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The survival of the family business

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Abstract:
The present contribution is mainly concerned with a category of analysis of the entrepreneurial process through the family business which is generally viewed as the oldest and most widespread form of organization throught the world.It contributes very dynamically to the economic development of countires .The present work is mainly interested in the factors that influence the sustainability of the family business.
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1. INTRODUCTION

Entrepreneurship is often likened to starting a business. In this case, the entrepreneur is recognized as such when he creates or takes over a business from an idea. Consequently, innovation enables him to seize an opportunity on the market by taking advantage of the resources available in his environment (Julien and Marchesnay, 1996). According to Stevenson and Jarillon (1990), the company may also be approached from the angle of actively seeking new opportunities. Based on this new perspective, entrepreneurship appears as a strategic dimension of the company (Hernandez, 1999). It is worth recalling that in 1990 Stevenson and Jarillon defined opportunity as a future situation deemed desirable and feasible. It should be noted that in the Algerian market economy, private companies are mainly family businesses. Furthermore, the economic development relies to a large extent on the dynamism and performance of this type of enterprise. Therefore our problematic consists in answering the following fundamental question:

What are the most essential elements for the survival of the family business?

2. Literature review

2.1. The family business

Over the past few decades, several studies, carried out on the topic, have revealed that the economic fabric of most countries around the world is made up predominantly of family businesses. Indeed, the family business represents a form of organization that is very old and very widespread throughout the world (Beckhard and Dyer, 1983; Shanker and Astrachan, 1996; Gersik and Alii, 1997).

It should be noted that there is no single definition to determine exactly what the family business is because it can be understood neither through specific legal forms nor via specific sizes (Mouline, 2000).

Furthermore, the definitions that retain more than one criterion to characterize the family business, where the family members are involved in the control and management of the business, are quite numerous. Generally, a family business depends first and foremost on the attitude and intention of continuity of the owner-manager. For this reason, most authors consider that the criterion of intention of continuity of the family business as fundamental in their definitions of the family business.

On the other hand, according to Astrachan and Kolenko (1994), the family must hold at least 50% of the capital for companies not making public offerings, and only 10% in the opposite case. In addition, the business must have at least ten years of continuous activity and more than one family member must be involved in its activities. The last criterion amounts to the will of the proprietor to transfer the business to the next generation.

According to Fotso Yumgue (2004), in the family business, the owner-manager finds himself torn between two demanding and emotionally important spheres. He must face the rational obligations of a rigorous and methodical management of his business, and must also manage the business in such a way as to meet the demands of the family. For his part, Ducheneaut (1996) suggests that the family character of a company is based on three fundamental elements, namely the origin of the inherited family property, the sharing of capital with the family, and the distribution of capital between the family members who work in the business.

According to Miller and Rice (1967), the family business consists of an enterprise system where the economic goals and resources prevail, with an affective system in which the family interests predominate and come first.

On the other hand, Levy (1988) indicates that the company is viewed by its manager as an extension of himself, an extension of his roots, the achievement of his parents and ancestors.

Similarly, in 1996, Catry and Buff stated that the family business is torn between the logic of a well- functioning family and the good management of the business. The company operates according to an economic rationale that is oriented towards the maximization of outcomes and benefits, while the logic of the family is rather emotional with the main objective of reuniting the members of the family and protecting them.

The following table summarizes some definitions of the family business

Table 1. Definitions of the family business

Single-criterion definitions	**Authors**	**Content**
Property	Barnes L. B and Hershon S.A. (1976) Alcorn P.B. (1982) Perroz Sm Rogolsky 51988-	The business is owned by one individual or some members of the same family
Control	Barry (1975), Beckhard R., Dyer W. (1983), Keppner E. (1983), and Handler W.C. (1989)	The business is controlled by a more or less extended family. Control is carried out by the board of directors
Multi-criteria definitions		
Property and control	Davis J.A., Tagiuri R. (1982)	The business belongs at the same time to one individual and to the family; it is controlled by the entire family
Property, transfer and control	Churchill N., Hatten K. J. (1987), Ward J. (1987)	Transferring a business from one generation to another
Property and family domination – Name of enterprise	Christensen R. (1953)	The enterprise bears the name of the family, which is a sufficient sign of the family's dominance over the business
Generations of entrepreneurs and mutual influence	Donneley (1964)	The enterprise is controlled by at least two generations of family members - There is mutual influence between the family and the business
Existence of subsystems	Beckhard R. (1983)	A system made up of subsystems (the company, the family, the founder).

