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ENTREPRENEURIAL LEARNING IN FAMILY BUSINESS

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ABSTRACT:

This paper draws on a situated learning perspective to examine learning in the context of family business. It draws on the experience of two generations, the founders of a business and their successors from the next generation of the same family. In-depth interviews provide an insight into learning about business as articulated by families who own and manage a business spanning more than one generation. The study relies on their narratives as a way of knowing and as a form of communication. Narrative interpretation throws into relief aspects of learning in the context of a family business. A review of the entrepreneurial learning literature offers theoretical insights but it also highlights the existing research focus on the individual, predominately male, entrepreneur. This paper challenges that assumption and reveals the complex intergenerational dynamics of family and business. It contributes towards a re-conceptualisation of entrepreneurial learning as socially situated, embedded in participation in the social practices of the family and the business.

Key words: situated learning, entrepreneurial learning, participation, narrative, family business

INTRODUCTION

The complex social phenomenon of family business has received increasing attention in the management literature during the last 20 years (Sharma, 2004). This is perhaps unsurprising given the scale and scope of family firms worldwide. Even so, some authors believe that family business does not receive the research attention it deserves (Steier et al., 2004) and there have been recent calls for more studies 'connecting family systems and entrepreneurial phenomena' (Aldrich and Cliff, 2003: p.575). It is argued that the family dimension of family firms warrants greater research attention. Existing research has not always acknowledged that the 'family' and 'business' are inextricably linked, with the family impacting in important ways on the business and vice versa (Heck, 2004). A vital gap, therefore, exists in understanding how the family and entrepreneurial processes might be related (Aldrich and Cliff, 2003; Rogoff and Heck, 2003; Heck, 2004).

This study aims to address that gap by studying the family and business dynamics of two generations in family businesses. It explores how and what they might learn from each other, with a view to understanding the nature and extent of 'entrepreneurial learning' in the context of a family business. Although there appears to be a consensus that family business and entrepreneurship are overlapping fields of interest, there has not to date been an exploration of intergenerational influence or transmission across the generations of forms of entrepreneurial learning.

The term 'entrepreneurial learning' used here is derived initially from the work of Rae and Carswell (2000) who drew on the process theorists' view of entrepreneurship as a dynamic form of social and economic behaviour (Gartner 1985: p.89) and posed the

research question 'How do people learn to act entrepreneurially?' The use of the term also relies heavily on the work of Cope (2003; 2005) who argued that learning is becoming accepted as an integral element of entrepreneurial practice and study. This paper examines learning as situated within social practice, as essentially social in nature (Lave and Wenger, 1991). The situated learning perspective contrasts with research in entrepreneurial learning to date which has broadly assumed that processes are based on individual psychological and cognitive processes (Ravasi and Turati, 2005).

ENTREPRENEURIAL LEARNING: INSIGHTS FROM THE LITERATURE

An examination of the small, but significant, entrepreneurial learning literature reveals a number of theoretical insights. These include how learning takes place through networks (Deakins and Freel, 1998; Shaw, 1998, 2000; Taylor and Thorpe, 2000) and through critical events /episodes (Cope, 2001; Deakins and Freel, 1998). It examines the role of personal theory (Rae, 2000; Rae and Carswell, 2000) and organisational routines (Costello, 1996). It has involved the identification of entrepreneurial competencies or abilities (Deakins and Freel, 1998; Cope, 2001; Rae, 2000) and proposed the notion of 'entrepreneurial preparedness' (Cope, 2001). Each of these areas is briefly outlined below.

