CHAPTER 7

FAMILY BUSINESS

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Introduction

Family business is a rapidly growing research area. This could be attributed to the significance of the contribution of family business to the global economy. Globally, family businesses contribute towards around 70-90% of the world's GDP. The significance of the family business contribution is remarkably apparent all over the world – notwithstanding the respective countries' status of development. For example, in the United States, Family Enterprise USA, a national organisation established in 2009 which aims to promote better understanding and awareness of the contribution of family businesses to the economy, reported that family businesses account for approximately 57% of the United States' GDP. In more recent data, it is found that between 80-95% of businesses in United States are family-owned, as well as in Latin America. Likewise, in the United Kingdom, family businesses account for 65% of total businesses in the country. In Middle East, the contribution of family businesses is even more pronounced, accounting for 75% of the region's private economy as well as providing up to 70% of employment. Family businesses are also equally influential and significant in the Asia-Pacific region such as Japan, Korea, Taiwan, Indonesia and Australia.

The family business statistics described above indicates that family business around the world is significant. Accordingly, this paves way for the growing interest in research into family businesses, which hence leads to the involvement of multi-disciplinary researchers from various areas such as economics, organisational behaviour, sociology, entrepreneurship and many...