

Management for Professionals

Laura Hougaz

Entrepreneurs in Family Business Dynasties

Stories of Italian-Australian
Family Businesses Over 100 Years

 Springer

Management for Professionals

More information about this series at
<http://www.springer.com/series/10101>

Laura Hougaz

Entrepreneurs in Family Business Dynasties

Stories of Italian-Australian
Family Businesses Over 100 Years

 Springer

Laura Hougaz
Study Connections
Melbourne
Victoria
Australia

ISSN 2192-8096 ISSN 2192-810X (electronic)
Management for Professionals
ISBN 978-3-319-13917-3 ISBN 978-3-319-13918-0 (eBook)
DOI 10.1007/978-3-319-13918-0

Library of Congress Control Number: 2015933273

Springer Cham Heidelberg New York Dordrecht London

© Springer International Publishing Switzerland 2015

This work is subject to copyright. All rights are reserved by the Publisher, whether the whole or part of the material is concerned, specifically the rights of translation, reprinting, reuse of illustrations, recitation, broadcasting, reproduction on microfilms or in any other physical way, and transmission or information storage and retrieval, electronic adaptation, computer software, or by similar or dissimilar methodology now known or hereafter developed.

The use of general descriptive names, registered names, trademarks, service marks, etc. in this publication does not imply, even in the absence of a specific statement, that such names are exempt from the relevant protective laws and regulations and therefore free for general use.

The publisher, the authors and the editors are safe to assume that the advice and information in this book are believed to be true and accurate at the date of publication. Neither the publisher nor the authors or the editors give a warranty, express or implied, with respect to the material contained herein or for any errors or omissions that may have been made.

Cover photo by: Obi Sims

Printed on acid-free paper

Springer International Publishing AG Switzerland is part of Springer Science+Business Media
(www.springer.com)

Foreword

Australia is one of the world's great migration nations. Centuries of immigration, particularly in the past seven decades, have shaped Australia's people as well as the Australian economy, culture, and politics. Today Australia is a cosmopolitan society and the Australian people have come from all corners of the globe. In Australia's global cities, like Sydney and Melbourne, over 60 % of the population today are first- or second-generation immigrants. These immigrants have moved into all walks of Australian life. Most immigrants, like most Australians today, are employed in jobs in the service sector of the economy. But there is also a rich tradition of immigrants who become Australian entrepreneurs, establishing a small, medium, or large business enterprise. Indeed, many immigrant groups, including the Italians, have greater rates of entrepreneurship than non-immigrants. Most of these immigrant entrepreneurs open small businesses, a restaurant, café, retail venture, a delicatessen business perhaps, or small service sector businesses like hairdressers, beauty shops, builders, mechanics, and IT and telecommunications businesses. Some immigrant professionals open up legal, dental, medical, architectural, or accounting practices. Only a small number of these immigrant entrepreneurs establish very successful and very large business enterprises. They become very wealthy and very influential as a result. Each year the Australian business magazine, *Business Review Weekly*, publishes an issue devoted to the wealthiest 200 Australians and to Australia's wealthiest families. It is a mark of the success of immigrant settlement in Australia that immigrant entrepreneurs and immigrant families have been overrepresented among this list since it was introduced decades ago.

While there have been a number of important studies of immigrant entrepreneurship in Australia, there is a gap in the international and Australian literature in studies of intergenerational immigrant business families. The general rule of thumb is that the first-generation immigrants (husband and wife) work hard, very long hours seven days a week, to establish a business in order to pay for their children's upbringing and education. Having realised the realities of living in a migrant business family—no holidays, parents always working, and children also doing long hours of unpaid work in the business—the second generation use their Australian education to obtain degrees from Australian universities and get professional jobs as teachers, doctors, accountants, engineers, and the like. Others get highly

skilled jobs, take on trades, or work in corporate or public sector jobs. Their children—the third generation—aspire to emulate their parents and most achieve highly paid employment, often as professionals in the service sectors. In this version of the immigrant business story, it is a one-generational phenomenon, a springboard to a successful future for their subsequent generations outside of the retail, construction, or cleaning small business that their parents or grandparents established.

But for some immigrant families, a business life is not a one-generation story. The children and the grandchildren embrace the family business tradition—adapt, transform, or grow this business—to become an immigrant family business dynasty.

In this important and insightful book, Laura Hougaz makes a significant contribution to the literature on immigrant entrepreneurship and family businesses through her study of intergenerational Italian immigrant entrepreneurship in Victoria. She looks in depth at the experiences of three generations of seven Italian immigrant families who established enterprises in the first generation and sustained them (and changed and expanded them) over two subsequent generations. This book tells the story of these seven immigrant families, the business that they created, the sacrifices and struggles that they endured along the way, and the way that subsequent generations inherited the tradition of entrepreneurship.

Laura Hougaz has had deep discussions with, and about, three generations of the Carrazza, Costa, Genovese, Grollo, Piedimonte, Pizzini, and Vaccari families who have had a significant impact on the business landscape of Victoria, particularly in Melbourne. From her interviews with these families, recounted in the following chapters, Laura Hougaz reveals very rich family histories and intergenerational family relationships that allow her to interrogate the interaction of individual, family, business, and culture relationships over nearly 100 years of family business survival and transformation. These stories enable the immigrant and business experiences of these seven families over three generations to come alive in the pages of this book: their dreams and expectations, their successes and failures, their emotions and achievements, and their conflicts and collaborations. Their experiences as immigrants and as entrepreneurs are a microcosm of the Australian immigration experience over the past 100 years.

But this book is more than rich narratives of immigrant business dynasties and immigrant family life over decades of immigrant settlement in Australia. Laura Hougaz situates these immigrant family stories within the academic tradition of immigrant entrepreneurship studies. A comprehensive and sharp outline of the conceptual and theoretical foundations of this area of business studies and sociology gives Laura Hougaz a framework to conduct and analyse her fieldwork with the three generations of the seven Italian immigrant families whose story this book tells. At the end of the book, Laura reflects on these theoretical insights in the light of her groundbreaking research, thereby adding considerably to our understanding of immigration and intergenerational immigrant entrepreneurship in Australia.

Preface

It is estimated that over two-thirds of businesses around the world are family businesses. Research in family business reveals that only 30 % of all of these businesses survive into the second generation, with most intergenerational transitions failing after the second generation (only 10–15 % continue into the third generation, and 3–4 % into the fourth generation). There is increasing interest by members of existing family businesses, practitioners, and consultants working in this area, as well as researchers, in understanding the underlying issues in family business.

A number of books have concentrated on why family businesses fail in their second or third generations. This book presents case studies that demonstrate how some family businesses have not only survived into the third generation but thrived. It focuses on the underlying complexities that can make or break family, business, and the process of individual succession. These family businesses were created by the first generation and consolidated and expanded by the second generation, and they continue to exist successfully into the third generation.

This book introduces seven Australian family businesses of Italian background across three generations, starting with the founding generation which, through the process of migration to Australia in the first half of the twentieth century, set a long-lasting culture for the following generations. Stretching over a period of almost 100 years, these family businesses highlight the importance of values in supporting the establishment and expansion of the business, and how values bridge the generations and build the conditions for the continuity of a successful family. The values of the first generation (the entrepreneurial generation) set the standards that became an intrinsic part of the family and business cultures of subsequent generations, keeping competition between, and within, the generations to a minimum, for the sake of the family and the business.

The issue of values in family business has recently received increasing attention, and a number of experts insist that more sustained work needs to be undertaken about the role of the family within a family business. This book explores why and how values become so important in family businesses, and how they act as the *glue* between generations, bridging the first and the second generations, and then the second and third, thus building the conditions for the continuity of successful family and business succession.

The values that have been identified through the case studies of three-generational family members consist first of *personal values*: trust, responsibility, honesty, respect, and loyalty; second of *family values*: family unity, succession, membership, and humility; and third of *business values*: work ethic, loyalty, professionalisation, and risk taking.

This book brings some new powerful insights into the practice and theory of family business by proposing that family and business need to be considered as equal domains and that individuals act as the bridging force, linking family and business productively together.

This book further explores the concept of entrepreneurship in family business. Entrepreneurship generally applies to family business inasmuch as the first generation that establishes the business is the entrepreneurial one. With his/her personal resources, the founder plays a fundamental role in the creation of the family firm, setting a legacy that may perpetuate across generations. When the second and third generations follow in the steps of the first generation, they maintain continuity, including the type of business. As a consequence, this may weaken the sense of entrepreneurship as those subsequent generations progress the accomplishments of the first entrepreneurial generation.

The case studies in this book are based on in-depth interviews with real-life members of family businesses across three generations, revealing a unique and distinctive perspective on multigenerational family businesses. Although these case studies are about Italian-Australian family businesses, the values identified are similar in nature to those of mainstream and other migrant family businesses. This book therefore has broader and immediate appeal to anyone interested in issues related to multigenerational family business.

Melbourne, VIC, Australia
October 2014

Laura Hougaz

Acknowledgements

I am grateful to the members of the Italian-Australian family businesses in Victoria, Australia, who comprise the case studies for this book, for their participation and support in sharing their family and personal stories that underpin this study.

I am forever grateful to Dr. Michela Betta for her dedicated guidance, and her inspirational and constructive comments. My gratitude also to Prof. Robert Pascoe for his practical and helpful advice. I also wish to acknowledge Dr. Robert Trevethan and Eileen Scott Stokes for their help in editing the manuscript, and Obi Sims for designing the image for the front cover of this book.

On a personal note, I dedicate this book to my loving and longtime friend and partner Louis for his patience, unconditional love and belief in me, and to my two wonderful and supporting children, John-Paul and Maxine, who have shared their lives, over the last few years, with this book. They all share credit on every goal I achieve.

My special thanks to my parents, Manilia and Bahri, who forged my personality, supported my educational ambitions and my academic career. Sincere thanks also to my extended family and all my friends for their encouragement and enthusiasm at every stage.

It has been a most rewarding and enjoyable journey.

Contents

1	Family Business Around the World	1
1.1	Personal, Family, and Business Values	3
1.2	Two Interconnected Areas: Family Business and Entrepreneurship	5
1.3	Generations Across the Family Business	5
1.4	An Enmeshed Reality	6
1.5	Three Interlinked Generations	6
1.6	Significance of the Case Studies	7
	References	8
2	The Complexity of the Family Business	11
2.1	Family Focus and Performance	11
2.2	Work–Family Interaction	13
2.3	Two Overlapping Systems	14
2.4	Familiness and Human Capital	16
2.5	Family Business Members’ Attitudes	16
2.6	Intergenerational Transition	17
2.7	Succession	17
2.8	Career Development in Family Business	19
2.9	Training and Mentoring	20
2.10	Multigenerational Family Businesses	21
2.11	Familiness Across Generations	21
2.12	Setting the Pace	22
	References	23
3	The Role of Values in Family Business	27
3.1	The Notion of Values	27
3.2	Specific Values in Family Business	30
3.2.1	Trust	30
3.2.2	Altruism	31
3.2.3	Loyalty	31
3.3	Other Values	32
3.4	A Holistic Approach	32
3.5	Basic Values in the Enmeshed Family Business	32
3.6	The Individual and His/Her Values	33

3.7	Founding a Family Business	34
	References	35
4	The Entrepreneurial Origins of Family Business	39
4.1	Defining the Boundaries of Entrepreneurship	39
4.2	The Traits of an Entrepreneur	40
4.3	Linking Entrepreneurship to the First Generation in Family Business	42
4.4	Ethnic Entrepreneurship	43
4.5	From Immigrant to Ethnic Entrepreneurship	44
4.6	Three Approaches to Ethnic Entrepreneurship	45
4.7	Migration in Entrepreneurship: A Renewed Agenda	48
4.8	Ethnic Entrepreneurship in Australia	49
4.9	The Post-War Immigrants	50
4.10	Longitudinal Studies in Australia	50
4.11	Italian Entrepreneurship in Australia	51
4.12	Entrepreneurship and Family Business	52
	References	53
5	Italian Migration to Australia and Its Descendants	59
5.1	Migrating to Australia	59
5.2	Italians in Australia	60
5.3	Between the Wars	61
5.4	Italian Mass Migration: Post World War II: 1960s	63
5.5	Migration Post 1960s	65
5.6	Italian-Born Australians	65
5.7	The Italian-Australians (Australian-Born of Italian Ancestry)	66
5.8	Italians in the Australian Workforce	67
5.9	Occupations of Australian Born of Italian Ancestry	68
5.10	Italians in Victoria	69
5.11	Benefit of Immigration	70
	References	70
6	The Families in the Case Studies and Their Business	73
6.1	The Carrazza Family	73
6.1.1	First Generation	74
6.1.2	Second Generation	76
6.1.3	Third Generation	79
6.2	The Costa Family	81
6.2.1	First Generation	81
6.2.2	Second Generation	85
6.2.3	Third Generation	92
6.3	The Genovese Family	93
6.3.1	First Generation	94
6.3.2	Second Generation	99
6.3.3	Third Generation	100

6.4	The Grollo Family	101
6.4.1	First Generation	101
6.4.2	Second Generation	106
6.4.3	Third Generation	108
6.5	The Piedimonte Family	111
6.5.1	First Generation	112
6.5.2	Second Generation	115
6.5.3	Third Generation	117
6.6	The Pizzini Family	119
6.6.1	First Generation	120
6.6.2	Second Generation	126
6.6.3	Third Generation	129
6.7	The Vaccari Family	133
6.7.1	First Generation	134
6.7.2	Second Generation	137
6.7.3	Third Generation	140
7	Capturing the Life Stories of Individuals in Family Businesses	141
7.1	About These Case Studies	141
7.2	Selection of the Families in the Case Studies	143
7.3	Analysing the Values Across Three Generations of Family Business	146
	References	146
8	The Creation of an Entrepreneurial Enterprise	147
8.1	Profile of the First Generation (G1): Being Italian in Australia . . .	148
8.2	The Notion of Value in Family Business	150
8.3	Values of the First Generation	150
8.4	Pre-Migration Conditions	151
8.5	The Pains of Entrepreneurship	154
8.6	Personal Values	159
8.6.1	Trust	159
8.6.2	Honesty, Respect, Responsibility, and Loyalty	160
8.7	Family Values	162
8.7.1	Family Unity	162
8.7.2	Succession	164
8.7.3	Membership	165
8.7.4	Humility	166
8.8	Business Values	167
8.8.1	Work Ethic	167
8.8.2	Loyalty	168
8.8.3	Professionalisation	169
8.8.4	Risk Taking	171
	References	172

9	From a Business for a Family to a Family Business	177
9.1	The Issue of Continuity	178
9.2	Profile of the Second Generation: The Bridging Generation . . .	179
9.3	Entering the Family Business: Motivations and Expectations of the Second Generation	184
9.4	The Values of the Second Generation	188
9.5	Personal Values	189
9.5.1	Trust	190
9.5.2	Honesty, Respect, Responsibility, and Loyalty	190
9.6	Family Values	192
9.6.1	Family Unity	192
9.6.2	Succession	196
9.6.3	Membership	198
9.6.4	Humility	200
9.7	Business Values	201
9.7.1	Work Ethic	201
9.7.2	Loyalty	202
9.7.3	Professionalisation	203
9.7.4	Risk Taking	205
	References	207
10	Longevity and Success in Family Business	211
10.1	Moving into the Third Generation	211
10.2	Profile of the Third Generation: A Dual Identity	213
10.3	Italianness and a Genealogical Sense of Belonging	213
10.4	Entering the Family Business	218
10.5	The Values of the Third Generation	223
10.6	Personal Values	224
10.6.1	Trust	224
10.6.2	Honesty, Respect, Responsibility, and Loyalty	225
10.7	Family Values	227
10.7.1	Family Unity	227
10.7.2	Succession	230
10.7.3	Membership	233
10.7.4	Humility	234
10.8	Business Values	235
10.8.1	Work Ethic	235
10.8.2	Loyalty	237
10.8.3	Professionalisation	237
10.8.4	Risk Taking	238
10.8.5	Looking Forward	241
	References	242

11 Conclusion	247
11.1 Values	247
11.2 Relationships Between Generations	248
11.3 Family Identity	250
11.4 Equal Domains Through the Individual	250
11.5 Uniqueness of This Study on Values	251
References	253

List of Figures

Fig. 5.1	Employed Australian-born of Italian ancestry aged 15 and over, by occupation category (as recognised in the census), in percentages of the entire population of working Australian-born of Italian ancestry aged 15 and over, 1996–2001	69
Fig. 7.1	The integration of values across generations in multigenerational family business	143

List of Tables

Table 3.1	Values identified	34
Table 5.1	Distribution of Italian population in Australia according to 1901 census	61
Table 5.2	Percentage distribution of Italian migrants by region of origin	62
Table 5.3	Number of Italian-born inhabitants in Australia	64
Table 6.1	Profiles of the families in this book	74
Table 7.1	Criteria for selection of sample of case studies	145
Table 7.2	The sample of the seven family businesses	145
Table 8.1	Background data of the first generation	149
Table 8.2	Values of the seven family founders and their family business	159
Table 9.1	Background data of the second generation	181
Table 9.2	The values of the second generation and their family business	189
Table 10.1	Background data of the third generation	214
Table 10.2	Values of the third generation and their family business	224

List Of Quotes Boxes

Quote Box 8.1	Lack of Opportunities in Italy	153
Quote Box 8.2	Memories of Hard Conditions	154
Quote Box 8.3	Living Conditions Upon Arrival	157
Quote Box 8.4	Hard Work in Australia	157
Quote Box 8.5	The Lack of Integration Policies	158
Quote Box 8.6	Family Relationships	161
Quote Box 8.7	Respect for Others	161
Quote Box 8.8	Family Relations	163
Quote Box 8.9	Family Unity	163
Quote Box 8.10	Working Hard	164
Quote Box 8.11	Lonely and Degrading Early Years in Australia	166
Quote Box 8.12	Arriving in Australia	166
Quote Box 8.13	The Work Ethic of the First Generation	168
Quote Box 8.14	Limited Prospects Due to Lack of Education	169
Quote Box 8.15	Parents' Expectations	170
Quote Box 8.16	The Decision to Leave	171
Quote Box 9.1	The Dual Identity of the Second Generation	182
Quote Box 9.2	Dual Expectations	183
Quote Box 9.3	Pride in Their heritage	183
Quote Box 9.4	The Feeling of Belonging to Both the Family and the Business	185
Quote Box 9.5	Time to Work for the Family Business	185
Quote Box 9.6	The Influential Role of the Mother	186
Quote Box 9.7	A Feeling of Obligation	186
Quote Box 9.8	A Natural Progression	187
Quote Box 9.9	Transition When the Founder Dies	187
Quote Box 9.10	Confrontations and Compromises	187
Quote Box 9.11	Trust Means Also Accepting Differences	190
Quote Box 9.12	Honesty Above All	190
Quote Box 9.13	Overlapping Values	191
Quote Box 9.14	Passing on Values	191
Quote Box 9.15	Family Stories Encapsulate Family Values	192
Quote Box 9.16	Supporting the Family Unity	193

Quote Box 9.17	A High Degree of Family Cohesion	193
Quote Box 9.18	Family Provides Unconditional Support	193
Quote Box 9.19	Allegiance to Family Comes First	194
Quote Box 9.20	The Influential Role and Support of the Woman	194
Quote Box 9.21	Open Communication Essential for Family Harmony ...	195
Quote Box 9.22	Continuity Dependent on Family Unity	195
Quote Box 9.23	Challenge of Keeping Family Unity in a Growing Family Business	196
Quote Box 9.24	Succession the Key to Family Business Continuity	196
Quote Box 9.25	Considering Succession	197
Quote Box 9.26	Planning for the Future of the Business	197
Quote Box 9.27	Succession an Ongoing Process	198
Quote Box 9.28	Empowering the Successor	198
Quote Box 9.29	Overlapping Family and Business	199
Quote Box 9.30	Commitment to Family Code of behaviour	199
Quote Box 9.31	Compromising for the Sake of Membership	200
Quote Box 9.32	The Interests of the Family Paramount	200
Quote Box 9.33	Helping Out the Family Business from a Young Age ...	201
Quote Box 9.34	Hard Work a Source of Satisfaction	201
Quote Box 9.35	Acknowledgement of Need for More Balanced Lifestyle	202
Quote Box 9.36	Loyalty Fundamental for Success of Business	202
Quote Box 9.37	Formal Education Opens Doors	203
Quote Box 9.38	Education Necessary in a Changing World	204
Quote Box 9.39	Gaining Experience in Another Business	204
Quote Box 9.40	The Benefits of Formal Education to the Family Business	205
Quote Box 9.41	Ambition Drives Risk Taking	205
Quote Box 9.42	The Entrepreneurial Spirit	206
Quote Box 9.43	Self-confidence and Ambition Key Motivations	206
Quote Box 9.44	A Different Mindset	206
Quote Box 9.45	Passion and Enjoyment in Risk Taking	207
Quote Box 10.1	A Blurred Identity	215
Quote Box 10.2	A Dual Identity	215
Quote Box 10.3	Acknowledging Integration and a Dual Identity	216
Quote Box 10.4	Taking Pride in Having Two Cultures	216
Quote Box 10.5	Self-identity Linked to First Generation	216
Quote Box 10.6	Rediscovering the Italian Connection	217
Quote Box 10.7	Passing on the Italian Culture to the Fourth Generation	217
Quote Box 10.8	Linking with Their Italian Heritage	218
Quote Box 10.9	Informal Training in the Family Business	219
Quote Box 10.10	Contributing to the Family Business from an Early Age	219
Quote Box 10.11	Pride in the Family Business and Family Name	219

Quote Box 10.12	Benefit of Gaining Experience Outside the Family Business	220
Quote Box 10.13	Gaining Experience	220
Quote Box 10.14	Proving One's Independence	220
Quote Box 10.15	Encouraged to Join the Family Business	221
Quote Box 10.16	Expectations and Obligations in Joining the Family Business	221
Quote Box 10.17	Feeling Part of the Family Business	222
Quote Box 10.18	Family Values Overlap with Business Values	223
Quote Box 10.19	Mutual Trust, the Soul of Family and Business	224
Quote Box 10.20	Respect for the Founders of the Family Business	225
Quote Box 10.21	Importance of Respect	225
Quote Box 10.22	Importance of Honesty	226
Quote Box 10.23	Continuity of Values in the Family and the Business . . .	226
Quote Box 10.24	Importance of Loyalty	226
Quote Box 10.25	Togetherness Creates Unity	227
Quote Box 10.26	Complex Enmeshing of Family Relationships	228
Quote Box 10.27	Family Unity Provides Support Across Generations . . .	228
Quote Box 10.28	Family Unity Requires Obligations	228
Quote Box 10.29	The Business Looks After the Family Needs	229
Quote Box 10.30	The Complexities of the Multigenerational Family . . .	229
Quote Box 10.31	A Common Goal and Vision	230
Quote Box 10.32	Work Experience in a Different Organisation Before Entering Family Business	230
Quote Box 10.33	Waiting Patiently	231
Quote Box 10.34	The Ongoing Process of Succession: Taking Over from the G2	231
Quote Box 10.35	Nepotism Discouraged	232
Quote Box 10.36	Formal Selection Process	232
Quote Box 10.37	Informal Succession Planning: Gradual Increasing Involvement	232
Quote Box 10.38	Formal Succession Planning in Multigenerational Family Business	233
Quote Box 10.39	Working Together for a Common Cause	234
Quote Box 10.40	Employees, the Extended Family	234
Quote Box 10.41	Family Values Enmeshed with Business Values	234
Quote Box 10.42	Commitment and Passion	236
Quote Box 10.43	Passing on the Work Ethic of the Founders	236
Quote Box 10.44	The Need for a Better Work–Life Balance	236
Quote Box 10.45	Expectations of Loyalty	237
Quote Box 10.46	Education Highly Valued	238
Quote Box 10.47	Taking the Family Business into New Directions	239
Quote Box 10.48	Comparing Entrepreneurial Attitudes with the G2	239
Quote Box 10.49	Compromising Business Approaches with the G2	240
Quote Box 10.50	A Global Business Mentality	241
Quote Box 10.51	A Changing Customer Base	242

Over the last three decades, there has been a growing interest in the contribution of family firms to the local and global economic landscapes. Although statistics are not available, it is generally acknowledged that over two-thirds of businesses around the world are family businesses (Gersick, Davis, McCollom Hampton, & Lansberg, 1997). Research in family business reveals, however, that only 30 % of these businesses survive into the second generation, with most intergenerational transitions failing after the second generation (only 10–15 % continue into the third generation, and 3–4 % into the fourth generation). There is increasing interest by members of existing family businesses, practitioners and consultants working in this area, as well as researchers, in understanding the issues that underpin the success, or failure, of multigenerational family business.

The economic impact of the family firms in the United States is significant, accounting for approximately

- 80 % of all firms (Astrachan & Shanker, 2003),
- 40–60 % of the gross national product and 78 % of new job creation (Astrachan & Shanker, 2003), and
- one third of family firms having “continued founding family ownership, with families on average holding about 19 % of the firm’s shares” (Anderson, Mansi, & Reeb, 2003, p. 264).

These estimates are similar in most developed countries worldwide.

In the European Union, family firms are estimated to be 85 % of the total number of firms (Harvey, 1994), in Italy, 92 % (Gnan, 2000), and in the UK, 75 % (Dunn, 1995).

In Europe, the majority of the top 500 firms are either owned or managed by the family, and family enterprises control over half of the economies (Becht & Mayer, 2001).

Both China’s and Japan’s economies have been strongly shaped by family enterprises (Goetzmann & Koll, 2003), with 99 % of businesses in Japan considered

family firms (Birley, 2001), while in developing countries such as India, family businesses play a significant role (Basu, 2000).

In Australia, it is estimated that approximately 70 % of the existing businesses are founded by a family (Getz & Carlson, 2000; KPMG & Australia FBA, 2009), and the average age of a family business is 32 years (MGI Australian Survey, 2010). Family businesses generate more than half of Australia's employment growth. The wealth of the sector is estimated at AUD\$4.3 trillion, and the average turnover is AUD\$12 million per annum (MGI Australian Survey, 2010). In 2009, 121 family firms (24 %) were listed in the Top 500 private Australian firms. On average, they contributed approximately AUD\$42 million (12 %) more revenue per firm than their nonfamily counterparts, and employed around 30 % more employees.

Although the overall data portray a positive picture, the low survival rate of these types of businesses is well known. Only a small percentage (often quoted as 30 %) survive into the second generation, most transitions into the third generation fail not long after this succession (generally quoted as 10–15 %), and only 3–4 % continue into the fourth generation (Astrachan & Allen, 2003; Beckhard & Dyer, 1983; Everett & Watson, 1998; Handler, 1990, 1992; Ward, 1997a, 1997b, 2004; White, Krinke, & Geller, 2004). Lansberg (1999) commented that success in business is often an exception, but successful family companies “represent an even greater achievement” (p. 1).

Australia appears to follow the general global pattern, and there are no clear answers why. One reason may be that because family businesses expand into numerous family branches, they become too difficult and convoluted to remain intact and successful for three generations, let alone four. It is difficult to determine whether the collapses are a general phenomenon or whether there are examples of family businesses that survive and prosper beyond the third generation without losing the original nature of the family business.

This book presents seven Italian-Australian three-generational family businesses, starting with the founding generation. It focuses on the values that connected the first and second generations,¹ and then the second and third, thus building the conditions that supported the continuity of a successful family and business succession. It is widely accepted that family businesses have strong values. Very few studies, however, have focused on this phenomenon, and there are no studies that examine how family business values support its continuation.

Values resist the challenges of time as well as of social and market changes, and they act as the *genealogical glue* between the generations. Values underpin the family, the individual, and the business. In the seven three-generational case studies presented here, the values of the first generation had enormous influence on the

¹ *First generation* are people born overseas who underwent the process of migration and settled in Australia (in this case). The *second generation* are Australian-born children of overseas parents; they include overseas-born who arrived in Australia in infancy or early childhood. A second generation person may identify with various concepts of multiple identities. The *third generation* are the descendants of a migrant family, with at least one grandparent born in overseas, largely integrated into mainstream society.

second and third generations, and continued to drive the subsequent generations in maintaining the delicate balance between the family and business. This book concentrates on providing answers to the questions: *How do values support a family business?* and *How do values create value within a family business?*

Values are generally perceived as emotional, personal, and behavioural assets; as such, they are intangible and difficult to see or to empirically access and assess. But values can also be practical. Values are both the intangible/tangible capital of a person and of an enterprise because they provide a business and social value that enables a family business to commence, consolidate, and expand. The values of the people interviewed for this book are intrinsically related to the businesses in which they are involved. Values are at the basis of their decisions, and they acquire a value that is extrinsically important for the business and its market position. The notion of values is obviously not impartial, and everyone's understanding of values may differ. Values can be used to transmit a certain ideology related to family business and/or entrepreneurship.

This book presents values in family businesses by analysing how family members *speak* about values, and how they *understand and interpret* their personal and family values and the values of their businesses.

1.1 Personal, Family, and Business Values

In this book, values are not confined to just one section of the family business (the family) but are present across three domains: the individual, the family, and the business.

Family businesses are complex—but how complex? Some experts state that the complexity is overwhelming, and that to understand just *how* complex, one needs to undertake longitudinal perspectives of families “to more deliberately include the family, enlarge its temporal boundaries to more reflectively appreciate the past, open its international boundaries to welcome findings from a growing array of international and ethnic contests, and enrich its inherent complexity” (Litz, Pearson, & Litchfield, 2011, p. 15). But why is family business *so* complex? It is complex not only through the fact that the family is “a love system extending through time” (Boulding, 1970, quoted in Litz et al., 2011, p. 13), but also because it is a system that is under continual change and modification. Some have compared it to “a house that rises, stands, falls and sometimes rises again” (Litz, 2008, quoted in Litz et al., 2011, p. 13). But whatever falls and rises is not a compact entity but the individuals within the family entity. In this book, I propose that family business complexity results from the enmeshing and interaction of three, and not just two, domains: the individual, the family, and the business. By including the individual as the third distinctive dimension of the family business, it becomes easier to understand how family and business interact with and influence each other.

Family values and aspirations provide guidance to family members in managing the family's resources, but this assumes that resources just exist, in the same way that values just exist. However, the founding generation in these case studies set out

with no financial, social, and cultural resources and networks; its only capital consisted of its labour and its values, its norms, and attitudes, which built the basis of the future family business. Values are therefore regarded as resources that are used and managed by the individual within both the family and the business, that support the establishment and development of the family business.

This book therefore highlights the individuals' assigned roles within the family business: the entrepreneurial founder (first generation), the consolidating manager (second generation), and the innovative manager/agent (third generation)—all interdependent of the family, the business, and the individual. The values of the individual in each generation are identified and they demonstrate how the value system of the individual interacts with the values of the family and the values of the business. The individual is not considered in terms of heroism, such as the solo and heroic entrepreneur for example, but rather as the player who makes people, things, and domains interact together. There is nothing heroic in the story of the first-generation migrants, the founders of the family businesses, in this book. They sometimes stole chickens and scrounged for food at the Victoria Market in Melbourne in order to survive.² There is nothing heroic in the way in which the younger generation entered the business with high expectations, soon realising that the road to a management position was longer and harder than first thought, having to start from the bottom, chopping vegetables in the back of a greengrocer shop.³ These are not stories of heroism, but stories of perseverance, compromise, determination, and inner strength, as well as humility. A family business is a complex reality because *family* is a complex reality made up of individuals, but also comprising multifaceted relationships, interactions, hopes, dreams, expectations, love, disappointments, parents, children, past, present, and future, words, gestures, and so forth. Family cannot be understood as the other side of business. It is in fact a completely different side. The two, however, belong to the same phenomenon (Litz, 2008).

And perhaps it is not just the resources of a family that are VRIN, that is valuable, rare, imperfect and (in)imitable, and nonsubstitutable (Moore, 2009, p. 173) but family itself. “One simplistic assumption . . . is the tendency to portray members of business owning families as being predisposed to behave in a homogeneous manner” (p. 8). This may be due to lack of knowledge of how a family forms, expands, and lives as a place of emotions and differences, assuming that family is a compact block, rather than consisting of diverse family structures, values, and patterns of interaction.

² See the story of Luigi Grollo in Chap. 8 (Quote Box 8.16).

³ See the story of Simon Costa in Chap. 10 (Quote Boxes 10.20 and 10.21).

1.2 Two Interconnected Areas: Family Business and Entrepreneurship

This book investigates two major areas: family business and entrepreneurship. The notion of family business presupposes a starting point when a family business is created through the initiative of one/some family member/s. This book considers three generations spanning a period of approximately 100 years, the founders of the family business being the grandparents of the third generation that is currently in charge of the business together with the outgoing second generation. The grandparents started with very little by taking advantage of an opportunity, by identifying a market niche, or by creating a completely new business. These founders were the entrepreneurial agents who altered their economic status quo by establishing a new business. They often established both a family and a business together, which in general remained a small ‘kitchen table’ or ‘backyard’ business during the lifespan of the first generation. In fact, it was the second generation that consolidated both the business and family. The third generation then added another layer, with further consolidation, a new expansion, or major modifications to the business. With the third generation, however, new risks emerged for the family in business, as managerial conditions and shareholding relations have usually altered the power and control of the original family.

With the expansion and changes introduced to the family business by the third generation, there has often been a renewal of entrepreneurial activity. The third generation may remain within the nature of the inherited family business and consolidate it further; alternatively it may introduce innovations, thus initiating new family entrepreneurship. Family businesses possess specific resources and capabilities that may promote entrepreneurial behaviour (Dyer, 2006) in order to survive (Eddleston, Kellermanns, & Sarathy, 2008). These resources and capabilities have been termed the “familiness” of the business (Cabrera-Suárez, Saá-Pérez, & Garcia-Almeida, 2001). The notion of resources is central to entrepreneurship (Schumpeter, 1934). However, resources may be not only external, but internal as well, helping the entrepreneurs to discover new opportunities within themselves and in the marketplace.

1.3 Generations Across the Family Business

Generations represent different sets of experiences, skills, educational levels, expectations, business acumen, and so forth. Because of this, in order to gain an overview of the family business across the generations it is necessary to identify the thread that links one generation to the next to ascertain the commonalities in spite of the differences. This book, therefore, adopts a genealogical approach to family business. This approach reconstructs the establishment and emergence of the family business, its development, and consolidation over time. It also allows us to track how values in specific family business emerge, develop, and change across historical contexts and conditions, even where they are taken for granted. Genealogy offers an historical perspective that involves not only the individuals and the

generations as well as the family in which they are embedded, but also the business itself and the organisational identity, because they are all interrelated and interdependent.

1.4 An Enmeshed Reality

In family business, family and business are not just linked. They are *enmeshed*. This word aims to reflect the tight, interwoven relationship of dependence and interdependence between a family and its business, or between a business and its family (Davis, 1983; Kepner, 1983). However, how enmeshing actually takes shape and where it starts remains unclear.

Notwithstanding the importance that family has acquired over the decades, there is an overtendency to put the business first. More recently there is rising concern about the neglect of the family in studies of family business, and thus a need to address that deficiency (James, Jennings, & Breitkreuz, 2011). In fact, as long as the family remains an appendix, or secondary to business, it becomes impossible to conceptualise a family business as an enmeshed reality, where the family has as much say, or more, as the business drivers. Hence, this book aims to develop the notion of “enmeshed” with the purpose of highlighting the family business as an enmeshed personal, family and business reality, supported by strong, interconnected and fundamental values that continue across generations.

1.5 Three Interlinked Generations

When speaking of the first generation in three-generational family businesses, personal resources are closely linked with personal values when establishing a new business. For the two subsequent generations, these personal values become a valuable point of reference—a remote personal capital resource, which serves the perpetuation of the genealogical self-perception of the second and third generations. This means that the second and third generations refer back to the personal resources of the first generation in order to make sense of their origins and of their present self-identity. Thus personal (individualistic) values are shared across the three generations, though their interpretation may vary. Thus, resilience, patience, courage, and will to succeed may differ in different historical contexts and conditions even though the words remain the same and their content unchanged. In other words, the second and third generations keep reaffirming the sacrifices and the strength of the first generation, the value of their investment and of their values for them.

The legacy of the first generation is discursively reaffirmed by the following generations, and the discourse that emerges from this represents a primary resource for the second and third generations. In spite of the expansion and changes that they have introduced to the original matrix of their family business, the values discourse

remains within the family business boundaries set by the first generation.⁴ It is a closed circuit, so to speak, that encloses three generations located in the same century. This circuit, however, might not survive into the fourth generation.

1.6 Significance of the Case Studies

Generally, it is estimated that only 10 % of all family businesses survive into the third generation (White et al., 2004) and very few, around 3–4 %, ever reach the fourth generation. The reasons for this are unclear. This book elaborates on significant aspects related to the way members of a family business understand their own role, the centrality of the family, and the importance of their businesses. Although these aspects are commonly taken for granted, their vital role for the continuation has not been clearly spelt out and understood. The first aspect focuses on values and their ongoing value for family business. The second aspect consists in identifying the importance of the three dimensions underpinning a family business, which are personal values, family values, and business values. The strength of the case studies reported in this book is that they cover three generations. This approach is new within the family business field. Reconstructing the founding period, and how the entrepreneurial enterprise emerged out of nothing, is a difficult and complicated task. The issue of initial succession, how the first generation passes the businesses on to the second generation, is also crucial to understanding the longevity of family business. These case studies across three generations capture this process, and identify the conditions for the subsequent succession from the second to the third generation.

Until the present, there have been few studies into multigenerational family businesses (Sonfield & Lussier, 2004). Overall, issues related to multigenerational family firms have been considered only as a peripheral part of other more prevalent family business issues. However, *how* the founders (first generation) established the business, and *how* they built up the business with the support of their family, has been largely neglected because it is not easy to reconstruct the historical conditions that led to the formation of a family business. A three-generational family business usually spans a period of 100 years, making it sometimes difficult to gain access to the first generation.

Studies about *how* multigenerational family businesses successfully survive, some into thriving family dynasties, continue to remain embryonic (Sonfield & Lussier, 2004). No existing studies have undertaken an extensive study of each generation. Moreover, current knowledge of multigenerational family businesses is based on the notion that family and business are equal domains with the power to influence each other through the individual family members, revealing a complex form of enmeshing.

⁴The fourth generation may, however, decide to move into new business fields, completely shifting away from the original focus of the business.

Family business studies generally focus on business data and financial budgets. They do not capture the intrinsic elements that make the survival of businesses beyond capital possible. This book sheds light on values, how these powerful intangible elements can form the value of a family business and help it to navigate through the agitated waters of the business market.

References

- Anderson, R. C., Mansi, S. A., & Reeb, D. M. (2003). Founding family ownership and the agency cost of debt. *Journal of Financial Economics*, *68*(2), 263–285.
- Astrachan, J. H., & Allen, I. E. (2003). *MassMutual/Raymond Institute American family business survey*. Springfield, MA: Mass Mutual Financial.
- Astrachan, J. H., & Shanker, M. C. (2003). Family businesses' contribution to the US economy: A closer look. *Family Business Review*, *16*(3), 211–219.
- Basu, A. (2000). Family and business: A study of Asian entrepreneurs in Britain. In P. Poutziouris (Ed.), *Tradition or entrepreneurship in the new economy? Academic Research Proceedings of the 11th Annual World Conference of the Family Business Network* (pp. 4–17). London.
- Becht, M., & Mayer, C. P. (2001). Introduction. In F. Barca & M. Becht (Eds.), *The control of corporate Europe*. Oxford: Oxford University Press.
- Beckhard, R., & Dyer, W. J., Jr. (1983). Managing continuity in the family-owned business. *Organisational Dynamics*, *12*(1), 5–12.
- Birley, S. (2001). Owner-manager attitudes to family and business issues: A 16 country study. *Entrepreneurship Theory & Practice*, *26*(2), 63–76.
- Boulding, K. (1970). *Beyond economics: Essays on society, religion and ethics*. Ann Arbor, MI: University of Michigan Press.
- Cabrera-Suárez, K., Saá-Pérez, P., & García-Almeida, D. (2001). The succession process from a resource and knowledge-based view of the family firm. *Family Business Review*, *14*(1), 37–47.
- Davis, P. (1983). Realising the potential of the family business. *Organisational Dynamics*, *12*(1), 47–56.
- Dunn, B. (1995). Success themes in Scottish family enterprises: Philosophies and practices through generations. *Family Business Review*, *8*(1), 17–28.
- Dyer, W. G., Jr. (2006). Examining the “family effect” on family firm performance. *Family Business Review*, *19*(4), 253–273.
- Eddleston, K. A., Kellermanns, F. W., & Sarathy, R. (2008). Resource configurations in family firms: Linking resources, strategic planning and technological opportunities to performance. *Journal of Management Studies*, *45*(1), 26–50.
- Everett, J., & Watson, J. (1998). Small business failure: External risk factors. *Small Business Economics*, *11*(4), 371–390.
- Gersick, K., Davis, J. A., McCollom Hampton, M. M., & Lansberg, I. (1997). *Generation to generation: Life cycles of the family business*. Boston, MA: Harvard Business School Press.
- Getz, D., & Carlson, J. (2000). Characteristics and goals of family- and owner-operated businesses in the rural tourism and hospitality sectors. *Tourism Management*, *21*, 547–560.
- Gnan, L. (2000). *Elaboration of data from ISTAT and Bank of Italy*. Washington, DC: Greenwald, Matthew and Associates.
- Goetzmann, W., & Koll, E. (2003). *The history of corporate ownership in China*. Unpublished paper presented at NBER Conference: The history of corporate ownership: The rise and fall of great business families, Lake Louise, Alberta, Canada.
- Handler, W. C. (1990). Succession in family firms: A mutual role adjustment between entrepreneur and next generation family members. *Entrepreneurship Theory & Practice*, *15*(1), 37–51.
- Handler, W. C. (1992). The succession experience of the next generation. *Family Business Review*, *5*(3), 283–307.

- Harvey, D. (1994, May). You can't take it with you. *Certified Accountant*.
- James, A. E., Jennings, J. E., & Breitreuz, R. S. (2011). Worlds apart? Rebridging the distance between family science and family business research. *Family Business Review*, 20(10), 1–22.
- Kepner, E. (1983). The family and the firm: A coevolutionary perspective. *Organisational Dynamics*, 12(1), 57–70.
- KPMG & Australia FBA. (2009). *KPMG and Family Business Australia survey of family businesses 2009*. Family Business Association. Gold Coast: Bond University.
- Lansberg, I. S. (1999). *Succeeding generations: Realising the dream of families in business*. Boston, MA: Harvard Business School Press.
- Litz, R. A. (2008). Two sides of one-sided phenomenon: Conceptualizing the family business and business family as a Mobius strip. *Family Business Review*, 21(3), 217–236.
- Litz, R. A., Pearson, A. W., & Litchfield, S. (2011). Charting the future of family business research: Perspectives from the field. *Family Business Review*, 20(1), 1–17.
- MGI & RMIT University. (2010). *The MGI Australian family and private business survey 2010*. Melbourne: RMIT University.
- Moore, K. J. (2009). Paradigms and theory building in the domain of business families. *Family Business Review*, 22(2), 167–180.
- Schumpeter, J. A. (1934). *The theory of economic development* (published in German [1912]. First edition in English). Cambridge, MA/Cambridge, MA/London: Harvard University Press/Harvard Economic Studies/Oxford University Press.
- Sonfield, M. C., & Lussier, R. N. (2004). First-, second-, and third-generation family firms: A comparison. *Family Business Review*, 17(3), 189–202.
- Ward, J. L. (1997a). Growing the family business: Special challenges and best practices. *Family Business Review*, 10(4), 323–338.
- Ward, J. L. (1997b). *Keeping the family business healthy: How to plan for continuity, growth, profitability and family leadership*. Marietta, GA: Business Owner Resources.
- Ward, J. L. (2004). *Perpetuating the family business. 50 lessons learned from long-lasting, successful families in business*. New York, NY: Palgrave Macmillan.
- White, W. S., Krinke, T., & Geller, D. (2004). Family business succession planning: Devising an overall strategy. *Journal of Financial Services Professionals*, 58(3), 67–86.

Although there is much discussion and media coverage about family businesses, there appears to be little consensus on the definition of what exactly constitutes a family business. Generally, there is agreement that a family business can be loosely described as one in which family members have ownership or management of the organisation (Shanker & Astrachan, 1996), but experts also agree that family firms cannot be regarded as an homogeneous entity (Chrisman, Chua, & Sharma, 2005). Traditional definitions tend to be fragmented, each concentrating on a combination of components of a family's involvement in the family business: ownership, succession, management, and governance. These definitions do not provide clear insight into why these components are relevant, and why family involvement leads to behaviours that differ from nonfamily firms. According to Chua, Chrisman, and Steier (2003), the most important issue to be addressed in order to develop a theory of the family firm, is “how and why this form of organisation behaves and performs in a distinguishably different way from a nonfamily firm” (p. 334). Researchers do agree that family businesses are distinct from a nonfamily businesses, although exactly *how* remains partly unanswered.

2.1 Family Focus and Performance

It is generally accepted that family firms outperform nonfamily firms (Chrisman, Chua, & Kellermanns, 2009; Miller & Le Breton-Miller, 2005), and that their long-term orientation, culture, flexibility, and resilience provide them with natural advantages. It is also known that family firms are often hindered by internal conflicts that emerge from family tensions arising from attempts to manage the enterprise.

Families are believed to influence firm performance principally by the family goals, the family relationships, and the resources or assets they possess (Dyer, 2003, 2006). Family firms, therefore, have different characteristics and adopt different priorities in pursuit of different goals, including non-economic goals (Astrachan &

Jaskiewicz, 2008; Chrisman et al., 2005; Gersick, Davis, McCollom Hampton, & Lansberg, 1997; Gomez-Mejia, Hynes, Núñez-Nickel, & Moyano-Fuentes, 2007; Miller & Le Breton-Miller, 2005; Sharma, Chrisman, & Chua, 1997; Tagiuri & Davis, 1992, 1996). Compared with nonfamily firms, the performance of family firms also varies in relation to their ethics and social responsibilities (Gallo, 2004), size, and financial structure (Romano, Tanewski, & Smyrnios, 2000), corporate governance (Anderson & Reeb, 2003; Chrisman, Chua, & Litz, 2004), and international strategies (Zahra, 2003).

Family firms also have a number of definite disadvantages compared with nonfamily firms. Due to the close relationship of family members, conflicting interests and behaviours may create inefficiencies such as psychological issues, nepotism, and paternalistic practices that can nullify the advantages. Businesses may become stagnant, and may need to regenerate their distinct familiness or resources (Cabrera-Suárez, Saá-Pérez, & Garcia-Almeida, 2001; Habbershon & Williams, 1999; Kets de Vries, 1993).

Research that focuses on the negative aspects of family involvement adopts the *agency cost* approach (for example, Gomez-Mejia, Núñez-Nickel, & Gutierrez, 2001; Schulze, Lubaktin, & Dino, 2003) which aims to explain how, and at what cost, dysfunctional behaviours and attitudes, such as altruism and entrenchment due to concentrated ownership, may emerge in family business, slowing the development of new capabilities and leading to poor performance (Anderson & Reeb, 2003; Gomez-Mejia et al., 2001; Gordon & Nicholson, 2008). Altruism can become a problem of self-control, and can lead to issues of free riding, prejudiced parental perceptions of the performance of next generations, and difficulty in enforcing contracts (Schulze et al., 2003). However, altruism may also have positive outcomes, and, when it is reciprocal, favours competitive advantage (between the family owner and other family members) and symmetrical (equally strong reciprocal) altruism (Lubaktin, Schulze, Ling, & Dino, 2005).

Researchers who focus on the benefits of family involvement suggest that there is a reciprocal relationship between economic and noneconomic factors made possible by a combination of family and business systems. This perspective of the firm (known as the resource-based view, or RBV), implies that the confluence of the two systems leads to difficult-to-duplicate capabilities or familiness (Habbershon, Williams, & MacMillan, 2003) that make family businesses peculiarly capable of surviving and growing. Furthermore, a family's vision and intention for transgenerational sustainability may promote cooperation among family members and shape their behaviours and decisions (Chrisman et al., 2005).

The RBV approach concentrates on the capabilities and resources that differentiate family firms from nonfamily firms, and helps to identify those resources that may be handed down from one generation to the next, so that the potential of family businesses may be realised (Wortman, 1994).

Family businesses have a particular family culture that plays an important role in determining the success of a family firm. Such a culture is said to influence goal setting (Sharma et al., 1997), strategy (Hall, Melin, & Nordqvist, 2001), and performance (Chrisman et al., 2005, 2009). Culture is regarded as an element that

further contributes to the complexities of the family dynamics that support the management of the business operations. Accordingly, culture is understood to be capable of nurturing and supporting the family members and strengthening the success of the firm by promoting the development of positive relationships equally inside the organisation as well as with outsiders. To substantiate such assumptions, some researchers point to senior managers in family firms, usually family members, who have a strong commitment to the successful long-term performance of the business (Davis, 1983), and who are said to remain in the business for periods longer than professional managers (a generation) (Song, 1999) and have a long-term visionary outlook, thus exploiting commercial opportunities for longer periods.

Family firms are generally described as business units committed to providing a high degree of quality and value to customers (Davis, 1983). They are often regarded as being more humane places in which to work, places where care and concern for the family members and other employees prevail, compared with large organisations, thus inspiring strong employee allegiance and promoting better performance in their employees (Ward, 1988). These working conditions are regarded as enhancing the performance and efficiency of the firm, supporting higher profitability than businesses owned by diverse shareholders, particularly if founding family members participate in management (Anderson & Reeb, 2003). During difficult times of economic downturns, studies also indicate that family firms are committed to maintaining long-term employment stability and continuity over time, thus avoiding downsizing and layoffs of employees (Lee, 2006a). Hence, family business researchers generally acknowledge that family business owners aim to find a balance between economic and non-economic goals when making decisions that affect their business (Chrisman et al., 2005) even if non-economic activities result in lower financial returns.

There is growing evidence that non-economic goals in family firms have a dynamic effect on the behaviour of the family members and the firm (Carney, 2005; Gomez-Mejia et al., 2007), and may act as “distinctive or constrictive family firm resources” (Chrisman et al., 2010, p. 21). Non-economic goals can create an environment in which family firms are more open to opportunities by identifying innovative areas for investment. Some experts point to the positive effects of social capital accumulated by family firms through long-term relationships with internal and external stakeholders (Carney, 2005). Lubaktin, Ling, and Schulze (2002) suggest that family values may be driving forces behind the goals in family firms. Hence, the valuable contribution of family values needs to be further explored and be better understood.

2.2 Work–Family Interaction

One of the most frequently addressed topics in family business is the close interaction of the family members with the business itself. “For a business to be sustainable as a family firm in the highly competitive global market of the twenty-first

century, there must be a synergistic and symbiotic relationship between the family and the business” (Chua et al., 2003, pp. 331–332). According to these researchers, business must achieve its outcomes and goals in a way that creates value for the family; on the other hand, the family “must add value to the business in a manner that is impossible without family involvement” (Chua et al., p. 332). Family businesses differ in structure, attitudes, behaviour, and leadership to nonfamily businesses as the family members work together across two separate but converging domains, the social/emotional domain (the family) and the economic domain (the business). A common representation of the complexities associated with the family business is the three-circle model (proposed by Tagiuri & Davis, 1996), with three interacting systems: business, family, and ownership. The interesting aspect here is that ownership originates from the genetic ties of the family members and yet influences the structure of the business. Gersick et al. (1997) have used this concept to trace the development of a firm across three stages, from its start-up, through to succession and to its maturity stage, with particular interest in the critical transitions between these stages. Although the three-circle model may not be an accurate concept for smaller family businesses, where the separation between the family and the owners is more formal than real, this framework continues to provide a solid foundation for the family business field (Sharma & Nordqvist, 2008).

The most commonly held view of what a family business is suggests that “when one looks at a family firm, one is really looking at the interaction of two complex social systems” (McCollom, 1990, p. 251), with a focus on the interface between work and family. This means that “businesses and families are invariably and inextricably interlocking and overlapping” (Rogoff & Heck, 2003, p. 560). This interaction is regarded as “the basic character of the family business and defines its uniqueness” (Davis, 1983, p. 47). The general consensus is that family and business have a reciprocal role: one of mutual interdependence, with two separate, but overlapping systems (Kellermanns & Eddleston, 2004; Lansberg, 1999), each with its own structures, norms, obligations, and values.

2.3 Two Overlapping Systems

The two overlapping systems of the family and the business are considered to be as closely connected as oxygen and fire. The family nucleus is seen as dynamic rather than static, as fluctuating rather than stable. It is viewed as a form of energy, metaphorically pictured as fire (Rogoff & Heck, 2003). However, it may also become unstable energy, viewed as generative but also potentially destructive. For example, on the one hand the family, or the family business, provides nurture, guidance, investment, and workforce, while, on the other hand, it may inject partnership tension that separates the family and the business in terms of practices and outcomes. If tension is confronted and dealt with, it can enhance creativity and productivity, and further nurture the family relationship; if ignored, or suppressed, it can become self-defeating.

A family business is therefore viewed as “the interplay of a number of variables such as family values and culture; work–family demands, relationships, and rewards; and affective, behavioural, and performance outcomes” (Stafford & Tews, 2009, p. 235). A family business also has multiple goals, which include financial security, high quality products, personal and social advancement, job security, corporate citizenship, and innovation (Tagiuri & Davis, 1992). Recognising the norms and principles that steer the activities and dynamics of the family system, and how these may impact and differ from the principles that regulate the business operations, is fundamental to understanding family businesses (Cole, 1997).

The two overlapping spheres of work and family may, at times, not exist in harmony, and may be a source of contradictions and tensions. As Ward put it (1987, p. 54), “the nature of business often seems to contradict the nature of the family” because families are the domain of the emotional while businesses are objective, and “families are protective of their members; businesses much less so”. Researchers suggest that social interaction between family members who are involved in the business can lead them to experience closeness and understanding, thus reducing the levels of conflict (Ward & Aronoff, 1994). Since families usually “seek to avoid conflict at all costs” (Ward & Aronoff, 1994, p. 55), there is an imperative guiding family members to maintain “ties of kinship and [to] get along well with each other” inasmuch as “social interaction will reduce the overall level of substantive conflict present in family businesses” (Davis & Harveston, 2001, p. 18).

Evidence from a recent study of 1,476 American and Australian family businesses indicates that work–interpersonal conflict is associated significantly and negatively with family cohesion, which in turn is related negatively to owners’ reports of anxiety (Smyrniotis et al., 2003). Previous studies support this, indicating that high family cohesion reduces family conflict by supporting individuals to deal with the conflict, and by minimising the possibility of transferring family problems into the business (Olson, 1988). Family cohesion refers to the degree of emotional closeness between family members (Gersick et al., 1997; Olson, 1988; Olson et al., 2003). This may vary from very low to very high (*enmeshed*). An enmeshed family business will therefore display very high levels of emotional engagement, closeness, and trust among family members, which is positively associated with a high degree of job satisfaction and commitment to the family business organisation (Davis, 1983; Lee, 2006a; Sharma et al., 1997).

Recently, researchers have increasingly begun to observe the positive effects of combining the two roles of family and work through theories of enrichment and positive spillover (Grzywacz, Almeida, & McDonald, 2002; Loscocco, 1997), in which the satisfaction gained in one domain (work) spills over into the other domain (family), and vice versa. This approach is in line with recent emerging trends in psychology and family studies that concentrate on strengths rather than weaknesses. Smyrniotis and Romano (1999) observe that a considerable number of business owners strongly involved in their families and businesses state that they

have positive feelings towards their business, which provides them with a sense of achievement.

2.4 Familiness and Human Capital

The importance of the family and family business culture is being re-evaluated. Family business culture is based on valuable resources and capabilities that have been termed the familiness or family capital of the firm (Cabrera-Suárez et al., 2001; Habbershon & Williams, 1999; Pearson, Carr, & Shaw, 2008). The term *familiness* is used in a rather pervasive manner, and may cause confusion. It was first introduced by Habbershon and Williams (1999) to describe various relationships within family businesses. It has been further described as “the unique bundle of resources a particular firm has because of the systems interaction between the family, its individual members, and the business” (p. 11) which create value and a competitive advantage for the family firm. This concept was later described as “resources and capabilities related to family involvement and interactions” (Chrisman et al., 2003, p. 468). Some of these unique resources are motivated and committed to human capital, reliable and strong social capital, survivability capital based on pooled personal resources, and a desirable governance structure with low agency costs (Sirmon & Hitt, 2003). Each of these resources can differentiate family firms from nonfamily firms, have a positive effect on family firms, and be a source of competitive advantage. Dyer (2006) described this advantage as the “family effect” (p. 253) on organisational performance, suggesting that the skills and attributes that a family brings to a business directly affect its performance. Some researchers, however, point to the potential negative effects (Habbershon et al., 2003).

2.5 Family Business Members’ Attitudes

A particular strength of family firms is that they are understood as having a distinctive and valuable human capital “that allows for unique and novel actions” (Sirmon & Hitt, 2003, p. 341). This consists in the capabilities, skills, attitudes, strong work ethic, and other intangible resources of family members employed in the firm. Family members share the founder’s family business culture: strong values, visions, and behaviour. They take pride in preserving the family name as it is closely linked to what it symbolically represents, and has great emotional significance. It stands for the long family history and its achievements, represents the sacrifices made by the founding generation, and reflects the feeling of pride that family members feel and the quality and excellence of the products made by the family firm. Therefore, family members have a high level of motivation and extraordinary commitment to the business; they are loyal to the family and the firm, and feel a strong sense of belonging.

Being introduced to the family business from a very early age, family members identify closely with the nature of the business. They are trained by skilled and knowledgeable family leaders, acquiring deep levels of firm-specific tacit knowledge that, in turn, enables a firm to be innovative and remain competitive in the marketplace. Family members are willing to make sacrifices, work long hours, and be flexible in their work roles to make their business succeed. Strong family connections and warm and close family relationships inspire loyalty and a sense of pride and shared purpose, all of which take precedence over corporate values. These characteristics bind each family member together to form the implicit social ties of the family system. Davis (1983) and Lansberg (1983) highlight the way that a family business shares values and attributes with both the family and the business entities.

2.6 Intergenerational Transition

One of the distinguishing characteristics of a family business is its long-term orientation, reflecting the founder's view of the business continuing beyond the lifetime of one generation. Anderson and Reeb (2003) identify this as a major performance advantage of family firms: "founding families view their firms as an asset to pass on to their descendants rather than wealth to consume during their lifetime" (p. 1305). Since recent studies indicate that only a small percentage of family firms survive transition to the second generation, their lack of longevity is a serious concern as family businesses contribute in a significant way to the social and economic well-being of developed economies around the world. Smaller family businesses are particularly at risk. Statistics reveal that they generally survive only 5–10 years (Perricone, Earl, & Taplin, 2001). Schumpeter (2004) highlighted succession risks in family businesses as early as 1928 when he wrote about the rise and decay of industrial family firms of the third generation which tend to lose market positions no matter how conscientiously they may be managed.

2.7 Succession

Succession is the transfer of leadership from one family member to another, often across generations. Handler (1994) described this process as "mutual role adjustment" (p. 136) between the incumbent and the successor, with mutual respect, trust, and understanding between the two generations. Successful succession is determined through satisfaction of family members with the way in which the process is carried out, and, at a later stage, through the effectiveness of the succession decision on the performance of the firm (Handler, 1989). A successful transmission of leadership can support a family business in maintaining its competitive advantage over other family and nonfamily firms by preserving its sense of familiness and its "idiosyncratic knowledge of family character" (Bjuggren & Sund, 2001, p. 11). Although numerous elements influencing succession have been proposed,

knowledge of how multigenerational family businesses successfully survive, some into thriving family dynasties, remains embryonic and fragmented (Lansberg, 1999). Sharma et al. (2001) state that “the family business literature contains a plethora of studies about factors that could influence the succession process” (p. 17). Lambrecht and Donckles (2006) maintain that “the [succession] process requires the perspective of a multigenerational time frame and takes place in a rich stew of social, cultural, financial, legal, strategic, moral, and other dimensions that resist linear thinking” (p. 388).

Thus, it appears that succession is a lengthy, extended process, and not a single event, perhaps as long as 20 years (Handler, 1994). Handler (1990) described this process as a slow, informal process of adjusting to new roles involving a change in responsibilities and decision-making authority for the successor and a parallel decrease in terms of authority for the incumbent. In the succession cycle, the successor usually enters the family firm at a low level, working his/her way up the ranks and learning about the daily operations and about the other co-workers, as s/he gains experience within the firm. The successor then moves into a lower management position, not rising to a top management position until the founder is ready to “pass the baton” (Gersick et al., 1997, p. 92) to his/her successor, which may not occur until his/her retirement or death. This cycle then begins again (Lansberg, 1999).

The traditional approach to succession has tended to concentrate on the founder/owner, proposing that this person sets a particular culture for the business that tends to overshadow the following generations (Davis & Harveston, 2001). Founders are often labelled as the entrepreneurial people responsible for the successful start-up of the business. They may also have unique skills and valuable tacit knowledge to manage the family firms. They have a distinctive leadership style, characterised by achievements, innovations, strategies, and family traditions that shape and directly impact on the family business. When businesses achieve a high growth stage, they may face considerable difficulties due to lack of strong management skills that reinforce the founding generation in their belief that they are indispensable. The practice of letting go may be particularly difficult for the founder, and is often viewed as the biggest problem in succession (Davis, 1983; Handler, 1989). Equally important to the founder/owner’s willingness to relinquish his/her leadership position at the helm of the family business is that the successor must have an interest in being involved in the family firm and be willing to manage the family business (Handler, 1994).

More recently, the transition process has come to be viewed from multiple perspectives—from the perspective of the incumbent and the successor, as well as other family members (Sharma et al., 1997). Sharma et al. (2001) have developed a conceptual model integrating the multitude of studies on variables that may influence the succession process. This model outlines the multifaceted interaction of five core factors: (1) propensity of the incumbent to step aside, (2) the successor’s willingness to take over, (3) agreement among family members to maintain family involvement in the business, (4) acceptance of individual roles, and (5) succession planning. The study provides valuable insights into the importance of the elements

that influence the succession process. It confirms previous work (Handler, 1989) that suggests that incumbents and successors have different perceptions about each other and about the relationships among family members in relation to the succession process. The succession process is a complex and challenging process that imposes numerous changes simultaneously at the family, management, and ownership levels (Handler, 1992), and lack of preparation and planning hinders the succession process. Failure to plan appropriately for succession is cited a major impediment to survival and longevity (Beckhard & Dyer, 1983; Murray, 2003).

Knowledge, and human tacit knowledge in particular, is regarded as the most valuable strategic asset that family businesses possess (Sirmon & Hitt, 2003). The role of the senior generation is to provide experiences that will support the next generation to develop new strategies and recognise new opportunities for the business. Cultivating the successor's knowledge and skills needs to be viewed as a lifelong, continuing process, beginning from an early age and culminating in the transfer of knowledge from the owner/founder to successor(s). As Lansberg (1999) explains, "continuity in a family company depends on instilling a sense of stewardship in every generation" (p. 9). This means that the same factors that can help to create a sense of continuity can, if neglected, "conspire against continuity unless the lesson is instilled in young people from an early age that the family business is not there to be milked for all it's worth" (Lansberg, 1999, p. 9). Lansberg pointed to the importance of tradition and involvement in the business from an early age. Children "learn about family traditions and values. The idea is ingrained that because of this tradition they will be held to high standards of conduct in their community" (p. 159).