Deakins and Freel (1998) identified a number of entrepreneurial competencies or abilities; the ability to network in the sector, assimilate experience and opportunity, reflect on past strategy, recognise mistakes, access resources and build an 'entrepreneurial team' (p.150). Rae (2000) identified particular elements of what he terms 'entrepreneurial effectiveness'. These included elements drawn from

3

psychological or cognitive perspectives of understanding entrepreneurship such as confidence, self-belief and self-efficacy; personal values and motivation to achieve; setting and driving ambitious goals (p.154). Other themes identified are more explicitly socially based, such as the ability to learn through relationships and through action. Rae's work provides an insight into how aspects of entrepreneurial learning can be revealed by adopting a narrative, life story method of research. Rae (2000) concludes that: 'The reality and folk lore of entrepreneurship is enacted through narrative' (p.157).

In their study Deakins and Freel (1998) stressed the importance of entrepreneurs being able to learn from their experience of dealing with, and reflecting upon, critical incidents. Cope (2003) built significantly on this notion of learning through critical incidents or episodes. He emphasised the significant impact of critical events in the development of the business and the owner manager. Building on earlier work in the entrepreneurship literature (Harvey and Evans,1995) which identified antecedents influencing an individual's choice to commit to setting up a business rather than seeking organisational employment, Cope (2001: p. 207) also examined the concept of 'entrepreneurial preparedness'. What kinds of skills, experience, motivations and abilities combine to prepare someone to go into business? Cope's (2001) research revealed a number of types of experience contributing to the accumulated learning that individuals brought to start-up: sector specific experience; theoretical experience for example through formal education; experience of working in or with a small business; general management experience; and prior experience in running a small business (p.214).

Following the logic of a dynamic learning perspective, it could be proposed that preparedness might be a cyclical concept, that forms of preparedness may be necessary at many stages in the development of a business. As a business grows, changes or develops in new directions, those in the business must be in some sense 'prepared' to take next steps, to embrace new experiences and challenges. In the context of family business it is key to succession that one generation is 'prepared' to let go of the business and that the next is 'prepared' to take on and transform the business in response to a different historical setting.

Costello (1996), an evolutionary economist, studied routines in organisations. He compared organisations acquiring routines to individuals acquiring skills, saying that organisations can learn and become skilled at undertaking processes of action. His study focused on small- and medium-sized firms and found that routines existed at many levels in the organisation, both short-term operating routines but also standard responses which influence strategic analysis. An important element of the insights offered by Costello's study is his view that the routines, or the collective knowledge of the organisation reflect their history and culture, but: 'they are also intimately connected to the social, cultural and economic milieu in which the firm exists' (p.596). In a family business it would be expected that some organisational routines could be traced across the generations. Costello suggests that routines will change in complex ways, and be related to development and learning (p.596).

Studies of the networks of entrepreneurs have tended to focus on the personal contact network of the entrepreneur and its impact on their ability to start a new venture. Overall, the research to date has revealed more about the structure of the networks

rather than the content in terms of the interactions and relationships within the network (Shaw, 2000: p.375).

Entrepreneurial learning research to date offers conceptual and theoretical insights, which could usefully be examined in the context of family business and succession. These studies have most commonly adopted a qualitative, interpretive research approach. Although not always explicitly presented or articulated as such, they often draw upon narrative accounts of individuals reflecting on their experiences in setting up and developing a business. One of the dangers of this approach identified by Rae (2000) is a focus on the narrative account or life story of the individual entrepreneur to the exclusion of others. This focus on the individual entrepreneur could be said to be true of the work of Cope (2001). Studies of entrepreneurial networks also commonly use the individual entrepreneur as the focal point and through their individual accounts of events, episodes and activities build a picture of the structure and nature of their personal network (for example see Shaw, 1998; Taylor and Thorpe, 2000; Ravasi and Turati, 2005). The risk is that this focus on the individual serves to reinforce an individualistic, a-social view of entrepreneurship and entrepreneurial learning.

There is no single unified theory of entrepreneurial learning; there are multiple definitions, multiple overlapping views of what it is and how it might take place. All of the studies to date call for further research in entrepreneurial learning. However, it seems clear that to date the focus has been on individual learning. Cope (2001; 2005) specifically pointed to the need for research into how learning takes place through the dimension of social learning, learning within a social context and through social relationships.

