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WHAT IS A BUSINESS FAMILY?

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Abstract

Most businesses are argued to be family businesses, but this group of businesses is very heterogeneous. This is noticed in terms of differences in level of family involvement and influence in family businesses, and the F-PEC scale is a powerful tool when analysing such variations. However, all the families that are involved in these family businesses are also different. These families may be referred to as business families, but how do such families differ from each other? In order to be able to answer that question, one needs to start by defining a business family. During the search for such a definition, one will find that a business family may be positioned on a continuous scale ranging from business influenced families to family business influencing families.

Key words: business family, family involvement, family influence, business influence

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INTRODUCTION

There is a growing interest in family business research, and one reason for this development is the often reported notion that the majority of all businesses may be classified as family businesses. For example, Handler (1990) suggests that family businesses in the United States account for roughly 50% of the nation's gross national product, as well as for half of the nation's workforce. Some figures on European countries (Gandemo, 1998) indicate that 60% of all businesses in Germany are family businesses. In Sweden, more than 50% of the workforce within the private sector is employed by family businesses. For Finland, figures suggest that approximately 80% of all Finnish companies are family-owned.

Statistics on the importance of family businesses in society is greatly based on the idea that it is possible to differentiate family from non-family firms. By using different kinds of criteria, a family business researcher may achieve this, but although one may agree on which these criteria are, there is not always the same kind of agreement on to what extent such criteria should be used when classifying a business as a family business (Sten, 2006). Astrachan, Klein and Smyrnios (2002) offer a solution to this dilemma by stressing that it is more important to focus on the *degree* of being a family business than to separate family businesses from non-family businesses. Their F-PEC scale focuses on this matter, and one of the main ideas behind it is to end the discussion around “to be or not to be a family business”. The F-PEC has also another strong element, illustrating more clearly than previously the issue that all family businesses do not belong to one big group of family businesses. On the contrary, it acknowledges that there are younger and older family businesses, and that there is smaller and bigger family businesses. There are family businesses that are closely-held by families, and there are family businesses, where the family is not in total control of everything. There are family businesses that have gone through successions, and there are family businesses that have not gone through successions. In other words, the F-PEC scale acknowledges a high degree of diversity among firms that exist within the family business field. Every family business is not the same, and Nordqvist (2005) takes this a bit further by arguing that we should start to show more interest in different sub-groups of family businesses instead of discussing about family businesses in general.

There are family businesses, because families are involved in them (Handler, 1989), and by using the F-PEC scale one can more easily start to dig into questions focusing on how families are involved, and what the implications of this involvement are for the business. However, one can also look upon this process from the opposite perspective. In family businesses families influence businesses, but what about the other way around? To what degree does a family business influence a family and its members? Habberson, Williams and MacMillan (2003) link the family involvement with *family influence* on firms, but likewise it should also be possible to state that we have *business influenced* families. In all its simplicity these families may be referred to as business families, but the likelihood is high that there will be several different kinds of business families in the same way as there are different kinds of family businesses. However, this view of the family and business system overlap does not appear to be as well researched as the aspect of family influenced firms. This is obvious in terms of how many articles there are on the discussion about how to define family businesses in relation to how many articles there are on defining business families. Lansberg, Perrow and Rogolsky asked already in 1988 the question "What is a family business?", but why is there no article with the title "What is a business family?" This article will try to deal with this imbalance. There should be an interest in this, since we do not only have many family businesses in the world; we also have many families and individual family members that are influencing, or are influenced by, such businesses. However, in order to dig deeper into this subject, one needs a definition of the term business family.

BUSINESS FAMILY DEFINITIONS

There is much literature available on the discussion about how family business researchers have chosen to define family businesses (Wortman, 1995), but the same does not seem to be true in terms of how they have chosen to define business families. Table 1 includes some examples of identified business family definitions, but these have not been easy to find. Despite the fact that the term is used in family business texts (Kenyon-Rouvinez, 2000), there is seldom any thorough discussion about how the writers actually define the business family.