2.8 Career Development in Family Business

Management experts have taken an interest in studying the career development of family members, exploring how future generations make their decision to join, or not join, the family business (Dyer, 1986). The motivation for the second- or third-generational successor to join or remain in the family firm is different from the first generation (Handler, 1992).

According to Lambrecht and Donckles (2006), there are five ways in which the family business is transferred to a successor. Some successors join because they want to, by taking the initiative because they regard themselves as the suitable successor. In other cases, they are requested to join the family firm by an incumbent who wants the business to continue under the management of a family member. Others feel a moral sense of obligation, duty, or a sense of need to remain involved in the family business (Sharma, 2006). Still others feel that they were predestined, or nurtured, and the transfer is perceived as inevitable. The fifth way is by the transferors influencing a potential successor indirectly, and giving them a soft push that would encourage them to take the step.

Family businesses have long-term orientations. Therefore, successors must be willing and fully committed to pursuing long-term careers in the family business

(Handler, 1989, 1992). They need to determine whether joining the family business will develop or stifle their personal and career growth. Sharma et al. (1997) found that the successor is more interested in pursuing a career in the family business when his/her career interests align with the opportunities available in the business, whether those opportunities are related to the influence that they may be able to exercise in the business or to the possible rewards from the business. It is important for the continuation of family firms, therefore, to encourage next-generational family members to understand their life goals and develop a commitment to the family and the business (Handler, 1989). According to Moyer and Chalofsky (2008, p. 20), “if family businesses will survive from generation to generation, it is imperative to understand how the family business is selected as a life goal and how that goal is internalized for action”.

2.9 Training and Mentoring

Training is considered to be one of the key processes in planning and preparing a family firm for succession (Handler, 1989, 1992; Ward, 1987). This is said to be an ongoing and long-term process. Training of the next generation is fundamental for the development of the new family business leader. The family determines how best to implement training and mentoring. The next generation is groomed or mentored by spending time with the family, outside and inside the business, gradually developing “managerial human capital as a by-product of growing up” (Lentz & Laband, 1990, p. 564). Mentors act as instructors or counsellors; “[they] use their knowledge of the culture of the business, the governing board, and the family to teach the neophyte all the subtle nuances associated with being the manager in the family dominated enterprise” (Dyer, 1986, p. 128, in Le Breton-Miller, Miller, & Steier, 2004, p. 309). Mentors assist in creating a link that helps to pass on knowledge, skills, and organisational culture, and instil in the future successor a sense of confidence and belief that s/he has the aptitude and capability to succeed: “The dialogue with the next generation should also cultivate the futuristic mindset and orientation” (Moyer & Chalofsky, 2008, p. 48).

The next generations are socialised into the family business organisational culture from a young age by being included in business discussions at the dinner table and through shop-talk, by visiting and doing small, but useful, jobs in the business, and through part-time or holiday employment within the firm. Being exposed directly to the business, they develop the skills required by the firm and grow up understanding the business, its customers, its competitors, and, most importantly, its economic advantage. Potential successors are encouraged to undertake higher professional qualifications (Gallo, 2002). Formal education is highly valued, and has been found to support a smooth transition and a higher level of post-succession performance (Morris, Williams, Allen, & Avila, 1997). Potential successors may also be encouraged to work outside the family firm for a period of time, in other companies and jobs, in order to gain management experience, acquire industry knowledge, build credibility and legitimacy (Morris et al., 1997),

and develop a strong sense of identity and self-confidence. These are all skills that will help the family business survive in the future.

Successors generally hold very similar attitudes and characteristics to those of their parents (Handler, 1994), have a strong work ethic, and are willing to work long hours, often unpaid, in order to help the business to succeed. Long-term training and mentoring promote their sense of close attachment to the business, the product, and the family and nonfamily employees, forming a close relationship with what the business represents, and strengthening their sense of ownership and commitment to both the family and the business. Being a firm of the family, transmission of the family business involves not only passing on a financially successful business, but also transmitting skills and knowledge, as well as attitudes, an understanding of the idiosyncratic organisational culture, and valuable family and business traditions (Kellermanns & Eddleston, 2004).

2.10 Multigenerational Family Businesses

Multigenerational family businesses are not a new phenomenon. Some are old, some ancient family business dynasties, for example the Rothschild family (in Germany), Schindler (Switzerland), Mars and Cargill (USA), Agnelli (Italy), Smorgon and Myer (Australia) and many other barons of European and US industry as well as ancient Asian dynastic businesses. However, until the present, very few studies have been conducted into multigenerational family businesses (Sonfield & Lussier, 2004). Lee's study (2006b) of two generations of family firms offered a valuable insight into the complex family relationships, showing that although family cohesion is important, family adaptability in particular significantly affects the work satisfaction and organisational commitment of the second generation. Hamilton's recent work (2011) focuses on how entrepreneurial learning is reproduced and transformed over two generations. Other studies have suggested a variety of possible differences between first generation and subsequent generation family firms (Davis & Harveston, 1998, 2001; Dyer, 1986). Most of these studies span two generations, with only very few spanning three or more generations.

2.11 Familiness Across Generations

A large-scale analysis of similarities and differences among 161 first-, second-, and third-generational family firms in the US (Sonfield & Lussier, 2004) has revealed that the different generations shared the same characteristics and behaviour patterns. This study emphasised the strength of familiness across generations. Other researchers, however, have identified differences between generations. Some have found that first-generational managers have a paternalistic culture and style that becomes more professional in succeeding generations due to the increased size of the firm, rather than due to the generational factor (Dyer, 1986; Schein, 1983). However, others suggest that conflict among family members increases in

relation to the number of family members involved in the business in subsequent generations and the type of relationship they share (Davis & Harveston, 2001; Lansberg, 1999). As family businesses enter the second or third generations, the number of family members involved multiplies (children, grandchildren, cousins, in-laws). Therefore family complexity increases with each subsequent generation. Accompanying this, there is a dilution of shareholdings that may impact negatively on the family members' relationships. Labaki (2007) found that although family ties appear to strengthen in the second generation, they then weaken significantly in the third. Vilaseca (2002) attributes this to the decreasing amount of equity owned by the family members: the lower the equity, the lower the family member's commitment to the business. Family members who maintain an active presence, as well as a relatively large amount of equity in the firm, have a higher commitment and an economic incentive to diminish conflict and maximise firm value. Lambrecht and Lievens (2008) suggest that, in order to avoid the negative effects of family complexity and regain family cohesiveness and harmony as well as business performance, simplicity needs to be reintroduced into the family business governance and ownership in subsequent generations by "pruning the family tree" (p. 295). Alternatively the family business may be broken up into separate units, with family members in charge of each unit. The need for effective ownership and governance structures and processes across generations is considered crucial for the continuation of family firms across multiple generations, and this topic is currently receiving attention (Hutcheson, Lane, & Jaffe, 2003).

A new perspective on three-generational family firms, dealing with immigrant self-employment across three generations of male immigrants and male natives in Sweden, has recently been offered by Andersson and Hammarstedt (2010). Their study supports previous work (Fairlie & Robb, 2007) on two-generational studies showing that having a self-employed parent, as well as having a self-employed grandfather, has a positive effect on self-employment (two to three times more likely to be self-employed).

Although experts have called for a better understanding of multigenerational family firms, the dearth of both qualitative and quantitative studies in this area is of grave concern (Sonfield & Lussier, 2004).

2.12 Setting the Pace

This overview of family businesses has identified a series of gaps and problems: (1) the difficulty for family businesses to survive beyond the third generation; (2) the difficulty of identifying the degree of interaction between family and business (while it is increasingly accepted that family influences business, it is still unclear how business affects family); (3) although it is accepted that there is a synergetic interaction between the two systems, it is not yet clear where the point of convergence is; (4) the notions of the overlapping systems and of the enmeshed system highlight an integrative view, but it is still not clear how this coming-together of family and business occurs; (5) the concepts of familiness and human

capital add to the notion that family determines the fate of the family business, but data about how precisely this happens are still missing; (6) the level of personal involvement and responsibility of family members in relation to issues of intergenerational transition, succession, career development, and training and mentoring within the family business; (7) the conditions that will support family businesses beyond the second generation. Although individually important, these seven points have something in common: they all depend on each other. This means that it is necessary to identify the linking element that will make it possible to address them singularly but also in their interdependence. This book proposes the notion of values as the glue that keeps together the first, second, and third generations of a family business. Values are intangible, or non-economic, elements; however, their influence on individual family members and businesses is such that they produce value across three generations.

References

- Anderson, R. C., & Reeb, D. M. (2003). Founding-family ownership and firm performance: Evidence from the S&P 500. *Journal of Finance*, *58*, 1301–1328.
- Andersson, L., & Hammarstedt, M. (2010). Intergenerational transmissions in immigrant self-employment: Evidence from three generations. *Small Business Economics*, *34*, 261–276.
- Astrachan, J. H., & Jaskiewicz, P. (2008). Emotional returns and emotional costs in privately-held family businesses: Advancing traditional business valuations. *Family Business Review*, *21*(2), 139–150.
- Beckhard, R., & Dyer, W. J., Jr. (1983). Managing continuity in the family-owned business. *Organisational Dynamics*, *12*(1), 5–12.
- Bjuggren, P., & Sund, L. (2001). Strategic decision making in intergenerational succession of small- and medium-size family-owned businesses. *Family Business Review*, *14*(1), 11–23.
- Cabrera-Suárez, K., Saá-Pérez, P., & Garcia-Almeida, D. (2001). The succession process from a resource and knowledge-based view of the family firm. *Family Business Review*, *14*(1), 37–47.
- Carney, M. (2005). Corporate governance and competitive advantage in family-controlled firms. *Entrepreneurship Theory & Practice*, *29*(3), 249–265.
- Chrisman, J. J., Chua, J. H., & Kellermanns, F. W. (2009). Priorities, resource stocks, and performance in family and nonfamily firms. *Entrepreneurship Theory & Practice*, *33*(3), 739–760.
- Chrisman, J. J., Chua, J. H., & Litz, R. A. (2003). A unified systems perspective of family firm performance: An extension and integration. *Journal of Business Venturing*, *18*(5), 467–472.
- Chrisman, J. J., Chua, J. H., & Litz, R. A. (2004). Comparing the agency cost of family and non-family firms. *Entrepreneurship Theory & Practice*, *28*(4), 335–354.
- Chrisman, J. J., Chua, J. H., & Sharma, P. (2005). Trends and directions in the development of a strategic management theory of the family firms. *Entrepreneurship Theory & Practice*, *29*(5), 555–576.
- Chrisman, J.J., Kellermanns, F.W., Chan, K.C. & Llano, K. (2010). Intellectual foundations of current research in family business: An identification and review of 25 influential articles. *Family Business Review*, *23*(1), 9–26.
- Chua, J. H., Chrisman, J. J., & Steier, L. P. (2003). Extending the theoretical horizons of family business research. *Entrepreneurship Theory & Practice*, *27*(4), 331–338.
- Cole, P. M. (1997). Women in family business. *Family Business Review*, *10*(4), 353–371.
- Davis, P. (1983). Realising the potential of the family business. *Organisational Dynamics*, *12*(1), 47–56.
- Davis, P., & Harveston, P. D. (1998). The influence of family on business succession process: A multigenerational perspective. *Entrepreneurship Theory & Practice*, *22*(3), 31–53.

- Davis, P., & Harveston, P. D. (2001). The phenomenon of substantive conflict in the family firm: A cross-generational study. *Journal of Small Business Management*, 39(1), 14–30.
- Dyer, W. G., Jr. (1986). *Cultural change in family firms: Anticipating and managing business and family transitions*. San Francisco, CA: Jossey-Bass.
- Dyer, W. G., Jr. (2003). The family: The missing variable in organisational research. *Entrepreneurship Theory & Practice*, 27(4), 401–416.
- Dyer, W. G., Jr. (2006). Examining the “family effect” on family firm performance. *Family Business Review*, 19(4), 253–273.
- Fairlie, R. W., & Robb, A. (2007). Families, human capital, and small business: Evidence from the characteristics of business owners survey. *Industrial and Labor Relations Review*, 60(2), 225–245.
- Gallo, M. A. (2002). Preparing the next generation: Education. *Families in Business*, 1(6), 62–63.
- Gallo, M. A. (2004). The family business and its social responsibilities. *Family Business Review*, 17(2), 135–149.
- Gersick, K., Davis, J. A., McCollom Hampton, M. M., & Lansberg, I. (1997). *Generation to generation: Life cycles of the family business*. Boston, MA: Harvard Business School Press.
- Gomez-Mejia, L. R., Hynes, K. T., Núñez-Nickel, M., & Moyano-Fuentes, H. (2007). Socioemotional wealth and business risk in family controlled firms: Evidence from Spanish olive oil mills. *Administrative Science Quarterly*, 52, 106–137.
- Gomez-Mejia, L. R., Núñez-Nickel, M., & Gutierrez, I. (2001). The role of family ties in agency contracts. *Academy of Management Journal*, 44(1), 81–95.
- Gordon, G., & Nicholson, N. (2008). *Family wars: Classic conflicts in family business and how to deal with them*. London: Kogan Page.
- Grzywacz, J. G., Almeida, D. M., & McDonald, D. A. (2002). Work-family spillover and daily reports at work and family stress in the adult labor force. *Family Relations*, 62, 336–348.
- Habbershon, T. G., & Williams, M. L. (1999). A resource-based framework for assessing the strategic advantages of family firms. *Family Business Review*, 12(1), 1–25.
- Habbershon, T. G., Williams, M., & MacMillan, I. C. (2003). A unified systems perspective of family firm performance. *Journal of Business Venturing*, 18(4), 451–465.
- Hall, M. A., Melin, L., & Nordqvist, M. (2001). Entrepreneurship as a radical change in the family business: Exploring the role of cultural patterns. *Family Business Review*, 14(3), 193–208.
- Hamilton, E. (2011). Entrepreneurial learning in family business: A situated learning perspective. *Journal of Small Business and Enterprise Development*, 18(1), 8–26.
- Handler, W. C. (1989). *Managing the family firm succession process: The next generation family member's experience*. PhD thesis, Boston University.
- Handler, W. C. (1990). Succession in family firms: A mutual role adjustment between entrepreneur and next generation family members. *Entrepreneurship Theory & Practice*, 15(1), 37–51.
- Handler, W. C. (1992). The succession experience of the next generation. *Family Business Review*, 5(3), 283–307.
- Handler, W. C. (1994). Succession in family business: A review of the research. *Family Business Review*, 7(2), 133–157.
- Hutcheson, J., Lane, S. H., & Jaffe, D. T. (2003). The family dynasty: Families that want to sustain their wealth over many generations need effective governance structures and aggressive asset building strategies. *Financial Planning*, 33(8), 56.
- Kellermanns, F. W., & Eddleston, K. A. (2004). Feuding families: When conflict does a family firm good. *Entrepreneurship Theory & Practice*, 28(3), 209–228.
- Kets de Vries, M. F. R. (1993). The dynamics of family controlled firms: The good and the bad news. *Organisational Dynamics*, 21(3), 59–71.
- Labaki, R. (2007). *Contribution à la connaissance des liens familiaux dans les entreprises familiales françaises cotées: Renforcement versus atténuation*. Bourdeaux: Université Montesquieu-Bordeaux IV.

- Lambrecht, J., & Donckles, R. (2006). Towards a business family dynasty: A lifelong, continuing process. In P. Z. Poutziouris, K. X. Smyrniotis, & S. B. Klein (Eds.), *Handbook of research on family business* (pp. 388–401). Northampton, MA: Edward Gale Publishing.
- Lambrecht, J., & Lievens, J. (2008). Pruning the family tree: An unexplored path to family business continuity and family harmony. *Family Business Review*, 21(4), 295–313.
- Lansberg, I. S. (1983). Managing human resources in family firms. *Organisational Dynamics*, Summer, 39–46.
- Lansberg, I. S. (1999). *Succeeding generations: Realising the dream of families in business*. Boston, MA: Harvard Business School Press.
- Le Breton-Miller, I., Miller, D., & Steier, L. P. (2004). Toward an integrative model of effective FOB succession. *Entrepreneurship Theory & Practice*, 28(4), 305–328.
- Lee, J. (2006a). Family firm performance: Further evidence. *Family Business Review*, 19(2), 103–114.
- Lee, J. (2006b). Impact of family relationships on attitudes of the second generation in family business. *Family Business Review*, 19(3), 175–191.
- Lentz, B. F., & Laband, D. N. (1990). Entrepreneurial success and occupational inheritance among proprietors. *Canadian Journal of Economics*, 23(3), 563–579.
- Loscocco, K. A. (1997). Work-family linkages among self-employed women and men. *Journal of Vocational Behaviour*, 50, 204–226.
- Lubaktin, M. H., Ling, Y., & Schulze, W. S. (2002). Fairness in family firms: Lessons from agency and justice theory. *Proceedings: Second Annual Conference: The theories of the family enterprise*. Philadelphia: Wharton School of Business.
- Lubaktin, M. H., Schulze, W. S., Ling, Y., & Dino, R. N. (2005). The effects of parental altruism on the governance of family-managed firms. *Journal of Organisational Behavior*, 26(3), 313–330.
- McCollom, M. E. (1990). Problems and prospects in clinical research of family firms. *Family Business Review*, 3(3), 245–262.
- Miller, D., & Le Breton-Miller, I. (2005). *Managing for the long run: Lessons in competitive advantage from great family businesses*. Cambridge, MA: Harvard Business School Press.
- Morris, M. H., Williams, R. O., Allen, J. A., & Avila, R. A. (1997). Correlates of success in family business transitions. *Journal of Business Venturing*, 12(5), 385–401.
- Moyer, S. K., & Chalofsky, N. E. (2008). Understanding the selection and development of life goals of family business owners. *Journal of Enterprising Culture*, 16(1), 19–53.
- Murray, B. (2003). The succession transition process: A longitudinal perspective. *Family Business Review*, 16(1), 17–33.
- Olson, D. H. (1988). The circumplex model of family systems VIII: Family assessment and intervention. In D. H. Olson, C. S. Russell, & D. H. Sprenkle (Eds.), *Circumplex model: Systemic assessment and treatment of families*. New York: Harworth Press.
- Olson, P. D., Zuiker, V. S., Danes, S. M., Stafford, K., Heck, R. K. Z., & Duncan, K. A. (2003). Impact of family and business on family business sustainability. *Journal of Business Venturing*, 18(5), 639–666.
- Pearson, A. W., Carr, J. C., & Shaw, J. C. (2008). Toward a theory of familiness: A social capital perspective. *Entrepreneurship Theory & Practice*, 32(6), 949–969.
- Perricone, P., Earl, J. R., & Taplin, I. M. (2001). Patterns of succession and continuity of family-owned businesses: Study of an ethnic community. *Family Business Review*, 14(2), 105–121.
- Rogoff, E. G., & Heck, R. K. Z. (2003). Evolving research in entrepreneurship and family business: Recognizing family as the oxygen that feeds the fire of entrepreneurship. *Journal of Business Venturing*, 18(5), 559–566.
- Romano, C. A., Tanewski, G. A., & Smyrniotis, K. X. (2000). Capital structure decision making: A model for family business. *Journal of Business Venturing*, 16, 285–310.
- Schein, E. H. (1983). The role of the founder in creating organisational culture. *Organisational Dynamics*, 12(1), 13–28.

- Schulze, W. S., Lubaktin, M. H., & Dino, R. N. (2003). Toward a theory of agency and altruism in family firms. *Journal of Business Venturing, 18*(4), 473–490.
- Schumpeter, J. A. (2004). *Essays on entrepreneurs, innovations, business cycles, and the evolution of capitalism*. New Brunswick, NJ: Transaction.
- Shanker, M. C., & Astrachan, J. H. (1996). Myths and realities: Family businesses' contribution to the US economy. *Family Business Review, 9*(2), 107–119.
- Sharma, P. (2006). An overview of the field of family business studies: Current status and directions for the future. In P. Z. Poutziouris, K. X. Smyrnios, & S. B. Klein (Eds.), *The handbook of research on family business*. Northampton, MA: Elgar Gale.
- Sharma, P., Chrisman, J. J., & Chua, J. H. (1997). Strategic management of the family business: Past research and future challenges. *Family Business Review, 10*(1), 1–36.
- Sharma, P., Chrisman, J. J., Pablo, A. L., & Chua, J. H. (2001). Determinants of initial satisfaction with the succession process in family firms: A conceptual model. *Entrepreneurship Theory & Practice, 3*(1), 17–36.
- Sharma, P., & Nordqvist, M. (2008). A classification scheme for family firms: From family values to effective governance to firm performance. In J. Tapies & J. L. Ward (Eds.), *Family values and value creation: How do family-owned businesses foster enduring values* (pp. 71–101). New York, NY: Palgrave MacMillan.
- Sirmon, D. G., & Hitt, M. A. (2003). Managing resources: Linking unique resources, management, and wealth creation in family firms. *Entrepreneurship Theory & Practice, 27*(4), 339–358.
- Smyrnios, K. X., & Romano, C. A. (1999). *The 1999 Australian family business lifestyle audit*. Caulfield: Australia Family Business Research Unit, Monash University.
- Smyrnios, K. X., Romano, C. A., Tanewski, G. A., Karofsky, P. I., Millen, R., & Yilmaz, M. R. (2003). Work-family conflict: A study of American and Australian family businesses. *Family Business Review, 16*(1), 35–51.
- Sonfield, M. C., & Lussier, R. N. (2004). First-, second-, and third-generation family firms: A comparison. *Family Business Review, 17*(3), 189–202.
- Song, M. (1999). *Helping out: Children's labor in ethnic businesses*. Philadelphia, PA: Temple University Press.
- Stafford, K., & Tews, M. J. (2009). Enhancing work–family balance research in family businesses. *Family Business Review, 22*(3), 235–238.
- Tagiuri, R., & Davis, J. A. (1992). On the goals of successful family companies. *Family Business Review, 5*(1), 43–62.
- Tagiuri, R., & Davis, J. A. (1996). Bivalent attributes of the family firm. *Family Business Review, 9*(2), 199–208. (Reprinted from *Bivalent attributes of the family firm*, by R. Tagiuri & J. A. Davis, Eds., 1982, Cambridge, MA: Harvard Business School).
- Vilaseca, A. (2002). The shareholder role in the family business: Conflict of interests and objectives between non-employed shareholders and top management team. *Family Business Review, 15*(4), 299–320.
- Ward, J. L. (1987). *Keeping the family business healthy: How to plan for continuing growth, profitability and family leadership*. Boston, MA: Jossey-Bass.
- Ward, J. L. (1988). The special role of strategic planning for family businesses. *Family Business Review, 1*(2), 105–118.
- Ward, J. L., & Aronoff, C. E. (1994). Preparing successors to be leaders. *Nation's Business, 82*, 54–55.
- Wortman, M. S. J., Jr. (1994). Theoretical foundations for family-owned businesses: A conceptual and research based paradigm. *Family Business Review, 7*(1), 3–27.
- Zahra, S. A. (2003). International expansion of US manufacturing family businesses: The effect of ownership and involvement. *Journal of Business Venturing, 18*, 495–512.

Due to the inseparability and synergy between family and business in family firms, family relationships, as well as family resources, are increasingly understood to be crucial elements in family business dynamics, keeping the family and the business as interdependent domains. It therefore becomes increasingly difficult to speak of separate principles, values, and obligations. Accordingly, some researchers suggest that some vital synergies for business (Aronoff & Ward, 2000) can arise from family values. These authors argue that a persisting commitment to values is the greatest value a family can bring to business ownership inasmuch as values can function similarly to “glue that bonds family and business” (p. 1).

3.1 The Notion of Values

Values are “the bedrock of primary socialization” (Garcia-Alvarez, López-Sintas, & Saldana, 2002) they shape the behaviour of people from a young age, and determine the way people interact in the social system. The transmission of sound values is fundamental in families and in society as they “inspire people to do things that are difficult, to make commitments that require discipline, to stick to plans for the long haul” (Aronoff & Ward, 2000, p. 1). A value can be defined as “a conception, explicit or implicit, distinctive of an individual or characteristic of a group, of the desirable which influences the selection from available modes, means and ends of actions” (Kluckhohn, 1967, p. 395). It is also perceived as “an enduring belief that a specific mode of conduct or end-state of existence is personally and socially preferable to alternative modes of conduct or end-states of existence” (Rokeach, 1972, p. 5), or, more simply, as “a broad tendency to prefer certain states of affairs over others” (Hofstede, 1980, p. 19). Values are “what we believe to be important or morally worthy” (Ciulla, 1999, p. 166). They are implicit, not spoken, yet completely shared, passed on from one generation to the other, moulding the relationships between family members.

Values serve as guiding principles, shape attitudes, motivate, and contain the behaviour of individuals. Some researchers argue that strong values are rooted in family members' emotional and blood ties, and through their shared history. "Shared values enable family members to derive pleasure and meaning from sustaining cross-generational relationships and striving toward mutual goals" (Aronoff & Ward, 2000, p. 1). Unity through relationships is an important value within a family business. Family members experience close psychological attachments to one another that are tacitly implied rather than taught. Such closeness has been described as *familism* values (Triandis, 1995). Yang (1988, p. 97) proposed that familism is "a set of values, and their associated attitudes, beliefs, and behavioural norms that are family dominated in the sense that people holding these values adopt family as the basic social unit".

Family cohesion is strongly related to family dynamics. It is perceived as being a value that strengthens mutual support among family members, facilitating decision making and contributing to the success of the family business as a whole (Olson, 1988). Strong family cohesion with a high level of closeness and emotional bonding creates the opportunity to function as a team (Adler & Kwon, 2002), providing emotional support and identification to its individual members. Due to the strength of ties among family members over time, shared interactions and experiences contribute to the development of norms, trust, a strong group identity, a common vision, and sense of purpose (Tsai & Ghoshal, 1998). Some researchers suggest that family values and norms can have a major influence on key strategic decisions made in these firms because family values and norms have the power to influence "behavioural expectations of family members" (Sharma & Manikutty, 2005, p. 294). On the other hand, familial norms are, in turn, guided by the "underlying beliefs in a family regarding the relationships across generations and between siblings". Recently, Pearson, Carr, and Shaw (2008) defined familiness as a resource that encompasses a series of norms and values capable of having a serious impact on the behaviour of family members. Earlier, others pointed to various values to describe the culture of a family firm. They identified cooperation, openness, teamwork, and reciprocity (Adler & Kwon, 2002), egalitarianism, teamwork, a focus on developing synergy from collaboration (Lansberg, 1999), and obligations to both the family and business enterprise (Gersick, Davis, McCollom Hampton, & Lansberg, 1997).

Values, however, are not confined solely to family members. Leaders and founders transmit their values into the organisational culture directly (Hofstede, 1994; Kets de Vries, 1993). More precisely, family values are understood to be fluid and capable of seeping into the "management of the business" (Cappuyns, 2002), setting a "permanent stamp on its continued existence" (Lambrecht & Donckles, 2006, p. 393). Leaders translate values into action and are responsible for promoting values across their organisation through their vision and goals. Founders of family firms establish codes of behaviour by acting as role models (Ciulla, 1999; Nanus, 1992). The notion that founders set the pace and conditions for writing "the story of the organisation's values" implies a genealogical understanding of values that can pave the way for the next family business leaders (Ciulla, 1999, p. 170).

Overall, the role of values in family business, how they support the family business and pave the way for successive generations, is clearly recognised and appreciated. Values are transmitted from founders to potential successors, thus facilitating a successful succession process (García-Alvarez & López-Sintas, 2006; Kets de Vries, 1993). Others go further, suggesting that the values held by the incumbent and possible successor are more important than formal planning in the succession process (Santiago, 2000). “The earlier a business leader begins tapping the potential strength of shared values in the family and the business, the better chances of harmony and success” (Aronoff & Ward, 2000, p. 2). Aronoff and Ward (2000) consider “a dynamic, resilient value system” within a family business as “the most enduring living legacy one generation can leave the next” (p. 2).

Studies on family firms in Portugal found that potential successors learnt vital business values from their parents which supported them when they entered the family business (Ussman, 1994). “Unconsciously but inevitably, each generation absorbs parental values that define acceptable modes of relationships between family members” (Sharma & Manikutty, 2005). Other researchers emphasise the heterogeneous nature of the founder’s values (García-Alvarez & López-Sintas, 2001), which they divide into two separate dimensions: the business value dimension and the psychological dimension. Ongoing studies in this area (García-Alvarez & López-Sintas, 2006) found a close correlation between the values held by founders and the values that they want to transmit to their successors. They emphasise the importance of the legacy of the family values, and propose that when considering the issue of family business continuity, further work needs to be undertaken about family value systems. Aronoff and Ward (2000, p. 5) further suggest 12 ways in which the power of values plays out in business:

1. Laying the bedrock for corporate culture
2. Providing a template for decision making
3. Inspiring top performance
4. Supporting a patient, long-term view
5. Reducing the cost of capital
6. Challenging conventional thinking
7. Adapting to change
8. Improving strategic planning
9. Executing strategy
10. Forging strategic alliances
11. Recruiting and retaining employees
12. Lending meaning to work.

This list strengthens the notion that the family system and its values have the power to make (or break) a business.

3.2 Specific Values in Family Business

Over the years, researchers have concentrated on identifying particular values prevalent in family business, focusing on three major values: trust, altruism, and loyalty.

3.2.1 Trust

The role of trust is considered indispensable in family firms and is a source of competitive advantage: “Trust is central to family businesses—where a group of individuals affiliated with the enterprise are connected through common ancestry or marriage—because their existence goes well beyond economic rationale” (Sundaramurthy, 2008, p. 89). Trust fosters cooperation and reciprocity because it forms “expectations” within communities of people who share common norms (Fukuyama, 1995, p. 26). Such norms either relate to deep moral concerns such as the nature of God and justice, or to more secular issues related to professional behaviour. Increasingly, trust is seen as having a major impact on business transactions by being acknowledged as deeply rooted in structures of social relations. Trust acquires a regulatory force because people involved in business exchanges “will make a sincere effort to uphold their commitments” as an expression of “one’s willingness to rely on others” (Sundaramurthy, 2008, p. 89). Trust is perceived as “a psychological state” (Rousseau, Sitkin, Burt, & Camemer, 1998, p. 395) that results in a “trustful behaviour intimately related to relationships between individuals” (Neergaard & Ulhoi, 2006, p. 521). Williamson (1996) focuses on various types of trust, distinguishing personal trust from risk-related and institutional trust which are found in economic transactions. Trust is seen as dynamic: it evolves through phases within relationships, with multiple dimensions developing through structures and processes in the family firm (Steier, 2001).

Lewicki and Bunker (1996) maintain that there are three kinds of trust: calculus-based, knowledge-based, and identification-based trust. Members of family firms may fear the consequences of breaching trust or rely on the rewards that stem from preserving it (calculus-based trust); they may highly respect the integrity or competence of the other party (knowledge-based trust); or they may have similar goals to the other party and understand, and share their goals (identification-based trust). Identification-based trust (or personal trust) is commonly found in family firms where the family and business spheres overlap, members share norms and values based on familiarity, kinships, or interests (Fukuyama, 1995), “implying mutual confidence that no party will exploit another’s vulnerabilities” (Salvato & Melin, 2008, p. 261).

3.2.2 Altruism

Altruism is generally understood to be closely aligned to trust. Together, these two values protect family interests, provide unconditional support to the family members and business, and mitigate conflict, thus maintaining a family firm's competitiveness (Chrisman, Chua, & Litz, 2004; Schulze, Lubaktin, & Dino, 2002; Ward & Aronoff, 1994). A high level of mutual trust is regarded as "intra-family altruism in its purest sense (ie. unselfish concern and devotion to others without expected return for oneself), and clan-based collegiality" (Corbetta & Salvato, 2004, p. 356). Altruism leads individuals to work collaboratively with others, supporting and acting in the interests of others, without expecting rewards or positive reinforcement in return (Karra, Tracey, & Phillips, 2006). It features prominently in family firms where the family members often share the same interests and is an attitude that promotes and reinforces the family membership and family bond. Family bond is perceived as being something that is strictly connected with family history, language, identity, and knowledge about others. Seen in this way, altruism in family business becomes a value that fosters other values such as loyalty and commitment (Neergaard & Ulhoi, 2006) that, together, help to prevent the spread of unreliable information or the breaching of agreements, minimising the prospect of opportunistic behaviour, conflict, and distrust.

3.2.3 Loyalty

Parents trust that their children work hard, are loyal to their parents and family, and generally act honourably in the family firm, all working for the best interests of the family business. In exchange, parents care and support their children. High levels of trust, loyalty, and commitment within a family firm dispense with the need for parents to monitor the work of their children or to rely on incentive-based compensation (Ward, 1988). Such generosity and trust may, however, at times, be taken advantage of by the children (Schulze, Lubaktin, & Dino, 2003). Regardless of that, studies have shown that a high degree of loyalty to family members and to the business tends to unite members in time of difficulty (Olson, 1988). Loyalty is a good indicator of commitment to the family business. It generates a sense of security and mitigates the high level of tension that may at times be prevalent in a family business. Loyalty to the family culture and family values enhances family harmony and family love, which in turn support the family business (Gersick et al., 1997).

As an extension to family loyalty, loyalty from employees points to a commitment to the family business, is built up within an organisation on a long-term basis, over a period of years, ensuring that the business continues to be efficient and successful.

3.3 Other Values

Thus, it seems that trust, altruism, and loyalty are perceived as values that can bind family members close together and make family membership valuable. Such values reveal shared common realities and rituals, close social ties, and “a deep reservoir of common history” (Broderick, 1993, p. 189). These are, however, not the only values that have been identified in family businesses. Other core values, such as honesty, respect, and responsibility are often bundled together. These values are called “modal values” and are found in the means of an act (Ciulla, 1999). Honesty reflects “the degree to which family members tell and expect the truth” (Gersick et al., 1997, p. 85). A high level of honesty supports good family relationships and encourages trust and respect. Responsibility reveals the high level of commitment of family members to the family firms (Cater & Justis, 2009).

3.4 A Holistic Approach

A holistic approach, as promoted by Ward (2008a), suggests that family values drive business; they are so strong as to influence the size of the enterprise, the degree of risk taking, and the organisational structure (p. 3). Three types of values are identified by Ward: basic values, fundamental values, and practical values. The first of these, *basic* values are determined by what he calls “familiness” (p. 5), which represents the unique strength of the system of the family in family businesses, in terms of workplace style, atmosphere, and priorities. Familiness may be interpreted as the coming together of “resources and capabilities related to family involvement and interactions” (Chrisman, Chua, & Litz, 2003, p. 468).

The second set of values, *fundamental* values, characterise the culture of the family business and determine the way businesses recruit, compensate, and train employees. They also emphasise the importance of family businesses in terms of being “more human” and “more emotional”, and more engaged/committed (fundamental) (Ward, 2008a, p. 4). The third set of values, *practical* values, are more related to attitude insofar as family firms emphasise the “past and future” as well as collectivism rather than individualism, and generally assert the “natural goodness of man”.

3.5 Basic Values in the Enmeshed Family Business

The notion of basic values in family business is still a matter for debate, as it suggests that family and business are two separate fields that are doomed to compete for supremacy. Often such supremacy is not possible, as neither of the two sides, family and business, can, or should, dominate. Where this is the case, family firms are caught in dilemmas that either remain unsolved, result in an “alternate leaning” from one position to the other, or remain open until the dilemma “resolves itself” (Ward, 2008b, p. 122). However, it might take considerable time for a dilemma to resolve itself, giving rise to unpredictable risks.

Alternatively, family businesses may be viewed as the overlap of two separated organisations, family and business, that determine the basic nature of the family business and make each family business unique (Dyer, 2003; Habbershon, Williams, & MacMillan, 2003). The idea here is that the two overlapping domains, family and business, are perceived as closely entwined, or “enmeshed”, meaning a high level of family cohesion and emotional closeness among family members (Olson et al., 2003).

To be enmeshed means that family and business are reciprocally involved in a sustained interlinking connection between the two areas of the family firm, resulting in productive cooperation (or possible conflict). This overlap is understood to be a fundamental characteristic of family business, where both business outcomes and family outcomes are determined by factors from and within both the family and business domains. This connection, however, remains a little abstract in the literature, as it is not explained how it works and when it starts having an influence on the family business. In other words, it is not clear how and when the two domains, the family and the business, come together and by what means. This difficulty hides another one. By speaking of family values, the impression arises that business has no values and that it is the family that brings values into the business. One consequence is that business is not seen as capable of having, or generating, values on its own. It is regarded as being rather passive and reactive to the values of the family. It would be therefore interesting to analyse the business part of a family firm as a dimension capable of having independent values that are in turn capable of influencing the family.

3.6 The Individual and His/Her Values

The gaps and difficulties identified between family and business may be resolved by the key role played by the individual in family business. The individual represents the third dimension that keeps the other two (family and business) together as a living, feeling, aspiring, and engaged glue. The individual is in both the family and the business, and is a bridging, living element in family business, as the individual has the capacity to translate one set of values of one domain (family) into meaning in the other domain (business) (Fairclough, 1992). This helps to create social or personal practices for family business members (Phillips & Hardy, 2002).

Multigenerational family business, however, is an enmeshed and even more complex system, with numerous complicated levels of relationships, responsibility, and loyalties across generations. Identifying how values work across time and space, and how they support the strength of the family business remains a fundamental issue that needs serious consideration. Values engage people across three generations, maintaining a high degree of social and personal cohesiveness within the families and across the generations.

Values in family business are usually discussed and recognised in very general terms. This book focuses on which values dominate in family business, and aims to classify them. In the case studies presented within its pages, some of the general

Table 3.1 Values identified

Personal values	Family values	Business values
Trust	Family unity	Work ethic
Respect	Succession	Loyalty
Responsibility	Membership	Professionalisation
Honesty	Humility	Risk taking
Loyalty		

values discussed above (trust, altruism, and loyalty) appear as obvious. In addition to these, other values have been revealed. Some, generally perceived as “family values”, have been reclassified as “business values”, supporting the argument that business has its own values, capable of engaging the individual and the family. By including the individual as the third dimension of the multigenerational family structure (family-business-individual), some values have also been identified as “personal values”. Values also transcend generations: values that have created the reputation of the family and of the family business create a strong bond across first, second, and third generations.

In this book, each generation’s perception of values has been discussed separately. The values identified in the case studies are summarised in Table 3.1.

Although grouped separately, these values overlap and are interconnected, thus creating, and continually recreating, the understanding that underpins family businesses from the perspective of their members.

The case studies in this book highlight how values are considered fundamental to those who live and work in family business on a daily basis, and how values survive across generations. This is important because there is a tendency to think that values just simply exist. It appears from the case studies, however, that values, like any other resources in life, are the result of a tacit understanding between people with regard to the actions and contexts that form their daily lives. Where do the values of family businesses come from? Genealogically, they stem from the entrepreneurial generation, the first generation; but what are they and how do they become, and remain, part of a family business? Although it is generally conceded that values underpin the strength of the family, and therefore also the strength of family businesses, limited studies have been dedicated specifically to how family and business values emerge, how they are shared and how they are transferred from generation to generation in family businesses. This book addresses these issues, in an effort to identify the role that family and business values play in the maintenance of long-term family businesses, particularly from an intergenerational perspective.

3.7 Founding a Family Business

The case studies in this book are presented from the perspective of the values underpinning them, and from the perspective of the family members’ self-perceptions and self-understandings. The book begins by describing and analysing the conditions that led to the formation of the family businesses—how they came

about. The focus is therefore on the founding generation (the first generation), those men and women who created the business and built it up from nothing by using personal and family resources. This generation represents the starting point of a family business. Gersick et al. (1997) argue that “the founder’s beliefs, business acumen, decision-making rules of thumb, and values are part of the basic structure of the enterprise”. Their inheritance remains with their descendants, and is perpetuated through the business developmental cycles. “In that way founders can remain a presence for generations beyond their lifetime” (p. 135). The personal styles, goals, and motivations of entrepreneurs are widely recognised. However, in longitudinal family business studies, *how* the initial business is established by the first generation is often neglected (Lubaktin, Ling, & Schulze, 2007). Studying the conditions that lead to the creation and establishment of the multigenerational family business by the founding generation is no easy task due to the difficulty of reconstructing the historical events involved. But as long as the starting generation remains invisible it will be impossible to form a clear picture of how a family business came about and by what means. Colli (2010) has argued that history offers an important perspective to the study of family business as “family firms are notoriously and largely ‘cultural artefacts’, that is the product, in their nature and structure, of a certain context” (p. 74).

The following chapter, describes the beginnings of the case studies of seven Italian-Australian three generational family businesses. It presents a brief history of Italian migration to Australia, setting the background for the first generation who migrated to Australia, and describing the flow-on effects on its descendants.

References

- Adler, P. S., & Kwon, S. W. (2002). Social capital: Prospects for a new concept. *Academy of Management Review*, 27, 17–40.
- Aronoff, C. E., & Ward, J. L. (2000). *Family business values, family owners resources*. Marietta, GA: Business Owner Resources.
- Broderick, C. B. (1993). *Understanding family process: Basics of family systems theory*. Newbury Park, CA: Sage.
- Cappuyns, K. (2002). Family business know-how: Values. *Families in Business*, 1(6), 65.
- Cater, J. J., III, & Justis, R. T. (2009). The development of successors from followers to leaders in small family firms. *Family Business Review*, 22(20), 109–124.
- Chrisman, J. J., Chua, J. H., & Litz, R. A. (2003). A unified systems perspective of family firm performance: An extension and integration. *Journal of Business Venturing*, 18(5), 467–472.
- Chrisman, J. J., Chua, J. H., & Litz, R. A. (2004). Comparing the agency cost of family and non-family firms. *Entrepreneurship Theory & Practice*, 28(4), 335–354.
- Ciulla, J. B. (1999). The importance of leadership in shaping business values. *Long Range Planning*, 32(2), 166–172.
- Colli, A. (2010). Business history in family business studies: From neglect to cooperation? *Journal of Family Business Management*, 47(2), 68–83.
- Corbetta, G., & Salvato, C. (2004). Self-serving or self-actualizing? Models of man and agency costs in different types of family firms: A commentary on “Comparing the agency costs of family and non-family firms: Conceptual issues and exploratory evidence”. *Entrepreneurship Theory & Practice*, 28(4), 355–362.

- Dyer, W. G., Jr. (2003). The family: The missing variable in organisational research. *Entrepreneurship Theory & Practice*, 27(4), 401–416.
- Fairclough, N. (1992). *Discourse and social change*. Oxford: Blackwell Publishers.
- Fukuyama, F. (1995). *Trust. The social virtues and the creation of prosperity*. New York: Free Press Paperbacks.
- García-Alvarez, E., & López-Sintas, J. (2001). A taxonomy of founders based on values: The root of family business heterogeneity. *Family Business Review*, 14(3), 209–230.
- García-Alvarez, E., & López-Sintas, J. (2006). Founder-successor's transition: A model of coherent value transmission. In P. Z. Poutziouris, K. X. Smyrnios, & S. B. Klein (Eds.), *The handbook of research on family business*. Northampton, MA: Edward Gale Publishing.
- García-Alvarez, E., López-Sintas, J., & Saldana, P. (2002). Socialization patterns of successors in first- to second-generation family businesses. *Family Business Review*, 15(2), 189–203.
- Gersick, K., Davis, J. A., McCollom Hampton, M. M., & Lansberg, I. (1997). *Generation to generation: Life cycles of the family business*. Boston, MA: Harvard Business School Press.
- Habbershon, T. G., Williams, M., & MacMillan, I. C. (2003). A unified systems perspective of family firm performance. *Journal of Business Venturing*, 18(4), 451–465.
- Hofstede, G. (1980). *Culture's consequences: International differences in work-related values*. Newbury Park, CA: Sage.
- Hofstede, G. (1994). *Cultures and organisations: Software of the mind. Intercultural cooperation and its importance for survival*. London: Harper Collins.
- Karra, N., Tracey, P., & Phillips, N. (2006). Altruism and agency in the family firm: Exploring the role of family, kinship, and ethnicity. *Entrepreneurship Theory & Practice*, 30(6), 861–878.
- Kets de Vries, M. F. R. (1993). The dynamics of family controlled firms: The good and the bad news. *Organisational Dynamics*, 21(3), 59–71.
- Kluckhohn, C. (1967). Values and value-orientations in the theory of action: An exploration in definition and classification. In T. Parsons & E. A. Shils (Eds.), *Toward a general theory of action* (pp. 388–433). Cambridge, MA: Harvard University Press.
- Lambrecht, J., & Donckles, R. (2006). Towards a business family dynasty: A lifelong, continuing process. In P. Z. Poutziouris, K. X. Smyrnios, & S. B. Klein (Eds.), *Handbook of research on family business* (pp. 388–401). Northampton, MA: Edward Gale Publishing.
- Lansberg, I. S. (1999). *Succeeding generations: Realising the dream of families in business*. Boston, MA: Harvard Business School Press.
- Lewicki, R. J., & Bunker, B. B. (1996). Developing and maintaining trust in work relationships. In R. M. Kramer & T. R. Tyler (Eds.), *Trust in organisations: Frontiers of theory and research* (pp. 114–139). Thousand Oaks, CA: Sage.
- Lubaktin, M. H., Ling, Y., & Schulze, W. S. (2007). An organisational justice-based view of self-control and agency costs in family firms. *Journal of Management Studies*, 44(6), 955–971.
- Nanus, B. (1992). *Visionary leadership*. San Francisco: Jossey-Bass.
- Neergaard, H., & Ulhoi, J. P. (2006). Government agency and trust in the formation and transformation of interorganisational entrepreneurial networks. *Entrepreneurship Theory & Practice*, 30(4), 519–539.
- Olson, D. H. (1988). The circumplex model of family systems VIII: Family assessment and intervention. In D. H. Olson, C. S. Russell, & D. H. Sprenkle (Eds.), *Circumplex model: Systemic assessment and treatment of families*. New York: Harworth Press.
- Olson, P. D., Zuiker, V. S., Danes, S. M., Stafford, K., Heck, R. K. Z., & Duncan, K. A. (2003). Impact of family and business on family business sustainability. *Journal of Business Venturing*, 18(5), 639–666.
- Pearson, A. W., Carr, J. C., & Shaw, J. C. (2008). Toward a theory of familiness: A social capital perspective. *Entrepreneurship Theory & Practice*, 32(6), 949–969.
- Phillips, N., & Hardy, C. (2002). *Discourse analysis. Investigating processes of social construction*. London: Sage.
- Rokeach, M. (1972). *Beliefs, attitudes and values: A theory of organisation and change*. San Francisco, CA: Jossey-Bass.

- Rousseau, D., Sitkin, S., Burt, R., & Camerer, C. (1998). Not so different after all: A cross discipline view of trust. *Academy of Management Review*, 23(3), 393–404.
- Salvato, C., & Melin, L. (2008). Creating value across generations in family-controlled businesses: The role of family social capital. *Family Business Review*, 21(3), 259–276.
- Santiago, A. L. (2000). Succession experiences in Philippine family businesses. *Family Business Review*, 13(1), 15–40.
- Schulze, W. S., Lubaktin, M. H., & Dino, R. N. (2002). Altruism, agency and the competitiveness of family firms. *Journal of Managerial and Decision Economics, Special issue on Business Level and Competitive Strategy*, 23, 247–259.
- Schulze, W. S., Lubaktin, M. H., & Dino, R. N. (2003). Toward a theory of agency and altruism in family firms. *Journal of Business Venturing*, 18(4), 473–490.
- Sharma, P., & Manikutty, S. (2005). Strategic divestments in family firms: Role of family structure and community culture. *Entrepreneurship Theory & Practice*, 29(3), 293–312.
- Steier, L. P. (2001). Family firms, plural forms of governance, and the evolving role of trust. *Family Business Review*, 14(4), 353–367.
- Sundaramurthy, C. (2008). Sustaining trust within family business. *Family Business Review*, 21(1), 89–102.
- Triandis, H. C. (1995). *Individualism and collectivism*. Boulder, CO: Westview Press.
- Tsai, W., & Ghoshal, S. (1998). Social capital and value creation: The role of intrafirm networks. *Academy of Management Journal*, 41, 464–476.
- Ussmane, A. M. (1994). *A transferencia de geracao na direccao das empresas familiares em Portugal*. PhD thesis, Universidade de Beira Interior, Covilha, Portugal.
- Ward, J. L. (1988). The special role of strategic planning for family businesses. *Family Business Review*, 1(2), 105–118.
- Ward, J. L. (2008a). Introduction. In J. Tapies & J. L. Ward (Eds.), *Family values and value creation: The fostering of enduring values within family-owned businesses* (pp. 1–8). New York: Palgrave MacMillan.
- Ward, J. L. (2008b). How values dilemmas underscore the difficult issues of governing the large, enterprising family. In J. Tapies & J. L. Ward (Eds.), *Family values and value creation: The fostering of enduring values within family-owned businesses* (pp. 102–124). New York: Palgrave MacMillan.
- Ward, J. L., & Aronoff, C. E. (1994). Preparing successors to be leaders. *Nation's Business*, 82, 54–55.
- Williamson, O. E. (1996). *The mechanisms of governance*. New York, NY: Oxford University Press.
- Yang, C.-F. (1988). Familism and development: An examination of the role family in contemporary China mainland, Hong Kong and Taiwan. In D. Sinha & H. S. R. Kao (Eds.), *Social values and development: Asian perspectives* (pp. 93–123). New Delhi: Sage.

The case studies presented in this book begin by focusing on the contribution of the first generation to multigenerational family business. How the first generation came to be in the position of establishing a family business, and how they initiated an entrepreneurial action out of nothing is fundamental for the following generations and the family firm. Yet the first generation is often neglected due to a lack of historical material and facts that could provide a realistic reconstruction of the entrepreneurial action of the founder of a family business. This generation is considered to be the founding entrepreneurial generation, the genetic matrix that sets the culture for subsequent generations. Therefore, before embarking on a discussion of the values across generations, I will have a closer look at the first generation and its entrepreneurial action and legacy.

4.1 Defining the Boundaries of Entrepreneurship

The influential work of Schumpeter in the 1930s and 1940s is considered fundamental for the field of entrepreneurship by linking it to innovation achieved through episodes of creative destruction. Schumpeter showed entrepreneurship to be exclusively embedded in economic contexts (Schumpeter, 1935, 1949), where entrepreneurs were regarded as innovators in a business activity, “peculiar and rare by nature” (1934, p. 85), capable of developing innovative combinations of available resources resulting in the creation of a new business that may develop successfully. Most of the economists that followed Schumpeter have continued to associate entrepreneurship with innovation (Baumol, 1993; Leibenstein, 1978; Schloss, 1968).

Surprisingly, however, to date a generally accepted interpretation of what entrepreneurship is, and what/who an entrepreneur is, have not yet been developed. The field continues to show differing paradigms and to be highly fragmented, often due to researchers’ roots in different disciplines. Bygrave and Hofer have noticed “in general, a lack of preciseness starting at the very root of the paradigm, the

definition of an entrepreneur” (1991, p. 13), and argue that the development of theories about entrepreneurship has been stifled by (1) lack of definitional consistency, (2) overemphasis on the entrepreneur to the detriment of the entrepreneurial process, and (3) methodological approaches that are not suited to the realities of the entrepreneurial setting.

Numerous researchers have expressed their concern that the lack of clear and precise definitions has impeded progress in this and associated fields (Gartner, 1985, 1988, 2001; Low & MacMillan, 1988; Lumpkin & Dess, 1996; Sexton & Smilor, 1986). Venkataraman has suggested that “the future of entrepreneurship field is limited only by our inability to build cumulative knowledge”, a limitation that he considered as originating from “incompatible theoretical viewpoints” (1997, p. 136). Gartner (2001) recognised that the differences in beliefs about entrepreneurship are splintering the field into numerous different “parsimonious and coherent research foci” (p. 27). It is therefore difficult to develop a science of entrepreneurship. Filion (1998) asserted that confusion arises because entrepreneurship attracts specialists from different disciplines; but he also observes that within the confusion there exists some agreement among scholars of the same discipline: “On the other hand, if we compare the definitions produced by specialists within the same field, we find a quite astonishing consensus” (p. 10). He joined the choir of those who think that “the apparent confusion basically reflects the differing logic and cultures” of these various disciplines involved in entrepreneurship research.

4.2 The Traits of an Entrepreneur

Schumpeter’s work built on Mill’s work (1948) that brought the term entrepreneurship into the field of the economists, concentrating on the entrepreneur as a risk-bearer. Schumpeter, however, disagreed with the characteristic of risk-bearing. Risk-bearing, he argued, was associated with ownership (or investors of capital), and entrepreneurs were not necessarily owners/capital investors.

First, risk bearing is no part of the entrepreneurial function. It is the capitalist who bears the risk. The entrepreneur does so only to the extent to which, besides being an entrepreneur, he is also a capitalist, but *qua* entrepreneur he loses other people’s money (Schumpeter, 1939, p. 104).

Numerous other researchers continue to maintain that risk-bearing is a prevalent characteristic of the entrepreneurial function (McClelland, 1961, 1986; Timmons, 1978). From the mid-1960s, researchers began to propose new perspectives, suggesting that entrepreneurship is a result of psychodynamic processes (Carland, Hoy, Boulton, & Carland, 1984), or is driven by cognitive activity (Krueger, 2007; Krueger & Brazeal, 1994; Mitchell, 2005). These behaviorist approaches, proposed by psychologists, sociologists, and other researchers from the human behaviour field, are similar in that they propose the notion that entrepreneurship is in the mind of the entrepreneur.

McClelland (1961) is recognised as the author who launched the trait approach by identifying the personal traits and behaviours manifested by individuals in an attempt to differentiate between entrepreneurs and non-entrepreneurs. His line of thinking has been supported and expanded by numerous authors over the years. Some of the key personality traits of entrepreneurs (compared with non-entrepreneurs) have been identified as:

- a high need for achievement,
- a propensity for risk taking,
- a pronounced need for autonomy and independence,
- innovation and creativity, and
- having an “expert mind-set”.

Other researchers have suggested that entrepreneurs have confidence in their own abilities to commence and conclude actions through their own doing, and feel a sense of responsibility for their own success. Kirzner (1999) argued that entrepreneurs possess psychological qualities such as self-confidence, determination, boldness, and creativity—traits that support them in making discoveries as well as profiting from those discoveries. Sarasvathy (2001) argued that entrepreneurs are effectual thinkers who make use of their means or personal resources to start entrepreneurial actions. In describing an entrepreneurial mind, Timmons (1994) concentrated on the attitudes and behaviour of successful entrepreneurs. An attempt to compile a comprehensive list of entrepreneurs’ characteristics is offered by Ward (2005). However, efforts to describe the entrepreneurial personality, and to isolate a set of personality traits that are unique to entrepreneurs, have not succeeded.

The traits approach has been challenged on the basis that it ignores the social context confronting the individual. According to Gartner, the entrepreneur cannot be “assumed to be a particular personality type, a fixed state of existence” (1989, p. 48). Gartner argued that the question “Who is an entrepreneur?” (1988), which forms the basis for the trait theory, is misguided and that the question should rather be “How do organisations come into existence?” (1989, p. 62), thus shifting the emphasis to the behaviour of the entrepreneur within a given context. Gartner (1989) suggested that entrepreneurship involves new organisations being created. Others view the crucial dimension as being that innovation (or entrepreneurial discovery) has occurred (Ireland & Webb, 2007; Kirzner, 1997). Sharma and Chrisman (1999) summarised the definitions that appeared in the literature until the late twentieth century, and proposed an inclusive definition of entrepreneurship as “acts of organisational creation, renewal or innovation that occur within or outside an existing organisation” (p. 17).

Since the 1980s, an increasing number of studies have continued to explore the social context of entrepreneurship. This has led to a range of approaches positioned in entrepreneurial cognitions research, focussing on aspects of information processing and decision making (Busenitz, 1992; Hitt, Ireland, Camp, & Sexton, 2001) and in the area of psycho-cognitive personality traits (Ashkanasy, Härtel, &

Daus, 2002; Goss, 2007). Mitchell, Busenitz, et al. (2002), have defined entrepreneurial cognitions as “the knowledge structures that people use to make assessments, judgements or decisions involving opportunity evaluation and venture creation and growth” (p. 97), in an effort to answer the fundamental question “how do entrepreneurs think?” as interpreted within the social context of new value creation.

New entrepreneurial cognitive constructs have been developed to explain how entrepreneurs make strategic decisions (Alvarez & Busenitz, 2001) and decisions related to new venture formation (Shane & Venkataraman, 2000), particularly in cross-cultural settings (Mitchell, Smith, et al., 2002). These approaches focus on the ways in which entrepreneurs identify opportunities, how they pursue venture start-ups, and how the situation affects the entrepreneur’s thinking and decision-making. Cognitive appraisal approaches concentrate on the link between social interaction and individual emotional responses (Goss, Jones, Betta, & Latham, 2011; Scheff, 1990) and how the role of emotions in entrepreneurial motivation and leadership can become a valuable entrepreneurial resource (Goss, 2007).

More recently, researchers propose a critical understanding of the social entrepreneurial identity. This perspective, referred to by Fletcher (2003) as the “fifth movement in entrepreneurship research”, emphasises how social interactions are fundamentally important in the entrepreneurial process (Goss, 2005; Jones, Latham, & Betta, 2008). This approach perceives entrepreneurial activities and characteristics as continually evolving, “dynamic and constantly emerging, being realised, shaped and constructed through social processes” (Fletcher, 2003, p. 127), such as language (through discourse analysis).

The field of entrepreneurship is rapidly expanding across a wide array of disciplines, with an increasing number of new directions stemming from multidisciplinary and interdisciplinary perspectives (Mitchell, Busenitz, et al., 2002), even though a certain amount of polarisation between economic/commercial and social entrepreneurship has occurred.

4.3 Linking Entrepreneurship to the First Generation in Family Business

The entrepreneurship work reviewed above sheds light on interpreting the entrepreneurial actions of the first generation Italian-Australians in this book. These people are considered to be *the entrepreneurs* in two different ways, first because the process of change activated by their decision to migrate represents a form of entrepreneurial effort to create something new in *personal* terms, and second because the first Italian-Australians created something new in *economic* terms. There is also an important dimension related to *personal entrepreneurship* resulting from the life of individuals that becomes evident. This arises as an outcome of the process of migration, of transitioning from the old to the new, breaking out of the old life, into a new life, with new emerging opportunities and conditions, relying on the individuals’ personal resources. *Personal entrepreneurship* is regarded as an

action that makes use of personal resources in a new condition and that may lead to innovative activity and the creation of a new enterprise, such as a family business.

Although some research has been conducted about how individual opportunity thinking emerges under certain conditions, this kind of thinking does not explain how people manage to transform a process of personal change into a positive entrepreneurial outcome. This notion of change links back to Schumpeter (1935, 1949, reprinted in 2004; see also Betta, Jones, & Latham, 2010). According to Schumpeter, entrepreneurs possess personal qualities that assist them to challenge conventions that shape their lives (1934, p. 85) and gain new experiences and perceptions, thus facilitating the disconnection from society and the conventions that surround them. Schumpeter's emphasis on the individual as an innovator, one who breaks out of the mould created by society with his/her skills and experience to create innovative processes within the sphere of the economic domain, is shared by other economic theorists who follow him.

4.4 Ethnic Entrepreneurship

The family businesses in this book were founded by Italian migrants to Australia. Consequently, their contribution can also be studied from the perspective of ethnic entrepreneurship. Aldrich and Waldinger (1990) define ethnic entrepreneurship as "a set of connections and regular patterns of interaction among people sharing common national background or migratory experiences" (p. 112), and "is acquired when the social connections among ethnic group members help establish distinct occupational, industrial or spatial concentrations" (p. 132).

When considering ethnic entrepreneurship, it is necessary to clarify some basic concepts and definitions. *Ethnic* is generally used interchangeably with the term *immigrant* and sometimes with *minority* (ethnic business, immigrant business, minority business, as well as ethnic entrepreneurship, immigrant entrepreneurship, and minority entrepreneurship), often without a clear definition. Although the distinction is not always apparent, there are subtle differences between the three categories.

The term *ethnic* refers to differences between groupings of people, and when used in reference to a group, it implies that the members of such a group possess attributes in common according to their origin and culture (Yinger, 1985). This may include citizens of a country or first-generational immigrants, and may be extended to their offspring of second and third generations, who all share "a set of common cultural traits" (Oommen, 2001). *Ethnicity* is defined by Aldrich and Waldinger as "self-identification with a particular ethnic group, or a label applied by outsiders" (1990, p. 131), and may refer to a particular ethnic group deriving from a definite country of origin, or to a larger grouping of people who share a similar background or culture, such as Hispanics and Blacks (Light & Gold, 2000). Other common markers of ethnicity include culture/country of origin.

Immigrants are a distinct group of people who undertake the process of migration and establish themselves in a different native community. In the new country,

they generally form informal, as well as sometimes more formal, networks, structures, and organisations of various types: religious, recreational, educational, and professional (Light & Bhachu, 1993; Portes, 1995; Zimmer & Aldrich, 1987).

Minority is a term that refers to the indigenous population, as well as immigrant and ethnic populations. Studies show that immigrant and ethnic entrepreneurs differ from the indigenous population (Kloosterman & Rath, 2003; Rath, 2000), and the entrepreneurial experiences of African-Americans has dominated in this field (Waldinger, 1996).

4.5 From Immigrant to Ethnic Entrepreneurship

The two terms that are most often co-mingled are *ethnic* and *immigrant*. Light (1972) adopts the term *immigrant entrepreneur* to refer to first-generational immigrant entrepreneurs, while referring to the second generation as *ethnic entrepreneurs*. Chaganti and Greene (2002) use *ethnic entrepreneur* to refer to individuals who identify, at a personal level, with a cultural community or grouping, regardless of generation, so the focus is on “the owner-manager’s level of personal involvement in the ethnic community” (p. 139). Lampugnani and Holden (1989) maintain that the term *ethnic business* is conventionally used for businesses created by non-English speaking background (NESB) immigrants and subsequent generations. In general, ethnic entrepreneurship is widely used to refer to businesses owned by immigrants and members who share similar origins, culture, and structures.

In this book, the term *ethnic entrepreneurship* is used loosely as business ownership by immigrant and ethnic-group members. As the first generation is the migrated generation, this term is appropriate. However, the second and third generations need to be regarded as descendants of migrants, and, as they were born in their country of residence, it is difficult to speak of them as migrants.

A number of studies in North America,¹ Canada, and more recently in Britain and other European countries, have demonstrated that enterprises established by immigrants have made invaluable contributions to the economy of the host country. Ongoing studies in different countries and regions are being directed at explaining how and why members of some immigrant minorities have made “unrelenting efforts . . . to surmount obstacles impeding their entry into the mainstream of [American] society” (Portes & Manning, 1986, p. 47). These and other authors investigate why these migrants engaged in business formation and ownership in relatively higher numbers than did the host society, in an effort to explore “why some visibly identifiable and stigmatized groups make it through business and others do not” (Carter & Jones-Evans, 2000, p. 185).

¹The seminal work by Ivan Light, *Ethnic Enterprise in America* (1972) is a major early contribution to the field of entrepreneurship in the USA.

4.6 Three Approaches to Ethnic Entrepreneurship

Over the past 30 years, researchers have developed and argued various concepts and approaches to ethnic entrepreneurship. The three major perspectives to explain ethnic entrepreneurship are the *cultural*, the *structural*, and the *interactive*.

