

# The Role of Parents in Teaching Entrepreneurship Culture to Their Children in Family Businesses

Ahmet Diken, Meral Erdirençelebi

**Abstract**—Similar to economies in many countries; family-owned enterprises have a significant role in the development of Turkish economy. Although they have a large share in economic terms, their lifetime is limited to working life of their founders. Failure in achieving their sustainability deeply affects not only these businesses but also the economy. Therefore, two basic elements of family owned enterprises, family and organizational culture and especially entrepreneurship culture, should be examined closely. The degree of effectiveness of parents in instilling their children with entrepreneurship culture and their effects on children's profession choices are examined through face-to-face surveys with the managers owning family businesses randomly chosen among family-owned enterprises registered in Konya Chamber of Industry, which are active in specific sectors and which had different generations in their management.

**Keywords**—Family-owned enterprises, entrepreneurship, entrepreneurship culture.

## I. INTRODUCTION

TODAY'S increasing competition and evolving process of globalization puts businesses with strong entrepreneurial spirit in the forefront. The family-owned enterprises are businesses which are also noteworthy for their entrepreneurial aspects [1]. Like some other underdeveloped countries, family-owned enterprises have a significant role in the development of Turkish economy. In fact, the family-owned enterprises constitute approximately 95% of the total enterprises operating in Turkey. Although they have a large share in economic terms, there is a direct relationship between entrepreneur and the life of SMEs.

One of the important objectives of establishing a family-owned enterprise is to leave a family name that is inherited through generations. However, the problems faced by family-owned enterprises threaten this objective. There are several external and internal factors affecting the sustainability of the family-owned enterprises. External factors in question are the parameters related to exterior circumstances such as market conditions, economic situation, policies and foreign markets [2]. However, in addition to external factors, internal factors also appear to be a real threat to the family-owned enterprises [3]. This is especially attributable to various properties of the family-owned enterprises, especially such as having an emotional identity [4]. Therefore, two basic elements of the

family-owned enterprises, family and organizational culture and especially entrepreneurial culture, should be examined closely.

Family businesses are eager to grow on the one hand, and on the other hand, they wish to consistently survive in the market and to emerge as a brand by constantly remaining in the maturity state. This necessitates institutionalization. Through institutionalization, the founder (entrepreneur) hands over his/her authority to his/her subordinates (children or professionals). While such entrepreneurs try to grow their business and bring it to the future, they feel concerned about the fact that their business established and developed with dedication could be wasted. This paradox can be solved by the raise of next generation with entrepreneurial qualities. The problem to solve is: "Is it possible to bring the next generation with in the entrepreneurial skills?"

This study consists of two parts. The first part of the study includes literature review whereas the criteria for entrepreneurship developed by Miller [5] and also applied by Zahra et al. [6] are discussed in the second part. Furthermore, an application has been performed by making use of the study named "Enabling children to acquire entrepreneurial culture" by David McClelland [7] who examines the relationship between the child and parents about children's acquisition of entrepreneurial skills.

## II. CONCEPTUAL FRAMEWORK

### A. Family-Owned Enterprises

It is understood that studies in literature [8] approach to family-owned enterprises from different aspects, experiences and observations. Based on these findings, in broad, family-owned enterprises can be defined as *the businesses which are established by one or several members of the same family in order to ensure the economic well-being; which are intended to sustain successfully for generations; and which have effective family values, beliefs and attitudes on business purposes; and wherein the family members take part in a substantial part of the ownership and management levels* [8].

Although establishment purposes of the family-owned enterprises include establishment purposes of any other ordinary enterprises, it is remarkable that the value approach based on the "family" concept becomes prominent. The followings can be listed among the establishment purposes of the family-owned enterprises: Creating opportunities for the children, immortalize family legacy, holding family together, ensuring financial independence and assets, self-retirement and personal plans, protecting the efficient employees, ensuring financial security of the family and being beneficial

This study is an improved version of the paper presented at Family-Owned Enterprises Congress held in İstanbul on 14-15th of April 2016.

Ahmet Diken is with the Necmettin Erbakan University, Faculty of Social Sciences and Humanities, Turkey (e-mail: adiken@konya.edu.tr).

Meral Erdirençelebi is with the Necmettin Erbakan University, Academy of Applied Sciences, Turkey (e-mail: merdirencelebi@konya.edu.tr).

to the society [9] [10]. On the other hand, the family-owned enterprises are similar all over the world in terms of their lifetimes. The average lifetime of a family-owned enterprise is 24 years and this is equal to the average service period of the founder [11]. Lee [12] also draws attention to the research carried out in USA on this issue. According to this research, only 30% of the family-owned enterprises in the US survive until the second generation. In addition, it is noted that approximately 15-16% of them have been taken over by the third generation. In England, the ratio of family-owned enterprises handed over to second generation is 24% whereas the ratio of those handed over to third generation is 14% [13].

In the family-owned enterprises, family members are engaged in both family and business relations. Complexity of these double relations may affect family business in different ways. The most obvious reasons, known for the problems raised by the situation of unification or separation of businesses in family-owned enterprises, are the personality of the entrepreneur, disorder in father-son relationship, nepotism and effect of family dynamics on implementation and management of decisions [14]. Generally, the founder-manager finds it helpful to hire someone from the family regardless of skills and experience instead of hiring a professional employee. These low-quality appointments adversely affect employees who are not members of the family [15]. The fact that new generations, who will take over the management in the future, are not equipped with the necessary knowledge and skills and that they are sure that they will be employed in the family-owned enterprises is a factor that weakens the enterprise [16]. Working under the authority of an incompetent person is a disturbing case for the employee who is not a member of the family. If a disparity occurs between the contributions made and share received, employees working in lower positions think they work in an unfair environment [15]. The employees who are not members of the family start to believe that they work in an unfair environment. The resulting lack of trust emerging under these conditions negatively affects the job satisfaction, motivation and performance [17]. This situation necessitates the effective management of resources to ensure sustainability of the family-owned enterprises through future generations [18]. Thus, in family-owned enterprises, dynamic entrepreneurship including opportunities, individuals, institutional context, risks, innovation and resources become prominent [19]. The intention of entrepreneurship is shaped in accordance with rational and analytical thinking on the base of social, political and economic context and instinctive and holistic thought based on personality and talents [20].