Table 1 Examples of business family definitions

Authors:	**Examples of business family definitions**
Baines and Wheelock (1998)	*"the 'business family' is a much more inclusive term, which acknowledges a wide variety of formal and informal relationships between families and the businesses from which they gain their livelihoods*".
Jaffe and Lane (2004)	"*a family that owns a business"*
Hubler (2005)	*"a family business's family*"
Kenyon-Rouvinez (2000)	**"***families that own a business or invest together*"
Lambrecht (2005)	"*we refer to a family business and a business family when the family holds the ownership and/or the day-to-day management of the business*."
Werbner (1990)	"*Each member of the family is automatically a member of the family-owned enterprise…*"

The business family definitions in Table 1 are taken from various academic subjects, and while trying to find clear and precise business family definitions from family business research literature, four insights emerged. Firstly, family business researchers very seldom use the term "business family". They are more often referring to the family involved in the business (Chua, Chrisman and Sharma, 1999), the family owning the business (Handler, 1989), families in business (Carlock and Ward, 2001), or the family system (Poutziouris and Chittenden, 1996). Secondly, there are family business researchers, who use the term "business family", but they very seldom explicitly mention how they define it. It is most often only loosely defined as "families in business". Thirdly, for those, who actually present their business family definitions, ownership seems to be an important ingredient. In this respect, a typical definition of a business family seems to be a family that owns a family business. In some text one also sees that the author uses the term "business-owning families" (Dunn, 1999) in order to stress this aspect. A fourth interesting aspect found among the presented business family definitions is that there is no major discussion about what the "family" stands for. Werbner (1990) classifies every family member as a business family member, but what about other kinds of business family definitions? Do also other kinds of business family definitions cover every family member as in the definition by Werbner, or is it just the family members who are somehow involved in the family business that belong to the business family? It is not easy to answer such questions through an analysis of the business family definitions in Table 1. Other procedures are needed, and the concept "family involvement" seems to be a natural and promising starting-point.

Family involvement

Chua et al (1999) stated that family business researchers generally agree that *family involvement* in the business is what makes the family business different from other businesses. According to Handler (1989), most researchers focusing on family businesses seem to interpret this family involvement as ownership and management. This aspect seems as worthwhile focusing on when trying to define business families, since one can argue that where there is family involvement in a family business one should also be able to find a business family (Poutziouris and Chittenden, 1996). Consequently, one could quite easily define families involved in ownership and management of family businesses as business families. This kind of broad business family definition seems also to exist as one can see from Table 1, but this kind of business family definition brings with it two great challenges: definitions of *family* and *involvement*.

The first major question concerns the family component. When can it be argued that there is *family* involvement in a business? In order to answer that question, one needs to define the family term, and that is not an easy task. Members of the same household are in many situations classified as members of the same family (Rogers, 1990), but any person can share a household with other persons without being classified as a family. For example, young persons can share households or apartments with other persons during their years at university. Stuart (1991) tries to define the family by stating that five criteria need to be fulfilled in order to argue there is a family. These are 1) the family is a system or a unit, 2) the members can be, but do not have to be, related to each other, and they can, but they do not have to, live together, 3) the unit could include children, but this is not a necessity, 4) the feelings and relationships between the members include future commitments, and 5) the unit prioritizes protection and socialization of its members. Due to this list of requirements for being classified as a family follows also that there may be very different kinds of groups, who belong to the family category. Consequently, family business researchers may define their studied families in several different ways, which makes it difficult to conduct comparative research on business families.

Huge differences in definitions of the term family make it difficult to reach an agreement on what family involvement actually is, but there is a way out of this problem for family business researchers. A family consists of family members, and by shifting the focus from the family as such towards the individual family members, one can proceed with research focusing on family involvement. This decision can easily be justified, since regardless of the fact that families may be described as involved in family businesses, they very seldom own or manage family businesses. It is *individual* family members, who own and/or run family businesses, although they may do it *as* a family. One may in the press read about families like Ahlstrom (Finland) or Bonnier (Sweden), and these may be referred to as business families, but it is the individual family members in these families, who are owners and perhaps managers in their family businesses. This suggests that the key question in the end is perhaps not about family involvement as such, but instead on finding the individual family members who are involved in the family business and influencing its performance. Unfortunately, that decision also brings with it a whole set of additional questions. For example, how many family members should be involved in a family business before one can write about *family* involvement? One can assume that there needs to be at least two family members involved in order to classify it as family involvement, but this approach results in another interesting remark. For example, concerning the Ahlstrom family (Finland) we may have learnt that more than one hundred family members are formally involved in the businesses (Magretta, 1998), but how can we compare such a business family with one where perhaps only two family members are involved in the business? The simple answer is that we cannot do such a comparison in a meaningful way. Instead, the focus should be shifted towards sub-groups of similar kinds of business families as Nordqvist (2005) argued in his discussion on family businesses.

