

**FAMILY BUSINESS AND CRISIS: A PSYCHO-SOCIAL PERSPECTIVE**

LOUISA DIANA BRUNNER

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## ABSTRACT

### **Family business and crisis: a psycho-social perspective**

The aim of this research was to answer two initial key research questions

- What can a psycho-social *beneath-the-surface* perspective contribute to a better understanding of and learning about family businesses where the public world (external) and the intimate (internal) world are so deeply interrelated?
- Which theoretical perspectives and conceptual frameworks help to understand family business and crisis?

A starting assumption of this project was that, besides the business dimension, a quantitative rational approach alone would also not allow full grasp of the intensity of the emotions and affects at play in family business life. Therefore a psycho-social approach, through its commitment to psychoanalysis, to *beneath the surface* exploration and to other non-rationalist understanding of human phenomena together with a continuous interplay in bridging theory and practices in a systematic way, seemed the most appropriate methodology and method.

The main bulk of this research comprises two case studies on two small - medium-sized Italian family businesses, based mostly on primary data from field work collection and some secondary data analysis. In order to build the case studies, the main actors of each company were interviewed. A qualitative “Free Association Narrative Interview (F.A.N.I.)” approach (Hollway and Jefferson, 2000) based on a non-directive “life history” interview which elicits the stories of the interviewees, was used. The companies’ business data were analysed as means of triangulation, together with my own professional long term experience working with family businesses as a background source. Data analysis was carried out in order to build the storyline of the two case studies, through the identification of themes and associative thinking, and to compare the two case studies. Furthermore an original dynamic conceptual framework about crisis has been developed and applied to the field material that was collected.

This research dissertation is an original contribution both conceptually to the topic of

family business and crisis and in terms of application of a psycho-social methodology to a type of research object - family business - which had never been explored in psycho-social studies. This research confirms how a psycho-social approach contributes to identifying and shedding light on significant themes and findings on family business dynamics and crisis such as: the role of family in family business, family unity; generational transition and transgenerational trauma and pain; succession and Oedipal and sibling dynamics, trauma and crisis; ambiguity and crisis.

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## CHAPTER 1

### Introduction and Overview

#### Introduction

A PhD is a demanding and challenging project. The theme of my PhD dissertation is “Family business and crisis: a psycho-social perspective”. This study is based on the case studies of small – medium - sized enterprises in Italy that experienced a crisis during the recent recession. Therefore it is about one type of family business, i.e. of small – medium - sized and their specific types of dynamics.

My choice of undertaking such a journey on this specific topic certainly derives from my long professional background on family business. But more than expected, the PhD has also been a deep personal and emotional journey. My PhD is very closely related to my personal history and struggles, so, as any psycho-social researcher, I am not a neutral researcher, I am bringing in my history and my subjectivity with my defences, my resistances, my pains and my curiosity to penetrate the theme. As it will be discussed in Chapter 3 on methodology and methods, in psycho-social studies the researcher’s subjectivity is an intrinsic part of the “tool-kit” rather than writing oneself out. Therefore it is important to include oneself in order to both allow subjectivity a place, while being able to include a critical reflection about its potential distorting influences on the research (Clarke and Hoggett, 2009, Crociani-Windland, 2011).

So in the next section, I will, first of all, position myself within the research through a short personal and professional biography, which can help to understand my motivation to undertake this research. I will then present my aims and objectives in framing the research and how these aims and objectives are linked to the method and my research journey. Finally I will conclude the chapter with a short portrait of the Italian economic and social context, since the two companies I have researched are located in Italy, and an overview of the dissertation.

## **1.1 My biography as a motivation to research crisis management and family business**

I was born in Cambridge, both my parents were Jewish, but converted to Catholicism. They were both deeply affected by the Holocaust and survived by going to England where they met. I'm baptized too.

My mother came from a German Jewish intellectual bourgeois family, her father was a well-known psychiatrist and her mother came from a family of doctors and rabbis. Both my mother's parents were taken to a concentration camp during the war, but survived. My mother received a BA in history from London University, at the age of 36.

My father was Italian from Trieste where his father owned a large family business, the family was well-established in the economic community there and part of the Jewish upper class elite (Millo, 1989). Unfortunately the family business had to be closed during the depression in 1929. My father, who died at 44 when I was 13 years old, had been a brilliant student in Economics at the London School of Economics, he won several awards. Only recently I discovered that he wanted to do a PhD. My father's goal and task in life had been to recover the economic downturn of my grandfather. This traumatic event has been a family taboo, something which could not be talked about, something that could not be mourned individually nor collectively, a non-acknowledged grief and in many ways transmitted through generations.

We moved from Cambridge to Trieste when I was five years old. I was brought up there feeling the heavy legacy of the past which was tragic, but at the same time also glorious and powerful. As a consequence I chose to go to university far away from Trieste to try to find my own space and identity. Like many people of my generation, I was interested and partly involved in the post-1968 left wing movements, and feminism to find a way out in life.

I received my first degree in Milan, in Political Sciences and a M.Sc. in Industrial Relations and Personnel Management, at the London School of Economics where my father had studied. I have been living in Milan for over 30 years, but my British birth from

a German mother and the first years in England have always influenced me. I feel Italian, but never completely, I still need a rapport with Britain. The evidence is that I have studied in Italy and in Britain.

I wanted to do a PhD in England after completing my Master's degree in 1982. For many family and personal reasons it did not happen. Through the years I had several conversations about applying for a PhD with the tutor of my Master's degree who, in 1994, suggested that I should join a training experience at the Tavistock Institute. This was the beginning of a long journey in the Group Relations world that has led me to be on staff in many Group Relations Conferences and consolidate my psychodynamic-systemic knowledge applied to groups and organisations. In the meantime I have also done personal analysis. The years passed, I was professionally satisfied. Besides some other experiences, I worked as a manager in the first years of my career and at present as a consultant for an entrepreneurs' association of family businesses, therefore I am quite acquainted with this type of professional community. Furthermore, for many years I also worked as a leadership and management consultant for profit and non-profit organisations and as a career and executive coach and I often work with family businesses and their members. Therefore the area of family business is quite well known to me from my practice.

But the idea of the PhD remained in my mind as something unresolved. I had already written about family business and group relations which were my great interest, but I felt I was too much of a *self-made* woman. I did not have a formal education in research methods nor in the psycho-dynamic-systems approach. The incentive to move forward in this project was a moment of crisis and transition in my personal life, a sort of reparation. Furthermore I also wanted a professional change in the last phase of my work life, after my experience as a practitioner, I wanted a more academic role.

So in 2008, at the age of 57, I asked a trusted colleague where I could do a PhD considering these interests. That year I had also presented a paper on trauma in family business, so I was interested in the topic of trauma and crisis. He suggested two Universities. I wrote to both, but immediately intuitively I liked the way Paul Hoggett, at



the time Director of the Centre for Psycho-Social Studies at the University of the West of England, answered. Without much pondering, I applied for a part-time PhD there.

So the choice of starting off on a PhD journey on the topic of family business and crisis derives from my personal history which is characterized by it and by trans-generational trauma and from my professional background.

Furthermore an external aspect and coincidence that immediately emerged when I applied for my PhD in the fall of 2008 was the world economic crisis and recession. I live in Italy, a country deeply affected by the euro-zone crisis where we experienced great economic, political and cultural distress and turmoil. Therefore I have lived and live every day with this crisis, the crisis is on my skin, in my body, my clients, colleagues, friends are mostly in great pain and depressed.

## **1.2. My research journey**

Since I started the PhD in Bristol, I had the feeling I had found a home, a place where I received support and was listened to. I liked the possibility of commuting between Italy and England. I enjoyed being a student again although at the beginning it was not easy to go from being a professional to taking up a student's role (see section 7.3.1). I found a cultural milieu, an approach and values that I could identify with. The availability of my Director of Studies Anne-Marie Cummins and my Supervisor Lita Crociani-Windland has been without limits. At the beginning, I had also another Supervisor Robert French who retired, but who generously agreed to continue to meet informally. I am extremely grateful and appreciative to all of them for this real gift. The workshops held twice a year for the PhD students have always been very helpful. It has been such a nurturing experience. I have presented papers at the student workshops, in 2010 in London at the Opus International Conference, in Boston at the Family Firm Institute Annual Conference, at the Tavistock Consultancy in 2013 and in Oxford in 2013 at ISPSO (International Society for Psychoanalytical Study of Organisations) for which I was awarded the Harold Bridger Award 2014.

Nevertheless I have had many challenges in my research journey. One of the main ones has been to be a part-time student and to combine a very active professional globetrotting life with the space, quiet and isolation needed by a research project. It has taken quite a lot of time to pace myself and find a good rhythm. Another issue connected to this one and already mentioned has been keeping together both the identity as a professional and as a researcher.

Furthermore, writing the dissertation has certainly been the most complicated phase. Through the years I have discovered that I am a slow writer and I cannot force myself in terms of workload, for example the progression exam was a moment of crisis. I caught pneumonia a few days before I was supposed to sit for the exam, and therefore I had to postpone the exam, accompanied by a three-month suspension. Moreover I have suffered from Crohn's disease for over 30 years and now and then I do not feel well. In the last two years of the PhD, because of this condition I had to ask for two extensions for submission of the dissertation. Beyond the real dimension of the illness, these problems were signals of work overload and a crisis which had its emotional meaning and implications in the context of the research (see section 7.3.1).

Another aspect has been the language. Although emotionally I do not feel a great difference in writing in English or in Italian, my English needs editing and therefore it involves more work. Furthermore the interviews in the two case studies are all in Italian and the dissertation is in English and working in two languages has not been easy both linguistically and emotionally for me since I do not like to translate.

### **1.3 Aims and objectives, the research frame and the link to methodology and methods**

The main aims of my research are:

1. to understand family business and crisis focusing on how family and business interact, are confronted and challenged during a period of crisis or at a turning point.
2. to apply a psycho-social perspective, a qualitative research methodology and method, to family business and understand what it can add to a better exploration

of family business dynamics at an overt level, but also and mainly at a more covert and unconscious level.

Based on my professional experience and a literature review, from an epistemological point of view, I believe that family business dynamics and the impact of crisis cannot be understood only through numbers, a rational economic approach of quantitative methods does not allow one to fully grasp the intensity of emotions and affects at play in family business life and presents some serious limitations for progression of knowledge in this field.

In a family business, multiple personal and organisational layers are at stake regarding family, business, ownership and different roles are taken up and performed in terms of power, leadership authority relations in a continuous tension between individual, group, and organisational desires, requirements and needs. Different disciplinary perspectives are necessary to understand what goes on in such complex dynamics. On the one hand, a psycho-social approach comprises multidisciplinary and trans-disciplinary theories which can be integrated in the conceptual framework (Clarke and Hoggett, 2009; Frosh, 2014). On the other it has a specific focus on social and cultural processes, on the psycho-dynamic dimension and on what goes on beneath the surface, in the emotional life of people and the unconscious. Therefore a psycho-social beneath the surface qualitative approach seemed the most appropriate. In framing my research I was especially interested in these dimensions in family business and crisis. As illustrated in Chapter 2 on positioning family business and crisis in literature and within a conceptual framework, a stimulus was also that I had the feeling that crisis had not been explicitly explored with this specific slant in research and literature, One of the strengths and at the same time a challenge of a psycho-social approach is that it works at the juncture of the macro, meso and micro levels, hence paying attention to all of these before homing specifically in one.

So one aim of my research was a content matter: family business and crisis. For example it was a good opportunity to try to understand crisis at a micro and meso level, starting from the experience of crisis in small – medium - sized family businesses as a

specific field of enquiry, but with the possibility, eventually, of also using the findings in larger family businesses or in other types of organisations.

On the other hand, I had a strong interest in a psycho-social perspective, a specific methodology and method and its application to the business organisational world.

Therefore in my research there is an overlapping of aims, objectives, methodology and methods where the latter are not only a means for data collection, but an object of exploration in their own right. So I had two strong “pillars” in the construction (the frame) of my research: the theme and the methodology. I needed these “pillars” to “hold” me strongly throughout my research journey and to be able to create a space for exploration. In terms of linking the research frame to methodology and methods, I have been led by my curiosity to interview the main actors and visit the companies, to get into their real life, see what happens out there. I followed my intuition, I was without a clear and certain destination or orientation. But this was quite a conscious choice, which psycho-social methodology allows. One main learning from my Group Relations experiences is what Bion (1980, p. 11) suggests “Discard your memory; discard the future tense of your desire; forget them both, both what you knew and what you want, to leave space for a new idea”. Although it was not easy to be in a “no memory, no desire” state of mind due to my involved personal and professional background, nevertheless the role of the researcher was a new one for me, I was working with a new methodology and method, I approached new companies, so there was quite a lot of unknown involved. At a certain point, having immersed myself in the study of psycho-social methodology, I then tried to allow this to be in the background, while then immersing myself in the fieldwork experience, allowing the tension of “working at the edge between ‘knowing and not-knowing’”(French and Simpson.1999) and hoping new learning could emerge.

#### **1.4 A short introduction to the Italian context 1861- 2015**

Family business is a specific, even if not exclusive, Italian phenomenon and it reflects national social and cultural and family dynamics and their “structure of feelings” (Hoggett, 2013). Hoggett (2013, p.70) citing Williams (1977) describes “structures of feeling” as “the particular quality of social experience and relationship...(that) gives the sense of a generation or period” (1977, p.131). In other words, this is something

enduring (lasting a generation or period) and therefore to be contrasted with outpourings of feeling that may be temporary...". Furthermore Hoggett (2013) suggests that feelings can mean both affects, "more unformed, objectless, and visceral, felt in the body rather than subject to thought" (Hoggett, 2013, p.70), and "emotions are more anchored in systems of meaning and tend to have a definite object (of jealousy, disgust, fear, etc.)" (Crociani-Windland and Hoggett, 2012)".

Therefore in framing this research, a short historical and social introduction of the national context of the two case studies, in Italy, will be given to help understand the environment, the values and culture, as it will emerge in Chapters 4 and 5. The two companies are located in the same region of North Italy, although not in the same town. Both companies being from the same region helped in terms of a homogeneous context.

I also look at the very particular "*social* experience" (Williams, 1977, p.131) in terms of their specific "structure of feelings" that are shaped by material traces which evolved in a particular local historical condition. In Italy, more than in other countries the local culture contains many specific cultural and social dynamic nuances. Unfortunately, on the one hand, due to the limited space available in this dissertation and, on the other hand, to guarantee anonymity, I cannot go more in depth about some local specificities, but it is important to acknowledge this dimension. An evidence of this peculiarity is that in discussing this issue with my supervisors, my Italian supervisor and I engaged in an intense discussion on many local topics, while the English supervisor was quite lost and confused. This made me think how difficult it is to communicate and share for example the affective dimension of "structure of feelings" since, as described above, it is so embodied in us.

Italy is a young nation, founded in 1861, after the unification of small states, which coalesced under the Savoia reign; it was a process which continued for several decades up to the present national configuration. Rome became the capital in 1870. Prior to unification, Italy was invaded many times and had many rulers. It was a fragmented geographical territory in political terms. This has given to each part of the

country a different cultural heritage, in the North particularly shaped by a long occupation of the former Austro-Hungarian Empire region, and in the South by the Bourbon reign. Culturally this inception led to the mistrust of Italians to identify fully with their nation as a whole, this is important because generally Italians feel a stronger belonging to their local regional or provincial community, as it will be seen also in my case studies. The presence and influence of the Vatican in the middle of the country has always been quite a controversial issue. In any case the dominance of the Catholic Church has been a unifying and integrating feature in a political and culturally fragmented context. Accati (1998, p. 258, my translation) suggests that in “Italy alongside the national state’s fragility there is the strength of the Church”.

Economically Italy was mainly a poor, nearly feudal, agricultural country until the 1950s. The large estates (Canali, *et al.*, 2011) in the different parts of the country were run through different forms of sharecropping in terms of relationships between landlords and tenants in the management of the land<sup>1</sup> (Crociani-Windland, 2011) and all this has had an impact on the way in which the different regions have developed in terms of ‘structure of feelings’(Williams, 1977). There has always been a strong discrepancy between some regions of the North, where industries were developing, and the poor Southern regions. Furthermore in the poorer regions, emigration has been very strong.

After WWI Italy was in a disastrous economic and social situation which favoured the rise of the Fascist regime until the end of WWII where Italy was among the losers. Since 1946, Italy is a Republic. For more than 40 years, until the fall of the Berlin Wall and the Berlusconi’s government in the 90s there was still a strong political polarisation between two parties, the Christian Democrats and the Italian Communists, mirroring the cold war areas of influence and alliances with the United States and the Soviet Union. The North of Italy was mainly run by Christian Democrats (the so-called White Regions) while the Centre (the Red Regions) were governed by the Communists. This

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<sup>1</sup> Crociani-Windland (2011, p.129) describes it very accurately saying it is “(the) agrarian practice known as *Mezzadria* in Italian or sharecropping in English. The Italian word has its roots in the term *mezzo*, meaning half, as the practice was originally set up as an arrangement between the landlord and a tenant farmer in “halves”: the landlord would provide the land...while the peasant and his family would provide the labour”

marked a strong cultural difference. Between 1958 and 1963, also thanks to the Marshal plan<sup>2</sup>, the Italian society and economy changed radically, from a basically agricultural country to one of the seven major industrial nations. This growth to a world leading manufacturing country was also favoured by plenty of labour which migrated from the countryside to the towns, a “flight from the land” (King, 1987), from the South to the North, and in some cases returned from abroad. The industries, mainly based in the North and Centre, in which Italy excelled and still excels, are for example the chemical industry, electronics, pharmaceuticals, nuclear power, aviation, defence, telecommunications, automotive industry, building (Colli and Rose, 2009). In the meantime, on the one hand, also the State owned companies developed to support this growth, through infrastructures such as for example motorways, petroleum and the airlines. And on the other hand, nearly in opposition to this model of a concentration in big State owned or private companies, especially in the most dynamic regions and provinces, many small and medium - sized enterprises were founded and developed. This led to a very high density of entrepreneurship in Italy and an unbelievable successful development of this system of small and medium - sized family businesses in some particular industries such as fashion, footwear, furniture, jewellery, design, and food or as subcontractors of the large companies. In many cases these enterprises are located in specialized districts where they can subcontract part of the manufacturing process to other local companies replicating in some way the medieval system.

Many entrepreneurs had a blue-collar or tenant/farmer/peasant/servant background and this industrialisation was a great social emancipation. This is referred to as the *economic miracle* or *boom* and the two companies researched were part and strongly benefited from this entrepreneurial fervour. But they were different from the majority because the first generation was already avant-garde and privileged in terms of education and class (upper-middle class and aristocracy). In consideration of the class dynamics about nobility presented in Chapter 5, it is worthwhile saying that in the so called “White Regions” governed by the Christian Democrats, as in my case studies, the identification with nobility and their paternalistic attitude was much stronger, and the

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<sup>2</sup> Through the Marshal plan or European Recovery Program, the United States helped many European countries financially, e.g. West-Germany, England, Italy, after WWII (Schain, 2001).

desire to challenge the status quo was much lower than in the Red Regions (Crociani-Windland, 2011).

The family still has a fundamental place in Italian culture, it reflects the Catholic vision of family and roles: woman at home, “angel of the hearth” and man outside at work and in public. Divorce was introduced only in 1974 and has changed the culture and loosened traditional family ties, boundaries and belongings as in most of the Western world. The family nucleus, the Mother and Father family idea and concept is declining and transforming into a more fragmented, open and enlarged family system. Over the years, according to the Italian National Institute of Statistics ISTAT (2014), the birth-rate has declined, there are less weddings though recently due to the recession there are also less divorces.

To sum up, the family businesses of this research and in general come mainly from this milieu and ‘their structure of feelings’ (Williams, 1977) which also embodies social and political traditions of the Italian past. A “very large number of leaders-entrepreneurs ensure the vitality of the system and its “democracy” (Brunner, 1997, p.189), in terms of authority, each one is his own master. Socially this led and leads them also to feel like the “sovereign in their kingdom”. In a way this derives from an internalized social family model of the idea of “Padre, Padrone“, as suggested by Crociani-Windland (2011, p.133) the “*padre*, father and *padrone*, meaning master or owner” in the sharecropping tradition mentioned above, where the land cultivated by the tenant farmer/peasant becomes an “island where his family is his property” (Crociani-Windland, 2011, p.133)) and he the “Padre Padrone”. This diffusion of entrepreneurship, on the one hand, has also guaranteed the perpetuation of a social capital (Putman *et al.*, 1993, Kaneklin and Brunner, 1987) accumulated through centuries of strong commitment and engagement in the landlord or the tenant/peasant “Padre Padrone” relationship. This latter social identity was also more important than adapting to the identity patterns of the foreign rulers present in the region. On the other hand, all these small and medium-sized companies “could be considered as an individualistic solution to the national problems which cannot be handled by the State which is weak; it could almost be a form of opposition and aggressiveness against the Government (evidence for this is the high



level of tax evasion...)" (Brunner, 1997, p.189), which is a cunning practice. Furthermore it still mirrors some previous specific social dynamics in the relationship between the landlord and the tenant/peasant in terms of ambivalence between the commitment to production and cunning behaviours such as stealing a chicken by hiding it. As it will be mentioned in Chapters 4 and 5, my interviewees strongly complained about the Government and the State.

So the Italian entrepreneurial familial culture is still anchored to an industrial revolution vision, to a paternalistic or clan approach, based on strong values and respect of the social capital of the company that is almost an extension of the family.

However, since 2000, the emergence and growth of new manufacturing countries, in the Far East for example, has led to a decline and stagnation of the Italian successful economic and social model. There are many reasons which have contributed to this: lack of governmental financial support in such an emergency, the difficulty to reconvert from manufacturing industries to the tertiary sector or to enter new businesses, the comfort of the newly conquered wealth and good life style, the familial and not always competent management and also complicated generation transitions in many companies founded in the 50s in the presence of an aging founder and his paternalistic culture, as in my two case studies. Nevertheless, 90 % of Italian manufacturing companies are still family businesses (Centro Studi Unioncamere [ed.] 2015, p.134).

As mentioned in point 1.1, the worldwide Lehman Brothers crisis deeply affected Italy, with an almost complete downfall in 2011 and a risk of bankruptcy of the nation. It led to the end of the Berlusconi era. For about four years strong austerity measures were implemented, the situation was like a battlefield with losers and winners in a continuous fight for survival. Now the economy is finally starting to recover and the Prime Minister Matteo Renzi who took office at the age of 39, represents a big generational change and hope. Italy remains one of the largest economies in the world, but it is going through a period of enormous restructuring and repositioning in economic and social terms. This is a challenge for most of the small and medium - sized family businesses and also for my two case studies as will be discussed throughout the dissertation.

## **1.5 Overview of the dissertation and conclusion**

To conclude this introduction I will present an overview of the structure of the dissertation which is organized in seven chapters including this one. In chapter 2, family business and crisis will be positioned in family business and psycho-social literature, some main gaps will be pointed out and a conceptual framework will be presented.

In chapter 3 on methodology and method, the adopted psycho-social method, the choice of this method for the researched topic and how the research has been constructed in terms of, for example, the collection of data, the type of interviews used, the research diary, data analysis and ethics will be illustrated.

Chapter 4 and 5 are dedicated to the two case studies: the Cangiani Group and the Molfetta family (the names are not the real ones to preserve anonymity). The two cases studies have been structured in a similar way to be able to compare them. They include an introductory section on the historical development of companies, some information about the economic data and the governance structure, a description of the main actors and their family structure and values. The last section of each case is dedicated to an analysis of the main themes that emerged about the family and crisis.

Chapter 6 is about understanding family business and crisis from a comparison of the two case studies, comprising also the learning from my emotional reaction to them, from the application of the conceptual framework about crisis and the identification of some emerging themes.

Lastly in Chapter 7 the main findings will be further discussed together with the strengths and weaknesses of the contribution of a psycho-social method for investigating family and business and crisis. Finally some reflections on the PhD as a 'me-search' (Tchelebi, 2015) transitional space and time and on ending the research journey both intellectually and emotionally will be presented.

I hope that, from this introduction and short overview of the dissertation, it is understandable that this research is strongly experience-driven. In this PhD, based on

the research of real life phenomena, with a psycho-social perspective that methodologically allows it, the voice and the experience of the main actors of the two companies has been given an important place and space, together with my personal and professional experience. So in the same way I also hope to be able to offer to the reader of this dissertation an experiential journey, an overall “life history” experience that allows us to understand family business and crisis both emotionally and intellectually, not only as an external narrated “told story”.

## CHAPTER 2

### **Positioning family business and crisis in the research literature and in a conceptual framework**

#### **Introduction**

Positioning a research project within literature is never neutral, it is influenced by the background, values and position of the reviewer. Therefore positioning my research within the literature is influenced by and reflects my personal characteristics (age, gender, class, nationality and professional background as a consultant who is becoming a researcher). Also the decision about what is relevant for one's research and/or which are the more or less dominant themes in literature, are always partly a subjective matter. It also depends on what can be helpful in developing the researcher's conceptual and theoretical framework and in suggesting and backing hypotheses and discussing the findings.

This chapter aims at positioning my research both in terms of literature and conceptual framework. For this purpose I have selected a number of key texts to review from a vast range of literature. These have been chosen after extensively reading around the main topics relevant to the present enquiry about family business and crisis and have informed my conceptual framework, which is also presented in this chapter. This approach was inspired by Crociani-Windland's (2011, p.10) idea of "Situating the Research within Some of the Literature". In consideration of a multi-layered and multi-disciplinary research project through the past and present dimensions instead of a classical literature analysis, Crociani-Windland (2001) took a more dynamic fluid approach by linking and positioning it in "different fields of study" (Crociani-Windland, 2011, p.3) which I found helpful for the writer and readers to orient themselves in what could otherwise be a vast subject matter.

Family business and crisis are the focus and the object of my research project, but the starting point was the question whether psycho-social epistemology, methodology and methods, through the collection of primary source material, could offer a contribution and a special one in understanding family business and crisis.

Therefore, in terms of positioning this research within the literature, a first purpose has been, on one hand, to understand what has been written in family business literature about crisis, if the existing literature could be helpful for my research and which were the gaps which eventually needed to be filled. On the other hand, the review of psycho-social literature aimed to identify the methodology and methods for data collection and analysis and to search what had been written on family business and crisis in this field.

Therefore this chapter will first offer all a brief review of the literature on family business with regard to what has been written on crisis. Then I will look more specifically at psycho-social studies focusing on the theme of family business and crisis. Considering the enormous amount of family business and psycho-social literature and the use of primary source material in this research, my main criterion has been to choose what has been most helpful for understanding the data and discussing my findings. In the last section before a final reflection, the conceptual framework (or model) on crisis which I have developed will be presented. The theoretical and conceptual and epistemological psycho-social framework of the methodology and methods used will be discussed in Chapter 3.

## **2.1 Family business literature and crisis**

Family Business studies developed as a specific field of research and education in the last 25 - 30 years in the United States (Sharma *et al.*, 2012). At the beginning of the 80s, the need to explore “the conceptual and theoretical territory” in social and management studies (Gersick *et al.*, 1997, p. vi) of family business emerged and coalesced. It appeared and came together from different parts, such as the work of Tagiuri and Davis (1982) from the Harvard Business School, and one of the first published in the field, a book by Ward (1987) from Kellogg Business School in Chicago. At the same time as Lansberg (2001) from Yale School of Management, suggested an organisation that “would stimulate academic research in family business” (Sharma *et al.*, 2012) and a journal where ideas could be shared and published was needed. This led to the establishment of the Family Firm Institute (FFI) in 1986, a membership association, to which I belong and of the Family Business Review in 1988, the main journal in the field and reference point for scholars and researchers. In 2011

the Journal of Family Business Management was started at the University of the West of England. There now are several academic business school centres for family business research around the world, for example Harvard (USA), INSEAD (France), IMD (Switzerland), SDA Bocconi (Italy) etc. Furthermore the creation of associations of entrepreneurs, academics, practitioners, researchers, such as the Family Business Network (FBN), and International Family Enterprise Research Academy (IFERA), which organize annual conferences for extending and sharing knowledge, and have enhanced and developed the family business field.

International family business literature is interdisciplinary and transversal. It is very extensive, and includes disciplines such as accountancy, economics, economic history, strategy, organisational behaviour, management, social psychology, family therapy, business psychology and others. However looking at this type of literature as a whole, although it comes with an academic imprinting, most of it is based on a practitioner/business/management school approach and is in many case oriented towards consulting to family business

Furthermore, the dominant trend in the field is quantitative research which is not the focus of my research, and sometimes it is quali-quantitative through case studies and vignettes as explanatory support, which are generally interesting and vital and take the reader into real everyday life experiences. Recently, to fill the gap by recognizing also the contribution of a qualitative perspective, a trend to give more value to qualitative research is emerging in family business (Reay, 2014) and scholars are invited to fill this gap engaging more in this type of research (Reay, 2014), recognizing that it can give a meaningful contribution from a different scientific perspective.

A conceptual definitional debate on what a family business is was part of establishing the new field and is still ongoing. I want to mention it to briefly present what I mean by family business and how I have developed my own idea about family business which has been influenced by this community's discussions. Gersick *et al.* (1997, p.2.) say that "Family businesses are the predominant form of enterprise around the world... In capitalist economies, most firms start with ideas, commitment and investments of

entrepreneurial individuals and their relatives". They (Gersick *et al.*, 1997, p.3) also argued that "companies owned and managed by families are a special organisational form whose "specialness" has both positive and negative consequences. Family businesses draw special strength from shared history, identity, and a common language of families". Miller and Rice (1988, p.194) suggest that family businesses "have the characteristic that the members of one family own enough of the voting equity to enable them to control strategic policy and tactical implementation". Collins and O'Regan (2011) say that "family businesses differ from non-family businesses due to the unique involvement of the family members (Chua *et al.*, 1999)".

A contested theme among scholars in the field of family business is about the terms 'family business' versus 'family enterprise'. Enterprise literally means "undertaking, venture, operation project" (Soanes and Stevenson, 2006, p.202) while business "occupation, trade, craft" (Soanes and Stevenson, 2006, p.70). The argument is that 'family enterprise' can cover a broader spectrum of activities than 'family business'. For example a family owns a company initially, but when it grows and develops, it can diversify its business into real estate, philanthropy or other types of activities. So the family does not own only a single business but a portfolio of businesses or a conglomerate which makes it a 'family enterprise'. From a conceptual point of view the idea of 'family enterprise' embraces a wide field of experience; it is dynamic, less concretely engaged in the everyday business, it is more of a holistic state of mind. The concept of 'family business' seems a more appropriate expression when linked to a first industrial revolution context, whereas 'family enterprise' is perhaps a set of more contemporary, complex, diversified conglomerates. The Family Firm Institute, Inc. (2014, p.3) handbook, states that "While no single definition can be said to cover all forms of family enterprise, in the broadest sense all such enterprises have two or more members of a family involved in the ownership and business of the enterprise". The two case studies presented in this research are both enterprises and businesses, the family owns other activities, but my focus is on one company. However for the purpose of this project I will continue to refer to them in the traditional way as family businesses, but having in mind the inherent enterprising element.

### **2.1.1 Where is crisis in family business literature?**

In section 2.3 I will outline my definition and conceptual framework about crisis. But just to set the stage here, my view is that crisis is a dynamic process which can pertain to different levels and dimensions: individual, family, group, organisation, society and the environment. Crisis is an ambiguous, omnipresent, slippery concept and process. It has to do with movement and a turning point, the final outcome is not known before. Unlike words such as trauma, catastrophe, disaster and break-down, crisis includes a potential disastrous dimension and a developmental one.