The *culturalist approach* has an anthropological, sociological, and psychological basis that focuses on the concept of ethnicity rather than on economic factors, arguing that some ethnic groups are endowed with social institutions and cultural values (ethnic resources) that promote the entrepreneurial spirit and talent (Wilson & Portes, 1980). Some proponents of this approach have argued that individual psychological traits and group behaviours support the development of small business. Curran and Blackburn (1993) maintained that the primary motivational factors for people from ethnic minorities to enter self-employment are linked to their desire for independence and autonomy. Others have maintained that the collective solidaristic and psychological cultural attributes of some immigrant groups are valuable resources that aid them in establishing entrepreneurial business activities in the host country (Bonacich, 1973; Light, 1972). They argued that religious beliefs or ideologies, such as Confucianism, strong family values, and ethnic group solidarity arising from kinship and ethnic community ties are valuable resources that contribute to entrepreneurial drive and success.

In his work *Ethnic Enterprise in America*, Light (1972) proposed that ethnic groups are able to collectively organise connections and resources (money, labour, advice etc.) required to establish small businesses are overrepresented in the self-employed sector of the US economy. Some researchers have suggested that ethnic entrepreneurship supports upward mobility among immigrant minorities achieved in the course of their working careers (Light & Roach, 1996; Portes & Bach, 1985; Portes & Zhou, 1992). Others, however, have contested this, arguing that immigrants still face disadvantages and discrimination, which sociologists call *ethnic penalties*, that hinder their progress (Gans, 1992; Portes & Zhou, 1993; Zhou, 1995). This issue is still open for debate.

While the culturalist approach may be useful because of its emphasis on the family and cultural environment of the country of origin that may predispose particular immigrant groups in initiating entrepreneurial activity, it is contested as it does not consider the role of the economic environment in which the ethnic business operates (Waldinger, Aldrich, & Ward, 1990a). Ethnic businesses concentrate in niche markets with low costs of entry that are generally abandoned or not exploited by mainstream communities and business. However, that dependence on ethnic resources may eventually restrict the economic freedom of the ethnic business (Light & Gold, 2000) as the constrained ethnic networks may reduce the opportunities for growth and expansion (Waldinger et al., 1990a), and stifle attempts to “make the transition to membership in the larger, more extensive, and sophisticated exchange networks coordinated by formal institutions and the rule of the law” (Woolcock, 1998, p. 163).

The *structuralist approach* places emphasis on the social, political, and economic structures of the host society in order to explain the high concentration of

immigrants in self-employment. It considers the socio-economic phenomena that hinder opportunities for upward mobility that contribute to the establishment of a particular model of entrepreneurial activity as an alternative to unemployment or as a last resort in response to blocked opportunities in the labour market. Opportunities may be hindered due to lack of education, lack of language proficiency, non-recognition of qualifications, and problems associated with having skills that are not required in the host's labour market. This blocked mobility approach investigates the discrimination that exists against immigrants on the labour market, which leads to segregation and ghettoisation. This form of self-protection or insularity is characteristic of intra-community commerce.

A substantial body of work supports this theory, arguing that for many migrant workers in the USA, Canada, Western Europe, and Australia, small business becomes a viable option that offers financial rewards as well as independence and a work environment free from discrimination and prejudice (Boissevain et al. 1990; Collins, Gibson, Alcorso, Castles, & Tait, 1995; Waldinger et al., 1990a).

In her groundbreaking work, Bonacich (1973) outlined the *middleman minority theory* in which entrepreneurs trade between a society's dominant group and the masses, characteristic of sojourning immigrants interested in making a quick profit. Bonacich (1973), and Bonacich, Light, & Wong (1977) use this theory to link the self-employment of Korean immigrants in the garment industry in Los Angeles to the large corporations that sub-contracted immigrant middlemen to organise the production and distribution of their products. Similar patterns have been identified among Jewish and Chinese people in the US, arguably due to the wide status gap between Whites and Blacks (Bonacich, 1972; Bonacich & Modell, 1980).

Portes and his colleagues pioneered the *ethnic enclave economy* concept, drawing on the split labour market approach, and applying it to a study of Cubans in Miami (Portes & Bach, 1985; Wilson & Portes, 1980). Their work emphasised the importance of ethnic enclaves (self-enclosed inner-city minority communities), where the ethnic businesses dealt mainly in ethnic goods that were consumed prevalently by co-ethnic consumers. Through hard work, recruitment of cheap, trustworthy, loyal labour by family members (close and distant), reliance on their ethnic networks and social structures for business information, and inexpensive capital, as well as reliance on the intra-community consumer niche, ethnic family businesses can become more competitive than other businesses in the mainstream economy (Boissevain & Grotenbreg, 1987; Waldinger, Aldrich, & Ward, 1990b; Werbner, 1990).

Drawing on the enclave concept, Werbner (1990) emphasised the importance of ethnic social networks. Networks provide an efficient social structure that supports immigration, supplying labour in cost-efficient and risk-minimising ways, thus providing the basis for economic networks. Aldrich and Waldinger (1990) define these as "networks of kinship and friendship around which ethnic communities are arranged, and the interlacing of these networks with positions in the economy (jobs), in space (housing), and in society (institutions)" (p. 127). Zhou (1992) argued that ethnic enclaves promote trust, enforce fairness and contractual honesty, and create communities of bounded solidarity in which immigrants tend to affiliate

with others of their own ethnic group or national origin. Others, however, view ethnic enclaves as being linked to hardship and discrimination faced by immigrants due to lack of language skills, work experience, and local knowledge. (Light, 1972; Portes & Bach, 1985). Light refers to this as *reactive solidarity* (1980, 1984).

The ethnic enclave issue has moved on to become the ethnic niche debate that links together both the middleman minority and the ethnic enclave phenomena (Waldinger & Der-Martirosian, 2001). In this debate, general concern is expressed in relation to the inability or unwillingness of ethnic firms to attract custom from outside the local ethnic community (Ram & Hillin, 1994), and therefore the sustainability of these businesses is questioned. In addressing this issue, researchers stress the need for migrants to break out of ethnic niches, and break into mainstream markets in order to continue to be successful (Ram & Hillin, 1994; Waldinger, 1986). Increasingly, the structuralist/social perspective has caused a certain polarisation between economic/commercial and social entrepreneurship (Austin et al., 2006).

The *interactive perspective*, developed by Waldinger (1986), combines the culturalist and structuralist approaches, acknowledging that a continuous interaction exists between the opportunity structure (such as market conditions, government policies for business development, and social and cultural values and norms) in the host country, and the ethnic resources (such as kinship and family ties and networks) of an immigrant group. Waldinger's approach set the foundation for the publication *Ethnic Entrepreneurs* by Waldinger et al. (1990a), in collaboration with other researchers in France, The Netherlands, Germany, the United Kingdom, and the United States. In this integrating model, the structure provides the context, while culture (a group's characteristics) shapes the way in which supply is provided.

Aldrich and Waldinger (1990) provide a valuable framework for understanding ethnic entrepreneurship consisting of the following three elements: opportunity structures, group characteristics, and strategies. Opportunity structures consist of market conditions that support the provision of products or services to co-ethnics (protected market, as interpreted by Aldrich, Cater, Jones, McEvoy, & Velleman, 1985) and/or non-ethnics. Group characteristics include predisposing factors that comprise the personal skills, experiences, motivations, and aspirations of individuals, as well as the resources (personal, family, and community ties) such as social networks of family, kinship, and class resources such as human capital, investment money, values and attitudes (Light, 1984). Ethnic networks have been recognised as a vital component of business success of immigrant entrepreneurs, whose social capital includes ethnic business associations, a co-ethnic clientele, and co-ethnic employees. The significant work on networks by Granovetter (1973) has resulted in coining of the terms *strong ties* and *weak ties* to describe the different types of networks and their usefulness.

Ethnic entrepreneurs also rely on their co-ethnic group as a market (Menzies, Filion, Brenner, & Elgie, 2003). These networks provide what Granovetter (1985) referred as *embeddedness*, that is, networks comprising social relations that provide mutual trust, obligation, cooperation, and reciprocity (Portes, 1995). One weakness

of the interactive approach, and consequently of the culturalist and structuralist approaches, is that they tend to assume ethnic homogeneity and ignore inter- and intra-ethnic diversity. Drawing on the work of Weber (1930), some scholars contend that the inconsistency in entrepreneurial behaviour varies significantly because of culturally determined beliefs and values such as individualism, achievement, independence, and masculinity (Hofstede, 1980).

Recent studies therefore have been concentrating on examining diversity in self-employment patterns *within* and *between* different ethnic groups in terms of region, language, religion, class, and education attainment levels, and demonstrating how sub-groups within specific communities can foster solidarity and economic success (Hammarstedt, 2004; Markovits, 2000; Tsui-Auch, 2005). In order to better understand the representation of an ethnic group in self-employment, Ibrahim and Galt (2003) proposed to investigate “the complex interrelationship between historical, economic, and cultural factors that underpin the social context in which individuals live” (p. 1113). Platt (2005) In a longitudinal study that examined the experiences of immigrant populations, and their second-generational children in Britain, identifying noticeable diversity in terms of income, employment, educational attainment, and life chances. According to Platt, “this diversity will be in part a consequence of factors associated with the process of migration: the reasons for migration; the different economic, social and human capital that the migrant brought with them; the stage of life and the point in time at which migration occurred and the opportunities available at that time” (p. 1).

This raises the question whether the experience of the first generation influences the following generations. “When exploring the experience of the second (non-migrant) generation this leads to a consideration of whether different groups’ social and economic origins—the situation of their parents and what their parents brought with them in terms of economic resources and human capital (education/qualifications)—are crucial in explaining their outcomes, and the diversity between groups” (Platt, 2005, p. 1). Platt’s study offers a sociological explanation of patterns of intergenerational social mobility among different ethnic groups based on the achievements of immigrants and the second generation in the UK within the educational and occupational sectors.

4.7 Migration in Entrepreneurship: A Renewed Agenda

Due to the changing historic contexts, including new political, economic, and technological conditions, debates on migration are re-emerging, with renewed interest in the integration of new groups of recent immigrants, including issues of ethnicity, and ethnic or cultural identity (Jimenez, 2004; Jones, Ram, Edwards, Kiselinchev, Muchenje, 2012; Min, 2004).² These studies also focus on the

² According to Zubrzycki (1977), cultural identity is “the *sense of belonging and attachment to a particular way of living* associated with the historical experience of a particular group of people”

structural integration of the second generation, but to a lesser extent on cultural integration which includes ethnic identification (identity choices) and language maintenance (Jimenez, 2004). Virtually no scholarly attention has been paid, however, to the third generation, especially its socio-economic acculturation³ comprising self-identity, expectations, and achievements (Farley & Alba, 2002).

This book therefore makes an important contribution by examining the cultural integration of the first generation, but also the second and third generations, focussing on the role of their self-identity as well as the family and business values that shape their self-perception and achievements. The Italian-Australian entrepreneurs and their families in this book created economic wealth, made use of social networks, and built up family businesses that initially serviced the ethnic (Italian) community. They faced adversities that arose from the immigration experience: a new socio-political environment; lack of finances, housing, transport, and English language competence; and hostility and discrimination by the host society. Their frequent interaction with ethnic (Italian) social networks occurred predominantly in the first generation, and to a lesser extent in the second and third generations as the family business gradually broke out of its ethnic niche and broke into mainstream business. Although ethnic networks assisted the establishment and development of these family businesses, they do not emerge as a catalyst for the entrepreneurial activity that set the foundations for their successful multi-generational family businesses. Across the generations, as ethnic networks have a diminishing influence on the family business, they demonstrate how social or human capital may be an important factor in successful business formation and maintenance, together with other variables that determine productivity, such as formal education and informal education such as work experience (Light & Gold, 2000). Ethnicity can be a valuable form of social capital that may include obligations and expectations, information, and social norms. The migrants' ethnic identity, therefore, may prove to be of crucial assistance in drawing on their ethnic social capital and social networks that support the development of successful multigenerational family business.

4.8 Ethnic Entrepreneurship in Australia

Because this book presents family businesses of ethnic origin (Italian) in Australia, it is important to devote some attention to the specific Australian context of ethnic entrepreneurship. Recent research on ethnic entrepreneurship indicates a high level

(p. 3) italics in original. Viewed 10 January 2011 at http://www.multiculturalaustralia.edu.au/doc/auscouncilpop_2.pdf.

³ *Acculturation* is a term that refers generally to cultural integration. In this book I use this term according to Gans' interpretation: "Acculturation is largely up to the immigrants (and their descendents), happens virtually automatically and is usually unintentional. Still it can be intentional or purposive, as when parents push their children to do well in school or status-seekers learn the lifestyles of those whose status they seek to achieve" (Gans, 2007, p. 153).

of self-employment among immigrants in the US, Canada, and other countries including Australia, and reveals that some ethnic groups in particular are generally over-represented in this grouping. However, in Australia, research on the growing participation of ethnic minorities in self-employment, and on the rise of entrepreneurship in ethnic cultures, lags behind that in overseas countries, with very limited work undertaken in attempting to understand this phenomenon. This perhaps explains why the strong contribution of immigrant entrepreneurs in creating wealth, jobs, and exports in Australia, in particular within the small business sector, has been underestimated (Miller, 1999).

4.9 The Post-War Immigrants

The increase in entrepreneurship in Australia is predominantly attributed to the post-war immigrants, almost half being from non-English speaking backgrounds. Their contribution to the Australian economy, in particular to the small business sector, needs to be appropriately recognised. Studies conducted in Australia emanate largely from the social sciences, including sociology and anthropology, mainly compiled in the 1980s and the early 1990s, describing trends in ethnic business, and dealing with the topic of minorities in the national context. Virtually no studies have specifically investigated the contribution of ethnic business and ethnic family business to the economy of the country.

Another relatively unexplored dimension is the ethnic small business sector. Australian studies acknowledge that particular ethnic groups have become self-employed or employers after an arduous initial period following their arrival into a hostile social environment during which most worked as “factory fodder” (Bertone, 2008). In the work undertaken in Sydney, Castles and Collins (1989) found that immigrants moved into the small business sector to gain independence and financial security, and for a better future for their children. As Baldassar (1994) noted, this was the main motive for their migration.

4.10 Longitudinal Studies in Australia

A unique longitudinal study compiled by Strahan and Williams (1988) traced the activity of 10,570 new businesses and 22,034 owner/managers over time. A range of basic data was obtained about the social, educational, and family background of owners/managers, their motivation, and the type and mode of business. This work, focussing on first-generational immigrant enterprise, demonstrated that businesses established by immigrants generally have a significantly better success rate and a higher level of sustained growth than do those of the native-born.

Other Australian researchers (Collins et al., 1995; Lampugnani & Holton, 1989; Lever-Tracy, Ip, Kitay, Phillips, & Tracy, 1991) adopt an holistic approach in analysing the relative contribution of the individual, collective resources available from the ethnic group, and the Australian market place. Collins et al. (1995)

conducted the largest survey of Australian ethnic business (245 businesses) in Sydney's most multicultural municipality, Leichardt. They found that success or failure of family enterprises is affected by the economic conditions of the time. For example, the Greek Karanges family in milk bars were able to maintain relative success, yet the Chinese Chin family failed after initial rapid, but short, success (Collins et al., 1995, p. 9).

A study by Constance, David, Jim, and Tracy (1991) on Asian entrepreneurship in Brisbane and Sydney aimed at finding an explanation for those born overseas having lower rates of failure and more sustained growth than the norm. Focussing primarily on the Chinese and Indians, relatively recent arrivals to Australia, they interviewed 144 individuals and 138 businesses. They found similarities between the Chinese and the Indians: a high proportion of successful, innovative, and export-oriented businesses. Their reasons for establishing independent activity were generally associated with blockages they faced as employees due to non-recognition of qualifications, ethnic discrimination, or lack of work in their field.

4.11 Italian Entrepreneurship in Australia

The Italian ethnic group in Australia has contributed significantly to the growth and entrepreneurial profile of the Australian economy. Studies of post-war Italian immigration have concentrated on the role of Italian migrant work as factory fodder, particularly because the Italian immigrants entered Australia as unskilled migrants (Collins, 1992; Panucci, Kelly, & Castles, 1992). Their "traditional desire for peasant independence became, in Australia, a 'craving for an independent small business'" (Price, 1963, p. 142). Italians who migrated pre-World War I and post-World War I were farmers who cultivated their own land; they brought with them an entrepreneurial attitude that helped them to establish small enterprises across Australia.

A dearth of research, however, exists about the contribution of Italian entrepreneurs and their business to the Australian economy and society. Collins (1992) drew a sociological picture of the Italian immigrants taking a small business perspective: he described their early experience in Australia and their initial entry into traditional areas such as farming, fishing, food, clothing, and construction. "By 1947", Collins noted, "a surprisingly large proportion of Italians had moved from wage labour to small business" (1992, p. 75).

To date, there have been three major research projects on Italian-Australian small business in Australia. Lampugnani and Holton (1989) conducted a significant study on 98 Italian small firms (fewer than 50 employees) in South Australia across a range of industries that indicated a thriving Italian-Australian business sector that was a valuable human capital asset in Australia, contributing to the development of a more productive business culture. This work identified a "strong ideology of independence characteristic of Italian-Australian business operators" (Lampugnani & Holton, 1989, pp. 13–14). It also found that although the immigrant

entrepreneurs generally entered the small business sector by serving the Italian community, “Italian ethnic business did not stay in the enclave or ghetto, but moved beyond it” (p. 19). Castles and colleagues (1991) surveyed 45 small firms (fewer than 20 employees), mainly retail businesses, in the Leichhardt area in Sydney and found that most interviewees established their own small business in order to follow the family business tradition, while others wanted to move away from the downward occupational mobility and prejudice that they encountered from their bosses and fellow workers (Collins, 1988). Peters (1999) studied two generations of self-employed Italians, Vietnamese, and Dutch in Western Australia. Her work demonstrated that individual immigrants frequently initiate entrepreneurial activity within immigrant groups and confirmed the findings of Lampugnani and Holton (1989) that the first generation is attached to the enclave economy, while members of the second generation have a broader business vision due to their higher level of education, and their bilingual and bicultural skills.

Although there are some individual histories and autobiographies, no significant studies have been undertaken of Italian and Italian-Australian entrepreneurs, with the exception of Hougaz (2012), and Hougaz and Betta (2008, 2009, 2010, 2011, 2014). No work has been devoted to Italian-Australian family entrepreneurship and the entrepreneurial role that the first, second, and third generation Italians/Italian-Australians(Australian-born children of Italian-born parents/grandparents) play in the maintenance or diversification of their family business within the Australian economy.

4.12 Entrepreneurship and Family Business

In this chapter I have pointed to various approaches within the entrepreneurship field that address the phenomenon of entrepreneurship from the perspective of individual traits determined by socio-cultural conditions, cognitive traits influenced by psychological knowledge, the social approach that considers entrepreneurship as emerging from the social context in which the entrepreneur lives, and the interactions that s/he instigates. Although developed as part of the mainstream theory of entrepreneurship, these approaches also inform approaches looking at immigrant (or ethnic) entrepreneurship. Here, too, behaviour and performance are understood as being determined by the social contexts of ethnic networks, families, and communities (the culturalist approach), suggesting how entrepreneurial activities may have social integrative outcomes where social and governmental policies fail to provide the wholesale integration of newcomers into a host country.

In this book, the topic of entrepreneurship overlaps with family business, in particular with the founders of the family business. By changing the conditions in their personal life and changing their context (through the process of migration), the founders become the innovators who identify opportunities and at the same time establish a new enterprise supported by their family. With their personal resources the family business founders play a fundamental role in the creation of the family firm, setting a legacy that might perpetuate across generations.

References

- Aldrich, H. E., Cater, J., Jones, T., McEvoy, D., & Velleman, P. (1985). Ethnic concentration and the protected market hypothesis. *Social Forces*, 63(4), 996–1009.
- Aldrich, H. E., & Waldinger, R. (1990). Ethnicity and entrepreneurship. *Annual Review of Sociology*, 16(1), 111–135.
- Alvarez, S., & Busenitz, L. (2001). The entrepreneurship of resource based theory. *Journal of Management*, 27, 755–775.
- Ashkanasy, N. C., Härtel, C., & Daus, C. (2002). Diversity and emotion the new frontiers in organisation behaviour research. *Journal of Management*, 28, 307–338.
- Austin, J., Howard, S., & Wei-Skillern, J. (2006). Social and commercial entrepreneurship: Same, different, or both?. *Entrepreneurship Theory & Practice*, 30(1), 1–22.
- Baldassar, L. (1994). Migration as transnational interaction – Italy re-visited. *Conference Proceedings: Italian Towards 2000. The Role of Italian Studies in Australian Universities. Prospects for the Future*. Melbourne: Victoria University of Technology.
- Baumol, W. J. (1993). Formal entrepreneurship theory in economics: Existence and bounds. *Journal of Business Venturing*, 3, 197–210.
- Bertone, S. (2008). *From factory fodder to multicultural mediators: A new typology of immigrant work experiences in Australia*. Saarbrücken: VDM Verlag.
- Betta, M., Jones, R., & Latham, J. (2010). Entrepreneurship and the innovative self: A Schumpeterian reflection. *International Journal of Entrepreneurial Behaviour & Research*, 16(3), 229–244.
- Boissevain, J., Blaschke, J., Grotenbreg, H., Joseph, I., Light, I., Sway, M., et al. (1990). Ethnic entrepreneurs and ethnic strategies. In R. Waldinger, H. E. Aldrich, & R. Ward (Eds.), *Immigrant entrepreneurs: Immigrant and ethnic business in western industrial societies*. Beverly Hills, CA: Sage.
- Boissevain, J., & Grotenbreg, H. (1987). Survival in spite of the law: Surinamese entrepreneurs in Amsterdam. *Revue Européenne des Migrations Internationales, Espaces Urbains*, 3(1–2), 199–222.
- Bonacich, E. (1972). A theory of ethnic antagonism: The split labor market. *American Sociological Review*, 37, 547–559.
- Bonacich, E. (1973). A theory of middleman minorities. *American Sociological Review*, 38(5), 583–594.
- Bonacich, E., Light, I. H., & Wong, C. C. (1977). Koreans in small business. *Society*, 14(6), 54–59.
- Bonacich, E., & Modell, J. (1980). *The economic basis of ethnic solidarity: Small business in the Japanese American community*. Berkeley, CA: University of California Press.
- Busenitz, L. W. (1992). *Cognitive biases in strategic decision-making: Heuristics as a differentiator between managers in large organisations and entrepreneurs*. PhD thesis, A & M University, TX.
- Bygrave, W. D., & Hofer, C. W. (1991). Theorizing about entrepreneurship. *Entrepreneurship Theory & Practice*, 16(2), 13–22.
- Carland, J. W., Hoy, F., Boulton, W. R., & Carland, J. A. C. (1984). Differentiating entrepreneurs from small business owners: A conceptualization. *Academy of Management Review*, 9(2), 354–359.
- Carter, S., & Jones-Evans, D. (2000). *Enterprise and small business: Principles, practice and policy*. Harlow: Prentice Hall.
- Castles, S., & Collins, J. (1989). *Restructuring, migrant labour markets and small business* (Occasional Paper No 16). Wollongong: Centre for Multicultural Studies, University of Wollongong.
- Castles, S., Collins, J., Gibson, K., Tait, D., & Alcorso, C. (1991). *The global milkbar and the local sweatshop: Ethnic small business and the economic restructuring of Sydney*. Wollongong: Centre for Multicultural Studies for the Office of Multicultural Affairs.
- Chaganti, R., & Greene, P. G. (2002). Who are ethnic entrepreneurs? A study of entrepreneurs' ethnic involvement and business characteristic. *Journal of Small Business Management*, 40(2), 126–143.

- Collins, J. (1988). *Migrant hands in a distant land: Australia's post-war immigration*. Sydney: Pluto.
- Collins, J. (1992). Cappuccino capitalism: Italian immigrants and Australian business. In F. G. Agnelli (Ed.), *Australia's Italians: Culture and community in a changing society* (pp. 73–84). St Leonards: Allen & Unwin.
- Collins, J., Gibson, K., Alcorso, C., Castles, S., & Tait, D. (1995). *A shop full of dreams: Ethnic small business in Australia*. Leichhardt: Pluto Press.
- Constance, L., David, I., Jim, K., & Tracy, N. (1991). *Asian entrepreneurs in Australia*. Report to the Office of Multicultural Affairs Department of Prime Minister and Cabinet. Canberra: Australian Government Publishing Service.
- Curran, J., & Blackburn, R. (1993). *Ethnic enterprise and the high street bank: A survey of ethnic businesses in two localities*. The Small Business Research Centre Report. London: Kingston University Business School.
- Farley, R., & Alba, R. (2002). The new second generation in the United States. *International Migration Review*, 36(3), 669–701.
- Filion, L. J. (1998). From entrepreneurship to enterpenology: The emergence of a new discipline. *Journal of Enterprising Culture*, 6(1), 1–23.
- Fletcher, D. (2003). Framing organisational emergence: Discourse, identity and relationship. In C. Steyaert & D. Hjorth (Eds.), *New movements in entrepreneurship* (pp. 125–142). Cheltenham: Edward Elgar.
- Gans, H. J. (1992). Second-generation decline: Scenarios from the economic and ethnic futures of the post-1965 American immigrants. *Ethnic and Racial Studies*, 15(2), 173–192.
- Gans, H. J. (2007). Acculturation, assimilation and mobility. *Ethnic and Racial Studies*, 30(1), 152–164.
- Gartner, W. B. (1985). A conceptual framework for describing the phenomenon of new venture creation. *Academy of Management Review*, 10(4), 696–706.
- Gartner, W. B. (1988). “Who is an entrepreneur?” is the wrong question. *American Journal of Small Business*, 12(4), 11–32.
- Gartner, W. B. (1989). Some suggestions for research on entrepreneurial traits and characteristics. *Entrepreneurship Theory & Practice*, 14(1), 27–38.
- Gartner, W. B. (2001). Is there an elephant in entrepreneurship? Blind assumptions in theory development. *Entrepreneurship Theory & Practice*, 25(4), 27–39.
- Goss, D. (2005). Schumpeter's legacy? Interaction and emotions in the sociology of entrepreneurship. *Entrepreneurship Theory & Practice*, 29(2), 205–218.
- Goss, D. (2007). Enterprise ritual: A theory of entrepreneurial emotion and exchange. *British Journal of Management*, 18, 2–18.
- Goss, D., Jones, R., Betta, M., & Latham, J. (2011). Power as practice: A micro-sociological analysis of the dynamics of emancipatory entrepreneurship. *Organisation Studies*, 32(2), 211–229.
- Granovetter, M. S. (1973). The strength of weak ties. *American Journal of Sociology*, 78(6), 1360–1380.
- Granovetter, M. S. (1985). Economic action and social structure: The problem of embeddedness. *American Journal of Sociology*, 91, 481–510.
- Hammarstedt, M. (2004). Self-employment among immigrants in Sweden: An analysis of intragroup differences. *Small Business Economics*, 23(2), 115–126.
- Hitt, M. A., Ireland, R. D., Camp, S. M., & Sexton, D. L. (2001). Guest editors' introduction to the special issue strategic entrepreneurship: Entrepreneurial strategies for wealth creation. *Strategic Management Journal*, 22(6–7), 479–491.
- Hofstede, G. (1980). *Culture's consequences: International differences in work-related values*. Newbury Park, CA: Sage.
- Hougaz, L. (2012). *The value of values: A study of three generational Italian-Australian family businesses in Victoria*. PhD thesis, Swinburne University of Technology, Melbourne, Victoria, Australia.

- Hougaz, L., & Betta, M. (2008). The business of the family: Italian-Australian entrepreneurs in Victoria and their modern dynasties. *Proceedings: 5th AGSE International Entrepreneurship Research Exchange*. Melbourne, Victoria, Australia: Swinburne University of Technology.
- Hougaz, L., & Betta, M. (2009). Behind the scenes: The hidden power of women in family businesses. *Proceedings: 23rd Annual Australian and New Zealand Academy of Management (ANZAM) Conference*. Melbourne, Victoria, Australia.
- Hougaz, L., & Betta, M. (2010). Women in family businesses: Perceptions and understanding of entrepreneurship. *Proceedings: 7th International AGSE International Entrepreneurship Research Exchange*. University of the Sunshine Coast, Queensland, Australia.
- Hougaz, L., & Betta, M. (2011, September). *When origins matter: A historical perspective of family business in Australia*. Family Business Association (FBA) Research Symposium, Perth.
- Hougaz, L., & Betta, M. (2014). Entrepreneurship through transnational migration: The resources of early migrants. *Labour and Management in Development Journal*, 15, 1–23.
- Ibrahim, G., & Galt, V. (2003). Ethnic business development: Toward a theoretical synthesis and policy framework. *Journal of Economic Issues*, 37(4), 1107–1119.
- Ireland, M. A., & Webb, J. W. (2007). Strategic entrepreneurship: Creating competitive advantage through streams of innovation. *Business Horizons*, 50(1), 49–59.
- Jimenez, T. R. (2004). Negotiating ethnic boundaries. *Ethnicities*, 4(1), 75–97.
- Jones, R., Latham, J., & Betta, M. (2008). The narrative construction of the social entrepreneurial identity. *International Journal of Entrepreneurial Behaviour and Research*, 14(5), 330–345.
- Jones, T., Ram, M., Edwards, P., Kiselinchev, P., & Muchenje, L. (2012). New migrant enterprise: Novelty or historical continuity? *Urban Studies*, 49(14), 3159–3176.
- Kirzner, I. M. (1997). Entrepreneurial discovery and the competitive market process: An Austrian approach. *Journal of Economic Literature*, 35(1), 60–85.
- Kirzner, I. M. (1999). Creativity and/or alertness: A reconsideration of the Schumpeterian entrepreneur. *Review of Austrian Economics*, 11(1–2), 5–17.
- Kloosterman, R., & Rath, J. (Eds.). (2003). *Immigrant entrepreneurs: Venturing abroad in the age of globalization*. Oxford: Berg.
- Krueger, N. F. J. (2007). What lies beneath? The experiential essence of entrepreneurial thinking. *Entrepreneurship Theory & Practice*, 31, 123–138.
- Krueger, N. F. J., & Brazeal, D. V. (1994). Entrepreneurial potential and potential entrepreneurs. *Entrepreneurship Theory & Practice*, 18(3), 91–104.
- Lampugnani, R., & Holton, R. (1989). *Ethnic business in South Australia: Sociological profile of the Italian business community*. Adelaide: Centre for Multicultural Studies, Flinders University of South Australia.
- Leibenstein, H. (1978). *General X-efficiency and economic development*. London: Oxford University Press.
- Lever-Tracy, C., Ip, D., Kitay, J., Phillips, I., & Tracy, N. (1991). *Asian entrepreneurs in Australia*. Canberra: Office of Multicultural Affairs, Department of the Prime Minister & Cabinet.
- Light, I. H. (1972). *Ethnic enterprise in America: Business and welfare among Chinese, Japanese and Blacks*. Berkeley, CA: University of California Press.
- Light, I. H. (1980). Asian enterprises in America: Chinese, Koreans and Japanese in small business. In L. L. Cummings (Ed.), *Self-help in urban America*. Port Washington, NY: Kennikat.
- Light, I. H. (1984). Immigrant and ethnic enterprise in North America. *Ethnic and Racial Studies*, 7(1), 31–45.
- Light, I. H., & Bhachu, P. (Eds.). (1993). *Immigration and entrepreneurship: Culture, capital and ethnic networks*. New Brunswick, NJ: Transaction Publishers.
- Light, I. H., & Gold, S. (2000). *Ethnic economies*. New York, NY: Academic.
- Light, I. H., & Roach, E. (1996). Self-employment: Mobility ladder or economic lifeboat? In R. Waldinger & M. Bozorgmehr (Eds.), *Ethnic Los Angeles*. New York, NY: Russell Sage Foundation.
- Low, M. B., & MacMillan, I. C. (1988). Entrepreneurship: Past research and future challenges. *Journal of Management*, 14(2), 139–161.
- Lumpkin, G. T., & Dess, G. G. (1996). Clarifying the entrepreneurial orientation construct and linking it to performance. *Academy of Management Review*, 21(1), 135–172.

- Markovits, C. (2000). *The global world of Indian merchants. 1750–1947: Traders of Sind from Bukhara to Panama*. Cambridge, NY: Cambridge University Press.
- McClelland, D. C. (1961). *The achieving society*. Princeton, NJ: D. Van Nostrand.
- McClelland, D. C. (1986). Characteristics of successful entrepreneurs. Keys to the future of American business. *Proceedings of the Third Creativity, Innovation and Entrepreneurship Symposium*. Framingham, MA: US Small Business Administration and the National Center for Research in Vocational Education.
- Menzies, T. V., Fillion, L. J., Brenner, G. A., & Elgie, S. (2003). A study of entrepreneurs' ethnic involvement utilizing personal and business characteristics (Working paper 2003-18).- *Proceedings: 20th Annual CCSBE Conference*. Victoria, BC.
- Mill, J. S. (1948). *Principles of political economy with some of their applications to social philosophy*. London: John W. Parker.
- Miller, P. (1999). Immigration policy and immigrant quality: The Australian points system. *The American Economic Review*, 89(2), 192–197.
- Min, P. G. (2004). *The second generation: Ethnic identity among Asian Americans*. Walnut Creek, CA: Rowman & Littlefield Publishers.
- Mitchell, R. K. (2005). Tuning up the global value creation engine: The road to excellence in international entrepreneurship education. In J. A. Katz & D. Shepherd (Eds.), *Cognitive approaches to entrepreneurship research in advances, entrepreneurship, firm emergence and growth* (pp. 185–248). Greenwich, CT: JAI Press.
- Mitchell, R. K., Busenitz, L., Lant, T., McDougall, P. P., Morse, E. A., & Smith, B. J. (2002). Toward a theory of entrepreneurial cognition: Rethinking the people side of entrepreneurship research. *Entrepreneurship Theory & Practice*, 27(2), 93–104.
- Mitchell, R. K., Smith, J. B., Morse, E. A., Seawright, K. W., Peredo, A. M., & McKenzie, B. (2002). Are entrepreneurial cognitions universal? Assessing entrepreneurial cognitions across cultures. *Entrepreneurship Theory & Practice*, 26(4), 9–32.
- Oommen, T. K. (2001). Situating ethnicity conceptually. *Ethnicities*, 1(11), 13–14.
- Panucci, F., Kelly, B., & Castles, S. (1992). Italians help build Australia. In S. Castles, C. Alcorso, E. Vasta, & G. Rando (Eds.), *Australia's Italians. Culture and community in a changing society* (pp. 56–72). St. Leonards: Allen & Unwin.
- Peters, N. (1999). *Trading places: Greek, Italian, Dutch and Vietnamese enterprise in Western Australia*. PhD thesis, Department of Anthropology, University of Western Australia, Perth, WA.
- Platt, L. (2005). *Migration and social mobility: The life chances of Britain's minority ethnic communities*. Bristol: The Policy Press.
- Portes, A. (1995). Economic sociology and the sociology of immigration: A conceptual overview. In A. Portes (Ed.), *The economic sociology of immigration: Essays on networks, ethnicity, and entrepreneurship*. New York: Sage.
- Portes, A., & Bach, R. L. (1985). *Latin journey. Cuban and Mexican immigrants in the United States*. Berkeley, CA: University of California Press.
- Portes, A., & Manning, R. (1986). The immigrant enclave: Theory and empirical examples. In S. Olzak & J. Nagel (Eds.), *Competitive ethnic relations* (pp. 47–68). Orlando, FL: Academic Press, Inc.
- Portes, A., & Zhou, M. (1992). Gaining the upper hand: Economic mobility among immigrant and domestic minorities. *Ethnic and Racial Studies*, 15(4), 491–522.
- Portes, A., & Zhou, M. (1993). The new second generation: Segmented assimilation and its variants. *Annals of the American Academy of Political and Social Science*, 530, 74–96.
- Price, C. A. (1963). *Southern Europeans in Australia*. Melbourne: Oxford University Press.
- Ram, M., & Hillin, G. (1994). Achieving 'Break out': Developing mainstream ethnic minority businesses. *Small Business and Enterprise Development*, 1(2), 15–21.
- Rath, J. (Ed.). (2000). *Immigrant businesses: The economic, political and social environment*. New York, NY: St. Martin's Press.

- Sarasvathy, S. D. (2001). Entrepreneurship as economics with imagination. *Business Ethics Quarterly*, 3, 95–112.
- Scheff, T. (1990). *Microsociology: Discourse, emotion and social structure*. Chicago, IL: University of Chicago Press.
- Schloss, H. H. (1968). The concept of entrepreneurship in economic development. *Journal of Economic Issues*, 2(2), 228–232.
- Schumpeter, J. A. (1934). *The theory of economic development* (published in German [1912]. First edition in English). Cambridge, MA/Cambridge, MA/London: Harvard University Press/Harvard Economic Studies/Oxford University Press.
- Schumpeter, J. A. (1935). The analysis of economic change. *Review of Economics and Statistics*, 17(4), 2–10. (Reprinted from *Essays on entrepreneurs, innovations, business cycles, and the evolution of capitalism*, 7th ed., pp. 134–149, by R. V. Clemence, Ed., 2004, New Brunswick, NJ: Transaction).
- Schumpeter, J. A. (1939). *Business cycles: A theoretical, historical and statistical analysis of the capitalist process* (Vol. 1 and 2). New York, NY: McGraw Hill.
- Schumpeter, J. A. (1949). Economic theory and entrepreneurial history. (Reprinted from *Essays on entrepreneurs, innovations, business cycles, and the evolution of capitalism*, 7th ed., pp. 253–271, by R. V. Clemence, Ed., 2004, New Brunswick, NJ: Transaction).
- Sexton, D. L., & Smilor, R. W. (1986). *The art and science of entrepreneurship*. Cambridge, MA: Ballinger Publishing Company.
- Shane, S. A., & Venkataraman, S. (2000). The promise of entrepreneurship as a field of research. *Academy of Management Review*, 25(1), 217–226.
- Sharma, P., & Chrisman, J. J. (1999). Toward a reconciliation of the definitional issues in the field of corporate entrepreneurship. *Entrepreneurship Theory & Practice*, 23(2), 11–28.
- Strahan, K. W., & Williams, A. J. (1988). *Immigrant entrepreneurs in Australia: Report to the Office of Multicultural Affairs*. Melbourne: Office of Multicultural Affairs, Productive Culture Australia.
- Timmons, J. A. (1978). Characteristics and role demands of entrepreneurship. *American Journal of Small Business*, 3(1), 5–17.
- Timmons, J. A. (1994). *New venture creation, entrepreneurship for the 21st century*. Burr Ridge, IL: Irwin.
- Tsui-Auch, L. S. (2005). Unpacking regional ethnicity and the strength of ties in shaping ethnic entrepreneurship. *Organisation Studies*, 26(8), 1189–1216.
- Venkataraman, S. (1997). The distinctive domain of entrepreneurship research: An editor's perspective. In J. Katz & R. H. S. Brockhaus (Eds.), *Advances in entrepreneurship, firm emergence and growth* (pp. 119–138). Greenwich, CT: JAI Press.
- Waldinger, R. (1986). *Through the eye of a needle: Immigrants and enterprise in New York's garment trade*. New York, NY: New York University Press.
- Waldinger, R. (1996). *Still the promised city? African-Americans and new immigrants in post-industrial New York*. Cambridge, MA: Harvard University Press.
- Waldinger, R., Aldrich, H., & Ward, R. (1990a). *Ethnic entrepreneurs: Immigrant business in industrial societies*. Newbury Park, CA: Sage.
- Waldinger, R., Aldrich, H., & Ward, R. (1990b). *Ethnicity and entrepreneurship* (Research Paper). Wilmington, NC: Department of Sociology, University of North Carolina.
- Waldinger, R., & Der-Martirosian, C. (2001). The immigrant niche. In R. Waldinger (Ed.), *Strangers at the gates: New immigrants in urban America* (pp. 228–271). Berkeley and Los Angeles, CA: University of California Press.
- Ward, A. (2005). *An integrated model of entrepreneurship and intrapreneurship*. Conference Paper, High Tech Small Firms Conference, Manchester, UK.
- Weber, M. (1930). *The protestant ethic and the spirit of capitalism* (T. Parsons, Trans.). London: Allen & Unwin.
- Werbner, P. (1990). Renewing an industrial past: British Pakistani entrepreneurship in Manchester. *Migration*, 8, 17–41.
- Wilson, K. L., & Portes, A. (1980). Immigrant enclaves: An analysis of the labour market experiences of Cubans in Miami. *American Journal of Sociology*, 86(2), 295–319.

- Woolcock, M. (1998). Social capital and economic development: Toward a theoretical synthesis and policy framework. *Theory and Society*, 27(2), 151–208.
- Yinger, M. J. (1985). Ethnicity. *Annual Review of Sociology*, 11, 151–180.
- Zhou, M. (1992). *Chinatown: The socio-economic potential of an urban enclave*. Philadelphia, PA: Temple University Press.
- Zhou, M. (1995). Low-wage employment and social mobility: The experience of immigrant Chinese women in New York city. *National Journal of Sociology*, 9(1), 1–30.
- Zimmer, C., & Aldrich, H. (1987). Resource mobilization through ethnic networks: Kinship and friendship ties of shopkeepers in England. *Sociological Perspectives*, 30(4), 422–445.
- Zubrzycki, J. (1977). Towards a multicultural society. In M. Bowen (Ed.), *The ethnic impact. Proceedings from the First National Conference on Cultural Pluralism and Ethnic Groups in Australia*. Armidale: University of New England.

This chapter presents a brief history of Italian migration to Australia. It describes the geographic, political, economic, social and cultural background of the Italian migrants who founded the three generational family businesses in this book. It also provides the context for understanding how the founder's Italian origins have continued to shape the identity of the family and the business across generations.

5.1 Migrating to Australia

Italy's history as a land of migration generally refers to the period between 1861 and 1973. The year 1861 refers to the census held following Italy's unification, which was the first official record of Italian emigration. Over a period spanning just over 100 years, close to 30 million Italians left their small villages and towns bound for other parts of the world. Approximately half migrated to European countries north of Italy (England, France, and Germany), and the rest to the United States and South America, due to their proximity to Europe (and, in the case of South America, due to the similarity of the language and culture), and later to Canada and Australia.

By 1900, over 1,037,787 Italians had migrated to the US, 760,000 to various South American countries (Livi-Bacci, 1961), and only 5,660 to Australia (Price, 1963). The largest migration occurred from particular regions: two fifths from the southern Italian regions, in particular Calabria, Sicily, and Abruzzi, and from one main northern region, Veneto. Migration to Australia began prior to World War I and continued until 1960s. Migration then declined sharply as Italy's economy improved. Italy is now, more recently, a land of immigration.

The arrival of the first Europeans in Australia goes back to two and a quarter centuries ago. Apart from the Chinese immigration of the nineteenth century, and the original Australian Aboriginal population, the Italians were among the first groups of non-English speaking background migrants to settle in this continent, and they are the largest non-British ethnic group in Australia. Italian migration to Australia took place largely within three historic periods: from the end of the

1800s to the beginning of World War I, during the period between the two World Wars, and after World War II.

5.2 Italians in Australia

Until the twentieth century, Italy was largely a rural country, with the northern regions characterised by higher levels of production and income than the ones in the south. The majority of its population was employed in the agricultural sector, either locked into the feudal *mezzadria*¹ system where the peasantry cultivated the land for a landlord, on condition of receiving a share of the farm produce, or as a tenant, paying a fixed rent on the land worked. The land was therefore distributed within a relatively small group, with a large proportion of the population being landless. Where the family owned a small plot of land it was very difficult to sustain the numerous children in large families. The poverty experienced among the peasantry does not, however, fully explain why the rate of emigration varied widely from region to region, and from province to province. Some scholars argue that the real reason relates to the different systems of land tenure and in the contrasting feelings of individualism and solidarity that developed among the peasants (Carsaniga, 1989; MacDonald & MacDonald, 1964).

At that time, increasing population, overwhelming economic, political, and social changes, widespread unemployment in the industrialised countries of Europe, combined with agricultural depression and a heavy system of taxation, as well as a high level of illiteracy, made life very difficult for the Italian peasantry. The “total impact of such factors left rural Italians with meaningful decisions to be made” (Bell, 1979, p. 180). Young unemployed Italians were forced to look further away for more advantageous opportunities in more distant lands, deciding that migration was their only, often desperate, choice. As Azavedo (1975, p. 43) pointed out, “the abandonment of one’s place of origin through emigration is never spontaneous, but, on the contrary, it results from existing living conditions which are difficult to bear”.

According to the 1901 Australian census, the Italians in Australia were distributed as shown in Table 5.1.

Overall, during the period beginning from the British colonisation until World War I, it is estimated that the number of Italians who arrived in Australia was somewhere between 100,000 and 125,000, many of whom later returned to Italy. Migration was often seen as a necessity, but also as a possibility for better living conditions, more work opportunities, and a chance to increase income. Many immigrants believed they could achieve financial success in a more prosperous land (Baldassar & Pesman, 2005, p. 25). They left at an early age, in their prime, to

¹ An association between the landowner and the peasant family for the cultivation of the farm, based on the principle of dividing the produce theoretically half and half, with the peasant family providing the labour.

Table 5.1 Distribution of Italian population in Australia according to 1901 census

State	Males	Females	Total
New South Wales	1,243	334	1,577
Victoria	1,289	236	1,525
Western Australia	1,296	58	1,354
Queensland	708	137	845
South Australia	293	34	327
Tasmania	42	8	50
Total	4,871	807	5,678

Source: Cresciani, 1985, p. 44

work the land or in factories and put their skills to good use in a new developing country. Some ventured to Australia encouraged by stories related orally by relatives and friends who had travelled abroad and returned, or through chain letters written by those living and working overseas (Templeton, 2003) about fortunes that could be made in the new land without frontiers, the land of riches and gold. So they gathered and mobilised their resources, sometimes pooling all the little family wealth to pay for their own passage, with the intention of repaying the family one day soon. They arrived in a new and unknown country after tremendous efforts with little or no money, and with very little luggage but with great “courage in their cases” (Loh, 1980). Their integration into the emerging mainstream society, however, proved difficult. At this time, as a British colony, Australia had developed a closed society, dependent on the British government, distrustful of new immigrants, and protected by its Immigration Restriction Acts passed at the time of federation (1901).

5.3 Between the Wars

The number of Italians migrating to Australia increased in the early 1920s, following World War I, with a further increase in the early 1930s. At this time the Italian economy was unstable, both politically and economically, facing serious post-war employment problems and then hit by the Great Depression. Due to the number of Italians who had already settled in the US, this would have been the preferred destination for many Italians. However, migration to the United States became impossible when the government passed two laws implementing restrictive immigration policies that closed its immigration borders (in 1921, as a temporary measure to limit the number of immigrants, under the leadership of Senator Charles Dillingham, and in 1924, on a permanent basis, with the National Origins Act, usually referred to as the Johnson Act). This caused the migration flow from Italy to shift toward other parts of the world, such as Canada and Australia, paving the way for the mass migration that occurred after World War II.

As shown in Table 5.2, the bulk of Italians migrating between the two wars came particularly from villages and small towns in the regions of Veneto and Lombardy

Table 5.2 Percentage distribution of Italian migrants by region of origin^a

Region	1990–1919 (to Oceania)	1920–1939 (to Oceania)	1950–1962 (to Australia)
Piemonte	8.7	7.0	1.1
Lombardy	45.8	12.1	2.3
Veneto	7.7	25.2	10.2
Total North	64.1	47.4	25.2
Total Centre^b	5.1	4.3	8.6
Abruzzi- Molise	0.6	2.8	11.9
Campania	2.3	2.1	9.2
Calabria	1.8	14.0	21.0
Total South	10.2	23.7	47.4
Sicily	20.3	24.3	18.3
Total Insular	20.6	24.6	18.8
ITALY	100.0	100.0	100.0
Numbers	14,853	48,280	226,045

^aBased on Lancaster Jones, 1964

^bThe total Centre includes regions not shown separately. *Source:* Price, 1963, p. 6

(in northern Italy), and Calabria and Sicily (in southern Italy).² They lived and worked as peasant workers or as simple artisans, with a peasant outlook and culture closely associated to religion and the celebration of feasts, and to the planting and gathering of their crops, with strong values associated to the family (Pascoe, 1987). However, due to poor government documentation, data on the occupations of the emigrants are difficult to evaluate as most emigrants were classified in broad categories with unclear distinctions of skills and remuneration, such as ‘rural work’ and ‘industrial and artisan work’.

Prior to migration, most Italian families lived as close-knit families or extended families, with complex and strong kinship ties. To some extent, *campanilismo*³ (the local attachment to those who came from the same township and village) was more influential in determining the longer-term development of Italian communities in Australia and other parts of the world than were regional affiliations (Baldassar & Pesman, 2005; Jones, 1962). Initially, males left their village individually, often at a very young age, gradually settling successfully into occupations as timber-cutters,

² Italy is generally divided into three major parts, north, centre and south, and is administratively divided in 20 regions, each region subdivided into provinces. Each region has its own history, customs, traditions and dialect (a variety of the Italian language).

³ *Campanilismo* refers to a complex cultural concept, particularly relevant to small communities, that describes people’s attachment to place or spatial self-identity. In its simplest translation it means localism or parochialism. It stems from the term *campanile*—bell tower. The meaning of the word (which might be translated literally as *bell-towerism*) derives from the theory that, historically, the church bell tower was the focal point of every town and therefore an expression of the inhabitants’ community identity (Baldassar & Pesman, 2005, p. 39).

miners, fishermen, market gardeners, and restaurant proprietors, or in other occupations where success was based on hard work rather than on capital or fluency in English. They then encouraged and supported other male members of their close or extended family to migrate, thus building up small communities of *compaesani* (fellow villagers), usually working in the same industry and geographic area. Upon leaving Italy, they went through a process of emigration (leaving their country), then immigration (arriving in a new country), and settlement in the new country and within a new society, having to rebuild new networks, new settlements, and new nuclear family ties (Bertelli, 1985). This created tight structures of support, mutual aid, and strong social bonds, vital not only for the immediate settlement but also for the longer-term development of close and supportive networks and communities (Jones, 1962). At a later stage, wives and families joined them. This network is known in migration theory as *chain migration* (Price, 1963).

Chain migration has played a very significant role in the settlement of Australia (also of USA, NZ, and Canada). It encouraged group solidarity (leading to strong support networks) and formed the basis of the successful social structures and business practices of the Italian immigrants. Chain migration occurred in stages, initially with the arrival of a single individual, followed by a relative or friend from the same village. Once these men became more geographically settled and more economically secure, they would settle into a more permanent relationship through marriage, or would bring out their families to join them, forming stronger and wider community bonds, then encouraging and supporting other relatives and *paesani* to follow them to Australia. Chain migration thus formed the basis of early and post-war Italian migration to Australia (Baldassar & Pesman, 2005; Price, 1963; Ware, 1981).

Italian migrants who arrived in the 1920s and 1930s initially found it difficult to obtain work in Australian cities and moved to the countryside where they worked as farmers, agricultural labourers growing vegetables, tobacco, and vines, timber cutters, miners, and itinerant construction workers. The early settling Italians “tended to follow a fairly narrow range of occupations—restaurants, fruit and vegetable growing and vending, fishing, cane cutting, and farming, and to some extent mining and timber cutting” (Borrie, 1954, p. 57). Ruzzene Grollo (2004) documented the presence of an early Italian mining community in Cooper’s Creek, Victoria (1920s–1930s). Until the late 1940s, the majority of Italians settled in rural Australia, concentrating in particular areas of Queensland, New South Wales, Victoria, and South Australia, the majority being in Queensland.

5.4 Italian Mass Migration: Post World War II: 1960s

At the end of World War I, the Italian economy had been destroyed. Approximately 3 million Italians were unemployed, parts of Italy were underdeveloped, with scarce food. Australia, at end of World War II, had suffered the effects of the two wars and the Great Depression, had a population of approximately 7.5 million, a relatively low population, and was seeking to rebuild the country and save it from future invasions. It was largely an homogeneous Anglo-Saxon country with only

9 % of its population born overseas, and less than 3 % had been born in non-Anglo-Saxon countries. Following World War II, Australia embarked on one of the largest programs of mass migration ever seen, aiming to supply a labour force that would support its economic redevelopment. In his memorable speech made to the Australian Parliament in 1946, Arthur Calwell, the then minister for immigration stated “It is my hope that for every foreign migrant there will be 10 people from the United Kingdom”, aiming at Britain supplying 140,000 immigrants who were needed annually. Coloured immigration was still not considered. The Australian government was zealously protecting its homogeneous Anglo-Saxon society through the *White Australia Policy*, which was intended to stop immigration from any non European country, giving preference to British and Northern Europeans. For a number of reasons, Britain was unable to supply the required number of immigrants, so refugees from Eastern Europe, Poland, and the Baltic States were allowed in. This opened the doors for a rethink of the immigration policy, and in the 1950s Australia signed agreements with the Italian government, thus opening the doors to a large influx of Italian immigrants. This strategy proved highly effective in 1947 only just over 33,000 persons, or 0.4 % of Australia’s total population had been born in Italy, but by 1961 the number had increased to over 228,000 (2.2 %) who were native-born Italians. Table 5.3 contains the most recent data regarding Italian migrants born in Italy.

After 1946, when Australia began to accept non-British migrants, Italian migration began to have a marked influence on Australia (Castles, Alcorso, Rando, & Vasta, et al. 1992). The migration pattern was the same through chain migration. It is estimated that during the period 1947–1980, 272,070 Italian-born Italians arrived in Australia, predominantly between 1951 and 1961, with an increase in the proportion of migrants from the south of Italy. This represented 9.3 % of the

Table 5.3 Number of Italian-born inhabitants in Australia

Year	Number of Italy-born immigrants in Australia
1901	5,678
1921	8,135
1933	26,756
1947	33,632
1954	119,897
1961	228,296
1971	289,476
1976	280,154
1981	284,983
1991	253,332
1996	238,246
2001	218,718
2006	199,124

Note: In 1971 Italy-born immigration to Australia reached its peak of 289,476

Source: 1961 census–2006 census. The most recent census was completed in August 2011

total foreign-born gain and just over half of the Southern European-born gain (Ware, 1981).

The main areas of Italian settlement in Australia were, once again, Victoria, NSW, and Queensland. In 1933, 61 % of the Italian ethnic population in Australia was living in rural areas with concentrations along the Murray River (Cobram and Mildura, Victoria), around towns like Griffith in the NSW Murrumbidgee Irrigation Area, and in several of the sugar towns such as Ingham in North Queensland. In the post-war period, the balance of sexes became more even, and the number in larger towns and cities increased gradually, thus providing greater variety in the occupations and the industries in which Italian migrants worked. By 1961, the trend had reversed, with 71 % living in urban centres. Burnley (1972) calculated that by 1966 approximately 83 % of the Italian population in Victoria lived in the metropolitan area of Melbourne, in and around the inner city or in the industrial suburbs in the western suburbs. A similar situation existed in Sydney. The Italians were the third most concentrated group in Melbourne, after the Maltese and Greeks, while in Sydney they were the fifth most concentrated group, after the Greeks, Maltese, Polish, and Yugoslavs (Burnley, 1972, 1985).

5.5 Migration Post 1960s

From the beginning of the 1960s Italian migration to Australia had decreased dramatically. In the decade 1966–1975 only a few thousand Italians arrived, with only 1,633 Italians arriving in 1978. The newly tightened migration policies of the 1970s meant that immigration from Italy was made more difficult, and, as a result, it continued to decline to a few hundred every year. The new type of migrants were different, socially and politically more prepared, mostly in possession of tertiary and professional qualifications. Their experiences and their expectations were also different from those of the Italians who preceded them. They chose to migrate in order to gain new experiences, for personal enrichment, not for reasons of basic survival. Due to the number of migrants returning to Italy, and an ageing Italian community, the overall number of Italians in Australia is decreasing.

5.6 Italian-Born Australians

Since the mid 1970s the two main characteristics of the Italian community in Australia have been, the rapid ageing of the first generation and a second generation of Italian-Australians⁴ that has quite successfully integrated into the mainstream society. The socioeconomic mobility experienced by this second generation

⁴First generation (Australians)—people living in Australia who were born in Italy.

Second generation (Italian-Australians)—Australian-born people with at least one parent born overseas.

emphasises the success of the migration process, considering that this was one of the basic reasons why their parents decided to migrate for a better future for their children. The Italian-Australian community is now experiencing the latest phase of its development, a new, young, third generation.

5.7 The Italian-Australians(Australian-Born of Italian Ancestry)

Although the Italian-born population in Australia has been decreasing steadily over the last three decades, the number of Italians of Italian ancestry (Italian-Australians of second, third, and subsequent generations) has been increasing. The number of Italian-Australians registered a constant increase between the years 1976 and 1996. The period 1996–2001 registered an increase (73 %), mainly due to a change introduced in the census question on ancestry which reflected more precisely the current trends. According to the 2006 census, 199,124 people living in Australia were born in Italy. In the same census, 852,417 people identified themselves as having Italian ancestry, either alone or in combination with another ancestral background. This means that approximately 4 % of Australia's current population has Italian origins. Italian is now the fifth most identified ancestry⁵ in Australia behind Australian, English, Irish, and Scottish. Italian is the second most used language at home, with 316,900 speakers, or 1.6 % of the Australian population (2006 Census). Italian-born Australians live in every Australian town and region, with the highest numbers in Victoria (82,851) and NSW (55,172), and a disproportionate concentration in Victoria (41.6 % compared with 25 % of the general Australian population) and South Australia (11.3 % compared with 7.6 % of the overall Australian population). In 1976, 42.0 % of Italian-Australians resided in Victoria, 27.8 % in New South Wales, and 6.6 % in Queensland (Ruzzene & Battiston, 2006). This general trend continues to the present.

Second generation Italian-Australians are better educated than their parents, being much closer in educational achievement to the host society than were the first generation (Birrell & Khoo, 1995). In 1991, on a standardised basis, 7 % of Italian-Australians had a bachelor or higher degree compared with 4 % of the Italian born. From the statistics it appears that, generally, second-generation Italian-Australians are not only better educated than the overseas born, but are also better educated than the rest of the population. This trend continues for the third-generation Italian-Australians (Khoo & Lucas, 2004). The trend reflects the emphasis that Italian parents generally place on education for their children.

The Italian-Australian community that traditionally closely bonded in defined places and provided a sense of identity by developing its own language and rituals,

⁵ Italian ancestry—having at least one Italian-born parent, or grandparent or ancestor.

is slowly disappearing as a distinct separate culture because its rituals and lifestyle are becoming absorbed into the mainstream Australian culture (Pascoe, 1992). According to national trends, statistics predict that residential concentrations of Italians/Italian-Australians in the various cities will decrease in third and subsequent generations. However, a strong attachment to the family and to place sentiments may promote a desire to retain their own sense of Italianness (Alexakis & Janiszewski, 1998; Pascoe, 1992). As Baldassar stated, “Migrancy is not simply about geographical movement, but cultural continuity, discontinuity and transmutation” (2001, p. 10).

5.8 Italians in the Australian Workforce

The majority of Italian migrants chose to migrate, and selected Australia as their second home. The basis of their decision was the financial need: they came in order to provide a better and more comfortable life and future for themselves and their families. Australia was perceived as the new Eldorado. In Australia they worked hard, accepted any occupation, often working as itinerant rural labourers, as long as they could see the opportunity for improving their life. An analysis of the occupational distribution of Italians in the 1954 census reveals a high proportion of Italian migrants of working age, and a high proportion of males compared with women (80,026 males and 39,617 females). The Italians who migrated to Australia in the post-war period were mostly classified as unskilled, without professional qualifications. These unskilled migrants, however, possessed multiple skills, such as carpentry, bricklaying, plumbing (building and construction), as well as general farming, fishing, and peasant skills. As Price (1963) pointed out, a significant number of southern Europeans moved into the agriculture, building, mining, food, and hospitality industries, as well as into the areas of “fishing, commerce, and some of the skilled trades—tailoring, cabinet-making, shoemaking, hairdressing, terrazzo-paving” (p. 156).

Until the beginning of World War II, the Italian migrants were predominantly employers, craftsmen and shopkeepers, rather than employees: in 1921 the ratio was two to three, in 1933 it was seven to nine, and in 1947 it was nine to ten (Gentili, 1973). However, the arrival of larger numbers of migrants post-World War II reversed this ratio, to one employer or craftsman for every four employees (Zubrzycki, 1968). This is reflected in the censuses of 1947 and 1971, which show marked contrasts, with over 50 % of Italians employers or self-employers in 1947, but fewer than 20 % in 1971. Between 1963 and 1972, 69 % of Italian migrants were classified into one of the following 3 groups: labourers or process workers, fishermen, and farmers, and craftsmen. Their degree of fluency in English and their educational levels were low, with a large proportion of Italian migrants having only primary schooling or no formal schooling at all (males 51 % and females 50 %) while only a very small percentage had tertiary education (males 0.5 % and females 0.02 %). Employment for the majority of Italian migrants in Australia was in the industrial sector, in the textile industry, construction, food, and agriculture.

The 1966 census indicates a relatively high proportion of Italian males who were classified as employers or self-employed (19 % of Italian born, compared with 15 % Greek-born and 12 % British born).

During the period 1963–1972, Italians created new businesses, often related to their occupational backgrounds in their country of origin. These included restaurants, market-gardening, construction companies (terrazzo workers, concrete pavers, building construction), supporting the trend of creating work and jobs for other Italians who migrated later. Some started working in the emerging factories of the time, changing their profile from peasant workers and labourers to factory workers, shopkeepers, and small industrialists. In the 1981 census, a significantly high percentage of Italian-born (52.6 %) were recorded as qualified and semi-qualified tradespersons, artisans, or simply labourers (national average 28.1 %). Significant also is the number of Italian-born immigrants who worked in administrative positions in the public and private sector; they were below the national average (4.2 % compared with 5.3 %). Missing is a strong presence in the professional category—only 3.6 %, compared with the national average of 14.2 % (Bertelli, 1983). According to Ruzzene and Battiston (2006) censuses between 1996 and 2001 reveal that the most popular occupational categories were tradespersons (20.2 % in 1996, 19.2 % in 2001), labourers (13.7 % in 1996, 12.4 % in 2001), and managers and administrators (11.6 % in 1996, 12.1 % in 2001). The industry areas in which Italian born Australians have made the most marked contribution are hospitality, building and construction, mining, services (such as hairdressing), fashion, entertainment (cinemas), farming, vineyards and wine, and fishing (Ruzzene & Battiston, 2006).

5.9 Occupations of Australian Born of Italian Ancestry

Occupation trends related to Australians of Italian ancestry over the years 1971–2001 reveal the upward mobility of second and subsequent generations, with a growth in the higher skilled employment (professional-technical and administrative, executive, and managerial positions), and a decrease in low-skilled employment positions (tradesmen and production-process, transport and communication workers). A particularly marked change in the workforce occupations of Italian-Australians occurred in the generational shift of the 1980s and 1990s: in 1971 Italian-Australian managers and administrators represented 21 % of the total population of Italian-Australians, while in 1986 this increased to 40 %, and in 2001 to 73 % (Ruzzene & Battiston, 2006, p. 54). Figure 5.1 shows the occupation trends of Australian born Italians between 1996 and 2001.

The study on ethnic small business in Australia conducted by Collins, Gibson, Alcorso, Castles, and Tait (1995), outlining partly the contribution of Italians to the retail sector, shows that the entry of the first generation into the small business market contributed to the mobility of the first generation, which later contributed to the high longitudinal mobility of the second and subsequent generations educated in Australia.