The discussion about family involvement reveals that it is individual family members who are involved in family businesses, but when is a family member "involved" in the family business? Is it correct to only refer to involvement, when a family member is an owner or a manager? This seems to be an approach, which is often used (Handler, 1989), but how should one deal with family members, who support the family business in various *informal* ways? For example, spouses are perhaps not owners or managers, but they may still have great influence on how the family business is run. Following a strict family involvement definition including only formal involvement in the family businesses, these kinds of persons would not be categorised as involved in the business, although they in practice may influence the family business. Another interesting aspect of the family involvement factor is the question of family members, who are not involved in the business in any way. They may have totally different kinds of interests and careers, but are they still members of the business family? In order to find an answer to that question, one needs to discuss different levels of family involvement and how that may be linked to the question of how one could develop a solid definition of the term business family. In order to be able to do that, one needs to shift the focus from family involvement towards individual family members and their involvement in the family influenced business.

Involved family members

The idea with family influenced firms is that "*the interaction of the family unit, the business entity, and individual family members create unique systematic conditions and constituencies that impact the performance outcomes of the family business social system*" (Habbershon, Williams and MacMillan, p451, 2003). This would indicate that a business will be a family business, when individual family members are involved in the business and influencing its performance, but it is not an easy task to divide family members into those who are involved and those who are *not* involved in the family business. Still, if one wants to try to find every family member who is involved in a family business, the founder could be a natural starting-point. It seems like a rational decision to start with this family member, since when family business researchers study family businesses the focus has fairly often been on the founder of the family business (Upton and Heck, 1997). The founder is usually both an owner and a manager in the family business, and thereby the founder is also an example of a person, who can be categorised as involved in the family business. Consequently, concerning the founder there should be no doubt about his or her involvement in the family business. Other family members than the founder are also important for family businesses, and recent research has, for example, started to more openly acknowledge the role of spouses (Poza and Messer, 2001). They are vital support for their entrepreneurial spouses, at least when it comes to "pillow talk" (Van Auken and Werbel, 2006), and in this respect, they may also have some influence on the development of the family business. In other words, they may perhaps also be regarded as family members somehow involved in the family business. Potential successors are other family members, who may be categorised as involved in the family business. These kinds of family members are expected to become more and more involved in the family business, and the only question in this matter concerns the question of *when* they become involved in the family business.

When trying to define family members as involved or not involved in the family business, it is clearly the spouse and the children who are not owners and managers that are the challenge. When is it justified to say that these persons are involved in the family business? If they are owners or employees there is no problem to define them as involved in the family business, but if they have some other kind of relationship to the family business, it is much more difficult to classify them as involved or not involved in the family business. However, a first step to deal with that challenge is to make the distinction between *formally* and *informally* involved family members (Anderson, Jack and Dodd, 2005). Formal involvement can be categorised as situations, where one formally is an owner, an employee or manager in the family business. This is what typically is brought forward in discussion about family involvement and family business (Chua et al, 1999), and it is usually no problem to define a family member as formally or not formally involved in the family business. With informal involvement it is somewhat different. When is a family member informally involved in a family business?

When trying to answer that question, one will notice that there actually are *three* different levels of involvement among individual family members. Firstly, there is the formal involvement in the family business. These family members are easy to identify since they are owners, managers, board members or employees in the family business (Sten, 2006). Secondly, there are the informally involved family members. Typical examples of these are spouses, who offer support in many different ways to the formally involved family members. Thirdly, there are family members, who are not formally or informally involved in the family business. Their interests are somewhere else than in the family business. Clearly, family members from one family may represent all these three categories, and combinations of individual family member involvement may differ from one family to another. In some families there may be several formally or informally involved family members, while not involved family members may be in the majority in other families. This potential diversity is an important observation for family business researchers, who want to present their business family definitions. One needs to somehow take these three levels of involvement into consideration when facing the business family dilemma, and Table 2 presents three potential alternatives of how that may be achieved. The three business family definitions in Table 2 have similar kinds of characteristics as family business definitions discussed by Shanker and Astrachan (1996). They categorised the definitions into narrow, middle and broad definitions of family businesses, and the business family definitions in Table 2 can also be categorised according to the same principle. To begin with, every family member with formal involvement can be categorised as business family members (narrow), or then one may prefer to also add those who are informally involved in the family business (middle). The third (broad) option is to include every individual family member in the business family definition, regardless of whether family members are formally, informally or not involved in the business.