#### *B. Role of Entrepreneurship in Family-Owned Enterprises*

There are three different approaches regarding the definition of founding partner (entrepreneur) notion. The first of these approaches deals with the entrepreneur in the perspective of behavioral characteristics. In terms of behavioral characteristics, the entrepreneur is the person who is "dynamic, risk-taking, creative, innovative, visionary and who can solve the problems easily and change unimportant

cases into important opportunities" [21]. The entrepreneur (founder) is the person who reveals and introduces a specific project in a way complying with entrepreneurial mindset. Entrepreneurs are attributed a qualification not only with the activities they are responsible from, but also with the risks they take and with their specific activities and approaches aimed to create prosperity [22].

A further description of the entrepreneur is related with his role in the creation of economic value. In the perspective of creating economic value, entrepreneur is the person who brings together his/her own insights and capabilities with production factors such as natural sources, labor force and capital to produce and/or commercialize a good or a service and who considers profit making and possibility of loss [23]. Hence, although there is a possibility of facing with risks, entrepreneur (founder) is the person who can start a business or establish a company by gathering all sources required for creating capital that will be used for growing under uncertain circumstances and for achieving profitably [24]. In brief, this definition emphasizes that entrepreneur is the person who creates economic value by bringing together all production factors and who makes profit or bears the loss [25].

#### *C. Successor (Placeholder) Role in Family-Owned Enterprises*

Successor is the person who will be titled with "chairman" or "general manager" of the enterprise by taking over the place of the entrepreneur and who will play an active role in the management of the company. Therefore, accurate determination of the successor in the perspective of continuity of the family-owned enterprise and making chosen successors or successor candidates ready for management; and their trainings in these regards, are extremely important.

Determination of successors in family-owned enterprises is an issue that needs special attention as it primarily determines the future and sustainability of the enterprise [23].

Myths such as the belief, sons should be like their fathers in order to be a successful leader, are dominant in family-owned enterprises. Therefore, children are considered as heirs to replace their fathers and parents give them the messages in line with the fact that when they grow up they will start working as the second-third-fourth generation leaders. In family-owned enterprises who have adopted these ideas, an attitude which is conservative and closed to innovation is posed and taking risks is not desired as change is denied, and it is also expected from the next generation to maintain same approach. Thus, family-owned enterprises usually carry out their activities in accordance with the principles of the eldest child; regardless of children's entrepreneurial characteristics and career choices. This leadership system is handed over in the future in a way that priority is given to the first born child among other men in the family [14]. It is probable that first born children join the family-owned enterprise with the motivation of fulfilling the wishes of their parents. This because of the fact that first born children tend to identify and copy the behaviors of their parents [26].

Business owner's elder son taking over the enterprise as a successor is the mainstream rule. Sometimes problem may emerge regarding heirship in family council. Cases, where family doesn't have any sons or have more than one son or have daughter older than the son or have more than one member with sufficient information, experience and motivation, are important factors causing problems. In such cases, enterprise should develop a successor selection strategy and career planning should be conducted in order to enable the chosen successor to have required skills and experience [23].

Successor (placeholder) selection criteria are becoming more objective. Following criteria are often used for evaluating whether the abilities of hidden placeholder are adequate to the strategic plan of the family-owned business: education, technical skills, management skills and financial management capabilities. Although not as important as these criteria; age, gender and birth order can also be important [27]. Drozdow [28] indicates that in family-owned enterprises there is an increasing trend about not appointing elder son as the placeholder. More and more often daughter or youngest son is appointed as the most appropriate person in family-owned enterprises. Chrisman et al. [29] argued that integration with dedication to work is more important than gender and birth order. It is stated that the eldest child may not be the best always and no necessity exists saying that sons must be better than daughters [30]. Longenecker and Schoen [31] have demonstrated that management takeover is a long process that begins in childhood of the successor. Davis [32] believes that personal capability and organizational development are necessary for promotion of family-owned businesses to different levels. Similarly, Handler [33] claims that succession is a process consisting of several steps. In his study, Lambrecht [34] concludes that ambition, motivation, interest and willing or unwilling to work in the company are very important for determining the appropriate successor.

Literature about family-owned enterprises and management succession points out the importance of relation between successor and assignor in terms of process, timing and substitute's success. Having a soft take-over process depends on solidarity between the successor and the assignor [35]. Good personal relations between the successor and the assignor will facilitate the qualified training and development of the successor [29].

#### *D. Development Stages of the Family-Owned Businesses and Characteristics of Generations*

In first generation family-owned enterprises where ownership belongs to the entrepreneur, although partnerships are possible, strategic and functional decisions are generally taken by entrepreneur. Partnership is mostly only on paper [36]. If a partner with a small share is not from the family and if he/she wants to get involved in all decision mechanism all the time, this can cause a problem. Most of the founding partners are willing to see the partners with small shares as small and quiet investors. Entrepreneurs are grateful to partners for financial support. However, they think that they

should remain in the background during decision making and its implementation. They act in a self-centered way [37].

Although, as independent entrepreneurs, the founders of family-owned enterprises show more pronounced entrepreneurial characteristics in the beginning in perceiving the business opportunities around and transforming it into a new enterprise; it is claimed that this situation changes with time, they behave more conservative and reluctant about internal entrepreneurship or about growing or renewing actual activities [38], [39], [26]. Although the first generation family-owned enterprises are established with an approach based on innovative ideas, their entrepreneurial approaches in the beginning start to lose momentum after three-five years [39]. This is because of the fact that, regarding the businesses, they initiated in order to leave permanent wealth and continuous employment for next generations, founders behave conservative in their decisions due to high risk of failure and the fear of losing the family fortune [6]. Also in the family-owned enterprises, the structure with high central decision-making authorities formed by the founders' generation restricts the exchange and circulation of entrepreneurial ideas in the enterprise presented by latter generations. This situation reduces the entrepreneurial efforts of future generations in the enterprise [38]. Therefore, although initially a new venture with high risks is initiated by the founding generation, desire of its sustenance under the control of the family and the preservation of family wealth, restricts continuity of entrepreneurial efforts which bring high risks and which are focused on innovation. Thus, latter generations show less entrepreneurial characteristics than first generations in family-owned enterprises. The enterprise is divided according to its functions while it is growing and very different roles compared to beginning emerge. Enterprise is no more focused on the founder within the scope of institutionalization. Roles are defined more clearly in the hierarchical structure and single authority of the founder is transferred to professionals [40]. Transferring his/her authority to professional managers and accepting his/her role are processes which are very difficult to accept for someone, who has experienced all aspects of the business and who has been executive responsible [41].

