

## **Networks in Family Business: A Multi-Rational Approach**

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## **Abstract**

### *Purpose*

Current research on networks in family businesses has approached the topic from a mono-rational perspective where the family, business and social networks are each considered in relative isolation. This paper argues that multi-rational approaches, which accept that the three groups of networks interact and overlap, offers a useful alternative perspective.

### *Design/Methodology/Approach*

Conceptual Paper

### *Findings*

The paper suggests support for the use of multi-rational approaches. A model forms part of the exploration of multiple-rationalities, and offers an appropriate basis for future research. Evidence from the literature is presented as a basis for further exploration using empirical approaches.

### *Implications*

Family businesses are the most common form of business in developed countries. By acknowledging their importance and exploring the factors that make family businesses different, the practical and social implications reflected in current research can be more fully explored.

### *Originality/Value*

In proposing the case for multiple rationalities as a framework within which family business networking can be viewed – and in putting forward an initial model – the paper allows the interaction of the different networks within the family business to be more fully acknowledged.

## **Keywords**

Family businesses, business families, networking, multi-rational

## **Introduction**

The nature of family businesses and the manner in which businesses use networks form the focus of the current paper. Whilst the unique nature of the family business has been highlighted by a number of authors (Klein and Kellerman 2008), early network research tended to consider the family as a relatively discrete element of the networks that surround a business (Filion 1990). This paper proposes that one unique facet of the family business is the manner in which family, social and business networks overlap. Crucially, each of these networks has its own characteristics and factors that influence networking. Mono-rational approaches, which largely consider the business in isolation from the family and social contexts are, it is argued here, less appropriate where a family and a business intertwine. By proposing a multi-rational approach this paper acknowledges this overlap, which is important to achieve greater insight into networks in a family business context. Some authors have already highlighted the tendency for business and social networks of SMEs to overlap (O'Donnell 2001; Bagwell 2007; Gayen 2010). Theories of multiple-rationalities extend this approach and consider it in the context of family businesses where family and business strategy intertwine (Hall 2002; Poutziouris 2009) and hence a framework which offers a more comprehensive approach would be appropriate.

This paper reviews evidence from previous research which considers networks in family business and SME contexts. From there, some of the factors which appear to influence networking patterns can be identified. Three key concepts are identified that influence the networking process and which appear to have especial resonance for family businesses: redundancy (where many of the contacts in a network also know each other and so provide similar information), kinship and diversity. The implications of redundancy and kinship are included because in most family businesses the family network might reasonably be expected to contain a high degree of redundancy and be influenced by kinship. In

addition, diversity is included in part because the family structures and business approaches of minority ethnic businesses have been the subject of considerable debate within the literature. There is also far less discussion of the role of networks within minority ethnic businesses in current literature, although it is considered likely that, within the relatively close-knit structures which characterize many minority ethnic business communities, networks will play an important role. Within minority ethnic communities it is also likely that high levels of network redundancy and kinship will be factors. These three facets are discussed in greater depth, based on evidence that they are important in networking *per se* and to provide evidence on the manner in which existing literature can be reviewed through multi-rational frameworks.

The conclusions are centered on the possible use of multi-rational approaches in future research. The contribution of this paper, therefore, is conceptual and offers an approach by which future research focused on networking within family businesses can be approached.

### **Family Businesses: Definitions, Prevalence and Importance**

The importance of family businesses, in economic, social and community terms, has been widely discussed worldwide, although the relatively low profile in the UK is surprising. Worldwide, family businesses form a cornerstone of the economies of most developed countries and appear to provide a degree of community and social stability (Poutzioris 2006; Kets de Vries et al. 2007 pxiii; IFB 2008). This conclusion has been robustly established within the research literature despite a lack of clarity or agreement about what a family business actually is; indeed Sharma et al. (1996) and Chua et al. (1999) identified no less than 34 operating definitions of a family business (Getz et al. 2004), albeit with some common themes. Those common themes included the definition of a business as a profit making operation, at least in intent (Alcorn 1982; Getz et al. 2004 p4), and the

construct that one family (composed of related individuals) has a predominant level of control and may also be employed within the business (Getz et al. 2004 pp4-5).

