

# None of Your Business: The Case for a Paradigm Shift in Teaching Family Business in UK Business Schools

## Authors and Affiliations

**Lead author:** Dr. Lorna Collins, Principal Lecturer in Strategy (Enterprise and Creativity), Bristol Business School, University of the West of England. Email: [lorna.collins@uwe.ac.uk](mailto:lorna.collins@uwe.ac.uk) Telephone: 0117 328 8132.

**Co-author:** Claire Seaman, Senior Lecturer, Queen Margaret University

**Co-author:** Stuart Graham, Senior Lecturer, Queen Margaret University

**Co-author:** Martin Stepek, Chief Executive, Scottish Family Business Association

## Keywords

Family business, enterprise, education, business schools, duality, paradigm

## Abstract

**Objectives:** This conceptual paper argues that a new paradigm is needed for UK Business Schools which embraces an oft neglected, yet economically vital, stakeholder group, namely family business.

**Prior Work:** Builds on discussions in the extent literature about failures of Business Schools to address modern needs.

**Approach:** A stakeholder approach, building on nominal stakeholder theory to justify a change to the teaching paradigm in business schools.

**Results:** Not applicable.

**Implications:** Business Schools in the UK need to begin to engage with family businesses through embracing the next generation from families in business. Policy needs to be developed that will support the next generation in a positive way by teaching about the family in business.

**Value:** Stimulate discussion about key stakeholder and prompt review of neglect of this key area of business study in UK.

## Introduction

This conceptual paper argues for adopting a new focus for teaching business in UK Business Schools and explores how changing paradigms of university stakeholders make this a necessity. The stimulus for the paper came from a discussion with Martin Stepek, CEO of the Scottish Family Business Association. The notion of reconsideration of the Business School paradigm was further informed by Joe Astrachan, Wachovia Eminent Scholar Chair of Family Business and Professor at Kenneshaw State University, USA who stated in his keynote address at the International Family Enterprise Research Academy Annual Conference in June 2010 that we '*should only teach about family business in business schools since they are the predominant business form in the world.*' In fact it was as long ago as 1998 that Patricia Frishkoff posed the question '*could a university business school be entirely built around family business*' (1998: 361). Recent findings by the European Commission, Enterprise and Industry Directorate-General, Family Business Expert Group (2009) state that the challenges related to educational aspects, which have an impact on both the business environment and on family firms' internal matters, have been a lack of entrepreneurship education and family-business-specific management training and research into family-business-specific topics, plus effective coordination with education systems to ensure proper follow-up. The realization by the authors that family business seems to be a lost subject in UK Business Schools was further impetus for bringing this discussion to the fore and to the attention of those who determine what is taught in our schools.

From the latest data available, in the academic year 2008/09, 1 in 7 of all students was studying business and management. This represents 248,000 full-time equivalent (FTE) students at all levels of Higher Education: from Foundation Degree, through traditional three and four year undergraduate courses, specialist Masters, MBAs and Doctorates (<http://www.the-abs.org.uk/?cat=13>; date accessed 10 July 2010). Very few of these students have access to modules or programmes which address the practical and theoretical aspects unique to family businesses, that is, governance, succession and family dynamics. There is no data available which states how many of the students currently studying business or management come from families in business. The unique characteristics of the family business provide the key to the development and sustainability of businesses and are fundamental to ensuring that businesses transition and survive. It is oft stated that 30% of family businesses make it to the second generation, 10-15% make it to the third and 3-5% make it to the fourth generation (Arnoff, 2001). In one business school it is estimated that as many as 14% of all business school students (Collins, 2009) are from families in business, and approximately 75% of all students have direct experience with a family that is in business, yet few business schools feature family businesses either in terms of specialist courses or embedded as part of their mainstream curriculum.

This paper takes a stakeholder approach to set out the argument that a paradigm shift has occurred and what is required now is to address fundamental gaps in current business education and to establish a multi-rational educational paradigm that accepts the manner in which the family and business rationales inter-twine. The paper discusses the changing paradigm needed to inform a modern approach to academic curricular for students from families in business. It recommends a radical shift in focus in business studies education at undergraduate and postgraduate level.

## Recent developments

Recent developments in the manner in which business schools teach and their approaches to the inclusion of enterprise as a key priority are considered here in light of recent research that highlights the importance of family businesses to economies and communities in the UK and worldwide. The primary question posed is around the need for the dualities inherent where a family and a business intertwine to be acknowledged within curricula. In raising this area for discussion, however, a broader debate around the nature of business school teaching and the balance of professional education and research-focussed academic specialism becomes key and is acknowledged here.