The first feature of the complex family-owned enterprises is the coexistence of multiple generations. The third and even the fourth generations can be found in these enterprises. Due to the existence of different generations in complex family-owned enterprises; ages, professional knowledge and experience of family members are different from each other. Thus, complex family-owned enterprises, which have numerous family members with different expectations, have an extremely complex structure [37].

Generally, the first generation decides independently in family-owned enterprises. In the second generation, members act in consultation with each other and with their father. As the third-generation cousins get involved, trends of building coalitions and making agreements by discussion emerge.

Education level of third generation is very good. But education received also raises expectations. Concern of all of

them is making a difference. Therefore, in family-owned enterprises tendency to take a risk and need for success, which are among entrepreneurship characteristics, differ depending on generations. According to Prokesch, while younger generations feel that the experienced family members avoid risks, older and more experienced generations think that youngsters adopt risky strategies very quickly. While educated children show more analytical approach in line with their education when they promote to management positions, founders are closer to a management style based on intuition [42]. In addition to this, it is also observed that young generations give quicker responses to new information compared to previous generations [43] and they behave more brave and confident in understanding and opposing to uncertainty. Indeed, if family-owned enterprises managed by multiple generations wants to sustain and improve the successful performance and growth inherited to them from the previous generations they should refresh themselves by applying new discoveries and initiatives. The corporative sense of entrepreneurship trends and efforts are particularly vital for the next generation in family-owned enterprises. It is because that this case ensures sustainability of family-owned enterprises and provides wealth and employment to new generations. Indeed, to achieve this, next generation after founding family members are seen as stronger driving forces behind innovation and entrepreneurial activities. Therefore, it is highly probable that family members of second generation or later provide a new acceleration to entrepreneurial efforts of family-owned enterprises [39].

Considering the research conducted, it is seen that starting from the founder, different generations have different entrepreneurial characteristics and these characteristics manifests differently on business and business processes [26].

#### *E. Transfer of Entrepreneurial Culture to Next Generations in Family Businesses*

There are four types of cultural patterns in family businesses, such as Patriarchal Culture, Free Culture, Participatory Culture and Professional Culture. These different types of patterns result from different forms of being controlled of the company's members [44].

The most important feature of patriarchal culture is that the relationships in the company have a hierarchical structure and any decisions on the company are taken by only one family member. The evident preferences of the family members as well as the distrust for the employees outside the family are indicators of a patriarchal culture. These types of companies are the companies where employees are not allowed to take initiative and the family controls the business very closely. The managers of these companies mostly focus on the past; the company is perceived as a legacy of the founder and the family tradition are in the forefront.

The free culture is, in many ways, similar to the patriarchal culture. The family members are elected for the senior management. Achieving the objectives set by the family constitutes the main goal. Also, the assumptions on the circle and the time are the same. The free culture differs from the

patriarchal culture in terms of the assumptions on the human nature and the truth. The relationship between the family and the employees is dominated by a high level of confidence. Both the founder and the family members transfer many of their powers to their subordinates. Thus, in a free culture company, the founder and his family set the objectives whereas the power to adopt and use the tools to be utilized to achieve these objectives are given to the employees. However, in patriarchal companies, both the objectives and tools are determined by the family. The participatory culture, on the other hand, mostly relies upon group-based relationships, puts more emphasis on equality and, in the participatory culture, the family has minimum power and status. In practice, the participatory culture is encountered rarely. The relationships are based upon confidence. The company employees are not controlled closely. The decision makers are not the family or the founder but the employees.

In professional culture, the professional managers working in family businesses contribute to the culture of the organization. Unlike the patriarchal, free and participatory culture, these companies give great importance to individual motivation and success. A competitive system applies and the individual awards play an important role in the system. It considers the human nature as neutral and a reward and control system is implemented depending on the situation. The commissions, committees and the units such as action force are used too often in the decision-making, information-gathering processes.

The founder (entrepreneur) may wish to make a choice between the heirs in order to ensure survival of the businesses and, hence, the family in the future. In such choice, his/her culture and experience may drive him/her to develop different strategies. At this point, the founder may prefer, among the heirs that will take over his/her business, the individual that has a high achievement motivation and leadership qualities rather than his/her son-daughter or elder son. Because, the high motives of success and power possessed by the individuals may be regarded as an advantage for the business in competitive environment.

The individual success can be described as the performance of a work by an individual, which complies with his/her character and capabilities, within acceptable limits [45]. The achievement motive can be defined as "performing good work or orientation to actions where acting with a standard of perfection matters". As noted by Weber, what concerns a capitalist entrepreneur who intends to develop his/her business is the desire to do a good job rather than to win a lot of money. In psychological lab, such a situation can be easily created by asking people to toss the rings and get them on the pegs driven into the ground from a distance of their choice. Most people toss the rings randomly, sometimes at close range and sometimes from far, whereas individuals with the motive of success can meticulously calculate the distance that will allow them to ripple through the situation. They set objectives of medium difficulty but that they can achieve taking into consideration their abilities; these are generally the objectives

with an objective probability of success of 1/3. In other words, these people are in a constant race with their own [46].

When approaching the problem at the societal level, it is seen that the achievement motive can be attributed to several sources. While some authors indicate the ideologies and beliefs as the basis for this motive, others list environmental factors, religion, family structure and methods of child-rearing as the basis [47].