Chua et al. (1996) further highlight the importance of vision amongst family leaders, indicating that one vital component must be the intention of family leaders to use the business for the benefit of the family. This is key in the context of multiple rationalities, because it highlights an established principle within the family business literature that the vision for the family may be as important, or more so, than the vision for the business. Theories of multiple rationalities extend this principle beyond the vision for the company to the networks accessed. This commentary also builds a link between family businesses and the concept of the business family.

If defining a family business is complex and partially reliant on self-definition, the definition of a business family is even less clear within the literature, but the term has been used in relation to enterprise development in a variety of communities (Dhaliwal 2000; Kenyon-Rouvinez 2001; Dhaliwal and Kangis 2006) to refer to families with a range of businesses and a track record in business start-up, development and on occasion sale. The idea that a family business may develop a vision which encompasses a variety of business interests operating for the benefit of the family, extends the principle of multiple rationalities and offers an overarching framework encompassing literature focusing on family businesses, business families and new business development where it is supported by a family. The current paper, however, focuses on family business as the unit of analysis and the definition used here has been kept deliberately broad (and self defined by the business owners) and is adapted from Getz et al. (2004, p5). It considers a family business to consist of any business venture owned and/or

operated by a couple or family where the business owners themselves perceive it to be a family business.

### **Networks in SMEs: Common Frames of Reference**

The influence that the environments within which SMEs operate have upon the development of new and existing businesses is widely acknowledged and the analysis of networking allows this to be examined in greater detail (O'Donnell et al. 2001; Fletcher 2002b). Social networks, which can be defined as the social structures made up by people (nodes) connected (tied) by different types of dependency, operate on a number of different levels, from individual families to nations and beyond (INSNA 2010). One of the key facets is the relative importance of strong and weak ties and the role they may play in networks (Granovetter 1983, 1992). The links to social capital – the benefit which the individual node gains from different ties in the network – are strong and have been highlighted as a major factor in the behavior of SMEs, showing the importance of the specificity of the relationship between different nodes (Knoke and Kulinski 1991; McQuaid 1996).

A number of different types of networks have been highlighted that may impact upon different aspects of an individual business and which, while they are primarily drawn from a mono-rationalist perspective, are based upon different theoretical frameworks (Fletcher 2002b). However, nearly all network research considers the density, diversity, strength, size, make-up, transactional content and properties which compose relationships within and between individuals and organizations (Fletcher 2002b). The flexibility and variability of networks contributes to their importance as it allows different individuals and organizations to shape practice (Jones et al. 2008) in different ways at different times. The distinction between social and business networks merits consideration: if the purpose of exchange in social networks is primarily for social purposes, and

(similarly) a business network offers exchanges related primarily to business, the role of the family network in a family business might be identified as lying between the two. Indeed, when informal job search networks are explored amongst rural jobseekers it is likely that some element of family network exists within the networks (Lindsay et al. 2003; 2005). In family businesses, three distinct types of network are likely: the family, friendship and business. A key thesis within the current paper is that family, friendship and business networks may overlap to such an extent that it is difficult to separate them and they often interact with each other. This is particularly true when the dynamic nature of networks over time is a factor, as business contacts may become friends and *vice versa*. To frame the discussion here, therefore, some initial definitions become useful.

Business networks have been defined as a series of interconnected business relationships (Blankenburg and Johnason 1992; Prenkert and Hallen 2006), where interactions between any two members of the network may influence both future dealings between the two parties and dealings between those two individuals and other members of the network.

In contrast social networks exist as a series of formal or informal exchange relationships where the primary purpose of the exchange may be for a variety of purposes (INSNA 2010). The role that family networks play in either the business or the social networks may vary widely. Earlier authors have highlighted that definitions of social and business networks may be adequate within a family business context so long as it is accepted that the distinction between social and business networks may be very blurred (Getz et al. 2004). It is likely that at least some of the weak ties in some, especially rural, areas are extended family although usually this was not explored directly. This importance of both family and the social network is important, however. If family networks are distinct from

the broader social network of friends, family may play a slightly different role in business. Within a family business, also, the role of family is likely to be distinct as family members involved in the business *de facto* operate in both the family and business network. Given the acknowledged variability of the role of family within networks and the likelihood that their role may be different in the networks of a family business, networks are considered here as three separate dimensions – family, friendship and business. There is also some acknowledgement here that networks are not static but change over time as the family, friendships and business contacts develop.

