOFF (1856-1896)

Nicolas had not become a true businessman as was his uncle (Nikolai), rather the contrary. The elder child of the rich family grew up as a mischievous, spendthrift boy, who would have probably brought the whole corporation to bankruptcy. Due to unexpected illness of his father, Nicolas headed the business in 1878. In precious few months in the end of 1870s, however, production levels rocketed. Brewery strengthened its competitive positions and its market share in the country's scope increased to one fourth. There was a proposition that successful disposition of the Sinebrychoff business under the reign of Nicolas resulted from Pavel' and Anna's cooperative ownership in the preceding decades.

Upon the old business traditions, Pavel Sinebrychoff sent his son to acquire merchant experience in Lubeck to the Piehl & Fehling enterprise (Mäkelä-Alitalo, 2009). Inability, or rather unwillingness, of Nicolas to pursue business formal education affected his future indebtedness and passionate attitude to social affairs to a certain extent. When Pavel Sinebrychoff was forced to leave the business due to old age and bad health, Nicolas became a business chief executive. In the same year he married to Miss Anna Nordenstamm and got connection with one of the most influential persons of that time, general Johan Mauritz von Nordenstam (Kuhlberg, 2002, 166-171).

As a general outlook, brewery and other ventures flourished during the Nicolas' time. New winery was opened in 1880, critics in the newspapers was favorable towards the vine's quality standards. During the reign of Nicolas there were built additional facilities for the brewery, created new malt and yeast storage facilities, bought extra land lots (Mäkelä-Alitalo et al., 2009, 65). Finally in 1884 the electricity encircled the whole manufacturing. Nicolas was also interested in shipbuilding and was one of the owners of Hanasaari and Blekholmen dockyards (http://www.sinberychoff.fi).

Nicolas Sinebrychoff was a social person and he succeeded in cultural life as well as publicity. Upon the family archive correspondence, older family members were even concerned by Nicolas' greater interest in sailing, hunting and reading, than owning a multigenerational business. Nicolas and his wife Anna were engaged in philanthropy and so continued the old traditions of the Sinebrychoff family. In confirmation of these words, Nicolas presented to the Aleksander male gymnasium 2000 Finnish marks, which were planned to be used on acquisition of books and course materials.

One could only guess, whether reorganization of family business into public limited company in 1888 was Nicolas' merit or guilt. A few years earlier he was forced to travel abroad to improve his health – because he suffered pneumonia – and when the corporation form was settled, the Paul Sinebrychoff occupied general manager's position. Probably Nicolas was preparing some renovations of governance mechanisms, but final results did not though come up to his expectations. When enterprise went public, its joint assets were distributed in 240 shares, which total value exceeded 15,000 Finnish marks. Mother Anna Sinebrychoff retained 140 shares and every out of four children (Maria, Anna, Nicolas, and Paul) got only 25 shares. This testament had been questionable, if children would have wanted to intervene in the distribution of property, but the social and business reputation of Anna Sinebrychoff mother was so high, that no one really dared to questions their father's decision. Additionally business acumen of Anna Sinebrychoff gave profits to the whole enterprise, and everyone clearly perceived that fact. Anna Sinebrychoff hence worked as a chairman of the family business board of directors.

Such an ownership distribution led Nicolas to remarkable indebtedness, in contrast with family business' success. He mortgaged all his shares as collateral to his mother in 1888 and got a monthly provision with 1,500 marks as well as additional financial assistance. Nicolas then was taken under his mother's guardianship, and business activities led to triumvirate of Anna Sinebrychoff, Paul Sinebrychoff and Emil Kjöllerfeldt. Nicolas was still on the board during 1888-1889 and served as an auditor 1891-1896 up to his decease. Together with his wife Anna Nordenstamm, Nicolas lived in Erottaja, outside the family manor house on Bulevardi.

Severe financial problems of Nicolas and simultaneously far-sightedness of his mother are better understood after calculations of remainder left for Nicolas' progeny. Mother Anna Sinebrychoff, who held under personal control all shares of her son and made payments only from these shares' income, managed to transfer to the next generation more than 300,000 marks of Nicolas' estate. Not only family ownership was not under question, but streams of extra capital entered a family harbor.