Since, in most of the different cultures, absence of the father or his being away from home leads to mother-son addiction, this reduces the achievement motive of children. In Turkey, however, the contrary is evident, in other words the achievement motive increases in cases where the father is away from home. This can be explained with the patriarchal family structure and the absolute sovereignty of the father in the family in Turkey. Namely, the child undertakes the "father" role in his absence [48]. It was suggested that, in terms of the achievement motive, the discrimination among children at an early age results from the attitudes of mothers. Mothers of the children with a high achievement motive instill achievement motive in their sons as of their early ages, and add fuel to their independence by setting very few restrictions.

The qualifications that individuals with high achievement motive should possess can be listed as risk-taking, encumbering personal responsibilities, feedback, long-term planning and organizing and engaging in new and innovative actions [1].

The achievement motive drives individuals to look for positions that are not far above or below their skills, to be successful in this position and to believe in the high prospects of success. They become conservative in situations having a conclusion completely outside their control such as games of chance and happy in situations in which they can affect or learn about the outcome. When they are assigned to administrative duties where there are abundant situations preferred by the individuals with a high achievement motive, there would be no doubt that they will succeed.

In Dilber's study [49], it was determined that "the children with autocratic parents do not like to take risks and to work independently; however, the children with democratic parents who put an emphasis on freedom in child rearing prefer risky activities and entrepreneurship rather than civil service". In particular, it is seen that, in case that the children are taken to the workplace at their early ages by their father who is a craftsman, they become familiar with the job and working at an early age and like to work independently when they grow up.

### III. METHODOLOGY OF STUDY

This study aims to set forth the method of doing business by different generations in the same business and the future strategy of the entrepreneur for his/her business and to identify how this takes place in different sectors. The study also examines the policy followed by the entrepreneurs in preparing the next generation for the business.

Since the business history dates back to late periods in Turkey, there are no businesses managed by the 4<sup>th</sup> generation

in the province of Konya. Therefore, in order to ensure that it includes the different generations, the family businesses affiliated to Konya Chamber of Commerce, having a history of at least 30 years and operating in multiple business segments in different sectors and managed by different generations were targeted as a sample. In this regard, the address and phone information of the businesses affiliated to Konya Chamber of Industry were obtained. In line with the information obtained, it was determined that there were a total of 45 businesses operating in machinery and equipment, automotive, metal, furniture, food and plastics sectors. However, it was seen as a result of both the telephone calls and the examinations performed in line with the information contained in their web addresses that a certain number of them were liquidated or passed into other hands. Among them, there were especially those which were turned into one-man companies during the generation change. Therefore, two family-owned business group was selected from each sector and a case interview study was conducted with 12 business groups from six sectors.

The interview questions consisted of two parts. The first part included the descriptive information on the business and the interviewed generation. The second part, however, included questions about the entrepreneurship and the organization's culture. Through the questions, the criteria for entrepreneurship were examined. The interview questions were created utilizing the studies of Cruz et al [50] and Zahra et al. [6], developed by Miller [5]. Further, the work of McClelland [7] was employed to see children's ability to gain entrepreneurial skills. The questionnaire was conducted with the randomly selected firms of Konya Chamber of Industry. These firms are engaged in various industries and managed by different family generations.

### IV. FINDINGS

#### A. Demographic Findings

Table I shows the businesses' sectors, engaged fields, number of businesses included in the group, localities, years of foundation, managing generation and the total number of employees. The diversity in sectors is obvious by examining Table I. The businesses included in the group are generally located in the province of Konya. As well, there are businesses located in Istanbul and Ankara. The oldest business was founded in 1955 whereas the newest was founded in 1987. When it comes to the managing generation, the businesses are mostly and currently managed by the first and the second generations in a body. The number of employees is seen to be at least 139 and at most 650. The business groups surveyed generally consist of those which have teeth in the Konya economy and show the model cluster in terms of sectoral diversity.

TABLE I  
CHARACTERISTICS OF MODEL BUSINESSES

Sector of Activity of the Group	Business' Field of Activity	Number of Businesses included in the Group	Locality	Businesses' Year of Foundation	Managing Generation	Total Number of Employee
Machinery and equipment manufacturing industry	Agricultural tools and machinery manufacturing, tractor dealer	3	Konya	1963	1 <sup>st</sup> -2 <sup>nd</sup> Generation	175
Machinery and equipment manufacturing industry	Machinery manufacturing	4	Konya-Istanbul	1960	1 <sup>st</sup> -2 <sup>nd</sup> -3 <sup>rd</sup> Generation	257
Automotive manufacturing sub-industry	Autogas systems, footwear production	3	Konya- Istanbul	1970	1 <sup>st</sup> -2 <sup>nd</sup> Generation	240
Automotive manufacturing sub-industry	Spare part	2	Konya	1982	1 <sup>st</sup> -2 <sup>nd</sup> Generation	158
Metal & steel manufacturing industry	Cold processing plant and hot rolling mill	2	Konya- Istanbul	1968	2 <sup>nd</sup> -3 <sup>rd</sup> Generation	285
Metal & steel manufacturing industry	Cold processing plant and hot rolling mill	2	Konya-Ankara	1964	2 <sup>nd</sup> Generation	146
Furniture manufacturing industry	Office furniture and office furniture manufacturing	3	Konya	1980	1 <sup>st</sup> -2 <sup>nd</sup> Generation	450
Furniture manufacturing industry	Office furniture Household furniture	2	Konya	1987	2 <sup>nd</sup> -3 <sup>rd</sup> Generation	152
Food manufacturing industry	Vegetable oil and food supplements	3	Konya	1955	1 <sup>st</sup> -2 <sup>nd</sup> -3 <sup>rd</sup> Generation	250
Food manufacturing industry	Production of milk and milk products	2	Konya	1985	1 <sup>st</sup> -2 <sup>nd</sup> Generation	177
Food manufacturing industry	Flour production Feed production	2	Konya	1984	1 <sup>st</sup> -2 <sup>nd</sup> Generation	139
Plastics manufacturing industry	Construction Materials	3	Konya	1970	1 <sup>st</sup> -2 <sup>nd</sup> Generations	650