Within research focused upon SME networks, four broad approaches have been taken, based upon classifying the types of network that exists and the resource potential exhibited by individual networks (Fletcher 2002b) (Table 1).

***Insert Table 1 about here***

Getz et al. (2004 p85) highlight that while network theory has been applied to both social and business-to-business situations, other researchers have highlighted that the most useful networking amongst small business owners was perceived to be social and informal networking. This suggests that the distinction is between informal and formal networking rather than between purely social and business networking (Littlejohn et al. 1996).

Social networking is, however, a construct widely used in research and allows the acknowledgement of the environmental context in which entrepreneurs operate and businesses are developed (O'Donnell et al. 2001). The importance of the network environment and using networks as a contributor to entrepreneurial success is relatively long-established (e.g. see Filion 1990). Filion highlighted,



however, the importance of the family as a basis for the network of an entrepreneur, commenting on the manner in which entrepreneurs use networks:

'originally products of their family relationships system, they subsequently develop a web of internal and external business relations'.

Filion (1990)

Implicit within this statement is a perception that the family network will be part of the individual entrepreneur's network history. A question that arises, however, is what happens when the family network is neither left behind nor discreet but becomes the center of the entrepreneurial network. If different patterns of entrepreneurship are seen in individuals the scope for families, either to develop a number of patterns of entrepreneurship or to allow the role of the entrepreneur to be broken down into a number of roles played by different family members, remains a possibility. By this approach, one member of the family might contribute primarily product-based ideas whilst others provide ideas around (for example) financing. This approach, where the family plays the role of an entrepreneurial team, is important as an illustration of the multi-level relationships that exist within family businesses.

Describing the links between the visionary process of the entrepreneur and relations which the entrepreneur has with individuals who influence their development, Filion (1990) characterized the three levels of network relations as being primary (family, relatives and those linked with more than one type of activity), secondary (acquaintances, linked to one activity/networking) and tertiary (courses, books, trips). This acknowledges the role of family within the network and there is, therefore, within Filion's research an implicit assumption both that the family is somehow a distinct unit within the network and that the entrepreneur 'moves on' from the family to a wider network *which will carry more influence*. This assumption is characterized within the visual presentation of relationships systems provided by Filion (1990). Visual presentation and summaries of complex data and systems is difficult and usually requires

simplification. Nonetheless, within Filion's summary of the relationship systems within 50 manufacturing systems, the visual presentation creates the impression that the different categories of relation are distinct and the role of the family is both limited and discreet, although Filion himself highlighted in a more general sense the importance of family and relations in enterprise.

Filion's sample of 50 manufacturing companies, each with 50-250 employees in 5 countries formed the basis for this research so its applicability to smaller and non-manufacturing businesses is unclear. Amendments to the relationships model may be required where family-based, often very small, companies are considered. With fewer employees contributing to internal relationship networks and fewer realistic opportunities for training and interaction with the wider business community, the relative importance of the family within the relationship network may be far higher. Importantly, too, Filion acknowledged that some entrepreneurs would develop distinct areas of the network system in greater depth than others and this may in practice be what happens within family businesses. Further, within the broader sweep of networking research, three distinct areas emerge with especial relevance in the family business context. Where certain areas of the network are developed in greater depth, redundancy in networks (where many of the nodes within the network know each other and may effectively provide the same or very similar information) and the concept of a petrified network (which restricts resources) merits consideration. If the development of the family dimension in the network was very strong, the chances of a relatively high degree of redundancy would *prima facie* appear to increase although there is little documented evidence of this. Similarly, kinship is a topic considered within networking research which would appear to be affected if the family dimension of the network is heavily developed. Finally, both the levels of redundancy within networks and the degree to which kinship is a factor may be influenced by diversity. The development of businesses in diverse communities –

and especially those within migrant and minority communities - is well documented but whilst the influence of family and community is discussed within communities, the role that networks play in facilitating is often limited.

