HANDING DOWN THE ENTREPRENEURIAL SPIRIT

From the First to the Second Generation among Ethnic Minorities in Montréal

ABSTRACT

This article deals with the handing down of the entrepreneurial spirit from the first to the second generation among ethnic minorities. The preliminary results are taken from interviews with second generation young people whose parents own or owned a business at some point during their stay in the Montréal area. The results show how little impact the parents' community of origin has on the potential development of entrepreneurial spirit in the second generation. Factors such as the nature of the relationship with the founder and personal ambitions play a more significant role.

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Entrepreneurship and related practices are topics that have been widely studied in both national and international contexts. For a number of years, researchers in a variety of fields – sociology, management, anthropology, economics, demographics – have taken an interest in entrepreneurship issues. Because this field of study concerns a set of practices related to the specific context of a given society, it is founded today on the emergence of a genuine sub-discipline that includes topics such as starting up a business, expansion, business families and succession, to name just a few.[1] The increasing scope of the field raises numerous questions, including some more specifically related to the integration of ethnocultural minorities into the labour market, business creation opportunities (Waldenger et al. 2001, Brenner et al. 2001, Fortin 2002) and problems associated with succession in family-owned businesses founded by immigrants (Valdez 2002, Lin 2005, Lee 2006). Indeed, understanding the inherent dynamics of minority ethnocultural groups involved in business lies at the heart of life in a liberal society, where personal initiative, the challenges of globalization and the elimination of certain barriers are all issues that challenge the nature of the social ties at work in a society at various stages of its development (Greve and Salaff 2003, Arcand at al. 2008). As some studies have clearly shown (Helly and Ledoyen 1994, Braga Martes 2004), starting up a business is a means often used by members of ethnocultural minorities to overcome a variety of problems (discrimination, failure to recognize qualifications and credentials, weak social networks) experienced when searching for or trying to maintain employment. Although this is a well-documented phenomenon, the same is not true of the prospects of immigrants' descendants for taking over the businesses they founded. Likewise, the existing studies focus very little on the values that promote the development of entrepreneurial spirit in the children of immigrant businesspeople.

In the following pages, we will focus on the specific phenomenon of the passing on of entrepreneurial spirit from first to second generation among ethnocultural minorities in Montréal. To do this, we interviewed young adults whose parents had immigrated to Canada and who owned a business at some point during their lives in Canada. What, in short, can create the conditions favourable to the development of entrepreneurial spirit in the second generation of a minority ethnocultural family that is involved in business? To provide a more in-depth look at this issue, the study focused on relations within the family unit and the business that encouraged the handing down of practices and skills that were likely to create a desire in young people of the second generation to also get involved in business, whether by taking over the family business or by setting up their own business. This is the dynamic we refer to as "entrepreneurial spirit."

To date, we have conducted 11 interviews with young people aged 20 to 33 from ethnocultural minorities whose parents were first generation immigrants and who own or owned a business at some time during their lives in Canada. To avoid categorizing results by membership in a particular group, we used a transcultural approach, conducting interviews with young people from a variety of ethnocultural backgrounds. Table 1 presents the characteristics of the individuals interviewed.

Our study was set in Montréal and the preliminary results were compiled from two perspectives: first, the sociology of ethnic relationships and second, and more specifically, the sociology of ethnic entrepreneurship and the managerial relationships within family businesses and how they are managed and transferred. To guide our analysis, we formulated a hypothesis, which was inspired notably by the work of Karra, Tracey and Phillips (2006); our hypothesis states that the more the values inspired by the parents' culture of origin are at the heart of the family relationships, the greater the chance that entrepreneurial spirit will be passed on from one generation to the next. This hypothesis highlights not only similar processes but also differences between the groups, in particular, factors like greater merchant tradition or barriers to employment for certain groups, for example, visible minorities. With this in mind, we make certain comparisons in order to highlight the plurality of experiences in the second generation. To facilitate the presentation of results, we have identified four main themes: the relationship between the generations of one family, including factors such as leadership, authority and parents' ambitions for the children; the personal and professional ambitions of those interviewed; the importance of a sense of belonging to the parents' ethnocultural community and the viewpoint about Canadian and Quebec society. Together, these four themes provide an initial picture of how the entrepreneurial spirit is passed on to second generation ethnocultural minorities.