Table 2 Three types of business family definitions

Potential definitions	Comments
The business family includes every individual family member in a family, where at least two family members are informally or formally involved in the business.	The broadest definition. The family and the business family is the same unit. Key challenge is to define the family business and family.
The business family includes every individual family member who is formally or informally involved in a family business.	Focus on involvement regardless of its formal status. The challenge is to draw the line between not involved and informally involved.
The business family includes only individual family members with a formal relationship to the family business. This relationship can be in the form of employment, ownership, management or board membership.	This definition focuses on formal involvement. Key challenge is that family members with great informal involvement in the family business are not categorised as members of the business family.

All three business family definitions in Table 2 have their strengths and weaknesses. By starting with the broadest definition, one can argue, with some support from the famous three-circle model by Tagiuri and Davis (1982), that the family and the business family is the same unit, if the family circle is connected to the ownership and management circles as in the three-circle model. The strength with this kind of business family definition is that it acknowledges that a family with some family members involved in a family business will be different from a family where no family member is involved in a family business, regardless of the degree of involvement. Another strength of the broad definition is that one does not need to put that much effort into finding individual family members, who are involved in the family business. Two persons should be enough in order to meet the criteria of having a family involvement. One does not either have to make distinctions between formal, informal and no involvement, which makes it even easier to classify the family as a business family or not.

Major weaknesses with the broad definition of the business family are found around the individual family members and their involvement in the business. Firstly, as mentioned earlier it is not easy to define a family. It can be defined in several different ways, and this decision has a huge impact on who is categorised as a family member or not. A second major weakness with the broad definition is that is does not take into account that family members with no involvement in the business may be in the ma-

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jority in the family. For example, a family with twenty family members of which only two are involved in running a family business, will be categorised as a business family with twenty members. Likewise, a family where eighteen out of twenty family members are involved in a family business will also be categorised as a business family with twenty persons. In terms of numbers, these two business families can be compared to each other, but they will be different from each other in many other respects. However, broad definitions of business families will not necessary acknowledge the existence of such differences.

The second business family definition, the middle one, focuses on actors, who are informally or formally involved in the family business. By still using the three-circle model as support, one can argue that every family member with personal connections to at least one of the ownership and business circle belongs to the business family. The strength with this definition is that it focuses on those individual family members who are involved in the business, and who can influence the performance of the business through their personal actions. The family members with formal relationships can be quite easily identified, but it is more difficult with informal involvement in the family business. Andersson et al (2005) focused on family involvement in their article, and based on that study one can argue that a family member can be informally involved in the family business in numerous ways. For example, one can provide contacts, offer knowledge help, give tips about potential employees, offer customer contacts and so forth. This can happen on a regular basis or just occasionally, and this complicates the definition of informal family involvement. How much should it be, or how often does one have to help out in order to be informally involved in the family business, and thereby also be a business family member? There is no simple answer to this question, but if one chooses to use this business family definition, one must tackle this weakness.

The third business family definition has family membership at its staring-point, but it is complemented with the additional requirement of a formal relationship to the family business in terms of employment, management, ownership or membership on the board. Most often formal family involvement refers to ownership and management (Chua et al, 1999), but a family member can be formally involved in several different ways, and that is why also employment and membership on the board are explicitly mentioned. However, it is easy to define when someone is an owner, a manager or a member of the board, but employment is a bit more difficult to define in a precise way. The easiest way to define it is to argue that an employee works in the family business, and that he gets paid for the work from the business. In practice, there may be family members, who at least occasionally work for the company without payment, but the line must be drawn somewhere, and the line in this specific case is drawn between salaries and no salaries.