This paper calls for a conceptual understanding of entrepreneurial learning as an inherently social phenomenon emerging from particular social practices. The socially based perspective of situated learning theory could offer a significant contribution to this developing area in entrepreneurship research.

LEARNING SITUATED IN THE SOCIAL PRACTICES OF FAMILY AND BUSINESS

A situated perspective views learning as embedded within, and as an inextricable part of, everyday social activity (; Wenger, 1999; Gherardi and Nicolini, 2002). This perspective provokes a critical re-assessment of learning, so that it can no longer be viewed as a process of 'internalisation of the culturally given' (Lave and Wenger, 1991: 47). Lave (2000) accuses learning theorists of having an 'educative' view of learning, borne out of our existing practices. Lave challenges this 'schoolish understanding' of learning, arguing that people in the world, in action together, do not work like that. A model of input, storage and retrieval is inadequate to describe learning, which in Lave's (2000) view is a part of complex social practice. Learning has to do with social transformation and the inter-relations between people and the practices of which they are a part. Learning takes place as we participate in social practice in a particular historical and social context.

This paper contributes to conceptualising entrepreneurial learning as a social phenomenon intricately interwoven in everyday action with others. It draws on the view that those participating in the day-to-day running of businesses are embedded in communities of practice which according to Lave and Wenger, (1991): 'are engaged in the generative process of producing their own future' (p.57).

A situated learning perspective offers fresh insights for the study of family business, intergenerational learning and succession. It suggests moving away from seeing intergenerational learning as some form of 'transmission' from one generation to the other. It suggests a focus on understanding intergenerational dynamics of social interaction as individuals in the family engage with, and participate in, complex social practices in particular historical contexts.

THE RESEARCH STUDY: NARRATIVE ACCOUNTS FROM TWO GENERATIONS

This qualitative, interpretive study relies on narrative as a way of knowing and as a form of communication (Hamilton, 2006). It draws upon narrative accounts from the founders of a business and their successors from the next generation.

Twelve in-depth interviews were undertaken, with two generations in five families. In some cases the interview was with an individual, some with husbands and wives together. The interviews lasted between one to three hours, they were taped and transcripts produced from the tapes. Interviews began with open conversational devices, such as 'tell me about the family and the business' or 'where did it all begin?'. The second generation were asked questions like 'when did you first become aware of the business?'. The aim was to encourage and support participants to feel at ease and be able to respond freely, to tell their own story. Mishler (1986) suggests that responses elicited from unstructured interviews can be treated as narratives and analysed as such. [1]

Gherardi and Nicolini (2002) also studied learning in communities of practice drawing on interview materials. Their study of safety in a medium-sized building firm relied on accounts of the everyday practice of main contractors, site foremen and engineers. They point to the contribution of practice based theorising to the 'analysis of knowledge intrinsic in practice' (p. 420).

In this study of family businesses the interviews resulted in rich articulations of entrepreneurial learning through engaging with overlapping practices of family and business. The narratives of the participants were littered with references to learning embedded within everyday practice, in 'constellations of interconnected practices' (Gherardi and Nicolini, 2002: 420)

Summaries of the families are provided below to help the reader connect with illustrations from each which are drawn upon in the next section.

Summary of the families participating in the study

THE ENGINEERS

The father, who had worked in engineering all his life, was made redundant at Director level when he was 50 and then set up in business His wife supported him, and the couple worked together to build a successful engineering company, relatively late in life. Up to that point she had not worked in paid employment during their married life other than briefly when they were first married. Their son was 17 at the time of the redundancy and studying for A-levels. After leaving school he joined a graduate training scheme with a shoe manufacturer, and went on to develop a successful career in sales. In his 20s, he was just about to take up a new job with good salary when he went on a visit to a customer with his father. On the journey home, in conversation with his father, he decided to join the business rather than take the apparently more attractive job which was on offer. He has since expanded the company internationally and is strongly committed to growth and diversification in the business.