Source: Adapted by the author

3. Characteristics of the family business

It is important to mention that the family system is a double-edged sword. When cohesion and solidarity prevail within the family, the human, financial and social capital is managed and controlled in the benefits of the family business and the entire family. Unfortunately, family ties may weaken over time.

Several types of family businesses deserve to be mentioned:

- Disengaged family businesses that establish a rigid line between family and business, and thereby preventing any emotional interactions. This is often the case with businesses controlled by a generation of distant cousins with weak personal ties, and whose only attachment to the business is of financial nature.
- Entangled businesses which present a permeable border that allows all emotions emerging from the family to be expressed in the company, and vice versa. This is the case, for example, of extremely cohesive families whose interests are perfectly aligned with those of the company.
- Balanced family businesses that provide the right balance between family and business in terms of emotional interactions. This is the case, for example, of companies that have put in place effective family governance that facilitates emotional self-regulation. Because emotional dimensions can positively influence decision-making, balanced businesses take advantage of these dimensions for the benefits of the business and family.

4. The sustainability and survival of the company

Regarding sustainability, it is presumed that the business continues to be owned by the family and run by family members (Mignon, 2000). The main challenge facing the business executive is to find the most appropriate way that ensures the company sustainability through its transfer to the next generation. Moreover, it is important to specify that the transfer of management within the family business appears to be the ultimate challenge for the executive manager who wants to ensure the sustainability of his business (Youaleu and Fillion, 1996).

In this context, Gaultier (1990) explains that very often family businesses are threatened with failure, destruction and disappearance under the pressure of heirs who pursue different goals and have different interests. In order to avoid such problems, some company founders try to find one heir who could keep the concentration of power in the hands of the owner-manager of the company. Nevertheless, many of these founders view the business as a collective heritage that is shared among family members with the spirit of partnership (Ward, 2005).

On the other hand, Sharma (1997) defines management transmission planning within the family business as a deliberate and formal process that facilitates the transfer of managerial control from one family member to another.

5. Family decision-making

Decision-making is the process of choosing the objectives of action and the procedures to follow to achieve these goals. Furthermore, making a decision means that a person must choose between several possibilities offered to him. For example, a person has to take a decision when he is a position to make a choice between purchasing something or not, or choosing between brand X and brand Y, etc. However, if that person is not offered more than one possibility, which means that he does not have the opportunity to make a choice, then that simple "*no-choice*" action does not involve any decision-making process. Furthermore, the family is defined as a group of people, with different orientations and sometimes with different cultures and values, living in a specific place at a given time. It is worth saying that the definition proposed by Murdock (1949) is the most widely used in sociology. He says that "*The family is a social group that is characterized by a common residence, economic* *cooperation and reproduction of its members. It comprises adults of both sexes; at least two of them have socially approved sexual relations which engenders the birth of one or more children* ". More recently, Coser (1974) defined the family as "*A group originating from marriage; it is made up of the husband, the wife and their offspring* ". Similarly, the Vanier Institute of the Family proposes the following definition: "*The family is any combination of two or more persons who are bound together over time by ties of mutual consent, birth and / or adoption or placement and who, together, assume some responsibilities for various combinations of some of elements like material maintenance and care of group members, addition of new members through procreation or adoption, child socialization, social control of members, production, consumption and distribution of goods and services, and eventually satisfaction of emotional needs* ". It is well admitted that any young person is influenced by his family. Indeed, this primary group is very influential because it can instill within the individual his first real learning and also conditions his future learning. In addition, the decisions made by a person are deeply influenced by his culture, socio-cultural affiliations and class membership.

5.1 Culture

Broadly speaking, a society is characterized by its culture which is generally considered as its backbone and soul. In this context, Linton R. (1963) defines culture as "*The set of learned, most shared and persistent physical and psychological behaviors, most of which have become unconscious, and their outcomes that are shared and transmitted by members of a given society*". It should also be noted that this complex whole comprehends the knowledge, beliefs, art, norms, values, morals, rites and rituals, and other elements that culture instills in the members of this society. These different factors differ from one company to another. Culture has a rich and complex dimension. It can be at the same time global, significant, shared, normative, unconscious, dynamic and evolutionary. Culture performs several functions. It is at the same time vital and symbolic; it has the role of integration, communication, identity-building, problem-solving and action. Cultures differ from country to country and are of extreme importance in international trade, as it is the case in international marketing. Indeed, before starting a marketing program, the company must take into account these cultural differences which must be identified and evaluated beforehand. The main forms of expression of culture are the language, which is of major importance in the transmission of an advertising message or in the sales, as well as gestures, opinions, attitudes and personal objects.