As an initial stage within the debate, some acknowledgement of the *status quo* is appropriate. The predominant teaching paradigm in business education has primarily developed as a mono-rationalist approach that fundamentally assumes that 'business is a machine', which can be made to work "better" i.e. earn more profit, export more goods, increase turnover by technical improvements, through manipulation of functional aspects and the consideration of human resources issues which require "soft skills." By viewing business and hence business education through a mono-rationalist paradigm which focuses directly on the needs of the business, it is argued, the social context in which business exists remains largely invisible. Mono-rationalist teaching paradigms are, it is argued, out of date because they fail to recognise the emotional and relational aspects of the majority of

businesses where a family and a business combine. Accepting some debate around the definition of a family business (Sharma et al, 1990), consistent estimates indicate that in the UK family firms account for 65% or 3 million of the total 4.6 million private sector enterprises in the UK economy (FFI 2008). However, very few of the 234,000 full-time equivalent (2007-2008 FTEs)(ABS, 2009) students at all levels of Higher Education in the UK have access to modules or programmes which address the practical and theoretical aspects unique to family businesses, that is, governance, succession and family dynamics (ref). These unique characteristics of the family business provide the key to the development and sustainability of businesses and are fundamental to ensuring that businesses transition and survive and suggest that business education should more reasonably be viewed through a multi-rationalist paradigm which accepts the inter-twining of the family and the business.

If family businesses represent the predominant form of business in the UK, they are of importance to business graduates whether as family members or employees. Efforts over the past 20 years have been focused on encouraging graduates to start their own businesses. However it is generally accepted that new businesses have a 90% failure rate. The effort to start is immense and for most businesses started by graduates it is difficult to prove a model before launch. Our contention is that these initiatives have missed the mark significantly by not focusing on the businesses which are already in place and which with additional support would transition and survive to second and third generations. Further, if we accept that entrepreneurial families offer the backdrop to a surviving family business, the support and space they can create would be the ideal breeding ground for the creation of new enterprises. There is growing evidence to suggest that many new businesses are being generated by family business (Dibrell & Craig, 2006; McConaughy, Matthews, & Fialko, 2001). Furthermore it is both young family entrepreneurs and older generation entrepreneurs who are the founders of new firms which are spun-out of family businesses. The extent to which so-called third age entrepreneurs are rooted in enterprising business families is an area where more research would be justified in its own right. The contribution of family businesses to business start-up also merits further research, but the key argument presented within the current paper is that the development of sustainable family businesses through multiple generations would be better supported if a multi-rational teaching paradigm that reflects the inter-twining of family and business in many enterprises were adopted.

A recent study of undergraduates at Bristol Business School found that 14% of students came from families in business while a further 14% were already running their own businesses and in some cases have been running the business for 2 years (Collins, 2009). This highlights two issues. One is that students from family businesses spend three or four years in business school without ever having had the opportunity to explore or understand what exactly what it means to be ‘a family in business.’ Secondly, many university undergraduates have already started their businesses before they arrive at university and so don’t need start-up tuition but more importantly need to know how to grow a small business. Again this training is seldom widely available to business undergraduates, but there are good reasons why it would be appropriate. The reasons include: the high numbers of family businesses represented in their population; their importance to economies and communities and the relatively low number of successful successions despite an apparent wish that the businesses be retained within the family.

**Table 1. FTE’s in Higher Education**

	2007-08	2008-09
Students in Higher Education	2,306,105*	2,396,055*
Potential number (75%) of students from families in business from entire HE population – based on data from Collins (2009)	1,729,578	1,797,041
Students studying business and management (Source: ABS)	234,000	248,000
Estimated number (14%) of students studying business and management from families in business based on data from Collins (2009)	32,760	34,720

\*Source: <http://www.hesa.ac.uk/index.php/content/category/1/1/161/>

Developing a multi-rational teaching paradigm that considers the needs, views and inputs of all stakeholders is one key part. By approaching the need to consider the family in the business from a Business School perspective, educators would effectively also be educating the next generation of professional and business support advisors, those who will go on to be part of trade, industry and professional bodies and some who will go on to play roles in local, regional and National Governments. It is this broad approach to raising the awareness of business students to the 'family in the business' that marks the current paper out from more localised calls for detailed training. By adopting a multi-rational teaching paradigm that considers the manner in which the family and business rationales inter-twine, it is argued, awareness of family business issues would be raised at a National and International level. Specific courses or training materials might also be very appropriate as short-term responses to individual issues – but raising awareness in the minds of all those whose actions create the space for successful family businesses is a more strategic approach of critical importance to the development of sustainable businesses and economies. If only the students from families in business who are studying at Business Schools were targeted it is estimated some 34,720 (see Table 1) might be better informed.