The narrow definition of the business family term is the one that most clearly divides family members into business family and non-business family members. Due to the need for formal involvement in the family business, it is fairly easy to draw the line between these two categories of business family members, but this kind of business family definition has two major weaknesses. To begin with, it excludes from the business family CEO spouses, who have no formal relationship to the family business. To exclude family members with no interest or formal connection to the family business from the business family definition can be justified, but what about those family members, who are not formally involved, but still have a great interest in the family business? Is it appropriate to exclude these family members from the business family? These kinds of family members may somehow contribute to the development of the family business, and therefore it can be argued that it is only right that they also are categorised as members of the business family. A second major weakness with the narrow definition is the circumstance that it actually divides a family into two groups of family members. On one side are formally involved family members and on the other side are informally or not involved family members. The group of formally involved family members will be referred to as a business family, while the other group is the family. However, the business family members are also members of the overall family, so one can question whether it is rational to have a sub-group called business family within the overall family. That is especially the case, where there may be several informally involved family members in the group of family members outside the business family group.

All in all the brief overview of the three business family definitions in Table 2 shows that each definition has its own strengths and weaknesses. Most of these characteristics are connected to the aspect of when a family member is involved or not involved in the family business, and thereby also contributes to the level of familiness in the family business. Any of the three business family definitions can be used in research focusing on business influenced families, but by looking at the development concerning definitions of family businesses, one can take the business family definition one step further. There are three reasons behind the need for this step. Firstly, the categorisation of business families in Table 2 suffers from the same problem as the early differentiation between family and non-family businesses. It will be possible to divide families into business families or other families, but it would be more important to be able to find different kinds of sub-groups of business families in order to facilitate meaningful comparative research. A second problem with the definitions in Table 2 is found in the narrow business family definition and the criteria of formal involvement. The idea behind family influenced businesses is the fact that individual family members influence the performance of the family business in a distinctive manner. However, formal involvement as such does not necessary imply that one is influencing the business in any manner. For example, a shareholder who owns one share in the family business is according to the narrow definition of the business family a business family member. If this person shows no interest whatsoever in the business, since he has inherited the share, he will most likely not influence the performance in the business in any respect. Another variation of this problem is a family business with ten shareholders, but where one strong family member totally controls the family business and makes all important decisions (Feltham, Feltham and Barnett, 2005). The other family members cannot do anything about this, or perhaps are not willing to do anything about it. Regardless of which option it is, these family members do not have any influence on the family business. It is more a question of that the business has an influence on them, since their major financial assets may be locked into that family business. However, this is something which the business family definitions in Table 2 do not take into account when trying to differentiate between business families and other families.

A third reason to why one needs to take the discussion about business families a step beyond Table 2 has also to do with the relationship between involvement and influence. The idea with family influence is based on the idea that individual family mem-

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bers are involved in the family business. This involvement can be formal or informal. F-PEC scale is a useful tool when focusing on this involvement and the outcome of it, but what about the other way around? What about a family where the majority of the family members have no formal or informal involvement in the family business, but where they still feel that the family business has great influence on *them*? Typical examples of such family members are children who feel that their parents are so heavily involved in the operations of the family business that they have no time for them (Sten, 2006). These kinds of families are not easy to identify by using the business family definitions in Table 2, and that is why some other kind of approach is needed when trying to define business families. This goal can be achieved by partly using the logic behind the F-PEC scale focusing on family businesses. Such an approach may better acknowledge that there exist more than three types of business families. In fact, that approach will show that there exist families that are influencing or influenced by family businesses in several different ways. Formal, informal and no involvement are important aspects of that work, but not in the same way as presented in Table 2.

DIFFERENT TYPES OF BUSINESS FAMILIES

It is not easy to define business families, but by using the logic behind the F-PEC scale, one can bring some order into the definitional dilemma with the business family term. The F-PEC scale is based on the idea that the level of family influence will differ in family businesses. The observed differences in family influence is not used in order to categorise firms as family *or* non-family firms, but to argue that these two types of firms are extremes on a continuous scale (Astrachan et al, 2002). This has proved to be a useful approach when grouping and comparing family businesses (Klein, Astrachan and Smyrnios, 2005), and since family businesses and business families are closely intertwined, it should be possible to follow the same kind of reasoning when trying to define business families. An attempt to do that is presented in Figure 2, where the basic idea is that a *family* will be influenced by the fact that at least two of its family members are formally or informally involved in a family business. This involvement will influence the lives of the family members in the family, and this influence may be measured on a continuous scale ranging from low to high influence.