Nicolas' reign was featured by the dominance of the Sinebrychoff multiple businesses within Finland and beyond the national frontier. However excessive involvement in social activities made Nicolas the most questionable figure in the family history. With proper job trainings and contemporary strategy thinking, Nicolas perhaps did not wish to become fully engaged in the ownership of an enterprise. With assistance of his mother Anna and younger brother Paul the Sinebrychoff corporation still survived and continued into future generations. To complete the 'father-son' comparison of Pavel and Nicolas, one more member is involved: Paul Sinebrychoff, Nicolas' younger brother and prominent leader during the most complicated stage in history of the family dynasty. Transgenerational success is, hence, alleged to be a synergy of ownership principles of two generations of the Sinebrychoff.

PAUL SINEBRYCHOFF (1799-1883)

As the youngest child, Paul was the genuine family favorite. Paul's Jr. character differed from that of Nicolas: hot-tempered and unsociable, he although nobly carried family debts and continued traditions of charity by amassing pieces of art into remarkable collection (Kartio, 1994). Young Paul Sinebrychoff increased its importance among the Swedish-speaking city elite. Studies in the high school promoted Paul's language skills and after business practice abroad, he grew into an up-to-date businessman with international orientation and passion for art's collection. He kept liaisons with the Orthodox Church, held icons at his home and spoke always Russian with his compatriots (Jääskinen, 2009).

Paul's Sinebrychoff zest for honor had an effect on the spouse's selection. He fell in love with the actress of the Swedish theater Fanny Grahn. In 1883 21-years-old Fanny got married to 24 years old Paul Sinebrychoff (Kuhlberg, 2002, 174-175). With no children, Fanny concentrated more on the widening their family masterpieces and also on the philanthropic mission like her mother-in-law, Anna, did. In the surrounding social and political environment, Fanny and Paul perceived polarization of opinions, bless for being rich and curse for inability to fully affect social injustice. They got streams of money, whereas many others beggared and felt misery.

For nearly ten years, from the second half of the 1890s down to 1905-1910, the Sinebrychoff brewery production share dropped by nearly one third. Economic power of the business still grew due to in-time ownership purchases. In the 1890s during the crisis time the directory board chose Paul to face market difficulties and respond to overall competition. Paul Sinebrychoff skillfully managed the inherited multiple businesses in the period of the period of radical changes. Managing director Paul Sinebrychoff composed a so-called triumvirate along with his mother Anna Sinebrychoff and his son-in-law Emil Kjöllerfeldt, who both died in 1904 (Mäkelä-Alitalo et al., 2009, 83-85). In last years of his life, Paul was a single owner-manager. Family corporation had its own directorate, but it acted more as a deliberative body.

Paul Sinebrychoff was a skillful administrator as well as business renovator. He was for sure a mother's boy and inherited her financial acumen and investment far-sightedness. Paul also participated in activities of other non-family businesses and was the chairman of the Finnish Public Bank council 1907-1916 (Mäkelä-Alitalo et al., 2009, 113). Alike his father, Paul Sinebrychoff was awarded with the title of Counselor of Commerce. Unfortunately for the enlarging ideology, glorious innovations and struggling character there were not found accepted fields in the business. To Paul's ideas, pleas and arguments, proud and sometimes coarse civil servants did not have any certain reactions, so collaboration between business and prohibiting authorities failed.

Paul Sinebrychoff's wealth comprised both bank and industrial stocks. Paul bought among others voting shares in paper factory in Walkiakoski, metal company Fiskars and cotton plant in Waasa. In his stock portfolio there was additionally shares of steamship company Höyrylaiva Oy southern Finnish intercity telephone company Etelä-Suomen Kaupunkienvälisen Puhelin Oy. Dockyard in Hietalahti belonged to earlier family investments. Being major owner, Paul Sinebrychoff was elected as the governance member in Fiskars and Finnish steamship line Suomen Höyrylaiva. Bonds numbered about one tenth of Paul's security capital. All in all in the joint stock portfolio there were bonds of Finnish hypothec corporations, Finnish and Russian governmental promissory notes, and Helsinki city bonds as well industry low-priced papers.

Paul Sinebrychoff's life ended dramatically because of the heart attack in 1917. To his descendants, Paul left the biggest art collection in the Scandinavia that contains more than 700 artists' names. For the next several decades family descendants occupied leading positions in the business. However after 1970 in the management of the Oy Sinebrychoff Ab corporation there were no more representatives of the Sinebrychoff family. Nevertheless the Sinebrychoff name stays in perpetuity in the Finnish cultural and business history.

RESULTS

In accord with the resource-based view on commercial success of the Sinebrychoff family, 'resource pool' first suggested by Habbershon and Williams (1999) will be used as a pattern for description of case's results. Role of leadership, capital, decision-making, culture, relationships, governance, and knowledge are analyzed to describe development of the family business.