### **Acknowledging Stakeholder Approaches**

While the view of the efficacy of our Business Schools has been contested extensively in the past few years (Ivory, Miskell, Shipton, White, Moeslein, Neely, 2006) and they have faced serious challenges both nationally and internationally, we fundamentally characterise them as 'businesses.' They are in the business, albeit contested, of providing management training to corporate managers. Recent literature on the current state of business education in universities, in the US at least, indicates there is a crisis (Pfeffer and Fong, 2002). In fact, damning reports about the veracity of MBA education in particular are legion and from the late 1980s questions have been raised about its relevance (Constable and McCormick, 1987; Port and McKibbin, 1988). Some authors have gone on to criticize the curricula of top-ranked US Business Schools as being 'functional silos' where there is a lack of emphasis on multidisciplinary integration and a lack of focus on 'soft skills,' 'information technology,' 'globalization' and 'corporate social responsibility' to name but a few (Navarro, 2008). Other authors have dismissed these critiques for their over simplistic critique of both management practice and relationship between management education and management practice (Hay and Hodgkinson, 2008).

If the past few years have taught us anything, they have reminded us that models are not reality and that free markets are not so easily captured by mathematical equations. By contrast, the ethical, social, and cultural values that give meaning to the organizations and institutions where we spend our working lives seem to have defied attempts at quantification (Blount, 2010). These values are crucial to helping business people achieve a deeper understanding of markets and their own organizations. Values guide us to the non-monetary worth and meaning of our work, along with the civic obligations that come with it. Values guide successful leaders in the way they interact and communicate with employees, customers, civil servants, investors and others who surround them. It could be argued that values are largely neglected in the business school curriculum.

Regardless, a business school is a business with a social purpose and as such it has stakeholders. If this is accepted then the question becomes who are the legitimate stakeholders of business schools? In the UK where most business schools are publically funded the answer is straightforward. The firm-as-contract view of legitimacy would hold that legitimate stakeholders are identified by the existence of a contract, expressed or implied, between them and the business school. According to Donaldson and Preston (1995) direct input contributors are included but environmental interests like communities also have at least quasi-contracts and often times very specific ones with business schools. Is it not the case that parents and families are direct input contributors to the business school and university? The measure of whether or not parents and families are stakeholders in the business school environment is whether or not the school has some impact on their environment which they clearly do, yet these actors have no specific stake in the school itself. That is they don't stand to gain any particular benefit from the business schools successful operation.

Taking the normative view of stakeholder theory (Donaldson and Preston, 1995) to its ultimate managerial implication it is accepted that business school managers should acknowledge the validity of diverse stakeholder interests and should attempt to respond to them within a mutually supportive framework, because that is a moral requirement for the legitimacy of the management function. While business relationships with environmental 'communities' may be quite vague and so not constitute in any way what might be conceived of as a contract, it is implicit in the process of choice and selection and induction of students into university which typically requires the involvement and acquiescence of parents and nuclear family. Given the increased financial commitment required from students and parents alike to attend university, it would be difficult to argue that parents and families are not

university stakeholders. It might also be difficult to argue that the business school does not have a moral obligation to them as stakeholders. Stakeholder theory provides a vehicle for exploring these larger extended relationships. Donaldson and Preston (1995) argue that the normative base of the theory including 'identification of moral or philosophical guidelines for the operation and management of the corporation' is the core of stakeholder theory. It is the view adopted for this paper.

### Shifting paradigms

It was Thomas Kuhn (1962) that gave *paradigm* its contemporary meaning when he adopted the word to refer to the set of practices that define a scientific discipline at any particular period of time. A paradigm shift can be characterised as a *'movement away from old explanations that no longer explain reality, resulting in a redefinition of taken for granted boundaries due to the emergence of a new model or way of thinking, valuing and perceiving the world'* (Rosado, 1997:1). It has been argued that as society moves further into the 21<sup>st</sup> century that it can no longer carry on business as usual by making small incremental changes to the way things are done. As Depree (1989) states, *'we cannot become what we need to be by remaining what we are'*. Furthermore, we are warned that it is dangerous to believe that we will remain successful simply by doing the same things that once brought success. This is true only if the world stays the same, which it clearly has not. As long as an action, policy or structured situation satisfies our needs, we will not change, so most of us, organisations and individuals alike, choose not to change unless forced to. But without doubt societal change in the last 100 years has been immense. Table 2 below outlines these changes.

**Table 2. Societal Change (1850 – Future)**

STAGES OF SOCIETAL CHANGE				
	OLD* (1850s)	MODERN*	POST-MODERN* (1950s)	FUTURE-MODERN
SOCIETY	Agrarian	Industrial	Information	Knowledge
ECONOMY	Agricultural	Manufacturing	Service	Co-creation
WORK TIME	Nature	Clock	Flexitime	Anytime
TRADE CENTER	Mediterranean	Atlantic	Pacific	China/India split
FORM	Tribe	Town	Technopolis	Community
TRAVEL	Walking	Driving	Flying	Redundant
WORLDVIEW	Familial	National	Global	Universal
ORIENTATION	Past	Present	Future	Past
ETHNIC VIEW	Conformity	Uniformity	Diversity	Humanity
POWER/SOURCE	Family/Muscle	State/Money	Individual/Mind	Group/Collective Mind
EDUCATION	Grade School	High School	College/Grad.School	Lifelong
LEARNING	Kinaesthetic	Auditory	Visual	Holistic
LOYALTY	Family	Institution	Individual	Collective
OPTIONS	Minimal	Many	Multiple	Multilevel/Complex