### **Family Business Networks**

While the role that networks play in business is accepted, a question concerns the logic or rationales with which networks are used. Family members within the business are likely to network with different people at different times in different ways and for different immediate ends and these different rationalities influence networks development. Little current research focuses on the rationalities family businesses employ in networking but the need to increase the theoretical developments derived from the mainstream business research literature into small business research is acknowledged (Blackburn and Kouvalein 2008). The rationalities and reasons that underpin networking are useful for future research, drawing on developments in strategy research (Hall 2002) and expanding these ideas to the field of networking.

In parallel, research has clearly established the vital impact of networks for SMEs (O'Donnell 2001; Fletcher 2002a, b; Anderson et al. 2007). Of particular importance is the potential of the social networks to inform businesses of the external environment in which the business operates and to identify and exploit opportunities, develop businesses, or create new businesses (O'Donnell 2001; Anderson et al. 2007). If the family impacts on networking patterns, then the family relationships within the family network influence the other relationships in the other networks (Anderson et al. 2005; Klyver 2007, 2010). Despite the variety of approaches to network research (O'Donnell 2001), most have focused on a mono-rational approach that considers either the needs of the business or the social context. This distinction exists despite an acknowledgement that social networks also play a role in entrepreneurial behavior (Jenson and Greve 2002)

and that balancing family and business priorities is a key to the strategic development of family businesses (Sharma et al. 1999). Within a family, the networking patterns of different individuals (e.g. male and female, introvert and extrovert etc.) may also be absorbed within the family social network system in a different way than in other social networks (e.g. family links may be able to withstand greater disagreement or strain between members than in non-family relationships). While the evidence for this is largely anecdotal, there is evidence that long-standing family relationships can constitute an additional level of 'tie' which affects behavior patterns in writing on appeasement entrepreneurship (Gura, 2011). Appeasement entrepreneurship is characterized as an approach to family conflict whereby a family member, who does not wish to continue within the main family business, is supported to set up on their own. This arrangement, whereby support is offered by the family for the formation of a new and relatively independent business as an alternative to the more common outcome (whereby a non-family employee simply leaves the business) offers an example of a circumstance where the family tie leads to a different outcome and is offered here as evidence that family ties can offer an additional level of tie which influences outcomes.

Further evidence to support multi-rational approaches in networking is also apparent. Mono-rational approaches to family business research have provided useful classificatory schemes (Fletcher 2002b), providing common frames of reference for those comparing family-based and non-family businesses, but because these focus on business the role of the family is marginalized. Evidence that family businesses operate differently highlights the importance of multi-rational approaches where the role of individuals, their social networks and family can be considered. An overview of the different dimensions of multi-rational networking – family, friendship and business – is illustrated in Figure 1, where

three axes summarize the business, family and broader friendship axis and allowance is made for the re-development of networks over time.

***Insert Figure 1 about here***

The general dilemma in terms of common frames of reference is illustrated where family emotions overlap with the business. Family emotions are often referred to in the business literature as 'irrational' (Fletcher 2002a) aspects and influences that compete with the needs of the organization (Hall 2002). Much early family business research worked towards solutions whereby the 'irrational' aspects of family business could be ameliorated (Fletcher 2002a). Where the primary discursive network for business is the family, however, the multi-dimensional and dynamic nature of family discourse will play a key role and call for more subtle mechanisms of interaction than that provided by a solely mono-rationalist business perspective. In part, this appears to be derived from the greater depth to which the family dimension of the network is developed, as illustrated in Figure 2.

**Insert Figure 2 about here.**

The extension of the family network dimension is influenced by three key factors which the literature indicates should play a substantive role within the family dimension of the network: redundancy, kinship and diversity.

### **Redundancy in Networks**

Whilst the role of networks in entrepreneurship is well established, debate continues regarding redundancy within networks (Jensson and Greve 2002; Zaheer and Bell 2005). High levels of network redundancy, where many of the nodes know each other and may provide similar information, has generally been

considered a negative characteristic of a network. Burt (1992, 1997) concluded that low levels of redundancy within the social networks of entrepreneurs facilitated a wider variety of information to be distributed by the network, hence allowing the business access to a greater pool of information (Zaheer and Bell 2005). In contrast, Jenssen and Greve (2002) indicated that the number and strength of the connections within the network was more important, partly because more connections made it easier to access the information. This research may have a particular relevance to family businesses where a high level of redundancy might reasonably be expected within the 'family' part of the network where strong ties of familiarity link the members.