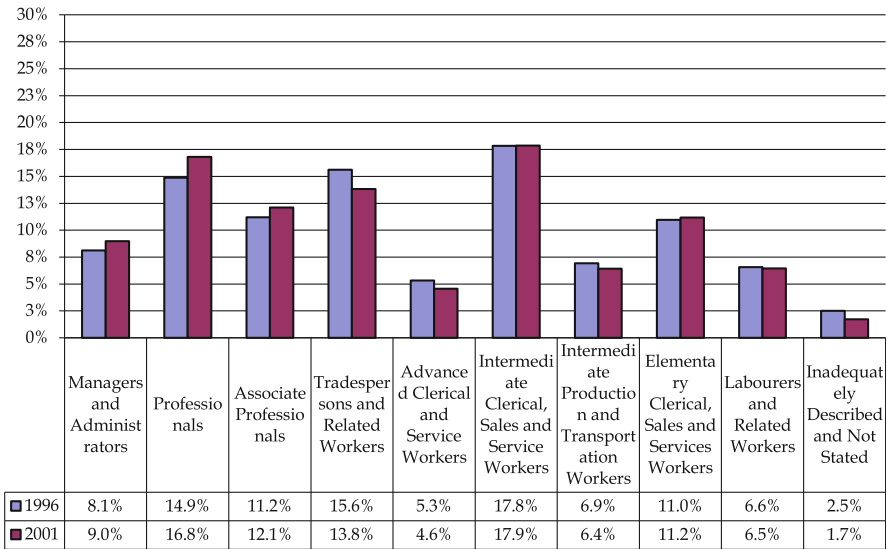


Fig. 5.1 Employed Australian-born of Italian ancestry aged 15 and over, by occupation category (as recognised in the census), in percentages of the entire population of working Australian-born of Italian ancestry aged 15 and over, 1996–2001. Australian-born with at least one Italian-born parent (1996 census); Australian-born stating 1st or 2nd Italian ancestry response (2001 census). *Source:* 1996–2001 census—customised data (Ruzzene & Battiston, 2006, p. 58)

5.10 Italians in Victoria

The 1933 census showed that there were 5,860 Italians in Victoria. The majority of those who settled in Melbourne came from the northern Veneto region and lived in and around Carlton because of its proximity to the centre of the city. Many worked in retail as greengrocers, shoemakers, tailors, barbers, and bakers; others were in construction and terrazzo paving, often catering for their own community’s needs. Slightly over half (52.8 %) were self-employed, with their own business. Between 1947 and 1961, Italians in Victoria increased from 8,305 to 91,075. Those living in Melbourne found employment in industry (in particular automotive, engineering, textile and fashion, and food production), infrastructure and construction, and in the service industry.

By the 1960s, concentrations of Italian communities were to be found in the inner suburbs such as Brunswick, Preston, Coburg, Essendon, and Oakleigh, and in regional areas such as Myrtleford (tobacco) and Shepparton and Mildura (fruit). The inner Melbourne area was particularly attractive as it provided affordable accommodation such as in boarding houses run by Italian families and work opportunities in factories in the area. Later, with expanding employment opportunities, Italians moved out of the inner suburbs, establishing communities in what became Brimbank, Darebin, Hume, Manningham, Moonee Valley,

Moreland, Monash, and Whittlesea. Their networks increased with Italian regional clubs and associations, and with the Italian language newspaper *Il Globo*, still published today.

The number of Victorians born in Italy peaked at 121,000 in 1971 and then declined as migration from Italy declined. Italians still form the second-largest immigrant community in Victoria after the English-speaking (British, Scottish and Irish) community, with 82,851 Italy-born people recorded in the 2006 census. At present, over two thirds of Italians continue to live in Melbourne and Sydney. Thus the experiences and culture of the Italian migrants, in particular the maintenance of traditions, regional festivities, and the Italian language is facilitated, and it is here that the link with Italy, through the Italian authorities and associations, is concentrated.

5.11 Benefit of Immigration

The vast majority of Italians has benefited from migrating to and settling in Australia “in economic terms but also in social terms as represented by freedom, social mobility, educational opportunities, comparatively harmonious social relationships and situation of peace” (Australian Population and Immigration Council, 1977, p. 54). But there have also been benefits to the Australian-born population from the arrival of migrants “through, for example, a richer life style and a greater degree of choice in many areas. In terms of general employment, immigrants have also supplemented shortfalls in the labour force “generally and in particular occupations” (Australian Population and Immigration Council, 1977, p. 54). The Italians who migrated pre-World War I and post-World War II were highly entrepreneurial and their contribution has been significant. Although they had low levels of education, they possessed a high level of farming skills and survival skills which, as we shall see in subsequent chapters, they successfully transferred into their new environment.

References

- Alexakis, E., & Janiszewski, L. (1998). *Greek Australians: Beyond the stereotypes. In their own image*. Alexandria: Hale & Iremonger.
- Australian Population and Immigration Council. (1977). *Immigration policies and Australia's population: A green paper*. Canberra: Australian Government Publishing Service.
- Azavedo, T. (1975). *Italianos e gauchos: Os anos pioneiros da colonizacao italiana no Rio Grande do Sul*. Porto Alegre: A Nacao/IEL/DAC/SEC.
- Baldassar, L. (2001). *Visits home: Migration experiences between Italy and Australia*. Melbourne: Melbourne University Press.
- Baldassar, L., & Pesman, R. (2005). *From paesani to global Italians*. Crawley: University of Western Australia Press.
- Bell, R. M. (1979). *Fate and honor: Family and village. Demographic and cultural changes in rural Italy since 1800*. Chicago: University of Chicago Press.

- Bertelli, L. (1983). La comunità italo-australiana nelle prospettive degli anni '80. *Studi Emigrazione/Études Migrations*, 20(69), 105–113.
- Bertelli, L. (1985). Italian families. In D. Storer (Ed.), *Ethnic family values in Australia* (pp. 33–74). Sydney: Prentice Hall.
- Birrell, B., & Khoo, S. E. (1995). *The second generation in Australia*. Melbourne: Bureau of Immigration, Multicultural and Population Research.
- Borrie, W. D. (1954). *Italians and Germans in Australia: A study of assimilation*. London: Angus & Robertson.
- Burnley, I. H. (1972). European immigration settlement patterns in metropolitan Sydney 1947–1966. *Australian Geographical Studies*, 10(1), 61–78.
- Burnley, I. H. (1985). Neighbourhood, communal structure and acculturation in ethnic concentrations in Sydney. In I. H. Burnley, S. Encel, & G. McCall (Eds.), *Immigration and ethnicity in the 1980s*. Melbourne: Longman Cheshire.
- Carsaniga, G. (1989). From multiregionalism to multiculturalism: Italian cultures and Italian culture in Australia. In G. Capone, D. Fortezza, & C. Pietropoli (Eds.), *Australia and Italy: Contributions to intellectual life* (pp. 31–38). Ravenna: Longo Editore.
- Castles, S., Alcorso, C., Rando, G., & Vasta, E. (Eds.). (1992). *Australia's Italians: Culture and community in a changing society*. St. Leonard's: Allen & Unwin.
- Collins, J., Gibson, K., Alcorso, C., Castles, S., & Tait, D. (1995). *A shop full of dreams: Ethnic small business in Australia*. Leichhardt: Pluto Press.
- Cresciani, G. (1985). *The Italians*. Sydney: Australian Broadcasting Corporation.
- Gentili, J. (1973). Yesterday's and today's Italians of Australia. *Il Velcro*, 17(2–3), 185–204.
- Jones, F. L. (1962). *The Italian population of Carlton: A demographic and sociological survey*. PhD thesis, Australian National University, Canberra.
- Khoo, S. E., & Lucas, D. (2004). *Australia's ancestries*. Canberra: Australian Centre for Population Research.
- Lancaster Jones, F. (1964). Italians in Carlton area: The growth of an ethnic concentration. *Australian Journal of Politics and History*, 10, 83–95.
- Livi-Bacci, M. (1961). *L'immigrazione e l'assimilazione degli Italiani negli Stati Uniti secondo le statistiche demografiche americane*. Milano: Giuffrè.
- Loh, M. J. (1980). *With courage in their cases: The experiences of thirty-five Italian immigrant workers and their families in Australia*. Melbourne: FILEF.
- MacDonald, J. S., & MacDonald, L. D. (1964). Chain migration, ethnic neighbourhood formation and social networks. *Milbank Memorial Fund Quarterly*, 42, 82–97.
- Pascoe, R. (1987). *Buongiorno Australia: Our Italian heritage*. Melbourne: Greenhouse.
- Pascoe, R. (1992). Place and community: The construction of an Italo-Australian space. In S. Castles, C. Alcorso, G. Rando, & E. Vasta (Eds.), *Australia's Italians: Culture and community in a changing society* (pp. 85–97). St. Leonard's: Allen & Unwin.
- Price, C. A. (1963). *Southern Europeans in Australia*. Melbourne: Oxford University Press.
- Ruzzene Grollo, D. (2004). *Cooper's Creek Gippsland: The Trevisani*. Thornbury: Mure.
- Ruzzene, D., & Battiston S. (2006). *Italian-Australians: From migrant workers to upwardly mobile middle class* (Research Paper). Melbourne: Italian Australian Institute, La Trobe University.
- Templeton, J. (2003). *From the mountains to the bush. A study of letters of Italian migrants*. Perth: University of Western Australia Press.
- Ware, H. (1981). *A profile of the Italian community in Australia*. Melbourne: Australian Institute of Multicultural Affairs, Citadel Press.
- Zubrzycki, J. (1968). Some aspects of structural assimilation of immigrants in Australia. *International Migration Review*, 3, 102–111.

This chapter provides an outline of the seven families featured in this book. They are all three-generational business families residing in the state of Victoria, Australia. Four families live and work in Melbourne, three in regional Victoria.

The real names of the individuals, families, and family businesses have been used, as they have agreed to allow their stories and information be public in order to assist other family businesses.

The information and life stories contained in this book result from data collected through interviews, questionnaires, published (auto)biographies, family documentation, newspapers, magazines, and family business websites (Table 6.1).

6.1 The Carrazza Family

Mildura (North West Victoria)

Industry: Hospitality; food; property investment and development

First generation Giuseppe Carrazza

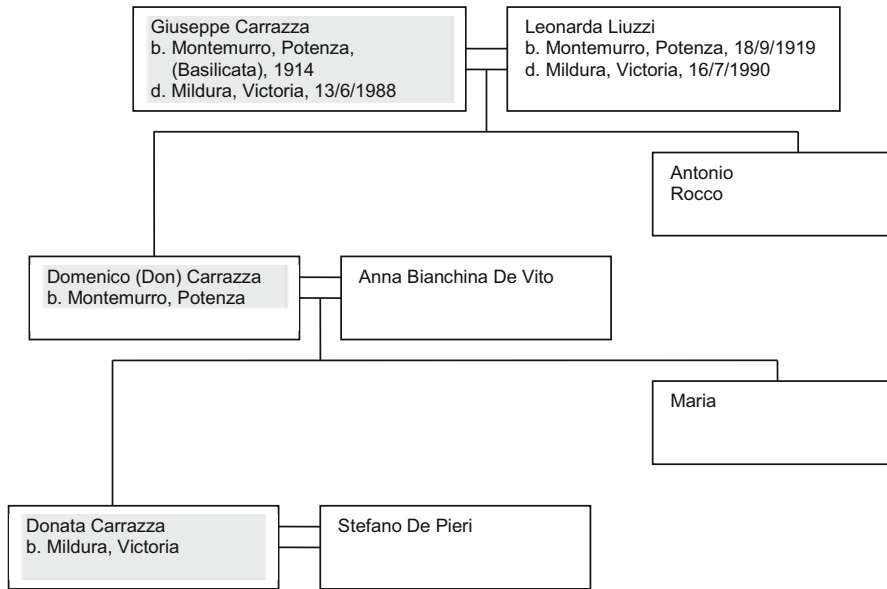
Second generation Domenico (Don) Carrazza

Third generation Donata Carrazza

Table 6.1 Profiles of the families in this book

Family	1st Generation ^a	2nd Generation	3rd Generation
Carrazza	Giuseppe	Domenico (Don)	Donata
Costa	Antonino (Nino)	Francis (Frank)	Simon
Genovese	Alfio	Danilo (Daniel)	Adam
Grollo	Luigi	Rino	Lorenz
Piedimonte	Giuseppe	Salvatore (Sam)	Joseph
Pizzini	Roberto	Alfredo	Joel
Vaccari	Gualtiero	Franco	Michele (Michael)

^aNote: Personal data such as dates of birth and age of some living individuals have been omitted in order to preserve their privacy



6.1.1 First Generation

Giuseppe Carrazza (Montemurro, province of Potenza, in the region of Basilicata, 1914—Mildura, 13 June 1988) was the third of five children born to Donata Zaccaria and Domenico Carrazza. In 1937 he married Leonarda Liuzzi.

In his early working years Giuseppe owned a coffee bar known as *Il Circolo Dopo Lavoro* (The After Work Club). In 1939 he left home for six years to serve the Italian army in World War II. Their first child, Domenico arrived soon after.

When he returned from war in 1945, he found that life in post-war Italy was not easy. However, Giuseppe was a very good business man, and he worked as a *mercante* (trader), attending markets in different villages, selling and buying

sheep and cattle, goats and pigs. After his second son Antonio was born in February 1946, and his third son, Rocco, in 1948 (who subsequently died at the age of 18 months), he grew tired of the lack of work and opportunities in Italy. There was no future, he felt, and he was keen to explore the world and seek his fortune in the lucky land, Australia, attracted by the stories that his uncle, Giovanni Sinisgale who had migrated in 1927, reported through his letters to his family back in Montemurro. In February 1952, Giuseppe embarked in Naples on the *Cristoforo Colombo*, landing in Melbourne, then going directly on to Mildura, where he remained on his own for four years.

In those early years, although there was a sizeable community of immigrants from Montemurro in Melbourne, there were very few in Mildura. Giuseppe initially worked on the land with his uncle, then with other farmers, then took up share farming.

By 1955 Giuseppe had bought a small vegetable produce property of seven acres on the banks of the Murray River, near Buronga, just over the bridge on the New South Wales side of Mildura. On 8 December 1955, his wife and two young sons, Domenico, 15 years old, and Antonio, 9 years old, joined him. However, the land that Giuseppe had bought was low-lying, and he had not predicted the 1956 flood, the biggest flood in the history of the Murray. In the middle of the night of 16 July 1956, 6 m of water flooded the area, including the family property.

The flood marked the beginning of a new chapter for the Carrazza family. They had lost everything and had to start life again from scratch. Giuseppe and his family lived and worked for eight months share farming on another property, then returned to their own property and commenced to rebuild their home.

Giuseppe had very good business skills and he had become aware of the potential for providing fresh produce, in particular wine grapes, to the Italian community in Melbourne and around Victoria. He got into a mixed business, and early in 1954 he had started delivering large quantities of wine grapes to Melbourne. His son Domenico began to support the business. The business gradually grew, and by 1963 he had approximately 2,000 customers, mainly around Melbourne. In the background was Leonarda, who had a very good head for keeping the business books and finances.



Front row: Antonio Carrazza (brother of Domenico), Leonarda Carrazza (married to Giuseppe), Antonietta Carrazza (married to Francesco), Donata and Elizabetta (twin daughters of Francesco and his first wife), Vittoria (daughter of Francesco and Antonietta). *Back row:* Giuseppe Carrazza (G1), Francesco Carrazza (Giuseppe's brother), Domenico (Don) Carrazza (G2)

Both Giuseppe and Leonarda continued to work on their own property, providing support to their two sons until they passed away, Giuseppe, on 13 June 1988, aged 74, and Leonarda on 16 July 1990, aged 69.

6.1.2 Second Generation

Domenico, aged 15, arrived in Australia in December 1955 with his mother and younger brother Antonio, and were welcomed by a father who they hardly knew and recognised after three years of separation.

Domenico, soon known as Don, was enrolled at school as soon as he settled in Mildura. However, after only six months the 1956 flood of the Murray River changed his life. Realising that the family was facing desperate and difficult times ahead, and although only 16 years old, he made an important decision. Walking home from school one day, he approached the Mildura Grand Hotel for a job, and was hired as a bellboy. For the first 18 months he worked as a porter, then for two and a half years as a waiter. At the hotel he made many acquaintances, including his bank manager, who was persuaded to lend him the money to open a small café in the town centre. This was a totally new concept for Mildura, and Don began to change the culture of the town by introducing espresso coffee and cappuccino to the locals. Supported by his family, and within less than a year, working seven days and seven nights a week, he repaid the bank loan. He then began investing in property.

In 1966, at the age of 26, Don married Anna Bianchina De Vito, then 21 years old. Anna was born in Waikerie, South Australia, and her family ran a grape business. Having worked very hard in the De Vito business, Anna was experienced, hands-on, and unrelenting. Together, over the years, they have become a formidable team.



Don and Anna Carrazza at the opening of their Gelati Bar, the first in Mildura, 1966



Don and Anna Carrazza with their young daughters, Maria (baby) and Donata, 1972

Don, married and with a growing family, began to work on a new business in 1972, a restaurant and cabaret complex known as Dominic's, which was sold in 1978.

In 1975 Don and Anna developed a site adjacent to the restaurant for retail purposes, a group of shops called the Down Town Mall. In 1977, Don became the managing director of Murray Land Fruit Juices; 10 years later this business expanded into a winery and production plant employing 106 staff, with a turnover of approximately \$47 million. But the restaurant business was really his passion, so Don and Anna opened a large complex called *Piccola Italia* in 1985. It consisted of a pizzeria, a garden restaurant, a gelateria, a fresh pasta outlet, and a cocktail bar.



Anna Carrazza, Mayor Laurie Andriske, Don Carrazza, and Mrs Andriske at the opening of the Down Town Mall, 1975

Realising that in the near future there would be the need for a retirement village, in 1980 Don opened one with 106 units not far from the centre of town; in the 1980s this was converted to a Holiday Village, one of the most successful in Australia today. Murray Land Fruit Juices and the winery were sold on 1 November 1989, and on 10 December 1989, Don and Anna bought the Mildura Grand Hotel, 31 years after he had first sought work there. The precinct of the Grand Hotel includes the original Astor Theatre, which Don developed into a craft brewery in 2004.



Maria, Donata, Anna, and Don Carrazza, new owners of the Mildura Grand Hotel, 1989



Former deputy prime minister, John Anderson, Mrs Anderson, and Don and Anna Carrazza, at the opening of the Mildura Brewery, 2004

Over the years, Don Carrazza has had a strong involvement in the political scene in the Mildura and surrounding area. He is chairman of the Sunraysia Area Consultative Committee and is also involved in tourism, having been chairman and vice-chairman of the committee for many years. Don was on the AHA (Australian Hotels Association) Council for 20 years, participated in the Mildura Lions Club and a local football club, and he is presently on the board of Regional Development Victoria and NSW.

In 2009, Don and Anna Carrazza donated an historic building located in the centre of Mildura, and owned by the family, to La Trobe University to encourage the future higher education of young regional Victorians.

6.1.3 Third Generation

Donata and her sister Maria grew up in Buronga, a small township just outside Mildura. While still at school, both Donata and Maria contributed to working and supporting their parents in their businesses. This ranged from working on the family property picking fruit and vegetables, to waitressing, cashiering, and other odd jobs in the dining outlets.

In 1984 Donata moved to Melbourne to study, and in she 1990 graduated in arts from the University of Melbourne. During her university years she met Stefano de Pieri, a former political adviser for the Labor party, and in June 1991 they married. They have two children, Domenico, born in 1992, and Claudia, born in 1993.

The couple returned to Mildura in 1991, and together they established Stefano's Restaurant, one of Victoria's most famous restaurants situated in the original cellars of the Grand Hotel, alongside the Murray River, which has become a successful tourist attraction in the area. Both the restaurant, and Stefano personally, have

received prestigious industry awards. From 2003 until 2006 they were operating three restaurants within the Grand Hotel, a paddleboat restaurant on the Murray River, and Stefano's Café Bakery, which is still operational and includes an adjacent gallery with a bar. Donata is the gallery director.

In 2010 the restaurant was leased to former employees who have gradually altered the space and menu, but have maintained its legacy as a dining destination. That same year, Donata's sister and brother-in-law took over the running of the Café Bakery.

In August 2012 after a sabbatical in Italy, Donata and Stefano returned to take ownership of the Mildura Brewery and Pub. They have devoted their time to understand the production, distribution and marketing of craft beer while maintaining their daily skills in the running of the 60 seat pub restaurant.



Donata Carrazza and Stefano De Pieri in their early restaurant days in Mildura

Donata shares Stefano's passion for the environment and the arts. In the early 1990s they founded the Mildura Arts Festival. The organisation has grown into *artsmildura*, a body that oversees five cultural events every year in Mildura. While their role in *artsmildura* has changed over the years, Donata and Stefano continue to be actively involved in The Murray River International Music Festival, the Mildura Writers' Festival, and Palimpsest, a visual arts event held every September.

Donata has co-edited two books with the New York based poet and academic, Paul Kane, the artistic director of the Mildura Writers' Festival, and a book devoted to the Australian poet, Les Murray, a regular attendee of the Mildura Writers' Festival. In 2008, Donata conceived and organised an Italian festival in Mildura called *Con Brio*.

Donata continues to work closely with Stefano in their shared businesses, maintaining a family tradition in hospitality by providing variety and interest for residents and visitors to Mildura. Donata spent a year in 2009 teaching refugees English at the local TAFE and La Trobe University campus after completing a course in English language teaching for adults, a Cambridge accredited course. She plans to return to further study.

6.2 The Costa Family

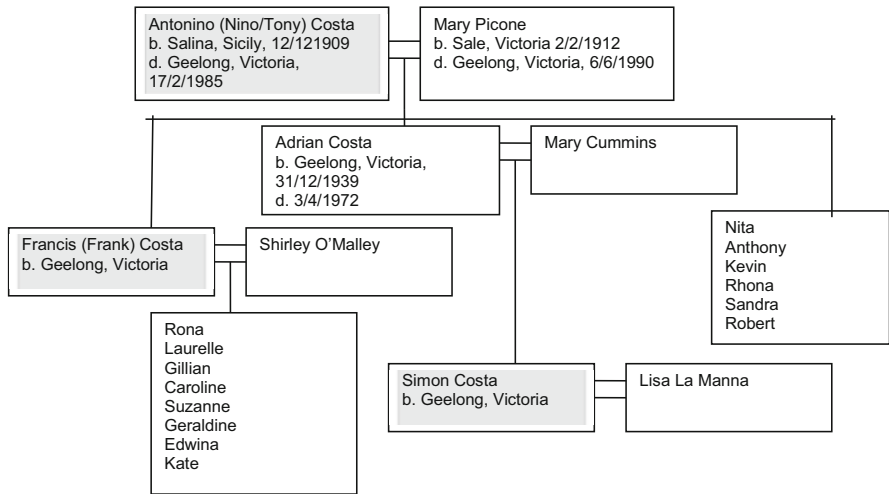
Geelong and Melbourne

Industry: Distributors of fruit and vegetables; property development and investment

First generation Antonino (Nino) Costa

Second generation Frank Costa; also Adrian, Anthony, Kevin and Robert Costa

Third generation Simon Costa, and other family members



6.2.1 First Generation

The Costa family in Salina (Sicily) has been traced back to the 1700s. They were originally wine growers and fruit merchants.



Francesco Costa and family, Salina, Sicily, 1918. *Standing*: Angelina, Maria Terzita, Francesca, Annunza, Giuseppe (Joe), Antonino (Nino—Frank Costa’s father). *Seated*: Domenico (Mick), Anna and Francesco (Frank’s grandparents). *Absent*: Giuseppina

Because of the economic depression of the 1890s, Francesco Costa decided to seek his fortune in Australia to raise funds for his vineyard in Italy, leaving his wife Anna in Salina with their three young children. He arrived in Melbourne in 1893 and joined his cousin Joe Virgona in his fruit shop in Brunswick, close to the centre of the city. He worked in Colac in regional Victoria, and then moved to Geelong, 80 km from Melbourne, to work with George Fat Virgona, their uncle, who owned a number of properties including a fruit shop named Geelong Covent Garden (established in 1888), which would become the base from which the Costa family developed their present multi million dollar business.

In 1895, after two and half years of hard work in Australia, Francesco, known as Frank, had saved enough money and he returned to his family in Salina. However life in Sicily was hard and made more difficult by the arrival of a further four children, three daughters and another son (Nino). To reduce the financial burden on the family the two older boys left their family home in March 1903. Domenico, aged 14, joined relatives in Boston, US, and Giuseppe, then only 12, joined the Virgona family in Brunswick, Melbourne. In 1920, Domenico (Mick) joined his brother in Australia, and they both established fruit shops in Geelong. Back in Italy, their youngest brother Nino continued his studies in Catania. Nino was keen to pursue a university career, but his parents had different ideas, wanting to see him join the seminary. This led to a disagreement, and his father angrily gave Nino the option to join his brothers in Australia, which he accepted. In January 1926, Nino departed for Melbourne on the *Regina d’Italia*, never to return to Italy, never to be reconciled with his father.

Nino arrived in Melbourne on 24 February 1926, aged 16, and was met by his two much older brothers, Mick, then 37, and Joe, aged 35. Nino, who in Australia became known as Tony, worked initially at George Virgona’s Geelong Covent Garden shop. Keen to buy his own business, he moved to Warrnambool in November 1929, but due to the Great Depression, he returned to Geelong late in 1933, and

in 1934 with his brother Joe purchased the Geelong Covent Garden from George Virgona. During this time, Nino met his future wife, Mary Picone, the eldest of seven children of Maria and Francesco Picone.



Nino and Mary as a young married couple, 1937

Nino and Mary were married on 28 April 1937 at St. Mary’s in Geelong, and their first son, Francis Aloysius was born in 1938.



Nino Costa and Mary Picone’s wedding party, Geelong, April 1937

Soon after, the two brothers went their separate ways, Joe taking over the wholesale business, and Nino and Mary buying out the Covent Garden retail shop. They lived in premises above the shop.



The Covent Garden fruit shop in Geelong (established 1888)

This was the beginning of the Costa family business. Nino and Mary continued to develop the shop into a successful retail fruit shop, which is still operational today. As the business grew, so did the family, with the birth of seven other children: Adrian, Nita, Anthony, Kevin, Rhona, Sandra, and Robert.



Nino Costa's family, Geelong, c. 1954. *Back row:* Adrian, Mary, Nino (Tony), Frank. *Front row:* Kevin, Robert, Sandra, Anthony

All the sons helped in the family shop and worked long hours, after school and during holidays. Nino and Mary continued to work in the business until their retirement. Nino passed away on 17 February 1985, aged 75, and Mary, on 6 June 1990, aged 78.



Nino and Mary Costa, 1973

6.2.2 Second Generation

At the age of 12, Frank worked in the family Covent Garden retail shop for long hours and for a small salary. He completed Form 3 (Year 9) at St Mary's Technical

School in Geelong and Form 4 (Year 10) at Gordon Institute in 1953, and finished formal schooling by the age of 15. He continued to work full time at Covent Garden, working up to 16 hours a day, with only one day off a fortnight.

As the years went by, Nino's children, in particular Frank and Adrian, the eldest two boys, became more involved in the business. They gained expertise, and looked forward to owning their own shop and being more independent. In 1959 Frank convinced his parents to sell 50 % of the business to himself and Adrian, and in 1961, together they both bought the Covent Garden property fully from their parents.



Frank Costa at Geelong Covent Garden, early 1950s

In 1960, Frank married Shirley O'Malley, and in 1962, Adrian married Mary Cummins.



Frank Costa and Shirley O'Malley, engaged, 1959



Frank and Shirley on their wedding day, April 1960

By the mid 1960s, the two brothers had their own roles in the business. Frank was responsible for the retail side, Adrian for the wholesale side and buying the produce. Their younger brothers, Anthony and Kevin, also started to work full-time in the shop.



The five Costa brothers, March 1967. *L-R*: Adrian, Frank, Anthony, Kevin and Robert

During the 1960s the industry began to change as self-service supermarkets started to proliferate around Australia. Recognising this as a good opportunity, Frank and Adrian developed relationships with key personnel in the supermarkets and began to supply them with direct deliveries as well as liaising between suppliers and the warehouse. This approach continues today and is the basis of their successful business.

In 1965, the giant retail outlet Coles entered into an agreement with Costa's to supply their supermarket in Belmont. Consequently, the business expanded quickly. Costa's clients then began to grow, including Safeway and Woolworths in Geelong, then Myer in Geelong and Melbourne, and the chain of SSW independent supermarkets. Their success was based on the efficient service they delivered and the company's policy of next-day delivery for any product anywhere.

Adrian was a major driving force behind the business. As its chief buyer, he travelled around Australia and gained many new customers. However, an unfortunate event struck the family and the business: in April 1972 Adrian and his wife Mary, both aged 32, were killed instantly in an automobile accident, leaving four young children, Paul, Catherine, Simon, and Sally, all under the age of 10.

Following the loss of Adrian, Frank decided to restructure the business, bringing in his other three brothers Anthony, Kevin, and Robert as full partners.



At Corio Distribution Centre, September 1980. L–R: Frank, Robert, Anthony, and Kevin Costa

By 1978, Costa's had over 20 years of wholesale experience and was generally considered Victoria's most progressive fruit and vegetable distributor. Its major client was the Coles chain of supermarkets, one of Australia's two largest chains.

By the end of 1980, Costa's faced a major setback, losing millions of dollars in turnover when Coles withdrew its contract and set up its own distribution centres. It was then that Ted Ashcroft, an engineer and accountant, was asked to restructure the business. Ted proved to be one of Costa's best recruits. Business soon picked up a little when they won the contract to service the Payless supermarket chain, consisting of approximately 45 small and medium-sized supermarkets. By the 1990s the company had an annual turnover of AUD\$100 million.

Since then, the Costa Group has expanded into prepacking, shipping, and metropolitan produce supply, developing into one of Australia's largest grower, wholesalers and exporters of fresh produce, and one of Australia's top industry leaders in perishable logistics and supply chain initiatives. It supplies produce to supermarkets and independent grocery stores around Australia. About 10 % of the Costa Group's produce is exported.



The Costa Group corporate logo, introduced in 2006

The Costa Group, a vertically integrated food operation, currently employs more than 8,000 people, including numerous members of the Costa family. Over the years, Frank worked alongside a strong team of family members including his younger brothers and nephews: Anthony who ran the Melbourne market operations,

and Robert, who continues as board director; Anthony's sons, Stuart, currently divisional general manager, and Andrew, now sales manager of Costa Farms; two of Frank's sons-in-law, John Cecic (married to his second daughter, Laurelle), who ran the export fruit and vegetables business, and Mark Leng (married to Frank's fourth daughter, Caroline) who served in various executive positions; two of Adrian's sons, Simon, who became managing director, and Paul, employed in the company's grains business. Most of Frank and Shirley's eight daughters have also worked at Costa's over the years.



Siblings, 1994. *Standing:* Anthony and Frank. *Seated:* Robert, Sandra and Kevin

In 2004, Frank stepped down from his position as chief executive officer of the Costa Group, handing over this position to his nephew, Simon, but he continues to be involved as executive chairman. This step gave Frank the opportunity to spend more time with his wife, Shirley, eight daughters and their families, and with his beloved football club, Geelong (he was president of the Geelong Football Club from 1998 to 2010). Simon has now left the company, and the Costa Group has a professional Chief Executive Officer.



Frank and Shirley, Salina, Sicily, Italy, June 2005

In 1997, in recognition of all his work and energy, Frank was awarded an Order of Australia medal for his “services to youth and the community”, and in 2008 he was named a Champion of Entrepreneurship by consulting firm Ernst & Young (Australia). In 2015 Frank was once again awarded an Order of Australia medal “for distinguished service to the community of Geelong”.



Frank Costa, 2013

In 2011, the Californian-based private equity firm Paine & Partners acquired a 50 % share in the company. Recent acquisitions include Adelaide Mushrooms, South Australia's largest mushroom producer. The company has also established a marketing and distribution joint venture with Driscoll Strawberry Associates, a global berry producer based in California, USA. The *Business Review Weekly* estimates Frank Costa's assets to be approximately \$295 million (BRW, 27 June 2014).

6.2.3 Third Generation

In May 2004, Frank's nephew, Simon Costa became the first member of the family's third generation to be appointed to a senior leadership position when he became managing director of the Costa Group of companies as well as a member of the Costa Board of Directors.



Frank and Simon Costa, July 2005 (courtesy of Eamon Gallagher)

At the time of researching the book, Simon was CEO of the family business. He has held senior positions in both the trading and logistics areas of the Costa Group. He served as chief operating officer, responsible for business growth across the Costa Group, both domestically and internationally, targeting new product lines and new industry sectors. He also played a key role in initiating, implementing, and maintaining world-class operating systems across the Costa Group. He served as an executive board member of Vic Relief and Foodbank. In 2006 the Australian Agribusiness Leader of the Year Award was awarded to the Victorian based Costa Group of Companies, accepted by Simon Costa as group managing director. Simon currently works as Ambassador of Logistics with the United Nations focusing on starvation and malnutrition in third world countries.



Simon Costa undertaking a special ride, El Camino de Santiago, 2004, to raise funds for Very Special Kids

Simon has an MBA and a Graduate Diploma in Business Administration (Executive) from Monash University. He is married to Lisa La Manna, of the La Manna Banana Group. They have two daughters.

Anthony's two sons continue to work in the family business, Stuart, currently divisional general manager, and Andrew, now sales manager of Costa Farms.

Over the years, the Costa business has created new entities and invested in a number of new partnerships and technologies. In 2012 the Costa's sold 50 % of the company to US private equity firm Paine & Partners. Frank Costa, in 2014, shares the family's 50 % equally with his brothers Robert and Anthony.

6.3 The Genovese Family

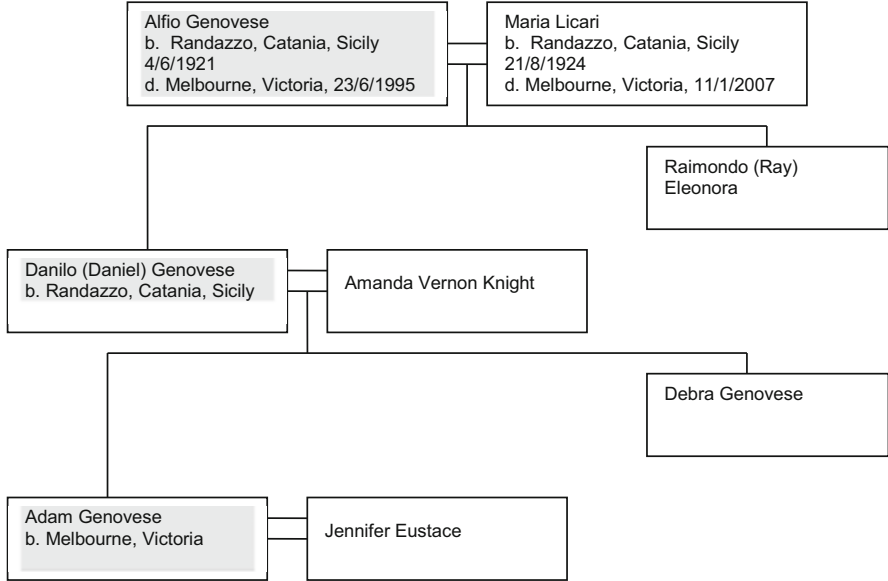
Coburg (Melbourne), Annandale (Sydney), Cairns (Queensland)

Industry: Coffee producers and distributors

First generation Alfio Genovese

Second generation Daniel Genovese; also Ray and Eleonora Genovese

Third generation Adam Genovese; also Christian and Emilio Genovese



6.3.1 First Generation

Alfio Genovese was born on 4 June 1921 in Randazzo (in the province of Catania, in Sicily), to Carmelo Genovese and Giovanna Mollica. They lived a simple but comfortable agricultural life, although a big family consisting of seven children—four boys and three girls. Their father Carmelo had sought his fortune in America in the early 1900s, then had returned, after a few years, to settle in Randazzo.

During the Second World War Alfio served in the Italian Navy, travelling often between Italy and Africa, and in the process gained good knowledge about coffee. This knowledge would serve him well for his future in Australia. After the war, he became involved in a company that exported oranges from Sicily to Malta. In 1945, he married Maria Licari in Randazzo, and the following year their first son, Danilo was born.

Attracted by opportunities and prosperity in Australia, and encouraged by letters that he received from a cousin (whom he called his uncle) in Kalgoorlie, an outback town in Western Australia (WA), 600 km east of Perth, he arrived in Fremantle (WA) in mid 1950, his family joining him in November that year.



Maria Genovese and young Ray on their journey by ship to Italy, 1957

Alfio and his family moved to Perth, where he held a wide range of jobs: in a timber mill, then in a dairy, and later he worked for the West Australian Railways where he eventually became a ticket inspector. On the job, he learnt to drive articulated buses and became a bus driver. From there he began to develop his own businesses, becoming a wheat contractor, driving semi-trailers, carting wheat from Geraldton to Perth for the Western Australian Government for two years, until the train line opened. He then transported oil refinery pipes from Perth to Kwinana in Western Australia.



Alfio Genovese's transportation business in WA, 1953

In 1952 Alfio invested in a number of properties in Perth. Serving the large number of Italian migrants living in Perth, early in 1954 he established himself as an importer and distributor of Italian films from Italy. However, due to expenses related to the censoring process that required the films being sent to Sydney and back, Alfio and his family decided to move to Sydney in 1955. While showing Italian films at night, he took on a day job as a sales representative for an importer of continental foods, Cantarella Brothers. A year later, in 1956, when television became part of every home, Alfio sold his film import business.

In September 1957, after seven years in Australia, Alfio took a trip back to Italy with his family, which then consisted of two young boys, Danilo (Daniel) and

Raimondo (Ray). On returning to Australia in July 1958, the family settled in Melbourne where their daughter, Eleonora, was born in 1961.

In Melbourne, Alfio became a partner with Cantarella & Co, and was responsible for establishing Victoria Coffee in Johnston Street, Collingwood. In 1970, supported by his wife Maria and two sons, Alfio set up his own company, A. Genovese & Sons in Lygon Street, Brunswick, on the site of the current Italian Abruzzo Club. It was a full family affair, with Alfio responsible for the roasting, Daniel in charge of administration and the sourcing and import of raw coffee, Maria providing support as book keeper, receptionist, sales person, and packer, and young Ray helping out every weekend.



Alfio Genovese checks the grind of the coffee, 1992



The Genovese Coffee logo (courtesy of Bean Scene Magazine)

In 1975, the company moved to the current site in Nicholson Street, East Coburg. Alfio worked solidly for the next 25 years until his death on 23 June 1995, aged 74. Maria passed away in November 2007, aged 83. Their sons, later joined by Daniel’s son Adam and their sister Eleonora, continue the family business to this day.



Alfio and Maria Genovese, 1992

6.3.2 Second Generation



Second generation Genovese, 2009 (courtesy of Bean Scene Magazine). *Standing*: Ray (left) and Daniel Genovese. *Seated*: Eleonora Genovese

Danilo (Daniel) Genovese was born in Randazzo (Catania, Sicily). He married Amanda Vernon Knight in Melbourne on 18 April 1970 and they have two children: Adam, who now works in the family business, and Debra.

In the late 1960s Daniel had a very successful and rewarding career as purchasing manager with a large Australian chemical company, where he gained valuable import and export skills that would prove to be highly advantageous when, in 1970, together with his father and brother Ray, Daniel left this job to help set up the new family firm: A. Genovese & Sons. His early days in the family business consisted of long working hours, handling the administration, then going for the daily “runs”, taking orders and doing deliveries around Melbourne and surrounding areas as far as Geelong, approximately 80 km south-west of Melbourne.

Ray joined the family business working part-time from a young age, and he continued working weekends while working full-time with another firm in Melbourne. He joined the Genovese business on a full-time basis in 1973. He

initially helped his father in the production of the coffee, then took over the deliveries for his father and brother Daniel, a role that he continues to undertake now.

Following the death of his father in 1995, Daniel took over running the company, as general manager, and together with his brother Ray, sister Eleonora, and son Adam, the business continues to grow.

After working in the ANZ Bank for a few years, Eleonora ventured overseas on a holiday, and spent the next 14 years in the United States, where she married and had two children. Upon her return to Melbourne, Eleonora joined the family business. Her skills in the retail area have added a new perspective to the family business, leading to an increase in the retail lines and an active networking presence in the Melbourne and Australian coffee scene.



Second and third generation Genovese family business members, 2013. *L–R*: Christian, Emilio, Eleonora, Ray, Daniel and Adam (courtesy of Coffee Encounters)

6.3.3 Third Generation

Adam Genovese began working in the family firm as a young boy alongside his grandfather Alfio and father Daniel whenever he could after school and during the school and university holidays. Adam has completed a degree in psychology with post-graduate qualifications in international business. His qualifications, in addition to the valuable experience he has gained over the years, have given him a solid background to make an important contribution to the changing face of the business.

Adam is currently employed in the Genovese family firm as the manager of administration and sales. He has made a substantial contribution over recent years to modernising the business through technology and the expansion of the company

along the east coast of Australia, with the establishment of branch offices in Sydney and Cairns.

Adam is married to Jennifer Eustace and they have three children.

Christian Genovese, Eleonora’s son, and Emilio Genovese, Ray’s son, also work in the family business.

6.4 The Grollo Family

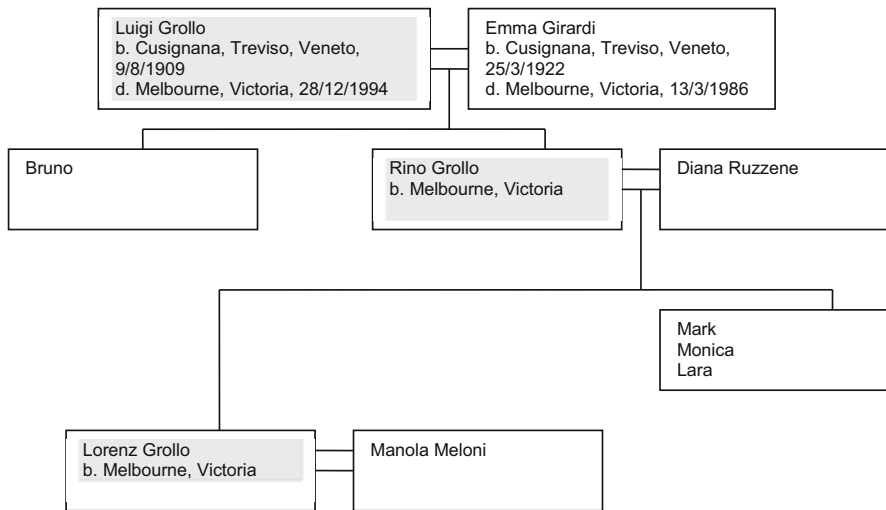
Preston (Melbourne), Mount Buller (Alpine region in eastern Victoria)

Industry: Construction; property development and investment; hospitality

First generation Luigi Grollo

Second generation Rino Grollo, and Bruno Grollo

Third generation Lorenz Grollo, and other family members



6.4.1 First Generation

Luigi Grollo was born to Giovanni and Virginia Grollo, in Cusignana, near Treviso, in the north-eastern Italian region of Veneto, on 9 August 1909. He was born into a poor agricultural family that owned land and also worked land on the antiquated *mezzadria* system. The youngest of seven children, with only four boys surviving through to their youth, he learnt very early to work the land, doing all the jobs required by a *contadino* (farmer).



The Grollo family in Cusignana, near Treviso, in Veneto region, Italy. Luigi Grollo (*centre front*), with parents, Giovanni and Virginia Grollo, and his three older brothers, c. 1917

When Luigi's mother passed away, aged 52, two of his brothers emigrated, Giovanni to Argentina and Giuseppe to Australia, in 1925, in search of a better life. At the age of 18, Luigi decided to follow his brothers overseas, and, sponsored by Giuseppe, he sailed for Australia on the steamer *Principe di Udine*, arriving in Melbourne on 24 July 1928.

Work was scarce in Melbourne, so Luigi became an itinerant labourer, working wherever he could, meeting and working with other Italians. When the Depression hit, work became even more scarce, and he travelled all over Victoria doing a variety of menial jobs such as quarry work, building canals, breaking stones, excavating sewerage tunnels, and cutting timber in the forest.



Luigi Grollo as an itinerant labourer, mid 1930s



Luigi Grollo (*second row, far right*), with other Italian co-workers at Cooper's Creek, in Gippsland, Victoria, c. 1930



Luigi Grollo (*right*) with other Italian workers, c. 1937

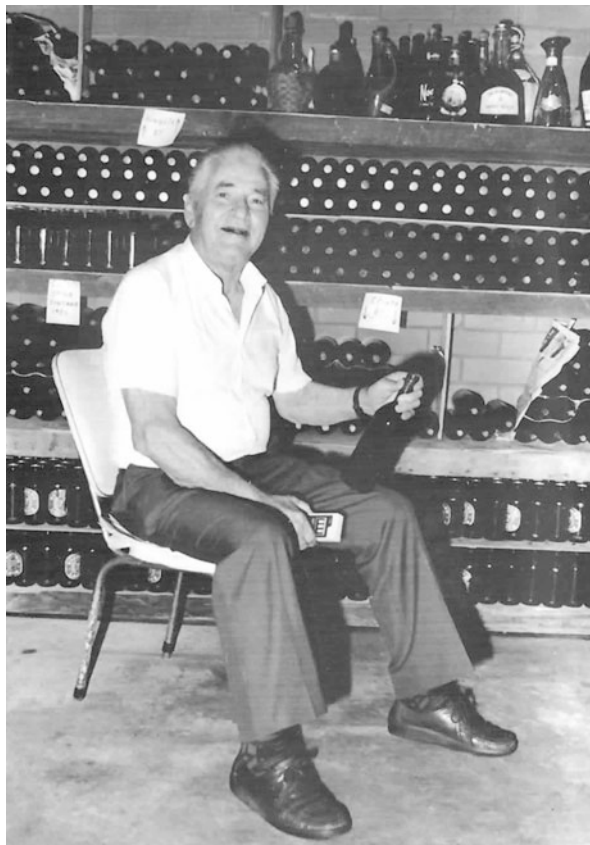
In 1938 Luigi settled in Melbourne, living in boarding houses. There was no work in the factories, so he worked as a concreter across Melbourne. At a picnic at Cooper's Creek (in Gippsland, eastern Victoria), he met Emma Girardi, his future wife, a young woman 12 years his junior, born in Cusignana, near Treviso, on 25 March 1922. They married on 7 June 1941, settling in Carlton, an inner Melbourne suburb. In 1942, their first son, Bruno was born, and their second son, Rino, arrived five years later. In November 1947, Luigi became a naturalised Australian. A year later he set up his own concrete business from their home in Pelham Street, Carlton. Supported by his wife as a partner in the business, he worked on weekends with one truck and a few men, mainly other Veneti, in addition to his week job working for others.



The wedding of Luigi Grollo and Emma Girardi in Carlton, Melbourne, 1941

As his own private jobs increased, so did the number of men he employed. Emma worked in the back office, using her talents for organising paperwork, keeping the financial books, calculating and preparing the employees' salaries, and Luigi organised the jobs and the men, driven to grow his business by the desire to gain security for his family. In the 1950s, Luigi began to employ full-time workers, building footpaths and driveways, working day and night all over Melbourne, with 60–80 men at a time, mainly Italian, many originating from the Treviso province. In the 1960s he moved on to swimming pools and shops.

He operated the business for 21 years, the last 10 with his son Bruno. Over the years, and with the help of both sons, Bruno and Rino, Luigi's small business grew into the Grollo Construction Company, one of Australia's largest and most successful construction groups, still operated today by Luigi's grandchildren.



Luigi Grollo in his wine cellar, surrounded by his home-made wines, 1989

Luigi Grollo retired in 1968 following a heart attack. Emma passed away on 13 March 1986, a few days before her 64th birthday, and Luigi died on 28 December 1994, aged 85.

6.4.2 Second Generation

Bruno began to work with his father in the end of 1957 at an early age, working hard on the building sites and later in the office. At the age of 20 he took a leading role in the business. In 1965 Rino also entered the family business full-time, around the time his father's health was deteriorating, having learnt much from his father and brother. From his mother, Rino had also learnt to be meticulous with the administrative work and the accounts, and he brought a sense of professionalism and modernisation to the company's management. In 1970, he married Diana Ruzzene, whose family also originated from the province of Treviso.



Luigi Grollo with his two sons, Rino (*left*) and Bruno, 1993

As their father began to withdraw from the business due to poor health, Bruno and Rino gradually took over the control of the company, deciding that it would be strategically advantageous to gain part ownership in their building projects, thus becoming investors in their developments. The company moved to Brunswick and then to Preston.

Bruno and Rino established their own concrete plant and turned to the construction of shopping complexes and commercial buildings. Following the disaster left by Cyclone Tracy in Darwin on Christmas Day 1974, the Grollo brothers were given a large government contract to construct 400 cyclone-proof houses of various designs. By the 1980s, their business had grown successfully, with a workforce of over 1,000 employees.

In 1983–1986 they built one of Melbourne’s landmarks, the Rialto Towers, one of the tallest office buildings in the Southern Hemisphere. At Mount Buller, in the Victorian Alps, they purchased the Abom Restaurant and built the Chalet Hotel and other buildings. In 1986, the Grocon Company was founded. In the 1990s they won many important building contracts in Sydney including the 64 storey Governor Phillip Tower and the restoration of the heritage 1887 GPO. In Melbourne, in September 1993, they won the contract to build the Crown Casino along the southern side of the Yarra River, the largest project in the state, completed in 1997.

During this time, the Grollo brothers and their partners, Dina Bettiol and Diana Ruzzene, became well known as philanthropists, contributing generously to community groups and charities as well as to educational and sporting institutions.

In the 1990s the Grollo brothers were involved in two (successful) court cases. During this period, Dina suffered a stroke that left her severely paralysed until her death in December 2001. Following this stressful period, in 2000–2001 Bruno and Rino parted ways, dividing the company and its assets into two. Bruno took over Grocon Construction and several building assets, having brought in his two sons,

Adam and Daniel in the mid 1990s as joint managing directors of the business. Their most significant accomplishments are the major redevelopment of the MCG (Melbourne Cricket Ground), and the Eureka Tower on the banks of the Yarra river.

Rino took control of Grollo Australia and the Grollo share in the Rialto Tower. He also took control of Mt Buller Tourism/Hospitality and a building company. At this stage Diana became Rino's business partner, owning 50 % of the company. Rino and Diana began to diversify, focussing on sectors in which they have special and personal interests: sport, education, aviation, tourism and community, while maintaining a tradition of property development, ownership, and management through three separate companies: Grollo Australia, Groset, and Equiset.

Rino is currently chairman of the Grollo Group, although only in a part-time capacity, and the *Business Review Weekly* estimates Rino and Diana's assets to be approximately \$380 million (BRW, 2014).



Rino Grollo and Diana Ruzzene Grollo, 2012

In recognition for the work that Rino and Diana undertook for La Trobe University, Rino was awarded an honorary degree of Doctor of Letters on 11 December 1997. In 1999 Rino was named *Grand' Ufficiale* of the Italian Republic, and Diana received the *Commendatore* award for the years of philanthropic work in Australia, in particular to education and sport, health services, the arts, and to the Australian Winter Olympics movement and the Catholic Church. Rino was awarded an Order of Merit from the Australian Olympic Committee in 2002 for his outstanding contribution to the development of sport, and an Honorary Doctorate (Honoris Causa), from the Australian Catholic University (ACU) in 2008.

6.4.3 Third Generation

Diana and Rino Grollo have four children. Lorenz is CEO of the Grollo Group, and managing director of Equiset and Buller Ski Lifts, and is the President of the Victorian Division, Property Council of Australia. Mark, a graduate in Aerospace Engineering and Aviation, manages Grollo Aerospace, part of the Grollo Group.

Monica, and her husband, Nick Whitby, manage Grollo Leisure & Tourism, which includes resorts and ski lifts at Mt Buller in Victoria and other properties, and she represents the family business on the board of the Olympic Winter Institute of Australia. Lara, a lecturer and researcher in virology at Swinburne University of Technology in Melbourne, with her husband Martin Ansell, oversee and manage the family's commercial properties.



Diana and Rino Grollo, with their children and partners, 2013. *L–R*: Nick and Monica, Mark and Rebecca, Rino and Diana Grollo, Lorenz and Manola, Lara and Martin

Lorenz Grollo was born on 6 February 1974, and was raised in Melbourne's inner northern suburbs where he continues to live with his young family. He has completed a Bachelor of Arts in Social Sciences at La Trobe University, majoring in sociology, while at the same time qualifying for the Victorian state skiing team. From the age of 18 he began to take an interest in the business, working part-time in the office and following his father around construction sites, and he joined the business on a full-time basis at the age of 24.



Rino Grollo with son Lorenz, CEO of the Grollo Group, 2012

Lorenz is CEO of the Grollo Group, the Grollo family businesses involved in property development, construction, leisure and tourism, education and sport. He also heads up Equiset, a young, fully integrated property services group providing a single point of contact for concept, acquisition, planning, design, construction, management and finance. It has developed Melbourne University's \$250 million University Square, completed in 2001, and major works at the Caulfield campus of Monash University. Equiset has won numerous awards from the Master Builders Association, in particular for its development of the University of Notre Dame's Medical School situated in Sydney.



Lorenz Grollo with his father Rino at the Grollo Group headquarters, 2013

Following the family tradition Lorenz is particularly interested in sustainable urban design, and in excellence in workmanship, having spent a lifetime among some of Australia's finest builders, engineers, and finance experts.

In addition to his work commitments, Lorenz is director (Victorian President) at the Property Council of Australia, and board director of the Committee for Melbourne.

Lorenz is married to Manola Meloni, a certified accountant, and they have three children.



Lorenz Grollo and Manola Meloni, 2012

6.5 The Piedimonte Family

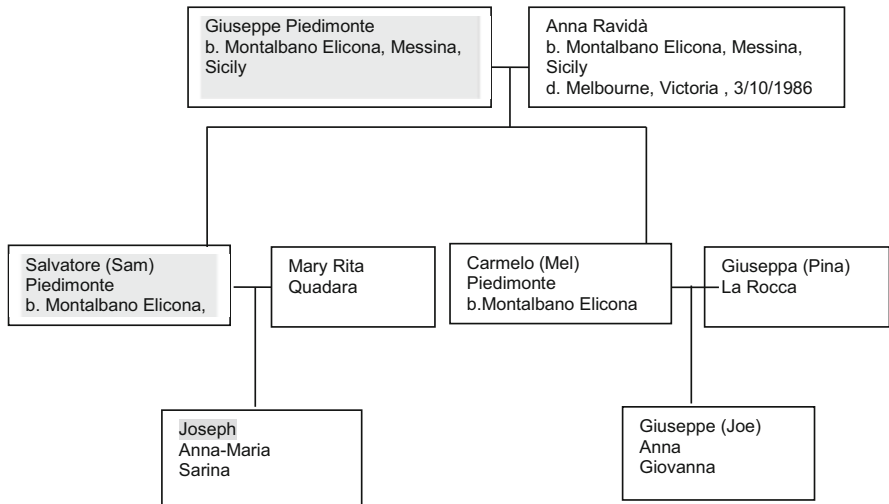
North Fitzroy and Pascoe Vale (Melbourne)

Industry: Supermarket; food importers and distributors

First generation Giuseppe & Anna Piedimonte

Second generation Carmelo & Salvatore Piedimonte

Third generation Joseph Piedimonte, and other children of Carmelo & Salvatore Piedimonte



6.5.1 First Generation

Giuseppe Piedimonte was born in Montalbano Elicona, a small town in the province of Messina, on the eastern shore of Sicily. He grew up with a background in the food wholesale business. His family owned seven warehouses in Milazzo, and his grandfather and great grandfather had a tradition of being involved in the wholesale of food across the island of Sicily in the days of the horse and cart. Giuseppe married Anna Ravidà. They started their own fruit shop, which did well in summer but struggled over the winter months. They had two sons, Carmelo born in 1939, and Salvatore born in 1942. After the war Giuseppe considered emigrating, and when his uncle, already in Australia, sponsored him, he did not hesitate.



Giuseppe Piedimonte in his 20s

Giuseppe came to Melbourne in 1950, spending a year on his own, working at a warehouse in the wool mill Lincoln Mills situated in the inner city suburb of Coburg. As soon as his finances permitted it, he sponsored his wife Anna and his two sons, then aged 7 and 10, to come to Australia. Initially they boarded in Pascoe Vale with other recently arrived Italian families, then rented a house in Coburg for a couple of years until the family was able to raise the deposit to purchase their own home in Coburg. Anna worked as a seamstress, while the sons continued their schooling briefly, Salvatore (Sam) at St Bernard's Catholic School, and Carmelo (Mel) at St Paul's Catholic School. Soon Mel decided to leave school and take on a job at the Red Robin Hosiery Mills in Brunswick in order to contribute financially to the family.

In 1958 the family decided to begin their own business in the food sector. Giuseppe bought the empty premises of a wholesale butcher in Best Street, North Fitzroy. Together with Anna and Mel, he worked on weekends, and Sam, having left his job, helped out full time in renovating the premises. On 28 August 1958 the Piedimonte family opened a new Italian delicatessen.

In the early years, in order to support the business financially, Giuseppe and Mel continued to work outside—Giuseppe at the wool mills, and Mel still worked three shifts a day at the hosiery mills. Anna worked in the business with Sam during the day, and continued sewing at night. After the initial 12 months, when the business slowly started to improve, Giuseppe came into the business, and, as business expanded, Mel finally joined the business.



Piedimonte family, 1963. *L–R*: Sam, manager, his wife Rita, brother Mel, mother Anna, and father Giuseppe



Giuseppe Piedimonte (*right*) in the Piedimonte supermarket with sons Sam (*left*) and Mel



Anna Piedimonte, Giuseppe's wife, mother of Sam and Mel, 1984

During the first four years the business sold continental delicatessen goods to the large Italian community who lived in the area. The business then began to be successful by advertising its products through bilingual leaflets that were hand delivered on the week-ends in letter boxes around the adjoining suburbs.

6.5.2 Second Generation

As his brother Mel had done, Sam left school aged 15 and took a job at the supermarket chain Moran and Cato, where he worked for two and half years. During this time he worked hard and gained much experience about how to run a store and run a business.

At the beginning of 1958 Sam left his job and helped his family establish the new Piedimonte's supermarket. In 1962, the family bought the tailor's shop next door to their existing delicatessen, extended into it, and converted the business to a self-service. The new family business was launched on 10 October 1963. "GRANDE Apertura J. Piedimonte & Sons" was the big heading on the specials handbills that featured "prezzi imbattibili", unbeatable prices for local and imported Italian products, mainly oil, pasta, and cheese.



Grand opening of self-service store in 1963



Newspaper article promoting Piedimonte supermarket and its "unbeatable prices", 15 November 1963



Sam Piedimonte and cashiers Carmel and Teresa

The business continued to expand, and when Mel married in 1963, and Sam followed suit in 1966, their respective wives, Pina La Rocca and Rita Quadara, also became heavily involved.



Pina (Mel’s wife—*left*) and Rita (Sam’s wife) working together in the Piedimonte supermarket store in Fitzroy North, Melbourne, 2012

On 15 December 1969 the third major extension to the store was completed, doubling in size. Fresh food departments were added, the delicatessen department was increased in size to cater for the ever-growing range of smallgoods and local and imported cheeses.

Over the years, Piedimonte’s have changed buying groups names from Save-way to Rite-way (1974), to Super-Rite (1981), to SSW—Self Service Wholesalers (1985) and Festival (1993). The business currently trades under the IGA (Independent Grocers of Australia) banner.

In 1987, Coreco (Aust) P/L (importers, wholesalers and distributors of fine food) was purchased, followed by the purchase of Ernest Hillier’s Chocolates (manufacturing) in 1995. Both Sam and Mel are now also directors of these companies.

6.5.3 Third Generation

In 1982 the third generation of Piedimonte children entered the family business.



Fathers and sons. *Standing*: Joseph (Sam's son—*left*) and Joe (Mel's son) Piedimonte. *Seated*: Sam (*left*) and Mel Piedimonte



Three generations of the Piedimonte business family at the Piedimonte supermarket in Fitzroy North. *L-R*: Joseph (G3, Sam's son), Joe (G3, Mel's son), Sam (G2), Mel (G2), Giuseppe (G1)

Mel's son, Joe became responsible for the fruit department. On 16 October 1982, the supermarket expanded next door with a larger fruit and vegetable department, and on 22 November 1982 the business opened its new liquor department.

From 1984 to the present, the business has continued to expand and renovate in an effort to diversify and extend its products and services, such as giftware, stationery, video hire, one hour photo processing, and key cutting.

In 1985, Sam's son, Joseph took on the responsibility of managing the bakery department and more recently the business operations and Anna, Mel's daughter, took on the task of managing the administration, IT Systems, POS scanning and controls—a position that she still holds today.

At the same time, the clientele of Piedimonte began to change as the Italians who originally lived in Fitzroy, Brunswick, and Carlton moved to outer suburbs. The business has now captured a new mixed clientele, while at the same time retaining many of its original clients.

Over the last few years, the younger members of the family have taken up key roles in managing and running the business together with Sam and Mel. In order to accommodate them into the family business, and to capture a new clientele, a second supermarket was purchased in 1991 in Bell Street, Pascoe Vale, a northern inner suburb of Melbourne. This store, which has also been refurbished, is now managed by members of the third generation of the Piedimonte family, Joe and Joseph, with Joseph acting as operations manager for the supermarkets.

The Piedimonte family business has been recognised for its valuable and innovative contribution to Australian business and the economy receiving the Ethnic Business Award in 2000.

6.6 The Pizzini Family

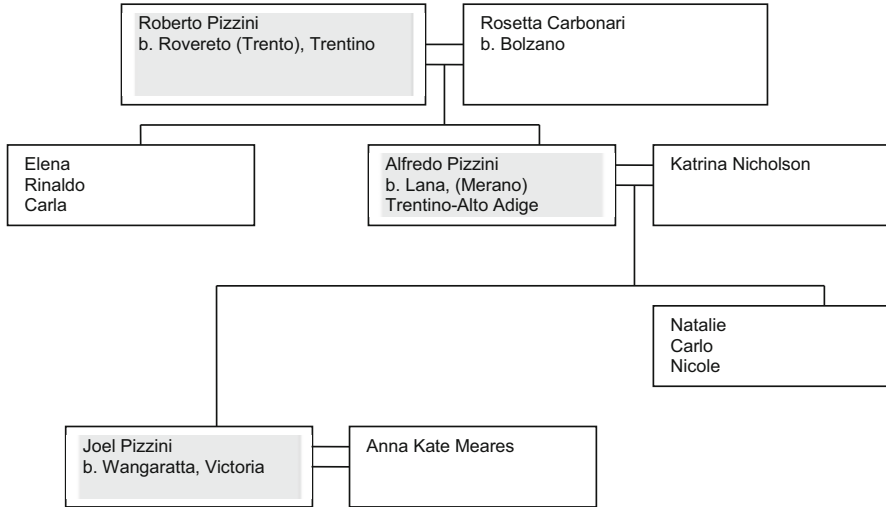
Whitfield, King Valley (near Alpine region in eastern Victoria)

Industry: Wine production and distribution

First generation Roberto Pizzini

Second generation Alfredo Pizzini

Third generation Joel Pizzini, and other family members



6.6.1 First Generation

Roberto Pizzini was born in Rovereto (province of Trento, in the Trentino region in Italy's north east) in a large family comprising four brothers and four sisters. At the age of 14, Roberto decided that he did not want to work the land with his family, so he began a 4-year apprenticeship in Rovereto and qualified as a Grade A fitter and turner. He was then conscripted into the army and served in World War II for 7 years from 1938 to 1945. Upon his return he worked as a qualified mechanic in the Cartoni firm that specialised in tanning leather for shoes.