\*Source: (Rosado, 1997)

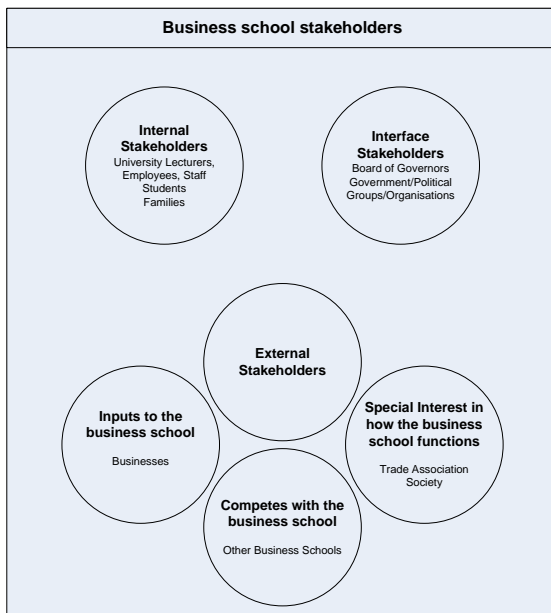
This chart is not the only way of describing how society has changed and it reflects a sociological perspective. It serves to show that the paradigm shift that has taken place since the 1950s when many UK business schools were formed is significant.

### What has changed in Business School stakeholder paradigms in past 20 years?

Before we can consider this question it is necessary to define the stakeholder environment of the business school. The university business school has three main types of stakeholders: internal, interface and external stakeholders (Figure 1):

- *Internal stakeholders* are those groupings of people who operate entirely within the boundaries of the organisation, e.g. students, staff, administrators, support staff.
- *Interface stakeholders* are those who function both internally and externally in relation to the organisation. The major categories of interface stakeholders include the board of directors and the governors.
- *External stakeholders* fall into three categories in their relationship to the organisation:
  - Those who provide inputs to the organisation – alumni, third-party payers, and equipment and material vendors.
  - Those who compete with the organisation for members, students and resources.
  - Those with a special interest in how the organisation functions – the Chamber of Commerce or economic development organisations.

**Figure 1: Business School Stakeholders**



So how is it that the operational paradigms for these stakeholder groups have changed in the past 20 or so years? By way of comparison and to illuminate the business school landscape, the stakeholders are listed in Table 3 below and the dominant paradigm in which they exist is listed.

**Table 3. The UK Stakeholder Paradigm Shift**

Stakeholders	Was	Is
<b>Internal stakeholders</b>		
<b>University: Lecturers Employees Staff</b>	Employees – single role	Entrepreneurs – multiple roles
<b>Students</b>	State supported Debt free Graduation ensures career	Personally supported Debt encumbered Graduation no guarantee of career
<b>Families</b>	Nuclear Families Occupational status of men higher than women	Modified Extended Families Occupational status of men and women the same
<b>Interface stakeholders</b>		

<b>Board of Governors</b>	Scholarship Here for a long time Age is power/knowledge Research excellence	Student learning Making today a delight Distinctive role in society Research includes it application
<b>Government Political groups</b>	Private sole occupancy property Political equality achievable through normal election procedures Average person counts Future resource shortages can be solved by technology When environmental problems are bad, technology can solve them	Private shared property Political equality achievable through major changes in election procedures Average person doesn't count Future resource shortages may not be solved by technology but by social action Environmental problems are not always solvable
<b>External stakeholders</b>		
<i>Inputs to the business school</i>		
<b>Businesses Business Advisors</b>	Manufacturing dominance Fixed time working Market-based economy Brown ecology Consumption Business all powerful Best measure of progress is economic  Focus on economic measures of well-being	Rise of service sector employment On-demand working Knowledge-based economy Green ecology Co-creation of consumption Business fallible Best measure of progress is social change Focus on non-economic measures of well-being
<i>Compete with the business school</i>		
<b>Other business schools</b>	Differentiation to a point of products Product led UK focused	Increasing differentiation of products Student led Internationally focused
<i>Special interest in how the business school functions</i>		
<b>Trade Associations</b>	Local, regional	International, global
<b>Society</b>	Growing achievement levels of women Male dominance in workforce  Work takes place during regular hours  Boundaries between work and home and family quite clear	Rise of females in the workforce Males seeking parity with respect to work roles and parenting Work takes place whenever and wherever Boundaries between work and home and family are blurred

