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The Marionette: 
Embeddedness in a Community of Family-Controlled Firms

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Abstract

Purpose: Being embedded in family has proven to bring opportunities and facilitate resources for a firm. However, it has its dark side, where too much family involvement may hamper the entrepreneur’s ability to develop psychological ownership of the firm. By focusing on the role that family plays in entrepreneurship, this article aims to explore how embeddedness and agency interact during the entrepreneurial process. The research questions are: 1) how does family interact in the entrepreneurial process, and 2) how does embeddedness inform this process?

Design/methodology/approach: The paper builds on a longitudinal case study of a small firm that is part of a local community of family-controlled firms. The narrative was created through in-depth interviews with the business owner covering a period of eight years from the opening to the closure of the firm. Departing from theories of family embeddedness, the family is viewed as part of the context.

Findings: The findings show how agency operates in a community of family-controlled firms and how entrepreneurship is thus partly executed outside the firm’s legal boundaries. The metaphor of a marionette illustrates how family may tie up and restrain an entrepreneur. This hampers the entrepreneur in developing psychological ownership of the firm and thereby restrains the firm’s development. This shows a downside to having too much positive influence from embeddedness.

Implications: The paper stresses the social role of family by emphasising the value that a family can bring to an entrepreneurial process and thereby to society at large. Practitioners need to reflect on the effects of embeddedness. By recognising the downsides of too much help from outsiders, they may instead strive for a balance. By introducing the theory of psychological ownership to the literature on embeddedness, this article opens the space for future developments of this cross-section.

Originality/value: The article contributes to the entrepreneurship literature by unfolding the mechanisms of family embeddedness and illustrating how embeddedness informs the entrepreneurial process in different ways. Even though over-embeddedness has been investigated before, this has primarily focused on the negative control from outside the firm. This article employs the notion of psychological ownership to shed light on the previously hidden problem of too much positive influence from family.

Key words: Agency, Context, Entrepreneurial process, Family embeddedness, Psychological ownership, Role of family

Paper type: Research paper
1. Introduction

We tend to see entrepreneurship as the practice of an entrepreneur. The entrepreneur is often depicted as the person in control of the entrepreneurial process – the one who makes entrepreneurship happen. This article illustrates how a single owner-operator of a small firm, the presumable “entrepreneur”, becomes a marionette controlled by her social family.

Traditionally, entrepreneurship literature has focused on the individual (Bygrave & Hofer, 1991; Shane & Venkataraman, 2000). However, this has been contrasted through the rising interest in context (Welter, 2011). Here, entrepreneurship is seen as a socially constructed process (Lindgren and Packendorff, 2009) in which the entrepreneur and her firm are embedded in contexts through networks, ties and relationships (Jack & Anderson, 2002). One such context is the family context, which has been discussed as “family embeddedness” (Aldrich & Cliff, 2003). Embeddedness may both bring opportunities and set boundaries for entrepreneurship (Welter, 2011). Yet we know little of the actual mechanisms behind embeddedness and how it informs the entrepreneurial process. Understanding how embeddedness operates would increase our understanding of firms with an active context: how they are managed, how decisions are negotiated and how we may support them.

Thus, the aim of this article is to explore how embeddedness and agency interact during the entrepreneurial process by focusing on two research questions:

RQ1. How does family interact in the entrepreneurial process?
RQ2. How does embeddedness inform the process?

This paper employs the narrative of an entrepreneurial process, which involves the opening, development and closure of a small firm with substantial family involvement. The fact that the study covers the entrepreneurial process from opening to closure offers a rare opportunity to gain insight into how embeddedness evolves and what the mechanisms behind it are. These three parts – opening, development and closure – are described as the fundamental parts of the entrepreneurial process (c.f. Bird, 2014). Scholars have developed a significant body of knowledge concerning the opening and creation of a firm (Baron, 2007) as well as its development and growth (Thunberg, 2017), whereas entrepreneurial closure has received less research attention (Mason & Harrison, 2006; DeTienne, 2010). Moreover, as most research has focused on the opening or the development stages, few researchers have had the opportunity to follow the entire process to explore how it unfolds.

In this case study, the firm is part of a local business community (Jennings, 2016) consisting of at least seven firms. These firms are all owned and managed by different people in the same family. The family bonds connect the firms and their owners, and even though some of them are involved in very different business areas, they manage to support and interact with each other. Thus, in this article, family is viewed as the community of local family-controlled firms. Family and community have many similarities. For example, they both entail a sense of belonging (Anderson et al., 2016; Anderson & Gadde, 2016; Block, 2018) to a common culture (Sharma & Manikutty, 2005; Zahra et al., 2008) and they both contain social structures (Anderson et al., 2005; Zellweger et al., 2018) where ties may be considered both positive and negative and change over time (Welter, 2011; Mani & Durand, 2018). In addition, families and ties between family members often constitute a vital part of a local community. Hence, this article explores firms and their family as community. By employing theory on family embeddedness, this article aims to explore how
embeddedness and agency interact in a family context; i.e. a community of family-controlled firms.