The parent-child relationship in a business family

The interviewees' relationships with their parents and extended family indicate that family circles were highly influenced by an entrepreneurial culture. For a number of them, this was both an advantage and a disadvantage – what one interviewee termed a "give and curse." The "give" is seen as an advantage because, from early childhood, they were immersed in this culture, an experience that allowed them to develop a deep understanding of the business world; at the same time, however, the family relationships were coloured by discussions about the business, a situation referred to as a "curse."

> [*Translation*]
> I am very free. For instance, because I study, I can take time off. Now, you and I are having a conversation; I can take time off as well (for this interview). If I need a day off to write my 20-page paper, it's fine. The disadvantages (of working for the family business) are that I live with my family and I am always with them. Only when I am studying can I get away. (Lebanese descent)

> [*Translation*]
> What I don't like is that business problems become family problems. (Peruvian descent, interview #1)

> [*Translation*]
> Yes, it's different (working in a family business). The decisions affect the whole family.…There can be problems, misunderstandings. Brothers-in-law and sisters-in-law are affected by the decisions and can take things personally. (Peruvian descent, interview #3)

Table 1

Parents' country of origin and decade of arrival in Canada	Type of business owned by parents	Founder and number of employees in 2007*	Child's education and occupation in 2007
Chile, 1970s	Computers and transportation	Father, no employees	Administration studies
Egypt, 1980s	Construction and beauty products (2 businesses)	Father and mother, 20 and 10 employees, respectively	Business degree and entrepreneur (tourism)
Italy, 1970s	Entertainment products (music)	Father, 30 employees	Bachelor of commerce, full-time in family business
Jewish, year of arrival unavailable	Computer software	Father, 30 employees	Full-time in family business
Lebanon, 1990s	Bakery	Father, 120 employees	Commerce studies, part-time in family business and salaried employee
Morocco (Jewish), 1970s (interview #1)	Clothing	Father, 5 employees	Actress, full-time in family business
Morocco (Jewish), 1960s (interview #2)	Footwear	Father, 10 employees	Economics and employment studies
Peru, 1990s (interview #1)	Clothing	Mother, 2 employees	Engineer, part-time in family business and salaried employee
Peru, 1990s (interview #2)	Communications	Father, 8 employees	Communications entrepreneur, part-time in family business
Peru, 1980s (interview #3)	Restaurant	Father, 60 employees	Full-time in family business
Vietnam, 1980s	Clothing	Father and mother, 15 employees	Entrepreneur (fashion)

* As the table shows, the majority of the parents who founded businesses are men.

Some interviewees stated that they needed to spend time with people outside the business to avoid both their private and public lives being taken over by the business. That being said, all but one interviewee stated that they had very good relationships with their families and, specifically, with the founder of the business. For all of them, the management style of the father and/or mother is a source of inspiration, despite occasional "faults," such as a lack of authority or excessive control and a fear of taking risks. This source of inspiration results in the development of a work ethic:

> [*Translation*]
> Yes, really, to manage my own company. In my relationship with my customers, when I am away, I see people who remember my father. I have images of my father in the street walking with his little briefcase trying to sell advertising space. He worked really hard. He is well respected for that. It's an inspiration for me. (Peruvian descent, interview 2)

In some cases, it is revealed through great admiration for the founder:

> I think he (the father and founder of the business) is fantastic. What he accomplished is very impressive. I have to go to some conferences where people, clients for instance, told me "Your father is my hero." That's why they have a lot of respect for his authority. What he accomplished is very impressive. (Jewish descent)