The argument developed within this paper surrounds the proposed need for business schools to move away from the focus on functional areas towards a holistic view of business as a profession. Where medicine or law are taught in Universities, the argument is that they are a collection of separate academic disciplines which research and publish in their specialist areas but which are brought together under the larger aegis of a profession. In seeking to apply the same principal to business schools, the need for big-picture thinking that acknowledges the reality of business and a reflection in teaching and research of business as the profession is key. Most business schools acknowledge the need to reflect business practice whilst developing academic excellence - in translating that to the UK Business School curriculum, however, a number of challenges present, not least the lack of information about the business background and ambitions of students. Further, business schools exist in many different types of Universities in the UK and it is unlikely that one approach will suit all. Importantly, however, this

dilemma has been successfully acknowledged and addressed in the development of areas such as enterprise, sustainable development and corporate responsibility. Developing a similar approach to the inclusion of family businesses as an area meriting consideration within business school curricula has, therefore, some established examples from which lessons could be drawn.

The evidence for the inclusion of family business as a key area for inclusion within business school curricula is compelling and is comprised of two parts: the importance of facilitating business and entrepreneurial developments and the role of family businesses in that process. The encouragement and facilitation of business and enterprise and the creation of robust businesses is a key economic driver (Scottish Government, 2008; H.M. Treasury, 2008) embedded within the social fabric of individual communities (Poutziouris, et al, 2006; Kets de Vries et al, 2007 pxiii). At the centre of much business development lie families: families who run businesses but also families who provide the framework for the on-going development of existing family businesses and for new-start businesses by individuals within families.

Defining a 'family business' is the topic of some debate within the literature: reviewing the definition of a family business, Sharma (1996) and Chua et al (1999) identified no less than 34 operational definitions of the term family business in the literature, albeit with some common themes surrounding ownership and management. Building on this theme, and accepting the conclusion by Alcorn (1982) that a business is a venture which is profit making *at least in intent*, Getz et al (2004) identified a family business as being, '*a family business is any business owned or operated by a couple or a family where the business owners themselves perceive it to be a family business*' (34).

The element of self-definition is key to the approach adopted by Getz et al (2004) and is acknowledged in the current debate. Whilst the operational definition described here has advantages in terms of ease of use and practicality, the potential over-sight of businesses which do not consider themselves family businesses although they may in practical terms be indistinguishable is acknowledged, alongside the difficulties in distinguishing between a first generation family business and a self-employment opportunity.

The importance of family businesses, in economic, social and community terms has been widely discussed worldwide and, to a lesser extent, on a UK basis. Worldwide, family businesses form a cornerstone of the economies of most developed countries and appear to provide a degree of community and social stability (Poutziouris, 2006; Kets de Vries, 2007 pxiii; IFB, 2008).

### **Why is it time to consider a different paradigm for business schools - Universities in Flux**

Before giving consideration to how business schools might adapt their curricular to engage with family businesses, some contextual insight into their development and current standing is warranted. University based business school are said to have a dual mission: to educate practitioners (current and aspirant managers) whilst also creating business/management knowledge through research. Whilst laudable, such aims are often brought into question in terms of their validity and actual contribution to business practice. Accusations leveled at business schools often centre upon their abstract and irrelevant research, failing to meet the needs of practicing managers. This, coupled with teaching that is too theory based, lacking sufficient focus upon actual managerial problems, bring their real purpose into some doubt by various stakeholders. There however some conflicting themes in the debate and these are presented in Table 2 below: From a family business perspective, a case could well be made to support such accusations.

**Table 4. The Paradox of the Business School Debate**

	Debate 1	Debate 2	Family Business Debate
Research	Business school research is too abstract and irrelevant to the needs of practicing managers.	Not enough business school research is grounded in the methodological rigour of the social sciences, it is often too case based and discursive.	Not enough business school research grounded in family businesses; not enough case based and discursive research; not enough quantitative research.
Theory	Business school teaching is too theoretical, and not sufficiently focused on problems that managers actually face.	Business school teaching is too 'customer focused' and not sufficiently distant from, and critical of, management practice.	Business school teaching is not focused on realities of most businesses in UK which are family owned
Output	MBAs, and business degrees generally, do not produce well	MBAs are, or for a long time were, seen as a passport to career	MBAs and business degrees do not prepare managers to work in family



	rounded managers with leadership qualities.	progression and greater earning power.	businesses.
Impact	Business education has made almost no impression on practicing managers, and has failed to impact business performance.	Business schools are partly culpable for recent corporate scandals, and therefore have had a negative impact on business performance.	Business schools don't know how family businesses work because a fraction of the research conducted is on family businesses and it is ipso facto unlikely that they will have any impact.
Scale	There are too many business schools. Many of those taking degrees in management are unlikely to get much benefit from their studies.	There are not enough business schools. UK firms simply cannot rely on the University sector to supply the training/education that their managers need.	There are not enough business schools that train and educate managers to work in family owned businesses.