Similarly, higher levels of redundancy may happen where the family network is developed in greater depth than other areas, although little direct evidence exists. The impact this may have is also unclear. Family members may tend to cooperate, which could be positive or high levels of redundancy may mean that although the same information is received from different sources, the family dynamic may act as a filter where only the most consistently received messages are acted upon. This may or may not be positive; writing about networks within the Italian industrial area Grabher (1993) highlighted the possibility that networks may contain incorrect information or, in extremes, have the potential to petrify. Where networks petrify – or become fixed and relatively unchanging – the danger is that coalitions against innovation are formed which effectively preclude change. Similarly, whilst close family relationships have many positives within a networking perspective, difficulties can be linked to events within a wider family context and/or as a result of 'kitchen table baggage' (Stepek 2008, personal communication).

The role of family myths, defined as the beliefs and assumptions shared by members of the family which are used to explain why the family operates in the

manner it does, alongside the games families play are acknowledged within the psychology literature of families (Kets de Vries 2007 p103-110) and the powerful navigating function they impose upon family business networking would benefit from further research from a multi-rational perspective.

### **Kinship and Networks**

Family may also provide different levels of links to those in business or friendship networks. By considering friendship networks – those people with whom the business owner has personal connections (Dubini and Aldrich 1991) – the distinction between strong and weak links becomes apparent. Strong links or ties are relationships that entrepreneurs believe they can 'count on', whereas weak links involve individuals with whom contact is more superficial. (Dubini and Aldrich 1991). However, the strength of weak ties theory (social relationships characterized by infrequent contact and no history of reciprocal favors) suggest that they bring in additional information and links that are not available through strong ties (Granovetter 1973). In a family business, the distinction between strong and weak links may be difficult to determine: those who can be 'counted on' where marketing or finance is being discussed may not be those whose advice about family relationships would be trusted. Similarly, those who can be counted on emotionally may not be those who can be counted on in a business context. Further, there is some evidence that the family component is in itself of differing importance in different economic circumstances, specifically that family ties appear to be more important in good economic times (Harvey and Evans 1995). Importantly, though, this research does not identify the rationales: it may be that in difficult economic times the family ties appear less important because tougher business decisions are taken to protect the family.

To assume that kinship offers an automatic strong link would not always be correct and it seems likely that within the family business environment individual

entrepreneurs exercise some judgment over how much they can count on family members in different circumstances. This scenario suggests both positive and negative connotations: on the positive side, family members may know each other's strengths well and be able to make sensible judgments about where appropriate expertise to address different business issues lies (hence there is an asymmetry of information with greater information being available related to family members than to others). Earlier discussions surrounding the clan-like nature of organizations offer a useful perspective here, alongside the less positive aspects such as 'kitchen table baggage', described by Stepek (2008, personal communication) as the preconceptions about family members which individuals grow up hearing from the family and may not be accurate.

Nonetheless, family networks probably contain many strong links, alongside many links where there is a 'blood-tie', but the network link may still be relatively weak Zaheer and Bell (2005). There may be more opportunity for bridging in the context of a business family since there is more than one type of business involved and Zaheer and Bell (2005) confirm the benefits of ties that bridge structural holes in a mutual fund business network. Considering extended families, the potential remains for individuals to be considered as part of the family network whilst still being relatively unknown to the entrepreneur. The importance of such weak-but-still-blood-related links is an area where further research would be required. The development of networks was characterized by Dubini and Aldrich (1991) as being dependent on trust and predictability, both factors which carry particular connotations in the context of family. Describing network development in a more general sense, Dubini and Aldrich (1991) suggest that the development of strong network links is in itself an indication of increasing trust between individuals, whilst individuals with whom the links are weaker will tend to be trusted with less detailed information. However, diversity within strong links remains a key factor in the development of a strong network (Dubini and



Aldrich 1991) and this may be an area where the impact of family could potentially limit network development.