For example, in France, a washing machine should be placed out of sight of guests, while in Mexico this machine can be displayed in the living room as it is a luxury item.

5.2 Subcultures

Much of an individual's behavior is conditioned by the culture of the society to which he belongs. Behavior is viewed as the individual's social heritage.

Further, it is possible that within the same society that is characterized by one predominant culture to distinguish various subcultures that are associated with distinct cultural groups.

The subculture can be defined as "*A segment of the same society which identifies itself, or is identified by others, with a distinct group having behaviors that are specific to it, with some*

cultural characteristics, i.e. norms, values, and symbols, that are different from those of the dominant group or from those of the legitimate descendants of the founders of the predominant nation" (D'Astous Alain et al., 2006).
Subcultures can be viewed as having several dimensions. Some of these dimensions can be of ethnic origin, regardless of race, native country or religion. Other subcultures are defined in relation to age (the elderly), income (poor groups) or even the technology they use (internet users).

5.3 Social class

The history of mankind is directly linked to the stratification phenomenon or social classes. This phenomenon, which still exists today, characterizes the life of many societies around the world.
A large number of researchers in political science and sociology have developed the social class concept in order to better understand the evolution of societies. All terms such as class struggle, social hierarchy, aristocracy, bourgeoisie, proletariat, nobility and castes, are the fruit of the reflection of specialists (75) who have been investigating this subject.
Furthermore, Harris (1994) indicates that within the family business, the family influences all stages of strategic processes. Regarding Sharma (1997), he suggests that this influence is mainly due to the fact that the decision criteria are affected by family considerations which figure among the objectives of the company and also among the choices to be considered. It is important to note that decision making is not based solely on business logic; the decisions made must adapt to the family's demands.
The following table summarizes the characteristics of the family decision-making process.

Table 2. Characteristics of the family decision-making process

	Non-family firm	**Family firm**
Dominant dimension	Rational dimension	Affective dimension
Decision-making process	Hierarchical path	Controlled by the founder
Speed of the decision-making process	Slow	Rapid
The secret decision	Rational argument, justification	Intimate conviction, intuition, authoritarianism of the founder

Source: Adapted by the author

The involvement of the family leads to a paradoxical situation. On the one hand, family members share values and norms that shape their personalities and behaviors, and on the other hand, they have different visions and goals. They therefore exert a multilateral influence on the company's strategy (Basly, 2006). The influence of different members of the family depends predominately on the number of family members involved in the ownership or management of the business. The different configurations and classifications proposed by Gersick in 1997 are characterized by different power structures.
According to the classical choice theory, calculated rationality is the only legitimate form of intelligence for decision making. In this context, March (1991) shows that there are other possible forms of intelligence that are quite legitimate and that do not use conscious references as the main element of the decision making process. He also explains that

decisions are not really made in an organization; however, they develop on their own in a meaningful context. Indeed, it is certain that a decision maker can act intelligently without knowing how to guide an action because decisions are often the expression of convictions.

6. The roles of the family business

Bernard Dubois (1994) suggests that analysts generally emphasize three common family roles. It should be noted that the family appears as a social unit, a mode of organization of daily life and a consumption unit.

6.1 The family as a social unit

The family is the main cell that allows a society to survive. The nature and composition of the family unit combine with the socio-cultural environment to give rise to a living environment and a mode of distribution of power that opposes autocratic families, in which most of the power is concentrated in one single person, to syncretic families, in which decisions are taken by mutual agreement. Naturally, the mode of operation adopted exerts a profound impact on the consumption of household products. Moreover, considering the cultural heritage of households, the preferences regarding brands or purchasing strategies are passed on within the same family from one generation to another.

6.2 The family as an organizational structure of daily life

The distribution of tasks within the family is one way of organization depending on the time spent at home; this is true for both the father and the mother.

7. The family life cycle

The concept of family life cycle (FLC) employed by sociologists during the 1930s was discovered by marketing researchers in the early 1950s as an extension of the traditional variable, namely the "*age of the head of household*" (Lansing and Kich, 1957; Loomis, 1936; Weller, 1951).