Adapted from source: (Ivory *et.al.* 2006)

It is important to appreciate the means by which many of today's university business schools emerged. Pre-1992 there were some 40 traditional universities in the UK, most having some form of business school/faculty. The other sector providing higher education was via polytechnics. These institutions were founded to provide vocational programmes of study, including management focused education, with a practical orientation. In 1992 their status changed to that of 'universities', creating what became known as 'new universities'. Within the UK there are currently over 100 university based business schools. The dual mission of business schools still prevails in terms of management education and knowledge creating business research. In practice all business schools undertake teaching around both undergraduate and post-graduate programmes, whilst also engaging in research. The issue is to what extent they focus upon each. The case is often made that 'new universities' are much more 'teaching' orientated and the 'old' established universities are 'research' focused.

Whilst being an over-simplified interpretation of the distinction between the two categorisations, UK business schools are not homogeneous and they differ in their predominant activities and areas of interest. The sector is a good deal '*more diverse and healthy than some of its critics would have us believe*' (Ivory et al. 2006: 9). We would however point out that at the moment there are only two schools in England and 3 in Scotland who have any kind of formal teaching about family business. The concern for the advancement of 'family business' as a body of knowledge, and development of managers, is that it represents an area of business management which remains relatively under researched and taught within the vast majority of UK business schools. There are similarities here in respect to the current status of 'family business' research and that of 'entrepreneurship' research until comparatively recently, to which the paper now turns its attention.

### **Adapting the Business School Paradigm**

#### *The Parallels with Entrepreneurship*

Discussing the need to embed entrepreneurship education in universities in the UK back in 2002, Gibb argued that a broader approach to embedding entrepreneurship education in business schools was needed and that business schools alone could not be relied upon to deliver entrepreneurship education and that a wider approach that involved a broad range of stakeholders is needed (Gibb, 2002:233). This broad approach has had good results and there has been a dramatic increase in enterprise and entrepreneurship education modules and programmes in UK universities.

Key here is that enterprise is acknowledged as an important part of the professional environment but a professional behavior pattern which draws upon expertise from different academic disciplines. Further, as family is often the place where entrepreneurship happens merits attention as an aspect for future consideration. The debate surrounding family businesses and business families is important here, in terms of the unit of analysis used for individual pieces of research, but the general principal that family impact upon and facilitate business behavior remains the key focus.

#### *Facilitating Development*

One challenge associated with this area of research is the relative lack of robust research regarding the family business expertise brought to the classroom by new and returning students. Establishing who is being taught and the expertise do they bring to the field would form a useful counterpoint to questions surrounding the manner in which education might adapt.

Key here is the diversity of students, in terms of both their background and their geographic location: a facet influenced directly by changes in UK university student profiles. Flexibility of both intellectual content and delivery mechanism will be key to any successful developments and are likely to be vital for successful development. Where medicine or law are taught in Universities, the argument is that they are a collection of separate academic disciplines which research and publish in their specialist areas but which are brought together under the larger aegis of a profession. Crucially, medicine in particular acknowledges a similarly international approach: the approaches of the profession are similar in different countries but adapted to local circumstance, culture and custom. In seeking to apply the same principal to business schools, the need for big-picture thinking that acknowledges the reality of business and a reflection in teaching and research of business as the profession is key. Most business schools acknowledge the need to reflect business practice whilst developing academic excellence - in translating that to the UK Business School curriculum, however, a number of challenges present, not least the lack of information about the business background and ambitions of students.

### **Conclusions: The Longer Term Impact of the Paradigm**

The longer term impact of this new paradigm is profound. When the attitudes, behaviours and professional development needs of a wide variety of business professionals are discussed, the lack of acknowledgement of the duality of family business needs is a common theme. This theme, however, tends to be discussed in terms of a collection of awareness and training needs amongst specific professional groups. This paper puts forward the proposal that a far more fundamental shift in the paradigm in which business education is developed would build a longer term awareness which would act as a foundation for professional development training but which would underpin this with an attitude/awareness shift.

At present, very few professional bodies – in areas such as law or accountancy – have CPD on advising the family business. In addition, business support organisations and those involved in economic development tend to work from the paradigm that business is a machine, which can be made to work “better” i.e. to earn more profit, export more goods or to increase turnover by technical improvements. This is not an accurate analysis of a family business system which is an inseparable combination of very deep, often unconscious emotions and business structures. Thus what is taught, advised, expected is often utterly inappropriate for the family business and may result in worse not better performance. The culture clash that potentially develops between those seeking and those giving advice is potentially damaging – and anecdotal evidence suggests it is far from unusual. The family business does not, as experts may advise, separate the family entirely from the business. Rather, in acknowledging the multiple rationalities and duality inherent in family business, it seeks to achieve a stakeholder-focussed balance.