### **Diversity in Networks and Diverse Cultures**

As well as diversity within a network, diverse cultures also play a role in the manner in which networks develop. There is substantial cross-over between those researchers who set out to study networks in a business context and those who set out to explore the reasons for higher levels of apparent entrepreneurship within certain minority ethnic communities (Ram 1994; Ram and Jones 1998; Dhaliwal 2000; Levent et al. 2003; Dhaliwal and Kangis 2006). Where Dhaliwal (2000) writes of the 'hidden women' in Asian businesses in the UK, there is an element of cultural specificity. These 'hidden women' stated strongly that the business prevented their participation in networks; their husbands participated but their long hours within the business precluded female involvement. This has important implications: it should not be assumed that both husbands and wives would access the same networks. Not only is there evidence that men and women display different networking patterns, there is also evidence that women in different cultures network differently (Travers et al. 1997; McGregor and Tweed 2002). The issue here is not to suggest that there is one, simple distinction between male and female networks or between networks in different cultures; rather it is to accept that if diversity in networks brings value in terms of access to networks, the networking of all family members have a role to play.

Further, the potential disadvantages of networks have become clear within ethnic minority communities: Ram (1994), for example, determined that ethnic and minority networks provide both advantages and disadvantages to the business, which sits alongside comments by Getz et al. (2004 p.85) on the risk of exclusion from external help and contacts. Much of the research relating to minority ethnic businesses is in part about the family influence on the business. Ram and Jones

(1998), for example, argued directly that membership of a business family served to inculcate the values associated with small business start-up, development and ownership – values that include achievement orientation and competitiveness allied to deferred gratification and a degree of independent self-reliance which does not preclude participation in and dependence upon existing networks. The cultural diversity within networks may in itself prove a fruitful area for research, but the concept of business families and the relevance that work such as that by Ram and Jones may have for mainstream SME business research has not been fully explored.

Where the family is heavily embedded within the network, different family members develop different parts of the network which can be accessed at different times for the benefit of the business, demonstrating both the potential value of the 'business family' as a nexus and facilitator for entrepreneurial development. The multi-level aspect of social network analysis (Snijders and Bosker 2012) can lend support to both the multi-rational and diversity arguments proposed here, as family business networks operate on several levels particularly with regard to the way in which members form ties. This adds more diversity to the situation and hence greater scope for business opportunity. Diversity within the network may be seen as an important facet of the network, drawing on literature which itself seeks to explore SMEs operating in diverse cultures.

### **Multi-Rational Perspectives on Family and Non-Family Businesses**

Whilst redundancy, kinship and diversity within networks all have a role to play in developing understanding of family business networks, one primary distinction between family and non-family based businesses lies in the increased overlap in the social, family and business networks where a family and at least one business intertwine. This distinction between family and non-family based businesses has been referred to in the literature as 'fami-lieness', taken to mean the unique set of

resources within a family business which arise as part of the interaction between the family, the individuals within the family and the business, of which networks are a factor (Irava and Moores 2010). Differences between family and non-family business networks contribute directly to the debate on the distinction between family and non-family businesses and hence to the development of current theories of family business.

The potential for systems to contain both business and social networks has been indirectly noted by researchers; who highlight the 'clan' nature of a successful team working within an organization (Ouchi and Jaeger 1978; Ouchi and Johnson 1978; Ouchi 1980). Similarly, a body of research exists that considers the use of familial analogy in successful non-family businesses (Hall 2002) and that these may illustrate different facets of a single phenomenon. The analogies between families, clans and organizations appear to suggest that successful organizations value the familial analogies whilst simultaneously seeking a generally mono-rationalist approach. This scenario – where social networks are embedded within the organization but where the primary rationale for decision-making is business focused – suggests that a multi-rational approach is already tacitly adopted.

Further evidence from non-family organizations is also useful. Ouchi (1980) noted a key distinction between a 'bureaucracy' and a 'clan' as being partly the system of legitimate authority that exists, noting that while the clan structure may often provide a highly traditional system of authority; clans differ from bureaucracies because the authority is not based upon formalized auditing and evaluation. The idea that more effective performance evaluation can take place via subtle signals between those who work together closely, and that this in turn makes an effective clan a strong base for business development is of interest because it offers a parallel with family business. If more effective performance

evaluation can be developed through social cues (transmitted through social networks) the importance of the social as well as the business is highlighted.

