








Family and work in minority ethnic businesses in the UK

The Government has initiated policies to address growing concerns regarding the spill-over effects of work on family life. However, little has been done to examine the effects on family life of people from minority ethnic groups working in family businesses or being self-employed. In the context of a higher incidence of self-employment among these groups, this research carried out an in-depth survey of 60 entrepreneurs from five different minority ethnic communities. The aim was to understand the changing pattern of family involvement in business and its effect on family life. The research, conducted by Anuradha Basu and Eser Altinay at the University of Reading, found that:

-  Family businesses were underpinned by trust between family members, who were prepared to offer start-up finance, help out in the business without remuneration and allow family members to work flexibly.
-  Flexible working arrangements were generally available informally to trusted family members, but not to other employees. In particular, flexible arrangements enabled entrepreneurs' wives to combine working in the business with domestic responsibilities.
-  Many entrepreneurs' wives carried a triple or quadruple burden of responsibility – caring for children, managing the home, helping in the business and undertaking paid employment to provide family income, especially at business start-up.
-  The spill-over effects of work on family life were considerable. But entrepreneurs and their wives tended not to begrudge this since they regarded the business as an extension of the family and for the benefit of the family.
-  East African Asian entrepreneurs were more likely than their Indian, Bangladeshi, Pakistani or Turkish-Cypriot counterparts to own larger businesses, work longer hours and be dissatisfied with the time available to spend with their families.
-  Turkish-Cypriot entrepreneurs were more likely than those from the other minority ethnic groups studied to work a fixed and shorter number of hours per week, to have less desire for business growth, and to be satisfied with their work-life balance.
-  The researchers conclude that one policy challenge is to encourage entrepreneurs to recognise the benefits of extending flexible working arrangements beyond the circle of trusted family members.

Background

There are growing concerns about the effects of work on family life for some families in Great Britain. Since 1997, the Labour Government has initiated policies to address these issues. However, the effects on family life of family businesses and self-employment have not been examined. We also know very little about how running a family business or working in one affects the family life of minority ethnic groups, despite the higher incidence of self-employment among them. This study aimed to address this information gap by contributing to a better understanding of work-life balance issues in family-run minority ethnic businesses.

It is clearly necessary to recognise the diversity in family businesses and among different minority ethnic groups. Greater understanding is also needed of the changing nature of family involvement in business over time, from business start-up to business development and at different stages of the family life cycle. At the same time, perceptions of work-life pressures might vary depending on individual circumstances, cultural background and expectations.

This study aimed to add to understanding of the above issues by interviewing entrepreneurs (all of whom were men) and their wives from five minority ethnic groups (Bangladeshi, East African Asian, Indian, Pakistani and Turkish-Cypriot) based in south-east England.

Family support at business start-up

Participation by entrepreneurs' immediate and extended family members was very common at business start-up. Family members played a crucial role by providing access to labour, finance and 'social capital'. This last included social networks which provided business support in the form of access to information, and social support by helping to fulfil domestic and childcare responsibilities. Immediate family members customarily worked as unpaid, informal employees. This was considered perfectly acceptable since the family business was regarded as an extension of the family and the earnings of the business benefited the entire family.

The system of family finance highlighted the importance of trust among family members and the operation of a form of reciprocity between borrower and lender. The incidence of family co-ownership of the business was associated with the likelihood of

family support at start-up. Family networks were a useful source of business information and advice where family members had relevant business experience.

Contribution of the entrepreneur's wife

Entrepreneurs' wives played a significant role at business start-up, even though this role might be informal or invisible. They provided labour to the business whenever required and financial support, if necessary, by securing paid employment to earn a regular stream of income for the family.

They also indirectly supported the new venture by providing domestic support, in looking after the home and children. Childcare was almost always the primary responsibility of the mother, helped when needed by the grandmother. There were few instances of formal or paid childcare. Thus many wives carried a triple if not quadruple burden of responsibility at business start-up: childcare, domestic work, participation in the business, and paid work outside the business.

Family participation as the business developed

While the importance of family labour support declined as the business developed, wider family control over the business seemed to strengthen over time. This suggests that although their day-to-day participation declined, family members remained influential in the business.

Work patterns and effects on family life

There was an imbalance between family life and work, especially at business start-up but also over ten years later. Most entrepreneurs worked much longer than 40 hours per week or than the 48 hours recommended by the European Working Time Directive. Many entrepreneurs brought their work home even if they did not work exclusively from home. The small number who worked from home even after their business had matured felt that this arrangement enabled them to keep in closer touch with their wife and children and achieve a better balance between work and family life.

Those business owners who worked fixed hours, did not bring their work home, and discontinued

working during weekends were relatively more satisfied with their work-life balance. This implies that although working from home need not necessarily create a work-life imbalance, establishing a clearer demarcation between work time and family time has a beneficial effect on work-life balance.

Most entrepreneurs rated family as important and a majority were satisfied with the amount of time they spent with their family. This may be attributed at least partly to cultural values among Asian people, and immigrant communities more generally, who applaud hard work. It may also be related to the fact that the entrepreneurs considered the business to be integral to the family.