THE BROKERS

The mother and father set up an insurance brokerage with another couple in a shed in the garden when the daughter was young. Her mother always worked in the business but never had the status of 'partner'. The two men, who were partners in the business, dominated it even though both wives worked there too, unpaid in the early days. When their daughter left school she went to college, but was not happy and asked her father for a job. He refused, advising her to get some experience first. She went to work in a bank but when an office junior's job was advertised in her father's business, she formally applied for it, was interviewed and given the job at the age of 19. She worked her way up in the business, finally achieving the role of Senior Partner after more than 20 years.

THE CHEESE-MAKERS

A farmer's daughter, married to a farmer, set up a cheese-making operation on a farm in the 1950s. She grew the business to become one of the major suppliers of farmhouse cheese in Lancashire. Her daughter and son- in-law have taken over the business to grow and develop it further over the last 15 years. The daughter had studied home economics and went on to work at a large food manufacturer in new product development; the son in law had worked in sales and marketing. The son-in-law is now the Managing Director, the daughter the Operations Director.

THE GROCERS:

The family had been forced to leave Uganda in 1972 when General Idi Amin ordered the swift expulsion of all non-citizen Asians from the country. They came to the UK and eventually managed to borrow money to buy a corner shop. They grew the business, with other members of the family, eventually owning 14 corner grocery stores. As they grew up, their son and daughter worked in the shop. They all lived in a flat over the shop for many years. The mother and father moved out of the flat over the original shop and the son and his wife had moved in. It was assumed that they would take over, as the mother and father were due to retire. However the parents had not yet relinquished control.

THE LARGE GROUP:

Encouraged by his wife, the father went into business at the age of 28, buying the local petrol station and hardware shop in the village they lived in. He subsequently built up a large portfolio of businesses across the UK, both his sons work in the business. The growth and development of the business was possible because his wife worked as a teacher, based on her work earnings and ability to borrow capital, the business was able to expand. The children were brought up 'over the shop', literally. The spotting of opportunities from within his networks has driven the organic, opportunistic expansion of the business. Following his younger son's critical illness at the

age of 17, the father in effect created a business to provide employment for him. The desire of his older son to escape from corporate life led him to join the business.

In the next section the narratives of the five intergenerational sets are examined drawing on key theoretical concepts developed by Lave and Wenger (1991) in order to develop an understanding of situated learning in family business. Brown and Duguid (1991) in their examination of communities of practice stress the importance of narratives and story telling in 'reflecting the complex social web in which the work takes place' (p.44).

THE FAMILY AND THE BUSINESS AS OVERLAPPING COMMUNITIES OF PRACTICE

The concept of the family and the business operating as overlapping communities of practice offers a useful framework for providing insights into family business. A community of practice denotes a particular set of relations between people and social activity in the world, over time, which makes up a particular community. In turn, that community has a set of relations with other communities which touch them or are overlapping. A community of practice is 'an intrinsic condition for the existence of knowledge' (Lave and Wenger: p.98). Learning is embedded in participation in particular cultural practice and every community of practice provides the interpretative framework for its own heritage.

Dramatic and sometimes tragic events have far-reaching consequences for the families and the business in the long term (Hamilton, 2006). For example, the critical illness of the younger son of the Large Group, the death of the child of the partner in the Brokers

resulting in one of the wives not joining the business, the flight from their homes of the Ugandan Asian family. All of these are a part of the history of both the family and the business.

From a situated learning perspective participation in social practice is the primary generative phenomenon of communities of practice and 'learning is one of its characteristics' (Lave and Wenger, 1991: p.34). The narratives reveal the early involvement of the children in the business and they articulate learning associated with that engagement.

Childhood and the business

For the children of those who founded the business, some of their earliest memories are associated with the practice of the business. The Brokers' daughter remembers the shed in the garden where they first ran the business and swivelling on an office chair. She remembers the first office, and the first manager joining the business, who is now the other partner in the business. She recalls the early days in terms of what she did, the practice of being in the office: 'Answer the phones, draw pictures, tidy up, go for coffee, go for the cake.'