Roberto married Rosetta Carbonari in August 1948. Their children Elena, Rinaldo and Alfredo were born in Lana (Merano) in the Trentino-Alto Adige region, while Carla was born in Myrtleford (Victoria, Australia).



Roberto Pizzini and Rosetta Carbonari, 1947

Although Roberto earned enough to support his family, life was not easy. Early in 1955, Alfonso, Roberto's eldest brother who was then living in Australia returned to Italy to marry, and convinced Roberto to migrate to Australia "for a better life". Roberto also read an article in the local newspaper advertising work for qualified tradesmen in Australia: he applied and was immediately accepted to work at Eildon, in Victoria, as part of the Snowy Mountain Scheme. Within 3 months, Roberto and Rosa Pizzini, and their three children, embarked on a journey from Trento Alto Adige in the Italian Alps for a new life in Australia. They arrived in June 1955, and were reunited with Roberto's three brothers, Alfonso, Arnaldo, and Giorgio who had migrated to Australia after World War II, seeking greater opportunities and a new life.

Once in Melbourne they were met by Arnold and taken to Myrtleford (nested between Wangaratta and Bright in north-east Victoria). Arnold assumed responsibility for the family, housing them and finding them work digging potatoes.

Roberto's yearning for his old trade fitting and turning initially made harvesting potatoes an odious task and sometimes reduced him to tears at the thought of what he had left behind. But Rosa's refusal to move elsewhere meant that he had to stay. Together with his brothers and their wives Roberto and Rosa began to grow tobacco near Myrtleford, share farming for the first year and then on their own. This consortium of brotherhood encapsulated the Italian culture at the time and proved to be the important success factor in the survival of the four families.

At this time they grew the tobacco seedlings in Corowa, near the border between Victoria and New South Wales, where it was warmer and less frost-prone and then transported them to Myrtleford when they were ready to plant.



Roberto working on the tobacco farm in Corowa, Victoria

The four brothers and their families continued to grow tobacco together in Myrtleford, and progressively grew their business until it became the largest tobacco producing company in the southern hemisphere. At one point they employed and supported 17 share farmers as well as the four brother's families. This was helped by the brothers expanding their operations to include tobacco growing sites in the King Valley, approximately 30 km from Myrtleford. In the late 1960s the four brothers decided that it was time to divide the business. Three of the brothers (Giorgio, Arnold and Roberto) remained in the King Valley, while Alfonso settled in the Alpine Valley.



Roberto and Rosetta admiring their tobacco crop in the King Valley in the 1960s



Pizzini family in Myrtleford. Robert and Rosetta with children Rinaldo, Alfredo, Carla and Elena, 1960s

In the 1970s the tobacco industry began to change in Australia, and a quota system was introduced for the growing and sale of tobacco. Around this time Roberto’s sons Rinaldo and Alfredo, then in their early 20s, began to take more interest in the future of the business and convinced Roberto that diversification to another industry was necessary for the business to prosper. Many options were discussed including planting blueberries. At this time Brown Brothers of Milawa wanted to expand their winemaking operations and were looking for local farmers interested in planting grapes. In 1978, Roberto together with Alfredo and Rinaldo,

planted their first 30 acres of Riesling vines. This led to a 15-year collaboration with Brown Brothers. Slowly, Alfredo, supported by Rinaldo for a while, began to take over the operation of the vineyard and the farm.



Roberto and Rosetta Pizzini, 2005

Roberto and Rosetta Pizzini continue to live in Whitfield on the family farm, and in August 2008 celebrated their 60th wedding anniversary. More recently Roberto celebrated his 90th birthday and still tends to his garden daily.



Roberto Pizzini with grandson Charlie, 2012



Rosetta Pizzini cooking her famous apple strudel, 2013

6.6.2 Second Generation

Alfredo, or Fred as he is sometimes known, has been involved in the family business since arriving in Australia in 1956, when together with his family, he went to live with his uncles, aunts and cousins initially in Myrtleford, then to Whitfield in the King Valley.

From a young age, Alfredo helped out on the farm, working after school and during the holidays. When he left school in the 1970s, he worked with his parents and brother Rinaldo on the flourishing tobacco farm. Having considered and researched diversification into vegetables and blueberries, he settled on grapes. This change proved to be a successful venture from the start. The subsequent 30 years were spent growing and developing the vineyards, from the first small planting of Riesling, destined for Brown Brothers, to the current 170 acres with 17 varieties. Over the years the business has expanded and modernised, giving work

not only to the Pizzini family but to many others who have contributed to its success.

Alfredo met his future wife Katrina Nicholson in their local town of Whitfield through school and sport, as sport was the social life in Whitfield in those early years. Both attended secondary school in Wangaratta. Alfredo and Katrina married on 12 April 1972 in the Whitfield Catholic Church. Over the years they had four children, Natalie, Nicole, Joel, and Carlo.

Alfredo has always had a creative, artistic mindset. These qualities, combined with 25 years of hands on viticultural experience with both international and Italian varietals and experimentation with making wine, helped build the business's reputation in the area. Over the past decade, Alfredo and son Joel (Pizzini's winemaker) have undertaken a systematic review and revitalisation of their vineyard.

For Alfredo there are many aspects of the past years to be proud of. These include seeing the King Valley emerge as a respected wine region and Australia's foremost producer of Italian varieties and taking a leadership role in Australian-made Nebbiolo and Sangiovese. But they are dwarfed by the satisfaction of building a family business that his and Katrina's four children (and in some cases their partners) happily work in today.



Alfredo experimenting with making wine, 2013

Katrina, considered by the family as “the backbone of the Pizzini family and the business”, is the powerhouse behind the Pizzini Wines *A tavola! Cooking School*. She married Alfredo Pizzini soon after finishing school and has worked with him to build the family business ever since. From tobacco farming to running the Mountain View Hotel, to the creation of Pizzini Wines, she now divides her time between the roles of Pizzini Wines ambassador and the *A tavola! Cooking School*.

As the business has continued to expand, Alfredo and Katrina are still fully involved in the family business, although the third-generation Pizzini are now also involved.



The G2 and G3 of the Pizzini family. *L–R*: Alfredo, Natalie, Carlo, Katrina, Nicole and Joel, 2013

6.6.3 Third Generation

Ever since he was young, Joel knew that he wanted to stay on the family farm and follow in his father Alfredo's footsteps, spending much of his after-school time working with him and the team in the vineyards.

Joel's knowledge of every contour of Pizzini's 70 hectare vineyard means that together with Alfredo, they constantly evolve their grape production in the pursuit of quality. He also takes a deep interest in new clones of Italian wine varieties as they become available in Australia.

While studying at Charles Sturt University in Wagga Wagga, Joel experienced three vintages with King Valley Wines. Since completing his degree he has worked at leading wineries in both Australia and Italy, such as Leeuwin Estate (Margaret River), Stonier Wines (Mornington Peninsula), Marengo (Piedmont) and Isole e Olena (Tuscany), one of the world's best wineries, and produces one of the top three Sangioveses in Italy.

Joel loves the variety of his role in the business as he works across winemaking, vineyard strategy and development, to bring out the best in the grapes as they pass through the winery each year.

Joel is married to Anna-Kate Pizzini and they have two children, Luca and Isabella.



Joel and Alfredo tasting a Pizzini wine, 2013

Since they were teenagers, the other three third-generational members of the Pizzini family have all worked in various parts of the business, including the vineyards and Mountain View Hotel in Whitfield, King Valley. They all enjoy working with the family, and play a significant role in the business. Carlo takes the lead on sales and business management at Pizzini Wines; Natalie manages the branding and marketing aspects; and Nicole, or Nicki as she is best known, supports the business by lending a hand in the cellar door or the cooking school at busy times.



L-R: Joel, Alfredo and Carlo, 2014



The Pizzini G2 and G3 girls. *L–R*: Sally (Carlo’s partner), Katrina, Natalie and Nicole, 2014



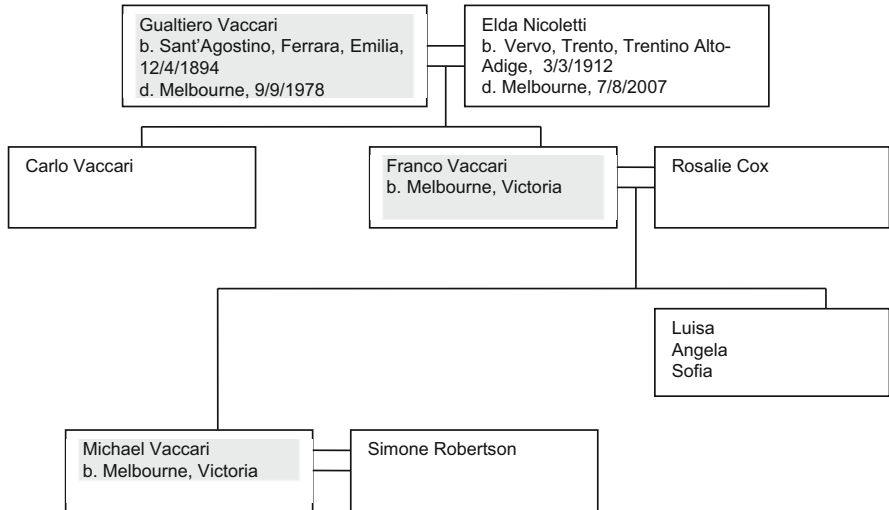
Family lunch at the Pizzini vineyard in the King Valley, 2014

6.7 The Vaccari Family

Carlton (Melbourne)

Industry: Importers of food products; textiles and ball bearings; property investment and development

First generation *Gualtiero Vaccari*
 Second generation *Franco Vaccari*
 Third generation *(potential successor) Michael Vaccari*



6.7.1 First Generation

Gualtiero Vaccari was born on 12 April 1894 to Carlo and Olinda Vaccari, in the village of Sant’Agostino (province of Ferrara), in the north-central Italian region of Emilia Romagna.



Sant’Agostino, Ferrara, Italy. Home of the Vaccari family, bombed in World War II

He was the second, and eldest son, of five children, Laura, Gualtiero, Tina, Albino, and Gaetano, and the eldest son. His parents were middle class farmers and merchants. As he grew up, he studied at the Royal Technical School at Finale Emilia (Modena) and the Royal Institute of Commerce in Bologna. He was employed as a junior accounting clerk at the Cooperative Bank of Bologna, but he was aware that without influential family connections he had few prospects of a good career.



Gualtiero Vaccari, 1920

Following the footsteps of his great-uncle Albino Vaccari (1830–1903), who had arrived in Melbourne in 1855 and later lived in Bendigo, Gualtiero left his home village on 6 October 1912, sailing on the *SS Roon* and arriving in Melbourne on 8 November 1912, where he lived and worked for 66 years.

For the first six years in Melbourne, Gualtiero worked as assistant for the Italian honorary consul, and, studying at night, he qualified as an accountant in 1916. In 1918, he launched his own import business of flavoured food oils and women's apparel. In 1921, he founded G. Vaccari & Co, which acted as an agent for other companies.

In the late 1920s his brother Gaetano arrived in Melbourne and worked alongside Gualtiero for many years. The firm G. Vaccari & Co. then began to diversify its business, forecasting emerging trends such as the boom in the automobile industry. He began importing ball and roller-bearings from Italy (RIV), acted as the sole distributor for FIAT motor vehicles in Australia and New Zealand, and continued to import synthetic fabrics (SNIA-Viscosa) and cotton goods (Manifatture Cotoniere Meridionali) as well as oils and essences. In 1934, his firm imported goods worth over 100,000 pounds sterling annually from Italy.

Although his business suffered a downturn during World War II, he was able to survive mainly due to a very diversified portfolio of property and blue-chip share investments accumulated throughout his working life. By the mid 1930s, G. Vaccari & Co. controlled more than half of the total Italian imports into Victoria.

For 35 years the business premises were at 90 Queen Street, in the Melbourne city centre. In 1962, the Vaccari business moved to La Trobe Street and became a proprietary company. In 1972 the company moved to Brunswick, and it acted as a migration agency licensed by the Commonwealth of Australia.

Following a holiday in Italy in 1937, during his return trip to Australia, at the port in Naples he met young Elda Nicoletti, then 25 years old, from Vervo, Trento (in the Trentino region, north east Italy). They married, after a decade of friendship, in Launceston, Tasmania, on 14 October 1946. In July 1939 he had become an Australian citizen. Gualtiero and Elda had two children, Carlo and Franco.



The Vaccari family. L–R: Carlo, parents Gualtiero and Elda, Franco, mid 1960s

During, and following the war period with Italy, Gualtiero became a leading figure in the Melbourne community. He had close ties with the Catholic Archdiocese of Melbourne, and, on the recommendation of Archbishop Daniel Mannix, in November 1943 the federal government appointed him as an honorary liaison officer for the Italian community in Australia.

He and his wife Elda dedicated themselves to causes within the Italian Australian community of Melbourne, and in 1966 established the Committee for Assistance of Italians (CO.AS.IT), based in Carlton. He also established the Gualtiero Vaccari Family Foundation in 1972. The Foundation established the Villaggio Anziani Gualtiero Vaccari—Vaccari Home for the Aged (now renamed San Carlo Homes), opened in South Morang on 25 February 1979.

The Vaccari Family Foundation has also endowed a Chair of Italian studies at La Trobe University, and established the Elda Vaccari Hostel at North Fitzroy and the Vaccari Italian Historical Trust.

Gualtiero Vaccari was awarded the honour of *Cavaliere della Corona d'Italia* (Cavaliere of the Crown of Italy) by the King of Italy in 1936, appointed a *Comandante* (Commander) in 1955, and a *Grand'Ufficiale* (Grand Officer) of the Order of Merit of the Italian Republic. He died of a heart attack at his Toorak home on 9 September 1978, aged 84. Elda passed away on 7 August 2007, aged 95.



Franco Vaccari with his mother Elda, and brother Carlo, 1992

6.7.2 Second Generation

As Gualtiero's two boys, Carlo and Franco grew up, they worked alongside their father in different roles. They worked hard, with their father supervising them closely and meticulously.



Franco and Carlo Vaccari working under the watchful eye of their father Gualtiero, c. 1973

Franco has eventually carried on the family's business, and after 30 years of activity, the firm has stopped importing synthetic fabrics and is concentrating on property development and investment, and the bearings business.

Franco has also taken responsibility for philanthropic commitments, including the creation of a chapel at Royal Melbourne Hospital, the donation of a collection of books, the Vaccari Vertical File collection (1997–1999), to Victoria University, and the establishment of the Scotch College Language Centre.



Franco Vaccari (*left*) during construction of Home for the Aged, Casa Elda Vaccari, 1991



Casa Elda Vaccari Home for the Aged, Melbourne, 1992

Franco married Rosalie Cox in Melbourne on 4 July 1975, and they have four children, Luisa, Angela, Michael, and Sofia.



Official opening of Casa Elda Vaccari, Melbourne, 1992. *L-R*: Mrs Montecalvo, Dott Montecalvo (Italian Consul), Mrs Elda Vaccari, Michael and Carlo Vaccari, Rosalie Vaccari, Angela and Luisa Vaccari

Carlo, Franco's brother, has assumed responsibility for the electrical transformer business Transformers Manufacturing Company (TMC) which was established by Frank Nicoletti, Elda's brother. Carlo has now expanded the business into Europe and Latin America, with plants in Melbourne, Milan, Bilbao, and Buenos Aires.

6.7.3 Third Generation

Michael Vaccari attended Scotch College in Melbourne and later Geelong Grammar Boarding School, continuing with tertiary studies and majoring in agribusiness.

His work experience includes working with Elders, a large agricultural company, in Hamilton in rural Victoria, and then as a grain trader with the Costa Group in Geelong, buying and trading grain, dealing with the Asian, Indian, and European markets.

Michael works part-time on the family farm, situated west of Geelong. He is currently considering entering the family business full-time. In 2008 he married Simone Robertson in Melbourne.

The case studies in this book are based on stories of personal experiences of individuals in three generational family businesses. They capture the meaning of the life of each individual, elaborate on their self-perceptions and self-discoveries, their worldviews, and personal, family, and family business experiences.

These cases are built in historic fashion, across generations, and represent the narrative tradition of the families. They contain aspects of life history recounted verbally within families across generations. They also represent the personal interpretations and perceptions of the realities of each individual and family.

7.1 About These Case Studies

These cases have been developed by adopting a *phenomenography* approach, studying how individuals in multigenerational family businesses experience, understand, and conceptualise significant aspects of their world, their family, and their business, which are shared by members of the family across generations. This approach assists in considering the various ways in which “people experience, interpret, understand, apprehend, perceive or conceptualise various aspects of reality” (Marton, 1981, p. 178). It centres on the perception of reality, how reality is experienced, and examines people’s conceptions of their world.

The first objective of this book was to capture the experiences of the Italian migrants to Australia, founders of the family business, and identify those events, feelings, and thoughts that shaped their character, their entrepreneurial experiences, and their future. The second objective was to examine the experiences of the second and third generations who chose to continue to participate in the family business, how they perceive their own participation in, and contribution to, the family business. This approach therefore includes an element of self-reflection of the individuals in each generation.

The scope of this book includes an historical (three generations) viewpoint of family business. Colli (2010) has argued that history offers an important

perspective to the study of family business as “family firms are notoriously and largely ‘cultural artefacts’, that is the product, in their nature and structure, of a certain context” (p. 74). History and tradition are alive in multigenerational family businesses. They are the product of a complex interplay between past and present. This is a very important point, not only in terms of understanding the essence of family businesses but also because it constitutes one of the differentiating elements between family and non-family businesses. Therefore history is part of the sphere in which family businesses live and survive, and it can contribute a clearer, richer, though more complex, interpretation of their present. This book therefore recognises that family business is not constructed solely by the individual, nor is it imposed exclusively by external forces, but comprises a fine relationship between the two. The reality of the family business is therefore based on a collection of individual stories consisting of personal ideas, memories, and beliefs that create the culture of the family and of its business.

Each family narrative in this book is oral history that “captures storied lives that largely go unwritten” (Clary-Lemon, 2010, p. 21). It presents the social and political context in which individual and family events are relived through their storytelling, presenting their own subjective interpretation of their life in a three-generational family business.

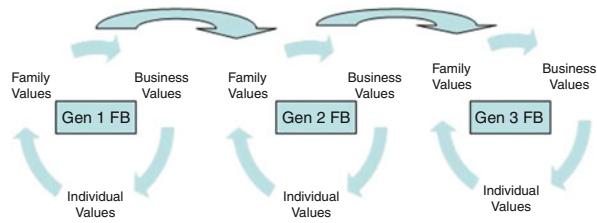
The first generation constructed narratives (stories) about their migration and entrepreneurial foundations that were inherited by the second generation, and created the basis of their sense of family and family business achievements. The second generation becomes not only the custodian of this narrative, but also its interpreter, adding value to the values of the first generation. These values and meanings are then passed on to the third generation where they become part of the family’s historical and intangible patrimony—the unchangeable family history. But in the third generation, this history does not remain a static relict of the past. The third generation asserts its own individual identity and ethics as it tries to understand its role in the family business and the values that have shaped the individuals, and have lured them into the family business. As the individuals in these case stories tell us, values become a source of pride, providing a sense of origin and belonging for all generations, keeping the family together.

In Fig. 7.1, values are portrayed as interdependent and interrelated within each generation. They are also passed on and integrated into the subsequent generation, contributing to the identity and culture of the next generation’s individual, family, and business. This evolution continues across generations, and the discourse about values becomes a source of meaning and a resource for the multigenerational family business.

Values represent the strongest element of any family and, hence, of any family business. Yet it is not clear how values come about, how they are transmitted from generation to generation, and how they influence business decisions.

In the case studies presented in this book, values emerge as a defining characteristic across the three generations. The stories told by the individuals keep reverting to values in order to address three needs: reasserting the sense of genealogical origin of the family, reasserting the history of the business, and reasserting the

Fig. 7.1 The integration of values across generations in multigenerational family business



self-understanding of the family business members. It is a form of sense-making that gives meaning, and adds value, to the whole family business.

Values appear in the stories of the individuals across generations as the foundations of the family, the individual and the family business. Through their stories, the three generations reveal their values and how these give meaning to what they do within the boundaries of their family and businesses. From a genealogical point of view they all refer to the same values, although these may acquire different meaning through the conditions and expectations that characterise each single generation.

7.2 Selection of the Families in the Case Studies

The families selected for these cases were members of three-generational¹ Italian-Australian business families in Victoria, Australia. The first generation were migrants to Australia, who established a business enterprise which was currently ongoing, led, and managed successfully by a member of the original family (nuclear, or extended), over the following two generations, thus remaining classified as a family business.

The cases consist of three different age groupings: the first generation, now in their 80s or 90s, or recently (in some cases) deceased; the second generation in their 50s or 60s; and the third generation in their 20s or 30s. In these case studies, only one member from each generation was interviewed: the founder, or director, manager, or CEO of the family business, as appropriate.

The definition adopted for the selection of the sample follows the definition promoted by Handler (1989) who interpreted family business as one owned and managed by family member(s), and may be extended in definition to include a family successor. The term “family” encompassed mainly nuclear family members,

¹ The *first-generation* refers to people born overseas who underwent the process of migration and settled in Australia. The term *second-generation* refers Australian-born children of overseas parents, including overseas-born who arrived in Australia in infancy or early childhood, and those who consider themselves Italian, or Australian, or Italian-Australian. A second-migrant generation may include various concepts of multiple identities. The term *third-generation* refers to descendants of a migrant family, with at least one grandparent born in Italy, largely integrated in mainstream society.

although in one case (the Costa family) the business family successor was a member of the extended family.

Twenty males and one female were interviewed. A special attempt was made to identify additional three-generational family businesses led by women, but this proved difficult, reflecting the very small number of women in leadership roles in family businesses.

Originally it was foreseen that the family businesses would be spread across a variety of different business niches. However, it soon became apparent that the majority of Italian-Australian three generational firms fell into two specific occupational groupings: hospitality/food and construction. A likely explanation is that the first generation of Italian migrants of the 1920s and 1930s were largely unskilled, of rural background. In Victoria, they settled either in the countryside, working in agriculture as fruit and vegetable growers and marketers, for example in Geelong, Mildura, Cobram and Shepparton, or cultivating tobacco in Myrtleford and in viticulture; or on railway or road building sites, in quarries such as in Cooper's Creek. For those who settled in the city of Melbourne the jobs were more varied: they worked as chefs, waiters, builders, tradesmen, concreters, including terrazzo workers, with a great number of Italians working in factories.

Few Italians of the first generation had any formal qualifications post-primary school, as these were encouraged by neither the Italian nor Australian governments because they were not required in Australia in the first half of the twentieth century. This had some effect on the type of activities and business niches in which the Italians worked and established their enterprise.

All businesses selected were long-surviving private enterprises, differing in size, with some being classified as small (up to 20 employees), medium (20–200 employees), others large (200+ employees), some international. This variable however does not affect the results of my study. The selection criteria are summarised in Table 7.1.

Table 7.2 contains the name of the families, their type of business, and the family representative who was part of the interview process.

The Italian-Australian business families selected live and work in metropolitan as well as regional Victoria: from Melbourne to Mildura, King Valley, and Geelong—quite different parts of the state.

Initial information was gathered by administering a two-part questionnaire. Part one aimed to collect personal data such as place of birth, nationality, age group, language skills, education level reached, and the family. Part two requested information about the size and type of business, and some basic details related to the individual's entry into the business (age, other siblings, etc.). A semi-structured interview then took place, with questions related to their family background, the importance of maintaining their Italian culture and customs, their early involvement in the family business, and the philosophy of family business and role of values in their family and business. Each individual interviewed was asked to reflect on the success of their family business, and on the contribution that they personally had

Table 7.1 Criteria for selection of sample of case studies

Criteria for family members	Criteria for businesses
<ul style="list-style-type: none"> – Three generations in same family – Only one member in leadership role – Either gender – Nuclear or extended family members 	<ul style="list-style-type: none"> – Ongoing three-generational family firms – Location: in Victoria, Australia – Varied occupational groupings – Any size

Table 7.2 The sample of the seven family businesses

Family	G1	G2	G3
Carrazza (<i>Mildura, north west Victoria</i>)	Giuseppe	Domenico (Don)	Donata
Mildura’s Grand Hotel, Mildura Brewery, Stefano’s Café’, Stefano’s Restaurant			
Type of business: Hospitality, food, property investment and development			
Costa (<i>Geelong and Melbourne</i>)	Antonino (Tony)	Francis (Frank)	Simon
Costa Group, Costa Exchange, Costa Logistics, Costa Properties			
Type of business: Distributors of fruit and vegetables, property development and investment			
Genovese (<i>Melbourne, Sydney</i>)	Alfio	Danilo (Daniel)	Adam
Genovese Coffee			
Type of business: Coffee producers and distributors			
Grollo (<i>Melbourne and Mount Buller [Alpine region in eastern Victoria]</i>)	Luigi	Rino	Lorenz
Grocon, Grollo Australia, Grollo Group, Gro-Set, Equiset			
Type of business: Construction, property development and investment. Hospitality/Tourism			
Piedimonte (<i>Melbourne</i>)	Giuseppe	Salvatore (Sam)	Joseph
Piedimonte Supermarkets, Coreco Fine Foods, Hilliers Chocolates			
Type of business: Importers and distributors, and manufacturers of food and supermarkets			
Pizzini (<i>King Valley—near Alpine region in eastern Victoria</i>)	Roberto	Alfredo	Joel
Pizzini Wines			
Type of business: Wine production and distribution			
Vaccari (<i>Melbourne</i>)	Gualtiero	Franco	Michael
G. Vaccari & Co Pty Ltd			
Type of business: Property investment and development			

made. In addition to these questions, the first generation was initially asked to speak about their pre-migration background and their post-migration experiences, focusing on the reasons for taking the decision to migrate.

7.3 Analysing the Values Across Three Generations of Family Business

The following three chapters focus on the individuals within each generation. These are based on information gained from questionnaires, interviews, as well as unpublished family documentation, autobiographies, biographies, and family business websites. The findings reveal intensity and depth in the life and work of the members of these three-generational families.

The findings are presented in a structured manner. Each chapter is dedicated to one single generation: Chap. 8 refers to the founding generation (G1), Chap. 9 to the second generation (G2) and Chap. 10 to the third generation (G3).

The story of the seven families in this study is interlinked to the migration movement of the first generation from Italy to Australia, which sets the historical starting point for this genealogical work. The G1, the entrepreneurial founders of the family businesses, were Italian migrants who left Italy either prior to, or following World War II. Chapter 8 therefore begins by focussing on the migratory entrepreneurial journey to Australia, highlighting the fundamental role of this generation in setting the conditions for the creation of multigenerational family businesses. The chapter describes the culture and values of the founders, and explores how these continue to be relevant in sustaining the family business beyond the founders' lifetime.

Chapters 9 and 10 portray a picture of the subsequent generations and provide an understanding of their identity, their role in the family and the business, and their values. The first part of each of these two chapters deals with personal aspects related to the evolving identities of the Italian-Australians who gradually integrate more and more into mainstream culture, just as their business does. Their reflections about intergenerational transfers are presented, including their commitment as successors in the family business. The second part of the chapters examines the personal, family, and business values, set originally by the founders, that continue to play a fundamental role in the succession process and in the family business across the generations.

References

- Clary-Lemon, J. (2010). We're not ethnic, we're Irish! Oral histories and the discursive construction of immigrant identity. *Discourse & Society*, 21, 5–25.
- Colli, A. (2010). Business history in family business studies: From neglect to cooperation? *Journal of Family Business Management*, 47(2), 68–83.
- Handler, W. C. (1989). *Managing the family firm succession process: The next generation family member's experience*. PhD thesis, Boston University.
- Marton, F. (1981). Phenomenography. Describing conceptions of the world around us. *Instructional Science*, 10, 177–200.

The Creation of an Entrepreneurial Enterprise

8

The First Generation: The Entrepreneurs

Constructing a picture of the Italians who migrated to Victoria in the first half of the twentieth century and who laid the foundations for a successful three-generational family businesses is no easy task. It forms part of the bigger picture of migration to Australia, a movement that has been well captured and interpreted through statistics as well as through oral/written documents by historians, anthropologists, and sociologists¹ who recorded the origins and traditions of communities of Italians and other migrants who worked and settled in various parts of Australia.² The stories of a number of individual Italian migrants to Australia have also been recorded, as biographical or autobiographical accounts of their lives, with a focus on their migration experience and their accomplishments in their new country.³ This chapter focuses on the first generation (from now on referred to as G1) members of seven Italian families who started a migration journey, entered into a new reality, and initiated an entrepreneurial process that sowed the seeds for the creation of families and multi-generational family enterprises.

¹Baldassar (1994, 2001, 2008), Bertelli (1994), Borrie (1954), Bosworth (1988), Bosworth and Ugolini (1992), Castles, Alcorso, Rando and Vasta (1992), Collins (1988), Cresciani (1985), Gentili (1973, 1983), Jupp (2002), Lancaster Jones (1964), MacDonald and MacDonald (1964), O'Brien (1989), Pesman (1999), Price (1963), Ware (1981), among others.

²Baldassar and Pesman (2005), Bivona (1994), Bosworth and Bosworth (1993), Davine (2006), Douglass (1994), Gobbo (1998), Huber (1977), Jones (1962), Pascoe (1987, 2000), Peters (1999), Rando (1990), Ruzzene Grollo (2004), Segafreddo (2005), among others.

³Easdown (2006), O'Brien (2000), Pascoe (1988, 1990, 1992), Ruzzene Grollo (2004), Tobin (2007), among others.

8.1 Profile of the First Generation (G1): Being Italian in Australia

Migration was a self-selective process, as individuals made a personal decision to leave their country of origin. Italians migrated predominantly from a relatively small number of provinces and regions, often from specific villages, and the exodus of Italian migrants was not evenly distributed over the 40 year period of intensive migration. As Lancaster Jones (1964) has reconstructed by chartering the rates of migration from Italy to Australia, the region and island of Sicily (in the south of Italy, in particular the Aeolian Islands and small towns around Catania), and the Veneto region (in the north-east of Italy, especially areas such as Treviso, Belluno and Vicenza), have contributed a relatively large number of Italians to Australia, and in particular to the state of Victoria. My sample reflects these general migration trends with four individuals from the south of Italy (three from Sicily and one from Basilicata), one from the centre-north (Emilia Romagna), and the other two from the north (Veneto and Trentino).

The members of the G1 who feature in this study are:

- Giuseppe Carrazza
- Antonino (Nino, also known as Tony) Costa
- Alfio Genovese
- Luigi Grollo
- Giuseppe Piedimonte
- Roberto Pizzini
- Gualtiero Vaccari.

Table 8.1 contains background information about the members of this generation. They arrived at various points in time within a 40 year period spanning 1912–1952, some migrating alone, others with relatives, friends, *compaesani* (or *paesani*—fellow villagers or townspeople) and one with his family. Their age at the points of migration ranged from 16 to 38. The periods of migration represented in the sample fit into the two greatest period of migration from Italy: between the two World Wars, and following World War II. One exception is Gualtiero Vaccari who migrated earlier, in 1912 prior to World War I.

In the pre-World War I period, Italian migration to Australia was sporadic and consisted of pioneers who found little or no supporting networks to help them settle and find a job. They were adventurers who relied on some very basic, sometimes inaccurate, but valuable information about the new land that a small number of adventurers, prior migrants or temporary sojourners had provided them either by letter or word of mouth (Templeton, 2003). Those who followed, between the wars, or after World War II, relied on personal contacts or network of *compaesani* for support because Australian government regulations required them to have a sponsor (through the *atto di richiamo*—sponsorship), thus creating a process of chain migration.

Table 8.1 Background data of the first generation^a

Name	Year and birth place	Pre-migration occupation	Year, age, and place of migration	Professional background and education	Year of death (age)
Carrazza Giuseppe	1914; Montemurro (Potenza, Basilicata)	Merchant and trader	1952 (38); Mildura (north-east Victoria); Alone	Farmer and merchant; Primary education	1988 (74)
Costa Antonino (Nino-Tony in Australia)	1909; Salina (Lipari, Aeolian Islands, Sicily)	Farmer and vine-grower	1926 (16); Geelong (Victoria); Alone	Vine grower and fruit merchant; Completed secondary education	1985 (74)
Genovese Alfio	1921; Randazzo (Catania, Sicily)	Trader	1950 (29); Perth (Western Australia) then Sydney (NSW) and Melbourne (Victoria); Alone	Farmer; Some primary education	1995 (74)
Grollo Luigi	1909; Cusignana (Treviso, Veneto)	Agricultural background	1928 (19); Melbourne and other places in Victoria; Alone	Agricultural family; Primary education	1994 (85)
Piedimonte Giuseppe	–; Montalbano Elicona (Messina, Sicily)	Shopkeeper	1950; Melbourne (Victoria); Alone	Trader in food wholesale business, fruit shop; Primary education	–
Pizzini Roberto	–; Rovereto (Trento, Trentino Alto Adige)	Qualified tradesman (fitter and turner)	1956; Myrtleford, (eastern Victoria); With family	Agricultural background; Qualified trade apprentice	–
Vaccari Gualtiero	1894; Sant'Agostino (Ferrara, Emilia Romagna)	Bank clerk	1912 (18); Melbourne; Alone	Middle class farmers and merchants; Qualified accounting clerk	1978 (84)

^aNote: Personal data such as dates of birth and age of living participant members have been omitted from the publication in order to preserve their privacy

8.2 The Notion of Value in Family Business

Values have been studied largely within the area of individual and organisational ethics, but work undertaken by family business researchers reveals that a family business culture is the outcome of values and goals intimately linked to the family's history and social ties (Ward, 2008), that family values take precedence over corporate values, that family-business managers display a high level of integrity, and that values driving family business diverge from the values of non-family managers. It is also acknowledged that "the values of founders and current leaders shape the values of their own organisations, can shape the values of the industries in which they operate" (Ciulla, 1999, p. 166). This means that family firms differ from non-family firms because family principles and values overlap into the business sphere.

With the reputation of your family on the line, with your personal integrity behind every handshake, and with the economic future of your heirs at stake, owning a family business is not only a significant responsibility but also an opportunity for an increasingly valuable competitive advantage (Ward & Aronoff, 1991, p. 43).

A family firm places a high priority on building and maintaining a strong long-term stable relationship among family members (who are also employees) that is based on trust and a sense of belonging, particularly across multigenerational family businesses (Sirmon & Hitt, 2003). This approach positively affects family firm performance, and as a result, family members tend to be more committed and loyal to the business, and to have higher career satisfaction than do people working in nonfamily organisations (Chrisman, Chua, & Kellermans, 2009).

This chapter analyses the values that the G1 brought with them through the migration process, and aims to reveal how these resources were instrumental in supporting the immigrants to set the foundations of their family and their family business.

8.3 Values of the First Generation

"Values are what we believe to be important or morally worthy" (Ciulla, 1999, p. 166). They are implicit characteristics that are beneficial to the family grouping and individual members, they set the basis for the informal relationships within families, support the family dynamics, and they form tacit social contracts among members. They are usually strong and long lasting, not enforced, but implicitly acknowledged and handed down from one generation to the next. In family business, these implicit social ties often overlap into the business processes, and can become the dominant feature of the family governance system, rather than the explicit, formal contractual relationships normally found in other business structures. It is well known that business leaders determine the values of the business; in family businesses the family leader establishes the fundamental values that guide the decisions and operations of the organisation.

During the migration process to Australia, the G1 migrants not only brought their skills to Australia, but also brought with them their own personal resources, including their personal values. In turn, as they founded their own families, they shared these values, helped their family members to develop their own, and transmitted them to the following generation(s). The interviews conducted with the G1 revealed a strong value system that has been implicitly accepted within each family, a system that has continued across the three generations. Some of the values are the personal values of the founder, and some play an important role in the development of the family, while others support the development of the business. As the individual, family and business spheres overlap, it is often difficult to clearly separate the sets of values that may be transferred from the founder and family members into work and business situations. As already mentioned in Chap. 3, three categories of values have been identified: the *personal values* of the founder, values that support the creation and maintenance of the family that I have termed *family values*, and values that are important for the establishment and successful continuation of the business organisation that I have termed *business values*. These three systems of values will inevitably closely intertwine, and often overlap within the context of the family business.

“Values are static concepts” (Ciulla, 1999, p. 169). They serve as guiding principles and regulate the behaviour of individuals. One cannot assume however, that because one has values, that one will always live by them, or put them in action. This book does not attempt to make a judgement about how individuals connect with their actions or behaviour; that would involve making a moral and ethical judgement about the words and actions of the individuals, which is not within the scope of this work. Rather, this study identifies and examines the implicit and tacit values that the individuals and families may have considered (but may never have articulated publicly), how these have become an integral part of the constitution of the family, and how they have shaped the family members’ lives and eventually the values of their business. This work discusses how the individuals perceive and describe their values and their expectations in relation to family members. Examples, as reported by them, are provided about how their values are reflected in their actions. The individuals were asked to consider what their personal values were and what their expectations were of their family members in relation to these values, and to provide examples of how these values motivate them to act.

8.4 Pre-Migration Conditions

The migration of the G1 was a voluntary diaspora. History explains that their decision to relocate was generally attributed to economic factors, attracted by the possibility of a better life in Australia (the *push-pull* migration factors⁴). Growing

⁴ Migration, whether voluntary or forced, can be explained in terms of the push-pull model, which relates to economic, social, political, religious hardships that encourage emigration from poorer

up in Italy in the period following World War I, or World War II, they faced severe economic difficulties due to the unstable economic situation that existed in those times. Many lived in conditions that were barely sufficient for themselves and their family. Their decision to migrate was encouraged by a network of family and friends already in Australia, who were prepared to guarantee them immediate support and some type of employment. “Chain migration ensured sustenance, networks and, hopefully, also work and lodging for the newly arrived” (Baldassar & Pesman, 2005, p. 35). Luigi Grollo was sponsored by his brother and Giuseppe Piedimonte by his uncle; Giuseppe Carrazza joined his uncle in Mildura; Tony Costa his two older brothers in Geelong; Roberto Pizzini and his family joined his three brothers in Myrtleford; Alfio Genovese initially joined his uncle in Western Australia, and Gualtiero Vaccari his great-uncles—all emphasising the dynamic and important role that chain migration played in the relocation of thousands of Italian migrants to Australia.

This fundamental point in understanding the motivations of migrants has often been underestimated in the migration literature, which tends to generally assume that working migrants left their homeland because “they were lacking something quantitative—bread, work, etc.” (Cronin, 1970, p. 145). My findings, supported by Cronin’s work, indicate instead that “many individuals left because their lives were not qualitatively satisfactory” (p. 145). What does this qualitative limitation refer to? Their stories speak of their motivations, their expectations and goals, and their perception of how to achieve them. Their wish to break away from the economic and social limitations imposed by their social class, and improve their lives, is a reflection of the homogeneity of their group. The stories of the G1 reveal a deep dissatisfaction with their life prospects in Italy, confronted by political, economic, and social powers that were outside their control. They were disappointed and frustrated that they could not achieve more, and looked for other possible choices. There was an individual, sometimes localised, response to the existing conditions of unemployment, exploitation, and bad government, often not extending beyond their family or their village. They were encouraged by the dream of independence, of a fulfilling job and existence, and in particular by the dream of ownership, which was “intrinsic to peasant culture” (Pascoe, 1987, p. 131). Australia was perceived as being the land of opportunities (as America had been viewed previously), where success, wealth, and upward social mobility could be achieved by hard work and self-sacrifice.

Roberto Pizzini’s migration story is linked to his three brothers who had already migrated earlier and were living and working in Myrtleford,⁵ in the Alpine region in north-eastern Victoria. Roberto did not leave his country because he had no job: he was a qualified fitter and turner and had a steady job in the workshop of a leather

countries (push factors) and comparative advantages that encourage immigration in more economically advanced and politically stable countries (pull factors) (Bonacich, 1993).

⁵ Myrtleford is on the Great Alpine Road, approximately 300 km north-east of Melbourne. This locality became a focus area for migrants originating from the Veneto and Trentino (Baldassar & Pesman, 2005, p. 73).

tanning factory. His wife, Rosa, recounts their story: “We hadn’t considered migrating. His job was good, but we had had three children in 4 years and our living quarters were very small. . . . When Roberto’s brother arrived in Italy and said ‘Come and join us!’ . . . In truth I didn’t want to go” (interview with Rosa, wife of Roberto Pizzini).⁶

The G1 elaborate on their past by embedding details of their old life in Italy, and of their migration to Australia, within their story telling: their family, town, home, friends, and also their hardships. Their decision to migrate is linked to their stories about the lack of educational opportunities and frustration of being locked into the social class in which they were born that offered no chance for personal improvement. But there were also dreams and longing for a better life in a new and unexplored country that seemed to offer boundless opportunities. Their stories show their awareness that if they had stayed in Italy they would have had to conform to the limitations of their social class. Education was not an option. Migration was their only alternative for breaking out of their old life and existence.

Although Gualtiero Vaccari had completed secondary school and a diploma in accounting, and aspired to a good career in Italy, his chances were few as he lacked the appropriate social connections.

Quote Box 8.1 Lack of Opportunities in Italy

“He had good credentials from his college in Bologna where he had studied accountancy. But he didn’t have the *promessa* (connections). Unless you had the *appoggio* (support) of some count or marquis, you could never aspire at being more than a bank manager . . . you know, the Italian system. . . . One of the reasons why he did migrate to Australia was because in Italy he could only aspire to being a manager of a bank, perhaps” (interview with Gualtiero’s son, Franco Vaccari).

Gualtiero was ambitious to improve his social and economic status, so reluctantly chose migration to Australia, looking forward to new, unlimited opportunities in a new land.

The prospect of limitless opportunities drew Giuseppe Carrazza to Australia, following World War II. Giuseppe, aged 38, left his wife and young children in Sicily, and joined his uncle in Mildura, in north-eastern Victoria: “There was no future, things were really tough in the whole of Italy straight after the war. So as a young person, and having a family, he felt that he wanted to explore the rest of the world to see if he could improve his life. Having the contact here made it a lot easier for him” (interview with Giuseppe’s son, Don Carrazza).

⁶ Roberto was accepted by the Australian authorities as a migrant in the category “specialised tradesman—semi-skilled worker”, so the migration process was brief and he qualified for an “assisted passage” to Australia, which involved assistance with the cost of passage from the Australian Government as an inducement to migrate. Only a small number of Italian migrants were offered assistance.

Alfio Genovese's migration was driven by a sense of adventure: "At the time he left, there was an adventure in his mind. He was going to a completely new country, not knowing what he was going to find, but in the hope that he would find something that was going to make his life and his family life a lot easier than it was where he was" (interview with son, Daniel Genovese).

Luigi Grollo's early life in Italy includes images of his tough peasant background, as a *mezzadro*⁷ in the Veneto region. From his biography emerges how war, drought, storms, and particularly the premature death of his mother, aged 52, affected his life. All these misadventures formed part of a difficult and unsustainable existence from which he yearned to escape. He decided to follow his brothers' footsteps to Australia.

Quote Box 8.2 Memories of Hard Conditions

"Whenever I was working somewhere away from our hometown, I was thinking of going abroad, to America or to Australia. . . . The following year, 1928, I saw that things were still going bad there. There was another storm that carried off everything. It left only the soles of our feet! Here were some new debts to pay off. . . . My father said nothing to me. I was 18 years old, hale and hearty. I was young but I was plucky" (Grollo, in Pascoe, 1988, pp. 40–41).

These stories of the G1 are stories of difficulties, but they are also stories of courage, perseverance, strength, dreams, and ambitions. Through their story telling we are able to focus not only on their specific reasons for migrating but also on their positive expectations about what they would find in Australia. With determination and a hardy spirit, they willingly left their hometowns, and, with great courage and high hopes, embarked on a long migration journey across the ocean to a new and strange environment. I have captured these feelings and sentiments in the next section which describes the pain of being an entrepreneur in status nascendi in a new country where the knowledge of the past needed first to be translated into a new language and a new reality.

8.5 The Pains of Entrepreneurship

Although the individual stories may vary, they all have something in common in that migration had an enormous impact on the lives of the migrants. On leaving Italy the migrants had enthusiastic expectations of the new country, and envisaged that their expectations would be quickly and easily fulfilled, as they had been led to believe by the string of letters and personal news recounted by other *compaesani* who had preceded them abroad (Templeton, 2003). Upon arrival, however, many of

⁷ A peasant who cultivated the land for a landlord on condition of receiving a share of the farm produce, or as a tenant, paying a fixed rent on the land that he and his family worked.

their initial impressions and experiences were negative as they came in contact with a different culture in the receiving society, based on unfamiliar values, social structures, economies, political systems, customs, and so forth. Their visions and hopes were quickly shattered as they faced such problems as discrimination, poverty, oppressive living conditions, lack of access to basic services, unfamiliar habits, and confronting and sometimes threatening situations, often worsened by the lack of language competence. It was a new alienating world, different from the familiar one they had left behind. International research on immigration has investigated the difficulties that immigrants face in adapting and integrating in the new society, their exclusion, isolation and everyday challenges, demonstrating that the new country is not always the promised land (Gabaccia, 1984; Waldinger, 1996).

Two initial and immediate problems of concern were a place to live and a means of support. Typical of the Italian migrants who arrived in Australia, they initially found immediate refuge among relatives and other members of their own ethnic community, counting on their support for accommodation and communication. They joined small community groups in Melbourne and in regional Victorian centres, such as Geelong, Myrtleford and Mildura, on which they relied for their survival in the early months of settlement. These informal personal networks provided them intermittently with a support mechanism through which they found work and accommodation opportunities, as well as personal security from a sharing of cultural and traditional values. It was through these concentrations of *compaesani* that their local, regional and Italian identity (or sense of *Italianness*⁸) was to be maintained. This also included the maintenance of their dialect/language and customs, which would continue later, through marriage, often within the same community group, and the formation of family groups.

As recounted in his biography, Nino (Tony) Costa disembarked at Station Pier in Melbourne in February 1926, aged 16, and was met by his two much older brothers who had migrated over 20 years before, prior to his birth, and who were strangers to him. “He was approached by two men of vaguely familiar appearance who introduced themselves as his brothers, Mick and Joe, and took him to Geelong where he lived and worked long hours, initially in his relative’s fruit and vegetable shop, a niche commercial sector which attracted many Italian migrants over the years” (Tobin, 2007, p. 23).

Luigi Grollo arrived aged 18, in July 1928, and was met by his cousin, Carlo Zanatta, who did not recognise him as he had not seen him since he was a boy. “He was a good man to me. Zanatta took me to a *boarding house* in Russell Street, Melbourne city. There we stayed all one day and one night. The next morning we

⁸The concept of *Italianness* (Alexakis & Janiszewski, 1998; Pascoe, 1992) is used in this book broadly to refer to a set of values and characteristics generally considered to be Italian. This notion may have variances according to differences in regional, class, and educational background. The concept of *Italianness* used abroad may encapsulate an ethnicised perception of Italians and/or Italian culture and include stereotypical representations. For a discussion on the notion of the representation of identities, refer to Hall, 1996.

left for Healesville to go to work” (Grollo, in Pascoe, 1988, p. 73; italics in original).

Work was not as easily accessible as they had been led to believe by the publicity that the Australian authorities and the informal networks had promoted. For those who arrived just prior to or during the Great Depression, such as Luigi Grollo, work consisted of anything one could find anywhere around the state, sometimes across borders in other states, and included backbreaking jobs such as building roads, loading gravel, chopping or collecting wood in the forests, repairing bridges, cleaning iron in furnaces, loading wheat, milking cows, picking potatoes or peas, and general farm work. In the depression years, even in Australia the land of plenty, work was scarce and hard. Reflecting on this, Luigi Grollo recalled what he was told not long after his arrival: “This is Australia. . . . If you want to (*work*), it’s fine. If not . . . starve” (Grollo, in Pascoe, 1988, p. 85). That was the reality they encountered, and many of their dreams were shattered.

For those who arrived after World War II, there were more abundant employment opportunities, but they faced equally disadvantaged, at times demoralising and isolating, experiences. Roberto Pizzini’s skills and training as a qualified tradesman were required by Australia, so he was given an assisted passage. However, upon arrival, he chose to join his brothers on a farm near Myrtleford, cultivating tobacco, the very job that he had avoided doing in Italy. He had been accustomed to a different life, and felt resentful. He had lost status, had lost his trade and his job: “I had tears right down my face. . . . I had been cheated in having to do that work, you understand? I had never held a hoe or a shovel in my hand” (Roberto Pizzini).

Such was their new reality, confronted by the problems and confusions of a new unfamiliar environment, surrounded by a new strange society and a strange language. These proved challenging, no matter how mature, well prepared and brave they were.

Alfio Genovese had spent long periods outside his hometown, abroad, while serving in the Italian Navy, travelling to northern Africa and other Mediterranean countries. This experience supported him in the initial adjustment. In Italy, Alfio had an import–export business, mainly exporting oranges from Sicily to Malta. But in Australia, due to his inability to speak English, he was disadvantaged, and obliged to accept low paid jobs. He worked in a timber mill, then in a dairy, later at the railways, and from there worked his way up, becoming a ticket inspector. He learnt to drive articulated buses and did so until, years later, he started his own business as a wheat contractor, then carting oil refinery pipes across Western Australia, and later more opportunities opened up. He learned to bend, take whatever came his way, and make a virtue out of necessity.

Giuseppe Carrazza had served in the Italian army for 6 years and became accustomed to being away from his family and his hometown. He arrived in Australia in February 1952, was met at Station Pier by his uncle, Giovanni Sinisgale, travelling directly to Mildura where he initially worked on the land with him. There he did some share farming, then purchased his own property and

vineyard while living at times on his own, or with his cousins for 5 years, before his wife and two sons were able to join him.

Although there was quite a sizeable community of migrants from Montemurro (province of Potenza, Basilicata region) in Melbourne in those early years, there were very few in Mildura, so his support network was limited.

Quote Box 8.3 Living Conditions Upon Arrival

“The difficulties that they had? The language was number one, and the distance from their loved ones, from his wife and children. That put a lot of pressure on him. I suppose these days we call it depression. . . . The loneliness of having to cook for yourself and wash for yourself on a day-to-day basis, because he lived by himself . . . After a while with some of the cousins that arrived, they got a house together and they all lived together, sort of lived as a team, to help each other” (interview with Giuseppe’s son, Don Carrazza).

Regardless of their age, the G1 all felt an overwhelming sense of isolation and unimportance, and their days, particularly in the first 3–4 years, consisted almost exclusively of the same itinerary home-work, with little or no time for social or recreational activities.

Gualtiero Vaccari had migrated young, aged 18, from a region in Italy with a low level of emigration to Australia. His great-uncle in Australia had died, and he had no clustering network to support him. He found work as a backroom clerk, working for the Italian honorary consul in Melbourne who owned an importing business. Gualtiero had very few friends, only a couple of distant relatives, and little money. He would spend his nights and weekends reading and improving his command of the English language in the public reading room of the State Library “because there was heat and light and it was free” (Vaccari, in Easdown, 2006, p. 6).

Luigi Grollo experienced enormous difficulty coping with loneliness and isolation. He missed his family, friends, and *compaesani*, and that acute sense of despair and emptiness remained with him throughout his life.

Quote Box 8.4 Hard Work in Australia

“I had no friends. I had no brothers, no mother, no father. I was alone! I worked two or three months in a place and then I would change. I made friends in the field who shifted like me and had nothing there. It was sad and hard. Australia has been hard for me, very hard. I worked in the fields, with the rain and the wind, without eating. I worked all day and then I went home in the evenings to make myself something to eat” (Grollo, in Pascoe, 1988, p. 78).

While most Italians were able to find work and accommodation, in most cases, and in the early years in particular, they worked and lived in clusters among their close kin, extended family, *compaesani*, or other Italians, which provided limited contact and little opportunity to integrate with the host culture. They found it

difficult to be a foreigner in a new country, and their exclusion from mainstream Australian culture and life was deeply felt. They faced discrimination in terms of their race and birthplace, and their lack of English competence. And yet their persistence was a common thread to all of them.

Alfio Genovese always reminded his son, Daniel about the difficulties he encountered in finding a job when he first arrived in Fremantle (Western Australia).

Quote Box 8.5 The Lack of Integration Policies

“Looking for work was difficult for him because of the language barrier. . . mmm . . . He always remembered something that always stayed imprinted in his brain, that when he looked for work in the newspaper in Western Australia, it had actually said, “Must be Australian”. He couldn’t understand how the Australian government was inviting people to migrate to Australia and then when you went looking for a job. It said “Must be Australian” (interview with Alfio’s son, Daniel Genovese).

Gualtiero Vaccari vividly remembers the discrimination that he encountered when he arrived: “When I came, Italian could not be spoken in the street. People would look at you and tell you to go back to your country. . . . Australia was really insular” (Vaccari, in Easdown, 2006, p. 17).

The migrant stories emphasise the deep effects of the migration process and a cathartic sense of desperation mixed with humiliation. Their words reflect the cultural and psychological shock of arriving in a new country where language and customs, were vastly different. They were ill prepared to face this shock, and the effects were ever-lasting.

The reflections on the early experiences of the G1 who leave their familiar surroundings, leap into the unknown, and arrive in a new unfamiliar, disorientating, and threatening environment in Australia, paint a picture of the dynamics of migration and the challenges associated with this process. Autobiographies, oral life histories, and reports written by migrants are clear evidence of the challenges faced in the new reality, trying to establish roots in a new country. Their stories speak of their painful experiences determined by uncertainties, risks, total personal investments, fears, hardship, and loneliness. But they were adventurous and enterprising young people, and their stories also tell us about their courage, determination, perseverance and patience—in other words, personal qualities—that built the resources of their personal lives. Throughout their journey from the old to the new country, the migrants came equipped with personal resources as well as skills that formed part of their identity. This diasporic experience is a transitory aspect of life for migrants, but it can also be viewed as resources for the G1 migrants, a resource that instigated an entrepreneurial process, supported the development of their self-employment, eventually leading to the establishment of a family and family business.

In the following section I dig deeper in these stories and narratives to extrapolate their meaning. To this purpose I will develop a taxonomy of values that includes personal, family, and business values. As described in Table 8.2, I have identified a

Table 8.2 Values of the seven family founders and their family business

Personal values	Family values	Business values
Trust	Family unity	Work ethic
Respect	Succession	Loyalty
Responsibility	Membership	Professionalisation
Honesty	Humility	Risk taking
Loyalty		

strong commitment to a set of personal, family, and business values among the G1, values that have created the reputation of the family and of the family business. Each value will be discussed separately. I will refer to the single members of the G1 in no particular order. These values recur in their narratives often not understood or acknowledged by them as such. Through the interpretive work of my research it is possible to give meaning, and allow for sense-making within their narratives.

8.6 Personal Values

Personal values are acknowledged as forming early in life, influenced by the family. They determine the conduct, motivation, and commitment of a person, and are deep-seated and unconscious (Rokeach, 1972).

8.6.1 Trust

Business scholars acknowledge that trust is a source of competitive advantage for family firms. They recognise that it has a significant role in their governance (Carney, 2005; Sundaramurthy, 2008), and that “trust should be of interest to all of those concerned with firm performance” (Steier, 2001, p. 354). Yet little research has been undertaken to understand how trust is maintained and optimised in multigenerational family businesses.

Trust is embedded in social relationships (Granovetter, 1985), and according to Arrow (1971) it “is an important lubricant of a social system. It is extremely efficient; it saves people a lot of trouble to have a fair degree of reliance on someone else’s word” (p. 23). Families are regarded as *high trust* organisations as the members in a family unit share the same common characteristics, such as history, culture, experience, and family rituals. It is a central and vital family value, so that members may collaborate effectively, with “the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control the other party” (Mayer, Davis, & Schoorman, 1995, p. 712). It is an attribute that affects the social relationship between individuals, “implying mutual confidence that no party will exploit another’s vulnerabilities” (Salvato & Melin, 2008, p. 261), and among family members it “often represents a fundamental basis for cooperation” (Steier, 2001, p. 354).

My research identified interpersonal trust as an implicit and fundamental expectation of family members across the three generations studied, crucial at all stages of the development of the family and the family business. Roberto Pizzini, for example, would “close one eye” when partnership and personal issues with his brothers arose, trusting that they would be dealt with justly and fairly, without formal contracts and expensive legal costs. Trust between parents and children, and among siblings, was also paramount in the Piedimonte family. As Sam Piedimonte (G2), son of Giuseppe, commented, “[my parents] always trusted us, and always thought highly of us”. Trust is embedded within the family, it is a common bond that facilitates cooperation, and can be the strength of a family and its business. But trust also assumes making a full commitment to the family and the business, perhaps to the expense of the self. Or it may become an expectation that cannot be lived up to. If the family members do not comply, then too much trust may also be a weakness, allowing problems to set in.

As the family and business spheres overlap largely in family business, personal trust extends from the family unit across into the business sphere, where business relationships “are based on trust and reciprocal patterns of communication and exchange” (Grabher, 1993, p. 13). Trust then sets certain expectations of each family member, but also certain personal limitations. Trust in the family exists only if the family members want to be part of the family. The same applies to the family business. Daniel Genovese (G2) recalled that his father Alfio would formalise trust by a handshake or simply his word: “Dad’s word was a contract and he never ever backed out on his word. Even though he knew he was losing money he would still follow through. That’s one of the principles that he taught us: never to go back on your word” (interview with Alfio Genovese’s son, Daniel).

8.6.2 Honesty, Respect, Responsibility, and Loyalty

Honesty, respect, responsibility, and loyalty are fundamental personal traits, highly valued, deeper-lying expectations within the families studied. Honesty, for example, is “the degree to which family members tell and expect the truth” (Gersick, Davis, McCollom Hampton, & Lansberg, 1997, p. 85), and a high level of honesty supports good family relationships and encourages trust and respect.

Honest and truthful communication, respect and responsibility, build a sense of commitment and loyalty in the family. Closely aligned to the value of trust, interviewees identified loyalty as an important value that helped the family to stay together, and the business to grow. Loyalty to the family culture and family values supports family harmony and family love, which, in turn, support the family business (Gersick et al., 1997, p. 253). Alfredo Pizzini recognised the trust, loyalty, and respect that his father Roberto felt towards his three brothers. This was one of the keys to the success of the Pizzini business.

Quote Box 8.6 Family Relationships

“If I look back into when they (the four brothers) were a partnership . . . mmm . . . it probably reflected the honesty, loyalty, commitment, and following the leader. I think my parents played a big part in that partnership. They were strong in keeping that going. They played a big part in the family relationship with the four brothers” (interview with Roberto’s son, Alfredo Pizzini).

Senior family members expect that their children will respect them and be loyal to them as well as to each other, and in turn parents have the responsibility to look after the needs of all family members, in particular their children. Alfio Genovese is fondly remembered by his family as a man of integrity and practical wisdom. He is remembered as always standing by his word and showing respect and loyalty to all.

Quote Box 8.7 Respect for Others

“Don’t ever commit yourself to anything unless you’re going to carry it out. Don’t ever shake a person’s hand if you don’t mean it”. His greatest saying was one of those Bible sayings “Don’t do onto others what you don’t want them to do to you” His word was a contract, and he never ever backed out on his word. Respect was of the utmost, integrity was of the utmost. . . . You know, he was so honest, highly principled” (interview with Alfio’s son, Daniel Genovese).

Franco Vaccari (G2) remembered his father, Gualtiero, as a moral and just man: “His ethics. He placed his ethics above everything else, you know” (interview with son, Franco Vaccari).

The stories speak of the personal integrity of the G1, their sense of honesty, their responsibility and loyalty to the family and the business. These were the values that the G1 had learnt when they were young, that had guided them through their highs and lows, and by transmitting these to the second generation, they steered the family, and the business, in the direction that they had set. A simple handshake had a particular, long-term meaning that family members recognised and understood. The values of the founders formed the family name and its reputation. It was expected that the family members would accept these values and live by them. Values are reciprocal: accepting to be part of a family and a family business means abiding by these values and sharing them with others. Honesty, respect, responsibility, and loyalty are values that ensure a close interlinked relationship and positive dynamics among family members, and they spill over into the management of the business. The founder thus sets the values of the family and ensures that they apply to the family business (Cappuyns, 2002).

8.7 Family Values

The family is often neglected in research on family business (Dyer, 2003; James, Jennings, & Breitreuz, 2011). Thus, the values of the family in family firms are generally underrated. Ward (2008) has linked the family values to the values of the family business. In this study, the values attributed to the family are a strong sense of family unity and cohesion, a low resistance to succession, the humility and commitment of participation and membership of individuals and successors.

8.7.1 Family Unity

Hofstede's (1980) multinational study revealed that some societies, such as those in the United States and Australia, tend to have individualistic characteristics, while others, such as that in Italy, tend to be more collectivist in that a person's identity is associated to a group.⁹ In the Italian culture, the extended family unit, including grandparents, aunts and uncles, and cousins of first and second degree, is fundamental. It provides one's identity and offers protection and support. Family solidarity and harmony are central to its survival and self-preservation. Migrating from a strong collectivist society to an individualistic society created a void in the lives of the migrants. Gualtiero Vaccari missed his family during his early days in Australia. "Everything seemed to be missing from my life. I would have gone back, but I was too proud. Family bonds were not as strong as in Italy" (Vaccari, in Easdown, 2006, p. 16).

The difficult decision to migrate was usually made for the benefit of the family. The act of migration, however, characteristically undertaken by young males, whether single or already married, left them isolated and lonely, longing for the stability, security, and companionship of a partner and family. Luigi Grollo recalls the new stability he found when he became engaged to his future wife, Emma: "First it was a life of the bush, without a job: cutting timber, making roads, getting a little bit drunk in the pub etcetera. When I found my fiancée I became calm. . . . I learned to live" (Grollo, in Pascoe, 1988, p. 92) and "for the first time he [Luigi Grollo—*note of author*] began to think of himself not as an itinerant individual worker but rather as part of a social and family network" (Pascoe, 1988, p. 107). Sometimes the men left Italy already married, ahead of their family. They worked hard, lived frugally and saved money so they could send for their wives, children, and sometimes relatives, in order to reunite their family as soon as possible.

In the new country, "the family continued to be the focus of their most intense loyalties" (Vecoli, 1964, p. 409), and family cohesion regained its importance. Roberto Pizzini worked and lived for years on a farm together with his three brothers and their families.

⁹ For a full discussion of differences in collectivist and individualistic societies, refer to Hofstede, 1994, pp. 57–78.

Quote Box 8.8 Family Relations

“For my brothers and me, unity made us strong. There were many that started off just like us, that worked hard, like us. But you need to get on . . . one time I’ll close one eye, another time you do, that way we can get along” (interview, Roberto Pizzini).

Regardless of the adversities that life brought in the new country, Roberto Pizzini always aimed to keep his family together, and both Rosa and Roberto are proud that their four grown up children are all close. Over the years, as many of the second generation Italians from rural Victoria moved to Melbourne to study, work, and find other opportunities, their elderly parents were left by themselves, or they decided reluctantly to join their children in the city. For the Pizzinis, their family business has encouraged the three generations to remain on the land. When Roberto’s friends ask them why they still live in King Valley, their immediate answer, with pride, is always: “We love it here. We have our children here. We also have our grandchildren. Why should we leave?” (interview, Roberto Pizzini).