TABLE II  
DEMOGRAPHIC INFORMATION ON THE GENERATION

Position of the interviewed person	Generation	Sex	Age	Educational Background	Experience	Father's Job	Desire for paid work
General Manager	2 <sup>nd</sup> Generation	Male	39	Mechanical engineering	Since the high school years	Worker	No
Production Manager	2 <sup>nd</sup> Generation	Male	49	Faculty of Business Administration	Since the secondary school years	Worker	No
General Manager	2 <sup>nd</sup> Generation	Male	55	Metallurgical Engineering	Since the secondary school years	Artisan	No
Production Manager	2 <sup>nd</sup> Generation	Male	45	Faculty of Business Administration	Since the high school years	Worker	No
Marketing Manager	3 <sup>rd</sup> Generation	Male	32	Business Administration (English)	During the summer holidays	Artisan	No
Marketing Manager	3 <sup>rd</sup> Generation	Male	30	Public relations (Graduate)	Since the high school years	Artisan	No
General Manager	1 <sup>st</sup> Generation	Male	58	High School	Worked as apprentices in another business	Worker	No
General Manager	2 <sup>nd</sup> Generation	Male	47	Technician	Since the secondary school years	Worker	No
Marketing Manager	3 <sup>rd</sup> Generation	Male	29	Business Administration (English) (Graduate)	During the summer holidays	Manager	No
Production Manager	2 <sup>nd</sup> Generation	Male	43	Technician	During the summer holidays	Worker	No
General Manager	1 <sup>st</sup> Generation	Male	75	Secondary School	Worked as apprentices in another business	Artisan	No
General Manager	2 <sup>nd</sup> Generation	Male	72	Vocational High School	Since the secondary school	Artisan	No

Table II shows the demographic information on the interviewed generations of those businesses. Examining Table II, the general managers are from the 1<sup>st</sup> generation in two business groups where they are from the 2<sup>nd</sup> generation in four business groups. Whereas the 2<sup>nd</sup> generation acts as the production manager in three business groups, the 3<sup>rd</sup> generation serves as the marketing manager in three business groups. The family members are seen to serve in the key positions. All of those interviewed are male. With reference to this, it can be said that, in Konya, those who take an active role in businesses are the "sons" of the industry-leading businesses. Considering the ages of the people interviewed, the eldest is 75 and the youngest is 29 years old. Again, examining Table II, the educational background is seen to be

at secondary school and high school levels in the first generation, undergraduate level in the second generation and undergraduate and graduate levels in the third generation. In line with the data obtained, it can be concluded that the education level of the next generations is higher than that of the previous generations. In addition, the foreign language education is seen to gain importance in the third generation. Again, examining the table, it is seen that the 1<sup>st</sup> generation (founder) first worked as an apprentice in other businesses and then set up their own businesses whereas the 2<sup>nd</sup> and the 3<sup>rd</sup> generations worked actively in different departments of the business as of the secondary school and high school year. A remarkable point is that none of the participants have desire to work for pay in other businesses. At this point, it is seen that

the founding entrepreneurs prepare their children to take part in the business in the future and the second and the third generations prefer entrepreneurship rather than a risk-free and fixed-paying job. Also, it is observed that the first-generation

entrepreneurs who can predict future market conditions train their children and thus err on the side of caution to make the business go further in competitive conditions.

TABLE III  
INFORMATION ON DECISION-MAKING FORMS AND INTERESTS OF GENERATIONS IN BUSINESSES

Opinions of the interviewee on his business	Basic features of the group (according to interviewee)	Decision-making forms	Fields of Activity	Interests of New Generation	Interests of Old Generation	Period when the interests of new generation were taken into account
Steady Growth, Sustainability	Innovator, Quality, Awareness, Long-Term Employment, Speed	Board Meetings	Machinery Manufacturing	R&D	Turnery	High school years
Steady Growth, Sustainability	Innovator, Quality, Speed, Diversity	Family Council Meetings	Machinery Manufacturing	R&D	Welding	High school years
Awareness, Sustainability	Quality, Speed, Diversity	Board Meetings	Metal Works	Diversity	Welding	High school years
Steady Growth	Innovator, Quality, Awareness, Speed	Board Meetings	Metal Works, Footwear Manufacturing	R&D	Shoemaking	High school years
Awareness, Sustainability	Innovation, Quality	Family Council Meetings	Steel Works	Diversity	Turnery	High school years
Steady Growth, Sustainability	Quality, Speed, Diversity	Board Meetings	Iron and Steel Works	Diversity	Turnery	High school years
Steady Growth, Sustainability	Innovator, Quality, Awareness, Long-Term Employment, Speed	Board Meetings	Wood, Leather, Metal Works	R&D	Leveling	High school years
Awareness, Sustainability	Innovator, Quality, Awareness, Speed	Board Meetings	Wood, Leather, Fabric Works	R&D	Manufacturing	High school years
Steady Growth, Sustainability	Quality, Speed	Board Meetings	Steel Works	R&D	Molding	High school years
Steady Growth, Sustainability	Innovator, Quality, Awareness, Long-Term Employment, Speed	Board Meetings	Wood, Leather, Metal Works	R&D	Farmer	High school years
Steady Growth, Sustainability	Innovator, Quality, Awareness, Long-Term Employment, Speed	Board Meetings	Oil, Food Supplement	R&D	Food Sales	High school years
Steady Growth, Sustainability	Innovator, Quality, Awareness, Long-Term Employment, Speed	Family Council Meetings	Plastics	R&D	Fountain Works	High school years

Table III includes the forms of decision-making in businesses and the information on generations' interest. Examining Table III, the views of interviewed people on their businesses are focused on steady growth and sustainability. The four business groups also focus on the awareness in addition to the sustainability. Again, according to these people, the main characteristics of their business groups are the innovation, quality, awareness, long-term employment and speed. As is known, by 2000s, the production, cost and quality advantage have become widespread and started to be applied almost by all companies and the fast and dynamic feature of the businesses has come to the forefront. The fact that particularly the network organization feature has become widespread with globalization has forced the businesses to operate more flexibly and in an innovative way. As is accepted, the businesses are required to renew themselves to survive for a long time. The interviewed business groups are seen to recognize the importance of innovation and put emphasis on the R&D. In addition, it is seen that the decision making forms of "moderate risk" or "calculated risk" types, which were also existing in the first generation, were also adopted by the second and third generations. It is also observed that the decisions were made generally by the board except for only two businesses where they were made by the family council meetings and that the autocratic leadership was adopted. Given the information on the older generation, it is remarkable that all have a profession. The new generation is seen to attach importance to R&D. It is notable that the older generation has a profession. The argument "the children taken to the workplaces of their parents at early ages are inclined to

entrepreneurship" is also confirmed by the fact that the interests of the new generation were shaped in childhood or during the teenage years.