The owners of larger businesses worked longer hours and were relatively less satisfied with the amount of time they spent with their family. This implies that there might be a trade-off between business success and family life. It also highlights the difficulties of being a successful entrepreneur while simultaneously devoting enough time to one's family.

Family-friendly practices

These businesses took an informal or pragmatic approach to family-friendly working practices, as is common in small businesses. Although most entrepreneurs had not introduced any formal policies, they were prepared to make allowances in special cases. The most common practice was flexible working hours. These arrangements were generally available only to the entrepreneur's family, specifically female relatives, rather than other employees in the business. Flexible working arrangements enabled entrepreneurs' wives to juggle the demands of the business and family life successfully.

Different forms of flexible working arrangements were evident in traditional, low-skilled businesses (e.g. part-time employment in restaurants) and high-technology sectors (working from home in information technology (IT) businesses). Owners of larger businesses, employing 50 or more employees, were more likely than smaller enterprises to allow informal flexible working arrangements.

Views on family participation in the business

According to the entrepreneurs, the main advantages of working with one's family in the business were the trust that existed between family members and the

flexibility in working hours, which benefited both the entrepreneur and other family members, especially women.

The disadvantages were the lack of a clear boundary between family and work, and the possibility of relatives being incompetent employees. Both of these could have detrimental effects on the business and on family relationships. In general, although the spill-over effects of work on family life were considerable, the entrepreneurs and their wives did not begrudge these very much. This was partly because they felt they were doing it for the good of the family, and because they could determine their own flexible working arrangements.

Diversity among the minority ethnic groups

Of the five minority ethnic groups studied, the East African Asian entrepreneurs were more likely than the others to involve their family members to provide labour, financial capital and information, both at business start-up and later. Despite this close family involvement, most of them, along with the Indian entrepreneurs, tended to recruit professional managers and delegate responsibilities. This balance of control between family and others was clearly beneficial to the business since the East African Asian entrepreneurs achieved the highest sales growth rate in the sample. However, these entrepreneurs worked relatively long hours and were also the most dissatisfied with the balance between work and family life.

The Turkish-Cypriot businessmen did not rely significantly on family resources at start-up. However, they displayed a higher propensity towards family participation at the time of interview, had extensive family networks in the UK, and were reluctant to recruit professional managers. Their business performance was weaker than that of the other groups, except the Bangladeshis. But, like the Bangladeshis, they were relatively satisfied with their work-life balance. This was perhaps because they worked a fixed and shorter number of weekly hours and preferred not to expand their businesses.

The minority ethnic groups displayed discernible differences in their attitude towards women working in the business. The Bangladeshi and Pakistani entrepreneurs were more conservative compared with the others in their views of the responsibilities of

wives and mothers of young children – they emphasised wives' domestic and child-caring role. These differences cannot be explained simply by religion since the Turkish-Cypriots, Bangladeshis and Pakistanis were all Muslim. However, the Turkish-Cypriots were probably not as traditional in outlook as the Bangladeshi and Pakistani entrepreneurs. Nonetheless, all the groups benefited from their wives' participation, especially at start-up.

Since the founders and their wives regarded the business as an extension of the family, it affected their attitude towards working in the business, which was viewed as a natural extension of familial obligations. This was generally seen as a 'good thing' since it inculcated a deep sense of commitment to the business. However, it also meant that the family hierarchy was transferred to the business domain, which could be bad for corporate governance.

Conclusion

Flexible working arrangements in minority ethnic family businesses have enabled entrepreneurs' wives to work in the family business and simultaneously fulfil their domestic responsibilities. One policy implication might be to encourage entrepreneurs to extend flexible working arrangements to other, non-family employees, and to introduce family-friendly working practices into their businesses on a more formal basis. Another might be to encourage entrepreneurs to adopt work patterns that draw a clearer demarcation between work and family life, in order to achieve a better balance between the two.

About the project

Building on previous larger scale surveys conducted by the authors, this research was based on an in-depth survey in 2001 of 60 entrepreneurs from minority ethnic groups, and 19 of their family members (in 17 cases the entrepreneurs' wives). The entrepreneurs were located in south-east England, and came from five minority ethnic groups: Bangladeshi, East African Asian, Indian, Pakistani and Turkish-Cypriot. There were approximately twelve entrepreneurs in each group.

The sample covered businesses operating in traditional sectors such as retailing and catering as well as knowledge-based sectors such as IT, professional services and international trade. It

included micro-businesses and small firms (with fewer than ten employees) as well as larger enterprises.

The survey was carried out through face-to-face interviews with the entrepreneurs and their family members, based on a questionnaire which included both closed and open-ended questions. The questions covered a range of issues relating to the entrepreneurs' business and family life. As the sample was not large enough to stand up to rigorous statistical analysis, the responses were analysed using qualitative and simple quantitative techniques.

How to get further information

The full report, **Family and work in minority ethnic businesses** by Anuradha Basu and Eser Altinay, is published for the Foundation by The Policy Press as part of the Family and Work series (ISBN 1 86134 548 8, price £13.95).