SUMMARY

A PRELIMINARY STUDY OF ENTREPRENEURIAL FAMILY BUSINESSES IN NEW
ZEALAND, AND SOME IMPLICATIONS FOR GROWTH

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Principal Topic

Family Business was rediscovered as a global phenomenon in the 1980s, about 10 years after
researchers had rediscovered that, internationally, small and medium-sized businesses make a
significant contribution to output, and to employment. In much of the traditional literature,
Family Business is negatively stereotyped either in a ‘mom and pop’ model, as the corner store
business, incapable of significant growth; or in a ‘patriarchal’ model, hierarchical, dominated by
the founder, and resistant to change. In the orthodox economic model of the firm, the family
firm is merely one stage in the life of the enterprise, following the start-up period and preceding
the public company phase. In all of these, the Family Business is a limited and limiting model.

The new academic field of Family Business was given coherence and direction by Sharma (2004).
Although research on Family Business in New Zealand is sparse, it appears that here, too, many large
and small businesses are family businesses. Also, interestingly, despite constraining stereotypes, and
although they would meet only the loosest criteria, some very successful New Zealand CEOs choose to
identify their enterprises as family businesses, indicating that Family Business has positive connotations
in New Zealand. It would be useful to investigate the prevalence of entrepreneurial Family Businesses
in New Zealand. It would also be useful to explore the various definitions of Family Business, giving
particular attention to attribution of positive and negative characteristics.

Methodology/Key Propositions

This study, drawing on Sharma (2004), combines qualitative and quantitative aspects.
Qualitatively, the research will contribute to understanding the relationship, if any, between
academic and applied definitions of family business in New Zealand. Quantitatively, research
includes a review of the information and data currently available on Family Businesses in New
Zealand. It then reports a statistical assessment of a small sample population of self-selecting
entrepreneurs, alumni of The ICEHOUSE, a business incubator and accelerator, for the number
and size of Family Businesses, in comparison to the total population of alumni. The research will
contribute to the development of profiles of entrepreneurial businesses in New Zealand, in addition
to the more particular aim of developing a profile of entrepreneurial family businesses.

Implications

This research will advance the first author’s investigation of Family Business in New
Zealand. It will provide additional insight into the relationship between family, business, and
entrepreneurship. It will make a contribution to the important and currently under-researched
field of Family Business in New Zealand. In addition, because the total population of ICEHOUSE
alumni self-identify as growth-oriented entrepreneurs, the research will contribute a useful
comparison to data collected from all New Zealand businesses in surveys such as the GEM.

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