A starting point was the realisation that from my search in the available family business literature, little had been openly written about crisis, although crisis was quite often an underlying and covert theme. For example, the idea of crisis is implicitly explored through the use of words such as change, development, and transition which can include a crisis, but they have a more positive meaning, in some ways denying the darker sides of crisis.

My first challenge therefore was to spot where crisis is dealt with in family business literature. I immediately realized that what had been written on crisis was mainly from a business financial, performance or planning perspective (e.g. Herbane, 2013; Lins *et al.*, 2013; Crespi and Martín 2015). Crisis for example in the *family* or of the *individual* has been little explored. A hypothesis about this gap, could be that, considering that most scholars in the family business field (e.g. Habbershon *et al.* 2003; Gersick *et al.*, 1997; Tagiuri, and Davis, 1992; Ward, 1987) work in a business school or are business or management professionals, the establishment of family business as a discipline, on one hand, has been led undoubtedly by a sincere collective desire to research these types of businesses. On the other hand, considering also that family business is an attractive wealthy market, there can also be a more instrumental dimension in developing the field as a way to promote new potential consultancy business opportunities through academic connections in the case of family businesses that for example suffer of low performance due to a downturn of the market. Instead, perhaps activities aimed solely at the family or individuals (e.g. individual coaching, family group



dynamics or even therapy) are less profitable than strategic, financial or management consultancy in general.

There are many themes in family business literature, stretching from issues such as addiction or personality problems to legal aspects regarding ownership, etc. But, broadly speaking, the most dominant themes in family business literature relevant to my research are (i) the relationship between family, business and (ii) governance and generational transition, succession and family business continuity (Chrisman *et al.* 2003; Chua *et al.*, 1999; Basco and Perez Rodriguez (2009).

#### **2.1.1.1 The relationship between family, business and governance**

The relationship and interactions between the different systems involved in a family business, the family, the business and governance, is always a major issue for anybody studying, researching and working with family business.

As for many scholars in family business, the so-called three circle systemic model (Gersick *et al.*, 1997) has been an important reference in my thinking about family business, on which I will focus here.

In their pivotal work about family business, Davis and Tagiuri (1996) suggested a two system model, portrayed as two circles, where the two systems are the family and the business. Later Gersick *et al.* (1997) went on and developed the three circle model (Figure 2.1), based on the idea of looking at family business taking into account three dimensions graphically represented by three circles, family, business and governance.

According to Gersick *et al.* (1997) each of the three systems, family, ownership and business, have different tasks and roles, and they draw their authority from different sources and pursue different goals. For example in the *ownership* dimension, authority derives from the shareholder's or equity holder's role, the returns on investment in terms of dividends and the value of the company is usually the main concern.

**Figure 2.1 Family Business A Three Circle Model**

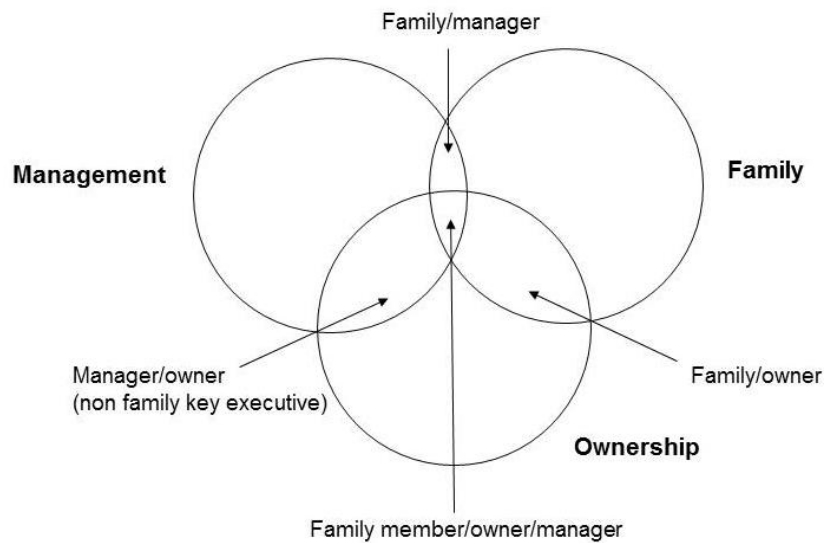


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In the *business* perspective, where managerial competences and skills are the main source of authority and the production of profitable products or services, performance and turnover are fundamental. In the *family*, authority derives from family bonds and belonging, while the aims of the family are protection, emotional stability and the wellbeing of family members. The three circles as open systems are dynamically connected, interrelated and interdependent and as systems they "interact with other systems constantly and change is therefore nonlinear and unpredictable" (The Family Firm Institute, Inc.,2014, p.60).

In terms of background literature, each system in the three circle model also has a separate set of other theories concerning it<sup>3</sup>. But having taken a psycho-social approach these other theories appeared to have a limited usefulness.

Conceptually, both models, Tagiuri and Davis (1996) and Gersick *et al.*, (1997), are inspired by the general systems theory which "has its roots in several fields including

<sup>3</sup> For example, authors such as Dumas (1989), Friedman (1991), Herz Brown (1993) are relevant for family dynamics, while for personality theories Goleman (1998) and Levison (1978) or for the business and financial (Trugman, (1998), legal (Sonnenfeld, 1988), and for management science (Carlock and Ward, 2001; Gibb Dyer, 1999).

quantum physics, anthropology, biology, and mathematics”, (Family Firm Institute, Inc., 2014, p.58) by von Bertalanffy, (1950) who developed the open systems theory from a thermo-dynamic point of view), and by versions of family therapy developed in the 60s and 70s.

The systems theory in turn is a substantial part of Group Relations, of the psycho-dynamic approach to organisations which is where I come from in terms of professional background. Just to recall the main idea, Miller (1989, p.11) argues “The notion of open system made it possible to look simultaneously both at the relationships between... the part and the whole, the whole and the environment-including, of course, the individual and the group, the group and the organisation”, he continues, “the structural properties of a dynamic whole may not be so different from the structural properties of sub-parts”; both may be seen as having similar systemic characteristics” (Miller, 1989, p.11). As opposed to a closed system in a kinetic reversible equilibrium, a dynamically irreversible steady state determines an open system. The general system shows a kind of self-regulation comparable to the behaviour of an organic system and the open systems view is based on concepts of wholeness and equilibrium. A system aims towards homeostasis. Any change in a part of the system influences the other parts, for example a change in the family (birth, marriages, death) affects the business. The equilibrium is the balance that the systems, for example the family and the business, try to maintain once it has been reached, but when a change occurs the homeostasis is challenged or even disrupted (Heck *et al.*,2008). Krappe, Goutas and von Schlippe (2011, p.37) suggest, “family businesses address the identity myths of stability and safety like no other company type”. An example of this can be found in the second case study in Chapter 5 where resistance to change – through the desire to retain the previous equilibrium or stability - emerges quite clearly.

Kets de Vries *et al.*(2007) in one of the few works on family business literature that have a psycho-dynamic component, address the issue of wholeness and equilibrium of systems through Bateson (1972), they suggest (Kets de Vries *et al.*, 2007, p. 149) that he “emphasized the importance of the relationships between people rather than merely focusing on the individual”. This perspective moves the focus from addressing the

problems and symptoms of “a problematic individual seeking treatment” (Kets de Vries *et al.*, 2007, p.155) to understanding them as part of the overall family system of relationships and dynamics. Furthermore according to Collins and O’ Regan (2011, p.7) “few academic research studies have focused on the family as the unit of study”. Zachary (2011) takes it further saying that it has been a mistake to think that family business could be explored only as such without taking into consideration the family dynamics and the impact of the family which should be studied “separately and in conjunction with the business. Furthermore, the role of family in family businesses and entrepreneurial activities is paramount (Heck *et al.*, 2008)” (Zachary, 2012, p.27). Recently Houden (2015) suggested that especially in family business consultancy the main focus has been on the family as system and interpersonal relations, while the individual and his/her needs has been neglected, this should be reconsidered and the individual can potentially be a change agent in the system. The dilemma between an approach based on the individual or a more systemic one is still a controversial and open matter. I do not think that it is either the individual or the system, but both at the same time. My psycho-social research, based on interviews with each individual family member aims to explore some of that intimacy inherent to family relations and to fill this gap linking individual and family issues to the business issues and to the social context. Furthermore, in approaching family business, it is not only a matter of individual and family dynamics but as Pounder (2015, p.119) argues, “Balancing family and business activities in a family business is a challenge for contemporary family businesses”...“From a management perspective, conflict between family, other family members and non-family members’ work responsibilities often causes tension in the business (Arregle *et al.*, 2007; Frank *et al.*, 2011; Chrisman *et al.*, 2012)”. Therefore a common way of addressing these issues and conflicts between different roles and responsibilities or in defining the company leadership (Pierce and Moukanas, 2002) is through governance (Pounder, 2015) which is present in family business literature. Governance is a dimension to which I have paid quite a lot of attention in my interviews, data analysis and discussion, as it will be explained in the next chapters. Beyond the structural dimension, my interest was mainly on the psycho-social meaning of the choice of having a certain governance structure and the impact at the time of crisis.

The relationships and functioning of the three systems involved in family business, continues to be debated and controversial. For example, the emergence of complexity theory (Anderson, 1999) including chaos theory (Kellert, 2008) has been “creating ripples and raising questions in the business world” (Hilburt-Davis, 2000, p.53). While in systems’ theory stability can be something to strive towards, complexity theory strongly challenges it. According to this approach, change is not linear and predictable, but disorderly and “complex systems are capable of self-organisation, a creative process that usually occurs at the “edge of chaos”... (Hilburt-Davis, 2000, p.53)”. Chaos in this approach is not disorder but a “delicate balance between order and disorder” (Hilburt-Davis, 2000, p.54) and for complexity theory “equilibrium means death” (Hilburt-Davis, 2000, p.54), as it will emerge in my case study in Chapter 5.

However, although complexity theory has some significant and valuable arguments such as the non-linearity or unpredictability of phenomena, I think that it is perhaps more helpful in understanding large complex systems rather than smaller ones, like the ones I researched. So, with all the problems of more linear models such as the three circle one, since I was interested in depth more than breath at the meso/micro level and the two companies were not large complex systems, I decided not to follow the complexity theory path. Furthermore I did not find specific elements in the material for which the complexity theory could add any specific understanding. I did keep in mind, though, that there could inevitably be more complexities in the examined dynamics which could be connected for example to some unpredictable phenomena, which I needed to be alerted to.

In conclusion, the three circle model has its limits as I have tried to outline, in the sense that it is simplistic, mechanical and static and does not go *under the surface*. Nor does it take into account social and cultural dimensions. However in my experience it is, on one hand, a fair means and container in understanding the specific area of family business in my psycho-social research project and a method for working in the context of permeability of roles and boundaries of family firms. On the other hand, its open

system perspective can be a bridge between a more organisational business-like approach and a psycho-social one.

Furthermore, in terms of a crisis perspective as it will emerge in the two case studies, the crisis in both cases overtly pertained to the business dimension and the economic performance due to the downturn of the economy and of the industries to which the two companies belonged. Having in mind the three circle systemic model and the open systems' idea of the wholeness and of the drive towards an equilibrium either progressive or regressive, has helped me to ask myself questions such as 'in what system was the origin of the crisis really?' 'Were other systems impacted or impacting the situation?' or 'What was going on when the equilibrium was disrupted and strong resistance to change emerged?'

#### **2.1.1.2 Generational transition, succession and continuity of the company**

An important reference in family business literature is the statistic, colloquially known as 30/13/3 definition of the rate of success in family business generational transition (Ward, 1987). Ward, one of the most influential representative of family business literature (Hoy, 2012), suggested that only 30% of family businesses "survive through the second generation, 13% survive the third generation and only 3% survive beyond that" (Family Firm Institute, Inc. 2014, p. 4). Miller and Rice (1988, p.209) interestingly argued that "a modern industrial enterprise can survive as a family business only with the most exceptional of families".

Therefore generational transition, succession and continuity of the company are dominant themes (Pounder, 2015) in literature and in the discussions among practitioners and scholars of family business. A large amount of articles and books have been written on this topic from different disciplinary perspectives. On the basis of the 30/13/3 phantom of company survival rates and considering the already mentioned practitioner background of many scholars (e.g. Aronoff and Ward, 1995; Rothwell, 2002; Mandl, 2008), I find that in this dominance of the generational transition/succession/continuity theme there is a quite common assumption and value-based idea that continuity of a firm is 'the best', and closure or a sale of a firm is a failure.

Evidence of this trend in family business literature is, on one hand, what Ward (1997), suggests in the preface of his milestone book when he says that his aim is to “show family businessmen and women how to keep that dream (that business should last for ever) alive and realize it through good planning” (Ward, 1997, p.xxiii). On the other hand, Lansberg (1999), another prominent author of many cited books in family business literature, identifies the concept of ‘Shared Dream’ among generations, a common idea about the future developed from Winnicott’s idea of “a transitional phenomenon” (Lansberg, 1999, p.77). Lansberg (1999) suggests the ‘Shared Dream’ as a transitional object/space/time working with different generations and with the different family business systems as a coalescing means to plan succession, to pursue the survival of the company and maintain the wealth reached by the family .

Dyer (1992) and Pounder (2015) argue that one of the dimensions which differentiates family businesses from other types of companies is generational transition and succession due, for example, to the presence of family members, also the potential successors, at governance and management levels. This leads to more entanglement of rational and irrational dynamics among systems as my two case studies will show.

Gersick *et al*, (1997) also take the three circle idea a step further to a three dimensional developmental model through time (Figure 2.2), inspired by Ward’s (1987) stages of family business evolution (Hollander and Elman, 1988) to address generational transition, succession and continuity in family business. It also includes recommendations on how to overcome the changes and challenges of each phase.

They analyse the three systems, family, ownership and business through the three axes in a temporal dimension. For each axis there is a different option so the ownership at the early stages is entirely in the hands of one controlling owner, later if there are more siblings, it develops into a sibling partnership and later into a cousin consortium.

**Figure 2.2 Family Business A Three Dimensional Developmental Model**

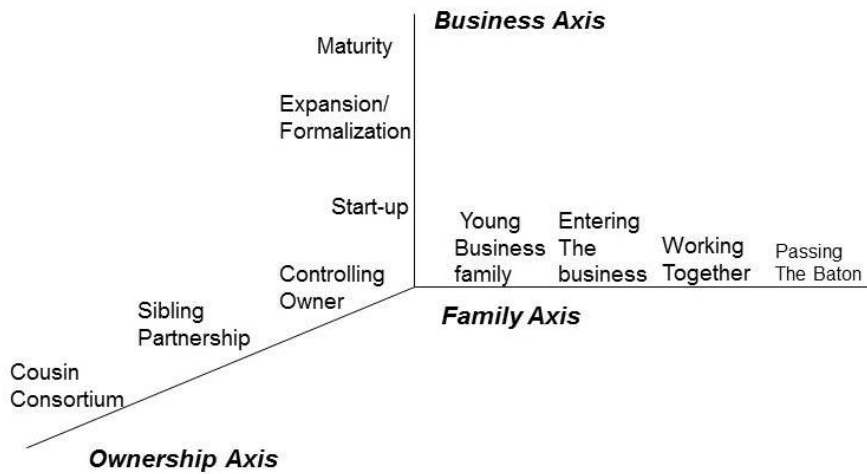


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The business can go from a start-up, through a phase of expansion/formalisation, up to maturity. In the family circle Gersick *et al.* (1997) identify different types of development starting from the young business family, to the entrance of the new generation, a period in which the old and the new generation work together, up to when the baton is passed to the next generation. As for the three circles, the three dimensional model is among the most referred to in family business consultancy, research and academia. I have used the three dimensional model in my consultancy work and my clients have appreciated it, but, it has its limitations as my research shows in Chapters 4, 5, and 6. Generational transition, succession and company continuity are too complex phenomena to be contained in a rigid, artificial, stereotyped and superimposed model, therefore I have not adopted it. This is a good example of the difference between consultancy which usually requires simple language and quick recommendations and a research project where complexities and dilemmas can be deeply explored and reflected upon far from the immediacy of everyday life.

To sum up, from a crisis perspective, these authors and most of the others in family business literature look at the generational transition and succession more as change, or hopefully a potentially developmental condition. The word crisis is rarely used and there seems to be a shared assumption that things can get fixed with good planning



and management, while generally the dark sides and the emotional dimension of these very complicated phases of the individual, family and organisations are not much considered. As it will emerge from my field work, generational transition and succession inevitably are moments of deep crisis, of loss, mourning and at the same time of potential growth and development. Obviously in family business literature there are exceptions, for example Herz Brown (1993, p.111) addresses the issue of loss in family business as “the greatest impediment to the succession process”, or Kets de Vries (1996a, 2008) uses a psycho-dynamic lens to identify more problematic and non-linear dimensions. Or, outside the mainstream of family business literature, using a relational-symbolic approach, Italian authors such as Scabini *et al.* (2008), suggest an innovative idea of distinguishing between generativity and generation. Based on Erikson’s (1998) ideas regarding life stages of human development they suggest that generational transition is not only a planned handing over the baton from one generation to another but there also needs to be a generativity dimension which they define as the capacity of an adult person to move beyond the narcissistic and individualistic use of mental energies and preoccupations to take care of the other/others, investing in what has been generated.

I hope that through this very brief overview of some themes in family business literature, I have been able to give an idea of what is dominant and has been inspirational for my research as background from family business literature. As already suggested in the previous section, certainly what is missing in family literature is an in-depth research of family dynamics and the intimacy of the emotional relationships involved. Another gap, as it can be inferred from what has been presented in this section, is that the social and cultural dimension, although there are some exceptions for example Gupta and Levenburg, (2012), are neglected in favour of more general models which can work for anybody everywhere. This research would also like to contribute to showing how specific social and cultural dimensions of crisis processes influence the final picture.

Finally it is worthwhile to state that, as Paradise (2014, p.1) argues, family business studies are still very new, therefore it is still mainly a theory of practice which “occurs in

the development of any profession...” So more needs to be carried out in terms of research and theory and not only for practice purposes.

## **2.2 Psycho-social studies, family business and crisis**

The idea of the “psycho-social” (Clarke *et al.*, 2008; Clarke *et al.*, 2009) or “psychosocial” (Frosh, 2014; Kenny and Fotaki, 2014) aspect, which is neither only psycho nor only social, but an interpenetration of both (Hoggett, 2014) is a very broad, debated interdisciplinary, trans-disciplinary (Frosh, 2014) body of knowledge. A first evidence of some controversy is that it is debated if it should be psycho-social with a hyphen or psychosocial. I am aware that it makes an epistemological difference to put the hyphen which separates the psycho from the social. I am not going to discuss it here due to the limited available space, but some follow up thoughts will be included in section 3.1.2. Here I will use psycho-social and psychosocial according to how each author I quote refers to it.

It also would be impossible in this context to review all the complexity of psycho-social studies which traditionally embraces disciplines such as sociology, psychoanalysis, gender studies, Marxism, feminist theory, post-colonialist theories, critical theory, Group Relations, psycho-dynamic approaches to groups and organisations qualitative research and others. Furthermore through time new disciplines have been included in psycho-social studies, broadening the spectrum thanks to the work carried out by researchers in different fields and making it a dynamic field in ongoing progress (Frosh, 2014). My conceptual framework for this research has been fundamentally influenced by British psycho-social studies as these have developed at the University of the West of England (Clarke *et al.* 2008; Clarke *et al.* 2009, Hoggett, 2014). There are other psycho-social academic centres in Britain such as Birkbeck College, Essex, East London University and others that are also connected with the University of the West of England’s Psycho-Social Research Group through exchanges and work together. Furthermore, psycho-social studies are also linked to other similar disciplines such as psycho-sociology in Italy and in France, and socio-analysis in Australia.

My understanding of psycho-social studies is that, although the content of the research is important, the multi-disciplinary trans-disciplinary epistemology, methodology and research method dimension is the most dominant part. I agree with Hoggett and Clarke (2010, p.2) that “there is something quite distinct about a psycho-social approach towards social research, it is more an attitude, or position towards the subject(s) of study rather than just another methodology”. As Clarke (2008, p 113) suggests, a psycho-social approach is “part of a group of methodologies that point towards a distinct position”. Different authors, besides the above mentioned ones, for example Crociani-Windland (2011), Frosh (2003, 2014), Hollway and Jefferson (2000, 2013), Hoggett (2014), Rustin (2014) and Wengraf (2001) contribute from different angles, but share a common commitment to psychoanalysis and/or to a non-rationalist understanding of human phenomena, to a continuous interplay in bridging theory and practice. It is an approach that emphasizes subjectivity (Hollway and Jefferson, 2000, 2013), human experience and its communicative nature. Through reflexive practices (Clarke *et al.* 2009; Crociani-Windland, 2011, Jervis 2009; Petrov, 2009), its aim is to explore what goes on *beneath the surface* in a systematic way. It can explain social phenomena combining different disciplines and linking the social and the psychological dimension, the implicit and explicit, the formal and informal, the internal world of emotions and affects and the external one of structure, politics, power and authority. In my understanding, the qualitative research traditions such as for example Grounded Theory (Glaser and Strauss 1967; Charmaz, 2005), Discourse Theory (Boydell, 2009), and Narrative Research (Denzin and Lincoln, 2005) are an intrinsic part of the psycho-social approach.

As already stated in the introduction of this chapter, a description of the psycho-social epistemology, methodology and methods of this research will be presented in Chapter 3. Furthermore a way of narrowing this discussion down to the purpose of this research is to address psycho-social studies in relation to family business and crisis. So in the next two sections I will first address psycho-social studies and family business, and then psycho-social studies and crisis.

### **2.2.1 Psycho-social studies and family business**

Family business literature mainly comes from management and consultancy tradition rather than a purely research one as psycho-social studies. Little has been written about family business in psychosocial studies. Nevertheless a few authors have introduced psycho-dynamic and systemic lenses in understanding and consulting to family business. For example Kets de Vries (1996) and Kets de Vries *et al.* (2007) apply a psycho-dynamic approach to family business, as already mentioned in the section on family business. Miller and Rice (1988) examine the role of the family in the society of their times (more than 25 years ago) and the impact of the economy and technology on family business. These authors (1988, p.xiii) introduce the concept of a sentient system or group which refers to “that system or group that demands and receives loyalty from members”. In this type of system or group “individuals are prepared to commit themselves and in which they depend for emotional support” (Miller and Rice, 1967, p.253). As it will be demonstrated in the next chapters, without acknowledging the sentient dimension, it is impossible to understand the family dynamics in family business. For example in any moment of crisis a struggle and tension between feelings of loyalty of the sentient dimension within the family and rational decisions for the business emerge. I was lucky to meet Miller in 2000 and discuss with him some ideas on family business. He was concerned that the family business stream had not been followed up in the Group Relations community. He generously gave me a paper he never published and in some ways this dissertation wants to be a legacy of that encounter.

To show how limited the literature on family business in psycho-social studies is, I would like to mention as recognition, the effort of the only three other authors I was able to trace, who suggest the use of the self, self-scrutiny, use of counter-transference in working with family business. From a reflexivity perspective, in a case study McCollom (1990) used a qualitative clinical method approach including “direct involvement with people in social systems; commitment by the researcher to a process of self-scrutiny; willingness to change theory or method in response to the research experience; description of the system favouring depth over breadth; and participation of system members in the research” (McCollom, 1990, p. 248). Both Rosenthal and

Davidoff (2000) and Smucker (2013) address the use of the inner dialogue and counter-transference of the consultant in consulting to family business, Rosenthal and Davidoff (2000) from a psycho-dynamic perspective, while Smucker (2013) from an integrated psycho-dynamic, relational psychoanalytical, family therapy one.

The above mentioned works of Kets de Vries (1996a;1996 b) and Kets de Vries *et al.* (2007) and Miller and Rice (1988) have been important conceptual reference for my research as it will be seen in next chapters. While my experience with those of McCollom (1990), Rosenthal and Davidoff (2000) and Smuckler (2013), was of a thirsty wanderer in a desert who finally finds some human beings and is happy to be among them, I cannot say that their thinking added more to my psycho-social approach as described in Chapter 3, but just confirmed it.

### **2.2.2 Where is crisis in psycho-social studies?**

As suggested in section 2.1.1 for family business literature, also in psycho-social literature, crisis as a concept or a word is not so often openly addressed but ideas about crisis are present in other concepts or words.

The contents of many psycho-social research cases are about experiences of crisis situations at a personal level as manifestation of social issues (Clarke, 2008; Hollway and Jefferson; 2000, 2013; Jervis 2009; Walkerdine *et al.*, 2002) or more at a social cultural level, for example Crociani-Windland's (2011) ethnographic research on festivals in Tuscany as a means for coping with the crisis of transition from agrarian society to modernity. But, for reasons of space, here, I cannot follow this path in detail. From a conceptual point of view on crisis, also considering my type of research, on one hand, I essentially found some ideas about crisis in the psychoanalytical part of psycho-social studies (perhaps also because I was mostly interested in them) which will be presented in the next section. On the other hand, I was mainly inspired by a few authors in the psychodynamic and organisational studies domain, which instead will be presented in section 2.3 about my conceptual framework about crisis.

### **2.2.2.1 Dominant concepts close to crisis in psychoanalytical literature**

Psychoanalytical literature is a very vast body of knowledge with many stimuli about critical issues, events, aspects since Freud's discoveries especially in the individual setting. As in family business literature, also in the psychoanalytical one, crisis is often addressed under false pretences. But as stated above I have limited this review to the purpose of this research and to what has been helpful for me. So for example, concepts like trauma, catastrophic change (Bion, 1962, 1970, 1979) and fear of breakdown (Winnicott, 1974) can recall some crisis dimensions. Furthermore Bion's (1967a) theory of thinking and his ideas of basic assumptions and the working group (Bion, 1961), Winnicott's (1974) theory of transitional phenomena and lastly the life stages of Erikson (1998), who openly talks about psycho-social crisis, are especially relevant. I am addressing these concepts here in terms of positioning my research within the literature and they will be referred to and further conceptualized with regard to family business and crisis in the unfolding of the next chapters.

1. Trauma is a fundamental concept in psychoanalysis since Freud's time and it is related to crisis by being a negative outcome of a critical period. The word trauma comes from ancient Greek τραῦμα (trauma, "wound, damage"). Psychoanalysis is deeply concerned with early life traumas and the possibility of working through them in a process of "re-traumatizing" in the treatment setting (Gould, 2004). Garland (2008, 29) says, "Yet it is the essence of trauma that it is overwhelming – it knocks out ordinary thinking and behaviour, the capacity to think straight or act sensibly". So trauma is an event in which a very deep and meaningful division between "before" and "after" remains in the memory (Ferro, 2004). Mitchell (2003, p.9) argues that trauma "is a breaking through of protective boundaries in such a violent (either physical or mental) way, that the experience cannot be processed: the mind or the body or both are breached, leaving a wound or gap within". Trauma is an essential aspect of the first case study in Chapter 4 and will be followed up in the discussion of findings.
2. Bion's (1962, 1970, 1979) concept of catastrophic change and Winnicott's concepts of fear of breakdown in the individual psychoanalytical setting are

dominant concepts in psychoanalytical literature and pertain to crisis. On one hand, for Bion (1962,1970,1979) catastrophic change can be real or the fantasy and the anxiety that change can lead to a catastrophe, for example a “fracture in the relationship between the container and the content...”(Gaddini, 1981, p.604, my translation). The meaning of catastrophe comes from the “Greek “kata” = down and “strophe” to turn over...a subversion, discontinuity, a calamity, the part of the Greek tragedy where the storyline disentangles. “The crucial element lies in the decision to change oneself (therefore evolve) or to evade frustration” (Gaddini, 1981, p.606, my translation). On the other hand, Winnicott (1974, p.103) suggests that breakdown means “a failure of a defence organisation” and “an unthinkable state of affairs that underlies the defence organisation” against “primitive agonies” (Winnicott, 1974, p.104). He (Winnicott,1974 p.106) argues: “I have attempted to show that fear of breakdown can be a fear of a past event that has not yet been experienced”. Winnicott’s (1974) fear of break-down “can lead to a halt in the psychological growth or confusion and chaos in the psychological development” (Gaddini, 1981, p.600, my translation). According to Gaddini (1981), Winnicott’s concept of fear of breakdown and Bion’s (1962,1970,1979) catastrophic change are equal to the fear “that keeps the patient cohesive and fearful to change, as if he would be on the edge of a catastrophe or a cliff” (Gaddini, 1981, p.601, my translation). As will be discussed, in the second case study in Chapter 5 the fear of catastrophic change or breakdown is also present from the point of view of social class.

3. Bion’s (1961) ideas about group functioning in terms of basic assumption psychotic anxieties (dependency, flight and fight, pairing) and work group mentality (French and Simpson (2010, p.1861)<sup>4</sup> are certainly dominant in

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<sup>4</sup> French and Simpson (2010) explore Bion’s (1961) concepts of basic assumptions and work mentality in depth. French and Simpson use the word mentality instead of ‘basic assumption group’ or ‘work group’ as they state “that Bion’s the original “basic assumption and work group definition” can generate confusion since in reality he describes “ two group mentalities “ (French & Simpson, p.1861). French & Simpson (2010, p.1861), argue that “Work-group mentality’ (Bion, 1961:173) describes the disposition and dynamics that characterize the life of a group, to the extent that its members are able to manage their shared tensions, anxieties and relationships, in order to function effectively; the outcome is a ‘capacity for realistic hard work’(p.157). ‘Basic-assumption mentality’ (p. 173), by contrast, describes the state of a

psycho-social literature and relevant to crisis. French and Simpson (2010) underline that the basis for the differences between these two modes of functioning lies in the “group’s relationship with reality” (French and Simpson, 2010, p.1865). They argue that reality can be seen as the “demand for action inherent in that underlying purpose”(French and Simpson, 2010, p.1866), but it also “refers to emotional truth... ‘truth is growth-promoting and anti-truth psychically debilitating’ (Symington and Symington, 1996:114)” (French and Simpson, 2010, p.1866). Hirschhorn (2012) also makes an insightful distinction between fantasy and imagination which I find helpful in thinking about crisis and organisations such as family businesses. On the one hand, fantasy has more to do with basic assumption mentality defences against anxieties and emotional regression, for example repetitive old family patterns. On the other hand, imagination could be about the working group mentality integrating pleasure and reality principles. Imagination has a creative dimension, a constructive one; it is about the possibility of imagining and planning a future for example a new vision of the business development of a representative of the new generation. The tension between the regressive pull of fantasy of basic assumption mentality and the realist work group mentality of imagination is usually present and relevant to any crisis dynamics and will determine the type of outcome.

4. Bion’s (1962a) theory of thinking based on changing beta elements (unmetabolised raw sense-data or impressions or emotions and of "inchoate elements" (Segal, 2005, p.171) into alpha elements (thoughts that can be thought by the thinker) is dominant in psycho-social studies and relevant for crisis. Bion, (1962a, p.6) says “If alpha-function is disturbed and therefore inoperative the sense impressions of which the patient is aware and the emotions which he is experiencing remain unchanged. I shall call them beta-elements...”. According to Segal, (2005, p.171) beta elements “are felt as bad internal "things" which can be dealt with only by expulsion”. Beta elements in the mental production of thought can be assimilated to basic assumptions

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group that is taken over by strong emotions – anxiety, fear, hate, love, hope, anger, guilt, depression (p. 166) – and has, as a result, lost touch with its purpose, and become caught up in an ‘unconscious group collusion’ (Eisold, 2005b, p. 359); the outcome is ‘stagnation’ (Bion, 1961, p.128)”.



psychotic anxieties developed earlier in Bion's (1961) work on groups. As it will be discussed in point 2.3 a crisis symptom is the difficulty to think, to feel mentally blocked, paralyzed by fear and therefore unable to metabolize and properly digest beta-elements and mobilize the alfa-function.

