Turkish Delight a Public Affairs Study on Family Business: The Influence of Owners in the Entrepreneurship Orientation of Family Owned Businesses

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Abstract

FOBs are as unique as the families that own and control them. As reported by Miller, Steier and Le Breton-Miller (2003, p.513) the founders of many of these businesses try to continue their legacy and ensure continued family control via intergenerational succession, as when they hand over leadership to their children. The initial statistics suggest only approximately one-third of FOBs survive into the second generation, with just 12% remaining "viable" by the third, and only about 3% operating into the fourth generation or beyond. Thus, one of the central problems for FOBs is this inability to ensure competent cross-generational family leadership through successful transfer of ownership and management to the next family generation. This is a core issue for the modern public affairs practitioner and policy maker, nationally and internationally and the Turkish case is a good example of the multi complex issues evident in succession planning and leadership for business founders and leaders in these organisations.

A firm's Strategic Orientation is an indicator of the processes developed to integrate new information, to coordinate decisions, to examine the evolution of environmental factors and to

assess new projects (Escriba-Esteve, Sanchez-Peinado & Sanchez-Peinado, 2009). However, few studies have provided a framework that jointly analyses the FOB owner characteristics, the mediating processes and attitudes by which owners shape the direction of their family firms, and the effect of these postures on firm performance.

This paper addresses the influence of family business owner, over the behaviour of Family Owned Businesses (FOBs). By treating FOB owners' characteristics as predictors of a firm's strategic orientation, we seek to provide a deeper understanding of how the characteristics of FOB owners shape decision making process and FOBs' behaviours in order to successfully survive in generations. This study introduced the concept of FOB's Entrepreneurship Orientation (EO) as a variable that mediates between FOB owners' characteristics and business performance. The objective of this paper is twofold; (1) to identify the demographic predictors FOBs' EO; and (2) to analyse the role of EO as a mediator of the relationship between FOB owners' characteristics and FOBs' performance.

Keywords; Strategic Orientation, Entrepreneurship Orientation, Family Business, Ownership

Introduction

FOBs make up more than 60 % of all the companies in Europe, 90% of Japan and The USA (Strazovska & Jancikova, 2016) while creating an estimated 70-90% of global annual GDP (Overbeke, Billimoria & Somers, 2015). In many countries, such commercial enterprises are the main drivers of economic activity, growth and sustainability (Overbeke et al.,2015; Pearson, Carr & Shaw, 2008; Miller et al., 2013; Miller, 2014; Wang, 2010; Al-Dajani et al., 2014). Therefore, these businesses' performance and sustainability is a vital issue for both the business itself and the wider economy.

FOBs are as unique as the families that own and control them (Yukl, 2013; Kontinen & Ojala, 2010; Ward, 1997). As reported by Miller et al. (2003, p.513) the founders of many of these businesses try to continue their legacy and ensure continued family control via intergenerational succession, as when they hand over leadership to their children. The initial statistics (European Family Business, 2016), suggest only approximately one-third of FOBs survive into the second generation, with just 12% remaining "viable" by the third, and only about 3% operating into the fourth generation or beyond. Thus, one of the central problems for FOBs is this inability to ensure competent cross-generational family leadership through successful transfer of ownership and management to the next family generation (Miller et al., 2003; Miller et al., 2014; Sharma et al., 2003; Overbeke et al., 2015; LeCouvie & Pendergast, 2014).

Previous research studied the influence of FOB owner on performance (Cucculelli, Mannarino, Pupo & Ricotta, 2014; Zata-Poutziouris, 2011; Van der Westhuizen & Garnett, 2014; Kim & Gao, 2013) or SO of FOBs (Wang & Ahmed, 2009; Riviezzo, Garofano, Napolitano & Marino, 2015) or the effect of SO on FOB performance (Altindag, Zehir & Acar, 2011; Romero, Solis & Monroy, 2014) separately. Board of Directors role the between EO and an multifaceted innovation in small sized FOB have recently studied by Arzubiaga, Kotlar, De Masis, Maseda and Itturralde (2018).Use the "Insert Citation" button to add citations to this document.

Strategic orientation manifests strategic directions to firms to plan and implement strategies, influence the activities to achieve superior firm performance (Menguc & Auh, 2005 and Romero et al., 2014). Recent researchers have found that family firms are significantly better performers than non-family firms (Martinez et al. 2007) and strategic orientations are considered the key elements of the family firms to get superior performance in the marketplace and ensure its viability (Altindag, Zehir & Acar, 2011; Romera, Solis & Monroy, 2014).

