Chapter 18
Entrepreneurial Spirit in Family Business Successors: The Case of Mexico

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ABSTRACT

The objective of the work is to provide a panoramic view of the latest advances in the line of research that analyzes entrepreneurship spirit and succession in the family business. For this purpose, a systemic review of the literature contained in the Web of Science database has been carried out between 2011 and 2016. Getting an initial sample of eight for entrepreneurial spirit and 13 for succession in the family business, a review of this type is necessary to evaluate and contribute to the most recent contributions, the gaps existing in the literature for future research lines.

INTRODUCTION

The entrepreneurial culture is related to initiative and action. Entrepreneurs take risks to start new businesses, where they believe that would contribute to economic growth (Kilby, 1971; Stewart, 1996). There are several ways in which entrepreneurs are related to their families, including: (1) early experiences in the entrepreneur’s family of origin; (2) family involvement and support of early start-up activities; (3) employment of family members in the new venture; and (4) participation of family members in ownership and management succession (Dyer, & Handler, 1994). The knowledge, skills, and attitudes required in the training of entrepreneurs enjoy increasing attention among academics, researchers and political agendas both in developed economies and emerging economies (West et al., 2008).

Entrepreneurial families have to develop renewal capabilities in line with the inevitable need to shed or redeploy assets once their value-creating properties are exhausted (Habbershon & Pistrui, 2002). In short, entrepreneurial families need to have an entrepreneurial orientation towards their business activi-
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ties. It is relevant to explore how leaders from different generations exhibit leadership characteristics differently. Entrepreneurs possess psychological and sociological skills that differentiate them from current managers.

Much of the literature on generational cohorts have described general characteristics from sociological and behavioral perspectives (Mannheim, 1923, 1958; Smith & Clurman, 1997; Strauss & Howe, 1991; Zemke et al., 2000). The entrepreneurial spirit can be described not only in terms of personality characteristics but also in terms of motivational factors.

This chapter will begin with a background and context of the Entrepreneurial spirit concept and characteristics. Next, the importance of succession in a family business will be discussed. Finally, the chapter will end with the challenges and perspectives of this study.

This study is in the spirit of entrepreneurship, such as personality and motivational characteristics that influence entrepreneurial spirit, no economic factors. Another important topic for analyzing is the succession process in the family companies, which according to different authors represents one of the most critical events in the family business life cycle (Bizri, 2016), so it is essential to consider the spirit Entrepreneurial as one of the characteristics that are triggered in the family companies when it is used a model of suitable succession among the members of the Business family (Bizri, 2016).

In general terms, the road to entrepreneurship is understood as a change in role identity (Ibarra, 1999). Ireland and Webb (2007) propose that at the individual level, entrepreneurship is a process that builds identity since entrepreneurs establish businesses generally under the influence of self-identities (Farmer et al., 2011). The subjects, make use of idealized perspectives of ways of behaving and distinctive of a specific role that affects their motivation and behavior (Hoyle and Sherrill, 2006). Taking into account this background, Ibarra (1999) argues that the subjects have characteristics and behaviors like successful models, identify it as part of their profession in the future.

The social appreciation of entrepreneurs in starting new businesses is a fundamental factor because it can determine the attitude and perception towards entrepreneurship (Krueger, 2007, Ruiz Navarro et al., 2008, Shapero and Sokol, 2002). For the formation of identity, knowledge, and understanding of the role of the entrepreneur is needed (Hoang and Gimeno, 2010).

On the other hand, the exogenous factors, which constitute cultural influences, such as personal contact in the creation of new businesses or being in contact with education in entrepreneurship, the beliefs and values of the individual, the social and cultural environment, among them the family, socioeconomic status, racial and professional group, affect the perception of the positive or negative that can be the role of the entrepreneur (Kuehn, 2008, Shapero and Sokol, 2002).

Therefore, it is important to mention that the succession is defined as the set of actions and events that allow the transition from the leadership of one family member to another (Sharma, Chrisman, Paul, & Chua, 2001). The article by Sharma, et al. (2001), indicates that only about 30% of family businesses survive in the second generation, 10-15% remain viable in the third generation, and only 3% operate in the fourth generation, according to initial studies of authors such as Beckhard and Dyer (1983); Ward (1987).

However, these statistics are not different from today, so it remains of particular interest to researchers to delve into studies focused on the succession process in family businesses. This analysis will show which lines of research have been derived from the interest that exists to analyze this topic.