Figure 2 is based on the idea that every family member in a business family can be categorised as formally or informally involved, or not involved in the family business. When trying to conduct this categorisation, the first step is to define the family and its members. Then, one can look at how each family member is involved, or not, in the family business. Starting from the right, the formal involvement element comes very close to the power subscale of the F-PEC scale, since formal involvement may be measured in the form of management, ownership, employment or board membership. Different forms of informal involvement will focus more on aspects like pillow talk and a helping hand every now and then. Family members not involved are also a crucial element, since it is usually these family members who may have the feeling that the family business influences their lives to a great extent, although they themselves have no influence on the performed activities in the family business.

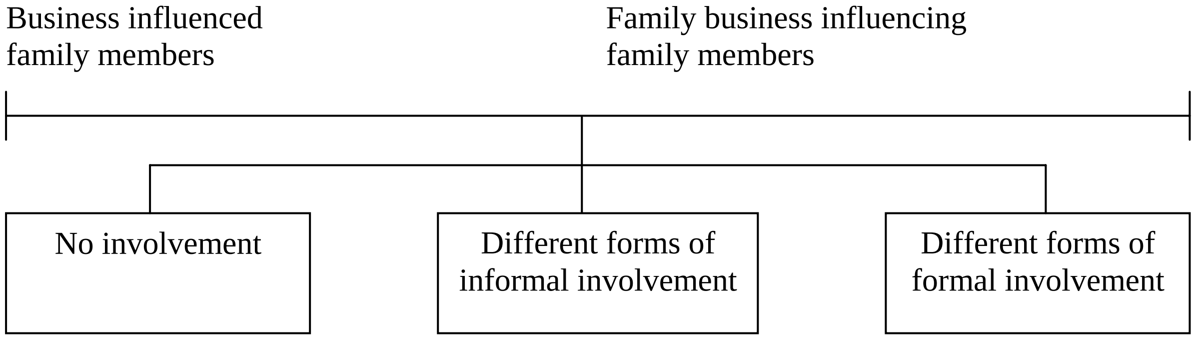

Figure 2 Continuous scale of business families

It is possible to identify every family member in a potential business family, and it is also possible to study if these family members are formally or informally involved, or not involved at all. Consequently, business families simply could be divided into sub-categories of business families depending on the share of formally or informally involved family members. For example, business families, where more than 50% of the family members are informally or formally involved in the family business, could be categorised as high influence business families, while business families, where less than 50% of the family members are formally or informally involved in the family business, could be categorised as low influence business families. This is one simple way of measuring the business influence in a family, but it is perhaps not the optimal way of categorising business families. For example, take two different families, where the great majority of the family members in both families are formally or informally involved in the businesses. One family has very active family members, and during family meetings the discussion always focuses on the family business and how it should be developed in the future. The other family has no discussions whatsoever. The great majority of these family members are shareholders in the family business, but not a single one is active on the board or working in the company. The family has no family meetings, where family business issues are discussed. The family members get dividends each year, but otherwise they have no major interest in the business. Clearly, these two families look very differently on how the business influences the lives of the family members, but by simply counting formally and informally involved family members in the families, these two families could be categorised as members of the same business family category. However, they differ greatly in terms of behaviour, and in order to take the business family categorisation a bit further due to this aspect, one needs to look in more detail on *how* the family members personally look on what influence the business involvement has on the family.

The F-PEC scale is divided into three different sub-scales: power, experience and culture. Each sub-scale has its own dimensions, and the business family scale can be approached in a similar way. Empirical studies need to sort out which dimensions these could be on the business family scale, but when looking at the business family, money, time and social contacts are three dimensions that could be a fruitful starting point when trying to define to what degree a family is a business family (Sten, 2006). For example, one can ask the family members how much of their income comes from the family business, or how much of their assets are invested, or have their origin in the family business. In terms of the time dimension, one can have the family members to estimate how much of their working time, or available time in general, is spent around family business issues. How many hours on average does a family member put into family business issues during one week? Concerning social relations, one can ask what share of the social contacts have their origin in the family business context. How great a number of the people we meet are contacts we make because we have a family business? One can also ask uninvolved family members about how they feel family relationships are influenced by the fact that some family members are heavily involved in a family business. There are many different variations of these aspects, but they are possible to reveal during interviews with family members from families, where at least two family members are formally or informally involved in a family business.