Further, Britain is very diverse country with large swathes of rural and low population density, where family businesses are usually the predominant form of employment and wealth creation. In this sense the existence and remarkable persistence of family businesses act as a social glue which holds together thousands of communities in the UK and may be disproportionately important in rural communities. PLCs may tend to move towards the best distribution routes or the locus of political and economic power but family business tend to remain where the family founded the business because the family ties remain – friendships, schools for their children, a love of the land or the community, a sense of duty and loyalty to place and people. Moreover research from across the globe shows that family business are quiet but substantial philanthropists, often doing so in secret because they consciously wish to separate acts of duty from marketing or PR activity. This is exactly the opposite of most CSR policies delivered by PLCs for whom the activity is a necessary evil and used as a marketing tactic, very often explicitly located in the marketing department and its budget. The qualities inherent in a family business are the essential features of strong community. Strategically considered such strengths can be further nurtured to by making these strengths public knowledge and thus leveraging family businesses to give and be more for their community.

In developing the debate within this paper, the aim is not to put forward one specific route by which all Business Schools should develop. Rather, by opening and acknowledging the debate that exists between business schools as a collection of related academic disciplines and business schools as a source of professional education and by accepting the diversity of businesses they associate with, the aim is to stimulate debate. The routes, channels and methods by which that debate develops will be diverse and the conclusions are likely to vary between university business schools with very different histories. In acknowledging the role of family businesses in the economies in developed countries and in accepting that this should be reflected in the teaching provision of business schools,

the manner in which specific stakeholders become aware of different niches in the business environment is opened as an area of debate.

In essence, therefore, the topic for debate is relatively straightforward: the proposal here is that family businesses are a key type of business the importance of which is not fully reflected in business school teaching. Any paradigm shift, however, should be heralded by robust research and whilst there is some evidence that this is beginning to develop more is certainly required. Early stage research at Bristol Business School and the Scottish Forum for Family Business Research at Queen Margaret University in Edinburgh is developing, but the need for further and broader research remains.

### **Policy Implications**

For government, university governors and policy makers the implications are significant. Offering training to a new generation of family business owners/managers/members will require funding, development of teaching frameworks and pedagogies, professional development of educators, in the same way that the move towards the embedding of entrepreneurship education in universities required. Identification of which university students are from families in business may be the logical starting point. Developing a comprehensive picture of the number, size and nature of the families who are in business is a necessity.

### **References**

- Alcorn, P. (1982) *Success and Survival in the Family Owned Business*. McGraw Hill New York.
- Association of Business Schools (2009), <http://www.the-abs.org.uk/?cat=13> date accessed 10 July 2010.
- Blount, S. (2010) 'Making Values Part of the B-School Curriculum', *Harvard Business Review Blog*, date accessed, 9:27 AM Wednesday May 26, 2010.
- Collins, L. (2009) 'Students from Families in Business', University of the West of England, July 2009. Unpublished report.
- Chua, J., Chrisman, J. and Sharma, P. (1999) 'Defining the Family Business by Behaviour.' *Entrepreneurship Theory and Practice*, 23(4):19-37.
- Debecki, B.J., Matherne III, C.F., Kellermanns, F.W. and Chrisman, J.J. (2009) Family Business Research in the New Millennium: An Overview of the Who, the Where, the What, and the Why.' *Family Business Review*. Sage: Thousand Oaks, CA.
- Donaldson, T. and Preston, L.E. (1995) 'The Stakeholder Theory of the Corporation: Concepts, Evidence, and Implications.' *The Academy of Management Review*, 20(1): 65-91.
- Dibrell, C., Craig, J. B. (2006) 'The Natural Environment, Innovation, and Firm Performance: A Comparative Study,' *Family Business Review*, 14 (4): 275-288.
- Drucker, P. F. (1994) The Age of Social Transformation. *The Atlantic Monthly*, November 1994. Accessed online: <http://www.google.co.uk/search?hl=en&q=the%20age%20social%20transformation%20peter%20drucker&sa=N&ab=sw> Date accessed: 15<sup>th</sup> July 2010.
- European Commission (2009), Enterprise and Industry Directorate-General, European Expert Group on Family Business. Final Report, November 2009. Available online: [http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/family-business/family\\_business\\_expert\\_group\\_report\\_en.pdf](http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/family-business/family_business_expert_group_report_en.pdf). Date accessed: 1 June 2010.
- Family Business Network International (2008) [www.fbn-1.com](http://www.fbn-1.com) Date accessed: 1 June 2010.
- Fiegenger, M.K. (2010) 'Locus of Ownership and Family Involvement in Small Private Firms.' *Journal of Management Studies*. 47:2. Blackwell Publishing: Oxford.
- Frishkoff, P.A. (1998) 'Strategic Questions for University-Based Family Business Programs.' *Family Business Review*, XI (4): 355- 361.