A firm’s SO is an indicator of the processes developed to integrate new information, to coordinate decisions, to examine the evolution of environmental factors and to assess new projects (Escriba-Esteve, Sanchez-Peinado & Sanchez-Peinado, 2009). However, few studies have provided a framework that jointly analyses the FOB owner characteristics, the mediating processes and attitudes by which owners shape the direction of their family firms, and the effect of these postures on firm performance.

Family Owned Businesses’ Demography

Family firms represent the majority of all businesses worldwide (Strazovska & Jancikova, 2016; Keyt, 2015; Casillas, Moreno & Barbero, 2011; Gimeno, Baulenas & Coma-Cros, 2010; Sorenson, Yu, Brigham & Lumpkin, 2013; Miller et al., 2009) and play a major role in driving global economic growth (Lin, 2002; Zahra, 2003). More than two out of every three organisations are family owned and/or managed (Barnett & Kellermanns 2006). Yet, as the Family Business Institute (Family Business Institute, 2015) reports, only approximately one-third of FOBs survive into the second generation, with just 12% remaining “viable” by the third and only about 3% operate into the fourth generation or beyond. Unfortunately, those statistics have not changed in 2016 (Bizri, 2016).

The literature on family businesses is wide-ranging with no widely accepted definition of family firms (Kontinen & Ojala, 2010; Schuman et al., 2010; Adams, Manners, Astrachan & Mazzola, 2004; Pradhan & Ranajee 2012; Zahra, 2003, 2005; Kidwell, Hoy & Ibarreche, 2012; Chua, Chrisman & Sharma, 1999; Rosenblatt, de Mik & Anderson & Johnson, 1985; Chrisman, Chua & Sharma, 2005; Olson, Zuiker, Danes, Stafford, Heck & Duncan, 2003; Gimeno et al., 2010). For example, Pradhan and Ranajee (2012), and Kontinen and Ojala (2010) count as a family firm any company in which majority ownership lies within a single family and majority of the family members are, or at some time were, directly or heavily involved in the business. Chua et al. (1999, p.25) stress the sustainability and according to them family business is managed with the intention to shape and pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generation of the family or families. Denison et al., (2004) state that family businesses are differentiated from non-family ones by who they are and what they do to build corporate cultures that maximise economic, social, and kinship goals. However, the majority of authors (e.g. Rosenblatt et al., 1985; Zahra, 2012; Lyman, Salganicoff & Hollander, 1985; Karodia & Indermun, 2013; Klein, Astrachan & Smyrnios, 2005; Pradhan & Ranajee, 2012; Kontinen & Ojala, 2010; Chua et al., 1999; Miller, 2014; Ruiz Jimenez et al., 2015; Remery et al., 2014) identify the following as key features of family businesses: the family participates in the ownership and management of the company; there is interdependence of ownership and control, and the business is passed down through the generations with a drive for continuity. Similarly, Ward (1997) chooses to define family firms in terms of the continuity, as one that will be passed on for the family’s next generation to manage and control. It is possible to say that a family business generally refers to a company where the voting majority is in the hands of the controlling family, including the founder(s) who intend to pass the business on to their descendants (Ezziane, Mezzawi & leleux, 2013, p.1).

Theory and practice indicate that, in family-influenced firms, the interaction of the family unit, the business entity and individual family members creates unique conditions that influence the performance outcomes of the family business social system (Habbershon et al., 2003; Siebels & Knyphausen-Aufseb, 2012). These unique conditions, specifically their simultaneous focus on economic and family-related goals, combined with attention to the longevity and sustainability of their operations, set family firms apart from other companies (Zahra, 2012, p.52). Moreover, various theories and frameworks have emerged to explain these unique conditions, specific characteristics and behaviours of family businesses. While a comprehensive theory of the family firm is still lacking (Siebels & Knyphausen-Aufseß, 2012; Jaskiewicz, Combs& Rau. 2015) so that no single theory has been able to explain family business dynamics (Claver-Cortes, Zaragoza-Saez, Molina-Manchon & Ubeda-Garcia, 2015; Shapiro, 2005; Siebels & Knyphausen-AufseB, 2012; Schulze, Lubatkin & Dino, 2003; Miller et al., 2009).