The son of the Grocers remembers being in the shop as soon as he could walk, following his mother and father around – like the Large Group the family lived over the shop. The father talks of his son's childhood, of his continual involvement in the shop and how that experience has influenced his decision to come into the business.

The daughter of the Cheese Makers describes the cheese making as just part of her childhood of participation on the farm:

'If they killed a pig or whatever then they would throw that

on the kitchen table so there was lots of things happening all

the time… and we were all involved.'

The Large Group's son talks of how he worked from an early age in the hardware shop that they lived above: 'I used to stand on a box behind the counter, I don't know I was tiny.' He tells stories of his memories of working with his father in the shop and the lack of boundaries between work and home. He remembers how much he enjoyed the actual practice of being in the shop, he said when he came home from school he couldn't wait to get his school uniform off and get to work in the shop. He is clear that the business had shaped very much a part of who he was, the production of what Lave and Wenger (1991) refer to as a knowledgeable identity: 'I had a classic above-the-shop upbringing.'

From a situated learning perspective, this expression invites the question of the extent to which the social practice of the family and the social practice of the business are one and the same thing for these children. So much so that it is an inextricable part of their 'knowledgeably skilled identities in practice' (Lave and Wenger, 1991: p.55) and their participation in the family is also participation in the business as social practice.

The children of the founders recall participation in the business and tell stories of the 'practice' that they came into contact with. They articulate this in terms of learning, knowledge and even training in business:

'I grew up in a hardware business, I knew about business even

though I didn't realise I did' 'And the best business training I

had if you like was round the dinner table'

This childhood immersion in the practice of the business alongside and embedded within the family leads to a socialised view of the business as a natural way of life. The children are exposed to the levels of commitment required but those that then go on to join the business also associate it with opportunities and view it as a vehicle for wealth creation and the basis for providing material rewards.

The narratives of the childhood experiences of the children of the founders illustrate how as children they begin to learn in situations where 'learning-in-practice', or what Brown and Duguid (1991) call 'learning-in-working' (p.41), is clearly articulated. The family as a community of practice and the business as a community of practice are one and the same.

Lave and Wenger (1991) say that in developing a situated theory of learning it is important to analyse 'changing forms of participation and identity of persons who engage in sustained participation in a community of practice' (p.56). They use the concept of legitimate peripheral participation to understand how communities of practice change over time.

Joining the business

The son joined his father's engineering business with a background in sales. However he recognised the need for sector specific experience. When he joined the company he spent the first six months working in every different part of the business. He jokes that when he worked selling footwear he would sit in a restaurant and look at the shoes people were wearing and know what shop they came from, how much they were and so on, now he works in the world of commercial laundry machines he says it is 'even

more sad' as he turns up the corners of the tablecloths to see where they are cleaned. But this is indicative of the level of immersion in sector specific knowledge that he sees as part of 'preparedness' for engaging in the business.

For the son of the Grocers, however, it was participating in the work of the shop that led to the recognition 'yes this is something'. It led an understanding that there was a good living to be made, opportunities to create business. A step change again came when the parents of the Grocers went to India for a holiday leaving the 17-year-old son and 13-year-old daughter in charge of the business for three months. Both generations talk of higher levels of trust from the first generation and higher levels of engagement with the business for the second generation resulting from that period of exposure to the full responsibility of the business. The daughter also told how being given that responsibility made her more interested in the business:

> 'Mum and Dad had that trust with us as well, they felt that they
> could leave it with us I think that is what made it easier for us, from
> that I think I took more interest in it.'