When viewed that way, the business is a place where the family circle is recreated. Despite the omnipresence of business-related subjects in daily family life, all interviewees underscored that it was not a factor in discouraging them from eventually taking over the business or starting up another entrepreneurial project. In that sense, the values of honesty, hard work and ambition promoted by the founder were also sources of inspiration for the second generation. Even in the case where the relationships was conflictual, which was the case with just one person, the respect that the children had for what their parents had built was a model from which they took inspiration. The values mentioned, which define the outer edges of the entrepreneurial spirit, are important in order to properly grasp the thoughts of the interviewees, in terms of understanding both the entrepreneurial spirit and the ways in which the second generation young people integrate in Montréal. Indeed, all interviewees clearly stated that their parents not only attached importance to their ethnocultural origins but also encouraged the children to be open to differences and cultural diversity:

> [*Translation*]
> The entire Egyptian community lives in the Saint-Laurent area of Montréal. My mother took a map of Montréal and picked the spot that was farthest away (from that community). We've been there for 27 years. There (in the Saint-Laurent community), the mindset was closed. Kind of like the Chinese corner stores that hire only Chinese people. (Egyptian descent)

> [*Translation*]
> I don't judge people from their origin. I'd be friends with anybody as long as they respect me. (Moroccan Jewish descent)

Second generation children say that they are open to cultures and perceive that openness as offering opportunities for friendship and opening new markets.

Starting up a business is a means often used by members of ethnocultural minorities to overcome a variety of problems… experienced when searching for or trying to maintain employment.

A life of one's own: Personal and professional ambitions among children of business immigrants

Although the influence of the parents, in most cases the father, is important in lifestyle and career decisions, none of those interviewed felt that they had been pressured in any way to take over the family business or to start up their own business. Personal ambitions varied and did not necessarily correspond to what the parents had envisioned for their children:

> [*Translation*]
> I was always told I should be a doctor, and when I left school, it all blew up….It was a major disappointment (for the parents). It was not what my parents had planned for me. I'm the artist, the black sheep. (Vietnamese descent)

Later on, the same individual told us about her decision early on that she did not want to take over the family business:

> [*Translation*]
> No, never. I was asked once to manage the business for them for two months and I hated it. I decided that I didn't want to do that. The pressure, the fact that they did everything themselves. I went crazy. Just watching them, I told myself it would ruin my life doing that. (*Ibid.*)

We noted that parental ambitions varied considerably depending on the type and size of business. Thus, in the case of a founding business that had reached a certain size (20 to 120 employees), aspirations for the children to work in the business and to plan to take over one day were stronger, though they were not perceived by the children as pressure of any kind. In addition, children

in such situations were more receptive to eventually taking over. This shows not only the influence that the parents can have, but also the health of the business on the children's future careers. In that sense, there appears to be a link between the degree of involvement of the children in the family business and the quality of the relationship with the founder. The better the relationship was, the stronger the desire to invest oneself in the family business, if only for a short time:

> [*Translation*]
> I was basically born in the restaurant. I was six months old when my father opened it. I have always seen what the restaurant business and customer service meant, how to run a restaurant.…For me, it comes naturally. It's not like any other kind of work. I left my father to see what it was like to work somewhere else, to have a set schedule. Here I have more freedom than anywhere else. I can appreciate the freedom my father gives me. (Peruvian descent)

In short, the relationship with the parents does not have a significant influence on the eventual taking over of the business, but it plays a definite role in creating the conditions required for the development of entrepreneurial spirit.

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The community of origin: A business community?

In some cases, the community of origin was a driver for the creation of a business by the first generation. Whether as a result of identifying community-specific needs, associating with other family members already in business in Montréal or the need to overcome barriers to employment, the ethnocultural community is a key support for the creation of a business. However, this phenomenon lies on the periphery of the process of creating, maintaining and eventually transferring the business to the children if parents do not appear to have confined themselves to their community alone. The community may have served as a moral or other form of support, as reflected by the involvement of some parents in community associations dedicated to promoting and defending particular ethnocultural interests. This dynamic is different for the children: none of them stated that they belonged to these types of associations even though they felt that the associations provided some benefits. However, all interviewees mentioned the importance of the parents' culture or origin and their desire to maintain some of the practices associated with that culture in some way, shape or form:

> For me, it is not very much about Morocco, but I would like to marry a Jewish girl, for example. You have something in common. I am very proud to be Jewish. (Moroccan Jewish descent)

> [*Translation*]
> I am Chilean first and foremost. No, there is one (a Chilean association) in Montréal, but the people are older. On the other hand, on the September 18 holiday, we all get together and have a Chilean party. We eat empanadas and drink Chilean wine. (Chilean descent)

As for friendships, some interviewees stated that they associated exclusively with people of the same minority ethnocultural background, but the majority associated with people of a variety of origins. On the other hand – and this may contribute to a formalization of the entrepreneurial spirit through a specific idea about the parents' integration process – a number of interviewees acknowledged that they did not associate with people from the two majority groups (English-Canadian Quebeckers or French-Canadian Quebeckers), as indicated in the following two quotes: [*Translation*] "Most of my friends are Peruvian. I get Peruvian students together and we talk and party, etc." (Peruvian descent) [*Translation*] "(My friends) are all Lebanese. I speak English with them." (Lebanese descent)

Relationship with the society that received the parents

The fact that the second generation does not associate with members of the majority groups does not appear to cause particular problems for their integration. Further, it does not prevent the interviewees from having a great deal of respect for the country and province that took their parents in and enabled them to start up their businesses:

> [*Translation*]
> There is a great deal of support for young people who want to start up their own business. We have a lot of support and assistance. There are mentoring services.…People are very open to new things. (Vietnamese descent)

> I don't think I appreciated really before I left. I don't know if it's Montréal or Quebec that I like so much. The language makes it a bit difficult to penetrate, but living in Montréal is great. (Jewish descent)

> [*Translation*]
> Quebeckers are very curious, very open. They are prepared to take risks. I compare myself to them a lot. Quebeckers are similar to my

> Mediterranean culture. That is why I am happy to live in Montréal. We speak two languages; we could take on the world.…The Montréal culture is representative of Quebec culture in general. The people are very open-minded. (Egyptian descent)

A land of opportunity for many, the host society is not perceived as being discriminatory toward minorities. The comments we received reveal the young people's vision of their parents' adoptive country as a country of opportunity that can promote the strengthening of this entrepreneurial spirit.

Final considerations

The handing down of entrepreneurial spirit from the first to the second generation among ethnocultural minorities does not occur uniformly in each group. More importantly, the spirit is handed down differently depending on the type of business owned by the parents. Although there is nothing in the preliminary results to indicate that profitability plays a decisive role in the second generation's desire to take over the business or to start up their own business, the particular line of business can have either a positive or a negative impact. In addition, the type of work done by a parent seems to have some influence on the younger generation's choices. If the parents had to carry out very routine work or physically demanding tasks, the chances of the children seeing entrepreneurship as a viable economic or professional choice are lower. On the other hand, there is a feeling of pride among the second generation, for whom the parents had to make major sacrifices. As for a sense of ethnocultural belonging, again the results did not identify a strong trend towards either low or high retention of the ethnocultural identity of the parents' country of origin. However, for many, the circle of friends is made up of people with the same background or individuals from other minority ethnocultural groups. Whatever the case, everyone agreed that entrepreneurship is a good way for first generation immigrants to integrate because, as one individual underscored:

> People starting their own business build a lot of relationships. You meet a lot of people. So, you are a new guy in town, if you have your own business you are going to meet a lot of people, I think that's good. (Italian descent)

An analysis of the interviews revealed no marked differences between the interviewees and other second generation young people. However, the parents' origins and migratory paths provide a basis for the emergence of an entrepreneurial spirit. Thus, programs, training courses and additional public policies could be introduced to encourage, both financially and otherwise, this spirit in specific communities, especially those with significant problems related to labour market integration.

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Note

[1] The issue does not concern only ethnocultural minorities because in the countries of the OECD, 75% of all small businesses are family owned (with a number of members of a single family running, working in or owning shares of the business) and one-third of family-owned businesses are taken over by the second generation. For further details about the issue of succession in family-owned businesses, all groups combined, see Le Breton-Miller, Miller and Steier (2004).