FOB owners' demography

Effective leadership is central to the success of any business, whether family-controlled or not (Miller, 2014). However, family leadership is strategically necessary to achieve family control and wealth (Cruz, Hamilton & Jack, 2012) since the family management transfer inherently involves a leadership role shift between predecessors and successors (Radu Lefebvre & Lefebvre, 2016).
A business group is a collection of legally independent firms linked by multiple ties, including ownership economic connections (such as inter-firm transactions) and/or social relationship (family, kinship, friendship) (Chung & Chan, 2012). Through these connections, business groups coordinate, delegate, survive and achieve their targets. Family business ownership is probably the most dominant ownership structure found in many national contexts and a key characteristic that distinguishes the structure of family governance from that of non-family firms (Chung & Chan, 2012; Dow & McGuire, 2016). This leads family members to preserve and control their values and beliefs, and disseminate these to other family members (Zahra, 2012; Gupta & Levenburg, 2012). Studies also indicate that, in family businesses, family ownership and family leadership are key control mechanisms (Gómez-Mejía et al., 2001; Jiang & Peng, 2010; Villalonga & Amit, 2006) for both succession process and the performance (Lissoni, Pereira, Almeida & Serra, 2010; Ward,

1987). Additionally, family business owners' succession intention will not only be solely affected by their wills but also by the institutional environment (Zhou, Hu, Yao & Qin, 2016) like culture, capital market characteristics and legal frameworks (Dow & McGuire, 2016)

As suggested by Ward (1987), the business owner is the most important factor in the success of succession. As both organisational members and family members, family employees are generally found to be highly committed and loyal to their companies so the way of leading family employees in order to maintain or even enhance their organisational commitment is an important concern of family business owners (Gao et al., 2011, p.218). Ward (1987) also finds that family businesses encourage family-oriented environments and inspire strong employee loyalty.

Most of the literature on family business shows that founders intend to continue their business through next-generation family members: children first, followed by other family members (Hartel et al., 2009; Garcia-Alvarez et al., 2002). However, family members often hold all the key leadership positions, often chair the board of directors or serve as board members to control their family firms, frequently preventing non-family members from taking key leadership positions (Lipman, 2010; Chu, 2011). Therefore, non-family members are unlikely to hold leadership positions in FOBs (Ward, 1997). Thus, family descendants are the first option for a founder's succession (Garcia-Alvarez et al., 2002). Family leaders agree that the best successor is someone who wants the job and has the trust and the respect of family members and employees (Chrisman et al., 2009).

Similarly, family-firm founders exhibit stronger requirements for control and are less likely to delegate power so family firms tend to be centralised and controlled by the founder's beliefs (Ketz de Vries, 1996; Brice & Jones, 2008). Uhlaner, Hoy, Eddleston and Kellermanns (2012) use the term ''family management'' to contrast with ''professional management". Although some studies find that, in family businesses, family ownership and family leadership are key control mechanisms (Gómez-Mejía et al., 2001; Jiang & Peng, 2010; Villalonga & Amit, 2006), recently, family business groups are starting to introduce diversity of ownership and management configurations (Chung & Chan, 2012). This issue was examined by Villalonga and Amit (2010) and their results show that founding families retain control and give the firm a competitive advantage, whereas non-founding families and individuals seem to act exclusively in their own interest. According to Huang, Ding and Kao (2009), family firms are also less likely to seek external sources of information due to the strong social ties within the organisation, which supports Chung and Chan (2012). Miller et al. (2013) investigated the choice between a family business owned leader or non-family owned, finding that family member leaders do better than non-family leaders when firms are smaller and family ownership is more concentrated; however, they perform less well than non-family leaders when firms are larger and family ownership is more diffuse.

Some family businesses suffer from a lack of human resources because parents tend to offer investment opportunities to their children (Lubatkin et al. 2007), even if they have insufficient skills for international entrepreneurship and even though hiring the right person is accepted as one of the most important functions of human resource management (Busser, 1996; Collings & Wood, 2009). However, in terms of ownership and management, there is significant evidence that family businesses are quite reluctant to accept non-family ownership (Vadnjal & Zupan, 2011). In minority-owned family firms, however, the preference for hiring family members may be culturally rooted and not based on business needs alone (Shinnar, Cho & Rogoff, 2013).