Different family members will due to their personal level of involvement in the family business, answer differently on how much influence the family business has on their personal economy, time distribution pattern and social networks. However, the revelation of these personal facts of each family member can open up interesting discussions in business families. For some family members it may come as a shock on how great an influence the family business has on the family, while other family members may be surprised on how unimportant the family business is to the lives of some family members. This may even result in reorganisations of how family members are involved in the family business. Still, the greatest contribution comes from the circumstance that these facts make it easier to find benchmarks for the business family. One may compare their business family with any other business family, but unless the family members from both families look upon business influence on the family in the same way, there is perhaps no need for a comparison between these two families. They are too different. An insight they have difficulties in reaching unless there is some discussion on what defines a business family.

Clearly, the scale in Figure 2 is a theoretical approach to the business family dilemma. It is an embryo to a more sophisticated approach on defining business families, but by using it in empirical research one may take the discussion about business family definitions a bit further. This is also the only way to give it more space in family business research. However, at this stage, one can argue that the scale in Figure 1 has three valuable contributions. Firstly, it acknowledges that when the focus is on family involvement, the focus is actually on individual family members. The family may be formally or informally involved in the family business, but it is individual involvement and not family involvement as such that is important when studying business families. Secondly, individual family members may be influencing the family business performance through formal or informal involvement. Most often one acknowledges the formal involvement, but the informal involvement should not be neglected. Thirdly, a business family may consist of many individual family members, who are not formally or informally trying to influence the operations of the family business, but they still may be influenced by the fact that other family members are involved in a family business. All these insights are valuable, since they also give some ideas on how research involving business families may be developed in the future.

RESEARCH ON BUSINESS FAMILIES

There is no need to define a term unless it will be used somehow. This is not the problem with the business family concept, since it is already used by family business researchers. The problem is more the question of how it is used, and how it could be used. In that respect, family business researchers need, to begin with, to more clearly

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present their business family definitions. For the moment, it is very difficult to find out how family business researchers define the business family. The family business definition is discussed and presented, but the business family is seldom clearly specified. It seems in most cases just to be referred to as families in business. However, this is not enough for at least three reasons.

Firstly, family business researchers put great effort into defining family businesses. One of the reasons for this is to facilitate comparative research. Family business researchers have not reached a total agreement on the family business definition, but they most often know which family business definitions are close to the one that they themselves use. This is a first step in the process towards better and more comparative research on family businesses. In order to be able to take the first steps forward in the same direction within research on business families, researchers in the family entrepreneurship field must start to more openly and precisely present their chosen business family definitions. There is no alternative to this development route if there is a desire to come up with more comparative research also within this genre. Clearly, the business family is a slippery concept like the family business definition, but in order to be able to start conducting serious comparative research, the business family concept needs to be taken more seriously than previously.

It is good to start by always clearly presenting one's own business family definition, but that is not enough. One has to remember that business families are a heterogeneous group, and comparisons between business families that belong to the total population of business families are therefore not always that fruitful. Therefore, the second major step forward for business family research is the decision by the family entrepreneurship researchers to be more critical about what kinds of business families they focus on. Such research approaches would in the long run make it easier to compare business families within different categories to each other, or to compare different groups of business families to each other. Consequently, as with research on family business, it is perhaps not most important for business family researchers to separate between business families and other types of families. It is more important to describe what kinds of business families one is studying.