5. In my conceptual framework about crisis as it is presented in the next section 2.3, I am deeply inspired by Winnicott's (1971) ideas on the transitional phenomena which are certainly dominant in psychoanalytical and psycho-social studies and they are further discussed in the chapters in connection to the data. The transitional phenomena can be a way of handling the child's growth and developmental challenges or crisis. Winnicott (1971, p.2) argues that in studying childhood he "introduced the terms 'transitional objects' and 'transitional phenomena' for the designation of the intermediate area of experience between the thumb and the teddy-bear.." "between primary creativity and objective perception based on reality testing" (Winnicott, 1971, p.11). For the child, the intermediate area of experience should remain an area "unchallenged in respect of its belonging to inner or external (shared) reality" (Winnicott (1971, p.14). In adulthood it can be referred to "as the intermediate space between the individual and the environment and between inner and outer reality, where there is infinite variability of phenomena. This space is, in his view, where both creative play and cultural experience are located..." (Crociani-Windland, 2009).
6. A last dominant psychoanalytical author I have referred to and discussed in the next chapters is Erikson (1998). He overtly refers to life phases and crisis, and identified eight psycho-social and psycho-sexual stages of development of the individual through life. Each stage concerns a particular psycho-social crisis, which affects significant relations, mobilises specific psycho-social modalities such as antipathies, strengths and can lead to bad adaptations and/or malignancies (Boere, 2006). Although Erikson's model is a helpful framework and reference in understanding crises according to the life-phases for example

generational transition and succession and the impact of age, I feel that it is slightly static and superimposed if adopted too literally.

To conclude this section, although I have used some other psychoanalytical ideas in the unfolding of the chapters, the ones illustrated above, have mainly informed my understanding of the case studies unconscious dynamics with different degrees. So as mentioned above, for example in the first case study in Chapter 4 trauma permeates the scene, while in the second one in Chapter 5, the idea of catastrophic change has helped me to formulate an hypothesis about a social class anxiety. In both Erikson's (1998) model of life stages adds the temporal dimension about human behavior. Bion's (1961) ideas of the work group and basic assumption mentality and Winnicott's (1971) idea of transitional space/time have contributed to elaborate my conceptual framework about crisis.

Finally as shown in this section, in psychoanalytical literature crisis is present, it is intrinsic to the therapeutic epistemology and method which aims to cure, for example, a crisis. Crisis is addressed from many perspectives, although not always named as such.

### **2.3 A conceptual framework on crisis**

As consequence of the post Lehman Brothers crisis, the theme of crisis at a macro level, for example financial crisis, disasters, catastrophes, has been explored in the psycho-dynamic systemic literature on groups and organisations, (Brunning, 2010, 2011, 2013; Long, 2008; Long and Sievers, 2012; Sievers, 2006; Stein 2005, 2007, 2013; Fraher, 2014; Groenvold Bugge, 2015). Although many of these works are interesting in terms of the broad societal and organisational picture, as stated in section 1.1, my research explores crisis at a different level, at a micro and meso level, from the experience of crisis in family business as a specific field of enquiry. I have tried to examine the small every-day nitty-gritty issues about crisis. Nevertheless I have adopted some ideas that are compatible with a micro perspective, for example from the work of Stein (2004).

As already suggested in section 2.1.1, the word crisis has many meanings and can be used in different ways. The spectrum of meanings or contexts in which the word crisis is used is very broad and crisis is a slippery, ubiquitous, overwhelming concept. For example what makes it complicated is that here other words are often used to address some sort of crisis, such as trauma, catastrophe, failure, disaster, tragedy, breakdown, but most of them imply an event or a process with a negative outcome.

My classical studies high-school background taught me to always find the source of the meaning of a word. So I asked myself what is the meaning of the word crisis, to start with, the Greek word κρίσις means decision, judgement, distinction, sentence, separation. A crisis is any event that is, or is expected to lead to, an unstable and dangerous situation affecting an individual, group, community, or the entire society. Crisis also comes from Greek drama. It is the 'turning point' in Greek tragedy and it is the name for a particular movement of the Greek Chorus as it turns across the stage towards the climax of the story. In Latin crisis means 'a testing time' or an 'emergency event', a sudden change (improvement or deterioration) during an illness or a phase of individual or collective life, that is especially difficult to overcome and which can lead to a positive condition.

In my search among many definitions about crisis, the following were especially relevant for my conceptual framework. Caplan (1964) suggests that crisis is an upset in the person's steady state provoked when an individual finds an obstacle to important life goals. A crisis is a period of transition in the life of an individual, family or group, presenting individuals with a turning point in their lives, which may be seen as a challenge or a threat, or both simultaneously. Giust-Despairies (2005) argues that Thom (1976) makes a distinction between "latent crisis which has to do with functioning, and catastrophe which challenges the structure" (Giust-Despairies, 2005, p.98, my translation). She (Giust-Despairies, 2005, p.98, my translation) also adds that for Touraine (1973), a crisis "intervenes when the management of tensions is no more controllable..."(Giust-Despairies, 2005, p.98, my translation). Crisis is about distinguishing "a before and an after. It manifests itself with a turmoil demonstrated by rupture phenomena"(Giust-Despairies, 2005, p.98, my translation) in the case study in

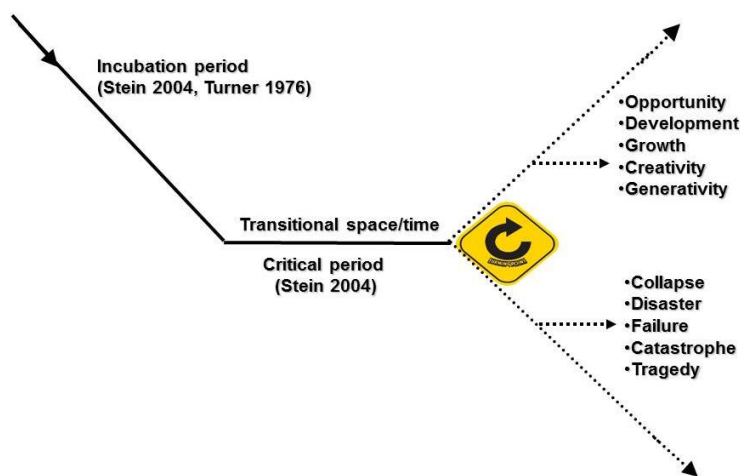
Chapter 4 this occurs clearly, while the absence of rupture in the case in Chapter 5 is interpreted as useful symptom.

From an organisational perspective of crisis management, Pearson and Clair (1998, p.60) say that “An organisational crisis is a low-probability, high-impact event that threatens the viability of the organisation and is characterised by ambiguity of cause, effect, and means of resolution, as well as by a belief that decisions must be made swiftly”. This quote is an example of a quite common confusion between crisis as an event or a situation and crisis management which also implies action, method and hopefully finding solutions.

In any case from the background search of the meaning of crisis and from the first interviews for the case studies in my research I soon became convinced that crisis is a turning point, it includes a process and it is about change from one state to another. My conceptual basis is Winnicott's (1971) work on transitional objects and phenomena, probably also influenced by the fact of having experienced them as helpful in dealing with my own personal life struggles. So crisis could be considered a transitional space and/or time (Winnicott, 1971) where the death (Thanatos) and life (Eros) instincts or drives (Freud) compete and the outcome or winner is unpredictable. The idea is of crisis as an intermediate 'area of experience'. I do not use Winnicott's (1971) thinking in an orthodox clinical way in terms of an intermediate area of experience between 'inner' and 'outer' reality, but in terms of transitionality inspired by the work of Amado and Amboise (2001) in organisations. Transitionality, both in Winnicott (1971) as a stage of development of the child and in Amado and Amboise (2001), Bridger (1985), usually has a developmental perspective, although they also acknowledge that regression is always a possibility if there are no conditions for growth or as Winnicott (1971) suggests if the transitional object phase is not successful. I use the idea of transitionality in terms of a potential space which can exist in a crisis situation. It has helped me to explore what fosters a positive development or what blocks it through my case studies material.

The model of crisis I have developed is pictured in Figure 2.3. I suggest that there is a downward slope which could be interpreted as Stein's (2004 from Turner 2006) 'incubation period' in disasters, sloping down to a bottom point, to a crossroad, Stein's (2004) 'critical period' or Pearson and Clair's (1998) triggering event, after which it can go up again or go further down.

**Figure 2.3 Crisis**



Stein (2004) suggests that in a disastrous context there is the 'incubation period' (Turner, 2006) which can last for many months or years and then the 'critical period' of disasters, a new term Stein introduces to the literature to distinguish it from the 'incubation period', which can take place quite briefly 'from a few minutes to usually no more than a few days' (Stein, 2004, p.1243)<sup>5</sup>. But crisis is also different from catastrophe or trauma, disaster and break-down; crisis includes a disastrous dimension and a developmental one. It has to do with movement, functioning and a turning point, the final outcome is unknown.

This conceptual framework can pertain either to the individual or to the group and organisations, obviously at different levels separately, but it also can include all at the

<sup>5</sup> According to Stein (2004, pp.1244-1245), during the 'critical period', the disaster starts 'and "there is a threat of disruption, catastrophic change (Bion, 1977)" (Stein, p.1244)...'the critical period comes to an end with the cessation of the likelihood of further catastrophe' (Stein, p.1245).

same time. For example, crisis can also be considered a moment of psychosis when an individual, a group or organisation, is overwhelmed by a traumatic event or an individual's capacity to think can be challenged. During a crisis the fear of catastrophic change (Bion, 1962) or of breakdown (Winnicott, 1974) can underpin the individual and the group, the psychotic anxieties of a basic assumption mentality can block the group functioning. The signals or symptoms can already be traced to the incubation period and can be the inability to think, brain-freeze, anxiety, acting out, action instead of reflection. In a moment of crisis the most archaic mental contents, Bion's (Segal, 2005, p.171), beta-elements, influence the capacity to think of the individual and the work of the group. If the metabolizing alpha-function in an individual is disturbed and if in a group or organisation there is no rapprochement between more archaic contents and work, the situation deteriorates and Thanatos will win. In a group or organisation, the outcome of crisis also depends on who is exercising authority and leading the work group, and who manages and protects the container providing containment (Nutkevich, 2002) so that the "alpha function" can be mobilized if things go right, while the beta function emerges if the process is not managed by the one who has the authority.

At an organisational level, Pearson and Clair (1988, p.66) say that "any crisis process results in relative degrees of success and failure. The novelty, magnitude and frequency of decisions, actions, and interactions demanded by a crisis suggest that no organisation will respond in a manner that is completely effective or completely ineffective". As it will emerge in Chapters 4 and 5, an effective or ineffective outcome of the crisis also depends on for whom the outcome is effective or ineffective, because what can be effective for somebody can also not be so for someone else. An extreme example could be the death of a person which is a tragic moment for the person, for the family, but can also be a liberation for the family and an opportunity to take certain decisions which have been postponed and move forward.

The concept of crisis, the theme of crisis, as described above, are vast and multi-faceted, a single paper and also a book could be written on this concept, but the purpose of this research is limited to understanding family business and crisis.

Therefore the aim was to have a conceptual methodological framework reference, a

sort of compass or a modern GPS, in order not to get lost when working with extensive case study material and a complicated theme such as crisis, as it will emerge in Chapters 4 and 5. In Chapter 6 I will discuss the implications of using this model and the findings.

#### **2.4 A final reflection**

I would like to conclude this chapter with a reflection on writing it. Emotionally I would describe it as an insurmountable mountain. On one hand, there were some personal issues involved. I come from a very erudite, knowledgeable, intellectual family. In the family patterns I was assigned the role of the less intellectually talented person and I unconsciously took it up, a very painful role and it took me a long time to get out of it. The task of a literature review again confronted me deeply with that past. I re-enacted it for a long period of time by not being able to find my voice, feeling ignorant or that I was not reading enough. I felt brain-freeze, without any thoughts, I could not remember things (at my age there is also the fear of dementia). I could not retain nor digest anything. The only thing that I felt perhaps I was able to carry out, was an annotated bibliography which was very dependent on the thinking of the most famous scholars. I struggled greatly with the request of critical thinking and of expressing my own opinion. Moreover, although I have also studied in Britain<sup>6</sup>, my main education took place in Italy in a time when learning was based on dependency from the teacher's thinking and critical thinking was not only not promoted, but also not accepted. So I am still scared to express critical thoughts. Unlike the English word *critical* which gives the idea of movement, in Italian *critico* is commonly used in a more static context and with a negative meaning, in some way it is aggressive, denigrating. There is a cultural difference in all this and I realized that I am quite embedded in this Italian culture.

On the other hand, realistically and content-wise, as described in the previous sections, both family business and psycho-social studies literature are new disciplines, both interdisciplinary, trans-disciplinary, immensely vast (it is like reviewing the universe) and articulated, without specific boundaries, debated and in many aspects controversial.

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<sup>6</sup> I have a British M.Sc.

All this made it more complicated to position my research in the literature, rather than in a single discipline. Furthermore the languages and jargons in family business and psycho-social studies are different and both needed to be understood, digested and integrated as it will be discussed also in the next chapters.

But when I finished writing this chapter and I was able to reflect on this experience which felt as a titanic effort with the painful feeling of reaching the edge or the limit of my capability, I finally deeply understood what the gap was I was trying to fill with this complicated intellectual journey. What had been initially an intuition in formulating my research question about the contribution to knowledge building through the application of a psycho-social perspective to family business, was supported by positioning my research in the literature. As stated above, the family dimension and its impact is the least explored in literature (Zachary, 2011; Collins and O' Regan 2011; Pounder, 2015) and it is where I have stepped-in through a psycho-social approach as it will be shown in the following parts of this dissertation.



## CHAPTER 3

### Methodology and Methods

#### Introduction

As mentioned in Chapter 1, the main aims of my research “Family business and crisis: a psycho-social perspective” are:

- to understand family business and crisis, focusing on how family and business interact, are confronted, and are challenged during a period of crisis or at a turning point.
- to apply a psycho-social perspective and a qualitative research methodology and method to family business and to understand what it can add to a better exploration of family business dynamics at an overt level, but also and mainly at a more covert and unconscious level.

These research aims to explore the content of family business and crisis which will be addressed in Chapters 4, 5 and 6, and also to apply psycho-social research methodology and method to a field, family business, where to my knowledge it has never been used before. I wanted to “learn about the embodied, unconscious, taken for granted and practical aspects” (Hollway (2008, p.139) of family business and crisis. My research is based mostly on primary data from fieldwork data collection and some secondary data analysis. This choice derives from my desire to go directly into the field, in the everyday, natural setting of family businesses, with a different perspective and role from my usual one as a consultant or a coach, to understand what was going on there through the new lenses of my researcher’s eye and how this could be integrated with what I already knew and had learned when previously working with family business.

In Chapter 2 the subject of this research, family business, as a particular multi-system type of organisation, and crisis, as a specific process that can have both developmental and catastrophic outcomes and different dimensions, have been conceptualized. It follows that it was necessary to approach these subjects from perspectives that allow the interrelation of different levels of a socially constructed reality influenced by the meanings people give to business in a milieu such as family business. For example, is it the same for a family business to be closed down or go bankrupt as it would be in other forms of

business? There are clearly additional psychological/affective dimensions at play, as the case studies in Chapters 4 and 5 amply demonstrate.

As will be discussed in the following sections, psycho-social studies as a particular refinement in the interpretative tradition seemed eminently suited to such an inquiry. As already stated in Chapter 1, the methodology and method in this research are deeply rooted and positioned in the work of the Psycho-Social Research Group at the University of the West of England (formerly the Centre for Psycho-Social Studies) (Clarke, Hahn and Hoggett, 2008; Clarke and Hoggett, 2009).

In this chapter I will present my methodological assumptions and background in adopting a psycho-social approach in the design of the research project. Then the psycho-social approach and the structure of the interviews and the general fieldwork and its challenges will also be illustrated. Furthermore, the role of research tools such as my research diary or triangulation with company data will be discussed. The research is based on two core in-depth case studies, so the way I have built them and the method will be illustrated. Some considerations concerning ethics and on translation, which has been a major challenge of this project (the fieldwork was in Italy and in Italian, the dissertation is in English and culturally British), or on translating business language into a psycho-social one and vice-versa and the use of interpretations will be addressed. The chapter will conclude with some ideas on powerful people (elite) as research subjects.

### **3.1 The choice of psycho-social methodology and method**

Certainly the decision to use a psycho-social qualitative approach, as conceptually already described in Chapter 2, derived from my professional experience working with family businesses, in Group Relations conferences and consultancy with a psycho-dynamic approach and a previous piece of research on family-owned jewellery companies. This was carried out by means of qualitative interviews on specific identified themes and a quali- quantitative survey questionnaire<sup>7</sup> (Tosato and Brunner, 1996) and

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<sup>7</sup> I used a quali-quantitative SYMLOG (SYstematic Multiple Level Observation of Groups) questionnaire (Bales, 1999) to understand the perceptions about organisational culture in the jewellery companies which in my sample were all family-owned. SYMLOG, developed by Bales at Harvard, is a theory and method

the literature review. In designing this research project, different methodologies and methods could have been taken into consideration. For example, from a business perspective, rational, explanatory, statistical and quantitative methodologies and methods can provide some interesting descriptive hard numerical data, but they are not my area of competence nor the focus of my research. Furthermore, a qualitative survey standard interview method could have been used, as I did partially in my previous research in 1994.

Since then, however, I have trained in Group Relations and psycho-dynamic approaches to consultancy and work with my clients using those approaches, so my intellectual and conceptual references have changed and I have learned to value the importance of unconscious processes and *beneath the surface* exploration. Group Relations methodology and method is now deeply embedded in me. This has led me to want to import this learning in researching family businesses. Qualitative standard interview surveys, as Hollway (2013) suggests, do not manage “to address the way the respondents’ meanings are related to circumstances” (Hollway, 2013 p.7). Respondents’ meaning is a fundamental aspect in a research on family business and crisis, which are not static and quantifiable phenomena, but deal with fluid and ongoing dynamic changing processes. So I decided not to use the more structured qualitative surveys, but a research methodology and methods which could be better suited to understanding individual and group processes and meanings (Cassell and Symon, 1994). Such an approach could help to explore the complexities of such interrelated different levels and dynamic dimensions, inevitably inherent in family businesses, and their emotional intensity and tangled, multi-layered being above and below the surface. Bryman (1988) states that the choice of methodology and methods depends on the type of research that is carried out, the research issue, but I would add that the researcher’s epistemological and philosophical assumptions, skills and competence also need to be considered.

Furthermore, coming from the pragmatism of consulting and coaching, at the beginning the qualitative research field seemed a labyrinth permeated by controversial positions

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about group observation and measurement of interaction processes in social psychology and in Lewin’s field theory tradition.

and ideological and theoretical debates where I could have risked getting lost in the choice of an appropriate approach for my research. According to Van Maanen (1979, p.520) “the label, *qualitative methods*... is at the best an umbrella term...which seeks to describe, decode and otherwise come to terms with the meaning, not the frequency, of certain more or less naturally occurring phenomena in the social world”.

In any case, in spite of all the debates, what is clear is that the ontological position of psycho-social studies acknowledges an unconscious dimension of life and is interested not only in the explicit conscious, but also the affective dimensions that are hard to vocalise. This requires a hermeneutic stance and a qualitative epistemology that goes beyond traditional qualitative research approaches. One of the innovative dimensions of psycho-social studies is the deployment and further development of traditional qualitative concepts and methods, therefore a psycho-social methodology and method seemed the most coherent fit with my research aim, allowing me to capitalize on my previous experiences in family business and in Group Relations, as will be described in the following sections.

### **3.2 Methodological principles informing the research**

From a methodological perspective, the first question in building my research project was “how we know what we know” (Alexandrov, 2010 p.30) and how new knowledge and understanding of the social phenomena of interest can be generated.

In designing and carrying out the research and in interpreting the data I have been led by Alvesson and Skoldberg’s (2006) idea of triple hermeneutics in psycho-social research. Alexandrov (2009) argues that beyond simple hermeneutics, the person’s direct interpretation of reality and the double hermeneutic, the interpretation of the social scientist, triple hermeneutics adds the awareness of the unconscious, which adds meaning to reality. Throughout my work I have kept these three dimensions.

Furthermore, for the purpose of this project my main focus has been, on the one hand, on a few general aspects of the qualitative research tradition, which inform psycho-social studies from a methodological point of view, such as: *no measurable truth in social*

*science, a critical interpretative approach, flexibility* and “*naturalistic settings*” and, on the other hand, *the relational dimension, subjectivity, negative capability, reflexivity* and *positioning*, that are core concepts in psycho-social studies (Clarke and Hoggett, 2009).

1. In terms of *no measurable objective truth*, the “qualitative revolution” (Denzin and Lincoln, 2005, p ix) of the last 25 years has challenged the “methodological fundamentalism” (Denzin and Lincoln, 2005, p.xi) of quantitative positivistic paradigm. According to this latter approach, in social sciences, as in natural sciences, a cause-effect scientific method can shed light on *measurable objective truth* and results can be validly generalized. Qualitative research in which, unlike quantitative evidence-based research, the validity and reliability of the data and of the outcomes are less immediately tangible and interpretation-based, is often also considered a debatable approach.
2. Qualitative research theories and methodologies, such as critical theory, feminist theory, critical race theory, grounded theory, ethnography, also share a *critical interpretative approach* (Denzin and Lincoln, 2005). The critical interpretative approach, inspired by the Frankfurt School tradition in sociology, emphasizes the understanding of the meaning behind actions through interpretations, rejecting determinism and instrumental rationality (Denzin and Lincoln, 2005). As Cassel and Symon (1994, p.2) suggest, qualitative methods “emerge from phenomenological and interpretative paradigms...” and often, although not always “Theory is generated from data collected, it is ‘grounded’ in the data (Glaser and Strauss, 1967)” (Cassel and Symon, 1994, p.2).
3. Qualitative research is *flexible* since it allows the researcher “to change the nature of his or her intervention as the research develops in response to the changing nature of the context” (Cassel and Symon, 1994, p.4). Furthermore, it takes place in “*naturalistic settings*” (Cassel and Symon, 1994, p.5) where people live and work and it defines the research field.
4. In terms of *relational theories*, Park (2001, p.86) suggests “Relational knowledge comes from connecting and leads to further connecting. It is reciprocal, in that the parties involved know each other, but also in that it grows from interaction.” Therefore it is an attitude, a state of mind, a *weltanschauung* and a behaviour.

From a psychoanalytical perspective, Layton (2008, p.2) argues that relational theories “posit that at the heart of psychic life are relationships, internal and external”. Unlike traditional classical Freudian drive psychoanalysis, relational psychoanalysis (e.g. Benjamin, 1990; Benjamin 2009; Mitchell, 1988) represents a shift from the abstinent, vertical relationship between the psychoanalyst and the patient to a horizontal one based on “mutual recognition” (Hahn, 2008 p.xv) and the need to be understood as subjects. The emphasis is on a “co-created analytical task as including the emergence and resolution of ‘mutual enactments’ (Hahn, 2008 p.xv). This is held to be true not only for therapy, but also for psycho-social research in the recognition of the interactive dimension between “the role of researcher and the researched” (Cassel and Symon, 1994, p.6).

5. Regarding *subjectivity*, Frosh’s (2003, p.1564) comment “the idea of the psycho-social subject as a meeting point of inner and outer forces, something constructed and yet constructing, a power-using subject which is also subject to power, is a difficult subject to theorize and no one has yet worked it out” has accompanied me throughout my journey. On the one hand, Hollway’s and Jefferson’s (2000, 2013) concept and assumption of the “defended subject” based on Klein’s (1988a, 1988b) ideas about unconscious defences against anxiety starting “at the very beginning of life” (Hollway and Jefferson, 2013, p.17), which pertains not only to the research subject, but also to the researcher, who carries his/her history and emotional defences, has informed me during the interviews. On the other hand, in approaching the research encounter I was influenced by Benjamin’s relational approach (2004, p.5) about “intersubjectivity in terms of a relationship of mutual recognition—a relation in which each person experiences the other as a ‘like subject’, another mind who can be ‘felt with’, yet has a distinct, separate center of feeling and perception” . I conceptualized the research encounter as a space and time and an “...intersubjective process...” (Benjamin, 2004, p.19) for the co-production of meaning. I am aware of the tension between the more Kleinian and the relational approach. Therefore although I aimed to create a relational frame, a safe, contained “good enough” space (Winnicott 1971), where the relationship could develop to elicit the interviewee’s story to emerge, I tried to be cognisant of the reality of the

“defended subject” and how it could affect the dynamics. Some further considerations on this concept will be presented later in this chapter.

6. From this perspective *negative capability* (French, 2001) has been a methodological motto in designing and carrying out my research. *Negative capability* is a concept inspired by the poet Keats (1970,p.43) who said that such a capacity can occur “When a man is capable of being in uncertainties, mysteries and doubts without any irritable reaching after fact and reason”. *Negative capability* can favour “the conditions for the formation of a particular kind of inter-subjective space, one we might call, after Winnicott (1971), ‘potential space’, that is, a space for emergence” (Clarke and Hoggett, 2009, p.16). Therefore the *negative capability* methodological assumption, has helped me in trying to be able to stay in the “troubled waters” of not knowing (French and Simpson, 1999) and, as mentioned above, aiming to create such potential spaces where knowledge could be built through the experience of the encounter itself and, perhaps, through the emergence of new epiphanies and insights both for researcher and research subject.
7. *Reflexivity*, can be defined as “the attention of the mind to itself” (Lacroix, 1943,p.197, cited in Barden 1999, p.33, cited by Crociani-Windland, 2009, p.61). Reflecting on what I was observing, what was going on in me, also through triangulations, in relation to the task I was carrying out in all the stages of the research, from data collection to data analysis and literature review, has been a core mental attitude throughout. Park (2001, p.86) says “Reflective knowledge upholds the dignity of human beings as free and autonomous agents who can act effectively and responsibly on their own behalf in the context of their interdependent relationships”. Furthermore, Park (2001, p.89) suggests that “reflective knowledge creates collective autonomy and responsibility”. He builds the concept of reflexive knowledge on Friere’s (1973) idea of conscientisation about deep understanding of the world and also includes taking action against the oppressive elements in one’s life that surface into consciousness. Moreover, the use of self (Jervis, 2009), the intellectual and emotional experiences through the understanding of transference and counter-transference and “projective identification” have been essential elements of reflexivity and an

important tool-kit in my research journey. I am aware of the risk that writing about oneself can lead to self-indulgence and away from the reality of the data, but I hope that with the help of my supervisors, the presentations and feedback from colleagues and other triangulations, I have been able to use reflexivity on task and in a fertile and creative way.

8. Reflexivity also leads to the concept of *positioning* and the issue of the “subject’s position”. Positioning is fundamental for locating both researcher and subject, and identifying where they came from, where they are located or ‘put’ in reality and/or in the mental and unconscious map. It is like in geography where you need to know where things are on the map to understand them. Clarke and Hoggett (2009) argue the “subject position” pertains, on the one hand, to the sociological dimension or to socially constructed discursive practices (Clarke and Hoggett, 2009), for example the position towards class or gender or intellectual orientation. On the other hand, positioning emerges in ‘projective identification’ in psychoanalysis in terms of the relationship between the analyst and the patient and “who is speaking to whom in what voice and from what position” (Clarke and Hoggett, 2009) or the position which the analyst is pushed to take up by the patient when figures of the inner life are projected on him/her.

To conclude this part on my methodological background, what has been presented here is really very condensed, limited and focuses only on some of the ideas and concepts of the broad qualitative research and psycho-social spectrum, which I found most helpful for my research. Psycho-social studies are in “a process of disciplinary emergence” (Frosh, 2014, p.164), aimed “to produce forms of knowledge that have no disciplinary location (‘transdisciplinary’)” (Frosh, 2014, p.164) and it has its troubling and problematic elements. For example it is not always easy to fully grasp psycho-social methodology or methodologies, to define and position them. But at the same time this is inherent in psycho-social epistemology because psycho-social studies are theorized as continuously fleeing and to be critically re-discussed, fluid, never fully defined in the post-modern tradition (Frosh, 2003, Hoggett and Clark, 2009, Hollway and Jefferson, 2012, Crociani-Windland, 2011, Hoggett 2014).



### **3.3 Family business as a field of enquiry and the research subject**

As stated in section 3.1.2, the idea of the research subject is central to psycho-social studies and to my methodological guidelines. Differently from most of the other psycho-social research projects that I have been able to find, for example the fear of crime (Hollway and Jefferson, 2000) or the study of servicemen's wives (Jervis, 2009), where the focus was for example on a specific societal anxiety or gender role, my field of enquiry is a human organisation, a system or, better, a multi-dynamic and overlapping set of systems (Tagiuri and Davis, 1982; Gersick *et al.*, 1997) that I have reached through the voice of the main actors and players of that organisation or system. As mentioned in section 2.1.1, family business is an intersection of systems, family, business, ownership (Gersick *et al.*, 1997). So my research is positioned at two levels: on the one hand there are the people I interviewed, the research subjects, conceived "as psycho-social" (Hollway and Jefferson, 2013, p.12) "combining the ideas of the discursive subject and the defended subject" (Hollway and Jefferson, 2013, p.22); on the other hand, the field of enquiry is the organisation and system where the research subjects interact and create "a whole" with their own dynamics and processes.

There is an ongoing tension therefore between the individual's subjectivity, the interdependence of family, group and organisational dynamics (Miller and Rice, 1967). For example, from a practical point of view, Zocchi (2007) suggests that the entrepreneur's assets emotionally impact his subjectivity and are deeply interconnected with the company's life – so the family, the company and the entrepreneur's assets are interdependent and influence each other reciprocally. The multiple-level and the organisational dimension of this research, also from a methodological point of view, have been an unexpected and quite a slippery challenge in the definition of the research subject or the field of enquiry. I was not able to find many references regarding the organisational dimension in psycho-social literature, with the exception of some reference to Group Relations (Clarke and Hoggett, 2009) or, very recently, in Kenny and Fotaki (2014). So I went back to Lewin and his well-known field theory which is an informing principle in *Gestalt social* psychology and in Group Relations. Hall and Lindzey (1978, p.386) summarize some of the central features of Kurt Lewin's (1943) field theory as follows: "Behaviour is a function of the field that exists at the time

the behaviour occurs. Analysis begins with the situation as a whole from which are differentiated the component parts...”. One could argue that Lewin’s thinking, concerned with outlining the field and the interdependence of its parts, and is in some ways static and part of modern thinking in comparison with contemporary ideas such as fluidity and connectivity of post-modern philosophical thinking (Crociani-Windland, 2011). But, as already discussed in section 2.1.1 regarding complexity theory, I did not pursue the path of post-modern thinking. Lewin’s idea of the field of enquiry has been helpful for my research, because certainly family businesses and specifically those I have researched (see Chapters 4 and 5) are very much part of a modern culture. As will emerge in the following sections and chapters, my approach uses both the idea of subjectivity, which can be post-modern and the modern concept of field.