Strategic Orientation of FOBs

In a rapidly globalising world, organisations use different techniques to achieve better performance and achieving competitive advantages with their performance is difficult in current complex markets. In order to able to achieve the better performance and sustain their stable market position, firms, including family firms use strategic management processes to be competitive over time (Habbershon et al., 2013, Krzakiewicz & Cyfert, 2019). Moreover, as stated by Ward (1988), the lack of strategic management in family businesses has contributed to their high failure rate as they attempt to survive from one generation to another.

Organisational strategy can be considered as an internal mode of actions that help them to adapt environmental conditions. However, Strategic Orientation (SO) manifests strategic directions to firms to plan and implement strategies, influence the activities to achieve superior firm performance (Menguc & Auh, 2005 and Romero et al., 2014). Moreover, as indicated by Cadogan

(2012), the possession of certain SOs is often beneficial for businesses and the creation of most SOs emerged in the first place from observing firms' preferences, behaviours and performance outcomes.

Recent researchers have found that family firms are significantly better performers than non-family firms (Martinez et al. 2007) and strategic orientations are considered the key elements of the family firms to get superior performance in the marketplace and ensure its viability (Altindag, Zehir & Acar, 2011; Romera, Solis & Monroy, 2014). According to Sharma et al., family firms usually show unique strategic orientation different from non-family businesses due to their interwoven subsystems; family and the business. Moreover, research indicate that family firms are more likely to explore new opportunities and engaged in more focused explorative activities (Astrachan, 2010 and Riviezzo, Garofano, Napolitano & Marino (2015).

The literature on this subject examined different types of SOs, such as Technological Orientation, Orientation for exploring business opportunities, Internal and External Orientation. However, most commonly cited three strategic orientations have been accepted to provide a significant impact on firm performance: market orientation (MO), entrepreneurial orientation (EO), learning orientation (LO) (Hakala, 2011; Romero et al., 2014, Krzakiewicz & Cyfert, 2019). Research indicate that, based on firms resources and capabilities, they should take into account the necessary level of each SO, in order to able to achieve superior performance (Nguyen Dinh Tho, 2019, Krzakiewicz & Cyfert, 2019, Riviezzo et al., 2015).

Researchers (Dubihlela & Dhurup, 2015; Kiessling, Isaksson & Yasar, 2016) suggest that, market orientation is a vital marketing concept which addresses how organisations adapt to their customer environment to develop competitive advantage in today's globalized marketplace, especially for SMEs. Marked oriented companies develop an in-depth understanding of their customers' needs as well as their competitors' action and attempt to satisfy these desires through innovative product and services (Dibrell, Craig & Handsen, 2011). Therefore, research show there is a strong relation between MO and innovativeness.
In the family business literature, several works highlight that the generation in control, with its values and beliefs shapes the character of the family firm and how it adopts to the external business

environment (Zahra et al., 2004; Beck, Janssens, Debruyne & Lommelen, 2011; Casimiro & Chambel, 2014).
In management literature, Entrepreneurship Orientation (EO) has been characterized by the dimensions of innovativeness, risk taking, and proactiveness (Li, Liu and Zhao, 2006; Miller, 1983). According to Miller (1983, p.771), an entrepreneurial firm is one that engages in product-market engagement innovation, undertake somewhat risky ventures, and is first to come up with proactive innovations, beating competitors to the bunch. Entrepreneurial firms take risks and initiative by anticipating and pursuing new opportunities (Engelen, Neumann & Schwens, 2015) and EO is a widely accepted way to measure the degree in which a firm is entrepreneurial (Rezaei, Ortt & Scholten, 2013).

According to Cruz et al., (2012) CEO and Top Management Team (TMT) age are significant predictors of EO of FOBs and with the negative sign indicating that EO decline over time. Similarly, the positive sign for the CEO gender coefficient and the negative one for the proportion of women in the TMT indicates a lower entrepreneurial posture for women. Lastly, Cruz and Nordqvist (2012) suggest that, while the founder is vital in the first generation, third-and beyond-generation family firms are more entrepreneurial.