The family is a central unit that combines human as well as financial and material resources that ensure its survival and self-preservation, and provide a strong base to support the establishment of the children’s families. The Italian family includes an extended web of cousins, uncles, in-laws, often working together, sometimes living next door or in the same neighbourhood. It that provides a strong supporting network and supports the preservation of the Italian culture and traditions.

Alfio Genovese, who established a successful coffee producing company in Melbourne, was always driven by his family.

Quote Box 8.9 Family Unity

“He just wanted to take care of his family. That was all he ever wanted to do. He never ever started the business with a view that in four or five years’ time we’d sell it. That never came into it. It was giving a future to his family. . . . I think Dad’s most important attribute was the family. The family unity and strength was always there, especially the traditions of being Sicilian. We would always sit down at the table at night and have a meal together and talk. . . . Dad was a strong person and he gave you that sense of security. That family unity and strength was always there, always there” (interview with Alfio’s son, Daniel Genovese).

This sense of family implies continuity. The founders understood their own entrepreneurial actions as paving the way for the next generation.

8.7.2 Succession

The family business created by the Italian migrants was created specifically for the benefit of the family, in particular the children, who from a young age were encouraged to participate in the business after school, part time, in order to get to know the business that they would eventually inherit. Succession is a lengthy process that begins at home, in the family nest, by inclusion of the next generation from a young age. It establishes an environment of cooperation, loyalty, and trust, and encourages a strong feeling of obligation to maintaining family unity. This culminates in the act of succession generally with little or no resistance from the founder. In this manner the founders would ensure that the next generation had the willingness and the skills to participate in the family business. Embracing or rejecting the family business at the same time meant embracing or rejecting the family expectations.

Roberto Pizzini's children helped out on the tobacco farm after school, often on weekends.

Quote Box 8.10 Working Hard

"To tell the truth, they worked very hard when they were young. From the time we started the farm, they all worked hard. There was no time for holidays. Even after school they would help out. Alfredo would help out the share workers, and they would pay him like a young man, because he was strong. Even Rinaldo, they were both strong. Elena used to work in a shop and then she would help pick the tobacco when the season came, as well as on Sundays, because we used to work on Sundays too" (interview with Roberto Pizzini).

Bruno Grollo and his brother Rino both helped out from a young age in the family business, gaining the necessary skills, knowledge, and experience working with their father over the years, and were able to take over the reins completely with minimum disruption to the business when their father collapsed suddenly in 1968 and was forced to retire completely.

Alfio Genovese involved his son Daniel in the business from the beginning. It became a joint enterprise: "I was heavily involved with my father right from day one in starting this business . . . mmm . . . even prior to the business actually being registered, and the thoughts that went into this business" (interview with son, Daniel Genovese).

In that time, Italian families in Italy were male-dominated, with an emphasis on succession of male children. This pattern tended to continue abroad within the Italian-Australian culture. The G1 in my study began a process designed to train the children from a young age, particularly favouring the sons, to contribute to the family business and to step into a leadership role when the time was right. This helped to relieve the father and mother of much hard work, helped to advance the family financially, occupationally, and materially, and paved the way for succession.

8.7.3 Membership

The stories of the G1 are stories about the close relationship among family members about working hard and “making sacrifices for their children”, and about their motivation and commitment to the family and the business. But they are also stories about what it means to belong to the family and about the expectations of the G1 of their children who should feel a sense of membership and moral duty to both the family and the business. For the Italian migrants, family unity, work, and *sistemazione*¹⁰ (settling in/establishing oneself) of the family members are all intertwined, one driving the other, comprising mutual obligations and responsibilities, with each new generation having responsibilities toward the other family members through respect and trust, and supporting the family business from a young age: “The basis of the family is that you must be united and work hard” (Roberto Pizzini).

The strong, unwavering, and valuable role of the women in these families was recognised by the people interviewed. It is not within the scope of this book to discuss this aspect in depth. It is important, however, to acknowledge the dynamic role that the women (wives, sisters, daughters) have played in the families and the firms examined. In particular, they have made a substantial and caring contribution to the family by providing to their daily material needs and promoting its personal, cultural, and moral values. In addition, they have contributed actively to the business sphere, providing a strong and supportive hand in the establishment and running of the business, usually hidden behind the scenes, almost as an invisible presence (Gillis-Donovan & Moynihan-Bradt, 1990). Interviews conducted with a number of women, partners, and sisters in the family businesses, reveal that they actively work and contribute in both spheres, usually without due recognition and appropriate financial compensation for the benefits of the support and experience that they regularly bring to the family and the business.¹¹ Emma Grollo, Luigi’s wife, is remembered with these words by her son Bruno: “My mother had a unique ability to keep us united. She managed to keep us united right up until the very end ... and sometimes this was not easy ... Of all her merits, this for me was the greatest” (Bruno Grollo, in Giordano & McGregor, 2008, p. 20).

Being a member of a business family inevitably means having a high level of emotional involvement and intense social interactions with other family members. It also means believing in, respecting, and being committed to the values and traditions set by the founder, being willing to contribute to the goals and vision of the family organisation, and accepting the overt and hidden obligations that are conditions of the family membership. This strong sense of membership established

¹⁰ “*Sistemazione* means having a place and a sense of belonging in Australia. It is a sense of citizenship” (Sagazio, in Yule 2004, p. 90).

¹¹ Acknowledgement of these women has been made through the presentation of two papers at international conferences by Hougaz and Betta (2009, 2010) published through conference proceedings.

by the founder is part of the dynamics of the family; it is a value that generates motivation and commitment to both the family and its business.

8.7.4 Humility

The G1 were humble, patient individuals forced to undergo the difficult and degrading process of migration to a distant unknown land due to poor socio-economic conditions or unstable and dangerous political conditions in their homeland. In order to survive through the early years in Australia, they adapted to lowly and tough working conditions and a rough and primitive lifestyle, sometimes working isolated in forests, underground, excavating, cutting timber, breaking stones in quarries.

Quote Box 8.11 *Lonely and Degrading Early Years in Australia*

“I worked like a slave, slave, disinherited, without love, without any affection, nothing. . . . I was young and pulled ahead. I was brave; I was never left ‘begging’ from anyone” (Grollo, in Pascoe, 1988, p. 93).

Jobs were scarce in Melbourne throughout the Depression; Luigi Grollo and his cousin Carlo Zanatta went to search for work in remote country areas across Victoria, often accepting any type of work, including heavy physical labour, working in squads of three or four to 20 or more, often with *compaesani* or other Italians. Luigi Grollo recalls vividly the struggle of his early years:

Stealing chickens and pleading for food in order to survive were humbling experiences for Luigi Grollo. Yet his narration of living in hardship and poverty, mixed with extended times of isolation, also demonstrates his personal strength and determination.

Quote Box 8.12 *Arriving in Australia*

“Here in Australia it was hard, with little work and little money. They were hard those early years, really hard. . . . I decided to work in the forests, in the woods, going from here to there. It was tiring, but I wanted to be able to work. There was little money, but we found the work. . . . From 1928 to 1940 I lived in a tent: [twelve years under canvas, 12 years spent in all sorts of places, always looking for work which, when the depression arrived, became even more rare. In fact I always managed to find work. I always had strength and determination. When one finished you used to set out to look for another one. Sometimes we had to steal chickens, or scrounge food at the Victoria Markets, but we survived]” (Grollo, in Pascoe, 1988, pp. 75–76).

Roberto Pizzini remembers not being able to communicate in English, and how the pain of such a limitation left an indelible mark: “I was frightened by the

language. I didn't know the language . . . I couldn't understand anything at all" (Roberto Pizzini).

The act of migration required courage, and the early years in Australia were harsh and full of disappointments, as the G1 adapted to a new, often rough and primitive life that was so distant from their village life in Italy. However, there are also stories of strength, courage, and determination that have set a good example for family members to follow.

The G1 talk about the difficult challenges that they faced in their new reality; they also point to the importance of unity, closeness, and emotional attachment between family members. These support the family unit and encourage continuing participation of family members in the family and the business and the integration of the next generation, notwithstanding the compromises and obligations that may form part of this process.

This idea of participation has been captured below in what I have called business values. Although this term is not new in the literature, the meaning I assign to it is new as it refers to intangible means by which economic activity becomes possible.

8.8 Business Values

The establishment of a family by the G1 often went hand-in-hand with the creation of a business, and the family business became a productive boundary that integrated the individual migrant and his family. "First generation progenitors tend to be risk takers who are tenacious, strong willed, exceptionally hard working, innovative, goal directed, and determined to succeed" (Kaslow & Kaslow, 1992, p. 313). Unavoidably, "businesses and families are invariably and inextricably interlocking and overlapping" (Rogoff & Heck, 2003, p. 560). Personal and family values therefore play a very important role and make a substantial contribution to the creation and growth of the firm (Aldrich & Cliff, 2003). In addition, other cultural characteristics that I will term the *business values* of the founders, form part of their heritage. These factors contribute to the success of the business by shaping the interpersonal patterns that contribute to positive succession and continuity of the business. The key business values displayed by the G1 were hard work, a high level of cooperation achieved through loyalty, a high appreciation of professional and educational achievements, and the element of risk taking.

8.8.1 Work Ethic

Writing specifically about the Veneti¹² who migrated to Australia, Baldassar stated: "Work was their first priority. Underpinning the working lives of the Veneti, regardless of occupation, time and place, was a very strong work ethic sustained

¹² Veneti are Italians of the Veneto region, situated in north-east Italy.

by the cultural ideal of attaining a successful *sistemazione*” (Baldassar & Pesman, 2005, p. 60).

Castles, Collins, Gibson, Tait, and Alcorso (1991) and Collins (1989) support this view in their studies of Italians in Sydney: “The picture that emerges is one of success through hard work over long hours and family labour” (Collins, 1992, p. 80). This quality came through in all the stories of the G1 in my study, regardless of their region of origin, and it was this value that enabled them to provide for themselves and their families, and prosper.

Some worked long days on the land, from morning to night, including weekends, “never having a break” (Roberto Pizzini). Others worked hard, until their late years: “I could see my father in his eighties still going to work every day” (interview with Franco, son of Gualtiero Vaccari).

Daniel Genovese spoke of his father’s work ethic.

Quote Box 8.13 The Work Ethic of the First Generation

“Dad never stopped. If something needed to be done he would do it, simple as that. My father was not the type of person that would let go easily. He worked till very late in his life. As a matter of fact he never retired. He died at the age of 74. The week before he died, when I took him into hospital, he was still working” (interview with Alfio’s son, Daniel Genovese).

The founders of the family business had a strong commitment to make a success of the business they had established from nothing: they work hard and strive for many years for their family and children, to make it successful and long lasting. A strong work ethic is one of the central characteristics of family business culture, and the example of the founder is expected to be supported and followed by other family members.

Although a strong work ethic is considered a positive value that adds to the competitive advantage of family business, it may also be a disadvantage if the founders persist in holding the reins of the business, even when the next generation is waiting in the wings, ready to take over the business. This issue is closely related to the issue of succession: How and when is it the right time to let the next generation take over the business?

The strong work ethic in family business therefore highlights the double-edged sword of family business. On one hand, the G1 set an example of strong work ethic that encourages other family members, including the subsequent generation, to embrace and follow; on the other hand, it also holds the expectation that the subsequent generation must follow if they want to be part of the family business. These are the boundaries of a family business, clearly delineated by the values and culture set by the founder.

8.8.2 Loyalty

Loyalty has been identified in this research as an individual value, but it also forms part of the culture of the family and extends into the family business, where it is

shared with employees, and is built up within an organisation on a long-term basis, over a period of years. Luigi Grollo greatly relied on the loyalty of his employees for the success of his business over many years, the same employees supporting not only one, but sometimes two generations of family business: “The same 20 foremen stayed with the company throughout the 1960s, 1970s and 1980s” (Grollo, in Pascoe, 1988, p. 121).

Family businesses that build up loyalty and trust among family members tend to share these values with their employees and clients. This is part of the success of the family business. Daniel Genovese, son of Alfio, remembers with appreciation the loyalty that their business suppliers demonstrated toward his father during the early, difficult days of the family business: “The people could have come to pick up their stock, and sold it the next day for a lot more money than what we had paid for it, right? But not one of them came to pick it up. . . . It just shows you how people had built up that sort of trust” (interview with Alfio Genovese’s son, Daniel Genovese).

Loyalty keeps the family employees and clients, closely linked, increasing their moral sense of duty to be involved with both the family and the business.

8.8.3 Professionalisation

In Italian culture, education is perceived to be a major avenue to achievement, success, and wealth, a means to access a higher social and economic standard. This opportunity was denied to the G1 when they were in Italy. The only other path open to them for changing their existence and providing better opportunities for their children was migration (Baldassar & Pesman, 2005). Among the G1, some had only gained full or partial primary school qualifications; others had also received some form of professional education and training. However, their valuable training qualifications were not recognised by the Australian authorities. Therefore jobs that they were able to obtain were largely unskilled, menial, and poorly paid, in addition to little or no knowledge of English. This was a pattern generally referred to as the “southern European occupational ghetto” (Lever-Tracy & Quinlan, 1988) that created a serious lack of opportunities in the workforce.

Don Carrazza (second generation, son of Giuseppe) voiced the limited prospects of the G1.

Quote Box 8.14 Limited Prospects Due to Lack of Education

“Unfortunately, these people [G1] were restricted to how much they could do because of the fact that they couldn’t read or write, in most cases, so that was a real burden. In reality if you want to get into the corporate world, it’s a different ball game. You have to be able to understand balance sheets and you have to be able to understand and read reports and all sorts of things, but that ability wasn’t there without the knowledge of the language or the writing or reading of the language” (interview with Giuseppe’s son, Don Carrazza).

Aware of their limitations, due to lack of formal education and inadequate language skills, the G1 became determined to learn English so as to be able to move beyond of the limited confines of the Italian-speaking community and function effectively in the mainstream community. This demonstrates their sense of entrepreneurial awareness. When Alfio Genovese left Italy, he was fortunate that he had learnt some English during his training in the navy. Upon his arrival in Australia, he persevered: “He got to speak reasonably good English, he could write it, which wasn’t easy for a person who had actually never gone to school, whereas Mum actually taught herself to read and write English” (interview with son, Daniel Genovese).

Gualtiero Vaccari had reached a good level of education before leaving Italy (qualified as an accounting clerk). Upon his arrival in Melbourne, he aimed to advance his professional status by studying at night, after work, rapidly improving his English language skills. This knowledge helped him to become “in less than a decade, an affluent man from profits that were generated from the growing demand for goods of which he was the sole import agent” (Easdown, 2006, p. 33).

Through their stories emerges a G1 who aspired to prestige and mobility and who recognised that education was the avenue for their children to achieve upward occupational and social mobility and that education a good investment for their future (Cronin, 1970, p. 229).

Alfio Genovese wanted his son Daniel to “do something better” than he had achieved.

Quote Box 8.15 Parents’ Expectations

“My parent’s wish was that I would become a professional of some description, like a doctor, or a lawyer. That was always talked about. Preferably a doctor . . . and he died with the wish of having a doctor in the family. But there was no way I was ever going to be a doctor (*laughing*) and that wish was even for my son. When my son was born, my father would come up to him on a regular basis and say “Are you going to be a doctor? Are you going to be a doctor?” (interview with Alfio’s son, Daniel Genovese).

The G1 considered education an important value for the individual, the family, and particularly for the business. The second generation interviewees acknowledged that their parents were willing to make extra sacrifices so that they could gain a higher educational qualification, thus enjoy an increased income, prestige, and social standing and make a more substantial contribution to the family business. This topic is further expanded in the following chapter related to the second generation.

8.8.4 Risk Taking

One of the distinct values displayed by the G1 in this study is courage through risk taking. Risk taking in business is considered a dimension positively and closely associated with proactive and innovative behaviours (McClelland, 1961; Naldi, Nordqvist, Sjoberg, & Wiklund, 2007; Zahra, Hayton, & Salvato, 2004). As outlined previously in this book, the G1 displayed the courage to leave their home country and migrate into the unknown, but also the courage and strength to change from one condition to another. In their original condition, the individuals were familiar with rules and values of their society, and were able to function effectively. In the new society with new rules and values, mostly strange and unfamiliar, they were forced to readjust and rebuild their sense of belonging and status, or forever remain outsiders. This process required the acquisition of new skills, and through proactive and courageous actions, they established competitive new businesses. Migrating to Australia was an act of high risk as they had little or no exact information about the place to which they were travelling. When Luigi Grollo left home at the age of 18 and set out on his long journey, an indelible mark was left on him.

Quote Box 8.16 *The Decision to Leave*

“I thought it would mean nothing to go, but when I left home, on foot, to go to the station at Montebelluna, the more I stopped, the more I said to myself “But I am not coming home any more. Hey, go back. *Now I cannot turn back any more.* . . . Arriving at Genova we waited two days and then took a liner for Australia. It was the *Principe di Udine*, large and tall. I climbed aboard like a sheep. It was 3 July 1928, and I was desperate” (Grollo, in Pascoe, 1988, pp. 41–42).

Arriving at Station Pier after over a month travelling in overcrowded conditions on a ship, Gualtiero Vaccari’s initial excitement soon gave way to the reality of a strange and difficult environment. He “acknowledged that his first impressions of Australia were not good when he first arrived and that if he had not been so proud, he would have returned to Italy straight away” (Easdown, 2006, p. 16). This feeling was shared by all the G1s. The early years were rugged. They all worked hard, working and living in difficult circumstances. Yet they showed a keen sense of determination and will to survive.

The diasporic migration experience of the G1 was a difficult and painful experience determined by uncertainties, risks, and fears, but it can also be viewed as a resource for the G1. Slowly, and with great courage, determination, and patience, in other words, their personal qualities, they rebuilt the resources of their personal life, taking new risky strategic decisions and engaging in new entrepreneurial activities.

References

- Aldrich, H. E., & Cliff, J. E. (2003). The pervasive effects of family on entrepreneurship: Toward a family embeddedness perspective. *Journal of Business Venturing*, 18(5), 573–596.
- Alexakis, E., & Janiszewski, L. (1998). *Greek Australians: Beyond the stereotypes. In their own image*. Alexandria: Hale & Iremonger.
- Arrow, K. J. (1971). *Essays in the theory of risk bearing*. Chicago, IL: Markham.
- Baldassar, L. (1994). Migration as transnational interaction – Italy re-visited. *Conference Proceedings: Italian Towards 2000. The Role of Italian Studies in Australian Universities. Prospects for the Future*. Melbourne: Victoria University of Technology.
- Baldassar, L. (2001). *Visits home: Migration experiences between Italy and Australia*. Melbourne: Melbourne University Press.
- Baldassar, L. (2008). *A brief history of Italians in Western Australia*. Retrieved from [http://www.italianlives.arts.uwa.edu.au/data/page/2905/Italians in WA history.rtf](http://www.italianlives.arts.uwa.edu.au/data/page/2905/Italians%20in%20WA%20history.rtf)
- Baldassar, L., & Pesman, R. (2005). *From paesani to global Italians*. Crawley: University of Western Australia Press.
- Bertelli, L. (1994). The Italo-Australian community. *Proceedings: Italian towards 2000. The role of Italian studies in Australian universities. Prospects for the future* (pp. 32–41). Melbourne: Victoria University of Technology.
- Bivona, A. (1994). Italians in Stanthorpe. *Presenza italiana in Australia*, 1, 25–26.
- Bonacich, E. (1993). The other side of ethnic entrepreneurship: A dialogue with Waldinger, Aldrich, Ward and associates. *International Migration Review*, 27(3), 685–698.
- Borrie, W. D. (1954). *Italians and Germans in Australia: A study of assimilation*. London: Angus & Robertson.
- Bosworth, R. (1988). Post-war Italian immigration. In J. Jupp (Ed.), *The Australian people: An encyclopedia of the nation, its people and their origins*. Sydney: Angus & Robertson.
- Bosworth, R., & Bosworth, M. (1993). *Fremantle's Italy*. Rome: Gruppo Editoriale Internazionale.
- Bosworth, R., & Ugolini, R. (Eds.). (1992). *War, internment and mass migration: The Italo-Australian experience 1940–1990*. Rome: Gruppo Editoriale Internazionale.
- Cappuyns, K. (2002). Family business know-how: Values. *Families in Business*, 1(6), 65.
- Carney, M. (2005). Corporate governance and competitive advantage in family-controlled firms. *Entrepreneurship Theory & Practice*, 29(3), 249–265.
- Castles, S., Alcorso, C., Rando, G., & Vasta, E. (Eds.). (1992). *Australia's Italians: Culture and community in a changing society*. St. Leonard's: Allen & Unwin.
- Castles, S., Collins, J., Gibson, K., Tait, D., & Alcorso, C. (1991). *The global milkbar and the local sweatshop: Ethnic small business and the economic restructuring of Sydney*. Wollongong: Centre for Multicultural Studies for the Office of Multicultural Affairs.
- Chrisman, J. J., Chua, J. H., & Kellermanns, F. W. (2009). Priorities, resource stocks, and performance in family and nonfamily firms. *Entrepreneurship Theory & Practice*, 33(3), 739–760.
- Ciulla, J. B. (1999). The importance of leadership in shaping business values. *Long Range Planning*, 32(2), 166–172.
- Collins, J. (1988). *Migrant hands in a distant land: Australia's post-war immigration*. Sydney: Pluto.
- Collins, J. (1989, August). *The migrant small business sector in Australia* (Working Paper Series No. 2). Sydney: Kuring-gai College of Advanced Education, Centre for Labour Studies.
- Collins, J. (1992). Cappuccino capitalism: Italian immigrants and Australian business. In F. G. Agnelli (Ed.), *Australia's Italians: Culture and community in a changing society* (pp. 73–84). St Leonards: Allen & Unwin.

- Cresciani, G. (1985). *The Italians*. Sydney: Australian Broadcasting Corporation.
- Cronin, C. (1970). *The sting of change. Sicilians in Sicily and Australia*. Chicago: University of Chicago Press.
- Davine, A. (2006). *Vegnimo da Conco ma simo Veneti. A study of settlement of Veneti in Central and West Gippsland 1925–1970*. Melbourne: Italian Australian Institute, La Trobe University.
- Douglass, W. (1994). *From Italy to Ingham: Italians in north Queensland*. St. Lucia: University of Queensland Press.
- Dyer, W. G., Jr. (2003). The family: The missing variable in organisational research. *Entrepreneurship Theory & Practice*, 27(4), 401–416.
- Easdown, G. (2006). *Gualtiero Vaccari: A man of quality*. Melbourne: Wilkinson Publishing.
- Gabaccia, D. R. (1984). *From Sicily to Elizabeth Street. Housing and social change among Italian immigrants, 1880–1930*. Albany: State University of New York Press.
- Gentili, J. (1973). Yesterday's and today's Italians of Australia. *Il Velcro*, 17(2–3), 185–204.
- Gentili, J. (1983). *Italian roots in Australian soil: Italian migration to Western Australia 1829–1946*. Marangaroo, WA: Italo-Australian Welfare Centre.
- Gersick, K., Davis, J. A., McCollom Hampton, M. M., & Lansberg, I. (1997). *Generation to generation: Life cycles of the family business*. Boston, MA: Harvard Business School Press.
- Gillis-Donovan, J., & Moynihan-Bradt, C. (1990). The power of invisible women in the family business. *Family Business Review*, 3(2), 153–167.
- Giordano, V., & McGregor, A. (Eds.). (2008). *Celebrating the 20th anniversary of the Emma Grollo memorial scholarship*. Melbourne: Italian-Australian Institute, La Trobe University.
- Gobbo, J. (1998). The Italian contribution to north-east Victoria. *Journal of the Italian Historical Society*, 1, 13–21.
- Grabher, G. (Ed.). (1993). *The embedded firm: On the socioeconomics of industrial networks*. London: Routledge.
- Granovetter, M. S. (1985). Economic action and social structure: The problem of embeddedness. *American Journal of Sociology*, 91, 481–510.
- Hall, S. (1996). Who needs identity? In S. Hall & P. Du Gay (Eds.), *Questions of cultural identity*. London: Sage.
- Hofstede, G. (1980). *Culture's consequences: International differences in work-related values*. Newbury Park, CA: Sage.
- Hofstede, G. (1994). *Cultures and organisations: Software of the mind. Intercultural cooperation and its importance for survival*. London: Harper Collins.
- Hougaz, L., & Betta, M. (2009). Behind the scenes: The hidden power of women in family businesses. *Proceedings: 23rd Annual Australian and New Zealand Academy of Management (ANZAM) Conference*. Melbourne, Victoria, Australia.
- Hougaz, L., & Betta, M. (2010). Women in family businesses: Perceptions and understanding of entrepreneurship. *Proceedings: 7th International AGSE International Entrepreneurship Research Exchange*. University of the Sunshine Coast, Queensland, Australia.
- Huber, R. (1977). *From pasta to pavlova: A comparative study of Italian settlers in Sydney and Griffith*. St. Lucia: Queensland University Press.
- James, A. E., Jennings, J. E., & Breitreuz, R. S. (2011). Worlds apart? Rebridging the distance between family science and family business research. *Family Business Review*, 20(10), 1–22.
- Jones, F. L. (1962). *The Italian population of Carlton: A demographic and sociological survey*. PhD thesis, Australian National University, Canberra.
- Jupp, J. (2002). *From White Australia to Woomera*. Cambridge: Cambridge University Press.
- Kaslow, F. W., & Kaslow, S. (1992). The family that works together: Special problems in family businesses. In S. Zedeck (Ed.), *Work, families and organisations* (pp. 312–351). San Francisco: Jossey-Bass.

- Lancaster Jones, F. (1964). Italians in Carlton area: The growth of an ethnic concentration. *Australian Journal of Politics and History*, 10, 83–95.
- Lever-Tracy, C., & Quinlan, M. (1988). *A divided working class*. London: Routledge.
- MacDonald, J. S., & MacDonald, L. D. (1964). Chain migration, ethnic neighbourhood formation and social networks. *Milbank Memorial Fund Quarterly*, 42, 82–97.
- Mayer, R. C., Davis, J. H., & Schoorman, F. D. (1995). An integrative model of organisational trust. *Academy of Management Review*, 20, 709–734.
- McClelland, D. C. (1961). *The achieving society*. Princeton, NJ: D. Van Nostrand.
- Naldi, L., Nordqvist, M., Sjöberg, K., & Wiklund, J. (2007). Entrepreneurial orientation, risk taking, and performance in family firms. *Family Business Review*, 20(1), 33–47.
- O'Brien, I. (1989). *Australia's Italians 1788–1988* (2nd ed.). Carlton: Italian Historical Society.
- O'Brien, I. (2000). Rino Grollo. In L. Segafreddo (Ed.), *Veneti d'Australia* (pp. 227–230). Ravenna: Longo Editore.
- Pascoe, R. (1987). *Buongiorno Australia: Our Italian heritage*. Greenhouse, Melbourne, Australia.
- Pascoe, R. (1988). *The recollections of Luigi Grollo*. Northland: Grollo Australia.
- Pascoe, R. (1990). Vaccari, Gualtiero (1894–1978). In *Australian dictionary of biography* (p. 308). Melbourne University Press.
- Pascoe, R. (1992). *We work with Grollo*. Northland: Grollo Australia.
- Pascoe, R. (2000). L'immigrazione italiana, veneta in particolare, in Australia. In L. Segafreddo (Ed.), *Veneti in Australia: Attualità, associazionismo, personalità*. Venezia: Regione del Veneto.
- Pesman, R. (1999). Modern Italian history in Australia. *Journal of Modern Italian Studies*, 4(1), 73–88.
- Peters, N. (1999). *Trading places: Greek, Italian, Dutch and Vietnamese enterprise in Western Australia*. PhD thesis, Department of Anthropology, University of Western Australia, Perth, WA.
- Price, C. A. (1963). *Southern Europeans in Australia*. Melbourne: Oxford University Press.
- Rando, G. (1990). La comunità veneta nell'Illawarra. In Giunta Regionale del Veneto (Ed.), *Presenza, culture, lingua e tradizioni dei Veneti nel mondo*. Venezia: Regione del Veneto.
- Rogoff, E. G., & Heck, R. K. Z. (2003). Evolving research in entrepreneurship and family business: Recognizing family as the oxygen that feeds the fire of entrepreneurship. *Journal of Business Venturing*, 18(5), 559–566.
- Rokeach, M. (1972). *Beliefs, attitudes and values: A theory of organisation and change*. San Francisco, CA: Jossey-Bass.
- Ruzzene Grollo, D. (2004). *Cooper's Creek Gippsland: The Trevisani*. Thornbury: Mure.
- Sagazio, C. (2004). A lasting impact: The Italians. In P. Yule (Ed.), *Carlton: A history* (pp. 73–92). Melbourne: Melbourne University Press.
- Salvato, C., & Melin, L. (2008). Creating value across generations in family-controlled businesses: The role of family social capital. *Family Business Review*, 21(3), 259–276.
- Segafreddo, L. (Ed.). (2005). *Veneti d'Australia*. Ravenna: Longo Editore.
- Sirmon, D. G., & Hitt, M. A. (2003). Managing resources: Linking unique resources, management, and wealth creation in family firms. *Entrepreneurship Theory & Practice*, 27(4), 339–358.
- Steier, L. P. (2001). Family firms, plural forms of governance, and the evolving role of trust. *Family Business Review*, 14(4), 353–367.
- Sundaramurthy, C. (2008). Sustaining trust within family business. *Family Business Review*, 21(1), 89–102.
- Templeton, J. (2003). *From the mountains to the bush. A study of letters of Italian migrants*. Perth: University of Western Australia Press.
- Tobin, D. (2007). *Frank Costa. Family, faith and footy*. Malvern: Killaghy Publishing.

- Vecoli, R. (1964). Contadini in Chicago: A critique of The Uprooted. *The Journal of American History*, 51(3), 404–417.
- Waldinger, R. (1996). *Still the promised city? African-Americans and new immigrants in post-industrial New York*. Cambridge, MA: Harvard University Press.
- Ward, J. L. (2008). Introduction. In J. Tapies & J. L. Ward (Eds.), *Family values and value creation: The fostering of enduring values within family-owned businesses* (pp. 1–8). New York: Palgrave MacMillan.
- Ward, J.L. & Aronoff, C.E. (1991). Trust gives you the advantage, *Nation's Business*, 79(8), 42–45.
- Ware, H. (1981). *A profile of the Italian community in Australia*. Melbourne: Australian Institute of Multicultural Affairs, Citadel Press.
- Zahra, S., Hayton, H., & Salvato, C. (2004). Entrepreneurship in family vs. non-family firms: A resource-based analysis of the effect of organisational culture. *Entrepreneurship Theory & Practice*, 28(4), 363–381.

From a Business for a Family to a Family Business

9

The Second Generation: The Consolidators

The second generation (G2)¹ in this book is a very important generation because it is positioned between the founding generation (G1) and the third generation (G3), and therefore exposed to both migration and integration. To be in the middle requires a special skill in balancing the expectations and ambitions of the G1 and those of the G3. The G2 is a humble, patient, but determined generation. They are the consolidators. It is their role to consolidate and strengthen the business, guaranteeing its continuation, because it is usually at this point that family businesses disintegrate and collapse. As the business grows, the G1 reluctantly hand over the reins to the G2 who have been waiting to play a meaningful part in the continuation of the family firm.

This chapter concentrates on personal aspects related to the intergenerational transfer from the founders of the family businesses to the G2, including some of the G2's reflections about succession to the G3. It explores the commitment of the successors to family business and examines the personal, family, and business values of the G2 members that continue to build on the solid foundation that they have inherited. The G2 demonstrate high levels of enthusiasm and energy, and a great degree of perseverance. These qualities, together with a willingness to take calculated risks, contribute to a successful generational evolution of the family enterprise. The personal cost of their unswerving commitment to the family business, however, is high in terms of time, energy, dedication, and compromises.

¹ Personal data such as date of birth and age of G2 members have been omitted to preserve the participants' privacy.

9.1 The Issue of Continuity

In the extant works on family business, most attention has been on the leader of the business, while other family members have been grouped together as “the family”, even though the roles of the various family members and family generations may differ in their contribution to the founding as well as continuation of new ventures. Issues of leadership, ownership, governance and control, management practices, father-son/daughter relationships, and conflict among family members have dominated over the past 20 years. Although the survival of family firms in subsequent generations is of concern, only a limited number of studies have broadly examined the succession issue, and this aspect continues to be considered as a peripheral aspect of family business issues. And yet succession in family business is an issue that has intrigued family business researchers over the last 40 years as statistics suggest that only 30 % of family businesses survive into the G2, and less than 20 % into the third generation.

A small number of researchers have concentrated on the founder’s role in conveying well-established values to potential successors to encourage a successful succession process (Garcia-Alvarez & López-Sintas, 2006; Ward, 2008b). But how these values are transmitted from generation to generation, and how they have supported the next generation in integrating into the family business, continues to remain inadequately explored. This chapter aim to shed light on this issue, concentrating on how the G2 feel and understand the values that have been passed on to them by the business founders. By G2, I refer to sons/daughters, or close blood relations (nephews/nieces) working in a firm owned by their parent(s) or members of the extended family circle (uncles/aunts).

The members of the G2 included in this study are:

- Domenico (Don) Carrazza
- Francis (Frank) Costa
- Danilo (Daniel) Genovese
- Rino Grollo
- Salvatore (Sam) Piedimonte
- Alfredo Pizzini
- Franco Vaccari.

Through interviews with each individual, as well as a questionnaire and secondary sources, the next section provides a brief profile of the identity of the G2, and more specifically, the motivations and personal experiences that supported them to become a willing and committed participant in the family business, focussing on the multigenerational bonds in the family.

9.2 Profile of the Second Generation: The Bridging Generation

The G2 in these cases are *Italian-Australians*,² children born in Australia of Italian migrants who arrived in Australia sometimes married, but most often as single young men, formed relationships, established families and their own networks, and founded successful businesses. Attempting a description of G2 Italian-Australians is a complex undertaking due to the diversity of definitions and data available. Italian-Australians are generally born in Australia, although the social definition may be extended to include those who were born overseas and who arrived in Australia with their immigrant parents as infants or very young children. They are the children of a community characterised by social and economic mobility,³ with a ratio of land and property ownership well above the national average, as well as a high percentage of small businesses (Borjas, 1992; Price, 1981).

An *Italian-Australian family* may be defined in a variety of ways. It may consist of a whole nuclear family whose members (or some of the members) were born in Italy and migrated, perhaps at different stages, to Australia; or where one partner of Italian origin marries a person of Italian or other origin; or where children of Italian migrants (the G2) form a family in Australia. According to statistics, the Italian-Australian family consists of the *nuclear* family model. However, closely in tune with the Italian culture, the common family model comprises parents and siblings, but also aunts, uncles, cousins, and grandparents—the *extended* family. Italian-Australian families can comprise a number of different socio-cultural, regional, and economic backgrounds, have members who have arrived in Australia at different periods of Australia's history with variations in length and place of residence and family sizes. The composition of the family tends to be more numerous than the average Australian family (61 % of families have at least three children), with 96.6 % of G2 family members living at home (Favero & Tassello, 1978). Their parents have made great sacrifices to provide economic and family security for the G2: their success is evident in the values, aspirations, and educational and professional achievements of the G2 (Favero & Tassello, 1978).

Publications about G2 Italian-Australians are based largely on sociological and anthropological studies (Baldassar, 2000; Bertelli, 1994; Castles, Alcorso, Rando, & Vasta, 1992; Pallotta-Chiarolli, 1999; Pallotta-Chiarolli & Skrbis, 1994; Vasta, 1992, 1994). Although this work attempts to embody the general characteristics of the G2, it also acknowledges that the Italian-Australian identity does not remained

² *Italian-Australians* is a term used interchangeably with Italo-Australians. It refers to Australian-born of one or both Italian-born parents. The term may be extended to Italians who have arrived in Australia at a very young age because culturally and socially they feel an affinity to both countries. In the context of this book, the term *Italian-Australian* will be used.

³ Whereas 80 % of G1 male migrants from Italy who had lived in Australia for less than 10 years worked in the tradesman-processing industry category, only 41 % of Australian-born males of Italian parents followed this trend. Many of them have shifted into the professional and technical categories (Price, 1981, p. 4).

static, but is continually evolving (Baldassar & Skrbis, 1998; Pallotta-Chiarolli & Skrbis, 1994), so may be different in structure, behaviour, and values now from what it was 20 or 30 years ago. Over the years, habits and customs may change, and identifying features of Italianness such as language and gestures may completely disappear (Gans, 1962). The G2 appear to have integrated into the Australian cultural, social, and economic context, its *common core* (Greeley, 1970) and desire to preserve its Italian identity coexist, rather than clash, with an Australian identity. The G2 Italian-Australians do not form an homogeneous group. They possess distinct characteristics, including cultural and social values (*group cultural systems*) that bind them into one identity that has been termed *Italian-Australian* (or *Italo-Australian*). They have at their disposal two or more sets of group values from which to construct their own identities (Alba, 2005) which are “not intrinsically incompatible, and can proceed alongside each other” (Smolicz, 1974, p. 8). Existing research has noted that the numerous disadvantages faced by the migrants of diverse linguistic and cultural backgrounds have been successfully overcome by the G2 (Alba, 2005; Portes & Zhou, 1993) who have gained higher socio-economic status than their overseas-born parents (Portes & Rumbaut, 2001). As a result of a continuing process of widespread acculturation (cultural and linguistic development), fostered by intermarriage and social mobility, the G2 has developed a complex form of *dual identity*, juggling attachments and allegiances (Baldassar & Pesman, 2005; Portes & Rumbaut, 2001).⁴

In general terms, Italian-Australians are relatively well integrated into the Australian socio-political-economic context. They possess varying degrees of Italian language maintenance (Chiro & Smolicz, 1993), and, although language maintenance is generally considered deeply linked to ethnic self-identity, Jayasuriya (1987, p. 28) argues that the degree of language shift may not necessarily indicate a rejection of ethnicity; rather it might be an attempt to redefine it into a symbolic ethnicity (Gans, 1979, pp. 193, 214). The transformation of ethnicity across generations has been acknowledged by Baldassar and Skrbis (1998) who emphasise “the significance of symbolic forms of ethnicity [that] acknowledge individual ascription of ethnic identity despite limited or even no involvement in formal ethnic organisations” (p. 455). The G2 tend to be proud of their Italian heritage and, although they may have married outside the Italian community, have a relatively high level of culture maintenance in their way of life, including strong family values, home language use, food habits, and religious observance (Favero & Tassello, 1986, p. 63). Table 9.1 provides a brief outline of the background of the G2 included in this study.

The G2 in this book include seven men and one woman. They are/have been the leaders (managers/managing directors) of the family businesses. In some cases they are, at the time of writing this book, continuing to act fully in those positions. In

⁴ Baldassar and Pesman (2005) argue that the second and subsequent generations develop multiple identities: “Many young people explain that they are both Italian and Australian and a myriad other identities besides, including Veneto” (p. 170).

Table 9.1 Background data of the second generation

Name	Birthplace and age range	Siblings in family	Education	Italian language competence	Formally joined the firm in	Partner ethnic origin and children
Carrazza Don	Montemurro (Potenza, Basilicata); 60+	2	Began secondary	High	1956	Partner Italian-Australian; 2 sons
Costa Frank	Geelong (Victoria); 60+	4	Began tertiary	Low	1953	Partner Australian; 8 daughters
Genovese Daniel	Randazzo (Catania, Sicily); 60+	3	Completed tertiary	Moderate-High	1970	Partner Italian-Australian; 1 son, 1 daughter
Grollo Rino	Melbourne (Victoria); 60+	2	Completed secondary	Moderate	1965	Partner Italian; 2 sons, 2 daughters
Piedimonte Sam	Montalbano Elicona (Messina, Sicily); 60+	2	Completed secondary	Moderate-High	1958	Partner Italian; 1 son, 2 daughters
Pizzini Alfredo	Rovereto (Trentino Alto Adige); 50+	4	Completed secondary	Moderate-High	1970	Partner Australian; 2 sons, 2 daughters
Vaccari Franco	Melbourne (Victoria); 50+	2	Completed secondary	High	1966	Partner Australian; 1 son, 3 daughters

other cases they have already selected and appointed their successor(s) and are in the process of transferring the leadership to the next generation. The transition may involve some overlap of roles for a limited period of time, during which the G2 gain hands-on experience supported by the G1. The decision about which member of the G2 should take the business reins is often predefined by culture, with primogenitors and males having precedence over other children and females, because of tradition, whether competent or not (Dumas, 1989; Weidenbaum, 1996). “Primogeniture is an arbitrary rule, based on family values about age and gender” (Gersick, Davis, McCollom Hampton, & Lansberg, 1997, p. 79). As in many other cultures, primogeniture is an important determinant used for selecting a business successor and transferring power in Italian business families, even if it leaves other siblings discontented and disadvantaged (Kaye, 1992).

In line with general trends, some of the G2 married outside of their Italian community, others married women of Italian origin who arrived in Australia at a young age. As is common among the G2, there is some degree of assimilation with the host culture. That accounts for some reduction of linguistic and cultural heritage, even though most of the respondents have moderate-high Italian language competence due to frequency of visits to Italy for work-related and personal reasons, as well as using Italian in their family home and within the Italian community in Victoria. The G2 undergo a process of socialisation within the family circle and outside in the wider society. In the case of Italian-Australians there may be a contrast between the cultural traits of the parents and those of the society in which the G2 grow up. This may have an influence on the values and the standards that they will absorb and live by. During the interviews conducted with the G2 in this study, members of that generation were asked to comment on their sense of personal identity. This gave them the opportunity to assess and discuss their own self-perception and their understanding of the origins of their family. When asked whether they considered themselves to be Italian or Australian, they revealed variations in their own self-perception.

Quote Box 9.1 The Dual Identity of the Second Generation

“I suppose if I had to put one tag, Italian-Australian. . . . Italy is where my parents and my wife come from. It’s so important to hang on to your roots” (Rino Grollo).

“You hold close to your heart your roots where you were born. Well, I was born in Italy, so I feel as if I am Italian because of that. But in actual fact I am probably Australian through and through, you know what I mean. . . . But probably deep in my heart I always say ‘I am Italian’” (Alfredo Pizzini).

A dual identity is generally accompanied by dual expectations, one set of expectations within the home, and one outside the home.

Quote Box 9.2 Dual Expectations

“It was very much an Italian upbringing. At home as soon as we walked through the gate my mother would insist that we speak Italian, and likewise my father, and the food was Italian. In those days, in the 1950s and 1960s, the majority of Australians considered Italians . . . mmm . . . with some disdain” (Franco Vaccari).

“It wasn’t easy because the moment you came home you had to revert more to the Italian way of life, because my father was always Italian, even though he was a naturalized Australian, he never forgot his roots, he never forgot his culture, and the moment you walked in the door at night or after school you automatically were Italian. . . . I was educated in an Australian school and most of my friends were Australian, you know, especially in the early days there weren’t a lot of Italians here. . . . It was a different way of life being in an Australian/English culture, compared to an Italian culture, you know, the pie and sauce days, in preference to lovely pastas and sauces that mum used to make” (Daniel Genovese).

Even though their perception of their ethnic identity may differ, all G2’s displayed a strong interest in, and respect for, their family heritage. Most travel regularly to Italy, for work or/and personal reasons, and some have already documented, or are keen to document, their Italian family history. Although Frank Costa strongly perceives himself as an Australian, he is extremely proud of his heritage and maintains it alive for all his numerous family members, including grandchildren, so that they will understand and appreciate their origins and gain a sense of their family heritage.

Quote Box 9.3 Pride in Their heritage

“I go to Italy every year. I go to the island [Sicily] every year. I take my daughters and grandchildren so that they can understand their origins and their heritage, to see where I came from, or where my ancestors came from. . . . I want the grandchildren to understand that we owe a lot to the person that came out here with no money, no language in a lot of cases, and no job, just came here, got off a boat, and “what the hell do we do?” . . . And they started working really hard and created the base, the foundation for us to follow in. . . . I want them to understand that” (Frank Costa).

The interviews with the G2 reveal a strong attachment to their family history and respect towards the customs and values of their parents. The G1 play an important role in shaping the future family business leaders in their own image, passing on their norms, values, and attitudes, which may, to some degree, differ from those of the host society. The G2 absorb and identify with parental core values and attitudes, while at the same time they understand, and adjust to, those of the host society and culture. The next section of this chapter focuses on the reasons why the G2 have joined and continued to remain in the family firm. Furthermore, it will link the motivations and expectations of the potential successors to the family values that socialise them into becoming an active and dedicated participant in the family business.

9.3 Entering the Family Business: Motivations and Expectations of the Second Generation

A fundamental issue in the continuity of the family business relates to the process by which the G2 decide to join the business (Birley, 2002). Past studies have emphasised the strong intergenerational link in business ownership, as the probability of self-employment is markedly higher among the children of self-employed parents (Andersson & Hammarstedt, 2010; Fairlie & Robb, 2007). Much of the work on succession tends to concentrate on the difficulties related to ownership transition, attempting to understand why the founding generation may be reluctant to hand over the business and why the G2 may lack interest and be reluctant successors (Birley, 1986, 2002; Davis & Harveston, 1998; De Massis, Chua, & Chrisman, 2008). There are many reasons for opting not to take part in the family business. Some individuals display a simple lack of interest, others are keen to start their own business, others still are attracted by higher incomes in other employment areas, or they may simply not feel that the business suits them or their skills and talents, and in some circumstances the family membership may be discouraging due to issues in the family (Birley, 1986, 2002; Davis & Harveston, 1998).

Limited work has been conducted concerning what motivates and supports the G2 to become willing and committed participants in the family business (Chrisman, Chua, & Sharma, 1998; Sharma & Irving, 2005). As Aronoff (1998) suggested, the succession process “requires the perspective of a multigenerational time frame and takes place in a constantly changing rich stew of social, cultural, financial, legal, strategic, moral, and other dimensions that resist neat, linear thinking” (p. 181) and researchers acknowledge that research in how business is transferred across generations is still in its infancy (Lansberg, 1999).

This section of the chapter concentrates on the motivations and expectations of the G2 in entering the family business, and focuses on understanding why the next-generation family members may be highly committed and dedicated to their family business. Through the interviews conducted for this research, the G2 have revealed varying perspectives on the issue of continuity in the family business. These case studies make an important contribution to understanding the succession process, in particular the complexities and personal, family, and business dynamics that support continuity between the G1 and G2.

Many early studies of generational transfer of family business presented succession as a one-time event. More recent studies have uncovered the lack of connection between planning the event and successful succession (Aronoff, 1998; Lansberg, 1999; Murray, 2003) and have emphasised the need to view succession as a long-term, continuing process. As the G2 grow up, usually involved, either directly or indirectly, in the business affairs, they accept the business as a family priority, share business knowledge, ideas, and plans, and have internalised the business processes. In the interviews, the G2 recall business issues ruling most aspects of their family life, and forming part of their personal, social, and professional life. They speak about being socialised into the family business at a very early age, often over a meal at the kitchen table, spending the school holidays at the business premises, helping

out, or doing part-time work as they grew up. This phase is referred to as the “personal development phase” (Handler, 1989, p. 98).

Below I present a few excerpts from the interviews with the G2. Through their narratives they describe their sense of belonging to both the family and the business, highlighting how their commitment to the membership of the family business developed over the years. The following two members of the G2 clearly perceive, and discuss, this overlap between family and work.

Quote Box 9.4 The Feeling of Belonging to Both the Family and the Business

“You live and breathe family and business, because you’re around the table, you’re discussing business, you’re talking about everything in general, and it always turns around to “What are we going to do tomorrow?” (Sam Piedimonte).

“I used to go with dad and look at construction works, I listened to what they were doing around the table at dinner time. So all family business was always discussed, and whenever I had spare time I would go with my dad and drive around, and walk, and see what he was doing” (Rino Grollo).

Successful transition to the next generation may occur in a number of different ways: by the initiative of the successor, through their own interest, personal motivation, ambition, or expectation of being a suitable successor; or at the request of the G1 transferor; or a combination of these factors. The G2 explain the reasons for becoming involved in the family business. Daniel Genovese was having a successful career in a big company in Melbourne, but with his mother’s encouragement, he left his job and enthusiastically took on a role in the family business.

Quote Box 9.5 Time to Work for the Family Business

“I had a job which took me to incredible heights, I was very, very happy with the job I had and I achieved a lot in the short time that I was there. And then I left that job simply to come and work for my dad, for nothing, without being given a penny. . . . It was mum that pushed dad. When I got old enough to help him, she said “Well, now it’s time, get your son into the business instead of him working for others”, which I was not going to do anyway, because I was eventually going to do my own business if dad hadn’t done it” (Daniel Genovese).

After spending his early years helping out in his parents’ fruit shop in Geelong, Frank Costa was young and ambitious, believing that he knew the business well and wanted to prove that he could be successful in business, more successful than his father. Frank speaks on different occasions warmly and admirably about his mother, “the strength and driving force of the business” (Tobin, 2007, p. 42), the influential, behind-the-scenes authority figure in the family. As Frank explained, due to her sensitive management of the strained relationship between father and son, he took over part of the family business at the age of 21, with his younger brother Adrian,

which permitted the Costa brothers to achieve an outstanding expansion for the business.

Quote Box 9.6 *The Influential Role of the Mother*

“I had the most wonderful mentor you could possibly ask for in this world, who was my mother. . . . I think that growing up with my mum as my mentor, was probably the luckiest break in my life. She helped to instil in me a strong ambition, a very strong work ethic, a realization that I could achieve absolutely anything I wanted to do if I set my mind to it. My mum was very good [*at business*] and I was particularly influenced by her. . . . Mum was all for me having a go, she knew we had, between Adrian and me, we had the talent. He was a brilliant marketer, my brother, he was a great buyer. . . . Yeah, mum knew that we would be very successful” (Frank Costa).

At times the relationship with the fathers may be characterised by difficulties and tension. As Frank points out, the transmission process is not always smooth and simple. Both Frank Costa and Daniel Genovese recall how the intervening action of their mother was pivotal in keeping them integrated in the family business.

As the interviews reveal, being a member of a family firm includes compromises and obligations. Franco Vaccari explains that his own involvement in the family business stemmed not from an enthusiastic commitment, but from a sense of duty and responsibility, to learn about the business and support his elderly father in order to avoid disappointing him.

Quote Box 9.7 *A Feeling of Obligation*

“I felt a very strong need to join the business. If my father was good enough to provide for me and for my family for the rest of our lives the very least I should do is come back and familiarise myself with the business. My father was my teacher really. . . . But I felt an obligation too, a sense of duty” (Franco Vaccari).

Obligation toward the family and the business permeate the narratives of the G2, highlighting that inextricable net of duty that builds responsibility (Birley, 1986). Rino Grollo recalls that after completing his Leaving Certificate at secondary school, his parents had expectations of him to join them and his older brother, Bruno, already in the business, and contribute with his own professional skills to the administration of the Grollo company: “I joined the family business in 1965, looking after purchasing and accounting and finances. . . . They wanted me to join the family business. I was asked to become involved, and I did, and I enjoyed it and stayed there” (Rino Grollo).

Like Rino Grollo, Alfredo Pizzini perceived becoming part of the family business as inevitable. After working on the family farm after school hours and during school holidays, Alfredo Pizzini took the “natural step”, continuing to work in the family business on a full-time basis.

Quote Box 9.8 A Natural Progression

“I think I was probably always destined to do something like this and be in a position of business leadership. . . . I enjoy the family business a hell of a lot more [*than other type of work*]. It’s one where everyone has got the same values, I suppose, and the same ideas, even though they may do it probably differently” (Alfredo Pizzini).

In recounting their experience of the succession process, the G2 described their own personal adjustment as their involvement and responsibilities in the firm increased. In some cases, the two generations worked alongside each other for a number of years, the older generation (G1) representing authority and experience, and the younger generation (G2) fulfilling obligations and accepting compromises while awaiting to establish their own space and position (Gersick et al., 1997, p. 82). Like Rino Grollo and Daniel Genovese, and for many G2 successors, full transition of management does not occur until the founder becomes ill or passes away.

Quote Box 9.9 Transition When the Founder Dies

“I joined with my father and my brother and my mother and the business grew. There was opportunity to expand the business. . . . Then my father got ill, after 4 or 5 years, so I took over his role, and my brother and I continued to expand the business. My father was ill at the time, and my mother didn’t have much to do with it after that” (Rino Grollo).

“My father was not the type of person that would let go easily. . . . He worked till very late in his life. As a matter of fact he never retired. He died at the age of 74. The week before he died, I took him into hospital and he was still working. Until my father was alive and able to do what I basically do today, my role remained very static” (Daniel Genovese).

Eager to embark on his own career, and ambitious to create his own business, Frank Costa wanted to break away from his father’s paternalistic and rigid approach to the business.

Quote Box 9.10 Confrontations and Compromises

“I said to Dad “I am staying with you until I am 21. When I am 21 either you sell me this business or we are going to start our own business, and Adrian is coming with me”. That caused a hell of a shock to dad and he was really upset, so he came back with a compromise, which I accepted. He said “I’ll sell you 50 % when you are 21. And when Adrian is 21”, he is two years younger than me, “I’ll sell the other 50 %”. So I agreed with that. That’s what happened. And we bought them out and then we really started building the business from that point on.” . . . Well, they always expected me to be a leader, probably because I was the eldest in the family. They always expected me to take over the family business. I think they were a bit surprised, not so much my mother, but my father was, about how quickly I wanted to take over” (Frank Costa).

These memories are personal stories of G2 transitions into the family business. Their involvement and contribution to the family business, and that of other family members, was an expectation perceived by the G1 as vital for the survival of the business. The close collaboration of generations inevitably promotes a sense of responsibility in the G2, but also an obligation that binds family members together, strengthening their commitment to the family and to the business. But their stories are also stories that speak of compromises, obligations, and acceptance, as well as of frustrations, near confrontations, negotiations behind the scenes, and conciliation.

The next part of this chapter explores how family businesses perpetuate individual, family, and business values, which are passed down across generations (Anderson & Reeb, 2003; Zahra, Hayton, & Salvato, 2004), creating the family culture that supports the G2 in participating in the family business, ensuring its continuity. They also support the continuation of the personal values of the individual.

9.4 The Values of the Second Generation

The upbringing that children receive at home is fundamental for a future career in the family firm (Gallo, 2002). The intergenerational transition process and the relationship between family members has been studied by Morris, Williams, Allen, and Avila (1997) who concluded that “the dominant variable . . . appears to be family relationships”, and that “the family business leader’s first priorities should be building trust, encouraging open communications, and fostering shared values among family members” (p. 398). Values are attributed to the founders of the business (Cappuyns, 2002; Tàpies & Ward, 2008) and are transmitted through the family, surviving across generations. Garcia-Alvarez and López-Sintas (2006) and Ward (2008b) have proposed that family value systems play a fundamental role in the succession process, while Santiago (2000, p. 15) maintained that the consistency of values between generations is more important than formal planning in the succession process. Ussmane (1994, pp. 231–232) stated that successors recognise that the business values that their parents taught them helped them when they joined the family firm. Collins and Porras (2000) have argued that it is the strength of the commitment to the values that is important.

The G2 in these cases were asked identical questions to those put to the first and the third generations, with similar objectives: to reflect on their personal values, to identify their expectations of family members in relation to these values, and to provide examples of how these values encouraged and supported them to continue in the family business. Interestingly, the data reveal considerable consistency between the values of the founders (G1) and the G2. I have identified individual, family, and business values that were similar to the G1, values that have built a solid relationship between the family and the business, and across the generations. These family values ensure that the next generation shares the vision and the passion for the family venture. The business values that are imparted, initially through an

Table 9.2 The values of the second generation and their family business

Personal values	Family values	Business values
Trust	Family unity	Work ethic
Responsibility	Succession	Loyalty
Honesty	Membership	Professionalisation
Respect	Humility	Risk taking
Loyalty		

informal but formative process, and later through formal studies and hands-on experience in the firm, ensure that the G2 become professionally prepared and confident for a successful transition. In the following sections I will present the data collected through interviews covering those individual, family, and business values that the G2 identify as pivotal in shaping the culture of the family and the business. Table 9.2 lists these values.

As already noted, three categories of values were identified among the G1: the *personal values* of the individual; values that support the creation and maintenance of the family, termed *family values*; and values important for the successful continuation of the business organisation, termed *business values*. These three systems of values closely intertwine and overlap within the context of the family business. For the sake of consistency, the same three categories of values were used for all three generations in order to ascertain if the values of the founders persist across the generations.

9.5 Personal Values

Values play an important part in family business inasmuch as they help its members to develop an understanding of their role and position which goes beyond individual interests. The G2 incorporate these values in the most compelling way. They articulate and frame the tremendous effort to consolidate, maintain, improve, and prepare the succession within the business. For that reason their values acquire a special value within the family business. In the following section I dwell on these values and recount how they have formed the G2 and their exceptional achievement. However, by saying this I am not suggesting that all went easily and smoothly. In fact, the G2 were the people who had to comply with strict fathers, determined mothers, and the social and cultural pressures that required them to be both Italian and Australian at the same time. They truly acted as a watershed generation who compromised and cooperated. In the following section I elaborate on the four personal values that have emerged from the collected data which have built the foundations of the individuals of the G2.

9.5.1 Trust

Family members in family firms display a high level of mutual trust and honesty (Dyer & Handler, 1994), which are considered to be “intra-family altruism in its purest sense (ie. unselfish concern and devotion to others without expected return for oneself), and clan-based collegiality” (Corbetta & Salvato, 2004, p. 356). These values, passed on by the parents through the family, become embedded within each family member.

Emerging data show how trust promotes a sense of confidence in mutual interdependence, positively associated with successful family firm performance (Eddleston, Kellermanns, & Sarathy, 2008). As Alfredo Pizzini points out, however, trust also means accepting that family members may think and wish to do things in a different way.

Quote Box 9.11 Trust Means Also Accepting Differences

“I think the advantage of the family business is that trust, that upbringing of trust and confidence in each other. . . . I enjoy this business, where everyone has got the same values, even though they may do things differently” (Alfredo Pizzini).

Trust encourages positive relationships among family members who are actively involved in the business, but it also helps to accept differing opinions. This strengthens the family commitment to each other and to the business.

9.5.2 Honesty, Respect, Responsibility, and Loyalty

Trust, together with honesty, respect, responsibility, and loyalty, reflect the family values of the founders, and sets the basis for positive cooperation in G2 family business cultures.

Rino Grollo was taught by his parents “to look after your own family, your wife and kids, respect the elders and be truthful and honest”. He has continued this tradition, teaching his own children the same values: “They’ve also got to be fair and honest, and true.”

From their mother, Frank Costa and Don Carrazza learnt the most important lessons that helped them through life.

Quote Box 9.12 Honesty Above All

“The first one was honesty. Absolute honesty, doesn’t matter what it was” (Frank Costa).

“I think honesty is one of the most important things in life because if you’re not honest. . . . It’s like a robber, soon enough you’ll get caught, and if you’re honest, you don’t have anything to hide. My mother used to always say to me “Be honest and you won’t be concerned about anything, because honesty will sort things out” (Don Carrazza).

Respect for the previous generation and respect for their heritage reveal an understanding and appreciation of the foundations of a family business that the G2 want to continue, make successful, and grow. Family values are reflected in the values of the business: “If you respect and look after your workers, they will respect and look after you. . . . It is more bonding than just money. It’s almost like an extended family” (Rino Grollo).

The G2 consider good moral principles such as trust, respect, honesty, responsibility, and loyalty to be the most important and desirable attributes that help to ensure family harmony and, thus, the continuation of a successful family enterprise. Frank Costa clarifies the overlapping relationship between the personal values, the family values, and the business values, emphasising the inter-reliance of each individual who is part of the family and the business.

Quote Box 9.13 Overlapping Values

“You fight for the family above everything else. Trust, you must have absolute trust in each other, you can’t buy trust, you have to earn that. I have to be trustworthy to you for you to be trustworthy back to me. Loyalty, which comes with trust, is another enormous thing. Those things which I got out of my family, I found are powerful weapons in my business. I’ve been able to keep really good people working for me that other companies have tried to pinch because of the build up of trust that will always live within the organisation. So that’s probably the main things” (Frank Costa).

Having learnt the importance loyalty from their own parents and family, Don Carrazza and Rino Grollo want to pass on this important attribute to their own children.

Quote Box 9.14 Passing on Values

“Loyalty was very important. That’s one of the things that my parents always repeated, and repeated and repeated. Loyalty to all people, all people. They felt that it was important to be honest. Honesty played a big role in their lives, they would never take anybody for a ride you know, they were conscious of that. . . . The most important thing I have always said to my girls is really to be honest, to be loyal, to be respectful, to make sure that they are looking after their family. That is what my parents have taught me and I am trying to pass this on” (Don Carrazza).

“You have to respect the people around you, you have to be loyal to them, and they will give it back to you. You can’t buy respect, you can’t buy loyalty, you can’t buy trust. You learn all those things” (Rino Grollo).

The values learnt in the family shape the orientation of the family business as they are passed on to the next generation, and are one of a multitude of resources that the business family members learn and share.

9.6 Family Values

As children, the G2 were socialised into the family culture and they absorbed the customs and family values as well as the history and the culture of the family venture. Through this long process they were exposed to how their parents dealt with family and business issues and problems over many years. They interacted with the business contact network established by the parents, and were encouraged to follow the footsteps of the G1. Anthropologists have noted that while customs and some external cultural traits disappear relatively quickly across generations, ideas and values tend to be resistant to change (Patterson, 1983).

Through oral traditions, parents convey their personal values and morals, shape the family culture (Pascoe, 1987, p. 188), and indirectly, set the basis for the family business. Daniel Genovese remembers the stories and proverbs that his father regularly narrated which embodied strong messages about correct principles and ethical behaviour that helped to create a strong bond in the family.

Quote Box 9.15 Family Stories Encapsulate Family Values

“Dad taught us “Don’t do unto others what you don’t want them to do to you” and I think that’s a fair lifestyle. From my point of view, you know, it’s not even a life style, it’s more a manner of living. He was a great one for telling us stories and always within the family. He would love to sit around at the dinner table at night, after we had a meal, and talk to us about different situations, and tell us certain principles. . . . Even though the name remains as Genovese & Sons, Genovese Coffee, it’s not me, it’s not my brother, it’s not my son, it’s all of us combined” (Daniel Genovese).

Family values highlight the centrality of the family and, unavoidably, they speak of unity. I dwell on this issue in the following section where I elaborate on four identified family values.

9.6.1 Family Unity

Among the G2 members in family firms, in particular those of Italian heritage, the family emerges as the main element responsible for shaping social, cultural, and moral attitudes (Favero & Tassello, 1986, p. 79). Family dynamics underpin the operation of a family firm, as the family overlaps with the business, including its principles, values, and obligations (Aldrich & Cliff, 2003; Kepner, 1983; Lambert,

1990). As Hoover and Hoover (1999) reiterate, “relationships are at the heart of family business” (p. 1).

Among the G2, family harmony plays a major role in their lives. Wherever they are located physically, family members ensure a strong sense of family unity.

Quote Box 9.16 Supporting the Family Unity

“The family is important, I think the family getting together is important, I think that support for one another in the family, and encouraging one another is important” (Rino Grollo).

Sam Piedimonte and his family in particular, revealed a very high degree of family cohesion, with two generations, and later three generations, living under the same roof, linked by mutual obligations and responsibilities, a high level of respect, and great pride in the family name.