### **3.4 Research methods**

My research is based on two family business company case studies which have been built by means of primary source data generation. In the following sections the research methods will be presented. The generation of data through the choice of the two companies, fieldwork, interviews, informal observations and critical incidents, triangulations and the use of the research diary, will be illustrated.

The criteria for finding, choosing and sampling the companies to be researched have been a complex matter since I initially designed my research project. Here are some of them. The first aspect regarded some structural criteria by which to select the companies such as location (Italy), dimension (maximum £100 million turnover), type of business (e.g. food, fashion, building, IT, etc.). Initially I was less familiar with psycho-social studies and methods and would have liked to interview family-business members of companies in different countries and continents. It was quite a grand project, motivated by my interests in comparing the impact of different cultures on family business dynamics and crisis management. But thesis and budget constraints, the increasing awareness that in psycho-social studies depth more than breadth is fundamental, and meaningful findings can be generated through limited data (i.e. also a single case study), convinced me that working on case studies in Italy was preferable to a globetrotter search for companies.

Furthermore, for the purpose of my chosen topic of crisis, the companies had to have undergone a crisis in the business or in the family, which could be explored. This criterion turned out to be less straightforward than expected. On the one hand, it is not easy to ask the owner of a company, on first contact, if the company has undergone a crisis, whether economic, within the family or in its governance. Entrepreneurs strive and live for success, they feel ashamed if they do not reach it, and so they are defensive when faced with the idea of failure, crisis or any type of disruption. On the other hand, as I started the search for companies at the end of 2008 and beginning of 2009, during the worst economic downturn after the 1929 depression, it was not as difficult for the people I contacted to state that they had had an economic upheaval. However this could mean that the economic crisis could be used in a defensive way instead of mentioning other types of crisis they were going through. Evidence of this was that the people I contacted would say, "I am going through an economic and financial downturn like everybody in this country, region, and industry". These types of comments emerged also from my interviewees (especially in the case study described in Chapter 5).

In any case, having in mind the familial Italian culture, as I also described it in section 1.4, I decided to start to find and approach the companies through my personal network. I also had to be especially careful to choose companies with which I had not had any previous professional connection to avoid a conflict of interest from an ethical point of view. What I had thought would be a smooth path turned out to be full of complications and obstacles. Full of enthusiasm for my research project, confident in my skills in approaching entrepreneurs and trusting my network, I contacted different parties. This experience was quite shocking, accompanied by all sorts of awkward situations. The main dynamic was that nearly every person I contacted seemed very interested in helping me find the companies during our first conversation, but in practice in most cases nothing ensued. In the transition from expressing their interest to putting me in touch with a company, something would always block the process. From these disappointments and frustrations, I learnt that in order to have access to a family business for research, both directly with the owners or through intermediaries, negotiations are long and

complicated. I realized how fundamental it is to create a space and a relationship characterized by trust. It is about personal relationships: one needs to enter a family, its intimacy and its secrets. At times it felt as if I was asking to see “the parents’ bedroom” and my work was perceived as extremely intrusive and threatening. There was perhaps also another dimension involved. As we know any encounter of a consultant or a researcher with a system leads per se to a change in the system. In my case the PhD researcher role, my age and the consultant background conveyed, consciously or unconsciously, this idea of potential change which was not necessarily desired or requested by the companies.

It took almost a year to find the two companies for a pilot survey and the two companies for the case studies. At that stage, the willingness of the company to be researched became the main criterion of choice, so it was just a very pragmatic one. It was more like the companies had chosen me rather than that I had chosen them.

### **3.4.1 The interviews**

I have used the “Free Association Narrative Interview (F.A.N.I.)” method, developed by Hollway and Jefferson (2000), based on an initial non-directive “life history” interview. F.A.N.I. is an interviewing method based on a relational assumption that through a dialogic process in the research encounter of two defended subjects, new knowledge should, could, can be generated as a co-production of meanings.

As Hollway and Jefferson (2013, p.31) suggest, the “biographical-interpretative method is part of narrative tradition in social-science research, a tradition that has been most developed in life-story research”. It is based on the recognition that “the story told is constructed (within the research and interview context) rather than being a neutral account of pre-existing reality”. A narrative approach, differently from the so-called traditional structured or semi-structured interviewing method, has an “agenda which is open to development and change, depending on the narrators’ experiences” (Hollway and Jefferson, 2013, p.29).

Interestingly Hollway and Jefferson (2013) argue that, in conceiving F.A.N.I., they were also inspired by the biographical – interpretative methods of German sociologists’

research on Holocaust survivors and German soldiers (mainly based on *Gestalt* theory) who were very defended subjects and in pain, because this method elicits stories that could unveil the unconscious and they wanted to include the “idea of the defended subject” (Hollway and Jefferson, 2013, p.31). This German Holocaust research aspect resonated particularly with me personally due to my background in terms of the defences that people affected by this tragedy can erect to repress intolerable feelings (Brunner *et al.*, 2012).

As Clarke and Hoggett (2009, p.11) suggest, “Psycho-social approaches seek to extend and deepen such approaches by examining “the psycho-logic”. This means the acknowledgement that in the research meeting the interviewees as well as the interviewer carry with them many feelings (anxiety, boredom and others) or “uncomfortable material ... producing both the defended subject and defended researcher...” (Clarke and Hoggett, 2009, p.12) which are a source of information on the dynamic at stake. The *Gestalt* dimension is part of the F.A.N.I. method, in terms of its consideration of the meaning of “the whole as more than the sum of its parts, an order or a hidden agenda” (Hollway and Jefferson, 2000, p.32).

Clarke and Hoggett (2009, p.9) state that F.A.N.I. “can be summarized in terms of four principles, each designed to facilitate the production of the interviewee’s “meaning frame”, which I have followed in my interviews. These principles are: *open ended questions, eliciting a story, avoid using “why questions”, using respondents’ ordering and phrasing.*

A fundamental aspect in this interviewing method is the F.A. in the name F.A.N.I., that is, Free Association. This practice, adopted for research purposes, comes from the psychoanalytical one of asking the patient to let his thoughts flow and associating them in a narrative which goes “not according to the conscious logic, but the unconscious logic” (Hollway and Jefferson, 2013, p.34) allowing anxieties and the emotional dimension to surface. Unlike in the clinical setting, in research the free association process is on specific themes related to the research questions and design and through this process it elicits the meaning to emerge.

The choice of this method was guided by my methodological assumptions, as presented in sections 3.1 and 3.2 of this chapter, but also by my experience of working with entrepreneurs and family business owners. People in the entrepreneurial profession are often successful, they enjoy telling their success story which enhances their public image and their ego. Many entrepreneurs are used to talking to journalists and they often already seem to have some sort of prepared story. Therefore my idea was that asking them their story could be something they could appreciate and would facilitate them, as defended subjects, to cope with the anxiety inherent in any research encounter, thus this method could be initially less threatening for them and a good entry point. My assumption was that having established a relationship by means of F.A.N.I., hopefully the “life history” would emerge from the “told story”.

#### *The pilots*

Before carrying out the interviews for the two case studies presented in this dissertation, I did three pilot “life history” interviews to assess how the F.A.N.I. type of interview could work with a type of population where it had never been tested and how I felt as a researcher using this method. The first pilot interview was with a second generation young man of a small company which had suffered in the economic downturn. Although the interviewee was not very talkative and not really able to ‘freely associate’, I immediately felt comfortable using F.A.N.I. Furthermore, meaningful data could also be produced through triangulation with my field notes, my research diary and the experience of transcribing and translating the interview. I also presented the material during the course of *Researching Beneath the Surface* (2009) and got important feed-back.

The second pilot was aimed again at getting better acquainted with F.A.N.I. as a method and to understand if and how I could build a case study. I interviewed a married couple who had founded a company that they ran for over 32 years, but which had closed a few months before. This traumatic event was still very fresh. These two interviewees opened up a lot and were very generous. I felt they trusted me and for them it was also a space to reflect on the very painful and dramatic experience. Some

moving material about the closing of the company and local social dynamics emerged through the use of F.A.N.I and the same types of triangulation as described above for the first pilot. So I was able to build a case study and formulate some dynamic hypothesis and presented it at the OPUS International Conference in 2010 where colleagues were helpful as a sounding board.

So, after these pilot studies, I felt that this method was worthwhile pursuing.

### *Conducting the interviews*

After the initial contacts with my referees in the company, I defined who I would interview and made all the practical arrangements. At the beginning of each interview (see Appendix 1), I presented the title of the research, illustrated the informed consent (see Appendix 2 and section.3.7.1) and explained that I would take some notes and tape the interview.

I usually introduced myself as a PhD student/researcher, but also as a person with long experience in family business in different roles, as a manager of an entrepreneurial association and a leadership and management consultant and coach. I was aware that this latter part was beyond the scope of the researcher's role, but I felt it would be unethical not to mention my experience. At the beginning of the research, the transition from consultant's to researcher's role was not easy for me (see section 7.3.1). In retrospect, I feel that at the time I was quite a naïve or innocent (Barley, 1986) researcher. So probably in presenting myself honestly in my roles, I was also acting out my defences as a defended researcher. It could be that this strange "student/expert" combination probably caused some concern/anxiety in the interviewees and some reaction. For example this could perhaps explain why they did not allow me to observe their meetings, as will be described in section 3.4.3. Nevertheless the way the interviewees used me and eventually pushed me into the consultant/coach role were important data, as will be discussed in Chapters 4, 5 and 6.

On the basis of my understanding of the ideas of Hollway and Jefferson (2000), I decided to use just one initial question prepared beforehand at the start of the

interviews and then follow the free association flow, having in mind the theme of family business and crisis. The question, formulated in an open, tentative and colloquial tone, delicately phrased, was: *Could you tell me, in your story, both personal and professional, which have been your most important and meaningful events and experiences? You can start from wherever you want.* I purposely did not mention family business and crisis, since my aim was to open up the narrative of the life of a person involved in a family business that I assumed had gone through a moment of crisis. Then when asking further questions, I used my Group Relations experience in working in the “here and now” with the material which was emerging in progress. In any case I tried to be quite rigorous in the use of F.A.N.I. in what Hollway and Jefferson (2000, p.36) say: “the art and skill of the exercise is to assist narrators to say more about their lives (to assist the emergence of *Gestalts*) without at the same time offering interpretations, judgements or otherwise imposing the interviewer’s own relevancies, which would thus destroy the interviewee *Gestalt*”. Nevertheless, as a researcher, as hard as one works on avoiding interpretations during the interviews, one never knows if some hypothesis unconsciously slips out, perhaps also in how the questions are asked. Sometimes just asking a certain question means that you have already some ideas about what is going on. Some hypothesis and interpretations were collected in the field notes and in the research diary after the research encounter. In section 3.8, I will further discuss the topic of interpretations.

In each of the two case studies I carried out four first interviews, followed by two second interviews with two main actors in the first case study and one in the second one. This choice was led by the feeling that, after listening to the tapes, the other interviewees had told me what they could in the first interview, there was not much to add or to ask or they played a quite marginal role, so it felt enough. The second follow-up interviews were more structured through some “tailor-made narrative questions” (Hollway and Jefferson, 2000, p.43). I listened several times to the tapes, read the transcripts and listed some questions on some structural aspect or themes (see Appendices 3 and 4) I wanted to know more about. I also tried, in these second interviews, to ask open questions as far as possible and continue in a more eliciting



style and mode. After the interviews were carried out, they were transcribed and stored securely.

### **3.4.2 Triangulations: company data and official public documents**

The use of a number of methods to collect and interpret data (Denzin, 1970) can be useful as a method of triangulating data and interpretations. In psychoanalytical theory and practice, triangulation recalls the entry of a third versus the dual relationship, the prototype being the mother-child relationship. The idea is that dual relationship can lead to polarisation and can be static while the third introduces the idea of intersubjectivity (Benjamin, 2004) and dynamic fluidity. But from a research method perspective, it is about using a triangulation between methods (Denzin, 1970) or, as Hollway and Jefferson (2013, p.121) suggest, a “contrasting research method or different positions”.

Moreover, in any research in the business world and on companies, hard economic data are essential to any understanding. In a psycho-social research project the amount of hard data needed is a different matter. In any case I asked my first contact among the interviewees for the company data, and in both cases they gave them to me without hesitation. Furthermore, after I finished the meetings with the interviewees, I obtained the official documents from the Italian official public documents, where all companies must deposit their yearly accounts and governance structure. I continued to collect the same for 2–3 years after the interviews, to see how the two companies had fared in that period and to test some hypotheses I had developed from the material. All these are official documents, but in Italy, probably everywhere, there is a common perception or awareness that the company data are not always indicative of the real state of the company, therefore their reliability may be challenged. But since I am not a public tax agent nor a financial auditor, for my purposes the general information seemed sufficient to understand some economic and financial dynamics and to be able to compare them with my psycho-social findings. As will be shown in Chapters 4 and 5, this hard company data has been used in terms of triangulation in testing psycho-social dynamic hypotheses.

### **3.4.3 Observations and critical incidents**

I had wanted to use some other methods such as group interviews and psychoanalytic observations in a structured way with the Tavistock Bick's method of infant observation and its adaptations to organisational settings (Hinshelwood and Skogstad, 2000; Lazar, 2008), but it was quickly evident that it would not be possible. For example, when I did the first case study, I asked to observe the management committee meetings, but although initially it seemed possible, after the first interviews there was an abrupt halt to the apparent openness towards being observed. I did not feel like insisting as it did not feel respectful, but this was already data in its own right. After this experience, in the second case study, I did not even ask, because the management committee did not meet regularly and not much in general. On the positive side, keeping to the same methods of data collection in both case studies would make it easier to compare the two. It felt as if I was unconsciously not allowed to use a method which addressed the family as a group as a whole. A hypothesis could be that in a group setting it is more difficult to narrate the "told story" and there could be an unconscious anxiety or fantasy that in the group dynamics the "life experience" could be unveiled or disclosed by some member, while in an individual interview this could be avoided or better controlled. An individual interview also could allow people to say things about each other more freely, a way of getting to say your piece, while avoiding possible disclosure of tension in the group setting.

In any case I used any moment during the interviews and in all interactions to be alert and observe, informally, what was going on in the system and then wrote it down in my reflexive research diary, considering what I had observed and my emotional reactions (see section 3.4.4).

I also took into account and reported some critical incidents which were especially meaningful or a turning point. By critical incident I refer to an event, quite complete in its own right, which allows inferences to be made about a specific dynamic in the human domain (Flanagan, 1954). Flanagan (1954) has identified the "Critical incident technique" (CIT), originally devised for the selection of aircrew, which has been adopted in many organisational contexts. Critical incidents are quite commonly used in

organisational culture and behaviour projects (Mallak *et al.*, 2003) to diagnose organisational culture or to spot some unexpected organisational issue. My organisational development background and some experience in organisational culture analysis (Brunner, 1996) enhanced the choice of taking them into consideration. As Flanagan (1954) also suggests, beyond being a systematic and codified technique or method, critical incidents can be more loosely described as observations of human behaviour. The latter was the way I used this technique when an exceptional event or moment in the research encounter strongly drew my attention, or puzzled or challenged me.

#### **3.4.4 The reflexive research diary**

The reflexive research diary has been a core means of managing my research journey. I really enjoyed writing down my feelings and emotions, my intellectual questions and puzzlements, almost immediately after any research encounter. I felt it instrumental in containing them and hopefully in understanding what was also going on within me emotionally and intellectually in relation to the interviewee and the considered system. From when I started to write my reflexive research diary, I asked myself what such a diary is. Although the self-reflexive diary is a basic tool in psycho-social research, I have not found much in literature about it. It seems something that each psycho-social student needs to keep, but I agree with Mauthner and Doucet (2002, p.413) "While the importance of *being* reflexive is acknowledged within social science research, the difficulties, practicalities and methods of doing it are rarely addressed. Thus, the implications of current theoretical and philosophical discussions about reflexivity, epistemology and the construction of knowledge for empirical sociological research practice, specifically the analysis of qualitative data, remain under-developed".

I used the reflexive research diary mostly as a counter-transference account and report, as way of dealing with my counter-transference. The use of counter-transference is strongly debated both in psychoanalytical and psycho-social circles. Heimann (1950, p.81), in her pivotal paper, says about counter-transference, "the analyst's emotional response to his patient within the analytic setting represents one of the most important tools of his work. The analyst's counter-transference is an

instrument of research into patient's unconscious". Jervis (2009) outlines the usefulness of counter-transference in the research as a reflexive practice method, but she also points out the risks of the inappropriately or unprofessionally managed use of transference and counter-transference in the research setting which can lead to "wild psycho-analysis". The use of self- and counter-transference raises the question about to what extent the analyst or the researcher is able to stay detached from her/his emotions and emotional response and is free to listen, to be a recipient and work on what is projected from the patient, interviewee or research subject. Heimann (1950) suggests that counter-transference feelings can be helpful if they are checked. This is a fundamental aspect in psychoanalysis in general and occurs, for example, through supervision.

Jervis (2009, p.150) further states, "Researchers usually lack the advantage of personal analysis". I have had the privilege of a personal analysis and Group Relations training on psycho-dynamic and systems approach to groups and organisations which has been helpful. Nevertheless, as Jervis suggests (Jervis, 2009, p.150), "Both respondents and researchers might unconsciously defend themselves against disturbing psychic material (Hollway 2008; Hollway and Jefferson, 2000; Wengraf, 2000)". In dealing with these inevitable dilemmas and challenges that any psycho-social research is confronted with about how to "disentangle my own issues from those presented by respondents" (Jervis, 2009, p.151), on the one hand, triangulation with data, or statements, or specific events, can be helpful. On the other hand, as Jervis (2009) also states, as in psychoanalysis, it is essential for a psycho-social researcher to discuss the data with peers, colleagues and supervisors. In my experience, writing the diary would not have been enough if I had not had the opportunity of sending it immediately to my supervisors and having an exchange and dialogue with them; they became my sounding board<sup>8</sup>, together with my fellow PhD students and people who attended the presentations of some of the material from my research diary.

### **3.5 Data analysis**

Once the interviews had been carried out and transcribed, I had written more than

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<sup>8</sup> I am very grateful to all of them for their availability.

30,000 words in my research diary and once I had gathered the company data information, the next step was data analysis of a huge amount of data. As Chenail (1995, accessed 12 November 2015) suggests, “in qualitative research the complexity is in the data”.

I needed a method to analyse the collected material, having in mind that I was using it, on the one hand, to build a storyline of the development of the company and the main actors for the case study as a whole. On the other hand, the main themes about family business and crisis needed to be identified and discussed.

In terms of data analysis, Chenail (1995 accessed 12 November 2015) quoting Constas (1992) suggests that for qualitative researchers, presenting and explaining the rationale of their method's choices and decisions is always problematic and includes an element of vulnerability and guilt, especially in comparison to those of quantitative research methods. According to Chenail (1995, accessed 12 November 2015) “qualitative researchers often create new methods for their particular studies, or they improvise and modify current, extant approaches”. This has been my experience too.

There have been two guiding principles in my data analysis and its presentation. The first one is Constas (1992) idea of the “spirit of openness” (Chenail, 1995 accessed 12 November 2015), in terms of the qualitative researcher concentrating on the “descriptive and narrative skills on themselves and their researching activities, and to present the story of their method construction” (Chenail, 1995, p.1, accessed 12 November 2015). The second principle has been the use of “data as a star” (Chenail, 1995, accessed 12 November 2015), according to which “the main focus in qualitative research is the data itself, in all its richness, breadth, and depth” (Chenail, 1995, p.2, 1995, accessed 12 November 2015). The data should lead the game.

Furthermore, I followed Hollway and Jefferson's idea about the importance of what they call the “*Gestalt* principle” (Hollway and Jefferson, 2013, p.63) for which “the whole is greater than the sum of the part” (Hollway and Jefferson, 2013, p.64), this also due to the systemic dimension involved in family business, as described in section 2.1.1. I

also thought of using *NVivo*, a computer-based system, to analyse the data. But it would have led to a fragmentation of the data which did not seem helpful in a project in which, although I was building the case studies starting from each single interview, there was the need to have the “whole in mind” (Hollway and Jefferson, 2013, p.65). The challenge for the researcher is the “internal capacity for holding those data together in the mind” (Hollway and Jefferson, 2013, p.65). I have been confronted by this complexity during the interviewing phase. For example, I realized that I could neither interview two companies nor work on data analysis of both at the same time: it was beyond my capacities, I had to concentrate on one and keep the organisation as a whole in mind.

### **3.5.1 The case studies**

Stake (2005, p.443) suggests that “case studies are a common way to do qualitative inquiry” and can help “the conveying of the experience of actors and stakeholders, as well as the experience of studying the case” (Stake, 2005, p.454). There are many ways of building case studies and they are a method often adopted in organisational and business studies in the sociological and anthropological domain and in clinical psychoanalytical work. But as Stake (2005) states at the end, a case study is about concentrating on a case for a certain period of time, having in mind an epistemological question on what “can be learned about the single case” (Stake, 2005, p.443) and, in my research, by also comparing the two case studies.

In social sciences qualitative research circles, there is a debate about the use of case studies. It is argued that case studies can be a “meaningful” method and “rich” (Hartley, 1994) compared with other methods, but the possibility of generalizing and the validity of the findings, can be controversial and debatable. I agree with Hartley about the importance in a case study of “the relationship between theory and method” (Hartley, 1994, p.208) and “how the researcher attends to the potential weaknesses of the method” (Hartley, 1994, p.208), that in my case work out in a constant concern about methodological rigour, triangulation of the theory and the “interaction between the case and its context” (Yin, 2013, p.321).

My two case studies in Chapters 4 and 5 have a “holistic design” (Yin, 2009) in the sense that I did not examine the details of different parts of the organisations, Yin’s (2009, p.50) “embedded cases”, but I looked at the “global nature of the organisation” (Yin, 2009, p.50). They are built through mix of different methods, derived from several disciplines, mainly psycho –social studies (inspired by narrative inquiry, storytelling, sociology and clinical cases), but also family business studies (Davis, 2007). Using Baxter and Jack’s (2008) categories of qualitative research case studies, my case studies could be, at the same time *explanatory* in focusing on family business and crisis, *descriptive* in reporting the history of the company, *intrinsic* (Stake, 2005) in the interest of the case in itself, *multi-case* because of the comparison of two cases and *instrumental* in pursuing the understanding of an issue also beyond the specific situation. Furthermore, the approach taken is both *naturalistic* (Willig, 2009) in the sense that it is a description of how the phenomena emerged, but at the same time *pragmatic* since it focuses on an approach which has been adapted in a flexible way through time.

The two case studies are subdivided into two parts. The first part is more descriptive about the companies’ history and development, the governance and financial situation, the main actors’ pen portraits and family values. In the second part, the main themes regarding family business and crisis, identified through the analysis of the data and in the storyline of part one, will be examined and some hypotheses will be presented.

#### *Part one of the case studies*

As Stake (2005, p.448) suggests in writing a case study “some form of conceptual structure” is necessary as well as the identification of some specific issues. The way the two case studies have been organized in the first part is outlined below.

- In building the first, more descriptive part of the case studies, in terms of method, I followed what Stake (2005, p.456) calls “the case tells its own story” through the narrative of the interviewees. It could be seen as a sort of storytelling, which comes from the tradition of oral history and “is becoming more disciplined in a line called narrative inquiry” (Stake, 2005, p.462). In a storytelling approach “the risk is to let the case actors select the stories they

convey” (Stake, 2005, p.456). Stake argues that the researcher’s perspective should be included too, in my research this is inherent to the psycho-social method. However, as stated in section 3.4.1, F.A.N.I., part of these narrative traditions, through the associative part of the method and conceptualizing the defended subject, suggests a way to move forward from a unilateral storytelling “told story” of the interviewee to a more co-created and participated “life history”. This was also dealt with through my informal observations and field notes and was reported in my research diary and through triangulation with the company data.

- Throughout this first part of the case studies, I took up the role of the narrator offering a *vicarious experience* (Stake, 2005, p.454), of the companies’ history and development. I have done it putting together the story from interviews and observations data, inserting the quotes of my interviewees, together with extracts from my research diary to add more liveliness and hopefully witness the direct experience through their voices.
- A brief summary of the company data follows. I introduced them as a means of triangulation.
- To sum up this part, I made a chart of the Key Family and Business Events based on the one developed by Sharma *et al.* (2013), Key Family and Business Events – Shared Past, Desired Future (see Chapters 4 figure 8 and Chapter 5 figure 9). Their original chart was conceived as a consultancy tool in family business to collect information directly from stakeholders about how they perceive the past and desired future. I have not used this method for data collection since I felt it would have interrupted the flow of the free associative narration of the F.A.N.I. method, but only to analyse the data from the interviews and company information about key family and business events in the past. Since the historical and social context is an important part in the psycho-social approach, I added a column regarding the Italian context to Sharma *et al.*’s (2013) original model.
- To better understand the family’s history and relationships in my case studies and as another means of triangulation, I introduced a genogram, an integration of genealogy and the representation of a diagram (Kets de Vries *et al.*, 2007) of



each family, as a visual pictorial tool. These authors suggest that “many problems families have to face have been created within the family system and are repeated over and over again across different generations”. Initially genograms (McGoldrick and Gerson, 1985) were used in the medical and clinical context to analyse and connect family history with medical history through the generations, but now they have also been adopted by other types of professionals such as educators, social workers, family business advisors and consultants. Hilburt-Davis and Gibb Dyer Jr. (2003, p.44) rightly argue that “a genogram organizes large amounts of information in a concise and efficient way”. It is an assessment/diagnostic tool to be built together with the clients and to be presented to them. It can be dangerous if it leads to over-simplistic assumptions and interpretations of relationships. The genograms in sections 4.2.1 and 5.2.1, inspired by the work of Kets De Vries *et al.* (2007), are not orthodox ones. They have not been used for consultancy assessment but for research purposes only to analyse the data through graphic representation. I decided to use a genogram after having already collected the data, so I did not ask specific questions for the genogram nor have I presented it to or discussed it with the interviewees, but I used the interviews and my observations again.

- As a conclusion to this first part of Chapters 4 and 5, from my experience in the research meetings and from the notes of my research diary, a pen portrait of the main actors is presented. The aim was to present a short biography of the interviewees individually in terms of their personal history and characteristics so that when they are referred to throughout the dissertation they can be easily recognized and the underlying dynamics can be understood. The pen portraits are not an assessment of the personality of my interviewees: it would have been impossible for me to do so, it is not within the scope of this research and I had not structured the interviews and questions on the basis of this task. Nonetheless, some ideas I developed on the family system and values are illustrated too.

### *Part two of the case studies*

In the second part, the main themes about family business and crisis, identified through

analysis of the data and in the storyline of the first part, are examined and some hypotheses are presented. In both cases the material taken into consideration consisted of: the interviews, the transcripts, my research diary and my supervision notes, triangulated with the company data and official public documents. However, in terms of methods, two different ways have been used in this part of the case studies to identify the themes.

In the first case study in Chapter 4, the material itself was particularly strong and dramatic about family business and crisis. In terms of thematic data analysis method, the themes have been presented according to an integration of what Chenail (1995, accessed 12 November 2015) calls “Natural – The data is presented in a shape that resembles the phenomenon being studied” and “First Discovered/Constructed to Last Discovered/Constructed” (Chenail, 1995, accessed 12 November 2015). This combined inductive method made it possible to keep the natural flow of the story as it emerged in the case study and, at the same time, show the themes in a sort of “chronicle-like fashion” (Chenail, 1995, accessed 12 November 2015), as well as the way I was able to arrive at understanding these themes.

In contrast to the first case study, where it was quite simple to identify the themes concerning family business and crisis, the second case in Chapter 5 was much more complicated, less evident and more tangled. The above-mentioned Chenail (1995, accessed 12 November 2015) “Natural” method was again adopted but further triangulation through a different approach was necessary. I was inundated by the data, themes, ideas, insights, excitement, passion and I had to contain all this and tidy up. So, as described in section 5.3.5, I added Lorenzer<sup>9</sup>'s ideas of *scenic understanding* (Hollway and Froggett, 2012) (Salling Olesen and Weber, 2012, p.25) as another conceptual method. Lorenzer used a ‘depth hermeneutic methodology’ (Hollway, 2013, p.29) to mark the difference from psychoanalysis and to distinguish between clinical and research settings. In *scenic understanding*, through putting the scene at the centre,

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<sup>9</sup>Lorenzer, a German post-Frankfurt School cultural analyst and psychoanalyst, not much known outside Germany since his work was not translated from German till recently, used a hermeneutic process of psychoanalysis to analyse ‘cultural phenomena’ (Salling Olesen and Weber, 2012 p.19) in empirical qualitative research.

“he aims to understand the complexity of subjectivity, which he saw not as an individual attribute but as an “embodied experience of interaction which has conscious and unconscious levels” and is “a relational and dynamic aspect of social interaction” (Salling Olesen, 2012, para. 1)” (Hollway, 2013, p.29). According to Lorenzer, the unconscious is not only an individual dimension, but also a social one in terms of “socially produced, non-verbalised meaning, a complementary dimension of culture and symbolic expressions – including language use – that are products of both conscious and unconscious processes” (Salling Olesen, 2012, para 28)” (Hollway, 2013, p.29). The scene can be seen as an intermediate area and ‘an affective and embodied register of meaning’ (Bereswill *et.al.*, 2010, p.225), an area between ‘subjective fantasy’ and ‘concrete social reality’ and it is in this space that he located *scenic understanding* (Hollway and Froggett, 2012, pp.3-4)<sup>10</sup>. For Lorenzer the researcher/interviewer should pay attention to the significance of the “provocations” in the scene and to her/his emotional and affective responses to them. These ‘provocations’ have not only an individual meaning but can also have a collective meaning since “the subjective fantasies draw on the necessarily social quality of collective experience embedded in interaction forms<sup>11</sup>” (Hollway and Froggett, 2012, p.5).

I therefore used a critical incident during the interviewing phase described in my research diary by putting the scene and its provocations at the centre, as suggested by Lorenzer, to gain some psycho-social insights about crisis.

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<sup>10</sup> As Hollway and Froggett (2012, pp. 3-4) argue, “There is some convergence between LORENZER and WINNICOTT...., on the significance of the intermediate area of experience. For WINNICOTT (1985 [1971]) this is a “third area between that which is subjectively conceived and that which has the quality of externality”.’

<sup>11</sup> Lorenzer talks of “[how] interaction forms to understand the inner, pre-linguistic experiences of practices and relations... connected with the socially recognized language...and... [how] interaction forms to understand the inner, pre-linguistic experiences of practices and relations...connected with the socially recognised language ... and... the capacity for symbolic production...can be seen as an integrated aspect of socialisation. This understanding of early socialisation processes enables Lorenzer to see language, interaction and bodily (drive) processes in a wider societal context” (Salling Olesen and Weber, 2012 p.4).