The family is one of the most important groups forming individuals' attitudes toward entrepreneurship, developing their capabilities to step into new ventures, applying creativity in developing new business ideas, and making them more likely to choose entrepreneurship as their future career path (Boz and Ergeneli, 2013; Gupta, 2009). Studies of the entrepreneurial personality indicate that the entrepreneur's family plays an important role in the development of certain entrepreneurial personality characteristics (Dyer & Handler, 1994; Ward, 1997; Biblarz & Raftery, 1999; Boz & Ergeneli, 2013; Sciascia, Mazzola, Astrachan & Pieper, 2012; Zahra, 2012; Vera & Dean, 2005; Stamm & Lubinski, 2011). Moreover, Dyer and Handler (1994) found that the family can also support the entrepreneur by providing money, contacts, labour, and other resources. Given the family's importance to developing an entrepreneurial personality, Stamm and Lubinski (2011) highlight the role of family occupation and education. They argue that an entrepreneurial family plays a major role in understanding succession processes in multi-generational family businesses, which can be understood as a means to keep the entrepreneurial spirit alive. As mentioned by Cruz and Nordqvist (2012), entrepreneurial families need to have an entrepreneurial orientation towards their business activities.

Moreover, even though researches keep arguing whether FOBs are more or less entrepreneurial than non family firms (Zahra, 2005; Cruz & Nordqvist, 2012; Naldi et al., 2007), Zahra (2005) found that family ownership and involvement promote risk taking which is an important dimension of entrepreneurial behaviour in family firms. Later on, Naldi et al., (2007) study states that, due to the risk of losing accumulated family wealth and social well-being of future generations family firms tend to take less risk than do nonfamily firms. However, according to their study, family firms take on risks, but with negative implications for their performance.

Agency Theory and FOBs Entrepreneurship Orientation

In FOBs, family and business systems have their own unique traits and business entity may be entirely unique (Johnson, 2007, p.1088) and they transmit this unique resource to the firm through family member interactions in both family and business systems and at the interface of the two systems (Danes, Lee, Stafford & Heck, 2008). Due to family influence, family businesses have characteristics that differentiate them from non-family businesses (Moores, 2009).

Agency theory is a systematic analysis of the relationship between principals and their agents (Greenwood, 2003; Bendickson, Muldoon, Liguori & Davis, 2016) and this theory is considered as the most prevalent contemporary approach to examining ownership effects in FOBs (Corbetta & Salvato, 2004). In the family business context, this theory applies mostly to the relationship between an agent and the owners of a firm as a principle (Miller et al., 2014). Bendickson et al., (2016) argue that agency theory is based on the relationship between one party, the principal, who designates certain tasks and decisions for another party, the agent. Duh (2010), adds financial issues on the theory and according to him, agency theory is employed to explore the relationship between a firm’s ownership and management structure and its financial performance. Similarly, Kuruppuge and Gregar (2015) assert that agency theory mainly discuss the relationship of business owner who invested money in the business and agent (manager) who serve for salary in the business on behalf of owner, however, they state that according to agency theory, agents tend to be opportunistic, who, unless monitored effectively, will exploit owner-principals.

Even though Agency Theory explains owner and agent relationship of a business, owner and agent become one person in most cases of family businesses (Kruppuge & Gregar, 2015, p.123). As a result of this relationship, the agency relationships in family firms are distinctive because they are embedded in the parent–child relationships found in the household and are characterised by altruism (Schulze et al., 2003, p.473). Agency theory also describes possible problems arising from conflicts of interest and assumes that individuals behave opportunistically in the sense that one contract party, the agent, tends to behave in his or her own interest rather than the interest of the other contract party (Siebels & Knyphausen-Aufseß, 2012). However, according to Greenwood (2003) and Schulze et al. (2003), agency theory offers only a limited analytical framework for FOBs because family owner-management promotes communication and cooperation within the firm and guards against opportunism, sparing FOB owners the need to closely monitor management or the expense of incentive payments. Thus, the theory can offer a useful but only partially appropriate explanation of family firm performance (Corbetta & Salvato, 2004). Schulze et al. (2001) discuss the limits of agency theory to explore the control of owners’ opportunistic behaviour, behaviour that interestingly might just be rooted in an altruistic impulse.