The findings illustrate both the positive and the negative consequences of being embedded in a family context. They also shed light on hidden problems that arise from the expectations of reciprocity and the restraint of the entrepreneur in developing psychological ownership (Pierce et al., 2001) of the firm as control is passed over to family. This hampers the firm in its development and finally leads to its closure. This shows the downside of having too much positive influence from embeddedness, as control is passed from the entrepreneur to the family. Thus, embeddedness is more complex than normally discussed and the restraining influence of family, or community, should not be overlooked.

The paper first presents an overview of the literature, after which the method is described and discussed. This is followed by a presentation of the narrative and discussion of the findings. Finally, the conclusion is presented, followed by the paper’s contributions and implications.

2. A theoretical framework
This chapter is divided into three sections. The first section provides a brief introduction to the discussion of context and agency in entrepreneurship literature. The second section discusses embeddedness in family and community, with the resources and restraints that it brings. The last section is devoted to the notion of psychological ownership, which this article argues is a hidden problem with family embeddedness.

2.1 Context and agency
Context matters in entrepreneurship. It has been proven to be important in understanding entrepreneurship in terms of when, how and why it happens and who becomes involved (Welter, 2011). Context has therefore been receiving increased attention in entrepreneurship studies in recent decades, and has even developed into a topic of its own. Within entrepreneurship literature, context is often discussed as something external and passive that an entrepreneur relates to and acts upon. For example, Welter (2011, p. 167) describes context as “circumstances, conditions, situations, or environments that are external to the respective phenomenon”. However, contexts have also been discussed as interactive. For example, Mowday and Sutton (1993) explain that context can both influence and be influenced by individuals and groups. Likewise, Welter (2011) uses the term “recursive links” to explain how entrepreneurship can be shaped by, but also shape, contexts. Lindgren and Packendorff (2009) add to this discussion, arguing that social context partially constructs entrepreneurship.

Related to the embeddedness discussion, Granovetter (1985) brings in the notion of agency, which may be understood as the capacity of agents to act within a given context. As agency may be held and practiced by different stakeholders during the entrepreneurial process, it takes us away from the focus on the individual, (i.e. the entrepreneur), which has dominated entrepreneurship research (Dodd & Andersson, 2007; Müller, 2013). This individualistic perspective has been criticised from a social constructionist perspective, arguing that entrepreneurship is constructed through people’s interactions and therefore should be considered a social phenomenon (Dodd & Anderson, 2007; Lindgren & Packendorff, 2009; Robson, 2013). However, fully applying the social constructionist perspective risks over-socialising entrepreneurship, focusing on the processes and overlooking the
entrepreneur(s) (Dodd & Anderson, 2007; Müller, 2013). Here, the notion of entrepreneurial agency is helpful, as it focuses on the interplay between agents and context (Granovetter, 1985; Korsgaard et al., 2015; Gaddefors & Anderson, 2017). Thus, it neither over- nor underemphasises the entrepreneur or the context (Granovetter, 1985; Müller, 2013).

In this article, the agency concept is used to discuss how the entrepreneurial process unfolds, yet the founder of the firm is nevertheless referred to as an “entrepreneur” throughout the process. This is done not to join the individualistic perspective (rather the opposite), but instead to shed light on who the community views as an entrepreneur. In fact, this article challenges the discourse of “the entrepreneur in control” by showing that the presumable entrepreneur is in fact far from alone in constructing the entrepreneurial process. Thus, the concept of entrepreneur is employed with a somewhat provocative undertone.

2.2 Family embeddedness

The involvement of family in business is, and has been, a central theme within the family business literature, which focuses on “family firms” (Sharma, 2004; Chrisman et al., 2007). Here, a family firm is often defined as a firm in which more than one member is of the same family, related by blood or kin, and considered formally involved in ownership, control or management (Sharma, 2004; Miller & Le Breton-Miller, 2007; Bjuggren & Palmberg, 2010; Sacristán-Navarro et al., 2011). However, family may be influential without formal involvement, through being part of the firm’s social context, offering advice and emotional support or providing different types of resources (Aldrich & Cliff, 2003; Anderson et al., 2005; Steier, 2007). It is in this way that family is approached in this study. Thus, family is seen as a context that sometimes exerts agency in the entrepreneurial process. This kind of informal involvement has received less attention in family business literature. Mainly, it has been addressed within entrepreneurship literature as “family embeddedness”.

According to Jack and Anderson (2002, p. 467), “embedding is the mechanism whereby an entrepreneur becomes part of the local structure”. It is the entrepreneur’s network, ties and relationships that determine the level of embeddedness in a context (Jack & Anderson, 2002). Hence, embeddedness can be described as “the nature, depth, and extent of an individual’s ties into the environment” (Jack & Anderson, 2002, p.468).

From the embeddedness discussion, family embeddedness was introduced by Aldrich and Cliff (2003) as they looked closer into family involvement in firms. In their article, they argue that the family and the business are intertwined. Anderson et al. (2005) added to this, arguing that family relationships normally involve strong ties as they build on inseparable mutual bonds between individuals. Thus, families are seen as strong social structures (Anderson et al., 2005). At the time these articles were published, the focus within entrepreneurship literature had long been on the individual entrepreneur (Bygrave & Hofer, 1991; Shane & Venkataraman, 2000) whereas the larger family had been neglected. This prompted Anderson et al. (2005, p. 152) to describe the intersection between entrepreneurship and family business literature as a “neglected middle ground”. Now, through the invoked interest in context, the family has started to gain attention within entrepreneurship, viewed as part of the context that a firm is embedded within (Welter, 2011). Out of Welter’s (2011) contextual dimensions – historical, temporal, business, social, spatial and institutional contexts – family is primarily brought up as part of an entrepreneur’s social context. Yet to grasp the family context, one needs to understand how it relates to other contextual
dimensions as well; for example, institutional dimensions with family culture, enacted norms and values, and historical dimensions of family history that may be interwoven with family culture.