### 3.5.2 Comparing the two case studies

The aim of comparing the two case studies in the data analysis phase (see Chapter 6) was to examine how the theme of family business and crisis unfolded, and if there were some striking similarities and differences and if some common issues could be identified. As Hartley (1994, p.227) states, literature is more concerned with the single case study, which allows one to put “the emphasis on understanding processes as they occur in their context”. Yin (2009, p.53) suggests that, although some use different methodologies in the field for single-case study research than for a multiple-case study research, he considers “single- and multiple-case studies designs to be variants within the same method and no broad distinction is made...”(Yin, 2009, p.53). There is an assumption and, in some cases, evidence that a multiple-case study is “more robust” (Yin, 2009, p.53). But as Yin (2009) argues “the unusual or rare case, the critical case and the revelatory case, all are likely to involve single case studies”. I think that this has been true for both my case studies: the first one in Chapter 4 has been revelatory while the second in Chapter 5 is quite unusual. The logic I followed for the two case studies was one of replication. Although I did not expect to find similar dynamics, what I aimed at was what Yin (Yin, 2009, p.54) calls a *theoretical replication* with contrasting results. As Yin (2009, p.54) argues, what supports this logic of “these replication procedures, is the development of a rich, theoretical framework” as I have described with regard to crisis dynamics in section 2.3. By having two case studies I wanted to understand whether the theoretical framework was helpful in two different contexts and I hoped that contrasting results would emerge in order to push forward the understanding of family business and crisis, as I think happened. For example, the fact that (as described above in section 3.5.1) in the second part of the second case I had to introduce a different methodological framework to address the dynamics at stake is evidence of the value of having two cases to be compared.

I structured the comparison of the two case studies as follows

- In the first instance, some similarities and differences comparing some themes in the case studies have been identified and discussed.

- The main differences in my overall emotional reaction and experience (or counter-transference) researching the two companies have been taken into consideration.
- Three specific themes emerging from the case studies and especially relevant for family business and crisis in this research project will be discussed.
- To sum up, the way of comparing the two case studies is based on triangulations and synthesis of theoretical and conceptual ideas, using an integration of inductive -deductive methods to allow the identification of the themes and their similarities and differences and present some ideas and hypotheses in terms of findings about family business and crisis.

### **3.6 Translation: language and culture**

As already mentioned, on the one hand, all the fieldwork was carried out in companies located in Italy. Obviously I spoke in Italian with them. On the other hand, I have written directly in English: my field notes, my research diary, this dissertation, all presentations. So translation in this research project has been an important dimension. According to Gadamer (2004) the text and the interpreter are part of a historical period or tradition; he calls this relationship a *horizon* manifested through language. Language can be seen as medium, a common space which can allow understanding to emerge, but when more languages and cultural and historical traditions are involved, as in a translation, Gadamer's (2004) "fusion of horizons (Horizontverschmelzung)" and understandings are much more complicated.

Temple and Young (2004, p.163) discuss "whether and how translation within the research process potentially introduces bias and how to ensure agreement on the translation of source data" (Temple and Young, 2004, p.163) and state that "the final result is still aiming to be representative of the source" (Temple and Young, 2004, p.164). In translation the role and subjectivity of the translator needs to be taken into account. The researcher, translator or researcher/translator inevitably projects his/her inner and outer world on the text, since he/she is never in a "neutral position from which to translate and the power relationships within research need to be acknowledged" (Temple and Young, 2004, p.164). From this perspective as a

triangulation and supervisory measure it was helpful that my Italian supervisor read some of the original Italian transcripts.

The theme of the translation in research is very broad and debatable. As Temple and Young (2004, p.175) suggest, translation “should be brought into mainstream social science research and not remain the domain of sociolinguistics or anthropology or a matter of a methodological note”. But for the purpose of this dissertation, I can only acknowledge my experience and just mention briefly some concerns through a few statements as follows.

#### *The amount of material to be translated*

When I started to look at the data collected (the interviews and company data), I tried to translate them while transcribing them directly from Italian into English. Besides the very heavy workload, which could be pragmatically overcome if needed, I realized that in any case something always gets lost in translation. As Hoffman (1989) argues that the challenge consists in translating the emotional experience: it is not only about words, words take up different emotional meanings. She also says that it is necessary to go “from the word back to its source, to the feeling from which it springs. Already, in that moment of strain, spontaneity of response gets lost. And anyway, the translation doesn’t work” (Hoffmann, 1989, pp.106-107).

Realizing that some of the meaning would get lost in translation in any case, I decided not to translate all the interviews but only some extracts of the material in progress when I needed it as part of a narrative for a presentation or for this dissertation, trying to contextualize it as much as I could to maintain its original meaning. As mentioned above, I translated directly without relying on an official translator, because, having personally carried out the interviews, I wanted to avoid adding another external representation of the data.

#### *The researcher as a translator*

One can argue that the researcher is always a translator of meanings especially in psycho-social research where the unconscious is explored and translated. The

researcher collects and analyses data, domesticates them, interprets them and as the translator represents them in his/her own language through a method. In this process, as suggested above and described in section 3.1.2 for the researcher, the translator's subjectivity and position also play an important role. For example, a question could be whether a researcher or interviewer who is fluent in all the languages involved in the research is best suited to translate, as in my case. Temple and Young (2004) suggest that the researcher's fluency should be taken into account in terms of the internal/external boundaries dynamics. These authors (Temple and Young, 2004, p.168) argue that the "researcher can use the experience of translating to discuss points in the text where she has had to stop and think about meaning" (Temple and Young, 2004, p.168), which can offer "opportunities for close attention to cross cultural meanings and interpretations" (Temple and Young, 2004, p.168). On the other hand, the researcher/translator could be too internally trapped in the dynamic by language issues and may not have the adequate emotional distance in interpreting and analysing the data. Translation has been a challenge for me both personally and in terms of method. As stated in section 1.1, I was born in Cambridge and we spoke English at home, although it was not my parents' mother tongue (Brunner, 2001), which had some consequences. I have had a troubled relationship with English, with moments of rejection and others of love. In any case, at present, at an emotional level, it is the same for me to speak in Italian or in English, although my capacity to express myself is probably better in Italian. I hate translating, because I prefer to focus on one language at a time, the transition from one language to another is terribly difficult for me because, as Hoffmann (1989) argues, words are not only words, but also cognitive and emotional worlds in me. Nevertheless, on the one hand, in this research project these language skills (acquired through quite a troublesome personal life journey) have been helpful to be able, hopefully, to penetrate different deep meanings and give an adequate cultural representation in the transition from one language to another. On the other hand, my concern has been how much of the translated material is a projection and a domesticated representation of my point of view and how far I was able to be respectful of the original content. This dilemma manifested itself, for example, when I had to translate Italian jargon or colloquial ways of saying things<sup>12</sup> or when a phrase

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<sup>12</sup> For example *sistemare il figlio* literally would be translated as *to place your son*, but in Italian it has a

had to be tweaked since it did not have an equivalent meaning in English. Furthermore, English is a concise language, on the contrary Italian phrases are constructed in a very ample and detailed manner, which makes it a different frame of mind and difficult to translate.

### *Business and psycho-social languages*

In this research there are not only two languages and cultures involved, but also the business and the psycho-social ones, which are very different in their *weltanschauungs*, also reflected in the language. The business world and psycho-social *weltanschauungs* are ontologically controversial in many ways. To put it very simplistically, business mentality and language is often intrinsically permeated by liberal capitalistic ideas which manifest themselves, for example, in positive thinking, goal and achievement orientation, striving for success and profit. Psycho-social studies, however, are part of emancipatory revolutionary movements, for example, Marxism, anti-colonialism, or feminism in which a critical approach, a commitment to ethical issues and concern for the most vulnerable and less affluent persons in society are core elements. For example, a way in which this manifested itself in practice was that I was often confronted with the tension between the consultancy mentality and language (my professional background), aiming to help towards economic success and keeping the business going and a research project based on understanding rather than intervention. How these two mentalities, which pursue antagonistic aims, and their respective languages can be put together and integrated is not an easy matter and was a major challenge throughout this research. But as this is psycho-social research, I obviously favoured the latter. Furthermore, in family business this tension between the two *weltanschauungs* can be less evident due to the family dimension. As will be described in Chapters 4 and 5, although a family business needs to survive economically according to market laws, the harshness of the latter are usually

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stronger meaning about finding him a job and/or providing him with a house/flat. I also had some problems in translating *fare dei dispetti* which literally means *to tease or play a prank on someone, to be mischievous*, but these definitions do not give the full meaning of the Italian expression. A further example is the expression *cassa integrazione*. In Italy if a company is going through a difficult period, it can apply to the State redundancy/payment fund plan which is a social benefit. This means that, if this application is granted, the workers do not work for a certain period of time, which can be a day, a week or even months, and they are paid by the State. The salary in this case is lower than the normal pay. This type of social security does not exist in the United Kingdom and this expression therefore needs to be explained.



mediated by strong human concern for family needs, the employees and the community. I would argue that it is a less brutal form of capitalism.

### **3.7 Ethics**

The ethical framework and guidelines have been among the main concerns throughout my research project and in defining the method for my research. “Ethical issues in social-sciences research are required to ‘ensure that interests of participants in research are safeguarded’ (British Psychological Society, 1996:1)” (Hollway and Jefferson, 2000, p.83). For example concern for the way the research subject is treated needs to be paramount (Bryman 1988).

In addressing the issue of ethical requirements, there is a formal dimension of the ethical rules and codes prescribed by the institution where the research is carried out. In my case it is the University of the West of England<sup>13</sup>. My work is in line with the University of the West of England Ethics and Governance structures and has been signed off by my supervisory team. Like many researchers in a psycho-social and critical field, I take the view that formal rules and/or codes of practice, although a debatable practice which can be perceived as an arid and prescriptive requirement, and a defensive practice and a bureaucratic safeguard or “things to avoid” (Hollway, 2006), should be valued and respected, not only seen as obligations to be fulfilled. They always have a containing function in establishing boundaries within which a research project can take place. But, as a researcher, there is also a moral commitment in using a certain methodology and method which could lead to the emergence of certain dynamics or processes which can be perceived as harmful and distressing by the research subject and this needs to be taken into account (Hollway and Jefferson, 2000). This type of commitment cannot ever be formally fully prescribed, therefore it is easily controversial. It can only be part of the mental attitude, moral awareness, ethical concern, skills and competence of the researcher through what Hollway (2006) calls the “duty of care”, comprising concern, respect, compassion for the research subject: a “positive care” (Hollway, 2006). But it also means, for the

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<sup>13</sup> The website <http://www1.uwe.ac.uk/research/researchethics.aspx> says “UWE is committed to promoting high ethical standards in the conduct of research undertaken by its staff and students.”

researcher, being constantly alert at every step of the project to his/her own role and impact and to what of his/her own unconscious and feelings could be projected on the researched subject, and that could be harmful.

In the following sections I will present some considerations on some specific or critical issues in terms of the ethical challenges I was confronted with in my research journey, such as informed consent, making the data anonymous and interpretations. I will also address the power relation issue with the research subjects, in my case powerful people.

### **3.7.1 Informed consent**

As stated in section 3.3.2.2, umbrella permission to carry out the research and access the two companies used in the case studies was initially sought on first contact with my initial contact person. Then a written document detailing informed consent to participation in the project, which required signing, was presented to each interviewee before the interview process began. Informed consent is compulsory for any research within an academic institution and not only there. In any case, for any researcher, and especially a psycho-social one, asking for informed consent (Hollway and Jefferson, 2013), includes both a formal protection requirement and a containing and structuring dimension. It is also an opportunity for the researcher to convey the meaning of the project in a “duty of care” perspective. Hollway and Jefferson (2006) argue that the use of informed consent, beyond the formal requirement, is quite debatable and controversial in terms of its real meaning for the interviewees and whether it allows the interviewee to make a conscious choice about his/her involvement in the research (Bryan, 2012), as in my experience described below.

In designing the informed consent letter, I partly followed Hollway and Jefferson (2000, p.85) in keeping it “very open and expressly did not specify what ideas we were wanting to test out”.

The aim of the informed consent I used (see Appendix 2) was to integrate the requirements of a British University<sup>14</sup> and the Italian law<sup>15</sup>. Furthermore, to try to help the research subject understand what he/she was participating in (Bryman, 1988), I had to use a language not only consistent with academic ethical requirements but also understandable and meaningful for business – managerial – entrepreneurial cultures. The informed consent document started with the presentation of the title “Crisis management in family business: a psycho-social perspective” (this was the initial title, it has been changed to “Family business and crisis: a psycho-social perspective) and the aim of my thesis. I stated that I wanted to interview each member of the family and/or the top manager involved in the company and that it would be a qualitative in-depth interview with the aim of exploring the professional and personal experience of the interviewee. I also underlined that a second interview might be carried out if needed. I told them I intended to record the sessions. I asked to have access to some documents both relevant to the family (e.g. personal photos) and to the company (e.g. brochures, advertisements, mission statements, recent balance sheets, organisational charts, by-laws). In the informed consent I declared that all the collected data would be kept confidential and anonymous. It also said that in addition to providing valuable information for my study, I hoped that the interviewee would find that the interview experience could give her/him an opportunity to revisit and reflect upon their experiences as a member of the family and of the company. Furthermore, they could perhaps benefit from having an external researcher trying to understand their company and the family dynamics and, eventually, from the overall research outcome when finished. The informed consent document ended by saying that although it was a piece of research and not a consultancy, their involvement could contribute to new knowledge for other people, which could lead to change.

I used the signing of the informed consent document as part of the warm-up process and a way to show that there was some sort of legal and structural containment in the encounter and that my authority was legitimized by an academic institution. My

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<sup>14</sup> My Director of studies supported me through this procedure in finding an adequate template.

<sup>15</sup> I consulted with a researcher at the Faculty of Psychology of the Catholic University of Milan who had worked on a research project on family business.

experience in this process was similar to that of Hollway and Jefferson (2000, p.88) “Our impression of people’s doorstep decisions, was that these had less to do with the information we offered them, although that was an important baseline, and more to do with feelings about us”. As already described in section 3.4, the search for the companies to be accessed and studied, was difficult. But once I was on the company premises in person with the interviewees, the informed consent acceptance was smooth. For example, after seeing me for only 15 minutes the first interviewee in the first case study signed the informed consent without reading it. I had suggested that he should read it, but he said “I trust you”. The other four interviewees signed the informed consent more or less in the same way, hardly reading it. One interviewee, who was more meticulous and anxious, read it and was concerned about confidentiality: he wanted to know what use I was going to make of the interviews and asked how many companies I would interview. He wanted to know if I would use their names and I reassured him saying that I would never talk about them using their real name, not even with my supervisors, and I would not mention their location and or branch of industry. He also asked me when they would see the results, I told him at the end, and he was quite shocked to hear that it would be more or less after 4 years. Another interviewee used the informed consent document to ask me some general information on my work as a consultant to be sure who I was. This boundary was always difficult for me to keep and perhaps for the interviewees to understand. Another interviewee initially did not like the idea of having the interview recorded. But when I said that I wanted to be able to listen to the interview, he signed without further questions.

There could be a cultural dimension in the way my interviewees managed the signature of the informed consent. In Italy we do not rely very much on formal requirements we fulfil them as a necessary duty, but generally people do not believe much in them. Furthermore, in my experience, entrepreneurs believe in these types of obligations less than other type of professionals, so my interviewees’ reaction was consistent with their community cultural behaviour and traits. Instead, in terms of the meaning of my research, I wondered if my interviewees understood the project and therefore could trust me since they signed it without much trouble. Did they trust me because I had been referred by a reliable person or due to the way I presented myself and my

professional background or because of the University in which I am doing my PhD? Although I will never have a complete answer to these questions, in the interviewing phase, in reading the transcripts, listening to the tapes and during the data analysis, it never occurred to me that they had not understood what I was doing. Perhaps they did not understand the nuances or the sophistication or technicalities of a psycho-social approach or they gained some sort of narcissistic reward in terms of the prestige of been researched for a foreign university. However, my feeling was that intuitively they knew and adhered to my research in search of something they hoped could benefit them personally, although they did not know consciously what it could be. For example, in the case in Chapter 4, at the time of the interviews, a generational transition was taking place. My feeling was that the opportunity to pause from daily activities and the reflective space of the interview gave the interviewees an opportunity to think about what was going on and the emotional dimension involved. In a way they used me as a catalyst for change which had already started in recent years (although it is impossible to know if change occurred as a consequence of the research or not). Furthermore, I am surprised that up to now none of the interviewees has contacted me to ask to read the research or to know more about it. This could be evidence that they were searching for something at the time of the research encounter, which became a sort of a hidden consultancy that they could not dare to ask for openly and this achievement was enough for them.

### **3.7.2 Anonymity**

Confidentiality was a prerequisite of my research, a 'sine qua non', and it was the basis of the relationship with my interviewees. All the collected data have been made anonymous. I took all sorts of precautions throughout, including in all exchanges with my supervisors. For example, the anonymity of interviewees has been guaranteed by changing the names of the people involved and by not mentioning the exact location of the company or the type of business or industry. I never used real names, everything was changed and they do not know the real names of the companies and of the people. Interestingly, through the years I felt "inhabited" (Clarke, 2002) by my interviewees and I internalized so much of them and the companies through their

surrogate names that at times when checking things about them on the internet, I could not remember their real names and had to make an effort to recall them.

Here are some of the challenges I was confronted with when making data anonymous.

- Hollway and Jefferson (2000) say that interviewing family members could raise ethical demands since family members could easily recognize their relatives' answers and confidentiality could not be guaranteed any more. Therefore the researcher has the responsibility of finding a way to obscure information which could be identifiable by other family members and could be harmful. In research on family business this is very poignant. Moreover, as suggested in 3.4.4, from a psycho-social perspective it could be that a family member says something - consciously or unconsciously - which cannot be said directly, which they wish to be purposely transmitted to the other members of the family, using the researcher as a messenger, as happened with one family member in Chapter 5.
- I found that some information gets lost through the process of making the data anonymous and this has its limitations. As already suggested in section 1.4, in Italy the culture significantly changes from one part of the country to another and the local regional culture has an impact on company and family dynamics. Furthermore, the industry and a specific product also influence organisational culture and practice. Not being able to describe these elements for privacy reasons has unfortunately been a necessary loss in this research.
- I only partially agree with Hollway and Jefferson (2000, p.90) that "confidentiality can be one of the least problematic ethical issues". Bryman (1988, p.143) says that deception is a common method that "means not telling the whole truth, while not actually telling a lie" and he suggests to keep it "to a minimum and mitigating its degree and effects as much as possible". I have had a critical incident in the progress review on this issue. In the final rush of reviewing the material to be submitted for the examiners, I got so anxious about anonymity and protecting the interviewees that I changed the type of hobby of one of the interviewees without thinking about the impact on the reader. The external examiner noticed this information and used it to form some hypothesis about

the dynamics on the basis of that specific hobby. I got very embarrassed when I realized that the change of the type of hobby had had a misleading effect on the reader. Throughout the research I felt over-protective, very responsible for my interviewees' privacy, with a strong fear of betraying their trust. This type of attitude can be a form of collusion in the sense I identified more with the interviewees than with the other task as researcher having the reader in mind. But it can also be a parallel process with the specific theme of my research about families where their intimacy needs to be protected and I was caught in this dynamic.

To conclude this section, in my view anonymity is a very delicate complicated practice in continuous tension between protection of privacy and an appropriate representation of reality where the researcher's personal issues can also be projected into this dynamic. Bryman (2012, p.130) says that "a lot of writers about ethics differ about what is and is not ethically acceptable". So a lot is left to the researcher's discretion which, as described above, can be risky if it is not monitored through supervision or other forms of triangulation.

### **3.8 Interpretations**

Interpretations have been part of the development of human civilization which has been widely debated since the ancient Greek philosophers. Psycho-social studies' approach to interpretation is inspired by, for example, the sociological tradition of Weber (1964) (*Verstehen*), the Frankfurt School, anthropological and ethnographical studies such as Geertz (1973), but the main influence in this thesis comes from psychoanalytical ideas.

However, to contextualize and position the very broad theme of interpretations, in this section I want to recall that one of the aims of this research was to apply a psycho-social methodology and method to a specific theme, that is, family business and crisis. As already described in section 3.1.2, in my research the methodological assumption for interpretation, is a triple hermeneutic interpretative approach (Alvesson and Skoldberg, 2006) regarding three levels of interpretations (the direct researched subject's, the researcher's, and the awareness of the *beneath the surface* processes). In terms of the

definition of interpretations in psychoanalysis, Hollway and Jefferson (2013, p.76) quoting Sandler *et al.*,(1990, p.107) suggest that they are “the art of understanding the unconscious meaning of the patient’s material (in our case “research participant”)”. So interpretations are not a theory, but an art based on intuition, on the psychoanalyst’s or researcher’s subjectivity, and on the emotional dimension. But the main aim of a research project is the development of new knowledge, differently from therapy which is concerned with cure (Hoggett, 2014). Furthermore, Hollway and Jefferson (2000, pp. 77-78) state, “clinicians interpret *into* the encounter, whereas researchers will save their interpretations for outside it. . . . researchers, not being therapists, will be careful not to interpret at the time the information is being provided by interviewees. Their interpretive work comes later, is separate from the participant...” and is “an activity associated with data analysis as opposed to data production”. In this research I have followed Hollway and Jefferson (2000, 2013) in quite an orthodox way, for example trying to avoid interpretations at a conscious level during the interview, while using them in data analysis. An ethical concern about the interpretative process was also the potential of “the vexed issue of ‘harm’ to participants” (Hollway and Jefferson, 2000, p.97) during the interviews.

But also on the basis of his clinical work, Hoggett (2014) questions the idea of not using interpretations during the interviews, arguing that they could “be ‘dialogue inducing’ interventions” (Hoggett, 2014, p.191). This is also linked to his being in some way wary of the concept of the ‘defended subject’. Hoggett (2014,p.191) says, “I accept the value of exploring the way in which both interviewee and interviewer at times unconsciously deploy defences against anxiety I think we need to go beyond this to understand how, both in the interview and possibly in the ‘lived life’ of the interviewee, particular unconscious modes of structuring experience were deployed”. I agree with Hoggett in principle both on the inherent potential in using interpretations in the research encounter and about the limitations in the idea of the ‘defended subject’, but I feel that it cannot be generalized, greatly depending on the research subject, the topic explored and the context. So it has to be a judgement made with sensitivity. I think that one of the strengths of F.A.N.I. in an environment less familiar or unfamiliar with the psychoanalytical culture, as the business world in general is and as my interviewees



were, also lies in the possibility of not offering interpretations. Usually these types of people, being less acquainted with the 'psycho' dimension are potentially more defended towards our type of perspective<sup>16</sup>. So the idea and the concept of the defended subject is helpful for the researcher, who must remember this and have it in mind in terms of carefulness and duty of care. Miller (Brunner, 2002, p.160) talking about the Group Relations Conferences and having in mind organisational life (also the corporate environment) says, "Interpretations very often do not work, and one must find different ways to communicate what one has understood... It is possible to give an extremely brilliant interpretation, but it is absolutely useless if there is no one who is able to listen to it. As a consultant, it is useful to have working hypotheses<sup>17</sup> but then it is necessary to decide how and whether to communicate them". So, in the interviews, I was also led by Miller's caution in using interpretations in such an organisational setting.

Interpretations have had a substantial part in my data analysis. It meant putting the data together from the field notes of the research encounters, from the research diary, from the overall transcripts or from listening to the tapes and, as a result of discussions with colleagues, an immersion and analysis of the data to bring out meaning and to be able to reach a synthesis of what had been arrived at. In my experience the use of interpretation in this phase of the project was quite complicated. I experienced the risks of wild psychoanalysis. I was concerned about some of my hypotheses and findings because I was not able to test them directly with the interviewees since we have had no further contact. Certainly there are helpful strategies to overcome the risk of wild psychoanalysis, which I have used. As already described in this chapter, there were, for example, the triangulations (see section 3.2.2.), the use of "data as a star" (Chenail, 1995 accessed 12 November 2015) (see section 3.3), supervisions and presentations, reflexive practices about counter-transference and a continuous alertness as the researcher of one's own positioning, projections, preconceptions and valences (Jervis, 2009). Throughout my research path, I must admit that I have often been dragged into quite daring speculative hypotheses about what had gone on in the companies and

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<sup>16</sup> Stefano Cangiani argued that it could also have been good for his father, but his father was of a generation that thought that only ill people would go for help.

<sup>17</sup> In Group Relations jargon, traditionally, *working hypothesis* is used instead of *interpretations* in an interchangeable way.

about crisis that I had to drop because of insufficient evidence. In this sense I was often challenged by the question of how to test these hypotheses, feeling as Geertz (2000) suggests “accessing guesses” and not knowing how to order or select them and reach a “plausible explanation” (Alexandrov, 2009, p.44). I sometimes felt frustrated by some comments on some interpretations which were not recognized as being valid by readers of my work in progress. Although these hypotheses were probably not well founded, I have been left wondering whether there was some sort of intuition about the dynamics at stake in them and they had captured something meaningful which could not be fully expressed and formulated. Therefore I missed a dialogical space and approach (Clarke and Hoggett, 2009) with the participants of my research. I occasionally had the fantasy that they were the only ones who could tell me that I was right, that I had understood what was going on and nobody else could do so. On the basis of this experience, I have perceived a sort of contradiction in F.A.N.I.’s relational psychoanalytical assumption. For relational psychoanalysis, an interpretation should not be imposed in a top-down manner by the analyst/ consultant / researcher (Wetherell, 2005), but it is valid if the patient/ client/researched subject can identify with it and make sense of it. In my research I have not been in touch with the interviewees so I could not check my ideas and my hypothesis with them. In this I followed some traditions of qualitative research, also because I did not really feel the interviewees would be available to participate in a feed-back meeting. Therefore an open question arises, are we fully relational and do we test our interpretations in data analysis sufficiently if we are no longer in contact with the research subjects, as in my case? In any case an argument could be that a psycho-social methodology or method itself, such as F.A.N.I., based on the specific ontological stance of the existence of the unconscious as an additional dimension, offers additional tools and dimensions including using one’s subjectivity (but not in an arbitrary manner), supervision and reflective groups as tools to check and shed light.

This leads to the issue of reliability and “validity of knowledge generated” (Hollway and Jefferson, 2013, p.74) through interpretation, which can often be controversial and debatable. Yin (2009) suggests that in case studies, theory can help as a means of triangulation. Hollway and Jefferson (Hollway and Jefferson, 2013, p.74) add that a research project, besides being “theoretically led...” should be “solidly empirical in the

sense that supporting and challenging evidence is available". In my experience too, I have tried to follow this approach. Furthermore, Hollway and Jefferson (2013) say that reliability of interpretations can be conceptualized as dynamic instead of static and established once and forever. They can be tested when "studied by others, they are recognized...shared through the subjectivity of the others (including you the reader)" (Hollway and Jefferson, 2013, p.74).

### **3.9 Powerful people (elite) as research subjects**

To conclude this chapter, a few considerations (very limited in respect to the broadness of the topic) about powerful people as research subjects will be presented, since my interviewees are powerful people in their community or industry, often public figures and part of the local economic elite. Hollway and Jefferson (2000, p.84) argue that power is "the ability to do something" or "the capacity of producing some effect". "According to Mills (1999) the elite are people who have power, prestige and money, based on their positions in key institutions...The elite differ from ordinary people in being 'in command' of things beyond the control of ordinary people, such as the flow of money in society..." (Bergman Blix and Wettergren, 2015, p.692).

Williams (2012, p.19) suggests that "the familiar focus for studying social problems is the down- system people who are poor, oppressed and powerless". But in sociology and political science there has been a tradition of studying elites since Weber's (1958, 1964, 1978) times, for example through the contribution of two Italians (I am particularly sensitive due to my national identity): Pareto who studied Italian aristocracy (Garrido Vergara, 2013, p.35) and Mosca (1983) (Meisel, 1958) as well as others such as Michels (2001) and Wright Mills (1956). As Garrido Vergara (2013) suggests, a lot of research on elites is about political elites in terms of the class domination dimension, social change, democracy and evolution of modern societies.

As will be discussed in Chapter 5, a theme relevant to this research in conceptualizing elites, is that "social class plays a significant role in the construction of a personal identity (i.e. a person's interests)" (Garrido Vergara, 2013, p.33) and Bourdieu's (1984) idea of distinction. Distinction manifests itself in the elite's daily life through the

emphasis on social differences, for example taste and aesthetics. This is also enhanced by the so-called “social capital” (Bourdieu, 1984) that Garrido Vergara (2013, p.40) defines as, “social relations and levels of influences” and “power networks in societies”. These ties and friendships enhance similarities in behaviour and mentality and conformity among the elite.

In terms of power relationships in the research setting, most of psycho-social research is carried out within a context where the power of the researcher is perceived as superior to that of the research subjects, as for example the work of Hollway and Jefferson (2000, 2013) or Clarke (2008). Hollway and Jefferson (2000) paid a small fee to each participant in their research on the fear of crime, in a way hoping for some kind of equalisation of the researcher with their researched subjects’ power (although there were also other reasons for such a choice). This raises the question of whether it is possible or necessary to equalize the power relationship between the researcher and the researched entrepreneur. Personally I think that it would be a rather artificial exercise since there will always be some sort of power discrepancy.

Since my research subjects are powerful and wealthy, it never occurred to me to pay them a fee nor did I feel the need to try and equalize power between them and myself. They were very aware of their power and in some cases they used it in the research encounter defensively with top-down superior behaviours, as they are used to doing with their subordinates. This could be a reason for introducing myself as a consummate consultant, not just a PhD student. So, on the one hand, I often felt that they thought that it was an honour for me to have access to them and to be given some of their time. On the other hand, by exploring what was going on *beneath the surface* or *behind the door* or the dark side of the company, I was disempowering them by showing interest in entering that vulnerable and fragile territory which they were trying to escape from in every way. And I hypothesize that they also used their powerful social position as a form of *armour* to defend themselves by avoiding being perceived as vulnerable, fragile or dependent, as described for example in Chapter 4. Hollway and Jefferson (2000, p.24) suggest that the “anxious defended subject” develops from the psychic dimension of “a unique biography of anxiety provoking life events and the manner they have been

unconsciously defended against.” Anxiety and the related defences can be both at the individual level, but also at a social one since they emerge and are influenced by social inter-subjective processes from the real world experience and professional background. Kets de Vries (1996, p.853) describing the psychic world of an entrepreneur, argues that entrepreneurs, as a social category, often tend to have a narcissistic personality to counterbalance low self-esteem, a strong need for control, a desire for applause and a sense of distrust. As power holders they tend to build their companies so that they mirror “their internal world and their specific personality make up” (Kets de Vries, 1996, p.876). Kets de Vries (1996, pp. 857-858) also suggests that “Entrepreneurs with a reactive narcissistic disposition are continually in search of an admiring audience to shore up their fragile sense of self”. Some evidence of this is that, from a social point of view, entrepreneurs usually have quite a visible and powerful role in their community as is also described in the two case studies of this research (see Chapters 4 and 5). As already suggested in section 1.4 about the Italian context, in Italy entrepreneurs are highly regarded and admired, having high social status. They are a symbol of the post-war social and economic redemption of the country from misery to a globally powerful nation. More evidence is given by Silvio Berlusconi, a main symbol of an entrepreneurial tycoon’s success, who climbed the ladder to the top of the Italian political arena. Beyond any political judgement, he represents his social category very well and remains a strong role model in the collective mind and imagination.

Research shows that researching elites needs some adjustments to these type of participants (Bergman Blix and Wettergren, 2015; Mikecz, 2012; Plesner, 2011; Thuesen 2011) for example “in building trust when conducting elite interviews” or researchers’ “styles in the process of negotiating status” (Bergman Blix and Wettergren, 2015, p.692). In consideration of the power and wealth background of my interviewees, I found it quite difficult to retain my authority and power with the interviewees, especially thinking of myself as a student in the presence of such socially powerful/recognized people. I probably colluded with them, feeling “quite small” at times. This coincided, on the one hand, with my ambivalence and difficulty in taking up the student role at my age and career stage (the interviewees could have been my

lients!). But, on the other hand, I was anxious about “losing them” since it had been so complicated to find companies to study, as described in section 3.4. Bergman Blix and Wettergren (2015, p.693) argue that the research encounter with elites is facilitated when “the researcher and the participant shared similarities in terms of age, class, gender, ethnicity, and social status”. This was quite true in my case due to my family background and partially to my age, but not in terms of this research setting. But what perhaps helped me in having some authority was the intellectual cachet and status inherent to the PhD researcher’s role in a foreign University. These were skills or competences that I was able to make perceivable and I felt they could be recognized, so they respected me.