Table IV shows the entrepreneurial characteristics of businesses. The businesses are symbolized by numbers. Businesses included in the machinery and equipment manufacturing industry group: 1 and 2; Businesses included in the automotive manufacturing sub-industry group enterprises: 3 and 4; businesses included in the metal & steel manufacturing industry group: 5 and 6; businesses included in the furniture manufacturing industry group: 7 and 8; businesses included in the food manufacturing industry group: 9, 10 and 11; businesses included in the plastics manufacturing industry group: 12

In Table IV, it is seen that the interviewed businesses mostly agree with the findings related to such entrepreneurial characteristics as they show tolerance for projects involving major risks. They use only the "tested and validated" procedures, systems and methods, they always challenge the change, they always develop long-term strategies, they are innovative ... Because, in a world where competition is very intense, survival is only possible by rules required by modern business management. It is known that there is a proportional relationship between profitability and risk.

In order to ensure the transfer of entrepreneurial culture to the next generations, both the behavior of the parents in the family (autocratic or democratic) and creation of an organizational culture in the business are needed. As shown in Table V, almost all of the elements related to organizational culture were considered positive by all business groups. Only

businesses operating in the metal and steel industry were undecided in certain items due to their sectors of activity. With reference to this, it is understood that the businesses are in the free culture model. It is obvious that the business groups are

sensitive to both the financial elements and the factors relating to the administrative and human resources management.

TABLE IV  
ENTREPRENEURIAL CHARACTERISTICS OF BUSINESSES

	1	2	3	4	5
1-Our business show tolerance for projects that involve major risks.			2-4-8-12	1-5-6-10	3-7-9-11
2- Our business use only the "tested and verified" procedures, systems and methods.			1-5-11	3-4-7-12	2-6-8-9-10
3- We are not dependent on our competitors. We always challenge the change.			1-2-4-5	3-6-7-11	8-9-10-12
4-We develop long-term strategies (5 years and over).	1		2	3-4-5-7-9-11	6- 8-10-12
5- We perform, with courage, strategic actions instead of dealing with minor tactical adjustments.			1-2-4-5-11-	3-6-8	7-9-10-12
6- Our business always pave the way for innovation in the sector.				1-5-6-7-8-10-11	2-3-4-9-12
7- Our business reward risk-taking staff unless they are prudent.				1-2-5-7-9-10-12	3-4-6-8-11

1)Totally Disagree 2) Disagree 3) Neutral 4) Agree 5) Totally Agree

TABLE V  
ORGANIZATIONAL CULTURE CHARACTERISTICS OF BUSINESSES

	1	2	3	4	5
1-Business administration is a team game.				1-2-4-6-7	3-5-8-9-10-11-12
2-We seek consensus on important decisions.			5-6-8	1-2-3-4-12	7-9-10-11
3-While awarding, we consider group, not the individual.			5-6	1-2-3-4-7	8-9-10-11-12
4-What we learn from our customers creates our values.				1-4-6-9-10-	2-3-5-7-8-11-12
5-We apply always the same tactics in the market.			5-6-10	1-2-3-7-12	4-8-9-11
6- What we learn from sellers (suppliers) creates our policies.				1-2-4-6-8-10	3-5-7-9-11-12
7-We create our policies taking into account our competitors' maneuvers.				1-2-4-6-7-8	3-5-7-9-10-11-12
8-Our business is open to change.				1-3-8-10	2-4-5-6-7-9-11-12
9-We encourage our employees in combatting the status quo.				1-2-3-4-6-8-10	5-7-9-11-12
10-We make our decisions along with our employees.			5-6	2-3-9-10-8	4-7-11-12
11-There are open communication channels in our business.				1-2-4-5-7	3-6-8-9-10-11-12
12-Cash budget is implemented in our business.			5-6	1-2-3-4-9	7-8-10-11-12
13-The return on investment matters in our business.				2-6-8-10	1-3-4-5-7-9-11-12
14-In our business, we examine the assets converted from our capital at a certain time interval.				3-5-6-9-10-11-12	1-2-4-7-8
15-An official performance evaluation is performed in our business.				1-3-4-5-6-9-12	2-7-8-10-11

1)Totally Disagree 2) Disagree 3) Neutral 4) Agree 5) Totally Agree

## V. CONCLUSION AND RECOMMENDATIONS

The founder (entrepreneur) may prefer, among the heirs that will take over his/her business, the individual that has a high achievement motivation and leadership qualities rather than his/her son-daughter or elder son in order to ensure that his/her business and hence his/her family survive and live in the required standards in the future. Because, the high achievement and power motives in an individual can be seen as an advantage in the competitive environment for a business.

The top managements of two of the businesses interviewed are represented by the first generation. The participants from other businesses are from the second generation and serve in the lower positions. All of them are male and reflect a natural outcome of the patriarchal family type. The literature shows that the "sons" are considered as the "crown princes" [14]. It is observed that the educational levels of the first generation are secondary and high school whereas the next generations have an educational background of undergraduate and graduate degrees. In line with the data obtained, it can be concluded that there has been an improvement in the education levels of the next generations. Likewise, it is stated in the literature that the educational level improves as the generations pass by [42].

None of the subjects desire to work for pay in another business. It is seen at this point that the founding entrepreneurs prepare their children to take part in the business in the future and the second and the third generations prefer entrepreneurship rather than a risk-free and fixed-paying job. Longenecker and Schoen [31] showed that the transfer of management constitutes a long period starting as of the childhood of the heir. Also, the entrepreneurs who can predict future market conditions train their children and thus err on the side of caution to make the business go further in competitive conditions.