Quote Box 9.17 A High Degree of Family Cohesion

“*Piedimonte* stands for the family that it is first of all, and for the way we’re known in the community. . . . I think we are a very close-knit family, it’s very hard to stick together for fifty years. I suppose it’s the values and the way that we were brought up by mum, because she brought us up to be together. We always had to be together, we always had to work together. . . . When people get married they sort of go their own way. Well, for mum that was not the case, for mum we still had to be together, we had to live together, we had to be together and make her happy. Well, we always did that, and we were lucky enough to find two girls that agreed to it because in today’s day and age, no way would any women have agreed to it. That shows love for their husbands and love for their children, and respect for the family. Dad was the same, he was for the family and being together” (Sam Piedimonte).

Strong family cohesion, which involves a high level of closeness and emotional bonding, provides unconditional mutual support to family members.

Quote Box 9.18 Family Provides Unconditional Support

“A close family meant that you had unbelievably strong support for whatever happened throughout your life, no matter what it was, whether it was the work side whether it was family, sport, whether it was anything outside with other associations, your family was always there to help you and support you. . . . But when I look back, that all came from my mother, so that answers your question “what does family means to me?” It means everything” (Frank Costa).

Throughout the interviews, the G2 emphasised that it was vital, for the good of the family, as well as the business, to maintain a close, healthy relationship among family members.

As Rino Grollo states, a strong allegiance to the family means sharing its sense of purpose, accepting compromises that will safeguard good family relationships in precedence to business issues.

Quote Box 9.19 *Allegiance to Family Comes First*

“I am part of the family. I think the family always came first. When times were tough, you had to work longer hours, it was because of the commitment to the family. It would have been easier to walk away. But once you walk away it’s no longer a family, and no longer a family business. That’s the difference between a family business and an institutional business” (Rino Grollo).

As the data reveal, there was a strong acknowledgement by the G2 males in particular of the vital contribution that their spouses have made over the years in providing support not only to the family, but also to the business. Moral and practical support from spouses and family members helps to reduce family and individual pressures and buffer family-work conflict (Adams, King, & King, 1996), providing family enrichment through a positive spillover (Grzywacz, Almeida, & McDonald, 2002). However, the position of mothers and spouses must not be understood as being based only on emotions and feelings, no matter how important these are. Among the G2 the role of the mothers is essential, especially in helping the children to adapt to their fathers, hardened by migration and a difficult integration, and at the same time to follow their own inclinations. Knowing their children’s strengths, mothers are in a position to guide and assist them in their transition from children into adults.

Alfredo Pizzini acknowledges his wife’s and his mother’s influential role in the business, actively integrating into the business sphere, largely through the family culture and dynamics. They provide emotional, psychological, and personal support, mediating between the wishes and expectations that separate but also unite two generations.

Quote Box 9.20 *The Influential Role and Support of the Woman*

“Originally Dad did everything, basically. Katrina was busy raising the family. But you can’t achieve these results on your own, that’s impossible. . . . Once the kids grew up, Katrina herself started taking over the administration, which then meant that I’d spend more time outside, growing the business. . . . They [*his wife Katrina and mother Rosa*] are strong women, they are strong and they are correct, they are accurate in what they choose to do and how they perform in whatever they are doing. In terms of the business itself, they have a huge, huge strength. They are part of the business, they are helping because one cannot go out, you know, and make a decision without knowing that the people behind you are going to give you their support” (Alfredo Pizzini).

Rino Grollo and his wife Diana have been a very close partnership over the years, both in the family and the business: “Diana owns part of everything, and we

work together. She does her thing and I do my thing, but we work together and always support each other”.

As the family ages and grows in numbers, the relationship between family members becomes more complex (Gimeno Sandig, Labadie, Saris, & Mayordomo, 2006; Ward, 1991, 1997, 2008a). The family structure evolves, and some families develop more flexible and adaptable systems. According to Olson (1988), *family adaptability* is “the ability of . . . a family system to change its power structure, role relationships, and relationship rules in response to situational and development stress” (p. 5).

In the Pizzini family, as the four children have grown, all have maintained an active role, to varying degrees, in the business. This has meant that roles and responsibilities have had to change and be shared, rules needed to be revised at regular intervals, and there has been a constant need for open communication.

Quote Box 9.21 Open Communication Essential for Family Harmony

“We try to meet monthly and if we don’t meet monthly, we meet as a traditional family, we talk about it while we are moving around our commitments. The decisions need to be made for the right reasons and then you maintain the harmony. It’s a family business, they are all part of the business, they are helping, and one cannot go out, and make a decisions without knowing that the people behind are going to give you the support” (Frank Pizzini).

As the family composition changes and grows in numbers, family unity is not always easy to maintain, and a breakdown in family relationships may negatively affect the business, as Don Carrazza points out.

Quote Box 9.22 Continuity Dependent on Family Unity

“The continuity of the family is based around the fact that if the business is successful, it’s only successful because of family unity. You know, a lot of businesses can fail very quickly. You can leave your mark and then, you know, the bigger the man, the easier it is to crumble” (Don Carrazza).

The Costa family business has expanded extremely rapidly and is now a big international company with over 8,000 employees. This has had a major impact on the family members’ roles and relationships. Successfully merging the interests of the family members with the business interests has become a delicate process that may sometimes require difficult decisions.

Quote Box 9.23 Challenge of Keeping Family Unity in a Growing Family Business

“It’s not easy, I’ll tell you right now. See, we employ many thousands of people. So, the ability you need to have at a higher level now has meant that a lot of the family members haven’t been able to attain that, and that gets very difficult when they can only get *this* high and other people are much higher than the family in the business. So there have been casualties, because a lot of them have had to leave for their own self-pride. My goal was always to build a family business that would be run by family members. I don’t know that we’re going to be able to continue doing that if we keep growing this business. You’ve got to get the very best people, no matter who they are. It would be fantastic if they could come out of family, but I don’t know, it’s a bit like if you are the coach in a sporting team, right, you can’t elevate your child, daughter or son, to a position in the team if they are not the best person for it. Because if you do that, you destroy the whole team” (Frank Costa).

In line with the values identified through the G1 (in Chap. 8), family unity continues to be recognised as the most important value for G2, taking precedence over business success. But as the previous excerpt demonstrates, the risks are looming especially as the business grows and the family expands. Succession is a very important issue, and, if neglected or wrongly treated, this issue has the power to disintegrate an entire family business.

9.6.2 Succession

Most G2 in this study were exposed to the family business from a young age, when they learnt and shared their parents’ commitment to making a success of the family business. The commitment of the G2 is now to help the business grow and maintain a successful family business for the third generation of the family to inherit.

Quote Box 9.24 Succession the Key to Family Business Continuity

“Business has been my life. . . . Self-motivation, basically, and the love of succeeding and achieving, and seeing the fruition of things that you do. . . . But having the support from the children is what’s given more strive to doing it, because if you haven’t got the support of your children and the family, then you say “Well, what am I doing it for? Might as well give it up and get rid of it!” And that’s the difference between a family business and any other business” (Sam Piedimonte).

The personal reasons for the G2 to continue to be involved in the business may vary. This may be due to the enthusiasm that one feels for the work and the challenges it brings: “It’s not the money, it’s the satisfaction and pleasure that you get out of life, that’s my satisfaction and pleasure. . . . I can never see myself being 100 % out, I’ll always want to be involved in something” (Sam Piedimonte).

Similar to the attitudes of the founders of the business, the G2 may often be ready to let go, but there is a tendency to be concerned about how the business will

survive. This may increase their reluctance to hand over the leadership completely as they attempt to perpetuate their legacy.

Quote Box 9.25 Considering Succession

“I’ll have my say and I’ve got to be careful because sometimes, because we might be still holding on to things that aren’t relevant today. I am quite happy to let go, it doesn’t bother me too much if they come up with the right ideas that make sense. . . . I don’t have a plan to say “well, I am going to stop working or retire”, because I am not going to retire necessarily. I haven’t put a time on it. I think the business will do that for us” (Alfredo Pizzini).

“There is no way that I’ll be here until I am 74 like my father. . . . I’d like to start winding down now. I am tired, I need to be revitalized. This business is galloping and . . . and whether I want to hold the reigns while it’s galloping, I don’t really feel that I am up to it because of the mental strain that it creates, and I don’t feel that at my age I should have that size of mental strain. Because of the years of long hours and hard work and time that I’ve put into it, I feel that now is the time to be easing off rather than let the business gallop away. . . . But I don’t know whether I would enjoy being totally out of it. I know that I could fill in a lot of my time being out of it, but whether or not that would give me the satisfaction that this business has given me over the years. . . . I still feel that we’ve got a lot to achieve” (Daniel Genovese).

Daniel Genovese is overseeing a clear succession plan for the business that involves long-term strategy, organisation, and governance. He is aware that the preferred succession arrangement may not be acceptable to all members of the family and he is confronting the fundamental dilemma in family business succession: family first or business first.

Quote Box 9.26 Planning for the Future of the Business

“Succession is in that plan, direction is in that plan, planning for the future over periods of five years is in that plan. There is going to be a lot of changes that some people won’t like. But if that’s going to take the business to the next level, I don’t care because I have to be cold hearted about that, you know. I am not running a family business for the sake of glorification of the family. I am running a family business for the glorification of the product and the business, which will continue to grow” (Daniel Genovese).

This statement may appear to suggest that Daniel Genovese is leaning towards business rather than family, but this is only a surface impression. Only someone who is certain of the stability of his own family seems to be able to challenge it from within. Succession in business is always closely related to succession in family. Intergenerational succession is seen as an ongoing process that aims to narrow the experience gaps between generations. The ongoing training and development of the successors from a young age generally ensures a smooth successful transition (Handler, 1992), but there are expectations and compromises to be made by both generations.

Quote Box 9.27 Succession an Ongoing Process

“We are passing onto to children all the time, different degrees depending on their age, and when they are ready, and their maturity. But it’s up to them. As soon as the children are mature enough and when they’ve worked out their families, and where they are going, they should take over” (Rino Grollo).

“Succession will happen and it’s happening, because Joel, my son, is totally responsible for all the winemaking, and he’s progressively taken on a bit more of my role, so they make a lot of business decisions, and they tell me because they like talking about it, but I am pretty confident and comfortable that they will do the right thing” (Alfredo Pizzini).

Frank Costa believes that successful transition involves giving people opportunity to prove themselves.

Quote Box 9.28 Empowering the Successor

“The need to empower people that have got the right skills is terribly important. If somebody has got the ability and the passion and the will, let them go, give them some rope. Let them run. Empower them. Don’t keep sitting on their shoulder. . . If you’ve got good people and you empower them they will run for you they will just keep achieving and going. You can’t do that with the wrong people. You’ve got to have the right people in the right seats. You get them in the right seats” (Frank Costa).

The succession that the G2 in this study is envisaging may be planned, or may not yet be set. This will depend on the family dynamics, on the personality and experience of both the G2 and G3, and on the firm and market contexts (Miller, Steier, & Le Breton-Miller, 2003). The succession patterns discovered in this study differ in terms of process, timing, and effectiveness. However, what they have in common are the expectations and compromises that both generations need to accept in order to preserve the continuation of the family business.

9.6.3 Membership

As the G2 grow up, usually involved either directly or indirectly, in the business affairs, they accept the business as a family priority and take pride in the family business name. The history of the family is often reported on the business website, dedicated to the origins and the founders of the business. This reflects how the family perpetuates across generations, and how closely the family business identifies with the culture and the values of the founder and the founding family. The family business is a family asset that reflects the pride and responsibility of each individual of the owning family. Earlier in this chapter I have presented the motivations and expectations of the G2 in entering the family business. In their

interviews they describe their commitment to the membership of the family and the business, and how the two domains overlap, without clear distinction, as Daniel Genovese recounts.

Quote Box 9.29 *Overlapping Family and Business*

“We lived next door to Mum and Dad. . . . We not only worked together but we basically lived together. It was just a separation by a gate, through the fence. So if dad felt like coming over or we felt like going over, it was easy” (Daniel Genovese).

Family implies protection and solidarity, but also requires tacit and unwavering commitment to its unity and values, and acceptance of its unspoken codes of behaviour and attitudes. The following excerpts highlight some of the conditions that membership of a family business imposes.

Quote Box 9.30 *Commitment to Family Code of Behaviour*

“When dad was alive, there were really no family issues because what dad said would happen. . . . Until my father was alive and able to do basically what I do today, my role remained very static” (Daniel Genovese).

“My parents wanted me to join the family business, they wanted me to get married in the Italian community and be part of the extended family” (Rino Grollo).

“We always had to be together, we always had to work together. . . . Piedimonte stands for the family, and as a family, we’ve got along for over fifty years” (Sam Piedimonte).

Being a member of the family and business means gaining the approval of the family, having a sense of duty, having “the discipline not to undermine” (Alfredo Pizzini). This requires meeting obligations and making compromises. However, in exchange the family offers its unconditional support and the family business—its economic security. This is understood across the generations, from a young age: “It’s a bit like when Charlie (*Alfredo’s grandson*) comes here. He lands on the property and says “It’s mine”, you know what I mean? That’s one of the little hidden treasures, I suppose, that are just bred in you, right through the generations” (Alfredo Pizzini).

The sense of adaptation and compromise reveal the high level of humility that the younger generation had to have in order to deal with a hardened G1. Humility is more than respect as it requires the ability to respect out of love rather than just duty.

Quote Box 9.31 *Compromising for the Sake of Membership*

“Dad was tough, he was very tough. . . . At 3.30 p.m. I was getting married at St Carthages in Royal Parade in Parkville, opposite Melbourne University, and he insisted, he had me working up to the last minute. And I said “But Dad, I am getting married in an hour and a half and I want to go home and get changed”. “No, no, you stay here!” And then I got a flat tyre as I drove. . . I’ll never forget it” (Franco Vaccari).

This last excerpt conveys the level of compromise and patience that G2 displayed in order to remain family.

9.6.4 Humility

In family firms, it is a tacit rule that family interests must overshadow individual interests. This requires a certain degree of humility on the part of all family members but especially the younger generation.

Quote Box 9.32 *The Interests of the Family Paramount*

“The support that you give each other as a family, even the ones who are sometimes a little bit of a “rat bag”. . . . We’ve still got to show respect and trust and try to help them to stay in line. . . . I guess the discipline to trust each other and not to undermine. . . . It has to be one of those ten commandment things in a business, I suppose. And if you can keep that, you will be successful, you will be very successful” (Alfredo Pizzini).

The stories of compromises and adaptation recounted by G2 reveal the high degree of humility that required of the younger generation, mixed with respect for, and perhaps fear of, the first generation. Rather than their individual needs and desires, as a priority they had to accommodate the family needs and the family business requirements. Their individual role was always subsequent to the family and the business. Analysing their discourse, we learn that they accepted with humility their obligations and compromises.

Don Carrazza left school young, aged 15, feeling it was his duty to support the family and the business. Seven months after his arrival, in the middle of the night on 16 July 1956, the riverbank in Mildura flooded, and the Carrazza family lost everything they owned. They were lucky to be alive.

Quote Box 9.33 Helping Out the Family Business from a Young Age

“I saw the expression on my mother’s and my father’s face, of desperation because we had lost everything. I felt guilty going to school. So one day I was coming back from school when I called in at the Grand [*The Grand Hotel, Mildura*] and asked for a job. And the manager said “Yeah, I’ll give you job. You can start on Monday”. . . . So I left school and I started work at the Grand. . . . I am disappointed that I did not continue to study, I did not have a lot of schooling, and I am aware of how much more I could have done if I had been well educated” (Don Carrazza).

These excerpts, fragments of episodes remembered by the G2 during their interviews, demonstrate the sense of humility and absolute and unquestionable support, often at their own personal cost, that they have provided, and continue to provide, to their parents and the family business.

9.7 Business Values

As stated earlier, values help to form the self-understanding of the members of a family business. Usually, by speaking of values people think of personal and family values that form the basis for business. But there is a third group of values that I have identified, that can be classified as business values. They are as important as the personal and the family values because they form the basis of the business and the understanding that the members of the business have about their economic activity. In the following sections I elaborate on four major business values that I have discovered in the G2.

9.7.1 Work Ethic

All G2 in this study displayed the strong work ethic that the G1 taught their children through their own example: “They [*the G1*] believed that hard work results not in high returns but a comfortable life. . . . It was a no-fuss work environment. We had to work” (Franco Vaccari).

Working hard has been part of their life from a young age, but being with their family in the business that they had helped to create and grow, gives them satisfaction and pleasure.

Quote Box 9.34 Hard Work a Source of Satisfaction

“In two words, [*my work ethic*] is just bloody good! I like to say that I go to work, you know what I mean, but it’s not a job. . . . I don’t think hard means anything, personally. What’s hard? We do long hours and we might go through some sacrifices, I suppose. I don’t think it’s hard” (Alfredo Pizzini).

Frank Costa acknowledges that he probably continues to work too hard at this stage of his life, and recognises that he should aim for a more balanced lifestyle.

Quote Box 9.35 Acknowledgement of Need for More Balanced Lifestyle

“My work ethic is very strong, perhaps to the point of being too strong. Probably my biggest failure in life today is that I need to get balance in my life. I reckon everybody should have real balance in their life and for me, to be able to balance my life and my family’s time with my work time and my outside commitments. With the community support that I give, including football, it’s very often earned at the expense of family time, and I owe an awful lot to my wife. She has been an absolute angel for me. And I am still trying hard to get that balance” (Frank Costa).

The G2 recognise their enjoyment and sense of satisfaction in their business achievements, but also acknowledges that family business requires a full commitment and long working hours. A balanced lifestyle may never eventuate, because it means making the difficult decision to opt out of the business that they have created and shaped, and that has been their life.

9.7.2 Loyalty

Research shows that strong cohesive family relationships bring about a high degree of loyalty to family members and to the business, and tend to unite members in times of difficulty (Olson, 1988).

Loyalty underpins the identity and success of the family business, and it contributes to its continuing success.

Quote Box 9.36 Loyalty Fundamental for Success of Business

“Loyalty. Loyalty. We are very loyal to our clients, we are very loyal to our suppliers and we would like the same in return, even though it’s a business, and loyalty is a very close knit thing, sort of like family. We are devastated when we lose a client that we had for a long time, and let me tell you, we don’t lose too many long standing clients, we only lose clients when the businesses change hands . . . We base our business on loyalty. We expect loyalty and we give loyalty. This is why I won’t compromise the [coffee] blends that we make” (Daniel Genovese).

Loyalty in business is as important as loyalty among family members, the business being an extension of the family, one being reliant on the other, as Sam Piedimonte points out: “Loyalty’s got to be very strong, very strong because that’s why we are where we are today. If there would not have been loyalty, no way would we be where we are today”.

Success in the business is thus based on deep relationships, but also on skills. Without skills and formal education no business would survive in the long run.

Loyalty is given but also well received by these Italian-Australian businesses who can display abilities and technical know-how.

9.7.3 Professionalisation

The professionalisation of the G2 ensures that they become prepared, from a young age, for successful integration into the business. This occurs through a number of different processes. From a young age they are encouraged to be informally involved in order to understand and share the business culture, and be efficiently trained. This informal process ensures that they are exposed to professional knowledge and culture. Don Carrazza regrets having been unable to complete his secondary schooling. As a young boy in Italy he had attended boarding school and had won a scholarship that would have supported him in continuing his schooling. However, the linguistic, financial, and other difficulties he encountered upon his arrival in Australia meant that he was unable to continue his formal studies. He remains, however, committed to the importance of a good education, has strongly encouraged his two daughters to continue their studies and obtain higher qualifications, and he actively sponsors the Mildura regional campus of La Trobe University, one of Melbourne's universities.

Quote Box 9.37 Formal Education Opens Doors

"Education to me is the most important thing. I am disappointed that I did not continue to study, I did not have a lot of schooling, and I am aware of how much more I could do if I had been well educated, I would have been able to do more things that others can choose to do" (Don Carrazza).

Having grown up in families where the G1 placed importance on formal education, the G2 have generally demonstrated higher educational and occupational aspirations and achievements than their parental generation, and has entered the work force having attained a higher level, generally having completed secondary school. It is acknowledged that extended levels of education produce attitudinal changes by enhancing and extending knowledge, cognitive and problem-solving skills, and openness to innovation (Fiegener, Brown, Prince, & File, 1994), and are generally linked to upward occupational mobility and increased wealth, which have all contributed to altering the social profile of the G2 (Perlmann & Waldinger, 1997).

Rino Grollo completed the Leaving Certificate (Year 11) at secondary school before he joined the family business. He remains convinced of the importance of a good formal education.

Quote Box 9.38 Education Necessary in a Changing World

“It is very important. I think today everyone needs an education. . . . Times are different. Factories no longer exist in Australia really, and you’ve got to be part of the community, and you have to be intelligent. The world is flat, so everyone can communicate anywhere in the world today. Back in my days it was different” (Rino Grollo).

Both Rino and his wife Diana have encouraged their four children to complete tertiary and post-graduate studies, and over the last 20 years they have made a strong private philanthropic investment in the education and community sectors in Victoria.⁵

In addition to early exposure to the family business and formal educational attainment, the G2 have sometimes gained invaluable competence through experience in another company which has helped them to develop their own identity and prepared them to confront a wide range of problems and real life situations.

Quote Box 9.39 Gaining Experience in Another Business

“What I learnt at Nightingale Chemicals was invaluable, because I was dealing on a world market, and I would never have had that exposure if I hadn’t worked there. I was doing import and export. And what did I get into here? Import. So my father, on the admin side, didn’t have a worry” (Daniel Genovese).

“I did year twelve and then my father did the right thing, which is what I have done with my family. He didn’t want me to work for him. He wanted me to first go and work somewhere else. So I became a pilot and I went to Sydney. My job was to sell aircraft, general aviation. . . . My son, like myself, works for someone else, he has a very good job, travels extensively” (Franco Vaccari).

All G2 recognise the positive impact that their children’s higher level of education has made on the family and the business.

⁵ In 1998 La Trobe University awarded Rino Grollo its highest honour, Doctor of the University (honoris causa), for helping establish their Mt Buller Campus, and in 2007 the Australian Catholic University (ACU) awarded him a subsequent Honorary Doctorate in recognition for his “exemplary balance between business success, devotion to faith and family, charitable giving and community involvement in a career spanning four decades.” More information can be found on the following website: http://www.acu.edu.au/about_acu/news_events/media_releases/media_releases/archived/acu_national_to_award_rino_grollo_with_an_honorary_doctorate/, accessed 12 May 2010.

Quote Box 9.40 The Benefits of Formal Education to the Family Business

“Absolutely, there is no question. They have brought another different level of skills. They’ve got their work ethics because they learnt that before they went to university. They didn’t have to go there to learn that. But I think they had to go to university to learn the other skills, have other opportunities, develop a mental brain that can think outside the square. And you can see it, there are five of them that can be CEOs, in a sense. There is a line of strong, well educated people, in different fields, but each could quite easily pick up a role of leadership within the family business, if that’s where they choose to go. That’s their decision” (Alfredo Pizzini).

“I made sure that both daughters were well educated. They both came back with us as part of the business and they have both been involved in different parts of the business” (Don Carrazza).

Similar to the G1, the G2 share a strong belief that attaining a high standard of education is of particular importance as it provides essential knowledge, technical as well as social skills, and contributes positively to the management of a family business. Formal education, complemented by experience gained inside and outside the family firm, contributes to the professionalisation of family members, and is regarded as one of the important interacting values that support success in the continuation of the family business.

9.7.4 Risk Taking

The G2 were motivated to overtake the success of the G1 and achieve a high level of business success. This involved taking risks.

Quote Box 9.41 Ambition Drives Risk Taking

“They [*Frank and Adrian Costa*] set about turning the old-fashion Geelong fruit and vegetable retail market on its ear. . . . They had taken the first step towards becoming Australia’s largest privately owned fresh fruit and vegetable organisation. . . . To achieve this ambition they knew that they would need to become smarter, more aggressive buyers. . . .” (Tobin, 2007, p. 42).

As the business grows, it undergoes a process of natural development that may eventually make it a very different business from the original one. This development process is shared on the inside by those who have grown up in the business, and often requires them to take risks so that the business will develop successfully. In doing this, they demonstrate some of the personal traits that are considered desirable in business, such as the need for achievement, a sense of creativity, the willingness to take risks, and the confidence to do it (McClelland, 1961; Schumpeter, 1934; Sexton & Bowman, 1983).

The following interview excerpts demonstrate how the G2 were willing to take risks in order to expand the family business, but as a whole the entrepreneurial

elements of the G1 are no longer part of the enterprise. The major issue for the G2 members is to consolidate by expanding and bringing a more finance-based operational thinking into the family business. This is the generation where the entrepreneurial spirit of the first generation becomes more management skills, although undoubtedly creative management skills.

Quote Box 9.42 *The Entrepreneurial Spirit*

“I see opportunities, you look at the need and make a decision. But you are also a risk taker, very much so, you can’t be concerned if you borrow \$200. A lot of people have got ideas but they can’t put them into practice because they won’t take a risk, so you’ve got to be a risk taker. . . . If you’ve got passion, you always see the light at the end of the tunnel, and you have got to know that you are right!” (Don Carrazza).

At the early age of 21, Frank Costa was eager and confident that he would be successful, not only in continuing the family business, but also in transforming it into a new enterprise.

Quote Box 9.43 *Self-Confidence and Ambition Key Motivations*

“I saw a way of building a very good business quickly by doing it differently to what my parents did. They were retailers and I saw a big opportunity for wholesale. . . . And many times I reached a growth situation where my ambitions exceeded my ability” (Frank Costa).

“To just be in the fruit and vegetable industry was never part of my ambition. My ambition was to be the best. Originally, the best retailer in Geelong. Then it was to be the best wholesaler in Geelong. Then it was to be the best in Victoria. Then it was to be the best in Australia. Now I am looking at trying to put the best company together in the world, and I think it can be done” (Frank Costa).

Alfredo Pizzini knew that he needed to do things differently for the business to survive and grow.

Quote Box 9.44 *A Different Mindset*

“Initially it was tobacco, a relatively small business. The tobacco industry really wasn’t doing that well. There was really no future. So what we brought to it was a very different business model, to the way dad would have done it. I think the biggest thing that we did, was that we didn’t classify ourselves as farmers any more. We classified ourselves more as business people, so we started borrowing money on the basis that the land was worth something and that you could borrow money against a tobacco quota. That gave us the opportunity of implementing some new technology for growing tobacco, and one of them was underground irrigation. And we were the pretty much the first in this part of the tobacco industry to put underground irrigation. We didn’t only modernise it, we expanded the business from a \$100,000 to \$3 million business, and from employing just us [*the family*], that is ten people, to employing fifteen, and we’ve employed a lot of people over the years” (Alfredo Pizzini).

Risk taking is often perceived as a challenge that leads to entrepreneurial advantages for the business.

Quote Box 9.45 Passion and Enjoyment in Risk Taking

“As life goes on, as you go from one business to another, from one venture to another venture, to me life is full of excitement. Because for me to live happy, I have to be very busy, my brain can’t stop, because the minute I stop, I wouldn’t know what to do. So if I have fifty things going at once I feel very comfortable. . . . I am driven by passion, and the outcomes, because, what do you get for it? It’s not money that really means the ultimate. For instance I’ve created a precinct of entertainment round the Hotel and my joy is to walk there at night and see hundreds of people all having a good time, and I’m having a good time with them internally because that’s really my achievement” (Don Carrazza).

In their interviews the G2 demonstrate a deep awareness that the family firm must continue to evolve to avoid becoming stale and losing its economic advantage. Risk taking is therefore perceived as an important value and a necessary ability. The personal, family, and business values of the founder continue to support the G2 and contribute to the successful long-term transmission from one generation to the next by creating a strong family environment based on unity, trust, honesty, loyalty, and respect among family members.

References

- Adams, G. A., King, L. A., & King, D. W. (1996). Relationships of jobs and family involvement, family social support, and work-family conflict with job and life satisfaction. *Journal of Applied Psychology, 81*, 411–420.
- Alba, R. (2005). Bright vs. blurred boundaries: Second-generation assimilation and exclusion in France, Germany, and the United States. *Ethnic and Racial Studies, 28*(1), 20–49.
- Aldrich, H. E., & Cliff, J. E. (2003). The pervasive effects of family on entrepreneurship: Toward a family embeddedness perspective. *Journal of Business Venturing, 18*(5), 573–596.
- Anderson, R. C., & Reeb, D. M. (2003). Founding-family ownership and firm performance: Evidence from the S&P 500. *Journal of Finance, 58*, 1301–1328.
- Andersson, L., & Hammarstedt, M. (2010). Intergenerational transmissions in immigrant self-employment: Evidence from three generations. *Small Business Economics, 34*, 261–276.
- Aronoff, C. E. (1998). Megatrends in family business. *Family Business Review, 9*(3), 181–185.
- Baldassar, L. (2000). Gender, ethnicity and transnational citizenship: Italian-Australian experiences. In C. Lange (Ed.), *Being Australian women: Belonging, citizenship and identity*. Perth: University of Western Australia, Studies in Western Australian History.
- Baldassar, L., & Pisman, R. (2005). *From paesani to global Italians*. Crawley: University of Western Australia Press.
- Baldassar, L., & Skrbis, Z. (1998). The second generation and the transmission of culture. *Proceedings: Refashioning sociology: Responses to a new world order, TASA Conference* (pp. 454–459). Brisbane: Queensland University of Technology.
- Bertelli, L. (1994). The Italo-Australian community. *Proceedings: Italian towards 2000. The role of Italian studies in Australian universities. Prospects for the future* (pp. 32–41). Melbourne: Victoria University of Technology.

- Birley, S. (1986). Succession in the family firm: The inheritor's view. *Journal of Small Business Management*, 24, 36–43.
- Birley, S. (2002). Attitudes of owner-managers' children towards family business issues. *Entrepreneurship Theory & Practice*, 26(1), 5–19.
- Borjas, G. (1992). Ethnic capital and intergenerational mobility. *Quarterly Journal of Economics*, 107, 123–150.
- Cappuyns, K. (2002). Family business know-how: Values. *Families in Business*, 1(6), 65.
- Castles, S., Alcorso, C., Rando, G., & Vasta, E. (Eds.). (1992). *Australia's Italians: Culture and community in a changing society*. St. Leonard's: Allen & Unwin.
- Chiro, G., & Smolicz, J. (1993). Is Italian language a core value of Italian culture in Australia? A study of second generation Italian-Australian. *Studi Emigrazione*, 30(110), 311–343.
- Chrisman, J. J., Chua, J. H., & Sharma, P. (1998). Important attributes of successors in family business: An exploratory study. *Family Business Review*, 11(1), 19–34.
- Collins, J. C., & Porras, J. I. (2000). *Built to last: Successful habits of visionary companies*. London: Random House.
- Corbetta, G., & Salvato, C. (2004). Self-serving or self-actualizing? Models of man and agency costs in different types of family firms: A commentary on "Comparing the agency costs of family and non-family firms: Conceptual issues and exploratory evidence". *Entrepreneurship Theory & Practice*, 28(4), 355–362.
- Davis, P., & Harveston, P. D. (1998). The influence of family on business succession process: A multigenerational perspective. *Entrepreneurship Theory & Practice*, 22(3), 31–53.
- De Massis, A., Chua, J. H., & Chrisman, J. J. (2008). Factors preventing intra-family succession. *Family Business Review*, 21(2), 183–199.
- Dumas, C. (1989). Understanding the father-daughter and father-son dyads in family owned business. *Family Business Review*, 2(1), 31–46.
- Dyer, W. G., Jr., & Handler, W. C. (1994). Entrepreneurship and family business: Exploring the connections. *Entrepreneurship Theory & Practice*, 19(1), 71–83.
- Eddleston, K. A., Kellermanns, F. W., & Sarathy, R. (2008). Resource configurations in family firms: Linking resources, strategic planning and technological opportunities to performance. *Journal of Management Studies*, 45(1), 26–50.
- Fairlie, R. W., & Robb, A. (2007). Families, human capital, and small business: Evidence from the characteristics of business owners survey. *Industrial and Labor Relations Review*, 60(2), 225–245.
- Favero, L., & Tassello, G. (1978). La gioventu' italo-inglese. Alcuni risultati di un'inchiesta. *Studi Emigrazione/Études Migrations*, 15(51), 299–324.
- Favero, L., & Tassello, G. (1986). Demographic and social characteristics of the Italian community in Australia and its second generation. In *Espresso, corretto or white?* Melbourne: Catholic Intercultural Resource Centre.
- Fiegner, M. K., Brown, B. M., Prince, R. A., & File, K. M. (1994). A comparison of successor development in family and non-family businesses. *Family Business Review*, 7(4), 313–329.
- Gallo, M. A. (2002). Preparing the next generation: Education. *Families in Business*, 1(6), 62–63.
- Gans, H. J. (1962). *The urban villagers*. Glencoe, IL: Free Press.
- Gans, H. J. (1979). Symbolic ethnicity: The future of ethnic groups and cultures in America. In H. J. Gans, N. Glazer, J. R. Gusford, & C. Jencks (Eds.), *On the making of Americans: Essays in honor of David Riesman*. Pennsylvania: University of Pennsylvania Press.
- García-Alvarez, E., & López-Sintas, J. (2006). Founder-successor's transition: A model of coherent value transmission. In P. Z. Poutziouris, K. X. Smyrnios, & S. B. Klein (Eds.), *The handbook of research on family business*. Northampton, MA: Edward Gale Publishing.
- Gersick, K., Davis, J. A., McCollom Hampton, M. M., & Lansberg, I. (1997). *Generation to generation: Life cycles of the family business*. Boston, MA: Harvard Business School Press.
- Gimeno Sandig, A. G., Labadie, G. J., Saris, W., & Mayordomo, X. M. (2006). Internal factors of family business performance: An integrated theoretical model. In P. Z. Poutziouris, K. X.

- Smyrnios, & S. B. Klein (Eds.), *Handbook of research on family business* (pp. 145–164). Cheltenham: Edward Elgar Publishing.
- Greeley, A. (1970). Ethnicity as an influence on behaviour. In P. I. Rose (Ed.), *The study of society. An integrated anthropology*. New York: Random House.
- Grzywacz, J. G., Almeida, D. M., & McDonald, D. A. (2002). Work-family spillover and daily reports at work and family stress in the adult labor force. *Family Relations*, 62, 336–348.
- Handler, W. C. (1989). *Managing the family firm succession process: The next generation family member's experience*. PhD thesis, Boston University.
- Handler, W. C. (1992). The succession experience of the next generation. *Family Business Review*, 5(3), 283–307.
- Hoover, E. A., & Hoover, C. L. (1999). *Getting along in family business: The relationship intelligence handbook*. London: Routledge.
- Jayasuriya, L. (1987). Immigration policies and ethnic relations in Australia. *Proceedings: Canada 2000 – Race relations*. Ottawa, Canada.
- Kaye, K. (1992). The kid brother. *Family Business Review*, 5(3), 237–256.
- Kepner, E. (1983). The family and the firm: A coevolutionary perspective. *Organisational Dynamics*, 12(1), 57–70.
- Lambert, S. J. (1990). Processes linking work and family: A critical review and research agenda. *Human Relations*, 43, 249–257.
- Lansberg, I. S. (1999). *Succeeding generations: Realising the dream of families in business*. Boston, MA: Harvard Business School Press.
- McClelland, D. C. (1961). *The achieving society*. Princeton, NJ: D. Van Nostrand.
- Miller, D., Steier, L. P., & Le Breton-Miller, I. (2003). Lost in time: Intergenerational succession, change, and failure in family business. *Journal of Business Venturing*, 18(4), 513–531.
- Morris, M. H., Williams, R. O., Allen, J. A., & Avila, R. A. (1997). Correlates of success in family business transitions. *Journal of Business Venturing*, 12(5), 385–401.
- Murray, B. (2003). The succession transition process: A longitudinal perspective. *Family Business Review*, 16(1), 17–33.
- Olson, D. H. (1988). The circumplex model of family systems VIII: Family assessment and intervention. In D. H. Olson, C. S. Russell, & D. H. Sprenkle (Eds.), *Circumplex model: Systemic assessment and treatment of families*. New York: Harworth Press.
- Pallotta-Chiarolli, M. (1999). *Tapestry*. Sydney: Random House.
- Pallotta-Chiarolli, M., & Skrbis, Z. (1994). Authority, compliance and rebellion in second generation cultural minorities. *The Australian and New Zealand Journal of Sociology*, 30(3), 259–272.
- Pascoe, R. (1987). *Buongiorno Australia: Our Italian heritage*. Melbourne: Greenhouse.
- Patterson, M. L. (1983). *Nonverbal behavior: A functional perspective*. New York: Springer.
- Perlmann, J., & Waldinger, R. (1997). Second generation decline? Immigrant children past and present – A reconsideration. *International Migration Review*, 31(4), 891–920.
- Portes, A., & Rumbaut, R. G. (2001). *Legacies: The story of the immigrant second generation*. New York, NY: Sage.
- Portes, A., & Zhou, M. (1993). The new second generation: Segmented assimilation and its variants. *Annals of the American Academy of Political and Social Science*, 530, 74–96.
- Price, C. A. (Ed.). (1981). *Australian immigration: A bibliography and digest* (Supplement No. 4). Canberra: Department of Demography, Australian National University.
- Santiago, A. L. (2000). Succession experiences in Philippine family businesses. *Family Business Review*, 13(1), 15–40.
- Schumpeter, J. A. (1934). *The theory of economic development* (published in German [1912]. First edition in English). Cambridge, MA/London: Harvard University Press/Harvard Economic Studies/Oxford University Press.
- Sexton, D. L., & Bowman, N. B. (1983). Comparative entrepreneurship characteristics of students. In D. L. Sexton & N. B. Bowman (Eds.), *Frontiers of entrepreneurship research*. Wellesley, MA: Babson College.

- Sharma, P., & Irving, P. G. (2005). Four bases of family business successor commitment: Antecedents and consequences. *Entrepreneurship Theory & Practice*, 29(1), 13–34.
- Smolicz, J. J. (1974). *Australia, a multicultural society*. Conference Paper, 20th Annual State Conference of the Good Neighbourhood Council of South Australia (pp. 6–11), University of Adelaide.
- Tàpies, J., & Ward, J. L. (Eds.). (2008). *Family values and value creation: How do family-owned businesses foster enduring values?* New York: Palgrave MacMillan.
- Tobin, D. (2007). *Frank Costa. Family, faith and footy*. Malvern: Killaghy Publishing.
- Ussmane, A. M. (1994). *A transferencia de geracao na direccao das empresas familiares em Portugal*. PhD thesis, Universidade de Beira Interior, Covilha, Portugal.
- Vasta, E. (1992). The second generation. In S. Castles, C. Alcorso, G. Rando, & E. Vasta (Eds.), *Italians: Culture and community in a changing society*. St. Leonards: Allen & Unwin.
- Vasta, E. (1994). Youth and ethnicity: The second generation. *Family Matters*, 38, 21–25.
- Ward, J. L. (1991). *Creating effective boards for private enterprises: Meeting the challenges of continuity and competition*. San Francisco: Jossey-Bass.
- Ward, J. L. (1997). *Keeping the family business healthy: How to plan for continuity, growth, profitability and family leadership*. Marietta, GA: Business Owner Resources.
- Ward, J. L. (2008a). Introduction. In J. Tapies & J. L. Ward (Eds.), *Family values and value creation: The fostering of enduring values within family-owned businesses* (pp. 1–8). New York: Palgrave MacMillan.
- Ward, J. L. (2008b). How values dilemmas underscore the difficult issues of governing the large, enterprising family. In J. Tapies & J. L. Ward (Eds.), *Family values and value creation: The fostering of enduring values within family-owned businesses* (pp. 102–124). New York: Palgrave MacMillan.
- Weidenbaum, M. (1996). The Chinese family business enterprise. *California Management Review*, 38(4), 141–158.
- Zahra, S., Hayton, H., & Salvato, C. (2004). Entrepreneurship in family vs. non-family firms: A resource-based analysis of the effect of organisational culture. *Entrepreneurship Theory & Practice*, 28(4), 363–381.

The Third Generation: The Custodians of a Legacy

The aim of this chapter is to understand the extent of interest of the third-generation (G3) family members in engaging with their family firms and explore their personal motivations for continuing their involvement in the family business, focussing on the family relationships and values that have supported effective intergenerational transmission, thus influencing the longevity of their family firms. As the G3 of the businesses in this book are still relatively young, and therefore their own personal achievements are largely unknown and unrecognised in the public arena, scarce information is available from published reputable secondary sources, including books and business magazines. Thus the main source of information has been through my interviews.

This chapter first introduces the seven individuals who form the G3 in this study from the perspective of their profile, focussing on their identity and sense of Italianness (Alexakis & Janiszewski, 1998; Pascoe, 1992): I dwell on this matter because it shows the ability and will of the G3 to keep alive the connection with the G1 and with their roots. The chapter then investigates their justification for their sustained commitment to the family business, as well as their attitudes and motivations. The subsequent, and main, part discusses aspects of family and business life (values) that are inherent in family firms, have shaped the behaviour of this generation, and have contributed to the continued growth and success of the family business into its G3 and beyond.

10.1 Moving into the Third Generation

Existing studies highlight the importance of an effective succession planning process in order to ensure the continuity and prosperity of a family business (Sharma, Chrisman, & Chua, 2003b; Ward, 1987). As already mentioned, worldwide, only 30 % of family firms pass to the second generation (G2), dropping to less than 20 % in the third generation (G3). The average life-span of a family business is acknowledged to be approximately 24 years, after which the business tends to lose

the fundamental characteristics of a family business (Welles, 1995, cited in Lambrecht, 2005) or declines in performance (Anderson & Reeb, 2003). On the other hand, some studies have revealed that if a family business survives into its G2, the probability of surviving in subsequent generations increases substantially (Greenwald and Associates, 1993), with approximately 50 % of the G2 businesses surviving into the G3, and 70 % of these passing on to the G4. Longevity of a family business into its G3 is therefore considered an important measure of success. By G3, I refer to grandchildren working in a firm founded by their grandparent/s.

Studies in family business recognise that the issue of succession is critical in determining the continuity of the family business organisations (Olson et al., 2003). They also show that most founders want the ownership and management of the family business to remain within the family (Kirby & Lee, 1996), and that an efficient succession planning process is associated with longevity (Sharma, Chrisman, & Chua 2003a; 2003b; Ward, 1987). Family firms owned and managed by a family member who has a long-term vision that includes continuity across generations, need to grapple with financial and management issues on the one hand, and emotional, family, and traditional values on the other (Olson et al., 2003). Maintaining good family relationships, accommodating the numerous issues that arise, and keeping the interests of the family and the business uppermost, are approaches that help to lead to successful intergenerational transitions as well as a positive long-term orientation of the family firm (Lansberg, 1999; Le Breton-Miller & Miller, 2006)

Although multigenerational survival is regarded as an issue of concern, few studies have been conducted on family businesses into the G3 (Strahan & Williams, 1988) and on the specific issue of succession into the G3 or subsequent generations. It is therefore hoped that this book will make an innovative and valuable contribution to this topic and advance the knowledge about multigenerational family business. More precisely, this book will suggest that family values can build the basis for the economic establishment of a family business (G1), its consolidation (G2), and finally its expansion (G3), opening up the possibility for the formation of business dynasties. As discussed with regard to G2, this continuity comes at a price: the G2 has to adapt to the G1 in a compromising, and often humble manner, whereas the price paid by the G3 is more related to the notion of renewal of the family and the business within cultural boundaries. The members of the G3 who participated in this study are:

- Donata Carrazza
- Simon Costa
- Adam Genovese
- Lorenz Grollo
- Joseph Piedimonte
- Joel Pizzini
- Michael Vaccari.

10.2 Profile of the Third Generation: A Dual Identity

At the time of publishing this book, the members of the G3 are characteristically divided in two age groupings: 30–39 and 40–49. All are married, some with a young family. Their current position in the family firm is not the same across all firms. In some cases they are the leader of their firm, acting as managing director or working in some other management position within the firm, while in other firms they are still struggling to define their position. The following table provides background information pertaining to each G3 individual in my study. They are the grandchildren of Italian immigrants who founded the family business. Their parents may have both been born in Australia to Italian born parents, or they may have one parent with no Italian background. Like the G2 in this study, they have become increasingly integrated into mainstream Australian society, although some aspects of their Italian identity are retained partly through cultural traditions and partly through some degree of language maintenance¹ and coexist with their Australian identity (a phenomenon studied by Greeley, 1970). Their sense of genealogical belonging to an Italian ancestry is strong and is reflected in what has been described as Italianness.

Table 10.1 summarises their biographical data.

10.3 Italianness and a Genealogical Sense of Belonging

Studies about the social implications of multigenerational ethnicity have found that ethnic groups change and adapt to new circumstances across a number of generations, modifying the core elements of traditional ethnic culture and developing new forms of identity that are dynamic and interactive (Glazer & Moynihan, 1970; Portes & Rumbaut, 2001, 2005). Accordingly, Vasta argues that “in the early post-war decades there was more homogeneity among young people from non-English-speaking backgrounds (who were primarily from blue-collar families). Today, there is a definite heterogeneity which needs to be taken into account in terms of class, gender and ethnic specificities” (1994, p. 22). Although limited research has been conducted on the persistence of ethnicity after the G2, some studies demonstrate that the G3 have a high degree of integration into the local society and economy (Alba, Logan, Lutz, & Stults, 2002; Perlmann, 2007), pointing to a marked transformation of the ethnic identity of the G3. Considering that in Australia “about two-thirds of second generation males and almost half of females marry outside their ethnic circle” and that a “consistent proportion of children have only the father

¹For the third generation, the language component is not as strong as for the first and second generations. However, through their tertiary qualifications and expanded studies and professional developments this generation has retained a sophisticated knowledge of the Italian culture which they identify with and which is best described in this book as *Italianness*. Italianness, however, does not exclude knowledge of the Italian language, but their degree of linguistic competence is part of a more comprehensive identity.

Table 10.1 Background data of the third generation

Name	Birthplace and age group	Siblings in family	Education	Year entered the firm (officially)	Italianness (cultural competence)	Partner's ethnic origin and offspring
Carrazza Donata	Mildura (Victoria); 40–49	2	Tertiary	1991 (early 20s)	Moderate-High	Italian-Australian; 1 son, 1 daughter
Costa Simon	Geelong (Victoria); 40–49	3	Tertiary and post-graduate	1993 (mid-20s)	High to very high	Italian-Australian; 2 daughters
Genovese Adam	Melbourne (Victoria); 30–39	2	Tertiary and post-graduate	1990 (late teens)	Moderate-High	Australian; 2 sons, 1 daughter
Grollo Lorenz	Melbourne (Victoria); 30–39	4	Tertiary	1998 (mid-20s)	Moderate-High	Italian-Australian; 1 son, 2 daughters
Piedimonte Joseph	Melbourne (Victoria); 40–49	3	Tertiary	1985 (late teens)	Moderate	Italian-Australian; 3 sons
Pizzini Joel	Wangaratta (Victoria); 30–39	4	Tertiary	1998 (early 20s)	Moderate	Australian; 1 son, 1 daughter
Vaccari Michael	Melbourne (Victoria); 30–39	4	Tertiary	Not yet (potential successor)	Moderate	Australian

with Italian origin” (Favero & Tassello, 1986, p. 56), it would be logical to forecast a rapid reduction, or evolution, of the Italian culture competence among the G3.

Thus, constructing the cultural competence of the G3 would involve a “multitude of conditions, settings and experiences, and subsequently produce a multitude of potential outcomes” (Baldassar & Skrbis, 1998, p. 457), conditions such as the background of their ancestors, the demands of their host society and culture, the interaction between generations, and the importance of the family institution. If we accept this view, it we uncover a complex interplay of factors in individuals who appear well integrated into the Australian culture, yet feel an awareness of, or some need to identify with, their Italian background and consciously, and proudly, admit to feeling Italian-Australian, or Australian-Italian, or somewhere in-between the two identities. In this section of the chapter I will dwell on this sense of genealogical belonging and Italianness which represents a value in itself inasmuch as it contributes to creating the conditions of possibility for a successful continuation of the businesses.

Michael Vaccari juggles his blurred identity, swinging between his ethnic and national loyalties.

Quote Box 10.1 A Blurred Identity

“Probably the first thing that comes into mind is that I feel Italian, even though I know I am Australian, yet my mannerisms, everything I do is Australian. But when people ask me that question, for some reason I refer back to being Italian” (Michael Vaccari).

Donata Carrazza’s sense of self-perception has become clearer since she has been able to adopt an identity label with which she feels comfortable.

Quote Box 10.2 A Dual Identity

“As much as I was drawn to Italy [*as a young person*] it was not who I was. It was a part of me, but. . . I feel much more comfortable saying that I am Italian-Australian because I think I get the best of both ends” (Donata Carrazza).

It appears that the G3 continue to develop evolving forms of dual identity (Deux & Ethier, 1998), or double cultural competences (Vasta, 1993, p. 220)—and the ability to act as bridges between cultures (Bottomley, 1992, p. 133). Lorenz Grollo acknowledges that his integration into the Australian culture has been greater than that of his parents’. He feels relaxed with his dual identity and in passing this on to his children.

Quote Box 10.3 Acknowledging Integration and a Dual Identity

“The Italian community is a lot more integrated with the Australian community than other cultures and that, I think, is a positive thing. I think that it’s great to have an Italian connection because we are both Catholic and we both have a passion for Italy and Italian food and Italian culture, and our children are picking up on that” (Lorenz Grollo).

As Joseph Piedimonte stated, the G2 may continue to feel their ethnic differences; by the G3, however, they are more absorbed within the Australian multicultural society.

Quote Box 10.4 Taking Pride in Having Two Cultures

“We’re proud that we’re Australian-Italians. We can speak two different languages and it makes a difference, I think. We’re of Italian background, but Australian, born in Australia but we still feel as though we’ve got a bit of Italian heritage. We have a tie to Italy, with cousins in Italy, so we feel that there is a bit of a tie there” (Joseph Piedimonte).

In their youth, Adam Genovese and Joel Pizzini lived next door to their grandparents, and actively shared their Italian culture in everyday life. Their extended family gatherings provided the platform for the maintenance of the Italian customs that today are the symbols that shape the family members’ Italian identity.

Quote Box 10.5 Self-Identity Linked to First Generation

“I grew up in Melbourne, in East St Kilda. We lived next door to my *nonno* and *nonna*,² which is quite a common thing especially for Italian families but probably not that common in the Australian culture. My mother is not Italian, so most of the time at home we didn’t speak any Italian language. I heard it a lot, with my grandparents living as close as they were. . . . We ate Italian food, we did Italian things with my *nonno* and *nonna* because that was just the culture that we had” (Adam Genovese).

“I don’t know if it was the Italian background, but it was all of the family get together that we would have with all our cousins, you know. We would all go up to *nonno* and *nonna*’s and we’d all get together and have *gnocchi* and *lasagna*, and we’d all play games in the massive vegetable garden, and make tomato puree. . . . We still did a lot of those things in the early days. . . . I’ve been fortunate enough to travel to Italy for work and to work in the wine industry over there and I have learnt to speak and to understand a bit of Italian” (Joel Pizzini).

²The Italian terms *nonno* and *nonna* are the Italian equivalent of grandfather and grandmother, and also imply affection.

By the G3, cultural competence may or may not include some degree of language maintenance³ (Alba et al., 2002; Portes & Rumbaut, 2001), but engagement with the past acquires more than a symbolic meaning. After completing his tertiary studies, Simon Costa decided it was time to explore his Italian connection.

Quote Box 10.6 *Rediscovering the Italian Connection*

“I decided that I wanted to go and live in Italy for a period of time, so I did a twelve week course in Italian language and then I went to live in Milan. I tried to avoid speaking English as much as I could and I came back being able to speak, the only person in my family who could speak Italian. I was the only one. It’s funny, no one in the G2 can. I am the only one in the G3 that can speak the language” (Simon Costa).

Such connection has been strengthened in four cases out of seven in this study through marriage with partners of Italian background, which signals the wish to maintain their shared social and cultural identity. “The families have got similar values, have shared similar experiences” (Joseph Piedimonte).

The other three members of the G3 have married outside the Italian ethnic group, making it more difficult to maintain a close link with their Italian background. Regardless of the partner’s background, however, there appears to be an underlying desire to retain some of their Italian social and cultural values and lifestyles, as Adam Genovese explains.

Quote Box 10.7 *Passing on the Italian Culture to the Fourth Generation*

“Jennifer is not of Italian background, but she loves the Italian culture. We’re probably exposing our children to it more than I was exposed to it actively. My wife says to me “You should sit down with your sons and your daughter and try and teach them a word a day”. We are about to enrol my eldest son in Italian children classes, and before he is 7 or 8, we’d like to spend a block of time in Italy living there, perhaps six or twelve months” (Adam Genovese).

The members of the G3 accept and appreciate their Italian heritage and are proud of the history and achievements of their progenitors, but are also aware that they may be a difficult act to follow. In the following excerpt, Lorenz Grollo links his own identity to the Italian origins of the family business in Australia. He discloses his great admiration for the achievements of his grandfather, Luigi, and his father, Rino; at the same time he is conscious that being a Grollo and continuing the achievements of the family members and the family business is a high expectation.

³ Portes and Rumbaut’s (2001) valuable longitudinal study of school-age children of immigrant background in the US suggests that they tend to succumb easily to the pressure of converting to using the mainstream language.

Quote Box 10.8 Linking with Their Italian Heritage

“My grandfather came out here with nothing, he came off the boat and he lost his bag, and what he’s achieved is amazing. His achievements, in terms of what he created, was legend, both in the Italian community and everywhere. I could never replace or equal what my grandfather did. And I guess the other thing too is that I don’t think I can ever equal what my father has achieved. He and my uncle took the business to a whole new level from my grandfather and created half of Collins Street in Melbourne, and new buildings in Sydney” (Lorenz Grollo).

The sense of genealogical belonging and Italianness is still strong, yet it is blended with cautious considerations about feelings and sentiments that might interfere with the business component of the family business.

10.4 Entering the Family Business

The transition between the G1 and G2 generally occurred when the founder unexpectedly passed away or became too ill to continue with his involvement. At the time of writing this book, the G2 continue to actively work in the position of general manager, chairman, or CEO of the family business, or have gradually lessened their active role and participation and are in a mentoring relationship with the G3 successor (Le Breton-Miller, Miller, & Steier, 2004). They view the succession process as a generational transition, and, as the interviews reveal, they are more focussed on this issue than were the G1. They show concern with strategic planning that will benefit the developmental process of the next generation, thus facilitating an effective generational change of leadership to a trusted successor eager to take over the leadership and management of the family business as it moves into its G3. Studies about succession have been significant through the work of prominent authors (Davis & Harveston, 1999; Handler, 1989, 1994; Lansberg, 1999; Le Breton-Miller et al., 2004; Sharma et al., 2003a), showing consensus on the importance of the process of training or grooming a successor over a lengthy period of time, which gives the next generation time to move “from having ‘no role’ or an undefined role, to helper, manager, and finally leader and chief decision maker” (Dyer & Handler, 1994, p. 77). While bonding with their parent(s) and grandparent(s), the G3 members in this book underwent a period of grooming, receiving early access and informal exposure to the family business, working on a voluntary basis after school, weekends, and school holidays, and picking up, often without realising it, a good working knowledge of how to run a business enterprise.

Quote Box 10.9 Informal Training in the Family Business

“My grandfather used to open the retail shop on Saturday mornings, and from the age of about 5 or 6 years old, I’d jump in the car with him and come to work with him. I’d do some cleaning or pack some coffee. . . . It was never really work, I loved coming here and loved being involved, doing whatever I could. I used to get a five dollar note . . . yeah (*laughing*) . . . and the thing was that I took it seriously” (Adam Genovese).

The young potential successors felt that their contribution was relevant to the success of the enterprise, and they felt part of the family business.

Quote Box 10.10 Contributing to the Family Business from an Early Age

“On weekends and Friday nights, we would come to the supermarket and help our parents. We’d stock the shelves, we’d do all the little things. Coming to work in the business was just something we wanted to do, it was fun and enjoyable and you got to meet different people. So it was an enjoyable time. We weren’t paid, it was all done out of our own good will” (Joseph Piedimonte).

This early preparation produced valuable experience, developed capabilities, and “integrated managerial human capital as a by-product of growing up” (Lentz & Laband, 1990, p. 564). It has created a sense of close attachment to the product, the business, the family and non-family employees, forging an intimate relationship with what the business represents, and strengthening their sense of ownership and commitment (Lambrecht & Donckles, 2006).

The family name evokes a sense of emotion as it represents the sacrifices and achievements of the previous generations and summons up a sense of pride.

Quote Box 10.11 Pride in the Family Business and Family Name

“It’s a pride thing, yeah, coffee’s in our blood, you know, they go on and on about it but it probably *is* in our blood, and that’s what drives the pride. I mean it’s what we know how to do, so let’s do it and do it well, and get it to as many people as we can. . . . Yeah, accolades come, but the real accolade is in seeing our logo when you’re driving down the road . . . and that’s proof that we’re doing what we set out to do” (Adam Genovese).

The intimate relationship with the family business is also based on the knowledge of the sector gained by working outside the family firm for varying lengths of time. Gaining experience by working inside and outside the family business before taking up a senior management position, doing a broad range of jobs, is regarded an important process that builds and reinforces the next generation’s industry knowledge and skills, decision-making abilities, and their sense of a new identity and self-confidence (Barach & Gantisky, 1995). This also provides opportunities to build

credibility and legitimisation which serve to impress both internal employees and external stakeholders of the family business—all characteristics that support family businesses in surviving across generations (Chrisman, Chua, & Sharma, 1998). Ward (1987, p. 60) stated that “gaining experience outside the business is one of the strongest recommendations that can be made for successors. In all our interviews, no one who worked outside their family business regretted doing so. Many who did not wished that they had.” The members of the G3 that I interviewed confirm these findings. For example, Lorenz Grollo is grateful that his parents supported his decision to have time out of the family business before entering it on a formal basis. During this time he was able to develop his own autonomy and purpose, build his own identity, and become reenergised.

Quote Box 10.12 Benefit of Gaining Experience Outside the Family Business

“I have seen a lot of people who were dragged into their family business from day one who have lost the passion for their business and want to go on to do other things and I think at that time, between 17 and 24, it was critical for me to actually take some time to find myself, as opposed to getting straight into the family business. That was a critical time” (Lorenz Grollo).

In Joel Pizzini’s specialised area of wine making and wine development, it was crucial to enrich his experience by working for some time in other, more established, wine producing firms.

Quote Box 10.13 Gaining Experience

“In the first few years I was working with other people and gaining experience. . . . When you have your small family business, there’s no system for me to have learnt all of those skills, so you need to bring some new skills in, you need to open doors that hadn’t already been opened by generations before. For me personally it was great, and for the business” (Joel Pizzini).

At the time of writing this book, Michael Vaccari had been working in an international firm in Melbourne for over ten years. He appreciates this long work experience outside of the family firm for the valuable skills that he has gained.

Quote Box 10.14 Proving One’s Independence

“I didn’t enter the family business because I always wanted to prove my independence. A lot of people had the perception that I would probably automatically go into it. People would say ‘Oh Mick, he will own his dad’s business’, and ‘He’s been given everything’. . . . And I think I rebelled against what people think. I suppose I wanted to prove myself, and dad was against me working for him. Dad was always encouraging me to go off and do my own thing, so it’s probably grown from that.” (Michael Vaccari).

In the interview, Michael talked at length about extending and strengthening his skills, learning about the operations of firms, and identifying new opportunities, but primarily about developing a sense of independence and responsibility.

Participating in the family business as a family member has its challenges. There are no expectations, but many obligations and compromises to be made. At Costa's, for example, some years ago, Frank Costa (G2) put in place a company policy that family members would not be employed directly after completing school. They are encouraged to work in the firm during school and university holidays. However, before entering a permanent position within the company, a family member must have appropriate and relevant qualifications and to have worked at least 5 years for another company, and during that time must have received promotions. This is done to ensure that family members are highly committed and gain the appropriate experience. Simon Costa completed a 5-year mandatory work experience overseas before his uncle Frank persuaded him into joining the family business.

Quote Box 10.15 Encouraged to Join the Family Business

“I was very happy in Milan, building a career in the fashion industry. And when Frank first approached me to join the business, I said ‘No, I am happy in what I am doing’. Six months later he had another go and explained the importance of having the family, of having the next generation coming through, and he expressed admiration in some of the things he had seen in me, so he wanted me to be part of the family business” (Simon Costa).

The family may be a source of positive and priceless support, but may also involve obligations and expectations that prove difficult and complex. When Simon finally, reluctantly agreed to join the family business, he underwent an unexpected, long and strict probation period under Frank's close supervision. This was not quite what Simon had envisaged, or what he felt had been offered to him by his uncle.

Quote Box 10.16 Expectations and Obligations in Joining the Family Business

“At the time Costa had a furniture business, and to get me back from Italy, Frank said ‘Alright, furniture, fashion, they are similar, you've got the seasons and the changes, you can travel and do whatever’ . . . He said, ‘I want you to come back and run our furniture business’. I said ‘Alright, you've got me’. So I came back, and the first morning I was back, he sat me there and said ‘We had a think. For you to ever amount to anything in this company, you've got to put into our core business, that's fruit and veg’. I said ‘Frank, I have no interest in fruit and veg. No, you've got to understand’. Anyway, to cut a long story short, he started me in the retail stores and so I was out at the back of a retail shop chopping pumpkin, sweeping floors . . . I remember it so clearly, it's just so vivid. . . . I was covered in this mess, thinking ‘A week ago I was in Milan at a big fashion shoot, with all those glamorous models and lifestyle, and here I am, filthy in pumpkin. It couldn't get any worse. What have I done!’” (Simon Costa).

This extract shows the impatience of the young, but also the wise planning of the old. Simon relives his sense of disappointment in realising that the road to the top was more difficult than he had anticipated. But rather than turning away from this difficult situation, Simon persevered. He negotiated his responsibility and his relationship with the family, demonstrating a strong emotional and spiritual commitment. Such complex emotional family issues point to the more subtle and fragile aspect of family relationships, which may involve unequal power relationships (Smart, 2007) and broken expectations (Edwards & Gillies, 2005). It seems, therefore, that the sense of humility that so greatly characterises the G2 still persists in the G3 and can have extraordinary consequences. Over the years, the G3 have faced and worked through numberless situations of tension in which they are required to conform and subscribe to particular expectations, thus demonstrating a commitment to strong family solidarity, loyalty, and cooperation. They have come to identify closely with the business, developed a strong sense of loyalty, interdependency, and responsibility to the family organisation, and feel confident in their ability to contribute positively to its growth and expansion. In exchange, they expect to receive the unconditional support of their family.

In the following extracts selected from the interviews, some of the G3 speak of their passion and enjoyment for feeling part of the family business, acknowledging that non-economic goals of family firms positively affect their behaviour (Astrachan & Jaskiewicz, 2008; Zellweger & Astrachan, 2008).

Quote Box 10.17 *Feeling Part of the Family Business*

“[When I was young] it was enjoyable. I enjoyed it, we enjoyed doing what we were doing. . . . I suppose to a certain degree it may have just been a natural step. . . . You became involved in it from an early age and tend to feel part of it, and it was enjoyable.” (Joseph Piedimonte).

“I am actually a lot more comfortable where I sit today, and the fact that I have a passion and that I want to be here.” (Lorenz Grollo).

“Deep down I probably knew that I wanted to be here. But I had to explore other options. I think I always knew that in the back of my mind. I just loved the industry and the business, and the idea of it all” (Adam Genovese).