Being embedded in a context “creates opportunity and improves performance” and “enables access to latent resources and resources otherwise not available to the entrepreneur” (Jack and Anderson, 2002, p. 467-8). In order to create, develop and grow a firm, there is a need for different kinds of resources. Social networks, such as family, can provide some of these resources (Steier, 2001; Jonson & Lindbergh, 2013). Against this backdrop, this article points to the difference between human, physical, financial and social resources (c.f. Sharma, 2008).

There is plenty of evidence of a family’s ability to provide *human resources*, such as labour (Aldrich & Cliff, 2003; Steier, 2007; Blenkinsopp & Owens, 2010; Lam, 2010), professional advice (Anderson et al., 2005) as well as knowledge, expertise and emotional support (Blenkinsopp & Owens, 2010). Turning to the family for help instead of using someone more external frequently offers benefits: service is often rapid and provided at low or even no cost (Anderson et al., 2005), and the family is sometimes seen as more trustworthy and flexible than external employees (Lam, 2010). However, there are only a few articles that report on how *physical resources* can be supplied by family members. One example is Birley (1986), who illustrates how family and friends can be an important source of help in finding a location and premises, as well as equipment, raw material and other supplies. Physical resources are mostly discussed as derived from *financial resources* (Tengeh et al., 2011), where financial capital can be provided either directly through a family member investing in the firm or indirectly through connections to other individuals who are capable of giving financial support (Aldrich and Cliff, 2003; Steier, 2007). The latter is part of *social resources*, which focus on relationships between individuals or organisations (Simon & Hitt, 2003). Thus, social resources in family members’ ties are used for gaining other types of resources (Simon & Hitt, 2003). In this vein, legitimacy has proven to be a key resource and may be described as “a social judgment of acceptance, appropriateness, and desirability” (Zimmerman & Zeitz, 2002, p.414). Legitimacy is of critical importance for start-ups in order to survive and grow (Starr & MacMillan, 1990; Zimmerman & Zeitz, 2002).

Although the notion of embeddedness has primarily focused on the positive outcomes of being embedded, it may also be a liability (Uzzi, 1997) or act as a constraint (Jack & Anderson, 2002). Here, Uzzi (1997) uses the term “over-embeddedness” to explain how it may lead to a reduced flow of new information into the network, as well as allow social aspects of exchange to supersede economic imperatives. Welter (2011) adds to this, suggesting that there are “dark sides of context”, where ties are used to control an entrepreneur and where context becomes a threat to a firm rather than a resource.

In this article, I argue that there is another hidden problem with embeddedness; a problem that has not yet been brought to the surface. This is connected to the notion of psychological ownership and its link to embeddedness. Thus, a downside to having too much of the positive results from being embedded, is that this comes together to create a backlash in the hampered development of the entrepreneur’s psychological ownership of the firm. As psychological ownership has been found to promote responsibility (Pierce et al., 2001) and drive the owner to do their utmost for their business (Broekaert et al., 2018), hampered psychological ownership may restrain a firm’s development. The next section explains the notion of psychological ownership – what it is, how it arises and its effects on firm performance.
2.3 Psychological ownership in organisations

The theory of psychological ownership in organisations was first developed by Pierce et al. (2001), explaining how feelings of ownership can be experienced concerning the organisation we work for and the tasks we do. People often experience a connection between self and various possessions (Dittmar, 1992). These feelings play an important role in the owner’s identity. Ownership is usually experienced around an object, but can also be about non-physical entities (Dittmar, 1992) such as ideas, other people and the firms we work for (Pierce et al., 2001). Psychological ownership in organisations has been discussed on the basis of employees (cf. Bernhard & O'Driscoll, 2011; Liu et al., 2012) as well as owners (cf. Townsend et al., 2009). Family businesses have been an important application (cf. Pittino et al., 2018; Mahto et al., 2014), in which psychological ownership motivates family owners to do their utmost for their businesses (Broekaert et al., 2018).

According to Pierce et al. (2001, p. 301-2), psychological ownership arises towards a target through three main routes, or mechanisms: 1) controlling the target, 2) coming to intimately know the target, and 3) investing the self into the target. Hence, an entrepreneur who follows these routes (in developing psychological ownership towards their creation) would exercise control of the firm, coming to intimately know the firm and invest self into the firm.