Finally, I want to argue that in the research encounter with my powerful, elite interviewees some sort of power equalization could take place through the building of a relationship of trust, and a containing work environment. I think that it allowed work to take place, so that both sides could feel the power structure to be more horizontal, mutually equal and potentially less abusive. Furthermore, what was helpful for me was an ongoing awareness and awakening to the power relationship and how this is played out in the research encounter, as data that can contribute to a deeper understanding of the processes at stake.

## Chapter 4

### The Cangiani Group Case Study

#### Introduction

In this chapter I will present the first of my two case studies: the Cangiani Group, a well-established medium-sized group of companies in Italy.

I was referred to the Cangiani Group by an acquaintance, who said that they were an example of good generational transition and they had not gone through a specific crisis. I was searching for companies which had undergone some sort of crisis in the family and/or in the business. Although at a first glance the Cangiani Group was not relevant for my thesis, I decided to meet them, there was something that attracted me, I followed my intuition. I feel that it was the right decision since it has emerged that they have gone through several crises in terms of the family dynamics, business management and, lately, also in the ownerships system.

In June 2010, I interviewed the founder, Claudio Cangiani, then in his late seventies, his two sons Ignazio and Stefano Cangiani, in their late forties, and the Managing Director Candido Bassani in his mid-forties. At the beginning of 2011, I interviewed the two sons a second time. My initial contact person was Ignazio Cangiani, the eldest son.

Elena, Claudio Cangiani's wife, in her mid-eighties (older than Claudio), is a Board member and his daughter Maria, in her forties, is a shareholder and board member. Neither Elena or Maria have ever worked in the company.

This chapter is divided in two parts. The first part is mostly a descriptive presentation of the case study from different angles; the aim is to provide a storyline of the company and the family and about the context to set the stage and have some basic information for the analysis of the themes and the discussion of findings. So the history of the Cangiani Group from its establishment in the mid-50s until 2012 will be presented first, followed by a summary of the Cangiani Group's development in a chart highlighting the family and business histories, the Italian context and a short overview of the Cangiani

Group's economic and financial situation from 2008 to 2012. Finally I will provide an introduction to the main actors, through the genogram and a description of their personalities (the way they presented themselves to me and entered the scene), a description of the Cangiani family's system and values (how I perceived them in the meetings and from the data) will conclude part one of this chapter.

In part two, the main themes, the "legacy of trauma" and the *dominus*, identified through the analysis of the data and the storyline will be examined and some hypotheses will also be presented as the basis for the discussion of Chapter 6 on some of the similarities and differences in the two case studies in understanding crisis in family business.

## **Part 1**

### **4.1 Overview of the company's history from the mid-50s to 2012**

In this section, the history of the company, how it has developed until now in over 60 years since its establishment will be presented. As described in Chapter 3, the story is derived from the interviews, transcripts, my research diary, my supervision notes, company data and from official public documents. It was difficult to put together different bits and pieces from the interviews and tell a story which makes some sense and which has a sequence. The interviews, carried out following the F.A.N.I. method, described in Chapter 3, are not only factual but personal and emotional. Therefore it was not easy to identify the sequence of the events, turning points and facts. This can also be a psycho-social datum that will be explored in part two.

#### **4.1.1 The establishment of Mimetex in the mid-50s and the first phases of development until the late 80s**

Claudio Cangiani, now in his eighties, said in the interview,<sup>18</sup> *I am a first generation entrepreneur, therefore I have not inherited a company founded by my parents or from my predecessors. In any case my father had a different business concern. Unfortunately when I left high school and I went to university a tragedy affected my family. My brother died in a car accident, he was my twin. This tragedy prevented me*

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<sup>18</sup> The parts in italics come from the transcripts of the interviews.



*from continuing my university studies. Claudio was at the wheel. The tragedy was so big that it greatly affected my family, I had to be close to my father and mother, my mother never recovered...My parents were really unlucky: they had a daughter who died when she was 11 months old.*

Due to this tragedy, Claudio, in order to be close to his parents, had to work with his father. But he felt constrained and wanted to be measured for his capabilities and not as the son of the owner. Claudio was in his early twenties. At the time Mimetex was owned by a friend and was practically bankrupt. Claudio left his father's business and joined his friend and *with a lot of good will* developed the company which had a good name on the market. At the time they worked in a rented plant, it was a really small business.

Meanwhile Claudio got married and had three children: Ignazio and then Stefano in the early 60s and Maria a few years later. His life was dedicated to the company, he said that he did not go on holiday for 10 years. They were successful and the company grew. As described in 1.4, the 60s were the years of the Italian post-war economic boom, the years of recovery, the light after a dark period. Claudio said, *in those years everything was easier than today...all you had to do was manufacture...the market needed everything...there was less competition...labour cost was very low, tax pressure was different...the government closed an eye, things were done on a domestic scale...*In the meantime in the early 60s conflicts started with his partner, the main reason was that Claudio wanted to reinvest all the profits in the company, which he describes as *a cow to raise* and his partner wanted to get dividends, *a cow to be milked*. They still owned 50% of the shares each and they continued in very tense conditions for two strenuous years. In the end Claudio was able to buy his partner's shares and the company became his own.

Claudio served in an influential professional organisation for most of his working life and held many other powerful positions. For many, many years his life had been characterised by a double professional commitment to both the company and his institutional and public role.

In the 70s, a time of great social and political unrest in Italy, due to Claudio's entrepreneurial and public role he was blackmailed by the Red Brigades terrorist group and his family was under threat of kidnapping and had to live under protection. Ignazio said, *my father had a bulletproof car and we went to school in a bulletproof car. We could not go out to visit friends in the afternoon, but we did not understand why, our parents had not explained it, we did not understand why we had to live in that way. My parents always tried to organise things for all three of us together, so they did not need to check on each one of us.* He described his family life as being very complicated in terms of freedom of movement and relationships with those outside the family world.

Over the years Claudio developed many assets and investments in other companies in different parts of Italy and of the world, not only in Mimetex, and so he maintained a good standard of living and wealth.

#### **4.1.2 End of the pioneering period and the new generation in the company (the late 80s – the late 2000s)**

Claudio said in the interview that his three children had declared during their university time that they would never work in the company. Maria, the youngest daughter, stays at home looking after her children and has never worked in the company, although she is a shareholder and on the board of Directors. Instead, Claudio's two sons Ignazio and Stefano joined the company, although they had not wanted to do so before.

Ignazio, the first son, got a university degree in the mid-80s and after four years of satisfying and successful experience in another organisation, joined Mimetex. When he arrived at Mimetex they were merging two plants into one and Ignazio was able to work on the re-organisation, administration and finance. Initially he had a more operational role, and later a strategic and decision-making role.

Claudio Cangiani said *I did not force him to join ...I must say that it was not easy to have him in the company...It's only because my son has a wonderful personality that we did not fight...I have a strong personality, it is not easy to live near me...I had to*

*check and make sure that my son deserved the space I gave him...He came in a soft way...and I could see in time that he was good, competent and appreciated. I wanted them to accept him not as the son of the President but for his leadership and role.*

After finishing university and completing a short stint in a company abroad, where his father helped him find a job, Stefano, Claudio's second son, joined his father and brother in Mimetex. Claudio said, *I did not have anybody to go to work in Senegal...knowing my second son is very much like me, in the sense that he accepts the challenges...I asked him...do you feel like going to Senegal...He left the job abroad.....he went to Senegal...When he came back he said, if you want I can stay... Luckily they have different roles...Encouraged by the idea that the company could have continuity, we made it grow....*

Claudio continued to be very busy with his public and social commitments and with other investments and assets in a nearby town which went wrong. So after some years, Claudio focused his attention on the Mimetex plant again, where his two sons were; it was difficult for all of them to define roles, who does what and the right level of freedom and discretion for each of them. Stefano Cangiani said, that *it was difficult because Mimetex was his father's company, born from his hands.*

Although the company was growing they also had some rough times. They had several difficult years due to external economic events, for example in the early 90s, with the devaluation of the Lira (the Italian currency before the Euro) and the end of the so-called first Republic political system<sup>19</sup>, they had to apply for the redundancy/payment fund plan (see note 6 in section 3.6).

In the mid-90s they bought Rione a company in another town some hours' drive away from Mimetex, with the same activities as Mimetex in the manufacturing area, but also in the service business. After some time, towards the end of the 90s, Stefano went to

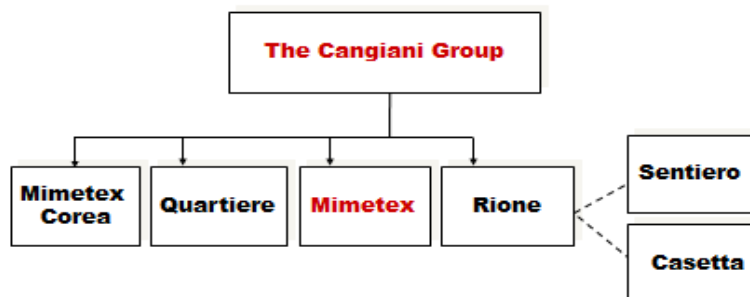
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<sup>19</sup>The First Republic is a way of defining the political system from 1948 to 1994 in Italy, when Berlusconi was elected. It was a time of stability. The country was run by the Christian Democrats for 45 years. As described also in section 1.4 it was the post-war period, the economic boom and miracle time and the Cold War.

work for Rione. The company was not doing well and he developed it. He said that it was a sacrifice for him since his wife had moved from her town of origin to live with him near to the Mimetex plant and he had three children at home. Ignazio said, *it was in some way a choice...he was generously ready to lead a life which is not the best.* Stefano said, *I went to direct Rione, where neither my father nor Ignazio would interfere.*

Since the mid-2000s Stefano has had a prominent role in Rione, he became the CEO and was able to express his entrepreneurial skills. When they bought Rione, its turnover was 10% of Mimetex's, in 2012 the two figures were close. Then they/Stefano bought Sentiero, a brand which had gone bankrupt and later Casetta and incorporated them in Rione. Rione added markets that Mimetex did not have.

**Figure 4.1 The Cangiani Group**



In the mid-90s Candido Bassani, the General Director now in his forties, entered the company. At the time it was still a small company, he grew in it. At a certain stage he felt that he did not have enough space in Mimetex and left for about two years. At the end of 2000 Ignazio Cangiani called him back as Production Director and he continued his career, becoming General Director of Mimetex in 2008.

Candido said, *I think I have the trust of the family...that makes me think and act a bit as if the company is partly mine...I have a very great respect for the big boss...but I do not feel like a son...I think I have a role of mediation in the company equilibrium in which the family relations are reflected....*

From the interviews' narrative another crisis could be identified in the early 2000s, when they experienced a downturn in turnover due to the recession post 9/11 and the general Italian economic problems.

In the mid-2000s they had a deeper market crisis. Ignazio said, *I had to sack...20 people... I personally sacked them all...we had problems with the banks...we could not pay...I had to talk to the employees....it has challenged me...because I am a person who thinks that the brain can manage the body in some way...at the end... I was knocked down.....I started to have pain all over my body. I was hospitalised for a week....the only thing which was noted was a very high level of Cortisol...For a month I was away from the company...it was the beginning of a reflection...I had accumulated years and years of stress, of difficulties...Every day I was loaded with things I did not like...*

Although the economic context was still favourable, in the mid-2000s the company experienced a big financial crisis due to a choice of wrong price policies, introduced some time previously. Candido Bassani said that *we were trapped in a routine approach and did not control the company in a proper way*. They set the wrong pricing on the products and did not cover costs. They thought they could recover through an economy of scale, but it was not so. Their business model did not seem to work any longer. That year was very difficult: the family did not have the financial resources to cope with this situation and the banks did not contribute in helping to finance them.

Ignazio Cangiani said, *every kilo we sold made a loss, we sold many, many kilos and we lost a lot. We put a new product on the market as a substitute for our main one...we are talking of a product which makes 60% of the turnover...There were delays in the delivery..., but since we are a serious company we maintained delivery to the clients. It was a bomb... We worked like crazy, all....we had the record of shipping...volumes were monstrous and we lost a million euros because the prices were wrong ....the decisions about reviewing the prices at a lower level were taken by my father and his team...with Mr Bassani, who was not at the time the General Director and others.... a disaster...we arrived at a certain point and we had to ask ourselves "Should we sell*

*all”?*...I have called this turning point the *Big Mistake* of Claudio (and his team) and I will refer to it in this way in the following sections and in Chapter 6. At a certain point they recruited Mimmo Colli, a CEO from outside, to reorganise and restructure the company. He worked in that role for two years and installed a budget management control system. After some years the results were positive again and Mimmo Colli's mandate finished, but he still remained on the Board of Directors for a while. At the time of the interviews he still came once a month to the meetings of the management team attended by the heads of the different company functions. He also had the role of “mid-wife” in the generational transition and the definition of roles between the two brothers Ignazio and Stefano and in promoting the management team and Candido Bassani's career as Mimetex General Director, who in 2008 was given a notary proxy, the first time it was given to somebody not belonging to the family.

#### **4.1.3 A time of further crisis: the post-Lehman Brothers' recession**

The worldwide post-Lehman Brothers' recession in 2008 contributed to make 2009 and 2010 two terrible years for Mimetex. Both Ignazio Cangiani and Candido Bassani argued that the Mimetex product was *a bit old, poor, mature, an obsolete product and it cannot be improved*. In 2009, their turnover decreased 30% and 2010 was still worse, turnover decreased about 32%; this impacted profit margins which nonetheless continued to stay positive. They suffered what Ignazio called *the globalisation crisis with all the exchange rates crisis*. At Mimetex they had to start a redundancy/payment fund plan (see footnote 6 in section 3.6) one day a week and make an agreement for more flexibility for the workforce, so that they were able to maintain the same occupational level. However, at the same time Rione, which is both a manufacturing company and a service business, was doing well. Although the manufactured volumes of Rione were not satisfactory, thanks to the acquisition of Sentiero and its service activities, they managed to have high profit margins. Candido Bassani said, *Rione was also good for Mimetex*. Ignazio said, *In the history of our group, in some years Mimetex supported Rione...The strength of the group is that there are different souls...Rione has become what it is since there is Mimetex.... Now Rione is supporting Mimetex for a year or two....*

Since the end of the 2000s, they have created the Cangiani Group, a holding company comprising all the companies in which the Cangianis own 100% of the shares. It took two years for the Cangiani Group holding to become operative and real. The idea of the holding was to reduce costs, to have a better organisational structure and to abolish superfluous areas. It was a merger by acquisition and incorporation. The headquarters and plants are now all together at Mimetex. The creation of the Cangiani Group has meant constant re-definition of roles and tasks – which has been a difficult path. They reconfirmed the company's mission of production and added service activities importing them through the acquisition of Rione. They have tried to survive these difficult years without restructuring too much, not changing the service level for their clients and trying not to lose their know-how and service level.

At the beginning of the 2010s, Claudio Cangiani retired from the operative, everyday activities, it was a complicated process about letting go. He was still involved in the company as the President of the Cangiani Group and CEO in ad hoc projects, but he was not present every day anymore. His moral and paternal presence remained very strong. Ignazio said, *The generational transition is taking place with the figure of my father who is always present in the company...my father is more aware of the need to step back and he has done it...except where we need him...he manages to do it...* Stefano said, *Now that my father is less present, it is easier...he is quite an important presence...he is more relaxed now over some financial choices...and the awareness that the two of us were suffering...this mixture of things...he must have thought the guys are good enough, they are in their fifties and they can continue.*

At the beginning of 2011, when I carried out my last interviews, Ignazio was in charge of the administration and finance area, while Stefano Cangiani concerned himself with mainly business development; Candido Bassani, previously Mimetex General Director, became the Cangiani Group General Director in 2011. Besides these official roles, Candido seemed to have always carried out the informal one of a mediator for the family. 2011 was a very difficult year too due to the very strong recession in Italy, nevertheless, when I met them, they had invested in buying shares in a company abroad.

A problematic area, due to Claudio's family culture and management, was that the level of efficiency of the employees was very low and this needed to be addressed. Through this merger/acquisition/incorporation, the creation of the Cangiani Group holding and as a consequence of the generational transition, they also managed to replace the employees of the old guard who were loyal to the father. As for many family businesses, the creation of a management team was a big challenge. It was difficult to find the right people with managerial capacities and competences. Ignazio said, *there are some technical aspects for which we ask for help. In the overall design we prefer to seek the advice of somebody outside the company, even though clearly we have our ideas...last year we implemented the new IT management in Mimetex...now we are exporting it to Rione...* They had to train some new managers for example a CFO and Director of IT services. In spite of the above-mentioned issues, I had the feeling that in any case the Cangiani father and two sons, with their different management styles, were quite open minded in favouring employees' development to take new roles and responsibilities, this for both blue- and white-collar workers and managers.

There were still many management issues and problems to be addressed, for example, they did not meet formally as a Board of Directors, and they had just started as a management team. At the same time they said that they needed to improve the public visibility and communication of the Cangiani Group. During Claudio's time, visibility meant only his own visibility as a public figure and as a consequence also for Mimetex. Now the new generation felt that the Cangiani Group needed its own visibility.

There were two other aspects that they discussed at the time of the establishment of the Cangiani Group. One issue was that Claudio had not distributed the profits since he bought Mimetex, in some cases because there were no profits and in others for fear something may happen in the future. Stefano reported *Ignazio is very fiscal, the profits have not been distributed...but I do not agree...I have had some conflicts with Ignazio...He always says "What will happen tomorrow?" It is beyond money...money is not so important for me, but I need an explanation for why I travel 80,000 km a year....it is all about anxiety...unlike him, I am able to manage my anxiety.*



The second issue was that the two brothers had the same salary as Managing Directors. Stefano said, *This is something I find hard, but I can accept...It is not a money issue...to think that you carry out different jobs and the profit is divided in three equal parts, my sister, myself and Ignazio...I do not fight for money...I will have the opportunity to talk peacefully with Ignazio.*

They were also still making some family agreements for the next generation's succession.

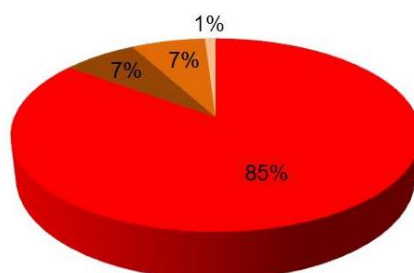
#### 4.1.4 The Cangiani Group from 2011

I have not met nor heard from the Cangianis since the last interview in January 2011. During the time I spent with the Cangianis, being a consultant, I had thought of what I would advise them to do. So, using a triangulation perspective, I wanted to understand if my hypotheses and intuitions were coherent with what had happened after I left them. So I looked at official public documents where, every year, companies must deposit their balance sheet and governance structure. What follows is a summary of this information; its dynamic implications will be discussed in section 4.3.1.2 on the main themes and in Chapter 6 on the similarities and differences in the two case studies.

In 2011, Claudio was the President of the Board and CEO of the Cangiani Group and had about 85% shares of the bare property given in usufruct to his offspring Ignazio, Stefano and Maria, who also owned the rest of the shares (see figure 4.2).

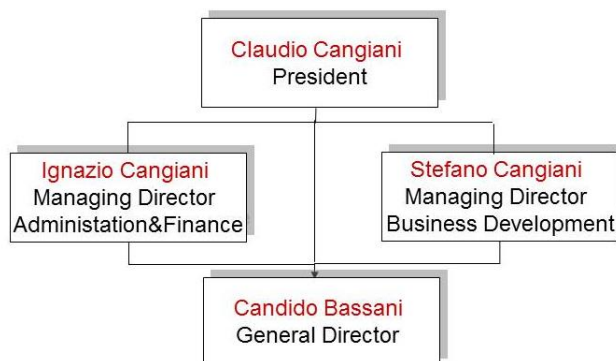
**Figure 4.2 The Cangiani Group Ownership 2011**

- Claudio bare property: 28% to Ignazio and Stefano, 29% to Maria
- Ignazio
- Stefano
- Maria



Claudio, his wife Elena, Ignazio, Stefano, Maria and Mimmo Colli, as an external board member, were part of the Board of Directors. Candido Bassani attended the Board of Directors' meetings in his role of General Manager. The company top management consisted of: Claudio as President, Ignazio and Stefano, both Managing Directors and Candido, as General Director (see figure 4.3).

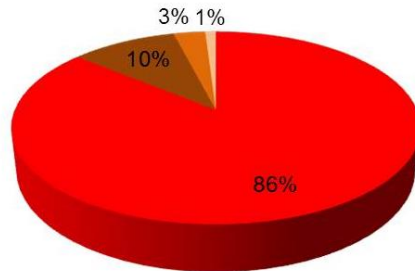
**Figure 4.3 The Cangiani Group Top Management until 2011**



In 2012 things had changed. Claudio was still the President of the Board and CEO of the Cangiani Group, a shareholder having usufruct of 85% of the bare property with Stefano and Maria as beneficiaries, Stefano was a shareholder and a board member. But the great difference was that Stefano was also Group CEO and no longer a Managing Director together with his brother, and Ignazio was no longer a shareholder or a Managing Director, but only a Board member. Furthermore, the Cangiani Group itself owned 3% of the shares. Maria and Elena continued in their previous roles. Therefore Stefano was in charge, the generational transition had taken place and the shared leadership with his brother Ignazio was over. All this will be further discussed in the following sections.

**Figure 4.4 The Cangiani Group Ownership 2012**

- Claudio bare property: 57% to Stefano, 29% to Maria
- Stefano
- Cangiani Group
- Maria



**Figure 4.5 The Cangiani Group Top Management 2012**



#### 4.1.5 The economic and financial situation of the Cangiani Group

Although in a psycho-social studies research study hard economic data can seem overwhelming and redundant, in terms of triangulation, data regarding the turnover (figure 4.6) and the number of employees (figure 7) through the years is further evidence of the dynamics which occurred and will be discussed further.

**Figure 4.6 Mimetex, Rione and the Cangiani Group turnover 2000-2012**

	2000	2008	2009	2010	2011	2012
Mimetex	€20 mil.	€35 mil.	€30 mil.	€21mil.	€20 mil	
Rione			€25 mil.	€16 mil	€17 mil.	
1. Manuf.			€22 mil.	€9.5 mil		
2. Service			€3 mil	€6.5 mil		
Cangiani Group					€ 37 mil.	€39 mil.

This figure shows quite clearly how, in terms of turnover, Mimetex, the manufacturing company, grew from 2000 to 2008, until the start of a decline. Also at Rione, the company managed by Stefano alone, the manufacturing part of turnover decreased in those years, but at the same time there was a strong increase in the service activities which Stefano initiated and this allowed Rione to develop and bring important assets in the merger into the Cangiani Group. Due also to the service activities, in 2012 the Cangiani Group overall turnover was about €39,000,000, with further growth prospects.

A similar development can also be traced in the number of employees (figure 4.7), which increased after the merger of Mimetex and Rione.

**Figure 4.7 Mimetex, Rione and the Cangiani Group employees 2009-2012**

<b>Employees</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Mimetex	121 - 4 <i>managers</i>	110 - 4 <i>managers</i>	114 - 5 <i>managers</i>	
Rione	41 - 2 <i>managers</i>	42 - 2 <i>managers</i>	54 - 2 <i>managers</i>	
Cangiani Group	162 - 6 <i>managers</i>	152 - 6 <i>managers</i>	168 - 7 <i>managers</i>	179 - 10 <i>managers</i>

The total number of employees includes the managers who are indicated in italics.

#### **4.1.6 Key family, business and the Italian context events**

As stated in section 3.5.1, I have made a chart here below of the Key Family and Business Events based on the chart developed by Sharma *et al.* (2013). Figure 4.8 illustrates my elaboration of Sharma *et al.*'s chart with the history of the Cangiani family and their business presented in the previous sections and is an overview of its development. One should look at it both from a vertical and a horizontal perspective.

**Figure 4.8 Key family, business and the Italian context events chart** (elaboration from Sharma *et al.*, 2013).

<u>Year (past events)</u>	<u>1 - Key family events</u>	<u>2- Key Business events</u>	<u>3- The Italian Context</u>
Early 30s	Birth of twins Claudio and Ignazio Cangiani		Fascism, pre-WWII

Early 50s	<b>Death of Ignazio Cangiani, in a car accident, Claudio was at the wheel</b>	Claudio goes to work in his father's company	
Mid-50s		<b>Claudio enters Mimetex with a partner to emancipate himself from his father</b>	Post-war recovery Marshal Plan – industrialisation
Late 50s		<b>Claudio becomes a public figure</b>	
Early 60s	Birth of Ignazio Cangiani first and a few years later Stefano Cangiani	<b>Conflicts with the partner. Claudio buys out his business partner</b>	Start of Italian economic boom
Mid-60s	Birth of Maria Cangiani		
The 70s	The Cangiani family blackmailed and threatened, they need armed protection;  development of wealth		Social tensions and unrest, unions, Red Brigades
Mid-80s	Ignazio gets his university degree, then he works outside the company		Italian golden industrialisation period
Late 80s		<b>Ignazio starts working in the company</b>	
Early 90s	Ignazio, in his thirties, gets married  Claudio is entering his sixties	<b>Stefano Cangiani enters the company</b>  The company has a period of crisis due to the external context	End of industrialisation and beginning of service industry. End of the First Republic – Italian lira devaluation – start of the Berlusconi era
Mid-90s		Purchase of Rione  Candido Bassani enters the company	
Late 90s		Candido Bassani leaves the company  <b>Stefano goes to work at Rione</b>	
Early-Mid 2000s	<b>Claudio is in his seventies</b>  <b>Ignazio, in his mid- forties at the time, has an emotional breakdown, and is hospitalised</b>	Candido Bassani returns  <b>Ignazio stays away from the company for a few months.</b>  <b>The <i>Big Mistake</i> crisis, the company lost more than 1 million Euros</b>  <b>Mimmo Colli becomes the CEO of Mimetex</b>  <b>Stefano becomes the CEO of Rione</b>	<b>The decline due to globalisation and competition from the Far East</b>

End 2000s	<b>Claudio retires</b> <b>Ignazio is in his fifties</b>	Mimmo Colli's mandate finishes. Candido Bassani becomes Mimetex General Director  <b>Very difficult years – start of re-organisation and creation of Cangiani Group holding for Mimetex</b>	<b>Lehman Brothers tsunami and the start of the recession</b>
2011		<b>Merger by incorporation of Mimetex and Rione</b>  <b>Stefano becomes the CEO of the Cangiani Group and Candido Bassani the General Manager</b>	<b>Worldwide recession</b>  <b>Economic and Political crisis in Italy, fall of the Berlusconi government</b>
2012	<b>Stefano is his fifties</b>	<b>Ignazio is no longer a shareholder, but still a member of the Board of Directors. Shares still all in the family</b>	<b>Worldwide recession</b>  <b>Very deep in Italy</b>
2013	Claudio is his eighties		The recession continues strongly

### *Comments and Observations on the Key Events Chart*

If we look at the three vertical columns starting with the one on the right regarding the Italian context and link it with the two other columns, the key family events and the key business events, we can observe some interesting issues.

1. The type of development of the business (column 2), born from the need of Claudio Cangiani to emancipate himself from his father (internal family dynamics – column 1 and 2) is directly linked to the history of, on the one hand, the post-war Italian economic manufacturing boom (see section 1.4) of which Mimetex was a protagonist and drew benefit in terms of success. On the other hand, in the so-called “dark years of the 70s” of social unrest, conflicts and terrorism, Claudio’s public political involvement and his entrepreneurial activities were challenged and threatened. Furthermore, in the 80s the company developed and strove, with a crisis in the early 90s which was also a difficult economic period in the country and had an impact on most companies. But it is also when Claudio was in his early sixties, a turning point in a person’s life, the

moment of retirement at that time<sup>20</sup>. So the matter of Claudio's retirement inevitably started to get into the system, although it was not declared. Since the early 2000s manufacturing in Italy is no longer as competitive nor as convenient as it was. Culturally it was the fall of the Italian dream of continuous growth and possibilities, of a whole entrepreneurial system, of a way of managing companies which had lasted almost 50 years. Claudio Cangiani was one of the best representatives of that world that was falling apart. In the early 2000s he was in his early seventies, he had lived his life, but he still could not retire, as most of his colleagues in Italy and in his community could not. Although he was open-minded and looked towards the future his "business and management model" with its main focus on manufacturing products was probably obsolete. Also his products seemed *old* and could not meet the market needs any more. During the mid-2000s crisis they quickly had to change the product which represented 60% of their turnover. New ideas and blood were necessary, for example a shift from manufacturing to service activities, as happened first in Rione led by Stefano and then in Mimetex. This change in the business, the service activity, brought to the system by Stefano, saved the company and guaranteed its future.

2. Although the previous crises and difficult moments in the Italian context affected Mimetex business and its development (in terms of columns 2 and 3), Claudio remained the undisputed sovereign as an entrepreneur. He was able to live his life as an entrepreneur and as a public figure for about 50 years, having two full careers. At the end of the 80s/beginning of the 90s, when Ignazio and Stefano entered the company, nothing really changed in the leadership system. But as Gersick *et al.* (1997, pp.15-16) argue "many of the most important dilemmas a family business encounters are caused by the passage of time".
3. As I mentioned in the introduction of the history of the company, I made a list of the crises in sequential order, starting from the early 2000s.
  - Early 2000s Start of the company crisis due to the economic downturn
  - Mid-2000s A difficult time, Ignazio's breakdown

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<sup>20</sup> Retirement age has been shifted to over 65 since 2011.

- The *Big Mistake* turning point, an external Managing Director, and towards the Cangiani Group, also with a new business model
  - 2008 The worldwide economic tsunami
  - End of the 2000s Claudio Cangiani's real retirement
4. So, since the early 2000s, crises have touched both the family and the business and, also, in the last two years, its company governance. Some important unresolved family dynamics which had been latent for many years, hidden, kept under the carpet, emerged in a dramatic way, in a terrible mixture. When Claudio was in his early seventies and his two sons Ignazio and Stefano were in their early forties, the generational transition could/should/did start. The moments of transition are a long or short process of alteration from one state to another or from a structure/structures to new ones and an alignment is necessary (Amado and Ambrose, 2001). For example the old containment mechanisms, such as the charisma of the leader, need to be rethought and reinvented. In family business in these moments there is a continuous tension between tradition or continuity and innovation (Kaneklin and Brunner, 1997). This is the most delicate time for a system, the old equilibrium is challenged and the new one is not yet born. During transitions the old unresolved issues can no longer be kept beneath the surface or be denied (for example trauma) and they come into the open. This is why generational transitions are often so complicated. In part 2 of this chapter on family drama and crisis, these issues will be addressed in depth.
5. It took nearly 8 years (from the early to the end of the 2000s) for Claudio to start to retire and to pass on "the conductor's baton", only partly, to his sons. In these eight years the Cangiani Group's survival was threatened both by the external context of globalisation and the market and by internal family dynamics and drama, such as the *Big Mistake*. In terms of the Gersick *et al.* (1997) family business developmental model, they passed from a "Controlling Owner" to a "Sibling Partnership". From a charismatic leadership under Claudio to initially a shared sibling leadership of Ignazio and Stefano for a short time, but then only of Stefano as a new, different charismatic leader.