Entrepreneurship Orientation and Family Business Owner

Entrepreneurial activity varies across countries and regions (Hayton and Cacciotti, 2013). While it is also strongly linked with personal skills and education level, the social environment primarily determines its characteristics (Ufuk & Ozgen, 2001). Maysami & Gobby (1999) claim that demographic factors, such as age, gender, perceptual experience, and level of education, influence entrepreneurial tendencies. The family is one of the most important groups forming individuals’ attitudes toward entrepreneurship, developing their capabilities to step into new ventures, applying creativity in developing new business ideas, and making them more likely to choose entrepreneurship as their future career path (Boz and Ergeneli, 2013; Gupta, 2009). Studies of the entrepreneurial personality indicate that the entrepreneur's family plays an important role in the development of certain entrepreneurial personality characteristics (Dyer & Handler, 1994; Ward, 1997; Biblarz & Raftery, 1999; Boz & Ergeneli, 2013; Sciascia, Mazzola, Astrachan & Pieper, 2012; Zahra, 2012; Vera & Dean, 2005; Stamm & Lubinski, 2011). Dyer and Handler (1994) found that the family can also support the entrepreneur by providing money, contacts, labour, and other resources. Given the family's importance to developing an entrepreneurial personality, Stamm and Lubinski (2011) highlight the role of family occupation and education. They argue that an entrepreneurial family plays a major role in understanding succession processes in multi-generational family businesses, which can be understood as a means to keep the entrepreneurial spirit alive. Stamm and Lubinski (2011) also highlight the links between individual lifestyles, family, and regional embeddedness, and new business creation or business continuity. However, they add that the family can also hinder starting a new business by providing insufficient material resources and little or no social support.

Over the past two decades, EO and family firms performance have been examined by researchers (Pittino et al., 2018, Lee and Chu, 2017, Naldi et al., 2007 & Cruz et al., 2012), and they mainly built on Agency and Stewardship Theories. Most agency theory scholars address the advantages of family governance as it reduces the conflict between owner and agencies if there is a close alignment between the interest of the two parties (Lee & Chu, 2017). Regarding EO, scholars (Zahra, 2005 & Naldi et al., 2007 & Riviezzo et al., 2015) pointed out the central role of family involvement in shaping strategic entrepreneurship. Specifically, we labelled the idea that, family business owners' entrepreneurship background has a great impact of businesses EO.

Research Findings

Adapting an Agency Theory and relying on a sample of 20 Turkish Family Businesses with their 252 employees, we emphasize the importance of family business ownership as a primary determinant of entrepreneurship orientation in terms of risk taking and innovativeness.

Two methods of data collection were used in this research: first, qualitative interviews with a purposive sample of Turkish FOB owners; second, a survey of 252 FOB employees working in the FOBs. Of the 252 survey respondents (55% female, 45% male), only 4% female and 12% male participants filled the survey as members of the FOB owners' family. Of the survey respondents, 2.8% were less than 20 years old, 65.6% were 20-39 years old, 22.3% were 40-49 years old, 7.7% were 50-59 years old and 1.6% were 60 years old or above. In terms of positions in their businesses, 82% held non-management positions, 15% management positions, 2% top management, and 1% were from the board of directors. Regarding educational level, 0.4% graduated from elementary school, 2.5% graduated from high school, 59.9% had a university degree from Turkey, 9.7% gained a university degree abroad, 7.4% had a master degree from Turkey, 3.2% had a master degree abroad while 1.6% had a PhD degree from Turkey. Qualitative data were gathered via in-depth open-ended interviews with male FOB owners in addition to surveys conducted by the organisations themselves. Each interview recording was transcribed by the researchers. The interviews explored the family business owners' characteristics and entrepreneurial background. The open-ended interviews provided sufficient flexibility for both the interviewees and the researcher in that the researcher could ask additional questions to better understand the situation.

For the purposes of this study, family-owned and managed organisations were defined as those where 51% or more of the business was controlled by the family, decisions about management or ownership were influenced by family members, and two or more members of the immediate family (i.e. father, mother, daughter or son) were employed and actively participating in the firm's management (Dumas, 1992). While FOB researchers use various forms of this definition, the common factor is that the FOBs are managed and controlled by family members.

In this research study, an employee survey was used in order to support and consolidate the interview results, as well as analysing the EO while considering the employee assumptions.

In the present study, in order to identify the FOB owner's background, FOB owners were asked, ***Please tell me the story of how you came to take over the leadership of your family business.*** Their responses are shown below.

Response 1. I started to work at my family business when I was 15. I used to come to work as a service staff and was serving the tea and coffee to people at the shop. Our shop was the biggest jewellery shop in the city, and we had quite a lot of customers. Even though my dad was a good designer I wasn't talented at all, but I was a good seller. I studied statistics at the university and as soon as I graduated, I started to work at the accounting department. When my father decided to resign, as the eldest son I got in charge of the business.