Psychological ownership brings several positive effects, such as a deeper sense of responsibility, which entails investing time and energy to drive the firm forward (Pierce et al., 2001). It has also been suggested to stimulate engagement in value-creating activities (Pittino et al., 2017) and motivate owners to do their utmost for their firms (Broekaert et al., 2018). Other positive effects are the willingness to make personal sacrifices and take risks on behalf of the firm (Pierce et al., 2001). Pittino et al. (2017) explain psychological ownership to be an important determinant of entrepreneurial orientation in terms of proactiveness, innovativeness and risk taking. The article explains that psychological ownership “captures the cognitive and affective mechanisms that explain the family attachment to the business” (Pettino et al., 2017, p. 312). However, there are also negative effects of psychological ownership, such as a desire to have too much ownership and control, which may lead to not letting others in and delegating when needed (Pierce et al., 2001). In addition, when a change is not self-induced, there is the risk of resistance, as the person’s identity is associated with what is to be changed.

3. Method

This article is based on the narrative of a firm called Emily’s Dinner. The case of Emily’s Dinner is part of a larger research project on the nascent meal-kit market within the food service sector in Sweden (c.f. Astner & Gaddefors, 2017; Astner & Gaddefors, 2018). The overall aim of the larger project has been to develop an understanding of how new markets are created and developed. The first firm in this market appeared in 2007 and Emily’s Dinner, started in 2009, was one of the earliest followers. The project closely monitored nine of these early firms, among which Emily’s Dinner stood out for its extensive family embeddedness. The case was chosen for its clarity and the numerous illustrative examples of how family members were deeply engaged in the entrepreneurial processes. More importantly, it offered insights into the entrepreneurial process from opening to closure. Tracing several firms in the same market over time provided detailed knowledge of what was happening and thus an opportunity to understand context.

The author of this article met and talked to the founder of Emily’s Dinner over a period of eight
years, of which Emily’s Dinner was operating for three of these years. As part of these meetings, three in-depth interviews were conducted, two of these in person and one over the phone. In order to secure trustworthiness (Morrow, 2005), data was collected from multiple sources in order to set the material in context (Alvesson and Deetz, 2000). The firm was followed through its website and in the media, and written materials, such as the marketing plan for Emily’s Dinner and material published on the firm’s website, were collected (Alvesson, 2003, Silverman, 1993). To provide in-depth data, the interviews were semi-structured with few questions, intending to give the interviewee an opportunity to present their own narrative about what had occurred in the firm over time (Morrow, 2005). Field notes were taken in order to describe interview settings and other contextual factors, and the interviews were recorded and transcribed. Thus, the narrative builds on the founder’s own experiences and descriptions of the context in which she appears. As the findings are described, quotes are used to enrich the narrative and give a voice to the case.

Data analysis involved a search for themes in the transcribed interviews and other materials, following the overall topic of how embeddedness and agency interact during the entrepreneurial process. The developing themes emerged through an iterative process of studying literature and revisiting empirical material (Glaser and Strauss, 1967). This was not a linear process, as part of the analysis was conducted simultaneously with data collection, allowing the research design and themes to evolve as the study progressed (Silverman, 2000). The use of Atlas.ti, a computer software programme for qualitative data analysis, helped to systematise themes and provide empirical support (Müller, 2013). From the narrative, a rich discussion sheds light on how family embeddedness informs the entrepreneurial process in opening, developing and finally closing down Emily’s Dinner.

Limitations of the methodology lie in the difficulty of generalising from the conclusions, as these are drawn from one single narrative. However, it is not the objective of this article to draw general conclusions about a population of firms. As a methodology, qualitative studies provide the opportunity to explore issues such as relationships and explain “how individuals construct and make sense of their world” (Robson, 2013, p. 24). The value in this method lies in its ability to achieve deep insight into the studied phenomenon in order to capture the richness of context (Welter, 2011). The in-depth interviews provided insights that could easily have been missed with a different approach. For example, when first identified in the study, Emily’s Dinner appeared to be solely owned and operated by one entrepreneur, a person referred to in this article as Emily. Only Emily appeared in marketing material, media and firm registers. Yet, from the in-depth interviews with the founder, it turned out that the firm was embedded in a local community of firms controlled by different members of the same family. Thus, this approach provided the opportunity to look beyond the image of a solely owned and operated firm and to allow more perspectives, such as family and community. As entrepreneurial processes are “continuously emerging, becoming, changing, as (inter)actors develop their understandings of their selves and their entrepreneurial reality” (Lindgren & Packendorff, 2009, p. 35), a longitudinal approach was appropriate. Here, the longitudinal case offered insights into how embeddedness informs the entrepreneurial process over time, as well as the resources and restraints involved in this.

Other limitations lie in employing the firm as the unit of analysis. This highlights the firm’s start, development and closure and makes the narrative more focused. However, it also means that developments taking place within individuals, the family and the local business community remain in the background.
Emily’s Dinner

Emily’s Dinner was registered as a firm in December 2009 and is located in a city in the middle of Sweden. The firm is owned and operated by Emily and the business idea builds upon providing menu-planned grocery bags (i.e. food products and recipes) to families and couples. Customers who subscribe to the service receive a home-delivered grocery bag once every other week, which contains dinner solutions for a specific number of days (most commonly five days). The customers benefit in that they do not need to decide and plan for dinner or go to the supermarket and carry home heavy shopping bags, but instead only need to prepare the food that is delivered.