- Getz, D., Carlsen, J. and Morrison, A. (2004) *The Family Business in Hospitality and Tourism*. CABI Publishing Cambridge MA.
- Gibb, A. (2002) 'In pursuit of a new 'enterprise' and 'entrepreneurship' paradigm for learning: creative destruction, new values, new ways of doing things and new combinations of knowledge,' *International Journal of Management Reviews*, 4:3:233-269.
- Hall, S. (2008) 'Geographies of business education: MBA programmes, reflexive business schools and the cultural circuit of capital.' *Transactions of the Institute of British Geographers*. 33: 27-41.
- Hamel, G. (2009) *Moon Shots for Management*. Harvard Business School Publishing Corporation.
- Hay, A. and Hodgkinson, M. (2008) 'More Success than Meets the Eye – A Challenge to Critiques of the MBA: Possibilities for Critical Management Education?' *Management Learning*, 39:21. Sage: Thousands Oaks, CA.
- HM Treasury (2008) 'Enterprise: Unlocking the UK's Talent' Report from HM Treasury with BERR and 'Unlocking Talent' Whitehall, March 2008
- Ivory, C., Miskell, P., Shipton, H., White, H., White, A., Moeslein, K., Neely, A. (2006) 'UK Business Schools: Historical Contexts and Future Scenarios: Summary Report from an EBK/AIM Management Research Forum.' Advanced Institute of Management Research, ISBN No: 0-9551850-7-6.
- Kets de Vries, M., Carlock, R.S. and Florent-Treacy, E. (2007) *Family Business on the Couch: A Psychological Perspective*. Wiley, New York.
- Kilbourne, W.E. (2006) 'The Role of the Dominant Social Paradigm in the Quality of Life/Environmental Interface,' *Applied Research in the Quality of Life*. 1:39-61. Springer:
- Kilbourne, W.E. and Carlson, L. (2008) 'The Dominant Social Paradigm, Consumption, and Environmental Attitudes: Can Macromarketing Education Help?' *Journal of Macromarketing*, 28: 106. Sage: London, CA.
- Kuhn, T. (1962) *The Structure of Scientific Revolutions*. University of Chicago Press.
- Legge, K., Sullivan-Taylor, B., Wilson, D. (2007) 'Management Learning and the Corporate MBA: situated or Individual?' *Management Learning*, 38:440. Sage: Thousands Oaks, CA.
- Litz, R.A. (1997) 'The Family Firm's Exclusion From Business School Research: Explaining the Void; Addressing the Opportunity.' *Entrepreneurship, Theory and Practice*. Spring 1997. Blackwell Publishing Ltd: London.
- McConaughy, D. L., Matthews, C. H., Fialko, A. S. (2001) 'Founding Family Controlled Firms: Performance, Risk, and Value,' *Journal of Small Business Management*, 39(1): 31-49.
- Navarro, P. (2008) 'The MBA Core Curricula of Top-Ranked US Business Schools: A Study in Failure?' *Academy of Management Learning and Education*, 7(1): 108-123.
- Porter, L. and McKibbin, L. (1988) *Management education and development: Drift or thrust into the 21<sup>st</sup> century?* McGraw-Hill: New York.
- Poutziouris, Z.P. (2006) The structure and performance of the UK family business PLC economy, in P.Z. Poutziouris, K.X. Smyrniotis and S.B. Klein (eds.), *Handbook of Research on Family Businesses*. Edward Elgar. Cheltenham, UK.
- Room, G. (2008) 'Social Policy in Europe: Paradigms of change.' *Journal of European Social Policy*. 18:345.
- Rosado, C. (1997) 'Paradigm shifts and Stages of Societal Change: A Descriptive Model.' Rosado Consulting for Change in Human Systems, 1997. Date accessed: 15 July 2010. <http://www.rosado.net/pdf/Paradigms.pdf>
- Sharma, P., Chrisman, J and Chua, J. (1996) *A Review and Annotated Bibliography of Family Business Studies*. Kluwer, Boston M.A.

Sharma, P., Chrisman, J and Chua, J. (1997) 'Strategic Management of the Family Business: Past Research and Future Challenges.' *Family Business Review*. 1 (1) 1-35.

Scottish Government (2008) *The Government Economic Strategy*. The Scottish Government, Edinburgh.

Syed, J., Mingers, J. and Murray, P.A. (2009) 'Beyond rigour and relevance: A critical realist approach to business education.' *Management Learning*. 41:71. Sage: Thousands Oaks, CA.

Turnball James, K. and Denyer, D. (2009) 'Historical Roots and Future Directions: New Challenges for Management Learning.' *Management Learning*, 40:363.

Vesper, K.H. and Gartner, W.B. (1997) 'Measuring Progress in Entrepreneurship Education.' *Journal of Business Venturing*. 12, 403-421.