## 4.2 The main actors

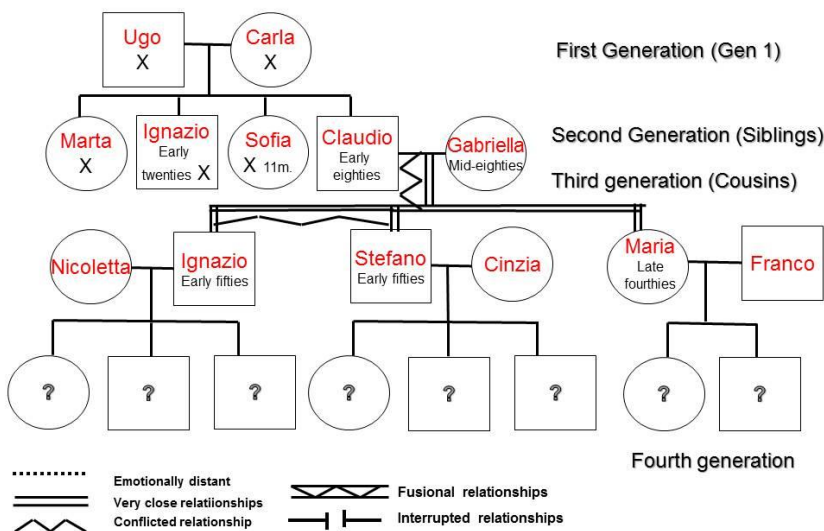
In the last sections of part one I will present the main actors who I met on the company scene. Each of them came into the scene in a different way according to their personalities, with a different agenda and vision of the future of the company.

I will introduce the Cangiani case protagonists first of all through a genogram, then I will describe each of them using my notes after each meeting in my reflexive research diary and finally I will address the family system and values as it emerged from the interviews and the meetings. These sections are more relational, emotional and personal and are based on the meetings of the researcher and the research subject.

### 4.2.1 The Cangiani family genogram

In section 3.5.1 I illustrated the genogram from a method's perspective. As stated there the genogram I am presenting here below in figure 4.9 was inspired by the work of Kets de Vries *et al.* (2007).

**Figure 4.9 The Cangiani family genogram (elaboration from Kets de Vries *et al.*, 2007)**



### *Comments and observations on the genogram*

Looking at the Cangiani genogram, starting from the top, there are Ugo and Carla, Claudio's parents. Ugo and Carla had four children, the first female child Sofia died when she was 11 months old, then came a second female child, Marta and later the two twin boys Claudio, now in his early eighties, and Ignazio who died when he was in his early twenties in a car accident in which Claudio was at the wheel. Looking at the second line, Claudio married Elena who is in her mid-eighties and older than Claudio. Elena's age was never mentioned in the interviews, I discovered it later from official public documents. Looking at the next generation Claudio and Elena have three children, the sons Ignazio and Stefano in their early fifties and a daughter Maria in her late forties. Very little was said about Ignazio's and Stefano's spouses and their background. They do not work but take care of the children. Ignazio's and Stefano's wives are present in their mind, as a part of their personal life and system. They presented a traditional patriarchal way of seeing their marriage and family. Maria, the daughter of Claudio and Elena, and the sister of Ignazio and Stefano, was described as a beautiful women not involved in the business. Ignazio has two daughters, Stefano has a son and two daughters and Maria has two daughters. So the only one who has a male heir is Stefano.

In terms of the genogram's simplifying pictorial way of illustrating relationships, all the Cangianis from Ugo and Carla to Ignazio and Stefano showed the same type of relationships through the three generations. Their relationships could be drawn with two types of lines: very close relationships and at the same time conflictual relationships. There was always a tension between these dimensions in the interviewees' narratives. I will address the idea I have developed about the Cangiani family system and values in section 4.2.3.

#### **4.2.2 A pen portrait of the main actors' character**

As already stated in section 3.5.1, I will try to briefly portray the main actors from my experience in the research meetings and from the notes of my research diary (in italics).

### ***Claudio Cangiani, the father***

*While I was briefly presenting my research and before I was able to turn on my tape recorder, he interrupted me and did not want to listen to what I was saying and said, let's start, I have little time. I said I wanted him to be sure that he was aware of what I was doing and he said, that he trusted me. This is typical of entrepreneurs...Then he talked for one and a half hours. I think he liked me and I liked him. At the beginning of the interview he addressed me as Mrs Brunner and at the end as Doctor Brunner, which is normal in Italy for anybody who has a university degree. But I felt he understood my work and it was a sign of respect.*

My view is that Claudio is a brilliant, very capable man, a first generation entrepreneur. He is open-minded, a wonderful person, passionate, strong, and charismatic, straightforward, very direct, a good negotiator. He is a man of strong values and principles, a typical paternalistic entrepreneur. On the one hand, he is very fast, decisive, self-confident, intuitive, a bad and a good listener at the same time. On the other he is controlling, oppressive, takes a lot of space, critical and judgemental and very anxious. He is a man in pain, but he fights against it, taking part in many activities, thus projecting on the outside world his pain and anxiety, which may be his way of managing it. My impression from the responses was that he is also a fascinating person.

*In wishing me goodbye Claudio said I hope to see you again, but he emphasised the sense, I do not know if I will be here. Retiring seems an impossible task for him and he is aware that it is time, a time he does not like.*

### ***Ignazio Cangiani, first son***

*When I showed Ignazio the informed consent he was very concerned with confidentiality and many details about the way I would use the material from the interviews (what a difference from his father!) As described in 3.7.1 and to be further discussed in 6.2, I reassured him and we were able to move forward. During the interview he repeated several times "I can say this because we are in the*

*confessional'*, as this will be further discussed in 6.2, I felt that it was a sign that in some way I had gained his trust.

From a personal point of view, the picture I have developed of Ignazio Cangiani is of a very bright man, sensitive, controlled emotionally, although warm and caring. He seems very reliable, but appears heavily loaded with both emotional and practical responsibilities. He deserves a lot of respect. In terms of personality he seems meticulous, quite vulnerable and fragile (he has had an emotional breakdown). Ignazio Cangiani seems quite dependent on his charismatic father and brother, quite submissive. He is not very strong nor charismatic, although quite resilient. As he says, he feels more like a manager or an executive than an entrepreneur. He has problems in making a decision, he needs to have everything under control. He seems quite stuck, in a way he does not seem fully able to stay in the company nor to leave it. Stefano said, *Ignazio takes care of the things of others... when we were abroad he would let us know that there was a thunderstorm at home...he takes on a lot of loads. Our father and mother have always given him a number of responsibilities.*

*When I met Ignazio Cangiani for my second interview, he came in with a serious face... and hardly smiled. My experience was completely different from the first time. I realised that I did not remember him very much physically. During the interview he smiled only when I asked about personal emotional questions.*

### **Stefano Cangiani, second son**

*Stefano considers himself the heir; both father and son said that they have similar characters. I felt at ease during the conversations with Stefano, although at some moments it seemed that he was in a hurry, but he engaged deeply with me.*

Stefano seems to be more independent than Ignazio and able to keep a distance from his father and he has created his own new business. He said, *My father reproached me for not communicating...I would take the car and go on holiday...I told him I prefer to do things independently...I brought this also in my work...therefore I have created a series of things.* He has a good entrepreneurial spirit, passion, strength and the energy,

he represents the future. He is able to take the company into new domains. He is quite charismatic and powerful. He is good at delegating and organising his work. In terms of personality he is a bit rough, impatient, quick, and very decisive, he could be an Israeli Sabra, like a prickly pear, harsh outside and tender inside. Probably he is too much of a dreamer and needs somebody behind the scenes who can help him to keep his feet on the ground; he is a non-calculated risk taker which can be positive for exploring new territories of business, but also risky. He has the same entrepreneurial spirit as his father, but Stefano wants to enjoy life and have time for his family and his privacy, he does not want a public life. My impression was that he considers women's role to be mainly in the household and in terms of emotional support. Stefano is a strong presence. Furthermore, he is the only one who has a male offspring.

*My second interview with Stefano Cangiani was the last interview and meeting with the Cangianis.*

***Candido Bassani, General Director***

*He read the informed consent and when I told him that I am a part-time student he immediately wanted to know about my consultancy work and my clients (he knew one of them). Was he trying to control me? Or was he asking for help, was he checking my credentials?*

*He comes from the town where the Mimetex plant is located and he is well-established in the territory. He started working in the Cangiani group after university and climbed the career ladder.*

He seems not very emotional, ambitious, driven mainly by economic needs. It is difficult to describe Candido Bassani in a colourful way, since his conversation was quite boring, slightly trivial. He is quite indecipherable, a typical example of an Italian manager of a family business: loyal and at the same time diplomatic and clever at following his own interests.

### 4.2.3 The Cangiani family system and values

As a conclusion of this part of the chapter, I will illustrate some ideas I developed on the Cangianis' family system and values from the interviews, my personal observations and ideas collected in my research diary and from reading an extract of the history of the company and all the financial documents in general.

1. *Family unity.* Family, as an idea, a concept, an ideal and a value is the most important aspect for the Cangianis. Stefano said, *family is more important than anything else. If I had to fight with my brother or father for the company, for these stupid things...mmmh, I would go to do another job...for me money is not important...I see other places where they kill each other for money.* At the time of my interviews, unity of the family was exhibited as the most overt untouchable value. Family unity came above anything else, beyond conflict and money. They said that they have continual conversations, they need to be constantly in touch and it is another important aspect in the family system. Stefano said, *We see each other, we talk every day wherever we are around the world, in any case we talk: with my sister, my mother, my father...* They live close to each other, they go on holiday together. Stefano said, *We are very united...* He also stated that *we work all year together and then we go on holiday together.* The emotional dimension is very important in the Cangiani family. Stefano argued, *the family often thinks with the heart, with the guts more than with the head.*

They talked of each other in a respectful way although they acknowledge conflict. It seemed that conflict hasn't been too apparently destructive. They were aware of and recognised their personality differences. Ignazio said, *my father and my brother have a similar personality.... I am a person who likes to prepare things...I prefer to prevent than to cure. My father and brother act, do, decide and go on, after that if there is any mess, they will settle it in some way; I prefer to prevent. There is a different approach between my brother and myself. We love each other a lot, we get on very well, but we have two totally different ways of working.* Competition was probably partly avoided through emulation (Stefano) and control (Ignazio, who thinks and worries about risk).

As for many entrepreneurs Mimetex is like a child for Claudio. Stefano referred to that: *I have defined the company as the third sister...this is what it is for him, there are the other companies of the group, but this one is in his heart.*

2. *A patriarchal family.* Claudio is a “heavy” or overbearing father. Ignazio also said, *between the two of us, my brother suffers the presence of my father more..., but then he is the one who goes to ask his advice. I do not mind that he is still here from an executive point of view.*

It is a patriarchal, traditional and paternalistic family culture: the father is deeply respected and difficult to challenge, although conflict is acknowledged. In Italian he would be described as “padre padrone”, (father owner as described in section 1.4) although he is enlightened and apparently open. Candido Bassani stated *this is a family which is inside the company, absolutely active inside the company, they are able to respect the mandates...they have a high sense of responsibility...This is an enlightened family, they have many assets, a good cultural background, very serious also in their relations with the staff... few others have the same level of seriousness, this is not common.*

There was a chauvinistic idea of women, of the mother and the sister who are not present in the company. I did not interview them or have access to them, although I asked to do so. They were mentioned when I asked about them. Stefano said, *I would say that my mother has been the one who created the family in some way, the family centre, because my father had a life very much outside the home, the one who kept the family together was Mummy.* Claudio said, *I have a wonderful daughter, she has a university degree, now she is a mother and has left professional life.* The wives have been mentioned as “Angelo del focolare” (Angel of the hearth), they are the family glue at home. Stefano said, *my wife does not work, she is a full-time mother, now she has this passion for psychology and she is attending a course.*

3. *Life style.* The Cangianis strongly value understatement in style and behaviour and they do not seem to attribute great importance to money. They do not like to show off and do not want to be more visible and in an exposed position in

their community (and attract further envy?) In any case the image of the family is of a powerful family, due to both Claudio's public role and their wealth. You "smell" the power in any meeting with them, power more than money seems a value for the Cangianis.

To briefly sum up, the Cangianis appeared as a very united and value-based family, although conflicts were acknowledged and described in the interviews. It is difficult to assess if this unity is collusive, a defensive mechanism against harsher conflicts and destructiveness. Most probably there is a continuous tension between close and fusional relationships and a healthy unity. On one side, the Cangianis' unity or coalescence could reflect the collusive dynamics of the inside of the family perceived as good, protective, nurturing and the outside dangerous and threatening (for example the threat of the Red Brigades). On the other side, the family culture is very controlling (for example talking to each other all the time). Furthermore, the Cangiani family is a traditional patriarchal Italian family in its behaviour and its values, in which unity and family come before anything else. Women stay at home and men in the public arena. The relationship with their employees and staff is enlightened and paternalistic. And they are also very respected by their community for this type of culture.

It is also a family traumatised by the tragedy of the death of Claudio's twin brother and also of his baby sister. The death of Claudio's twin brother in the car accident is present in the family discourse and shapes, consciously and more unconsciously, the culture of the family. Claudio said that *this tragedy changed his life*...Ignazio said, *my grandmother especially was gloomy all her life...she lost two of her children* (Sofia when she was a baby and Ignazio when he was just a young man).

In the following part of this chapter, I will analyse and connect, much more in depth, the themes presented in this section and try to present some hypotheses on the Cangiani family and overall business dynamics.



## Part 2

### 4.3 Family drama and crisis: main themes in the Cangiani Group case

In section 3.3.2, I have described how the second part of this case study and the one in Chapter 5 have been built in terms of method and the main themes identified. So in the next sections the main themes will be addressed, following the order in which they emerged from the material. Nevertheless all these themes are historically important time-wise and for the whole storyline. Furthermore, some other themes in the material will be mentioned, but not examined in depth in this chapter, because on the one hand, although significant, they are less central. On the other hand, they also have been traced in the second case study described in Chapter 5, therefore they will be discussed in the common themes in the two case studies in Chapter 6.

#### 4.3.1 The legacy of trauma

The first person of the Cangiani family I interviewed was Claudio, the founder of Mimetex. His fourth or fifth sentence was about the tragedy that affected his family when his twin brother died in a car accident. This was the most important entry point and one of the two main psychosocial themes in the whole case study. It was what Hilburt-Davis and Gibb Dyer Jr. (2003) call a “nodal event” in the history of a family. These authors argue that often a “nodal event” is followed by the start of a new business or a change in one’s life. During the interview with Claudio the death of his brother was in my mind all the time, I immediately felt it was an essential point. I wanted to bring it into the conversation, to know more, but I was scared to bring up such pain again. I kept it in mind, but rigorously used a F.A.N.I. (Hollway & Jefferson, 2013), in offering only an overall frame through the initial question about the interviewees’ life history, but letting them follow their own flow and eliciting the issues to emerge when brought on the scene by the interviewee. It was only at the end of the interview that I managed to ask Claudio about the accident and he said, *by the way, I was at the wheel ... therefore you can imagine...you feel guilty, you feel guilty... It was so devastating,...but I would like to change the topic, if you have not had a twin you cannot understand...I said I have two twin uncles and this helped Claudio to continue it is in you, you feel that you continue to live... I have gone every year, on the day of the death of my brother ...there is a Mass. And Claudio added what a destiny, we were in*

*an open car, we both loved cars and driving, an incredible event. We were only 30 km from home, I said to my brother you have driven half way, now it's my turn to drive, we exchanged places and then a cyclist suddenly crossed the road, nothing could be done, the cyclist bumped into us and crashed over my brother, he died and I was not harmed. My father had a lot of dignity in his pain, my mother was always crying at home, while my father would laugh. I would not say laugh, but nearly, he was trying to bring some serenity, calmness. But I discovered that he cried in the office.*

*Stefano Cangiani said My father is an extraordinary person, he should have had the opportunity to have therapy after his brother died, those are fatal shocks, a twin brother is not something banal, he could think that he had killed him, which was not true, but he was at the wheel...all his life has been impacted, his life has been a race, from my point of view, to show to himself, first of all, then others...that he was not the one who harmed his brother, but he is a person who has some values inside and has his own value...*

When I realised the traumatic dimension in the Cangiani case, I thought that it was not what I really wanted to research. I wanted to research more “normal” crises, not all crises are necessarily a traumatic situation. Due to my personal history, as I have presented in Chapter 1, I am close to trauma issues. But then I said to myself “trauma calls forth trauma”. Although in the Cangiani case it is about a very different type of trauma from that experienced by my family, it seemed destiny that I could not get away from it.

Claudio was not held responsible for the accident. Reading a published document (the source of which is withheld for reasons of confidentiality) a slightly different version of the events is presented. It does not say that the cyclists (there were two) crossed the road, but just that the road narrows where the accident took place and was not well lit. Claudio braked to avoid running over the cyclists and when braking he hit them on his right; they fell and sustained some minor injuries. The car overturned and Claudio managed to hold on to the steering wheel, while his brother Ignazio first hit the dashboard and was then thrown out of the car onto the asphalt. He hit his head and

died on the way to the hospital. Although the document confirmed that it was a fatal coincidence, in Claudio's case, as also happens in people affected by PTSD (Post Traumatic Stress Disorder) "the incident is remembered though incompletely or in fragments" (Rothschild, p.41) and trauma overwhelms the capacity of representation of the facts, as described also in section 2.2.2.1. The idea of a triangulation with this document came through supervision some years after the interview and was suggested by my supervisors, after three presentations on this case study and some supervision. I did not think of checking this information immediately: I had relied on /trusted only Claudio's memory and my intuition. Due to my trans-generational traumatic background, I might have been easily contaminated by Claudio's narrative and colluded.

In the Cangiani case a real traumatic object-loss occurred which impacted the internal, fantasy, symbolic and psychic life of Claudio. As suggested in section 2.2 by Mitchell (2003), trauma leaves "a gap within" (Mitchel, 2003, p.9). Gould (2004, p.14) says that "a now well-known and agreed upon aspect of trauma – namely, [is] that it destroys or seriously interferes with the process of symbolization and the making of appropriate links, both internally, to the traumatising event itself, and often to others. For example, survivors most commonly do not share their experiences, even with those closest to them". From my understanding, Claudio's traumatic experience is not a family secret nor taboo that cannot be mentioned, he spontaneously talked about it in the interview and Stefano did too in the second interview and also said *that there was always a heavy atmosphere hanging over Mimetex...* Although this traumatic event was openly spoken of by the Cangianis as tragic in the family's history, it felt as if it was something which just popped up alone, related to the past, not connectable to the present, a sort of untouchable ghost (Coles, 2011) in the wardrobe which needed to be kept separate from business life. The consequences manifested themselves, on the one hand, in Claudio's work and career choices as described below in section 4.3.1.1 and, on the other hand, it had a deep impact on the generational transition, as addressed in section 4.3.1.2.

#### 4.3.1.1 A life of two persons

Stefano emphasised his father Claudio's anxiety, his constant need to compete and said *My father is an anxious person ...he lives nearly all the time in a condition similar to apnoea in his breathing, he is a generator...he is anxious and he generates anxiety near to him. My father's great hurry has been transmitted in the form of anxiety to my brother and myself. And in his rush we did not have a destination...He is unable to be at peace... my father has a story that made him be competitive always...there was a competition with us... When we were young boys and he would go to sell the company products far away....he would come back and say I took the car and I never stopped, I did not eat...if now he goes skiing he says, "Guys I went up to an altitude of 3,500 metres, I have not eaten" ...if he had the opportunity to follow a different path, he would be more extraordinary...not only for others but for himself, we carry this heavy heritage.* Ignazio said that perhaps some situations of the family of my father... some of his attitudes can be understood in that way...he is more sensitive than others when one talks of car accidents or other things...My grandmother, especially, was grim for the rest of her life.

Rothschild (2011, p.20) argues that in "traumatic stress, the reaction to a life-threatening event, pushes arousal in the nervous system to extreme responses of flight, fight and freeze. While other types of stressors can be very, very upsetting, it is the release of these survival responses that distinguishes trauma from other forms of stress". Without going into depth with regard to the theme of traumatic stress and its reaction, which is not the purpose of this research, associatively, reading this paragraph of Rothschild's, I thought of Claudio and his reaction, which from the narrative in the interviews could fit with a flight and fight one.

Wardi (1992, p.109,) who worked with Holocaust survivors talks about "hyperactivity due to restlessness" as a way that "served as psychological defence" to manage the guilt of being a survivor and come to terms with death. Wardi (1992, 116) suggests that, according to Danieli (1980) survivors can develop several reactive patterns, the "fighters", "those who made it", the victims and the "numb families". Obviously Claudio Cangiani belongs to the "fighters" and those who made it. It seems that a symptom of

the pain of his traumatic experience is his constant anxiety and the ongoing race, described by his two sons, especially by Stefano.

My feeling is that to manage the post-traumatic early adulthood anxiety symptoms, to fill the hole or gap left by the death of his brother, Claudio had to have a life for two persons. He managed to have two successful careers – the entrepreneur and the public person. Mitchell (2003, p.9) argues that, “imitating the presence or the object which created the hole in the body or psyche is crucial” in trying “to fill the gap that trauma opens up”. Ignazio, talking about his father in the company at the time said *surely my father is still a reference point in the company. He founded it and he employed most of the people...they know him, therefore he is an important presence...* About his experience as a public figure Claudio said *that is a form of pride and a consequence of his belief in the need to do things to serve the community. I feel the desire, the availability and the pleasure to devote time to others also. The other side of the coin is that it rewards you and one's personal ambition to have a role and to be recognised as a leader.*

Piontelli (2007, p.412), a medical doctor expert in maternal/foetal medicine argues “Monozygotic (or so-called identical) twins share all their genes, while genetically speaking, the dizygotic twins are like ordinary siblings”. But emotionally a very special and close type of relationship inevitably takes place between twins in a continuous tension between acknowledging sameness and searching for one's identity. Lewin (2006, p.184) argues that “The close contact of the unconscious” in the preverbal phase creates an experience of “a complete understanding without words” (Lewin, 2006, p.184).

Claudio's “double career” would seem to confirm Mitchell's (2003) above-mentioned idea, that a way of filling the void, as a consequence of a traumatic experience, is by imitating “the presence or the lost object” (Mitchell, 2003, p.9). Claudio lost his twin brother, although not an identical twin.

My understanding of Claudio's two careers is that it was a "flight", typical of a continuous schizoid-paranoid state of mind. It was a way of coping with all the terrible emotions and guilt for having survived his brother and most probably an unconscious (perhaps not so deep) fantasy of having killed him, committing fratricide.

Claudio has been a man escaping all his life from his anguish and guilt, always in an ongoing race with himself and others, as the possibility of relaxing came to an end that night in the car with his brother.

Claudio and his family paid a high price for this flight from the trauma. His sons suffered a lot. Stefano said that his father had a lot of public visibility and as a consequence they seemed to lead an isolated life (see sections 4.1.1 and 4.2.3). Obviously Claudio was never at home and his children missed his physical presence, although his emotional one was very strong due to his charisma (I will talk of the impact of Claudio's character and his charisma in section 4.3.2). As already reported in section 4.2.3, Stefano said that their *mother was the one who kept the family together...* Although this division of roles, the man outside and the woman at home, is the typical middle-class Italian family culture, in the Cangiani case it was amplified by Claudio's double career as a reaction to the trauma.

From a psychoanalytical perspective (Blum, 2003, Gould, 2004, Rothschild, 2011), it has been discovered that reaction to real trauma depends both on the social and cultural context and support system and on personal history. A real trauma can reactivate old real or fantasised traumatic experiences in the early years of development. However a research context is different from a therapeutic one. Gould (2004, p.4) says "all psychoanalytic treatments not only are, by definition, re-traumatising, in that they bring to consciousness painful, repressed experiences of early traumas (both external and/or elaborated in fantasy), but depend on re-traumatisation for their therapeutic effect". A piece of research carried out with a "life history" method can be re-traumatising for the interviewee, can reactivate old traumas, but in most cases the research setting does not allow one to go deep, as in a

therapeutic one; it is not its task, but some epiphany can emerge also through a brief research meeting. This will be further addressed in the next sections.

#### **4.3.1.2 Trans-generational trauma transmission**

I am going to recall what happened between the early 2000s and 2011 in the Cangiani case from a psycho-dynamic perspective to show the complexity of the trans-generational trauma transmission path. As already stated, in the second interview, I presented Ignazio Cangiani with a sequence of what I identified as several linked crises (see this list on page 118-119 in section 4.1.6). Ignazio was surprised to look at them as connected one to the other. This confirms what I already suggested in the previous section that in a traumatic context “appropriate links” (Gould, 2004, p.14) are very difficult to identify and are defensively kept apart or separated. As already described in section 4.1.2 on the history of the Cangiani Group, the interviewees talked of a first crisis in the early 2000s due to a downturn of the market. At the time Claudio, then in his early seventies, was still leading the company. The mid-2000s were difficult years for the company, they had to sack 20 employees and they had problems with the banks. Ignazio, at the time in his early forties, said that he had to carry out all these tasks and subsequently had an emotional breakdown, being hospitalised and away from the company for some time. It was found that Ignazio’s Cortisol level was too high, a sign of the excessive work and emotional load and stress accumulated through the years. He stayed at home, away from the company, for some months.

Interestingly, in my research diary I wrote, *neither Claudio nor Stefano had talked to me about this crisis (of Ignazio) and they knew that I was researching crisis, why?* It was as if they perceived it as a personal matter regarding Ignazio. But connecting Ignazio’s breakdown with the company’s events through a systemic lens, both in terms of family and organisational system (Kets de Vries *et al.*, 2007), might have been a signal of the start of a breakdown of the system which was difficult to recognise and acknowledge at the time because of the difficulty the Cangianis had in linking personal events and the business?

As already mentioned, in the mid-2000s the company nearly went bankrupt due to a mistake made by Claudio and his team, the *Big Mistake*, when they put the wrong prices (too low) on their product and, although they addressed this, they could not cover the costs. Ignazio said *it was the result of some decisions that were taken or not taken, that clearly upset the system...*

In the mid-2000s Claudio was in his seventies, definitively in Erikson's (1998, p.61) last phase of life called *Old Age*. In this last life stage, the person is confronted with death coming nearer and Erikson identified two polarised states of mind. *Integrity*, which (Erikson, 1998, p.65) "in its simplest meaning is, of course, a sense of coherence and wholeness" and manifests itself through *wisdom* and mature hope. The other mental state is *despair* expressed through disdain, "a reaction to feeling (and seeing others) in an increasing state of being finished, confused, helpless" (Erikson, 1998, p.61). At the same time the company was about 50 years old, a long time for a firm and for a single leadership which is quite common among Italian entrepreneurs who founded their companies in the 50s, the time of the great post-war recovery in Italy, and do not want to give up their leadership. One of the consequences of such a long leadership, from a business point of view, is that the market and its rules in the old entrepreneur's mind are no longer the same as the real market as it has developed through time. Often these leaders do not know the market anymore and the practices that are needed. They no longer have the full capacity to forecast and operate in the new context. I asked myself if both Claudio and the company were ending a cycle and if it was the last opportunity for Claudio to "reign supreme" and remain as confident as he was of himself then. I hypothesise that he took a risk in making certain decisions which were probably not realistic in a changed market. Perhaps it also was an unconscious act or a reaction to despair due to his aging and proximity to retirement and death.

My understanding at the time was that Claudio's retirement was a taboo topic, it was something impossible to conceive of for the man with "the life of two persons". Ignazio, who represented the new generation and should have had a better understanding of the contemporary market, had a breakdown a few years earlier and was still recovering and trying to find a new emotional place. Furthermore, as already mentioned, in terms



of personality Ignazio is a very cautious, controlling and analytical person, he said *I prefer prevention rather than cure...* I asked myself if Ignazio could have helped Claudio to understand and reflect on what was going on in the market and perhaps have prevented the *Big Mistake*. From a systemic point of view I would argue that Ignazio unconsciously was “sent or pushed away” by his breakdown so Claudio was free from his analytic insights, caution, and could do what he wanted and pursue his ideas. In this way Claudio could try to enforce his declining leadership once more, but this time in a destructive way.

From this perspective it seems that the game was mainly between Claudio and Ignazio. Stefano said, *In the company there was always a heavy atmosphere...Ignazio is a pessimist too ...here we would shift between optimism and pessimism...I started to collaborate with Rione, a company in a different region...* So Stefano, also due to his independent personality, escaped and was not involved, cleverly founding his own new kingdom, going to work far away at Rione.

After the *Big Mistake*, Claudio’s “absolute reign” collapsed and the generational transition and managerial company started with all its pain, complexity and tensions. The generational transition could take place only after a crisis, as often happens; a more planned transition was too difficult emotionally either to conceive and to implement.

Until the late 2000s, it felt as if they were trying to find a new equilibrium in the generational transition. At the same time the terrible recession in Italy accelerated the process quite dramatically. For some years, certainly at the time of my meetings with them, as already mentioned in section 4.1.3, one of the aspects I was impressed by was that the two brothers, Ignazio and Stefano, were both Managing Directors, although with different areas of responsibility. Stefano said...*I am a bit puzzled...the fact that I am out 3-4 nights a week and Ignazio goes home for lunch and dinner...Once a month or every two months, I take my wife...out for dinner and I pay with the company credit card...who cares, I need to justify to my wife that I am not there every evening and I do not feel I am stealing. If Ignazio has anything to say, he*

*should do what I am doing, to be fully identical means we do the same thing, but we do not do the same things...., but one day we will talk, giving the importance that this type of topic should have, which is very modest, it is more in terms of satisfaction than real...For example I receive an order from Russia, Ignazio votes against it, I follow it up, I get the money Ignazio was against...this money is thrown in the company or in any case it is divided in equal parts in terms of division of profit. I don't consider this correct...Instead if Ignazio manages to pay € 50,000 taxes instead of € 100,000, he has done an important job. I do not feel like saying, so € 25,000 are mine...it is fair that you have your reward ...we will talk...slowly. These are small things that can create real tensions in other families...*

Shared leadership is quite a common practice in family business to avoid choosing an heir when some emotional and family dynamics are at stake (e.g. birth order issues, competences) and sentient group (Miller and Rice, 1967) dynamics prevail over the task ones (see section 2.2.1). The sentient dimension is very tangible in the Cangianis' case and also in the choice of having two Managing Directors. It was a very demanding situation and it felt like a prison for both brothers. But having two Managing Directors, for example, with the same pay, recalls a twin situation. Claudio had a twin brother and this has been transmitted to the next generation, it was as if they could not separate from that internal psychic model. The trauma of the death of Claudio's twin brother enhances the repetition of this twin model and the difficulty of imagining another one.

In my research diary at the end of the second and last interview with Ignazio Cangiani I wrote *I asked Ignazio if he knew if his father's dead twin brother was the first or the second born. He was surprised by my question and very intrigued, he did not know and told me that he would let me know if he found out. I tried to talk to him about this traumatic event, he did not know much. When I was collecting my things to leave he said "I will let you know about my father's brother if I discover something, the only person who could know is my mother". It is interesting that he did not think of asking his father, perhaps it is too painful to ask him. In any case he said "My name is Ignazio, just like my Uncle who died".*

Personally I was shocked because this essential data came up, on the threshold, when I was leaving. I should have remembered that in Italian traditional families (and not only Italian) names are a way of remembering a very significant dead or living person. It was amazing that I hadn't thought of asking anybody about it, my mind was frozen, or a sort of unconscious veto was projected onto me to prevent me asking this question. The birth order of Claudio and his twin became irrelevant when compared to the discovery that Ignazio had the same name as his dead uncle, but my naïf question (I did not really know where it came from) elicited such important information to emerge. Evidently I felt unconsciously that there was something there which needed to be dug up.