Response 2. My father had a small shop in the city, and I used to work at the shop after the school. When I graduated from the high school I started to work as a whole-time worker. I used to help my father. When my father died, I carried out that shop three more years then opened another branch in the city. The following year I opened two more branches with the same name. After five years me and my younger brother decided to open a supermarket, so we sold all other shops and opened a big supermarket.

Response 3. I am the first generation of this business.

Response 4. My grandfather used to work as a tin man. My dad learned that business from his father, but he improved that business and started to sell aluminium saucepans. Later on, he set up a factory to produce aluminium cookers. It was the biggest aluminium casserole producer of Turkey. I went to Germany for the university and started to work as a General Manager at the factory. My dad retired when he was 74 and I got in charge of the business.

Response 5. I am the first generation of the business.

Response 6. I am the first generation of the business

Response 7. I am the first generation of the business.

Response 8. I am the first generation of the business.

Response 9. I am the first generation of the business.

Response 10. We are the furniture manufacturer family for 3 generations. My granddad had a small furniture atelier and my dad learned this artisanship from his dad. He was a famous furniture manufacturer in his region. Actually, I wasn't interested in working in this sector, I wanted to be an officer. I went to university to study economics but couldn't find a proper job that I wanted to work at. I started to work at our atelier as an accountant and had to learn the processes at the factory. I was the only boy in the family and when my dad passed away, I had to get in charge with the business. It was a compulsory process; I didn't want to run this business, but I am happy with it now.

Response 11. My dad was a cook. It wasn't his own business, but he was called for weddings, funerals and other mass ceremonies. I was always interested in cooking and learned it from my dad. I used to go with my dad in order to help him. When my dad was at his fifties, he decided to start his own job and we opened a small catering company. Initially we were cooking just for mass celebrations, but we were also receiving orders from business offices for their lunches. I didn't go to university, as soon as I graduated from high school I started to work with my dad, and I was following the orders and the accounts. Until my dad decided to retire, we worked together. When he decided not to work anymore, I started to run the business on my own.

Response 12. I am the first generation of the business.

Response 13. I am the first generation of the business.

Response 14. My dad used to run another business, but I also used to work with him. Even though our business is in the second generation, I set up this transformation business. But I still supervised my father's business more than ten years when my father was alive. So, we can't call ours as an actual succession process, but, when his health problems started, he left the job and I started to run the business on my own.

Response 15. My dad had a flourmill and I grew up at that mill and learnt everything from my dad. My dad worked at the mill until he died but I had already added some extra productions to flour before my dad passed away. We started to produce some bakery products at the small workshop next to our mill. But later on, we focused more on those bakery products rather than flour production. I was 29 years old when I started to run this business own my own.

Response 16. I am the first generation of the business.

Response 17. I am the first generation of the business.

Response 18. My mum used to sell the carpets. She had her own workshop with workers, and they were weaving rug for my mum. My mum used to arrange the carpet weaving and selling. I didn't go to school after primary school and started to work with my mum. I opened my own a shop when my mum was alive. She was setting up weaving and I was selling them. When she passed away I started to organise everything on my own, I was 32 years old.

Response 19. I am the first generation of the business.

Response 20. I am the first generation of the business.

As can be seen from the answers, twelve (Companies 3, 5, 6, 7, 8, 9, 12, 13, 16, 17, 19, 20) of twenty interview partners, run their business as a first generation. As cited by many authors (Lee & Chan, 1998; Aronoff & Ward, 2011) family business background is the most influential factor that motivates them to start their own business. Additionally, first generation family businesses are known as more entrepreneur than later generations. As mentioned above, employee survey was used in order to support the interview results, as well as analysing the EO while considering the employee assumptions.

In order to able to analyse the Entrepreneurship Orientation of the company and perceived impact of their FB owners, employees were asked the questions below.