Emily belongs to a family in which the norm is to be self-employed – most of the adults in her family run their own business (see Figure 1). She has intermittently worked in her mother’s, father’s, uncle’s and brother’s firms for most of her life. While she was still in school, this was where she started her working career. However, by the age of 14 Emily had already decided to go her own way and seek work outside the family’s businesses – first as a café assistant, followed by a job at a pub as a marketing manager, and later on as a seller at a telephone company, where she eventually got promoted to manager. During this period, whenever Emily was in between jobs she returned to her family’s businesses, which functioned as a safety net. “However, working with the family is not the most fun. It was not that we were at each other’s throats in any way, but you still want to go your own way”. So when Emily eventually lost her position during a major reorganisation at the telephone company, she found herself muddling through temporary jobs while trying to figure out her next step. Emily explains, “That is when we heard of this idea with a grocery bag”. This idea is what led to Emily’s self-employment through the start of Emily’s Dinner.

Even though Emily is the sole owner of her firm and has no steady employees, she often refers to the firm as “we”. For example, “We have just launched a new product…” and “We will make some changes next year…” Having the family actively involved in the firm makes it difficult for Emily to relate to her own business, and particularly to relate to how it is profiled. As Emily explains, “I haven’t really been able to identify myself with this firm [Emily’s Dinner]. I haven’t felt that it’s me. It has therefore been difficult to market it, as I haven’t been able to really stand for it”. However, through discussions with her godmother and a close friend they jointly designed a logo and a profile that Emily felt was right for her. As Emily describes this network of three, she again uses the word we, saying: “We have been sitting the last month scratching our heads and thinking ‘what should we do?’ Because we believe in the idea […] and then we came up with it – we should re-profile ourselves.” The family members included in Emily’s we differ from time to time. For example, when Emily talks of the idea and the start of her firm she includes herself, her mother and her brother. Later on, as she talks of developing her brand, Emily’s we refers to herself, her godmother and her friend.

The following sections will explain the influence that Emily’s family has had over Emily’s Dinner. During the opening, development and closure stages, they interact to support the firm and Emily in several different ways. An overview of the family support and the community of family-controlled firms is provided in Figure 1.
4.1 The opening

Emily explains that the idea for Emily’s Dinner originally came from her brother, who owns a carrier firm and delivered menu-planned grocery bags for a competitor. Somehow, he ended up with one grocery bag left over, which he brought to his mother. The mother and brother discussed and then jointly came up with the idea that this could be something for Emily to develop. They telephoned Emily, asked her to come over and proposed the idea. Emily says, “And then we sat down and discussed. I mean, we’d waited a thousand years to find an idea that I should follow up on”.

The idea came at the right time for Emily; she was looking for a new job and was unsure of what she wanted to do next. The decision was taken jointly with her mother and brother. Emily explains, “We started to think about it and made up our minds pretty soon… this is what I am supposed to do!” The decision was related to the direction of the other firms within the family, “I have as much help as you can ever get – already existing facilities, existing delivery vehicles, existing help with bookkeeping. […] You can’t have a better start than I have!”

Emily’s family supplied most of the resources needed to start her firm (see Figure 1). These resources can be categorised into four groups: human, physical, financial and social.

Beginning with the human resources, members of Emily’s family offered labour at low or no cost.
For example, Emily’s mother assisted her with bookkeeping and other paperwork since she first began the business. Her mother also engages in different marketing activities; on several occasions she distributed flyers about Emily’s Dinner to her own customers, and even engaged her own staff in distributing flyers within the city. She also assisted with the creation of a logo and website for Emily’s Dinner. Emily did not pay for any of these services. Other human resources can be seen in the emotional support provided by members of Emily’s family. In the start-up phase, for example, Emily’s boyfriend encouraged her by evaluating and praising her first grocery bag. Family members also serve as a source of information about customers, trends and even competitors. For example, Emily’s aunt is acquainted with one of her competitors, and Emily’s brother sometimes makes deliveries for competing firms. In the start-up phase, her mother also served as a source of information concerning food regulations.

Most of the physical resources that were needed in order to start Emily’s Dinner were provided through the family’s different businesses. Her mother provided the locale needed through her own firm, with refrigerated storage rooms, packing and office space. Her uncle’s business, a wholesale fruit and vegetable firm from which Emily purchases a lot of the food products, is located next door. She explains that the foremost reason she buys from her uncle’s firm is that it is one of the “family’s firms” and that she receives a good price. She continues by saying, “There is no reason for me to choose anyone else”, explaining that the food products are of high quality, that it is next door, and that she can “cherry pick” products for her customers. Emily states that she would not change suppliers, even if it was less expensive, because “the family always comes first”. For delivering the grocery bags to the customers, Emily uses one of her uncle’s, mother’s, or brother’s delivery vehicles. This is done once a week and she does not pay for the use of these cars or for fuel.

Financial resources are not supplied directly by Emily’s family. However, by offering physical resources and asking for little or nothing in return, the family helps Emily to lower her costs. This support is also extended to Emily’s private life. During the start-up phase of her firm, Emily had limited income and lived in a separate flat within her mother’s house without paying rent.