The views of interviewed people on their businesses are focused on steady growth and sustainability. Again, according to these people, the main characteristics of their business groups are the innovation, quality, awareness, long-term employment and speed. They are seen to recognize the importance of innovation and put emphasis on the R&D. In addition, it is seen that "steady growth" was emphasized and the decision making forms of "moderate risk" or "calculated risk" types, which were also existing in the first generation, were also adopted by the second and third generations. It is also observed that the decisions were made generally by the

board and an autocratic leadership style is adopted. The argument "the children taken to the workplaces of their parents at early ages are inclined to entrepreneurship" is also confirmed by the fact that the interests of the new generation were shaped in childhood or during the teenage year. In Dilber's study [49], it was determined that the children with autocratic parents do not like to take risks and to work independently; however, the children with democratic parents who put an emphasis on freedom in child rearing prefer risky activities and entrepreneurship rather than a job with a fixed pay. In particular, it is seen that, in case that the children are taken to the workplace at their early ages by their father who is a craftsman, they become familiar with the job and working at an early age.

The subjects state that they mostly agree with the determinations on the characteristics of entrepreneurship, the four businesses do not engage in highly risky activities (the general characteristic of the 1<sup>st</sup> generation) since it is known that there is a proportional relationship between profitability and risk. They were more deliberate, however the others take risks and they act independently of its competitors. They were also seen to be pioneers in their sectors in Konya since they are innovative and they implement long-term strategies.

In order to ensure the transfer of entrepreneurial culture to the next generations, both the behavior of the parents in the family (autocratic or democratic) and creation of an organizational culture in the business are needed. Almost all of the elements related to organizational culture were considered positive by all business groups. It is notable that the business groups are sensitive to both the financial elements and the factors relating to the administrative and human resources management and they operate in the free culture model.

#### REFERENCES

- [1] Koçel T. (2010). *İşletme Yöneticiliği*, Genişletilmiş 12.Baskı, Beta Basım Yayım Dağıtım A.Ş., İstanbul, Nisan, s. 60, 257.
- [2] Findikçi I. (2005). *Aile İşletmeleri*, Alfa yayın, İstanbul.
- [3] Dyer W. Gibb Jr. (1988). "Culture and Continuity in Family Firms", *Family Business Review*, Vol: 1, No: 1, March, pp. 37.
- [4] Birincioglu N. and Acuner T. (2015). "Aile İşletmeleri Kurucularının Ve Aile Değerlerinin Aile İşletmelerinin Sürdürülebilirliği Üzerindeki Etkisi: Trabzon Örneği", *International Journal of Economic and Administrative Studies*, Year:7 Number 14, Winter, s. 493.
- [5] Miller D. (1983). "The Correlates of Entrepreneurship in Three Types of Firms". *Management Science*, 29(7), 770-792.
- [6] Zahra S.A., Hayton J.C. and Salvato C. (2004). "Entrepreneurship In Family vs. Non-Family Firms: A Resource-based Analysis of The Effect of Organizational Culture", *Entrepreneurship Theory and Practice*, 28(4), pp. 363-381.
- [7] Mc Clelland D. (1961), *The Achieving Society*, Princeton, N.J:Van Nostrand.
- [8] Güleş H.K., Aricioğlu M.A., Erdirencelebi M. (2013). *Aile İşletmeleri Kurumsallaşma Sürdürülebilirlik ve Uyum*, Gazi Kitapevi, Ankara s.15.
- [9] Ward J. L. (1997). *Keeping The Family Business Healthy: How to Plan for Continuing Growth, Profitability and Family Leadership*, United States of America, pp. 145.
- [10] Özkaya M. O. and Şengül C. (2006). "Aile İşletmelerinde İkinci Kuşağın Kurumsallaşma Konusuna Bakış Açısı", *Dokuz Eylül Üniversitesi İ.İ.B.F. Dergisi*, Cilt: 21, Sayı: 1, pp. 110.
- [11] Pratt J. H. & Davis J. A. (1986). "Measurement and Evaluation of the Population of Family-owned and Home-based Business", *US Small*