LEADERSHIP

Across the described generations of owners, leadership positions in the Sinebrychoff business were sequentially occupied by ambitious, wise, motivated and mature individuals. Transfer of leadership positions was made according to business qualifications and readiness to face market competition as well as amass value and wealth for current and future generations. Despite the consanguinity of all owners in charge, nepotism barely existed in its direct sense: Nicolas and Paul were treated from their birth as possible inheritors, but still were treated with all seriousness, got qualifications in and outside Finland, proved own aptitude to their parents. Taking into consideration closeness of relationships between two consecutive generations, there were formal and informal leaders in the family. For instance, mother Anna Sinebrychoff not only assisted his spouse, Pavel in business and social endeavors, but also was sincerely respected by every family member.

The same attitude was granted to Nikolai, Pavel and Paul. When Nicolas was in financial troubles, the whole family united and mother Anna took decisive steps towards securing family future perspectives as well as personal ownership of Nicolas. Leadership in the Sinebrychoff family was supplemented by proactive ownership, in particular by accumulation of property around the family main asset, brewery. During 19th century, Sinebrychoff possessions spread beyond the Finnish borders in Russia and Poland, Sweden and Central Europe. Moreover, Pavel Sinebrychoff as owner-manager patronized the whole industrial development of the Finnish capital, personally participating in new ventures.

SOCIAL CAPITAL

The Sinebrychoff family was an outstanding example how social interaction influences on business and ownership diversification. Partly due to mixed marriages with the powerful family branches and partly through assimilating into the Finnish cultural and political circles, members of the Sinebrychoff family gained respect and trust among the mighty of this country. Nothing out of these achievements, however, was free of charge. Stepping into new networks, family members had managed to protect their own family capital untouched. Affecting others' decisions, two generations of the

Sinebrychoffs followed the same traditional principles, relied upon the unchanged value set.

Evolution of the family dynasty features accents on commercial networking largely in the first generation, whereas the second-generation owners focused more on wining social acknowledgement and status for themselves and their progeny.

FINANCIAL CAPITAL

Capital had always been a critical stone in the family business construction. There was a strict division between the equity capital and that of commercial activities. Family capital, further divided into 240 shares and consequently modified, was presenting the pledge of family independence. Flexible schemes of ownership and management of the family holdings allowed family members to preserve also the most part of the acquired assets.

Capital also played a decisive role in the ownership transition from the first to the second generation: with in-time formalities about the legal status change, family stock featured the distribution of power. Active participation in enterprises from various industries allowed securing ownership positions for years in a row.

DECISION-MAKING

Power of decision-making was a collaborative meaning: across generations, no one was deprived of facilitating own ideas and putting them into practice. Nikolai Sinebrychoff, brewery's founder and family pace-setter, defined key business principles, whereas his brother Pavel showed how ownership decisions affect the family well-being. Mother Anna Sinebrychoff was a talented decision-maker and during all her life assisted to family members and in-laws. Younger representatives of the family branch, Nicolas and Paul, had different decision patterns, however contributed to cultural, financial and industrial growth of Helsinki.

CULTURE

For the Sinebrychoff family culture was an advantageous point: even in later generations, not described in the following study, owners of the brewery looked back to cultural impulses made by the founders. Nikolai, Paul, Anna together their children and relatives demonstrated the Russian heritage. However the cultural impact of the Russian merchant family on the territory of the Great Duchy of Finland causes number of questions. Traditionally in Finland there were prejudices towards Russians due to the cultural and religious differences.

Finnish businessmen were afraid of the possible increase in competition between the Russian merchants. The history shows that quite often Russian merchants succeeded well abroad. Social anxiety was also based on the conqueror ideas of the Russian state towards Finland: at least after 1908 these spirits were in the Finnish masses. Also religious views differed from what Finns were accustomed to: long beards of the Russian merchants and overall appearance gave ground for biases. All in all, the Sinebrychoffs considerably contributed to building social infrastructure, cultural life of the Finnish capital and internal ethics of family employees.

RELATIONSHIP

Relational unity and conformity with business interests facilitated quicker acquaintance with the foreign environment. There was a discipline in the relationship in-between family members as well as in the factory floors. Additionally number of family representatives, such as Paul and mother Anna, Anna Nordernstamm and Paul demonstrated their father attitude towards factory employees. Even in relationship with the authorities and tsar, the Sinebrychoff family visually demonstrated advantages of proactive ownership and sense of measure: results and not flattery were the symbols of establishing good rapport with the officials by Sinebrychoff members.