The social resources supplied by family members are of a varied nature. During the start-up phase, Emily’s mother offered her own private network to Emily in her search for customers. Thus, the first customers that Emily had were connected through her mother. As Emily explains it, “It was one of my mother's acquaintances who subscribed first and then it has spread to friends of friends”. The family also serves as a source of legitimacy for Emily’s Dinner. For example, on the firm website, Emily links to the other firms within the family and presents them as business partners. As Emily explains, “I say that I collaborate with [my mother’s firm], which is a fairly well-known firm in [our city] with a long history and all that. And my uncle's firm is also fairly well-known. It's not too bad to ride a bit on their wave either, and on their brands!”. Emily recognises that if her firm grows, the other family members’ firms would profit. She specifically mentions her uncle’s wholesale business, her aunt’s bakery and her brother’s carrier firm as being able to benefit from her possible growth.

### 4.2 The development

As Emily’s Dinner develops, family continues to interact and provide resources. Amongst the human resources, members of Emily’s family act as discussion partners, reflecting on problems
and strategic directions and dispensing advice. Emily actively seeks out this interaction; for example she formed a network, together with her godmother and her close friend, where they regularly meet for Tuesday lunch in order to support each other and, as Emily says, “talk business”. Even though her godmother is not genetically related to Emily, she is seen as part of the family. She is self-employed as the owner of a creative print shop that shares the premises with Emily’s father’s firm. Emily also makes efforts to involve her younger cousin in marketing activities at a low cost.

Family members also support Emily with physical resources. For example, her uncle lets her use his cars for delivering her products. As the firm evolves, he also allows her to put stickers on the cars with the Emily’s Dinner logo on them, in an attempt to assist Emily in marketing her firm. Emily also starts to use her aunt’s bakery to add freshly baked bread in her grocery bags, yet Emily admits that this comes at a higher price than competing alternatives. “I have started to put bread in the grocery bags from my aunt’s bakery [brand name] now and then. Her bread is gluten-free and more expensive than other bread, but really tasty, unbelievably tasty.”

Although the firm is developing, Emily is only able to take out a small salary from her business. Even though her family is not suppling financial resources, they still assist in different ways. For example, they encourage Emily to work extra hours at her brother’s, uncle’s and mother’s various businesses in an effort to increase her income. As Emily explains, “Since the grocery bags have not covered my salary, we have realised that we cannot just carry on and hope that there will be enough customers. Therefore, I have to take on something else. […] After all, you have to pay rent somehow”. For these extra hours, she bills the family’s firms, thereby receiving revenue for her own firm. “It becomes a decent salary anyway and money comes in to the firm”.

The family also continues to provide social resources as they serve as a source of legitimacy for Emily’s Dinner. Emily explains her connection to the other firms within the family and how she wants customers to perceive this. “I want them to think and know that Emily’s Dinner is affiliated with [our city], that it is local […] and that we cooperate with [local] firms because we cherish entrepreneurs in [our city]”. As Emily develops the firm, she works on creating more bonds to the other family members’ firms. One example is that she puts her aunt’s branded products in her grocery bags to build credibility. “I have her logo on the bread […] it is local and well-known in [town]”.

4.3 The closure

Even though Emily’s family continued their support, Emily’s Dinner did not take off in the market. Three years after it was opened, Emily closed down the firm. As Emily explains, “We discussed it in the family. I don't know if it was my mom or my brother that I talked to; I talked to most of them in the family. You know, people asked about how things were going and we talked. […] I had my office and premises [located at my mother’s firm]. So, it was more or less she who finally made me realise.” As Emily ends her engagement in Emily’s Dinner and closes down the firm, she continues to work in her mother’s and uncle’s businesses. Eventually, her work in these firms comes to be about developing two new projects: delivering fruit baskets to workplaces and delivering gourmet food by mail order. Emily explains that she has learned a lot from starting and developing Emily’s Dinner, and that she is now making use of some of these experiences in her new projects.
5. Discussion
The discussion is divided into two sections. The first section examines how the family interacts with the entrepreneurial process and introduces the metaphor of a marionette to illustrate how the family context can influence or pull the strings in the entrepreneurial process. The second section discusses what these attachments involve, including resources and restraints, and how embeddedness informs the entrepreneurial process.

5.1 Family interactions in the entrepreneurial process: Introducing the Marionette metaphor
Family is a part of the social context that the entrepreneur is embedded within (Aldrich & Cliff, 2003; Welter, 2011; Bird, 2014). In Emily’s firm, her family cooperated throughout the entrepreneurial process. The family came together to create the business opportunity, which was first thought of and discussed by Emily’s brother and mother. The decision to start the firm was also jointly taken within the family. Additionally, the family as a social unit mobilised the needed human, physical, financial and social resources to start and develop the business. Eventually, the family was even involved in the decision to close down the firm.