## **Conclusions**

A number of conclusions can be drawn from the current research: within family businesses family, friendship and business networks play a vital role but offer different perspectives, knowledge and rationales. Further, the family members within the business are likely to network with different people at different times in different ways and for different immediate ends. We contend that these different rationalities may influence the manner in which networks develop and hence influence the network capital available to the business. This is important, because networks influence the development of businesses, strategies and ideas. If the networks of a family business operate from a multi-rational perspective, the benefits for future family business research could potentially include greater understanding of the processes and the opportunity to develop specific, targeted business support developments. Indeed, for family business researchers an overt acknowledgement that the multi-rational perspective influences the manner in which family businesses develop could potentially help to develop thinking around the distinction between family business research and business research in a more general sense.

If multi-rational approaches to the study of networks and networking in a family business and business family context is an alternative to a mono-rational perspective for future research, some specific areas of research can be identified. One such research question surrounds exploring the differences between family-based and one-family based businesses of similar size and/or sector of operations. Similarly, exploring the factors that contribute to 'fami-lieness', where social capital is acknowledged to be a factor, might benefit from a multi-rational approach. Whilst further research would be required to explore the potential

impact of adopting multi-rational perspectives in research, the next stage may usefully involve exploring the topic from both qualitative and quantitative perspectives.

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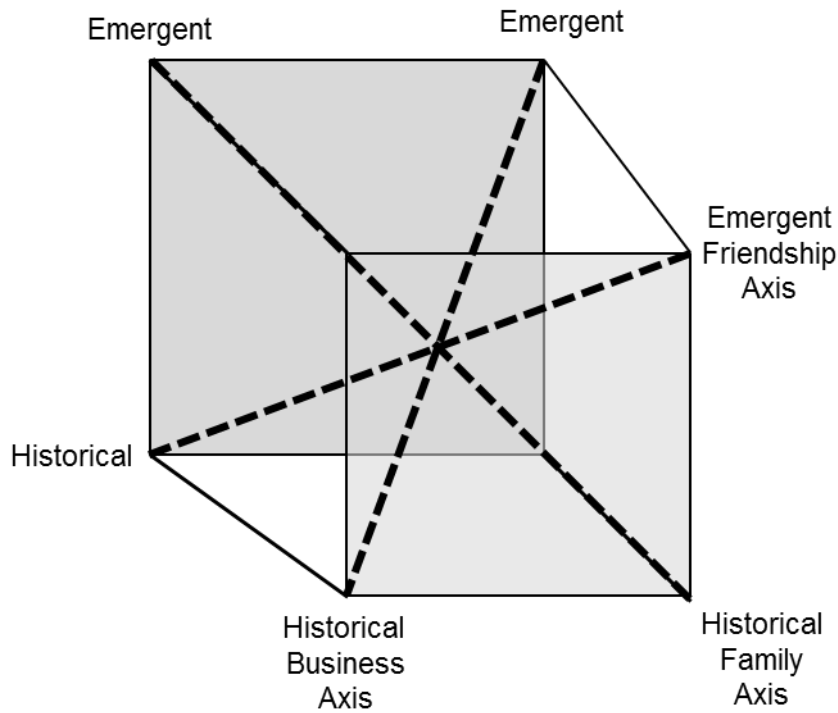
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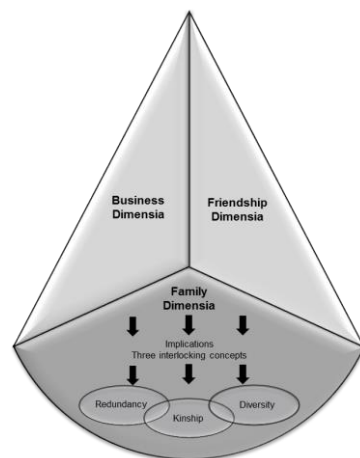


**Figures and Table**

**Multi-rational Networking  
A Dynamic Family Business Environment**



**Figure 1: Multiple Rationalities in Networks**



**Figure 2 Exploring the Family Dimension in Family Business Networks**

<b>Type</b>	<b>Examples of Authors</b>
Formal, informal, prescribed, instrumental and discretionary networks	DiMaggio 1992 Ibarra 1992
Exchange, production and communication networks	Johannisson 1987a Szarka 1990
Authoritative, egalitarian and persuasive networks	Knoke 1990
Bureaucratic or proprietorial networks	Grandori 1997

**Table 1 Approaches to Network Definition**