The family life cycle (FLC) can be defined as "*A process consisting of the different stages of an individual's life as a function of his age, marital status and the presence of children*". (Pettigrew Denis et al., 2002).

The concept of the family life cycle makes it possible to better elucidate the development of the family according to the age of its members, from birth to death. Therefore, it can be said that "*The family, like the individual, is a living unit that goes through phases that are comparable to childhood, adolescence, adulthood and old age, with changing needs*."

7.1 Conceptual frameworks of the family business

This section presents the different conceptual frameworks used by most family researchers. According to Hill (1966), "*These frameworks make it possible to name and classify family phenomena, and to illustrate and clarify the extent and distribution of family behaviors that our conceptual lenses open to observation*". In this regard, two main approaches in family theories deserve to be mentioned: *The functional approaches* and *the interactive approaches* (Fosse-Gomez, 1992)

7.2 The structural-functional framework

According to Parsons and Bales (1955), the structural-functional approach to the family is based on role theory. This theory is defined as a global view of the family. In this context, Parsons emphasizes the social functions of the family, and the structures of influence or relationships induced within the family by these same social functions. The comprehensive theory of the family involves three theoretical dimensions: the first one is related to the functions of the family, the second one to its internal structures and the third to the distribution of male and female roles.

7.3 The interactional framework

No one denies that so far the concept of interaction has been widely studied in the social sciences (Goffman, 1974). It was found that interactive approaches rather favor the dynamic dimension of the family structure.

It is worth specifying that the family is a social system that gives rise to social processes and power processes. The family is indeed conceived as a place of power.

With regard to Corfman and Lehman (1987), they proposed the following definition of power: "*It is the capacity of an individual to direct the behavior of others in a chosen direction with or without their consents*".

7.4 Family power theories

It is widely admitted that not all families within the same society have the same power structure. The power structure in a family can explain how economic decisions are actually made within that particular family.

It should be noted that interactionist perspectives have been developed in sociology around two main currents. The first current is based on the theory of resources, which means that the spouse that dominates in the couple is the one who possesses more resources, while the second current considers both the benefit of domination and the cost of power. In this case, the social exchange theories are then applied to the family.

7.5 The theory of resources

Resource theory, as developed by Blood and Wolfe (1960), was originally established for the purpose of explaining the power variations of family members on the premise: "*The spouse that dominates in the couple is the one who, comparatively, possesses more resources* ". In addition, these same authors define a resource as: "*A scarce good that one of the partners can make available to the other partner; this good is likely to meet the needs of the other person or to enable him to reach his goals*".

Yet at the same time, Blood and Wolf tested their theory using various decision-making areas as indicators of power, while considering the absolute and comparative social assets of the members of the couple (professional status, income, level of education) as resource indicators. They thus highlight the relationship between comparative superior resources and a legitimized power, which means the existence of an authority that is recognized by the other members of the family.

7.6 The social exchange theory

Within the framework of the theory of social exchange, the reciprocal influence relations between family members are defined through the modes of interaction that exist between these members. In this context, Scanzoni (1970) developed the theory of social exchange while calling into question the assumption that power brings benefit but has no cost in resource theory.

In addition, still according to Scanzoni, in the role theory of Parsons and Bales (1955), the mother and the father have specific roles. Scanzoni interprets the division of labor in terms of exchange between the members of the couple. This theory emphasizes three types of costs associated with the use of power:

• The cost linked to the exhaustion of a power source or the difficulty to renew it,

• The cost linked to personal goals that one individual has set for himself; this cost may be called into question through the use of power,

• The cost linked to the history of group decisions, i.e. the benefits that a member of the group has gained in the past should be compared with those of other group members.

As these costs are real, it can be said that the social exchange theory explains the distribution of power in the family better than the resource theory.

The social exchange theory takes into account the needs of affection, the desire to avoid conflicts, as well as the classic bases of social power which are the status, level of education, and expertise.

8. Conclusion

The present work allowed confirming that the family is a special form of social group which is distinguished by numerous strong face-to-face interactions that could exist between the family members. Several family theorists have identified two approaches that can be used to name and classify the phenomena that can take place within the family; first the structural-functional approaches, which emphasize the notion of function or role and therefore give a static image to the family, and second the interactive approaches that favor the dynamic dimension of the family, by conceiving it as a place of power where each family member has a resource that allows him to exercise a certain power.

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