Context is often perceived and discussed as passive surroundings that an entrepreneur relates to and acts upon (Welter, 2011). However, in exploring the case of Emily’s Dinner, agency travels in context over time. Rather than being passive, the family context interacts during the entrepreneurial process and sometimes even takes the lead in Emily’s firm. Emily’s Dinner is a collaborative family effort, where on occasion, Emily becomes more of a marionette with her family controlling the strings. Consequently, even though Emily’s Dinner, from an outside perspective, appears to be created, controlled and managed by a single entrepreneur, this examination shows that it is not. Instead, it is a co-created firm, in which the family context played a major role in the start, development and closure of the firm. The family context can hence be seen as agency (Granovetter, 1985; Müller, 2013), where the entrepreneurial process can be viewed as a social construction co-created by family members. This relationship between entrepreneurship and the family context is dynamic and changes over time. Here, agency travels as family members shift from actively taking part in the entrepreneurial process to being part of the passive surroundings. Hence, entrepreneurship is the process that takes place within, and as a consequence, of context. Thus, the entrepreneurial process is understood as a collective effort undertaken by several actors (Fletcher, 2006; Dodd & Anderson, 2007; Lindgren & Packendorff, 2009).

Additionally, the degree of activeness or passiveness of the family is related to how much agency the family has and thus how much it will affect the entrepreneur’s ability to manoeuvre the firm and how much of a marionette the entrepreneur will become. This is illustrated in Figure 2 using two dimensions: the entrepreneur’s and the family’s ability to manoeuvre the firm. An active family that holds most of the strings offers less room for the entrepreneur’s manoeuvres and makes the entrepreneur more of a marionette. Hence, the firm is constructed and controlled by family. Conversely, a passive family with little or no agency gives plenty of room for the entrepreneur’s manoeuvres, resulting in a more active entrepreneur, (i.e. the entrepreneur is the constructor). Thus, through the metaphor of a marionette, we can broach the discussion of strong and weak ties (Granovetter, 1985; Anderson et al., 2005) and how “tied up” an entrepreneur is from embeddedness.
As Welter (2011) suggests, the family as a context can provide entrepreneurial opportunities and set boundaries. This may bring both resources and restraints for an entrepreneur (Jack & Anderson, 2002). Consequently, although family embeddedness brings significant value to the entrepreneurial process, it also brings disadvantages, in that control is passed from the entrepreneur to the family. The next section discusses the mechanisms that govern embeddedness.

5.2 How embeddedness informs the entrepreneurial process

Being embedded in a family context provides Emily and her firm with unique resources and opportunities (see Table 1). Yet what actually unlocks these resources and makes them available to use is the family culture of supporting each other and encouraging self-employment. Just like Emily, many of the other family members are self-employed in businesses that they exclusively own and operate. These businesses are part of the same social community where they try to benefit and connect to each other professionally as well as personally. In the early start-up phase of Emily’s Dinner, this is mainly expressed by the fact that Emily receives support from the others; for example, when the family helps create the idea for the firm, when Emily’s mother assists her with bookkeeping and when her brother lends her his vehicles.

Although the family interactions primarily involve resources for Emily, they also bring certain restraints (see Table 1). The culture of supporting firm initiatives within family in turn bring expectations of reciprocity. The fact that Emily receives help means that she also feels the expectations of providing the family community with support. Sometimes this exchange is mutually beneficial, for example in business relations with her uncle’s wholesale firm and her aunt’s small bakery shop. Yet sometimes this reciprocity requires Emily’s time, which takes time away from managing her own business. Other restraints are seen in her inability to use other suppliers than family. When extending this reasoning, we can consider what Welter (2011) refers to as “dark sides of context”, where ties are used for control. This would implicate a restraint on the entrepreneur where she is unable to operate the firm at her discretion.

Figure 2. The entrepreneur’s ability to manoeuvre the firm based on the family’s involvement.
Table 1. Resources and restraints linked to family embeddedness during the entrepreneurial process and how this affects Emily’s Dinner (ED)

<table>
<thead>
<tr>
<th>Resources</th>
<th>Restraints</th>
<th>Results for ED</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The start</strong> <em>(family pushing for start)</em></td>
<td>The development of psychological ownership is restrained.</td>
<td>ED is started and Emily is appointed ownership.</td>
</tr>
<tr>
<td>Human resources such as: inducing ideas, discussion partners, offering advice, emotional support, source of information, labour at low or no cost.</td>
<td></td>
<td>ED receives plenty of resources at very low financial costs.</td>
</tr>
<tr>
<td>Physical and financial resources such as: locale, office space, trucks, equipment.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social resources such as: access to family members’ networks, trading relationship with benefits.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>The development</strong> <em>(family continues support)</em></td>
<td>Bound to use family community for trading. Expectations of reciprocity. The development of psychological ownership is restrained (Emily does not feel that the business is hers).</td>
<td>ED receives plenty of resources at very low financial costs. The firm’s owner-manager takes time away from firm to return favours to the family community. Owner does not market the firm.</td>
</tr>
<tr>
<td>Continuing to supply human, physical, financial and social resources.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apartment Employment (salary)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discussion partner, offering advice, emotional support.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>The closure</strong> <em>(family pushing for closure)</em></td>
<td>The development of psychological ownership is restrained (Emily does not feel that the business is hers). Expectations of reciprocity.</td>
<td>ED is closed down as family pushes for this.</td>
</tr>
<tr>
<td>Discussion partner, offering advice, emotional support.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuing to supply resources.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full employment in mother’s and uncle’s firms.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Moreover, the narrative of Emily’s Dinner shows that there is a hidden problem with social embeddedness, which concerns the notion of psychological ownership. Emily often refers to her firm as “we” and sometimes talks of the other firms owned by family members as “the family’s firms”. Who Emily includes in this we differs from time to time, though it is apparent that she considers the business that she solely owns and operates to be more than just hers. The routes for developing psychological ownership of an organisation are 1) to exercise control of the organisation, 2) coming to intimately know the organisation and 3) investing self into the organisation (Pierce et al., 2001). As family exercises control over Emily’s Dinner, this blocks off one important route for Emily in developing psychological ownership. Moreover, it also affects how well Emily knows the business and invests herself in the business. For example, Emily explains this by saying, “I haven’t really been able to identify myself with this firm [Emily’s
Dinner]. I haven’t felt that it’s me. It has therefore been difficult to market it, as I haven’t been able to really stand for it”. Thus, even if the active family brings resources and many positive aspects, this creates a backlash in that the entrepreneur is prevented from fully developing psychological ownership. According to the literature, psychological ownership is linked to a sense of responsibility, the will to invest time and energy (Pierce et al., 2001) and engagement in value-creating activities (Pittino et al., 2017). It ultimately motivates an owner to do their utmost for the firm (Broekaert et al., 2018). Thus, from the perspective of the entrepreneur, when several actors participate in the entrepreneurial process, this implies a hidden problem with social embeddedness.