- Business Administration Report*, No: 9202-AER-85, Washington, DC Government Printing Office, p. 3.
- [12] Lee S. (2000). *A Historical Case Study of The Survival A Fourth Generation Family Business*, Capella University, A Dissertation Presented in Partial Fulfillment of the Requirements for the Degree Doctor of Philosophy, August, p. 26.
- [13] Kırım A. (2007). *Aile Şirketlerinin Yönetimi*, Sistem Yayıncılık: 293, Yönetim Dizisi, Sistem Yayıncılık A.Ş., 4. Baskı, İstanbul, s.5.
- [14] Kepner E. (1983). "The Family and The Firm: A Coevolutionary Perspective" *Organizational Dynamics*, Vol: 12, No: 1, Summer, pp.57-71.
- [15] Bertrand M. and Schoar A (2006). "The Role of Family in Family Firms", *Journal of Economic Perspectives*, Vol: 20, No: 2, Spring, pp. 78.
- [16] Grote J. (2003). "Conflicting Generations: A New Theory of Family Business Rivalry", *Family Business Review*, Vol:16, No: 2, June, pp. 114.
- [17] Vural B. A. & Sohodol Ç. (2004). "Aile İşletmelerinde Kurumsal Kültür: Avantajlar- Dezavantajlar ve Öneriler Üzerine Bir Çalışma", İstanbul Kültür Üniversitesi, 1. *Aile İşletmeleri Kongresi, Kongre Kitabı*, 17-18 Nisan, İstanbul, s.330.
- [18] Sirmon D. G. & Hitt M. A. (2003). "Managing Resources: Linking Unique Resources, Management, and Wealth Creation in Family Firms", *Entrepreneurship Theory and Practice*, Vol: 27, Summer 2003, pp. 339-358.
- [19] Heilbrunn S. (2005). "The Impact of Organizational Change on Entrepreneurship in Community Settings", *Journal of Small Business and Enterprise Development*, 12(3), pp. 422-436.
- [20] Yamada J. (2004). "A Multi-Dimensional View of Entrepreneurship towards a Research Agenda on Organisation Emergence", *Journal of Management Development*, 23(4), pp. 289-320.
- [21] Gerber M. E. (1996). *Girişimcilik Tutkusu: Küçük İşletmeler Niçin Batıyor? Nasıl Büyür?* Çev: Tayfun Keskin, Sistem Yayıncılık, İstanbul, s.24.
- [22] Wickham, A. P. (2001). *Strategic Entrepreneurship: A Decision-Making Approach to New Venture Creation and Management*, Prentice Hall, London, pp. 7.
- [23] Karpuzoğlu E. (2000). *Büyüyen ve Gelişen Aile İşletmelerinde Kurumsallaşma*, Hayat Yayınları, İstanbul.
- [24] Zimmerer T. W., Scarborough N. M. (1998). *Essentials of Entrepreneurship and Small Business Management*, 2<sup>nd</sup> Edition, Prentice-Hall, New York, pp. 3.
- [25] Johannisson B. (1993). Designing Supportive Contexts for Emerging Enterprises", *Small Business Dynamics; International, national and Regional Perspectives*, 1993, pp. 120.
- [26] Ağca V. and Kızıldağ D. (2010). "Aile İşletmelerinde Nesiller Arasında Girişimcilik Özellikleri Farklılaşıyor mu?", 4. *Aile İşletmeleri Kongresi*, 16-17 Nisan, İstanbul, s.300-303.
- [27] Brockhaus R. H. (2004). "Family Business Succession: Suggestions for Future Research", *Family Business Review*, Vol: 17, No: 2, June, pp. 167.
- [28] Drozdow N. (1989). "Thinking That is Intuitive to The Boss Must be Chartered for The Next Generation", *Business Week Newsletter for Family-Owned Businesses*, Vol: 1, No:19.
- [29] Chrisman J. J., Chua J. H. & Sharma P. (1998). "Important Attributes of Successors in Family Businesses", *Family Business Review*, Vol: 11, Issue: 1, pp.22-24.
- [30] Kaye K. (1992). "The kid brother", *Family Business Review*, Vol: 5, Issue: 3, 1992, pp. 240.
- [31] Longenecker J. G. & Schoen J. E. (1978). "Management Succession in The Family Business", *Journal of Small Business Management*, Vol: 16, pp. 3.
- [32] Davis P. (1986). "Family business: Perspectives on Change", *Agency Sales Magazine*, June, pp. 9-16.
- [33] Handler W. C. (1992). "The Succession Experience of The Next-Generation", *Family Business Review*, Vol: 5, No: 3, September, pp. 286.
- [34] Lambrecht J. (2005). "Multigenerational Transition in Family Businesses: A New Explanatory Model", *Family Business Review*, Vol: 18, No: 4, December, pp. 275.
- [35] Hollander B. S., Elman N. S. (1988). "Family-Owned Businesses: An Emerging Field of Inquiry", *Family Business Review*, Vol:1, No:2, June, pp. 150.

- [36] Longenecker J. G., Moore C. W., Petty J. W., Palich L. E. (2006). *Small Business Management: An Entrepreneurial Emphasis*, 13<sup>th</sup> Edition, United States of America, pp. 123.
- [37] Gersick K. E., Davis J. A., Hampton M., Lansberg I. (1997). *Generation to Generation: Life Cycles of Family Business*, Harvard Business School Press, United States of America, pp. 149,177.
- [38] Kellermans F.W. & Eddleston K. (2006). Corporate Entrepreneurship in Family Firms: A Family Perspective, *Entrepreneurship Theory and Practice*, 30(6), pp. 810.
- [39] Salvato C. (2004). Predictors of Entrepreneurship in Family Firms, *The Journal of Private Equity*, Summer, pp. 68-76.
- [40] Günver B. A. (2002). *Aile İşletmelerinin Yapısı ve Geleceği*, İstanbul Kültür Üniversitesi Yayınları: 18, İstanbul, s.42.
- [41] Moores K. & Mula J. (2000). "The Saliency of Market, Bureacratic and Clan Controls in the Management of Family Firms", *Family Business Review*, Vol: 13, Issue: 2, June, pp. 93.
- [42] Griffith, R.W., Allen, D.G. & Barrett, R. (2006). "Integration of Family-Owned Business Succession with Turnover and Life Cycle Models: Development of a Successor Retention Process Model", *Human Resource Management Review*, 16, pp. 490-507.
- [43] Kellermans F. W., Eddleston K. A., Barnett T., Pearson A. (2008). "An Exploratory Study of Family Member Characteristics and Involvement: Effects on Entrepreneurial Behavior in the Family Firm", *Family Business Review*, Vol: 21, No: 1, March 2008, pp. 1-14.
- [44] Ateş Ö. (2003). *Aile İşletmelerinde Değişim ve Süreklilik Anlayışı*, Ankara Üniversitesi, Sosyal Bilimler Enstitüsü, Doktora Tezi, Ankara, s.73.
- [45] Erdoğan İ. (1991). *İşletmelerde Personel Seçimi ve Başarı Değerleme Teknikleri*, İstanbul Üniversitesi İ.F. İşl. İkt. Enst. Yay. No: 141, İstanbul, s.154.
- [46] Can H. (1991). *Başarı Güdüsü ve Yönetmel Başarı*, Hacettepe Ü. İ.İ.B.F. Yayın No: 19, Ankara, s.66.
- [47] Yüksel B. (1989). "Kültürel Niteliklerimizin Yönetime Etkileri", *Ankara Üniversitesi İ.İ.B.F. Dergisi*, Cilt: VII, Sayı: 1, s.389.
- [48] Eren E. (1991). *Yönetim ve Organizasyon*, İstanbul Ü.İ.İ.B.F Yayın No: 236, İstanbul, s.403.
- [49] Dilber M. (1981). *Türk Özel Kesim Endüstrisinde Yönetmel Davranış*, İstanbul Boğaziçi Üniversitesi Yayını, İstanbul, s.42.
- [50] Cruz A. D., Hamilton E., Jack L. E. (2012). "Understanding Entrepreneurial Cultures in Family Businesses: A Study of Family Entrepreneurial Teams in Honduras", *Journal of Family Business Strategy*, No: 3, pp. 147-161.