Survey Questions	***1st Generation***	***2nd Generation***	***3rd Generation***
New ideas and opportunities are explored	2% Never 8% Seldom 21% Sometimes 29% Usually 40% Always	4% Never 14% Seldom 22% Sometimes 33% Usually 27% Always	4% Never 10% Seldom 36% Sometimes 30% Usually 20% Always
FB owner makes all decisions on his/her own	32% Never 26% Seldom 15% Sometimes 15% Usually 12% Always	16% Never 4% Seldom 19% Sometimes 27% Usually 14% Always	9% Never 23% Seldom 23% Sometimes 26% Usually 9% Always
Family effects FOB owners' decision	28% Never 35% Seldom 15%Sometimes 14% Usually 8% Always	8% Never 20% Seldom 25% Sometimes 33% Usually 14% Always	9% Never 25% Seldom 25% Sometimes 22% Usually 11% Always
The leadership in the organization in generally considered to exemplify a no-nonsense, aggressive and result-oriented focus.	2% Never 11% Seldom 25% Sometimes 35% Usually 25% Always	11% Never 19% Seldom 27% Sometimes 27% Usually 16% Always	1% Never 34% Seldom 32% Sometimes 32% Usually 1% Always
The capabilities of employees are viewed as an important source of competitive advantage	3% Never 5% Seldom 23% Sometimes 41% Usually 28% Always	6% Never 15% Seldom 32% Sometimes 25% Usually 22% Always	16% Never 26% Seldom 29% Sometimes 16% Usually 13% Always
Everyone can share their ideas with our managers	1% Never 10% Seldom 10% Sometimes 46% Usually 33% Always	7% Never 6% Seldom 9% Sometimes 27% Usually 51% Always	9% Never 23% Seldom 23% Sometimes 26% Usually 9% Always

There is continues investment in the skills of employees	5% Never 13% Seldom 13% Sometimes 41% Usually 28% Always	6% Never 8% Seldom 26% Sometimes 34% Usually 26% Always	11% Never 19% Seldom 27% Sometimes 22% Usually 21% Always
The leadership in the organization in generally considered exemplifying entrepreneurship, innovation or risk-taking.	2% Never 14% Seldom 14% Sometimes 29% Usually 41% Always	10% Never 19% Seldom 16% Sometimes 31% Usually 24% Always	3% Never 20% Seldom 32% Sometimes 26% Usually 19% Always

In Family Businesses, family ownership and family leadership are accepted as a key control mechanism. Family owners and other family members usually occupy key decision-making positions in the core company or the affiliate firms to control the total business group (Luo & Chung, 2005). In order to understand the influence of FOB owner's on employees' decision making and innovativeness and examine the entrepreneurship orientation of employees in FOBs, employees were asked about their FOB owners' characteristics.

FOB founder is an entrepreneur, who drives the firm's development based on his/her intuition and EO is closely tied to the founder as she or he is the most important actor in entrepreneurial activities (Schein, 1983; Cruz & Nordqvist, 2012). As a result, entrepreneurship is driven by the founder to a great extent in first generation family firms (Cruz & Nordqvist, 2012; Poza & Dougherty, 2014) and this founder centrality is reduced as the firm moves to the later generations.

This research results support this connection between the generation and entrepreneurship orientation. As mentioned by author, first generation family leaders are seen more entrepreneur than second and third generations. When we look at the first question, majority of the employees reported that new ideas and opportunities are explored in their FOBs while in second and third generation FOBs, this percentage drops dramatically.

Kellermanns and Eddleston (2004) argue that when the controlling individuals have a strong desire for authority, trust levels may decrease, which can harm the entrepreneurship tendencies in family firms. First generation family business employees reported their owners less autocratic then later generation. Autocratic leaders do not let his followers implement their decisions and power and decision making is centred on the incumbent leader (Sorenson et al., 2013). Results show the differences between generations in terms of decision making and taking into consideration of employees' ideas. While first generation entrepreneur owners let employees to share their ideas with them, later generations this rate reduces.

Our study demonstrates the importance of FOB owner's entrepreneurship characteristics for EO. First generation family business owners have a great impact on organization EO, however, when we look at the later generations, even though entrepreneurship tendency reduces, employee capabilities still seen as an important resource for the company.

Conclusion

Prior empirical studies have present different research findings on the association between EO and firm performance and mainly focused on the association only for performance (Lee and Chu, 2017; Pittino et al., 2018; Naldi et al., 2007). Our objectives in this article is to extend current understanding of whether FOB owner has an impact on EO the business.

Built on Agency Theory, the empirical findings show that EO is positively associated with FOB owners' entrepreneurial characteristics. Additionally, these findings suggest that the potential advantages of entrepreneurial background of FOB owners for company's EO. Interview results show that, the experience of FOB owners has positively associated with EO as they support the new ideas and opportunities between employees.

The results regarding the role of FOB owner on EO may help to explain the effect of generational involvement in family firms.

Additionally, it should be reminded that national culture also play a large part in FOBs that determine whether they will be entrepreneur or not. Cultural orientation such as power distance, masculinity and uncertainty has a great impact on EO and can be a good idea for future research.

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