An obvious solution for how to increase psychological ownership of a firm would be to strive for independence, loosen the ties and perhaps find alternative networks to embed in where context is less active, or active but more favourable. However, this could be difficult in a context with strong relationships such as the family. What makes it even more difficult, in the case of Emily’s Dinner, is that the family ties in the early phase are perceived as primarily positive. This results in Emily wanting to stay tied up and even actively seeking such structure, without realising that it brings problems later on with the hampered psychological ownership. As embeddedness informs the entrepreneurial process in different ways, firms need to strive for a balance between the positive and negative aspects of embeddedness.

From the perspective of an outsider, Emily’s Dinner appears to be a solely owned and operated business with Emily as the single entrepreneur. With this perspective, the firm could be seen as a failure, as it reached closure only three years after it was opened and the owner never managed to live off the profit. However, a closer look unveils a business that is embedded in an active family context, where agency travels between different family members from time to time. Thus, if we discuss the process from a family or community perspective, it can still be construed as successful, as the entrepreneur became useful within the other firms in the community. Decisions within the firm are therefore based not only on what is beneficial for Emily and her firm, but also on what is beneficial for the family and the community of family-controlled firms. Thus, in order to understand Emily’s Dinner and similar firms, there is a need to look beyond the legal boundaries of the firm to incorporate both a family and community perspective.

6. Conclusion
The aim in this paper was to explore how embeddedness and agency interact during the entrepreneurial process by focusing on two research questions: 1) How does family interact in the entrepreneurial process? and 2) How does embeddedness inform the process?

The paper has shown how family embeddedness operates through family culture to inform the entrepreneurial process in different ways. As the firm is opened, embeddedness creates both opportunities and challenges. It gives access to resources for the entrepreneur that would otherwise not be available. However, as the process evolves, restraints may be seen in the expectations of reciprocity to the family community and in how the entrepreneur is restrained from developing psychological ownership of the firm. This is discussed in terms of a hidden problem of family embeddedness. The metaphor of a marionette is introduced to illustrate how family can tie up and restrain an entrepreneur, resulting in the founder’s lack of psychological ownership as well as the entrepreneurial process being executed within the community of family-controlled firms.
7. Contributions and implications
This article has illustrated a small firm’s opening, development and closure within its community of family-controlled firms. It has thereby shed light on the intricate balance between the entrepreneur and the family context, i.e. community, and how this balance can affect the outcome of the firm.

Moreover, the article contributes by introducing the idea of psychological ownership to the discussion of embeddedness. Exploring the psychological impacts on family embeddedness remains somewhat overlooked in the literature on family business, as well as on entrepreneurship. Although over-embeddedness has been investigated before, the focus was mainly on the negative influences of being embedded in a context where ties are being used to harm a business. This article contributes by shedding light on the previously unexplored problem concerning the downside of having too much positive influence from family. This implicates the importance for practitioners to reflect on the effects of embeddedness. By recognising the downsides of having too much help from family or community, they may instead strive for a balance.

This article has discussed family as community. This can be seen as a possible way forward for research when approaching similar contexts, e.g. where the entrepreneur’s family is an integral part of the firm’s community. Another implication for research is that this article opens a future discussion on how embeddedness interacts with psychological ownership. Suggestions for future research include looking more deeply into family as community, as well as investigating psychological ownership in other types of communities. Perhaps this may shed light on the puzzling fact that some firms, despite having great opportunities from their embeddedness, are still struggling.

This paper stresses the social role of family and community by emphasising the resources and restraints these can bring to an entrepreneurial process. This supports the view of entrepreneurship as a socially constructed process, occurring across a firm’s legal boundaries. However, there has long been a rather myopic view of “the firm” in research and a more contextualised take on firms is needed. In order to deepen our understanding of how firms are negotiated and managed, future research needs to combine more perspectives, e.g. the founder, firm and community perspectives. This implies that entrepreneurship scholars need to reflect on how concepts such as “development” and “success” are discussed and allow for more perspectives.

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