These interviews provide some important insights about the dynamics behind the G3’s decision to pursue careers in their family-owned business and give a picture of their attitudes and motivations. They show that family business is not always a positive experience. It often involves power relationships, tensions, and sometimes broken expectations that need to be negotiated and compromised. In a family business there is little room for individualization, but there is, instead, strong emphasis on family solidarity and cooperation. In return for the devout commitment of the members, the family offers emotional and financial support and security, a feeling of togetherness, support, and strong intergenerational relations (Zontini, 2010). Such is the enmeshed nature of family business (as Olson, 1988, described

it), in which the two components, the family and the business, are intricately entwined, involving complex levels of obligations and responsibilities.

Even though the family businesses in this study are now larger and more established, and some are even highly structured organisations, it is evident that early exposure to the family business, and integration into the family business in various roles, supported the G3 in developing a strong sense of ownership and pride in, and commitment to, the family-owned business (Andersson, Carlsen, & Getz, 2002). The transfer of the business across generations is viewed as a lifelong continuing process that is supported by a common family business vision and guided by unwavering principles and values.

In this part of the chapter I have highlighted how self-perception and family tension, and the enmeshed nature of the family, business, and the identities that constitute the G3, are important in understanding how and why they continue to participate in the family business. The following section will explore how the family and business values of the G3 act as a moderating factor in supporting the family members to fulfil their responsibilities and obligations, and in providing them with a sense of belonging.

10.5 The Values of the Third Generation

The business families in this study were found to have strong kinship, to endeavour to keep the business within the nuclear family, and to wish to maintain harmonious family relationships. As Aronoff proposed, “The family dimension means that professional management is married to family values, long term perspective, and ownership with a human face” (1998, p. 183). Researching the G1 and G2, I have identified strong family and business values that distinguish family business from other forms of business. Such values are considered fundamental for the continued prosperity of the family firm as well as harmony within the family. These values are long lasting, continue to be maintained across generations, and are perceived by stakeholders, both internal and external, as being an important feature of the culture of the family businesses in my study.

Simon Costa reflected on how the family values permeate the family business.

Quote Box 10.18 Family Values Overlap with Business Values

“Values in our family were always big. Now I spend a lot of time every month developing character and culture in our company, and some time ago we had a program called Character First in the business. . . . It was all about strong faith. We had very strong faith in the family, so there was an expectation on how you would behave and an understanding of family and business values” (Simon Costa).

As for the previous generations (G1 and G2), *personal*, *family*, and *business* values have also shaped the identity and relationships of the G3 successors, impacting on the dynamics of the individual, the family, and the business.

Table 10.2 Values of the third generation and their family business

Personal values	Family values	Business values
Trust	Family unity	Work ethic
Responsibility	Succession	Loyalty
Honesty	Membership	Professionalisation
Respect	Humility	Risk taking
Loyalty		

Table 10.2 captures the values of the G3. The following section will examine these key values and the attitudes of the G3 that have contributed to the longevity and economic growth of the family business firm, supporting the continuation of a sustainable family business.

10.6 Personal Values

As ascertained in this study, the personal values of the founder of the family business have been transmitted to successive generations and underpin the organisational culture of the multigenerational family business.

The following section describes the personal values identified among the G3.

10.6.1 Trust

A trusting relationship between members who work together contributes to a solid relationship and leads to a favourable working atmosphere. It is an implied understanding that family members will act honourably, for the good and success of the family, and the family firm.

Quote Box 10.19 Mutual Trust, the Soul of Family and Business

“Trust, as you know, is extremely important. You need the help of others and you need to trust them as well. This is the soul of family business.” (Joseph Piedimonte)

Trust is understood to be the soul of business. Family businesses tend to be characterised by high levels of trust as they are tightly bonded by a strong sense of unity within the family, as well as in the business, and this is what often differentiates them from non-family businesses.

Trust underpins the transition process. Successors are given trust as well as the opportunities to manage and lead the business. For Simon Costa, a positive and trusting relationship with his uncle and mentor Frank (G2) is his motivational and driving force: “The number one driver for me is Frank’s approval or not letting him down, you know. . . . For me, far more important than financial returns or business growth or whatever, it is the acknowledgement from Frank to say “Well done!” (Simon Costa).

10.6.2 Honesty, Respect, Responsibility, and Loyalty

Together with trust, mutual respect, loyalty, honesty, and responsibility are regarded by the G3 as the fundamental values expected from each member of the family. Interviewees speak of these values in a way that makes it difficult to keep them separate. As I have done for the other two generations, I have grouped these values together because they are interwoven to such an extent in the G3 members' discourse that it is difficult to keep them separate in their narrative.

The interviews highlight the relationship of the individuals with their parents (and uncle, in the case of Simon Costa), based on mutual respect and understanding, as having supported the G3 to make their decision to participate in the family business. Respect for the work and achievements of the previous two generations contributes to building and maintaining positive relationships within a multigenerational family business. Joel Pizzini expressed his great admiration for his grandparents and their legacy.

Quote Box 10.20 Respect for the Founders of the Family Business

“My grandparents have been keeping the family together, they've kept the family together for a long time. . . . And then, one day when they will pass on, mum and dad will have that role, in being the strength of the family. We all have the utmost respect for our grandparents . . . yeah, and even our cousins, they all feel exactly the same way” (Joel Pizzini).

The notion of respect is a driving force that can already extend to the fourth generation. In the interviews, the G3 discuss their obligation to teach and inculcate good values to their young children. This may be seen as a form of control, in good faith, of the next generation.

Quote Box 10.21 Importance of Respect

“That's the sort of thing I'm dealing with everyday with my children at the moment, just general respect for people, and for your own space, your own belongings, not to be nasty, to be a nice person . . . mmm . . . good manners, absolutely good manners. But also in terms of family, to understand where we have come from, what our ancestors, specifically my grandparents, my parents—they are my children's, grandparents, what we have all gone through to get where we are. That's an important thing to understand and remember” (Adam Genovese).

As Simon Costa discusses the importance of honesty in his family, he also addresses the importance of honesty in the business. Both are enmeshed in his perception.

Quote Box 10.22 Importance of Honesty

“Honesty is something that we are very strong on, and attentiveness is something strong in terms of when they [his children] are meeting people, the way in which they interact with people. I talk to them about attentiveness. I talk to them about determination and not giving up on things. I talk to them about flexibility, another good one, to understand that it’s not always going to go the way you want it to go, it’s just ability to adapt and adjust” (Simon Costa).

Lorenz Grollo recalls learning the importance of honesty, integrity, and responsibility from his own parents. His father also taught him how these family values extend to the family business. Once again, the family values are perceived as being enmeshed with the business values.

Quote Box 10.23 Continuity of Values in the Family and the Business

“My father has always been generous and very honest, and that has certainly flowed through in terms of our culture and who I am and who I want my employees to be in the market place, and that is to uphold a degree of integrity. If you can’t do it, tell people you can’t do it, but always give it your best shot. And always be open and honest, and if you’ve done wrong, tell someone you’ve done wrong. Let them know, don’t try to hide it. And I certainly tried to make sure to the people that I’ve hired in this organisation that they should have their own integrity, straight and honest, and be respectful and tolerant of other people” (Lorenz Grollo).

For Donata Carrazza, loyalty among family members needs to be unconditional. Loyalty helps to overcome different individual opinions, to keep focussed on the common goal of the family and the family business, and keep the family united.

Quote Box 10.24 Importance of Loyalty

“Oh, loyalty is everything. It’s everything and it’s tough, because if it’s your family involved, and you don’t quite see eye to eye with one member of the family . . . The loyalty factor is important in that, at a high level, as a family we are all of the same heart, we are all doing the same thing, and we stay focused on that” (Donata Carrazza).

As all G3 observed, these values, fundamental to the development of a strong family culture, are also central to the formation of the business culture.

Strong personal values such as trust, loyalty, honesty, respect, and responsibility strengthen family relationships and maintain harmony among family members thus reducing problems associated with possible conflict. In the above excerpts it is clear also that these values promote a positive individual commitment not only to the family but also to the business, both spheres being closely enmeshed in the minds of the family members.

10.7 Family Values

The family is the microcosm in which the personal and the family group's dynamics and bonds develop and change over the years. Family members tend to share strong family values (Triandis, 1995), interpreted by Yang as "a set of values, and their associated attitudes, beliefs, and behavioural norms that are family dominated in the sense that people holding these values adopt family as the basic social unit" (1988, p. 97). Hence, positive family dynamics are considered to be vital to the survival of the family business. The interviews conducted in this study across three generations of family business reveal that the individuals not only enjoy a strong relationship with their parents, but also with their siblings, who are also accommodated, if they so desire, within the management of the family business (Handler, 1990). This reflects their belief that family members will feel obliged to protect family interests and provide unconditional support to the family members and business (Freeberg & Stein, 1996). The following section outlines those shared values that are considered by the G3 as the most important in sustaining both the family and the business, and "are at the core of long-term ownership unity" (Ward, 2008, p. 3).

10.7.1 Family Unity

During the interviews, the G3 once again reemphasised the importance of family unity and cooperation that was so highly regarded by the G1 and G2. They stressed the importance of a high degree of commitment to, and positive and harmonious relationships among, family members. Family togetherness and strong intergenerational relations with parents and extended family members provides emotional bonding, and this is regarded as an essential value to be maintained.

Quote Box 10.25 Togetherness Creates Unity

"We all love being together as much as we can. Because my sisters have children, bringing all of our families together sometimes is not that easy for everyone to coordinate the get togethers. That's definitely a focus, to try and keep the relations going and to keep that close knit togetherness. . . . Values, they're definitely related to family and friendships, friendships between the family members. . . . Family, food and friends. That probably sums it up" (Joel Pizzini).

As the family has grown and multiplied over the generations, it is enmeshed in a complex web of relationships that extends to distant relatives. Spending time together inside and outside the business, particularly through formal and informal family rituals, creates closeness, promotes commitment, trust, and reciprocity, and reduces levels of conflict.

Since he was a child, Joseph Piedimonte has always lived together with his extended family, and continues now to experience a high level of enmeshed family

cohesion. He explains that, for him, family unity is stronger than any need for independence.

Quote Box 10.26 Complex Enmeshing of Family Relationships

“Originally we all lived in one house, so my mother’s uncle and grandparents all lived together, and as the family grew, the family purchased three separate homes in the same street, next to one another, demolished them and built three new homes next to each other. I thought that was great. I enjoyed it immensely. It’s an opportunity to grow up with your cousins. You’d normally not have that bond or that closeness, but we’re all close to one another. I think that the family must always stay together. There was a saying that my grandmother had that ‘unity is strength’ and that was one thing that we’ve always respected. . . . You know, the family must stick together through the good and through the bad. In the end the family will always need to always stay together to be successful. The family is always important, because you always go back to your family in the end, so the family must always stick together” (Joseph Piedimonte).

Donata Carrazza points out that family members provide unconditional physical and emotional support to each family member and influence the attitudes and behaviours of family members working in the family business.

Quote Box 10.27 Family Unity Provides Support Across Generations

“I would say we are a close-knit family. . . . There is a real sense that my dad looks after us, all the time and he is very much the protector or the provider of the whole family . . . and he sees himself in that role. He takes that responsibility. While we are all separate, Dad’s in our business every day helping us with things. He is so wonderful and generous in that way. Dad’s one of those people that nothing for him is a hassle, absolutely nothing. . . . We love to have our weekly gatherings, our family meals” (Donata Carrazza).

Joel Pizzini also has a particularly close and supportive rapport with his father: “Dad’s my father, but he’s also a very close friend, so there’s that sort of relationship. Keeping those relationships between us is important” (Joel Pizzini).

Given that Simon Costa’s parents both died tragically when he was a young boy, he now has a close emotional and bonding relationship with his uncle Frank (G2). Although this rapport is supportive and reassuring, it also demands his full commitment to the family business.

Quote Box 10.28 Family Unity Requires Obligations

“I always had a great relationship with Frank. In many ways he has been my father, the father figure, growing up. . . . So, coming into the business, knowing that he was confident, he felt that it was important that I was in the business, that meant a lot to me. I was not going to let Frank down” (Simon Costa).

As the excerpts show, multigenerational family business is an intricate, enmeshed, and interconnected system with numerous complex levels of relationships, responsibility, and loyalty across generations.

Quote Box 10.29 *The Business Looks After the Family Needs*

“Part of what I am doing now is for my wife and me, and for my family, for the future. . . . I want to build the business up and up, so that both my wife and I have something that I, along with family, have helped to create, but it’s also creating something for my children, in giving them an opportunity to do whatever it is they want to do, similarly to what my parents have given to me. Equally my parents can retire comfortably and know that there is someone else other than my father who is there day to day and living and breathing their family business and making sure that they are comfortable, that they can go away in peace knowing that things are in hand” (Lorenz Grollo).

Due to familial distance (the relationship distance between family members) and the variety and number of relationships across generations, the leader of a multigenerational family business may have a difficult task in working with the differing expectations and needs of each family member. Joel Pizzini dwells on some of the issues that arise as the family grows and expands.

Quote Box 10.30 *The Complexities of the Multigenerational Family*

“We’re still very much an old family business because they’ve been doing it for 30 years, but in terms of the next generation, it is divided by four. It was easy when the next generation was divided by two, but now it’s divided by four and your business is a lot more multi-faceted, there’s a lot more heads coming together with different ideas. And so we’re just starting to enter into that sort of phase of the business. You know, we’ve all got quite big personalities and when we’re together . . . but Natalie’s living away, and Carlo’s living away, so we’re not always at each other all the time” (Joel Pizzini).

Studies show that closely knit families tend to share consensus and understanding, and that by being involved or collaborating to some extent in the business, they will work together for the well-being of the family and the business (Bandura, 1986), thus avoiding the danger of family conflict (Davis & Harveston, 2001; Ward & Aronoff 1994). Donata Carrazza believes that a common goal and vision can bind the family together.

Quote Box 10.31 A Common Goal and Vision

“I’ve seen other family businesses, and I think the thing about family businesses when they work is that you’ve got this terrible strength, you’ve got this fortitude that you can’t find in other businesses, because even if there are fallouts or there are problems, you can seek out those strengths and make it work and you sort of come together and there is more heart there too, because it’s your . . . it’s your baby, it’s part of the family. . . . I think that they can be flawed too, especially in our case when, earlier on there were more of us involved, and we looked upon things differently. So that can be problematic. . . . So you may have a different vision, it’s hard to bring that together. But if in the family business everyone has a role, they stick to the role, they know what they are good at, they know how to deal with it, then I think it’s a great template for a successful business. I really do” (Donata Carrazza).

In the interviews, the G3 reveal a perceptive understanding of the complexities related to the vital role of family unity within a multigenerational context. They display a strong awareness that closeness and cooperation contribute to positive interpersonal relationships within the family unit, and that these, together with a high degree of mutual trust, loyalty, respect, and honesty, are powerful influences in sustaining a successful family business, thus protecting it from the dangers of conflict and possible failure.

10.7.2 Succession

At the time of writing this book, the G3 were at various stages of succession. As mentioned earlier, as part of his professional development Michael Vaccari is working in another organisation prior to entering the family business. This experience, he feels, has given him an important different perspective.

Quote Box 10.32 Work Experience in a Different Organisation Before Entering Family Business

“If I had gone into Dad’s business straight away, it would have been different. When it’s your own business you don’t have that reality, I suppose, of having to work for someone else, you know. I think it’s important, when you have to work for someone else, that you work hard, because if you make a mistake you probably would get sacked. If you are working for your family it would not be a big thing. . . . And there are also other people’s perceptions, like my friends, who would say ‘Mick’s working for someone else, not for his dad’. You feel you have done something independent, like you’ve been successful on your own” (Michael Vaccari).

Some potential successors such as Joel Pizzini, Adam Genovese, and Joseph Piedimonte are waiting patiently for their turn to move into a more prominent position in the family firm.

Quote Box 10.33 *Waiting Patiently*

“Family succession has been talked about for the last . . . seven years. So it’s something that we all have behind the back of our minds. I think it is beginning to occur now. I think they’re both [*Sam and Mel Piedimonte—G2*] looking at what the plan may be in the future and giving us more responsibility and they’re wanting to take a step back. . . . I think that it will happen in the next in the next couple of years, it will start to happen. I feel that it’s natural, it’s something that needs to happen and . . . mmm . . . it’s healthy for the business for that to happen” (Joseph Piedimonte).

In other instances, the G2 have transferred part of the family business to the G3 but still keep an active presence in the business. Donata Carrazza owns and manages Stefano’s Cafe Bakery, but her father Don supports her, teaches her, often negotiating and interacting on her behalf. Lorenz Grollo and Simon Costa are already leading their family business as CEO or managing director, their predecessors (G2) still remaining in contact with the firm.

Quote Box 10.34 *The Ongoing Process of Succession: Taking Over from the G2*

“I used to meet with my father every morning at 6.30–6.45 at our Thornbury office until about five or six months ago. Then he stopped coming in, and I guess that was the critical turning point for me, understanding that I am almost on my own here. . . . Every morning when he used to come in, we talked through a list of things, and I’d say ‘Dad this is what I am doing today, I am meeting with the banks, I am meeting with this group’, whatever it might be. We’d have an informal chat over coffee first thing in the morning, talk through the papers, talk about day-to-day issues. When he stopped coming in, that, I think, was a critical point in terms of him starting to take his hands off the wheel and me getting more involved” (Lorenz Grollo).

“I have worked very hard to make sure that Frank (Costa) doesn’t go away, that he stays in the business. I value his counselling enormously. We communicate a lot with him. At different times he’s had to be more present or less, and that’s one of the fantastic things that I have, that he makes himself so available. If I need him for an important meeting he is there and he knows that he doesn’t intrude. . . . Frank is the chairman, he is still an active chairman. He is part of the monthly Board meetings, he will ring regularly, he’ll call in here and I will meet him at least once a week. . . . He wants to be in the business” (Simon Costa).

The Costa Group is a very large and successful international family business, and Frank Costa (G2) was keen to select the best person to lead the business in order to ensure its continued success. Although Simon Costa (G3) was strongly encouraged to enter the family business, Frank made it clear that there would be no preferential treatment simply because he was family.

Quote Box 10.35 Nepotism Discouraged

“When Frank first approached me to join the business, I said ‘No, I am happy in what I am doing’ . . . Six months later he had another go and explained the importance of the family, of having the next generation coming through, and he expressed admiration in some of the things he had seen in me, so that he wanted me to be part of it. So I agreed, but I had a very rude awakening right from the start when he just said ‘I need you to understand . . . As you are going through, if there is a job available, and if there is a family member or a non family member going for it, and you are about equal in ability, every time I will give it to the non family member, I will not give it to a family member.’ Family members had a strong disadvantage, unless they were clearly the better option. He said “The only way we will keep good people and attract good people is if they know that there is no nepotism. Doesn’t matter what they do, little Charlie or little Mary is not, you know, not taking a senior position in the company” (Simon Costa).

Simon accepted the conditions imposed by his uncle, and went through a long, rigorous, and formal selection process for the appointment of the new CEO.

Quote Box 10.36 Formal Selection Process

“Frank had an opinion about who he thought the CEO successor should be. But he was very careful not to just jump to any appointment. So he ran an internal and an external search. He had an external company running it. There were three internal applicants and some external applicants. It was an eight month process and there was a lot of interviews. They did the full range of analytical testing, the whole thing. To cut a long story short, I was selected and then we had a ceremony, a process that we called ‘the passing of the baton’ . . . But then the transition happened more quickly than he thought it was going to happen” (Simon Costa).

In most other family businesses in this study, the transition has been more gradual and more informal. From a young age, Adam Genovese helped out in the business part time while still studying. As the business grew, he gradually became more involved, filling various roles along the way and experiencing every aspect of the business.

Quote Box 10.37 Informal Succession Planning: Gradual Increasing Involvement

“I got involved in the roasting and the blending of the coffee, and all the while the business was growing, so I went out and started doing sales deliveries on the road five days a week. That made it possible for my dad to come in and handle more of the management side of it, whilst my grandfather was alive. When my grandfather died, my dad just had taken over the management full time. We then started to employ more people, and once it hit a certain mark, my dad couldn’t do it all on his own, so I’m now in the office four days a week. . . . I have basically taken on the role of business development. So whilst doing all of those other things that I have just mentioned, my biggest role now is finding new ways to grow the business” (Adam Genovese).

As family businesses grow sometimes more quickly than expected, they need to come to terms with the fact that a more formalised ongoing organisational strategic plan needs to be implemented. At the time of writing this book, the Genovese family is in the process of discussing the introduction of a more formal strategic planning process. In the Pizzini family business, a succession plan has not been openly discussed, but there is an awareness of the need for this to happen.

Quote Box 10.38 Formal Succession Planning in Multigenerational Family Business

“The succession planning was happening without it really being thought about. . . . And now, well, we need to think about it, talk about it. . . . Dad’s thinking that he might retire soon, but at the moment there’s no formal plan. It can get messy if you start to say ‘Well, who’s going to do this? who’s going to do that?’.. Then people get their noses out of joint, you know. . . . You know, the business can run with at least one of us here, so it’s just a matter of surrounding ourselves with good people” (Adam Genovese).

“Ahh, a succession plan . . . I think that’s something that we need to work on soon. Perhaps some sort of basic outline. . . . It’s for the next generation coming in. . . . And if a member of the family wants to perhaps go down a different path, then we need to have something already nussed out. . . . So, that’s, yeah, work in progress” (Joel Pizzini).

As is evident from the interviews, the G3 are more focussed on the succession process as a generational transition. They are also aware that the growing family business, which by its G3 has a multitude of family members involved, each with their own young family, requires some level of strategic planning which will benefit the management of the business and ensure its continued success.

10.7.3 Membership

The G3 engage closely with the family business. They take pride in associating with the family name and the reputation of the firm, feel an obligation to continue in, and to develop, the business, and have a sense of duty and obligation to their family and the business. Underlying their attitudes and motivations is a sense of belonging, of accepting and/or wanting to be part of a family and of a business that belongs to them, to which they can make a long lasting and worthwhile contribution. In return, the business will provide emotional support and economic security. Being a member of the family and the family business implies being together and working together for a common cause, which may include meeting obligations and making compromises.

Quote Box 10.39 Working Together for a Common Cause

“I think the key to the success of our business is that the family has always stuck together, worked together and everyone’s played a role in it. . . . The image [*of our business*] is more of a family, a family business, and that we value the people’s commitment to staying with us for a long period of time” (Joseph Piedimonte).

Simon Costa feels that through the family business he has not only made a commitment to his own close family, but also to numerous members in his extended family. As managing director of a very large family business (over 8,000 employees), he also feels a commitment to his employees, who, in his opinion, form part of his extended family as they provide support and loyalty to the family business on a daily basis.

Quote Box 10.40 Employees, the Extended Family

“We’ve got the family side. There are a lot of family members that are in, but we’ve also got a lot of non Costa family members that are enormously dependent upon the success of the business. So it’s not lost on me, the weight that the decisions we’ve been making and the impact it’s got on possibly thousands and thousands of families. That’s a big motivator for me” (Simon Costa).

As Simon Costa sums up, family values are fundamental to the success of the business because both areas are intricately enmeshed.

Quote Box 10.41 Family Values Enmeshed with Business Values

“We push all the family values into the business. . . . It’s all about what we stand for as a family and a business” (Simon Costa).

10.7.4 Humility

In this study, humility might not emerge as strongly as the other values. First, the G3 are more confident and self-aware; their educational level is very high which is demonstrated in the eloquence of their answers which are long and very structured. Second, their ability to blend two identities and master their ancestry in such a way as to add value to their personal standing, gives the G3 an advantage over the previous two generations. Third, the family businesses are now robust and healthy businesses, which further strengthens their role in them.

The G3 no doubt have contributed to their family firms from an early age and their knowledge is therefore an invaluable element in the conversations and transactions with their parents. So there appears not to be too much space for humility in the G3 as everything appears to be well disposed toward them. And yet it would be wrong to assume that they have not experienced their own humble beginnings. Perhaps the most tangible example is Simon Costa, who accepted the role that his uncle had designed for him which took him away from the world of high fashion in Milan and put him at the back of a fruit and vegetable shop in Geelong, chopping pumpkins. “Ah, it’s a classic! You must start at the bottom. . . . There is really no job across the business that I haven’t done in some way” (Simon Costa).

In various degrees all G3 members have experienced this sense of big expectations and minor role at the same time. This has restrained them, keeping them in check until the G2 is ready to forfeit part of their control.

The next section of this chapter will investigate the business values that the G3 associate with the success of their family business.

10.8 Business Values

Since family and business spheres are inseparable, indeed largely overlap (Kellermanns & Eddleston, 2004), strong family values penetrate the business sphere, and vice versa, and these values are passed on to the following generation (s). Hence, the family and business values of the G1 and G2 reappear in the G3. This section will outline the business values that have been passed on from the G1 to the G2, and hence to the G3, and have supported the long-term success of the family businesses in this book.

10.8.1 Work Ethic

Similar to the previous generations, the G3 in the family firms contribute to the family business through hard work, often for long hours, including weekends. “My attitude to life [*laughs*]. . . . At the moment it’s all work. So it’s not balanced enough to have variety. I mean it’s . . . it’s all tied in” (Simon Costa).

Donata Carrazza works intensely with a high level of energy and commitment. As she points out, the commitment to, and passion for, the success of the family business is what constitutes work ethic, rather than the long hours that one contributes.

Quote Box 10.42 Commitment and Passion

“My work ethic? I believe you don’t get anything out with no effort, you’ve got to put in a huge effort to make things work, so I get a lot of satisfaction working hard. . . . My day tends to be fairly short, it might be from 9 till 4, it’s not too bad. But it may be seven days a week, so I’ll work on weekends as well, I’ll work nights, I’ll work front house, I’ll work at functions. I think I’ve got a good work ethic. . . . I’ll just go gang busters, I put my all my energy into it. I am not a relaxed person, I can’t just sit” (Donata Carrazza).

Lorenz Grollo identifies closely with the work ethic set by his grandparents, the founders of the business. He feels that it is now his responsibility to pass on this value to the next generation.

Quote Box 10.43 Passing on the Work Ethic of the Founders

“One of the biggest things is work ethic, which I associate with the Italian migrants that came out here. And that is quite clear that you have to go to work everyday. You have to instil in your children a degree of work ethic, so that they see that I have to go work every single day, so that they understand that work is a function that is acceptable in the family, that either the father, and it’s predominantly the father, and sometimes the mother, need to go to work, so that they get brought up understanding that work is a part of everyday life. So in terms of the Italian migrants that came out here, the work ethic is key” (Lorenz Grollo).

Although they work hard and demonstrate a strong commitment to the family firm, the G3 differ from the G1 and G2 as they display a clear awareness of the need to find a better work-life balance, a point clearly made by both Joseph Piedimonte and Lorenz Grollo in the following excerpts.

Quote Box 10.44 The Need for a Better Work-Life Balance

“Ah work ethic. I think it’s strong, but not to the extent where you become a workaholic. There’s got to be a balance. I work 5 days a week and then on Saturdays. But on Sundays just for an hour or two. That’s my work schedule” (Joseph Piedimonte).

“I think it’s important in terms of (the children) being brought up with a belief in something. To always tell the truth, which is what my father always instilled in me, to work hard, and to make sure that you have a healthy balance in life. Hopefully I am trying to teach that to my kids as well” (Lorenz Grollo).

A good strong work ethic contributes to the positive self-perception of the G3, and it continues to be a strong value associated with this generation. The work ethic is strongly related to a sense of commitment, as explained in the next section.

10.8.2 Loyalty

Loyalty is a good indicator of commitment to the family business. By making their commitment, the G3 have a sense of duty and obligation to their family and employees, and also expect loyalty in return: “I think loyalty is so important. You need to have everyone that’s going to give 100 % with their loyalty for the business to be successful” (Joseph Piedimonte).

Lorenz Grollo has expectations that his employees will be loyal to the firm and to the management of the firm. However, he is aware that the expectations cannot be excessive. This demonstrates a great sense of wisdom and perception of human nature.

Quote Box 10.45 Expectations of Loyalty

“Oh look, loyalty is absolutely the key. Well, I guess my philosophy is, with people, don’t expect a 100 % out of them 100 % of the time, because they are people and they’ll probably fail you, and you’ll probably be disheartened by what you get in return. My philosophy is that if you expect 80 % out of people 70 % of the time, you’ll probably be a lot better for it because they can probably deliver within that, and if you don’t expect too much from them and you expect 70 % or 80 %, when it’s time for them to actually put in 120 % they’ll be there for you. People are not machines, they go up and down, because of their own personality, their own values, their own family life and so forth, and you have to accept that. I think that’s critical in building up loyalty” (Lorenz Grollo).

A high degree of loyalty from family members generates a sense of security and mitigates the high level of tension that may at times arise in family business. Loyalty from employees points to a commitment to the family business, and ensures that the business continues to be efficient and successful.

10.8.3 Professionalisation

The G3 have been encouraged to be highly educated, to gain high professional qualifications, and in most cases, to enhance their abilities and achieve career success outside the family business before embarking on a career within the family business (Danco, 1980). It is evident that education has been/is highly valued by all generations as they have encouraged their children, and their children’s children, to gain a good education and obtain higher qualifications.

Quote Box 10.46 Education Highly Valued

“I think deep down inside, my father had always wanted me to go into the business but never forced it on me. My mother was adamant that all of the four children would gain a university degree. So I did an arts degree at La Trobe University. I ski raced competitively for three or four years and then by choice I came into the family business. During that period, which was from the age of 18 to 23, 24, I had always come into the office occasionally, walking with my father on construction sites and dabbled a little bit in the business but not on a day to day basis, just occasionally. Towards the end of my degree I started to get more and more involved with the business and then I came full time from the age of 23 or 24” (Lorenz Grollo).

“Stefano [*my husband*] and I really value education and my parents too. Had they not valued education, they really would not have bothered to send me to boarding school all the way to Melbourne. They saw that it was an important thing, and a lot of girls never really got that opportunity, or they had to fight for it. I never had to fight for it, it was just offered to me and I was very lucky. That’s something that we value strongly” (Donata Carrazza).

All G3 in this study have completed tertiary studies, and in some cases a postgraduate qualification. Simon Costa, for example, completed an MBA and is able to apply the knowledge that he gained to the business that he now leads. Adam Genovese specialised in psychology with a postgraduate qualification in international trade, gaining knowledge that he finds relevant to his work in the family firm.

Earlier in this chapter I have described the informal early preparation and development that has provided valuable experience for the G3, increasing their knowledge of the family business affairs and encouraging their commitment to the family business. Some of the individuals have also gained valuable work experience outside the firm in order to further explore their potential. Upon joining the business, some of the G3 were closely mentored by the G2 who may continue to be involved fully or on the margins. This informal mentoring process ensured that the G3 were exposed to professional knowledge and to the culture of the family business, and that they were effectively supported as they gradually assumed a managerial and leadership role within the family firm.

10.8.4 Risk Taking

Maintaining a sustainable family business implies recognising that change may be required in order to evolve the business. Change may be planned, or unexpected, highlighting the need to anticipate and respond to it (Ward, 1997; Zahra, 2005). Family members of successful family firms learn from what their parents have done, and they appear to adjust to innovative development (Filion, 1988).

Quote Box 10.47 Taking the Family Business into New Directions

“That’s what we’ve carved our niche in, as being Italian varietal specialists, making the best in Australia, and now we have gained that reputation” (Joel Pizzini).

“Equiset, in terms of our business is just ten years old.⁴ But a lot of the culture and a lot of its framework came from my father and the Grollo Group and Grocon, and what I am doing is tweaking it as we go, fine tuning it into a different direction” (Lorenz Grollo).

Being innovative over time involves a process of continually learning, taking risks in changing, and adjusting to change. The G3 demonstrate the ability to innovate, as a way of setting their mark (Dyer & Handler, 1994; Ronstadt, 1984), a need for achievement (Hornaday & Aboud, 1971; McClelland, 1961), and a propensity to take risks (McClelland, 1961; Naldi, Nordqvist, Sjoberg, & Wiklund, 2007; Sexton & Bowman, 1983). Adam Genovese and Michael Vaccari comment on the effect of their innovative attitudes and actions, and acknowledge how the valuable support and example provided by their grandparents and parents have encouraged their entrepreneurial attitude and behaviour. Still, this generation does not seem to be about to move beyond the boundaries of the given family business. It is well embedded in the conditions created by the first generation and strengthened by the second generation. Continuity is not threatened by new conflicts or succession issues, and for that reason it seems appropriate to regard the third generation as having accepted its role as modernisers and expansion drivers.

Quote Box 10.48 Comparing Entrepreneurial Attitudes with the G2

“The whole business development outside of Victoria, the markets etc., I pushed dad, I pushed him, I pushed him and then we made some decisions, and we’re looking at the fruits of it. So, yes, we’re all entrepreneurs. . . . But he [*my grandfather*] was the biggest risk taker” (Adam Genovese).

“I am probably a little bit more aggressive than Dad is. I’d probably see more opportunities than he could, I’d take more risks than what he would. I probably would have a few similarities with my grandfather: he was very diverse in what he did, and he chopped and changed. I probably would chop and change like he did. . . . I’ve probably diverse interests, outside the square” (Michael Vaccari).

Family members may be supportive of the entrepreneurial inclinations of the G3. On the other hand, they may prove to be an obstacle, particularly from the G2 incumbents, who may be more conservative in their approach. Balancing the different attitudes and working to diffuse the tensions is a necessary skill, as Lorenz Grollo explains.

⁴Equiset is the name of the family business owned and managed by Lorenz Grollo.

Quote Box 10.49 Compromising Business Approaches with the G2

“Look, at the end of the day, 80 % of the time I let him [*my father*] win. It’s his business, it’s his call, at the end of the day it’s his money, unless I feel quite passionate about it, and then I’ll lose certain battles in order to try and win the war. And that is how do we actually sustain and grow the current family wealth of the family business. . . . We’ve both got different opinions, and I guess I’m in my 30s and very passionate about business and leading it day to day . . . and am happy to take on an element of risk, whereas my father turning sixty, he is a lot more risk adverse. So I have to respect the fact that he created what we have and I can’t lose it. Certainly being the G3 I am very conscious about that” (Lorenz Grollo).

Lorenz’s excerpt reveals that multigenerational family businesses can include difficult moments of tension between generations. There may be issues of control of the previous generation that need to be resolved in order to avoid potential conflict. The obligations of family business may sometimes need to take precedence so that the business can move forward. Lorenz accepts that at times he needs to negotiate by working around these issues of potential conflict and concentrate his energy instead on the innovative contribution that he needs to make to ensure the ongoing success of the family business. The commitment of the G3 to the family and to the success of the family enterprise can be a positive element in driving their entrepreneurial and risk taking attitude. We also find that the entrepreneurial achievements of the previous generations have encouraged the G3 to follow their example.

In the interviews conducted with the G3, three main facets have re-emerged as central aspects of multigenerational family businesses that have also been identified in the previous generations. They are the self-perception of the individual, the tension between and within generations, and the complex enmeshed nature of family business. These intricate facets are mitigated by the strong family and business values, which support the continuing high level of commitment of the G3 to the family business. These values are important resources that help to support, but also constantly build and redefine, the concept of familiness that extends into the G3. Familiness in multigenerational family business also implies strong intergenerational cooperation and reciprocity and the acceptance of obligations and responsibilities, in exchange for the emotional and financial support that the family offers. This support may, however, also be associated with power relationships and situations that may cause tension and pressure across and within generations. This is the negative side of the multigenerational family business. All these factors are central to the complex, but fluid concept of family. They are enmeshed into the institution of the family business and are intensified when dealing with the multifaceted, multigenerational family business.

The interviews also reveal the self-perception of the G3: their mainstream identity accompanied by a dual, sometimes blurred, Italian-Australian cultural perspective. This includes a high level of education and professional skills (reflecting upward mobility in mainstream society), and their passionate, but negotiated, commitment to the family business and entrepreneurial spirit. The interviews are evidence of the obligations and compromises that the G3 need to make and accept in order to be part of the family business.

The several dimensions presented in this chapter constitute a snapshot of the G3 who form part of multigenerational family business. They are the generation who are still in the making. Time will tell what their contribution and success will be to the family business they have inherited/will inherit.

10.8.5 Looking Forward

The G3 in this study have typically moved to the margins of their migrant and ethnic boundary,⁵ they have integrated to varying degrees into the mainstream society through upward social mobility and intermarriage, with the consequential diminishment of language and cultural maintenance. However, through these interviews they reveal a warm connection to their Italian heritage and pride in their ethnicity, which are sustained through close intergenerational relationships and frequent visits to Italy for work and personal reasons that reconfirm their commitment to their roots. Cultural attributes are important (Light, 1984), and it is vital to recognise the role of ethnicity and heritage as it is an intangible asset that can provide valuable extended networks and social capital as well as long-lasting cultural values and attitudes that set the foundations for the family business, contribute to its success, and support the succession process.

In terms of the ethnicity of the family business, however, the G3 regard their business as having outgrown the Italian ethnic niche from which it started, and that supported its growth and development over the two previous generations.

The following three excerpts highlight the evolution of the family business into a mainstream, and in some cases, global business.

Quote Box 10.50 A Global Business Mentality

“The business is a lot more sophisticated as a model than what it was. Equiset is a service company that operates on Collins Street in the CBD. It doesn’t operate out at Thornbury or Preston like my father and my uncle, and what they did for their various businesses. . . . In terms of Equiset, most of my staff are from various backgrounds, I don’t have a strong Italian base in this business, the Italians that are working for us seem to be an absolute minority. Not that I have deliberately done that. I’ve deliberately gone about trying to find the right person for the right job, as opposed going to find an Italian or some of the Italian culture for the job. . . . Sometimes I think that having a strong Italian cultural connection within an organisation can be an enormous strength, like it was with Grocon and what my father created, my uncle created, and Grocon at the time could do incredible things. I think that the companies have had to transition into a different mix. And certainly the Grocon of today is not what it was 15 years ago and certainly Equiset today is a very different organisation to what Grocon was, and that’s largely because Grocon and Equiset as businesses are a lot more integrated with the mainstream business community and quite diverse in the different projects and clients with whom we interact” (Lorenz Grollo).

⁵ For a full discussion on the theory of *bright* and *blurred* ethnic boundaries, refer to Alba (2005).

Joseph Piedimonte discusses the effect of the change of the customer base on the ethnic character of his family business.

Quote Box 10.51 A Changing Customer Base

“The [Italian] customer base that we had has largely moved out of the area, and there’s a different customer base now. So that gave us the opportunity to sell new products to this new customer base that was willing to try new and different products. You have your semi sundried tomatoes, artichokes in oil your dried mushrooms and so on, that for us, we’ve eaten them, we know what they are, but for them it is a delicacy. There are still a lot of the Italian customers that come and shop with us. The area still has a fair population of Italian people. But we’ve now got a lot more of a cross section of the community. A lot of educated people, professionals that have moved into this area” (Joseph Piedimonte).

Through the generations there has been an evolution not only of the ethnic identity of the G2 and G3, but also a parallel shift in the development of the business. The original small ethnic family business has outgrown the limiting confines of its ethnic niche, and has developed into a larger, more structured, successful business. The business challenges of the G2 and G3 have therefore differed from those of the G1, often accompanied by tensions and difficulties between generations and among members of the same generation. In a sense, the evolution of the family business may be represented metaphorically by the parallel evolution of the identity and self-perception of the individuals across the generations, with its own stages of difficulties and tensions.

References

- Alba, R. (2005). Bright vs. blurred boundaries: Second-generation assimilation and exclusion in France, Germany, and the United States. *Ethnic and Racial Studies*, 28(1), 20–49.
- Alba, R., Logan, J., Lutz, A., & Stults, B. (2002). Only English by the third generation? Loss and preservation of the mother tongue among the grandchildren of contemporary immigrants. *Demography*, 39(3), 467–484.
- Alexakis, E., & Janiszewski, L. (1998). *Greek Australians: Beyond the stereotypes. In their own image*. Alexandria: Hale & Iremonger.
- Anderson, R. C., & Reeb, D. M. (2003). Founding-family ownership and firm performance: Evidence from the S&P 500. *Journal of Finance*, 58, 1301–1328.
- Andersson, T., Carlsen, J., & Getz, D. (2002). Family business goals in the tourism and hospitality sector: Case studies and cross-case analysis from Australia, Canada and Sweden. *Family Business Review*, 15(2), 89–110.
- Aronoff, C. E. (1998). Megatrends in family business. *Family Business Review*, 9(3), 181–185.
- Astrachan, J. H., & Jaskiewicz, P. (2008). Emotional returns and emotional costs in privately-held family businesses: Advancing traditional business valuations. *Family Business Review*, 21(2), 139–150.
- Baldassar, L., & Skrbis, Z. (1998). The second generation and the transmission of culture. *Proceedings: Refashioning sociology: Responses to a new world order, TASA Conference* (pp. 454–459). Brisbane: Queensland University of Technology.

- Bandura, A. (1986). *Social foundations of thought and action*. Englewood Cliffs, NJ: Prentice-Hall.
- Barach, J. A., & Gantisky, J. B. (1995). Successful succession in family business. *Family Business Review*, 8(2), 131–155.
- Bottomley, G. (1992). *From another place: Migration and the politics of culture*. Cambridge: Cambridge University Press.
- Chrisman, J. J., Chua, J. H., & Sharma, P. (1998). Important attributes of successors in family business: An exploratory study. *Family Business Review*, 11(1), 19–34.
- Danco, L. A. (1980). *Inside the family business*. Cleveland, OH: University Press.
- Davis, P., & Harveston, P. D. (1999). In the founder's shadow: Conflict in the family firm. *Family Business Review*, 12(1), 311–323.
- Davis, P., & Harveston, P. D. (2001). The phenomenon of substantive conflict in the family firm: A cross-generational study. *Journal of Small Business Management*, 39(1), 14–30.
- Deux, K., & Ethier, K. A. (1998). Negotiating social identity. Prejudice: The target's perspective. In J. K. Swim & C. Stangor (Eds.), *Prejudice: The target's perspective* (pp. 301–323). San Diego, CA: Academic Press.
- Dyer, W. G., Jr., & Handler, W. C. (1994). Entrepreneurship and family business: Exploring the connections. *Entrepreneurship Theory & Practice*, 19(1), 71–83.
- Edwards, R. C., & Gillies, V. (2005). *Resources in parenting: Access to capitals project report. Families & social capital*. London: ESRC Research Group, London South Bank University.
- Favero, L., & Tassello, G. (1986). Demographic and social characteristics of the Italian community in Australia and its second generation. In *Espresso, corretto or white?* Melbourne: Catholic Intercultural Resource Centre.
- Filion, L. J. (1988). *The strategy of successful entrepreneurs in small business: Vision, relationships and anticipatory learning*. PhD thesis, University of Lancaster, Lancaster, Great Britain.
- Freeberg, A. L., & Stein, C. H. (1996). Felt obligation towards parents in Mexican-American and Anglo-American young adults. *Journal of Social and Personal Relationships*, 13(3), 457–471.
- Glazer, N., & Moynihan, D. P. (1970). *Beyond the melting pot*. Cambridge: MIT Press.
- Greeley, A. (1970). Ethnicity as an influence on behaviour. In P. I. Rose (Ed.), *The study of society. An integrated anthology*. New York: Random House.
- Greenwald, M., & Associates. (1993). *Major findings of the Mass Mutual family business survey*. Springfield, MA: Massachusetts Mutual Life Insurance Co.
- Handler, W. C. (1989). *Managing the family firm succession process: The next generation family member's experience*. PhD thesis, Boston University.
- Handler, W. C. (1990). Succession in family firms: A mutual role adjustment between entrepreneur and next generation family members. *Entrepreneurship Theory & Practice*, 15(1), 37–51.
- Handler, W. C. (1994). Succession in family business: A review of the research. *Family Business Review*, 7(2), 133–157.
- Hornaday, J. A., & Aboud, J. (1971). Characteristics of successful entrepreneurs. *Personnel Psychology*, 24, 141–153.
- Kellermanns, F. W., & Eddleston, K. A. (2004). Feuding families: When conflict does a family firm good. *Entrepreneurship Theory & Practice*, 28(3), 209–228.
- Kirby, D. A., & Lee, T. J. (1996). Research note: Succession management in family firms in the north east of England. *Family Business Review*, 9(1), 75–85.
- Lambrecht, J. (2005). Multigenerational transition in family businesses: A new explanatory model. *Family Business Review*, 18(4), 267–282.
- Lambrecht, J., & Donckles, R. (2006). Towards a business family dynasty: A lifelong, continuing process. In P. Z. Poutziouris, K. X. Smyrniotis, & S. B. Klein (Eds.), *Handbook of research on family business* (pp. 388–401). Northampton, MA: Edward Gale Publishing.
- Lansberg, I. S. (1999). *Succeeding generations: Realising the dream of families in business*. Boston, MA: Harvard Business School Press.

- Le Breton-Miller, I., & Miller, D. (2006). Why do some family businesses out-compete? Governance, long-term orientation, and sustainable capability. *Entrepreneurship Theory & Practice*, 30, 731–746.
- Le Breton-Miller, I., Miller, D., & Steier, L. P. (2004). Toward an integrative model of effective FOB succession. *Entrepreneurship Theory & Practice*, 28(4), 305–328.
- Lentz, B. F., & Laband, D. N. (1990). Entrepreneurial success and occupational inheritance among proprietors. *Canadian Journal of Economics*, 23(3), 563–579.
- Light, I. H. (1984). Immigrant and ethnic enterprise in North America. *Ethnic and Racial Studies*, 7(1), 31–45.
- McClelland, D. C. (1961). *The achieving society*. Princeton, NJ: D. Van Nostrand.
- Naldi, L., Nordqvist, M., Sjoberg, K., & Wiklund, J. (2007). Entrepreneurial orientation, risk taking, and performance in family firms. *Family Business Review*, 20(1), 33–47.
- Olson, D. H. (1988). The circumplex model of family systems VIII: Family assessment and intervention. In D. H. Olson, C. S. Russell, & D. H. Sprenkle (Eds.), *Circumplex model: Systemic assessment and treatment of families*. New York: Harworth Press.
- Olson, P. D., Zuiker, V. S., Danes, S. M., Stafford, K., Heck, R. K. Z., & Duncan, K. A. (2003). Impact of family and business on family business sustainability. *Journal of Business Venturing*, 18(5), 639–666.
- Pascoe, R. (1992). Place and community: The construction of an Italo-Australian space. In S. Castles, C. Alcorso, G. Rando, & E. Vasta (Eds.), *Australia's Italians: Culture and community in a changing society* (pp. 85–97). St Leonard's: Allen & Unwin.
- Perlmann, J. (2007). *Italians then, Mexicans now: Immigrants origins and second generation progress 1890–2000*. New York: Sage.
- Portes, A., & Rumbaut, R. G. (2001). *Legacies: The story of the immigrant second generation*. New York, NY: Sage.
- Portes, A., & Rumbaut, R. G. (2005). Introduction: The second generation and the children of immigrants. Longitudinal study. *Ethnic and Racial Studies*, 28(6), 983–999.
- Ronstadt, R. (1984). Ex-entrepreneurs and the decision to start an entrepreneurial career. In J. A. Hornaday, F. A. Tardley Jr., J. A. Timmons, & K. H. Vesper (Eds.), *Frontiers of entrepreneurship research* (pp. 437–460). Babson Park, MA: Babson College.
- Sexton, D. L., & Bowman, N. B. (1983). Comparative entrepreneurship characteristics of students. In D. L. Sexton & N. B. Bowman (Eds.), *Frontiers of entrepreneurship research*. Wellesley, MA: Babson College.
- Sharma, P., Chrisman, J. J., & Chua, J. H. (2003a). Predictors of satisfaction with the succession process in family firms. *Journal of Business Venturing*, 18, 667–687.
- Sharma, P., Chrisman, J. J., & Chua, J. H. (2003b). Succession planning as planned behaviour: Some empirical results. *Family Business Review*, 16(1), 1–15.
- Smart, C. (2007). *Personal life*. Cambridge: Polity Press.
- Strahan, K. W., & Williams, A. J. (1988). *Immigrant entrepreneurs in Australia: Report to the Office of Multicultural Affairs*. Melbourne: Office of Multicultural Affairs, Productive Culture Australia.
- Triandis, H. C. (1995). *Individualism and collectivism*. Boulder, CO: Westview Press.
- Vasta, E. (1993). Multiculturalism and ethnic identity: The relationship between racism and resistance. *Australian and New Zealand Journal of Sociology*, 29, 209–225.
- Vasta, E. (1994). Youth and ethnicity: The second generation. *Family Matters*, 38, 21–25.
- Ward, J. L. (1987). *Keeping the family business healthy: How to plan for continuing growth, profitability and family leadership*. Boston, MA: Jossey-Bass.
- Ward, J. L. (1997). Growing the family business: Special challenges and best practices. *Family Business Review*, 10(4), 323–338.
- Ward, J. L. (2008). Introduction. In J. Tapies & J. L. Ward (Eds.), *Family values and value creation: The fostering of enduring values within family-owned businesses* (pp. 1–8). New York: Palgrave MacMillan.

- Ward, J. L., & Aronoff, C. E. (1994). Preparing successors to be leaders. *Nation's Business*, 82, 54–55.
- Yang, C.-F. (1988). Familism and development: An examination of the role family in contemporary China mainland, Hong Kong and Taiwan. In D. Sinha & H. S. R. Kao (Eds.), *Social values and development: Asian perspectives* (pp. 93–123). New Delhi: Sage.
- Zahra, S. A. (2005). Entrepreneurial risk taking in family firms. *Family Business Review*, 18(1), 23–40.
- Zellweger, T. M., & Astrachan, J. H. (2008). On the emotional value of owning a firm. *Family Business Review*, 21(3), 347–363.
- Zontini, E. (2010). Enabling and constraining aspects of social capital in migrant families: Ethnicity, gender and generation. *Ethnic and Racial Studies*, 33(5), 816–831.

The major objective of this book was to contribute a novel understanding of successful multigenerational family businesses. By undertaking a study of three-generational Italian-Australian family businesses, it proposed to investigate the general phenomenon of the continuation of these businesses, and identify why some survive and prosper beyond the third generation without losing the nature of the family business. This book presents cases of seven three-generational Italian-Australian family businesses, starting with the founding generation, aiming to identify possible elements that bridge the generations, thus building the conditions for the continuity of a successful family.

This book reveals four major findings:

1. Values represent the means by which the individuals build their own identity as members of a family business.
2. The relationships between generations represent the basis for continuity within these family businesses.
3. Family identity is what strengthens family business.
4. Family and business become equal domains through the individual who links the two.

The findings are discussed separately in this chapter.

11.1 Values

The values that emerge from this study are strongly influenced by the first generation. The discourse about values is embedded in their experience as migrants to Australia.

Through their interviews, narratives, autobiographies, and biographies, as well as in oral reports, values appear as an all encompassing experience with the power to trigger profound changes. The change triggered by migration has a double

meaning: it creates a new self in a new country, and it allows this new self to become entrepreneurial and create a business. For a generation that left Italy, an impoverished country, after World War I and/or World War II, and arrived in Australia with no prior knowledge of the country, no English language, and no material means at their disposal, it became immediately necessary to make use of personal resources in order to survive in a country that was itself still underdeveloped in terms of economic, and business infrastructure. These resources have been identified as being values, the intangible goods that form the personal resources of any individual. The narrative of the first generation centres on their reality as migrants who managed to overcome their hardships and establish new businesses. It is a powerful narrative through which the first generation has created and built its own identity. It is a narrative that commands respect and acknowledgment from the subsequent generations. Their sacrifice gives them a moral advantage over their children. The later generations accept this moral competitive advantage, and are prepared to subjugate themselves to the discourse of the sacrifice. But the first generation has also created the business and initiated structure, and for this reason they also command the respect of the following generations, who feel a sense of gratitude, admiration, and dependence. And so the following generations accept this reality and comply with its consequences. But how can such a legacy have endured the pressure of the time and of the differences recurring within the generations?

This study shows that this continuity could only happen through a discourse that is not embedded in money, success, and wealth, but in something that was non-commensurable, something that could survive the pressure of time and change, the two elements that tend to undermine family businesses. To survive long term, these family businesses needed something that was grounded in experience and yet malleable enough to stretch over a longer period of time. Values, and their flexibility, represent here the means by which continuity could be guaranteed to strengthen the family business rather than weaken it. Money can be borrowed, but the moral reputation and standing of a family and of a business need to be nurtured over time, and once lost, they are lost forever. This is therefore an issue that is dominant, and keeps recurring in the narrative of the first generation. The continuous and strong possibility of undefined risk factors that can undermine the family businesses triggers in the first generation the need for strong enduring values that will contribute to, and at the same time support, the precarious identity of a family business inasmuch as values determine the behaviour of the individual within the family and the business.

11.2 Relationships Between Generations

A striking element in this study is the relationship between the generations. The preparedness of the second and third generations to stay within the boundaries set by the previous generation shows a type of relationship that is not characterised by “antagonism between its older members and younger members” (Down, 2006,

p. 57). The relationships between generations do not result in an us-and-them rhetoric that aims to highlight the “generational distinctiveness” (Down & Reveley, 2004, p. 235) of “the ‘old farts’ who defend and maintain the way that things have been done in the past, and the ‘young guns’ who have a general desire to replace ‘outmoded’ management practices and business attitude” (Down & Reveley, 2004, p. 241). In this book, the previous generation(s) never really leave the family business but are directly involved in its modernisation. Also, the younger generation has no wish to replace the older one. In fact, their whole narrative is based on integration rather than separation. In Quote Box 10.49 for example, Lorenz Grollo spoke of differences in the ways things need to be done now, but the relationship between himself and his father is based on an open and communicative basis and admiration, it is not confrontational. In Quote Box 10.28 Simon Costa spoke of his total support for his uncle. In Quote Box 10.24 Donata Carrazza perhaps captures the essence of this non-confrontational relationship between the generations by pointing to compromise for the sake of the family. Although this book has not focused on migration as such, it may be possible to read the data in cultural terms and speak of behaviour that could be influenced by the Italian background. However, research on migrant family business is still not well established apart from very few authors who have begun to look into this topic (Collins, 2007). Collins advances the thesis that “immigrant families are not uniform” and that it is necessary to deconstruct this notion of family in order to further expound on its effects on enterprising activities (p. 309). This notion of deconstruction is important especially because the term migrant/immigrant family is far too general and does not capture diversity within the migration experience (Collins, 2007). My work confirms Collins’ analysis inasmuch as they both show that the Italian background, through the process of migration, played an important role in the formation of the identity of the generations and value discourse within the family business reality.

From this study, three reasons emerge to explain why the ‘young guns’ do not shoot down the ‘old farts’. First, family businesses are less characterised by antagonism and competition between past and present, which is something that strengthens a genealogical understanding of business. Second, within the ethnic business context in my study, relationships seem to unfold in a more peaceful way perhaps due to the notion of family networks and connections. Third, a family business is a type of organisation in which responsibility carries some emotional connotation inasmuch as the presence of a family evokes a coming together of “extraordinary” and “everyday and ordinary” experiences (Down & Warren, 2006, p. 4) where extraordinariness and ordinariness “coexist” (p. 18) within the same space and time, making it impossible to forge independent identities within the generations.

11.3 Family Identity

In this book, a peculiar phenomenon related to identity emerges. Although the first generation never stop highlighting their sacrifice for the sake of the creation of something new, their discourse is never formulated in a way that gives the impression that its members are trying to articulate an entrepreneurial identity (Down & Reveley, 2004). In other words, they never describe themselves as entrepreneurs in spite of being very entrepreneurial. But perhaps their entrepreneurship is a matter of fact rather than ego. The (self-)entrepreneur described by Down and colleagues is somebody who needs to set his own territory within a given organisational context, or industry branch, in order to exist. The individual identity strongly involves one person and its self-understanding and notions of reality. However, in our cases, as soon as the notion of family business becomes central, the identity of the individual (and the entrepreneur) shifts to a family identity.

This work has shown that individuals play an important role as mediators between family and business. Family business requires a plurality of actions, a consensual approach, and above all the continuity and relationships between and among the generations. Within family business, the individual members connect the business, the family and the generations. This major finding reveals how, within family business, relationships support continuity, and how the individual plays a central role in keeping the family and the business together and moving along. This is further proof that “the atomistic stance enacted and adopted” by the individual and its “relational narratives is shared with their generational narratives” (Down, 2006, p. 65). Within the family businesses in this book, the narratives of the individual are not oppositional to family and generations, as in the case of mainstream entrepreneurial businesses reconstructed by Down where “the focus on opposition and difference [from the old generation] implies a monological orientation rather than a desire to engage with others dialogically” (Down, 2006, p. 66).

11.4 Equal Domains Through the Individual

The third finding is that family and business are equal domains that need to be treated equally. This is not a new issue as several scholars have pointed out (especially Aldrich & Cliff, 2003; Chrisman, Chua, & Sharma, 2005). However, what this study finds is that this equity is made possible by the individual who bridges the two domains in an incessant attempt to keep each of them working for the sake of the other. My work shows how the interaction between family and business can happen only through the individuals involved, driven by self-interest and the interests of the family. By positioning the individual in the centre, more reciprocity becomes possible between the two domains, thus allowing the family to influence business, and not just the other way round. The three-cycle becomes determined by family, business, and the individual, giving rise to complex enmeshing and interdependence. Thus, the notion of enmeshing (Davis, 1983;

Kepner, 1983) has been enriched and further expanded into complex enmeshing, to guarantee the inclusion of the three domains forming a family business.

11.5 Uniqueness of This Study on Values

The uniqueness of this study rests on the notion of values that add value to family business. Its main finding is that values add value by becoming a resource from which the members of the family draw in order to keep the family united in its genealogical self-understanding.

In order to explain this phenomenon, attention has been given to life history narratives and oral history in order to capture the life of the individuals and their self-understanding, and the perception of reality within their own narratives. Phenomenography has further enriched the interpretation of data by allowing me to elaborate on meaning and the way individuals make sense of their history, as the actual history of the family business is less important than “what members believe to be the actual history” (Brunninge, 2009, p. 9; see also Clary-Lemon, 2010; Portelli, 1981). These two approaches have allowed me to capture the narratives and the discourse of the values, which have formed a *genealogical glue* capable of keeping the family business together across generations, adding new value to it from generation to generation.

Hence, this study contributes to the existing body of knowledge through the four pillars that represent its major findings: first, the notion of values as a thriving resource in family business, which add value across three generations, contributing to continuity in a genealogical sense; second, the close, tight relationship that exists between, and among, individuals and generations within the family businesses studied, which reinforces the idea of the centrality of the family; third, the notion that, although building the matrix of the economic activity, entrepreneurship, especially in its individual manifestation, must retreat in order to allow family business to emerge and thrive across generations; and fourth, the three equal dimensions of the individual, the family, and the business as reflected in the complex enmeshing that characterises the interaction between individual, family, and business across the three generation. These four pillars are not only interconnected but they condition each other in a continuous and productive discourse about the family and its business.

The major significance of this study is that it covers a relatively long period of time, dating back to the first arrivals from Italy, with Gualtiero Vaccari in 1912, Costa Antonino in 1926 and Luigi Grollo in 1928 (see Table 8.1). This study has reconstructed the formation of family businesses with an Italian background from the first generation to the third (and the approaching fourth). From the perspective of family business, this represents a major achievement inasmuch as studies on family businesses across three generations are still missing.

The second major significance of this book is that the findings clearly show that business rules are tailored to family rules (instead of the other way around), and that

values represent a valuable resource (the *genealogical glue*) shared across three generations, with the consequence that they build a value for the family business.

The third major significance is that entrepreneurship and family business do not easily coexist within one generation. The first generation were the entrepreneurs who transformed their own lives by recombining the old and new self through migration, and then transformed their social lives by recombining old and new resources after migration and by founding a business. But the entrepreneurial actions of the first generation set the conditions for the subsequent managerial generation (the consolidators). Although this study recognises that some degree of entrepreneurial activity is required for the long-term survival of family businesses, it has shown that in order for the family firm to move successfully into the second and third generation, entrepreneurship has retreated and family business has taken over.

In this study it appears that in order to succeed, a multigenerational family business needs a discourse that celebrates its continuity, that is based on something that can be shared over space and time, and that is not as fragile and risky as wealth or money. It is evident in this book, that intangible goods such as values have built a strong point of reference across all three generations. It is also evident that competition between the generations and within each generation must be kept to a minimum in order for a family business to succeed beyond the second generation.

In addition to these theoretical implications, my study has highlighted some possible practical implications.

First, in family businesses the family domain is always present and carries as much as weight as the business domain. The existence of a family renders many issues related to the governance of a family business peculiar to the reality of the family business. Family always means that personal and emotional issues play a role in the family business. To expect it otherwise would be contrary to the nature of a family business. Although this book has not directly discussed governance, the parts focused on succession have highlighted the importance of this issue for the survival of a family business.

The second practical finding is that relationships between the family members determine the tone and pace of the business. This aspect further differentiates family businesses from non-family businesses where governance is a matter of clear-cut functionality in an anonymous set of shareholder relationships.

This book, which spans a period of approximately 100 years, unavoidably has some limitations. The three generations in this study are historically embedded in different mental, social, and practical conditions. An anthropologist would certainly have paid more attention to issues related to cultural patterns; a sociologist would no doubt have elaborated on the social conditions in which the generations live and operate. These issues are not missing from this study but rather they exist in the background of the individuals and generations.

In addition, interviews can only tap a fraction of the memories, thoughts, and feelings of individuals in regard to their ontological position in the world, their self-understanding, and their perception of reality. Interviews, however, remain a fundamentally important means of gathering data in qualitative studies.

Despite these limitations, this book offers real case studies that extend knowledge about family business. The three generational Italian-Australian family businesses represent a microcosm of life and issues of millions of family businesses around the world, regardless of their geographic location or ethnic background. The life histories and stories captured are a representation of the reality of multigenerational family businesses, allowing us to further understand the complexity of the family business in the twentieth and twenty-first centuries.

Finis origine pendet

The end depends upon the beginning

References

- Aldrich, H. E., & Cliff, J. E. (2003). The pervasive effects of family on entrepreneurship: Toward a family embeddedness perspective. *Journal of Business Venturing, 18*(5), 573–596.
- Brunninge, O. (2009). Using history in organisations. How managers make purposeful reference to history in strategic processes. *Journal of Organisational Change Management, 27*(1), 8–26.
- Chrisman, J. J., Chua, J. H., & Sharma, P. (2005). Trends and directions in the development of a strategic management theory of the family firms. *Entrepreneurship Theory & Practice, 29*(5), 555–576.
- Clary-Lemon, J. (2010). We're not ethnic, we're Irish! Oral histories and the discursive construction of immigrant identity. *Discourse & Society, 21*, 5–25.
- Collins, J. (2007). Immigrant families in Australia. *Journal of Comparative Family Studies, 24*(3), 291–313.
- Davis, P. (1983). Realising the potential of the family business. *Organisational Dynamics, 12*(1), 47–56.
- Down, S. (2006). *Narratives of enterprise. Crafting entrepreneurial self-identity in a small firm*. Cheltenham: Edward Elgar.
- Down, S., & Reveley, J. (2004). Generational encounters and the social formation of entrepreneurial identity: “Young guns” and “old farts”. *Organisation, 11*(2), 233–250.
- Down, S., & Warren, L. (2006). Constructing narratives of enterprise: Clichés and entrepreneurial self-identity. *International Journal of Entrepreneurial Behaviour and Research, 14*(1), 4–23.
- Kepner, E. (1983). The family and the firm: A coevolutionary perspective. *Organisational Dynamics, 12*(1), 57–70.
- Portelli, A. (1981). The peculiarities of oral history. *History Journal Workshop, 12*(1), 96–107.