Wenger (1999) argues that an essential aspect of any long-lived practice is the arrival of new generations of members. In the family business literature Barach et al. (1988) identified different entry strategies for next generation in family firms as 'an issue of strategic importance' (p. 49). They reviewed literature on entry strategies and presented results from interviews with 30 'family business executives'. They say their interviews 'focused on strategies for gaining credibility once the family offspring joined the business' and they also say that this is a matter 'of sound business planning' (p. 50). The narratives of the intergenerational sets suggest that the more subtle concept of legitimate peripheral participation may help us to understand the process better than any model of strategic planning.

The son of the Large Group joined the family business after a re-structuring in the company he worked for, which had been a very negative experience. After talking to his father over a number of months he decided to leave and join the family business. This was a painful transition for all concerned:

> 'I'd been in the family business for about two weeks and in about two weeks I knew that things were going to be really, really hard, I mean, they didn't want to work at the pace I worked at, here was a business they didn't know if they were making any money or not, there was no analysis, the sales target was a complete mystery to them.'

Despite his efforts to draw on his corporate training he struggled with what he saw as the sloppy standards of the family in terms of management. He talks of the on-going conflicts about attitudes to the business and the 'practice' of the business:

> 'I found that I couldn't, I tried everything, all of my training said that I got to be positive and they actually weren't and it was really, oh wow, the standards were awful. My brother would turn up for work and he wasn't shaved or properly dressed. He'd shout at the staff and the managers and then denied that he'd done it.'

His father, from his perspective, found it equally difficult when his eldest son first joined the business, describing the corporate approach he introduced as 'alien' to him. He shook his head and said:

'he's talking all of this corporate image, the team player business

which was all alien to me I found it very difficult, I found it very

difficult.'

The son eventually saw a way of taking the business forward in the ways he wanted to. Because of his corporate experience he understood how to grow a business into Europe, how to operate and manage a large growing business. His entrepreneurial preparedness, on the one hand, came from the conviction that he would in the future work for himself, that he would not work for another large corporate ever again, and would not expose himself to another betrayal. On the other hand he was prepared by his corporate experience and practice to develop and grow the business into what he describes as 'an organisation that's a throbbing selling machine'. His propensity and preparedness for entrepreneurial activity in terms of taking on a business and rapidly growing it seems to stem from an accrual of his work related experiences in a number of social contexts. His childhood experience of working in the family business taught him, he says, never to stop, never to say you can't do something.

Cycles of entrepreneurial preparedness

The concept of 'entrepreneurial preparedness' can be applied in the context of the founder setting up a business, but also in the successor and their 'preparedness' to join the business. In succession this preparedness appears to be a complex social phenomenon, involving the two generations and their cumulative experience, including experience outside the family business. The narratives of the first and the second-generation illustrate that they bring different combinations of those types of previous experience. This supports a view of entrepreneurial preparedness extending beyond start up into the dynamic management of the business over time. The situated learning perspective invites these experiences to be viewed as embedded in overlapping

communities of practice providing different forms of preparedness for entrepreneurial endeavour conceptualised as cyclical. Different levels of preparedness may be necessary at different stages in the development of a business. As a business grows or develops in new directions, and the external environment changes, those in the business must be in some sense 'prepared' to take next steps, to embrace new experiences and challenges.

It seems that hegemony over resources and participation in family business brings with it responsibility for nurturing, not just the older generation for the younger but also the reverse. As the next generation gain full participation and membership of the community of practice, the older generation lose their legitimacy by withdrawing from participation. At the same time nurturing responsibility shifts from one generation to the next.

This reversal is strongly linked to the problematic relationship between processes of learning through social practice, identity formation and re-formation and cycles of social reproduction over time. It is perhaps another glimpse into the struggles and contradictions inherent in the processes of succession in family business.

REFLECTIONS ON A SITUATED PERSPECTIVE OF ENTREPRENEURIAL LEARNING IN FAMILY BUSINESS

This paper demonstrates that a situated learning perspective provides a useful interpretive framework for understanding family business and processes of succession. The concept of the family business as a community of practice contributes a new understanding of trans-generational entrepreneurial learning. The narratives reveal

learning through participation in the social practices of the family and the business. This learning is clearly articulated by the founders and the second generation.