GOVERNANCE

Governance was mainly aligned with the ownership functions. In the later form of corporation, the Sinebrychoff brewery set up the advisory and directory boards, however their tasks were more deliberative, since the true power was concentrated in the main owner’s hands. In the first generation, governance was distributed between three brothers, although Nikolai had also an ultimate power of all holdings. After Nikolai’s demise and in future generations, ownership of the Sinebrychoff family concentrated in St.-Petersburg, Helsinki and Poland. The Sinebrychoff family also actively participated in the other enterprises’ governing and owning. With the change of its legal status, the Sinebrychoff brewery was still governed by closest family members.

KNOWLEDGE

Being mainly practical, rather than theoretical, members of the Sinebrychoff family acquired necessary knowledge through personal engagement into the commercial process and cooperation with the elder representatives of the industry. If the second-generation owners received proper education and honed their skills abroad, founders of the family firm gave credit for long years near production, positive impact from the growing network. Family members became wiser due to comprehending the many-sided nature of business ownership: financial and legal side was quickly understood as a mean for fulfilling social good in and for a community.

FINANCIAL PERFORMANCE

As a result of collaborative occupation into the brewing sector along with participation in overall industrial development of the capital, the Sinebrychoff family gained financial stability and even prosperity: with radical governmental measures for protecting state monopoly rights, family was able to increase its wealth due to timely investment in securities. Thus financial setback in one niche was compensated by steady increase in the other.

ENTREPRENEURIAL PERFORMANCE

Entrepreneurially oriented family leaders created business value, which consisted of financial and non-financial (i.e. social) parts. Business acumen of the first-generation owners allowed family business to be creative in the later years and pro-actively face the competitive environment. In this case the success of Pavel father and failure of Nicolas son might be clearer traced: with no primary interest in governing family company, Nicolas put the longitudinal perspectives at stake. Mother Anna Sinebrychoff, brother Paul and brother-in-law Emil with their entrepreneurial talent came to the rescue of Nicolas.

SOCIAL PERFORMANCE

Finally, apart from direct involvement in firm's ownership, two generations of the Sinebrychoffs achieved the social success: their advice was listened to, their opinion counted and their participation in construction of hospital, theater, establishment of pension fund, renovation of churches perpetuated the family name in the Finnish history.

CONCLUSIONS AND FUTURE RESEARCH

The following study historically analyzed on the most famous Finnish business dynasty, whose roots come to the Russian province. Strong emphasis on family values, Orthodox religion and proactive ownership resulted in building a corporation that was the industry brewing leader, social system pioneer and cultural standard for developing enterprises. The story of the breathtaking success and further difficulties was given in accord with the resource based view. The uniting factor for two generations of the Sinebrychoff family is eventually regarded to be based on the common religious conviction and sense of responsibility for family, society and future. Such observation gives fertile field for further research.

Orthodox Church traditions modify the life of an orthodox family and its everyday routines. Preservation of traditions gives people a possibility to favorable use positive experience of the past generations. Expectations of the new owners are also in accord with years of traditions and faith in life. The Church taught the theological values' meaning, so widely used by the members of the Sinebrychoff family. The Sinebrychoffs assimilated into the Finnish society completely and all family members received the Finnish citizenship, the Russian religious traditions were preserved and honored by the family.

In general, the Orthodox religion has gathered Russians together. Within the parish the role of the parson is in uniting believers: it represents the true power. Ties between parishes and merchant families were deep. Church traditions were found in the Russian sense, and financial sponsorship of the Church was a display of faith and socially it was a praiseworthy activity. So the contribution of the Russian merchants was remarkable especially in the development of their district parishes. Nikolai, Ivan and Pavel were still Russian at heart and spoke Russian. However gradually, due to mixed marriages, family stepped further and further towards the Swedish-language circles and Swedish culture. Eventually next generations were completely Swedish-speaking and Western-oriented.

So in the following paper an empirical influence of religious beliefs on ownership style and overall business performance will be studied. In-depth interviews are expected to be reinforced by the quantitative analysis of modern family enterprises, where religion represents one of the cornerstones of ownership philosophy.

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APPENDIX 1

FOUR GENERATIONS OF THE SINEBRYCHOFF FAMILY

(Source: Kuhlberg, 2002, 199)