A third major reason for why family entrepreneurship researchers should start to change how they use the business family concept is because a more critical reflection on the selected business family definition gives the family entrepreneurship researcher a good opportunity to reflect on whose voices one is listening to and which ones one *should* listen to while conducting research. Typically family business researchers listen to founders or next generation members, when they study family businesses (Zahra and Sharma, 2004), but there are several other interesting voices in internal stakeholder groups like business families (Birley, 2002). Therefore, family entrepreneurship researchers should always reflect on whose voices they are listening to, and the first step in that decision-process is the identification of every family member. The second step is to reflect on which family members may have valuable input about the issue that is going to be studied. Thirdly, the researcher could reflect on the need to listen to multiple instead of single voices. Every family business researcher has the opportunity to listen to multiple voices in any situation, and Zahra and Sharma (2004) argue that there is a need for more such studies. Such an approach is more challenging in many aspects (Birley, 2002), but it offers the opportunity to really dig into the complexity of family businesses and business families, and that is why family entrepreneurship researchers always should critically reflect on their decision to listen to certain, or perhaps single voices.

The business family term as a source for research ideas

The discussion about the business family definition has stressed that family entrepreneurship researchers should be more careful in their presentations of their business family definitions, but this definition discussion renders also some research possibilities, which could be investigated further. One such example is research on rules of family involvement. Family business researchers mainly see family involvement in family businesses in the form of ownership and management (Chua et al, 1999), but how do business families look at family involvement? For example, a family member may be involved in a family business in many different ways. A family member may be an active or passive owner, minority or majority owner, employee or manager, member on the board, or an informal supporter to the family business (Carlock and Ward, 2001). How do business families set up rules about entries and exits in relationship to these different business family membership roles? Larger business families that are involved in cousin consortiums may have distinctive rules on this (Poza, 2004), but when do business families start to develop rules about formal and informal involvement in the family business?

Another crucial aspect with business families is how they deal with expectations of involvement by family members. Younger family members may be expected to support their parents in their work in the family business, but how do business families deal with these kinds of arrangements? These kinds of working arrangements are crucial steps in the fostering of entrepreneurial individuals (Lank, 2000), but a lot can go wrong during this process. Research by Birley (2002) showed that not all next generation family member were keen on joining family businesses, and we can perhaps learn more about why this is the case by showing a greater interest to how business families discuss family involvement in relation to family businesses (Brockhaus, 2004). Another issue which touches upon this discussion is the question of how business families deal with distribution of information within the business family. Public companies have their own rules about how information about the family business can or should be distributed, but how about smaller family businesses? What kinds of information distribution policies do they have? Is information about the family businesses distributed to all family members, or is it only distributed to formally or informally involved business family members?

The discussion about involved versus not involved family members also reveals some other promising research ideas. For example, how do family members who are not involved in the family business look upon business influence from the family business and the family members who formally, or informally, are members of the business family? Do they feel as outsiders in their own family, since they are not members of the inner circle of the family business? Clearly, one can expect that involved family members spend more time together since they are in business together (Sten, 2006), but what kinds of effects does this have on the relationships to the family members who are not contributing to the level of familiness in the family business? In this respect, there is much to learn about the existence of a family business and its spill-over effects on the family.

The division of family members into involved and not-involved family members leads also to another interesting aspect of families in business. Family business owners are often very entrepreneurial, and there may be several family businesses within the same family. The business family may control a portfolio of businesses, but which family members are invited into which family businesses? Is this process mainly a question of fairness and justice (Van der Heyden, Blondel and Carlock, 2005) or is it mainly a question of skills and interest? What kinds of rules do families in business have about these kinds of activities? Can any family member set up any kind of family business? Certain business families have strict rules about this, but how often is that the case among the majority of business families?

Finally, there is also the question of cultural differences (Birley, 2002). A family in China is something different than a family in Finland. What are the implications of these differences when one is studying business families in the context of international research projects? There may be an agreement on how the family business should be defined, but is there also an agreement on how the family and the business family should be defined? Once again, the family entrepreneurship researcher should always remember to reflect on the business family definition, and openly report on how it has been defined in the on-going research project.

CONCLUSION

On a general level, the business family definition has received far less attention than the family business definition. This is understandable for several reasons, but it does not justify the decision to be very vague about one’s chosen business family definition. Family business researchers should be as open about the business family definition as they are about their family business definition. The business family unit is not the best possible unit of analysis in any situation, but by at least considering the business family as the unit of analysis, one gets a real opportunity to decide whose voices one will listen to while being active in the family entrepreneurship field. While listening to these voices, researchers could also pay some more attention to how business family members themselves look upon family involvement in family businesses, and how they feel the business involvement influences the family. In addition, one needs to start testing the continuous scale of business families as presented in Figure 1.

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