The analysis also suggests that this is a complex series of cycles in the family business as individuals engage in different forms of participation in overlapping communities of practice, resulting in cycles of reproduction but also transformation. The various stages require further analysis to understand the cyclical and generative process of founding a family firm.

The analysis of the narratives of the five intergenerational sets, drawing on a situated learning perspective, revealed that the processes of founding a family firm are complex and long term. It also suggested a number of stages in the life cycle of the individuals and the business. Complex forms and levels of participation in overlapping communities – the early years, early work experience, other work experience, formal training and/or education, entry into the business, post entry, exit of the founders and then the next stage in the business – echo what Gherardi and Nicolini (2002: 420) found in the 'constellations of interconnected practices' in their study.

It seems that the types of experience which Cope (2001) calls 'an individual's cumulative experiential learning' (p.213) are identifiable in the narratives of the five intergenerational sets from the first generation starting in business to the second generation leading the business in a completely different context. However, this concept of an individual experiential learning history does not capture the social, historical and cultural dynamic of a situated learning perspective. The concept of entrepreneurial preparedness is examined and enriched by the analysis of the narrative accounts. They provide compelling illustrations of situated entrepreneurial learning

articulated by the participants. Wenger (1999) invites us to think of communities of practice as 'shared histories of learning' (p.86) in which practice evolves.

The analysis in this paper provides the basis for re-conceptualising entrepreneurial preparedness as cyclical and generational. Entrepreneurial preparedness manifests itself in terms of both organisational and individual 'preparedness', in that it takes place in a community of practice that is the framework of both individual and collective learning by participating in practice.

The different stages of entrepreneurial preparedness involve participation in particular social practice which could be designated as learning within overlapping communities of practice. The founders bring accumulated learning from a number of communities of practice including their own families, their work based communities and educative communities of practice. They then develop, with others, the community of practice that is the family business.

This study contributes to existing literatures in three important aspects. Firstly, the family business literature has not to date drawn upon a socially situated learning perspective to examine the intergenerational aspects of family business and the crucial processes of succession.

Secondly, it contributes empirically to the situated learning perspective. The literature review revealed that the concept of learning as 'situated', as a part of participating in social practices, is relatively underdeveloped empirically (Fox, 2000; Cope, 2005). Fox (2000) states that most learning theory even when it includes a social dimension tends to be based on empirical studies in the context of schools and classrooms. He

specifically argues that the concept of communities of practice, as part of situated learning theory, invites empirical studies focusing on small group interactions in everyday life in a work setting. Furthermore, existing studies have been critiqued for failing to address conflict and power relations (Fox, 2000; Contu and Willmott, 2003). This analysis seeks to include some consideration of issues of power and conflict in the context of a family business.

Finally, the existing research in entrepreneurial learning has to date focused primarily on the individual entrepreneur, their experience and their reflections upon that experience. In examining the role of learning in creating and sustaining a family business this paper reveals entrepreneurial learning as socially situated in the practice of the family and the business.

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[1] The work of Ricoeur (1984; 1985; 1988; 1991a; 1991b) underpins the narrative analysis undertaken in this research; his work explores the philosophical problem of time and examines the connections between life, narrative and identity. Ricoeur draws on Aristotle's *Poetics* and the notion of emplotment (*muthos* in Greek), which embodies both imaginary story (fable) and well-constructed story (plot). The interwoven narratives of family and business were interpreted in terms of the first principles of epic tragedy set out in Aristotle's *Poetics* − reversals, recognition and suffering. A reversal occurs when events are seen to change direction in an unexpected way to a better or worse state of affairs. Recognition is a change from ignorance to knowledge in some way that leads to prosperity or adversity. Suffering, according to Aristotle, is an enduring element of the human condition. One of the key findings from the analysis of the plots of the family business narratives was the identification of the socially situated nature of entrepreneurial learning in family business.