My reflection was *What a heavy load on Ignazio, what a systemic responsibility for him, nearly a "dead man walking"*. This epiphany gave me a totally different perspective: he was alive and dead at the same time. This would explain his uncertainties and unhappiness: Ignazio, who was in his fifties, may still be in search of his professional and personal identity.

At the beginning of the first interview he said *Initially I wanted a completely different job from the present one...I wanted to be a doctor...I had never considered working in the company...I wanted to follow my own path...If I could go back, I would not make the same choice...Ignazio continued I have ups and downs about my role and task in the company, sometimes I wonder if is this my life or not. At fifty it is a bit late to ask oneself this, but in any case it is never too late. I am reflecting, I have not reached a result yet, but I have started to tackle this subject, therefore from an operative point of view I have delegated some functions...*

My understanding is that Ignazio's unconscious ascribed role in the family system is of a container of pain on behalf the system, he has a predisposition to attract all the feelings of pain and anxiety. He seems stuck in this emotional role which does not allow him to move forward in his life to choose something he really likes (although I am not sure that he knows what he likes) or to climb up the ladder in the company.

Coles (2011, p.xvii) says “the ghosts who disturb the present are the carriers of past trauma. Those ghosts are searching for a voice, and, until they are heard and recognised, they seek revenge”. In the Cangiani case it seems that much of this is on Ignazio’s shoulders. His personality, predisposition and valence, his name, that of his dead uncle, made him become a scapegoat for the ghost which could not be addressed.

In the late 2000s the situation definitively exploded. It was a combination of internal family dynamics as Claudio started to really retire and Stefano said *I must admit that he said it and this time he is doing it, other times he said it and then did not do it...* The Cangianis also had to cope with outside market challenges as the recession became really harsh.

In the second interview, Stefano also recalled that some months earlier he had had a *meeting with Ignazio who said “I am aware that you have more entrepreneurial skills, some visions...some important intuitions, I do not have them...I follow an administrative part that you value little. I thought I could get out of the company and you could keep the company”... Knowing my brother, he must have suffered a lot to say this to me...At that point I thought about it for four seconds “Let’s do a different thing, you keep the company...” At that point we tried...I felt ditched by him in my entrepreneurial ideas, he felt ditched in his analysis, in his way of working....we understood that we can be a reciprocal resource, he is complementary for some things and I am complementary for some others... I want freedom of action, ideas for doing other things and he must feel gratified by the work he does.* From my point of view this was a turning point in the crisis, a first step out from the castrating deadly twin legacy of Claudio (*a life for two persons*) into a new era.

While carrying out the interviews and in the data analysis, I had often thought what I might have done as a leadership and organisational consultant, had I been called into the company to help the Cangiani family in the generational transition, to find the next leader between the two brothers. I cannot deny my professional background and on

this matter it has helped me in understanding the data which emerged in my researcher's role.

Claudio said about Stefano *My second son is very much like me, in the sense that he accepts the challenge* and Ignazio argued *I have a different working scheme...but we love each other, we get on well together...And Stefano said Ignazio suffers because of my father...my father and I have very similar personalities, many times I send him to hell, I bang the door and leave his office...Ignazio is not able to do the same. Stefano continued therefore my father and I understand each other ...if I say "We could go abroad for these reasons..." My father says buy the ticket and we'll go... My brother is more cautious...he says "So we should do a macroeconomic analysis of the political aspects..." Ignazio takes a long time to decide...When he recruits a manager he does a monstrous analysis, thousands of interviews...he is unable to sack someone and employ someone else...*

Candido Bassani said, *Stefano has always been the man of innovation both technological and organisational...I think that he wanted me as General Director...Stefano is an instinctive man, while before trusting me Ignazio wanted to see the results, whether he liked me or not...*

If I analyse the above sentences from a consultant's perspective, on the basis of my interaction with the Cangianis I would feel quite comfortable in saying that Stefano seemed the person most suited to take up the leadership of the group today. He had the right entrepreneurial skills and business innovation drive, the right daring and energy. He was decisive, he was independent and also stood up for his ideas in front of his father. In a way he saved the group from decline with his new business initiatives, taking over and launching a group of new companies which have currently helped to guarantee good margins. Ignazio was too cautious, ambivalent about his role, his job and his future; in terms of personality he seemed too sensitive and perhaps vulnerable, he was too dependent on his father. As he was aware, he was a good CFO and manager, but he did not have sufficient energy or entrepreneurial and leadership skills, he preferred prevention more than taking risks and then eventually having to repair any

damage. Consciously and unconsciously they all knew this. All interviewees referred to Stefano as having a similar personality to his father Claudio, a way of empowering Stefano in the role of the designated heir. But a leadership transition from Claudio to Stefano could not occur officially and it could not be spoken of even unofficially, it seemed a family taboo. Why? Quite an easy answer could be the order of birth: Stefano is the second child and, according to the traditional sequence of birth order, the “king” is the one who is born first. We have often seen family sagas and destruction due to respect and loyalty to this birth order.

But my understanding of the difficulty of having Stefano as the future leader was not just a birth order issue, nor an issue of competence/skill. It was also the result of a trans-generational transmission of trauma that did not allow the best choice for the company and for the family to be made. There was a collective taboo in the Cangiani family making it impossible to ask Ignazio to step aside from the leadership, because a shared fantasy could be the fear of “killing” an Ignazio again, the first Ignazio in the car accident and the second one in having him leave the company. This would involve unbearable guilt and pain. There was a collective unconscious ghost: the fantasy and the fear of a repetition of a fratricide. The trauma of more than 50 years before was still around and impacted the management of the company.

But something changed after I finished my fieldwork. I was able to find some information in official public documents. As already mentioned in the history of the Cangiani Group from a financial document published in 2012 (see figure 4.3), it appears that Ignazio is no longer a CEO of the Cangiani Group, but still a shareholder and a board member (only in the governance, no longer in the management). In 2013, he was only a board member and no longer a shareholder. My understanding of these formal reports is that Ignazio finally slowly managed to “leave” the company and win his freedom. At the same time, Stefano became the Group CEO and the leader of the company. The Cangiani Group is now flourishing, has increased its turnover and is growing globally in diversified businesses, both maintaining the traditional manufacturing activity and developing services, despite the difficult Italian economic situation. Since I have not had any contact with them, it is difficult to assess what

emotional consequences this has had on the family and the relationship between the two brothers.

To conclude this section, as I have already mentioned, the issue of the car accident and Claudio's twin brother's death was neither denied nor repressed. It was quite present in the interviewees' discourse, as I have tried to report. As described by Gould concerning traumatic experiences (2004, p.14), what was missing were the collective "appropriate links", the connection between past events and present ones, between family events and business ones and some sort of memorialisation process.

As a psycho-social researcher, trying to find the crux of the matter, of the crisis, of the turning point, connecting, linking together the different threads, I was able to make these links on their behalf. Something unconsciously went back and forth between me and them in the months of our meetings. The evidence is that the most critical incident working on the Cangiani case happened when I went to the company for the second time to interview Ignazio and Candido Bassani. I wrote in my research diary *I arrived at the station...I took my suitcase and left the train and...I found a taxi...I was too early so I asked to be left at a coffee shop near the plant....When the taxi driver took the suitcase out of the boot, I realised that I had taken the wrong suitcase from the train and it was not mine. I started to panic and was shocked...I was so upset, I had the interviews in 20 minutes...I called the taxi driver.... He was already at the station and he found somebody who could help...It was time for my interview. I was wondering how to handle the situation... I went into the company, everything was like the other time, receptionist welcomed me as Mrs Brunner and said that she would call the secretary and Ignazio. The secretary came and asked if I wanted to leave my suitcase at the reception, if I did not need it. First I said yes, but then I thought I could not leave it, it was not my suitcase. She made me sit in the boardroom like the other time... When Ignazio came, I explained the situation and asked him....if I could leave my mobile on to know if anything happened and said we should start the interview. We started and after a few minutes the mobile rang and it was a lady who owned the suitcase that I had taken. She was a bit upset with me, I apologised and luckily she*

*lived in Milan where I live and I offered to return her suitcase as soon as I arrived in Milan in the afternoon.*

*During the interviews with Ignazio Cangiani and Candido Bassani I was asking myself why I messed up with the suitcase and what did it mean in relation to the research and to the Cangianis. Was it anxiety? Yes, but what type of anxiety? Certainly I saw a lot of the control issue in the Cangianis, in all of them. I felt that what had happened was an attack on my capacity to be professional. In a way it was a bit like what happened to Ignazio Cangiani who was hospitalised... Was I taking on myself a load which was not mine? Was I able to differentiate between my load and their load? For the whole day I was in a state of shock. Further evidence is that it has been very complicated for me to work on this case study material and data analysis, on the theme of trauma, also due to my personal history linked to trauma. My mind often felt frozen, I could not think, I felt stuck, restless; I wanted to escape from this case, I could not link and connect the data, I could not share anything with other colleagues or friends, a very painful experience. It was only sharing these emotions with a colleague<sup>21</sup> that allowed me to move forward and to understand that the data had contaminated me and what all this was telling me.*

Certainly I took on myself the load of their baggage, their trauma and pain and I lived with it for a certain period of time (the time of my research); it was almost something which belonged to me. Interestingly my research period coincided with a very hot time for them in the generational transition. I had the feeling that they quite willingly allowed me in and to interview them, at least at the beginning, as if I was the right person for that moment. I hypothesise that they unconsciously might have wanted/needed somebody from outside to help them in that specific moment of transition, somebody who could collect their trauma and find the links between past and present and do it on their behalf. It seemed to me that in some way I managed to build an emotional picture from the different fragments and transmit it to them, for example just through my presence or by the way in which I framed the questions, offering them a space to reflect.

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<sup>21</sup> I would like to thank Antoaneta Mateeva who listened to me and supported me in that complicated moment.



### 4.3.2 The *dominus*

The traumatic dimension is the first and the most dominant theme I encountered in the Cangiani case. But beyond trauma another important element, which was deeply connected, was Claudio's very dominant presence, his strong, vigorous and energetic personality.

In Italian law firms the tradition is to have a *dominus* who usually is the founder of the firm, the owner, the chief lawyer. The word *dominus* comes from Latin, it is a concept used in the Roman tradition, and the *dominus* is the master of the home who employs the servants. The online *Encyclopaedia Britannica* (accessed 27 February 2016) suggests "*Dominus* in medieval Latin referred to the 'lord' of a territory".

Kets de Vries (2001, p.19) argues that "an entrepreneur can be defined as a person whose function is to conceive and lead a company". For Kets de Vries (2001, p.19) the tasks of an entrepreneur are "innovation, taking risks and coordinating the organisational structure". As already described in section 1.4, in Italy much of the industrialisation took place after WWII and Mimetex was part of this wave; Claudio is a typical representative of the entrepreneurs of the Italian boom. His charisma derives from his personality traits and from what in Marxist terms would be the ownership of the means of production, the ownership of the company which he conceived, from his capacity to take risks and to manage the company. Ignazio said, *My father says "Ok, let's do it like that" and he decides...*

My perception of Claudio was that he is more than a founder, than an owner of the company. He is the *dominus*, the company is deeply embodied and embedded in him, it was constructed according to his image and is similar to him. His charisma is the one of a *dominus* more than a leader, he possesses the company. He was the catalyst of the conversations in the interviews, everything circulated around him; he was always the centre, even when the interviewees were talking about something else. The power was there, the energy was there. Claudio said *I am a strong personality, it is not easy to live near me ...to retire is not easy...* He is the "benchmark" for his two sons, for the company management and for any type of achievement.

Ignazio said, *My father's figure has always been very important in the company, although I've been very autonomous since the beginning...he would take care of the important things, which is right...I am not criticising him...it was difficult for him to give me autonomy, for me to take it...in the beginning it was understandable...but after 10-15 years...there were decisions which should have been made together more often...My father has always been used to working alone...deciding directly...Stefano said, It was difficult because Mimetex is my father's creation and he found himself with two sons and there were some tensions, problems started because of issues like "Who takes care of what? Who does what? With what degree of discretion?"... My father is ...I am sorry to say the word, invasive...He loves control...I would say that it is not easy to work in a family business...and I would add with a charismatic dominus. And Stefano continued, Our father is "oppressive", it is something we carry with us...a father who had such public exposure as our father...Candido Bassani said The father has a fundamental charismatic role even now...*

The term charisma derives from the Greek word χάρισμα which means a gift and a grace. Lawrence (2009, p.96, my translation) argues that charisma "has a religious matrix. It was used in the congregation of believers to describe the work of their founders...so the charity work acquired the meaning of activity of God". I agree with Lawrence that there is something divine in the idea of charisma. Charisma is more an innate personality trait, commonly experienced as "being blessed by God" rather than as a competence to be learned. This leads us also to Bion's idea of the "mystic genius". Addressing this concept, Lawrence (Pasini, 2009, p.99, my translation) said "an exceptional member of the group that can be both creative and destructive... *Geniuses are rebels that follow the idea that everything can be challenged, including the cultural assumptions*<sup>22</sup>". Furthermore, for Lawrence (Pasini, 2009, p.100, my translation) "the so-called charismatic leader is one who does not allow anybody else to grow *because he cannot allow anybody else to be charismatic*<sup>23</sup>." "...At the end of the second interview Stefano stated, *Now that Father is less present it is easier...* And Lawrence argues that "*at the end the charismatic relationship will become destructive*<sup>24</sup>" (Pasini,

<sup>22</sup> This part of the quote is in italic as in the original text.

<sup>23</sup> This part of the quote is in italic as in the original text.

<sup>24</sup> This part of the quote is in italic as in the original text.

2009, p.10, my translation). Therefore a charismatic leader can be a change agent through creativity and innovation, but this can also involve a dark side.

Pasini (2009, p.28, my translation) suggests with Weber (1993) that “the figure of the leader, although he has a central role, is secondary in respect to an element which is instead essential and necessary: reciprocal recognition between the leader and the followers”. Therefore charisma is contingent, on the one hand to the existence of followers, who recognise the charismatic leader, who depend on him/her, who are seduced by him, who identify and idealise him/her, and on the other hand, it depends on the context and the historical period. Kets de Vries (1984) argues that often entrepreneurs, who manifest narcissistic reactive behaviour due to a fragile sense of themselves, need an adoring audience. Therefore they choose to recruit “yes men”, depriving the organisations of critical thinking men. Morrison (2006, p.371), quoting Weber<sup>25</sup> says “The central characteristic of patriarchy is the belief that authority is exercised by ‘joint right’ and in the interest of all the members of the household”. Claudio’s charisma can be “identified in this traditional system of domination that is patriarchy” (Morrison 2006, p.371). Morrison (2006, p.371) argues also that “Systems of administration of this type differ from others so far as they are entirely dependent on traditional norms and exist by force of obligatory entitlements rather than by formal enactments<sup>26</sup>. Under these conditions, obedience is owed directly to the master rather than to the enacted regulations of the law<sup>27</sup>.”

In terms of personality, Pasini and Natili (2009, p.67, my translation) say that for Kohut (1971) “charismatic leaders solve their traumatic situation, using some innate talent... they remain prisoners of their archaic world, becoming ‘extremely emphatic towards themselves and their needs’ and full of rage towards the outside world”. Lawrence (2006) in an interview about charisma says that to create or invent something new a person needs to go through a period of depression and crisis. So I hypothesise that in

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<sup>25</sup> Weber (1978, p.319)

<sup>26</sup> Weber (1978, p.320)

<sup>27</sup> Weber (1978, p.321)

Claudio's case the trauma reinforced a personality dimension that already existed before.

Pasini *et al.* (2015, p.84) say that "the evolution of the charismatic phenomenon over time leads to what Weber calls the "routinization" of charisma, where the charismatic leader colludes in the end with the establishment he wanted to fight". In a private correspondence with Jem Thomas (e-mail correspondence, 15.3 2015), he suggested that "Weber notes that from the outside a charismatic and a traditional structure might look exactly the same but in fact the charismatic one is full of energy and emotion and a traditional one, by definition, is based on habit. But through time the charismatic structure can have routinised into a traditional one". Thomas (e-mail correspondence, 15) continues saying that for Weber (1978, p.1122) "the charismatic message inevitably becomes dogma, doctrine, theory, reglement, law or petrified tradition". Therefore in a company one might expect rules or procedures that once were creative and imaginative responses to business opportunities to become simple procedures repeated because "we have always done it that way". Following this, from a psycho-social perspective, I hypothesise that this has been the case for Claudio in Mimetex during the *Big Mistake*. As mentioned in section 4.3.1.2, in the mid-2000s, Claudio was in his seventies, still leading the company 50 years after its foundation. I suggest, also on the basis of my experience working with entrepreneurs of his generation, that his charisma, his vision, his capacity to innovate, became routinised. Claudio took decisions almost automatically, in isolation (as stated by Ignazio) according to his usual parameters in the way of doing things or having in mind an obsolete business model. He was not able to acknowledge that the external context had changed. It was a "swan song" of an old charismatic patriarch which nearly led to the company's bankruptcy.

Personally I do not think that a charismatic leader can retire in the way "normal" people generally do nor is it easy or possible to transfer his/her charisma to future generations (Pasini, 2009). Charisma is a personality trait, unlike leadership it cannot be learned and unlike authority it is not given or taken. Charisma is a threatening dimension which recalls terrible recent historical events, such as the Holocaust or Stalinism and other dictatorships, therefore it is not a fashionable concept. But in family enterprises the

entrepreneurs, the founders of the business are very often charismatic, and manifest themselves through a triangle of vertices, “leadership, vision and charisma”, as suggested by Pasini (2009, p.95, my translation). Entrepreneurs do not feel bound by legal retirement requirements or customs or having to leave the company when they reach a certain age; they own it, they possess it, they can exit when they want. But a critical incident or crisis can change this scenario, as in the Cangiani case, where I have hypothesised that the decline of the company and the above-described dramatic consequences of Claudio’s *Big Mistake* also brought about the generational transition quite abruptly.

Based on the ideas described in this section about charisma and some associations which I had in writing it and reading the relevant literature, to conclude it I want to suggest another psycho-social hypothesis about the succession in the Cangiani case, which is not alternative to the previous ones, but an integrative, different perspective. As already stated the generational transition started in the mid-2000s after the *Big Mistake* and was fully effective by the very early 2010s when Claudio was no longer present daily in the company. On the surface, until that moment the process, although complex, was quite organic and smooth. The two brothers Ignazio and Stefano were designated as the two future leaders, in a sort of shared leadership. But, as already stated, a charismatic leader does not retire, because in some way he has been symbolically “entitled by God” in his talent and capacity, not formally authorised by “the traditional structure” (Weber, 1978). In my view, charisma is a primitive form of leadership so my association went to the dynamics of the primal horde described by Freud in *Totem and Taboo* (2001[1912-1913]). Freud (1912-1913a, p.141) in his theory about the primal horde which he derived from anthropology about the beginnings of civilisation, talks about “a violent, jealous father who keeps all the females to himself and drives his sons away as they grow up...One day the brothers, who had been driven out, came together, killed and devoured their father and so made an end to the patriarchal horde”. Freud (1912-1913a, p.142) also continued “The violent primal father had doubtless been the feared and envied model of each one of company of the brothers...”.

Through my association with the primal horde, I have come to hypothesise that, from the tone of the interviews, from many of the quotes presented in this chapter, the father and sons drama, described by Freud (1912-1913a) about the primal horde, had gone on unconsciously in the Cangiani case, although, on the surface all was very civilised. The presence of such a dominant father, able to get everything for himself – money, success, power, status, public prestige – certainly created a lot of unconscious fear and envy in his sons. Ignazio's approach was of dependency and submissiveness towards his father, Stefano's instead was more a fight and flight, or a form of emulation, he often said that he had a similar personality to his father. For some years before the exit of Claudio from daily affairs, unconsciously Ignazio and Stefano coalesced, set aside their competition and rivalry, both accepting the role of Managing Directors, with the same salary. So thanks to this alliance, they symbolically managed to get their father Claudio out of everyday activities, in some way "killing him" symbolically. But Freud (1912-1913a, p.142) also argues, "If the brothers had united in order to overcome the father, they were all rivals now with respect to the women". In the Cangiani case the women could symbolically be the company (which was also described as a sister by Stefano, see section 4.2.3), where the two brothers were rivals, notwithstanding their declared love and respect for each other (probably another defence against aggression and rivalry towards each other). Once Claudio was offstage and the law and the time of the father were over, there was no further need for the alliance between the two brothers. Therefore Ignazio went away from the company, or was dropped or symbolically "killed off", or found his freedom from having to carry someone else's load.

#### **4.4 Conclusion**

The Cangiani case is a complex and emotionally strong case, full of pathos, both for the actors and for me as a researcher. The family is at the centre of the scene. The business issues and the ownership ones, although interesting and obviously relevant in terms of the overall contextual frame and triangulation, were not so significant for understanding the dynamics of the crisis.

Although the themes are really relatively few, they all converge mainly on the relationships between a traumatised, strong, charismatic father and his two sons. This

is the main bulk, but I have identified some other more satellite themes. As stated in the introduction to part 2 of this chapter, I will address them in Chapter 6, where I will compare the themes which emerged in the two cases because they are common to both case studies.

From the themes that emerged and have been analysed in this part, I would like to briefly sum up the Cangiani dynamic emotional history in the following way. Claudio was traumatised by the death of his brother, he had two careers, a “life for two persons”. Claudio was a charismatic leader, a rebel, a genius, a visionary with his followership (was he so because he was traumatised, it is difficult to say). His charisma was a heavy burden for his two sons. Then the time came for Claudio to retire, but he wanted to go on, he was no longer able to understand the market context, but he still wanted to assert his leadership and made the *Big Mistake*. This signal of fragility or vulnerability by Claudio gave his sons the opportunity to further coalesce (they said they always had a close relationship) and get their father out of the everyday life of the company, in a way they unconsciously and symbolically “killed him off”. But then the tension between the two sons exploded, not having Claudio and his trauma around anymore. Ignazio, who was named after his dead uncle, left the company or was obliged to leave. My associative fantasy was that he was symbolically “killed off”. In any case, through Ignazio’s exit from the company, the fear of a fratricide, as a rehearsal again of the trauma of the death of the uncle Ignazio, which had permeated the whole Cangiani story, was overcome and was no longer blocking the Cangiani system from moving forward.

The Cangiani case was plausibly a combination of symbolic fear of patricide and fratricide, which are among the most ancient taboos in the history of mankind. I was still left with several questions, for example, concerning what happened to Ignazio and Stefano personally and in terms of their relationship after all this turmoil and what happened to Ignazio after he was symbolically “killed off” by the company to which he dedicated so much of his life and where his pain had been downloaded. And Stefano, who was so close to Ignazio, did he feel guilty and remorseful about what happened?

From a business perspective the Cangiani Group case appeared to be a success story: I recently heard about its development from a national to a global endeavour. Therefore I must admit that I feel proud because the company today is successful and they have managed to move forward as they did it. In a way (although it cannot be proved) I feel I was also part of it and made a contribution through my research. From my experience with family business, usually companies which have gone through big crises or traumas (for example, in Italy, Fiat, Campari and others), if they manage to overcome them emotionally, later strive for success, as in the Cangiani Group.



## CHAPTER 5

### The Molfetta Case Study

#### Introduction

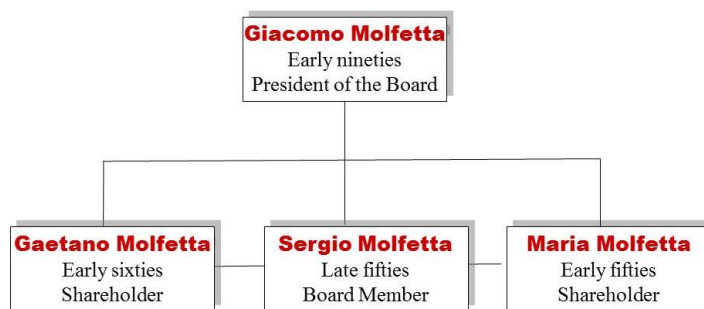
In this chapter I will present the case of the Molfetta family business. The Molfetta family is a well-established wealthy aristocratic/upper-middle class entrepreneurial family. They own several different types of businesses. *Va' Pensiero* is their manufacturing company, probably it is their most important activity. The *Va' Pensiero* factory is in a small provincial town about two hours from their family home and office.

In September 2009, I was referred to the Molfettas by an acquaintance, who knew about my research. He suggested that he would put me in touch with a friend's company, but then called to ask me if I could contact his cousins, the Molfettas, directly. I did not know what type of business activities the Molfettas carried out nor what type of crisis they were going through, but I decided to contact them. My acquaintance gave me the mobile phone number of Sofia, Sergio Molfetta's wife, with whom I had an informal conversation and she gave me her husband's number. Some time passed before I met Sergio Molfetta, the CEO of *Va' Pensiero*, for the first time in February 2010 in his office in the town where the family also lives. The aim was to keep the contact "alive", to define the contract for the interviews and to get the initial company information. After this meeting I felt quite discouraged about including them in my research. The description Sergio gave me of the industry and the company was depressing, a slow and inevitable decline. I knew that that industry was declining in Italy, it was not a surprise, it was in all the newspapers. But there was something in Sergio's conversation which was particularly flat and depressing. At the time, I was busy with the Cangiani Group case and other aspects of my research. So it wasn't until November 2011, about a year and half after my first meeting with Sergio Molfetta, that I interviewed the father, Giacomo Molfetta (in his nineties), Gaetano (in his early sixties) and Sergio (in his late fifties) in their one-room office. In February 2012, I went to visit the factory in a small provincial town where I interviewed Riccardo Maino (in his early sixties), the General Director of *Va' Pensiero* and, for the second time, Sergio Molfetta.

In April 2012, I interviewed Giacomo's daughter Maria, (in her early fifties), who had been recently widowed, in the company office.

Giacomo's wife, Marta, has been seriously afflicted with an incurable illness since the late 2000s, Sergio's wife Sofia does not work in the company, Gaetano is divorced and his new partner is not involved in the family enterprise. None of the eight children of Gaetano, Sergio and Maria works in *Va' Pensiero*. Figure 5.1 shows the Molfetta family in *Va' Pensiero* at the time I interviewed them between 2011 and 2012.

**Figure 5.1 The Molfetta Family in *Va' Pensiero***



Like Chapter 4 on the Cangiani Group, this chapter is also organised in two parts (see Chapter 4 for rationale for this structure). In Part 1, I will present an overview of the history of the Molfetta case. I will tell the storyline, my understanding of the development of *Va' Pensiero* from inception in the first half of 1900 up to the present situation. I will also provide a short overview of the economic and financial situation of *Va' Pensiero* in the last 6 years (2007-2013). As in the Cangiani Group case, I will summarise the key events in the family and business in connection with the Italian context as illustrated in the chart according to Sharma *et al.* (2013), which will provide a synthesis of the main turning points. A pen portrait of the main actors will follow, through the genogram, a description of the Molfettas' personalities compiled from interview material and my observations, the way they presented themselves to me; the family system and values will be described.

In Part 2 on family drama and crisis the main themes which emerged from the material will be presented. Some hypotheses will be put forward in this chapter and will also be further discussed in Chapter 6 in the comparison of the themes in both case studies.

## **Part 1**

### **5.1 Overview of the company history from the beginning of the XXth century to 2013**

In this part a short history of the development of *Va' Pensiero* over the last 100 years will be presented, but the focus will be on the last 50 years from when it has been owned by the Molfetta family. As stated in sections 3.4.1 and 3.5.1, in this case study also, the story I have put together derives from the interviews carried out with the F.A.N.I method, company data and information from official public documents. As for the Cangianis, in the interviews it was not easy to build a storyline, to identify the sequence of events, facts and turning points. This was due for example to a very tangled ownership even before the Molfettas owned *Va' Pensiero*. The whole family enterprise, which includes *Va' Pensiero*, and also many other companies and businesses, is so greatly diversified that it was difficult to find an orientation, although I tried to focus mainly on *Va' Pensiero*. Furthermore, reading the transcripts and listening to the tapes of the interviews, some time after carrying them out, I was shocked and overwhelmed by the tragic dimension of the economic crisis and recession which is described. This very dominant aspect will be addressed in depth from different perspectives and interpretations all through this case study.

#### **5.1.1 The Molfetta family enterprise up to World War II, the acquisition of *Va' Pensiero* in the early 60s, and its development by Giacomo Molfetta**

As stated above, the Molfettas own many businesses and have numerous partnerships in companies, they are a real entrepreneurial family. My focus is on *Va' Pensiero*, the manufacturing company, but I will also contextualise briefly the origins of the acquisition of *Va' Pensiero* in the Molfetta family activities and relationships historically, as background.

Giacomo Molfetta said *I am one of Fabrizio Molfetta's children...My father and my uncle had several businesses..., we are talking about the 40s..., they started a retail activity after World War I. The family was closely united... My uncle was 10-15 years older than my father and he was like a father to him because their parents were divorced. My uncle had quarrelled with the family and had left home. He took my father with him. This is why there was a very strong bond between the two brothers, that continued between myself and my cousin (the son of the uncle), who passed away 7-8 years ago. More than cousins, we were close brothers, we shared interests and a vision of life, that is was why we were very close in the so-called split between the two families.*

After the War, some problems arose between Giacomo's father and uncle when they had to choose their heir from the new generation. The two brothers had both male and female offspring, but the females were not taken into consideration to run the company. The issue was that Giacomo's uncle, the elder brother, had two male sons, while Giacomo's father, the younger one, had only one male son, Giacomo. Giacomo said that *there were some problems about who would take the leadership.* In the succession Giacomo would have had more shares and power in the company than his cousins, but this was in contrast with his uncle's and his father's birth order. Piero and, more so, his wife could not accept that one of their sons would not become the leader of their business. So Piero and Giacomo separated business-wise, and two separate enterprises were created. Giacomo said, *one was my uncle's and one was ours. My father continued to work, while my uncle could not, due to health problems, and then he passed away. In any case the close relationship of the previous generation continued between myself and my cousin...* In the interview Giacomo was not totally clear about the economic, financial and proprietary rights of his uncle and his father. It could be that he did not want to tell me or it was a long time ago and he did not remember. Notwithstanding the schism between his uncle and his father, the second and third generations continued to develop new businesses together and they are still all very united.

Giacomo went to university, but he dropped out and he went to work in one of his father's activities. In the meantime in 1952, Giacomo married Marta, a freelance professional with two university degrees. Giacomo and Marta had three children: Gaetano and Sergio in the 50s and Maria later in the 60s.

Marta's family came from the small provincial town where *Va' Pensiero* was located. Marta's father was one of the owners of *Va' Pensiero*. Giacomo said, *Va' Pensiero was established over 140 years ago...my father-in-law was not happy about where I worked...Va' Pensiero was an old initiative of my father-in-law's family ...He came from an old aristocratic family dating back to the eighteenth century...they were the most well-known people in town. My father-in-law convinced me...When his business partner resigned, he sold his Va' Pensiero shares...my father-in-law enabled me to buy them. This was in the late 50s. I started to work in the manufacturing business without having ever been in a plant... I was fascinated by it... At that period, machinery was introduced in industry. Gaetano said, all my father's efforts were for Va' Pensiero.*

At the beginning, *Va' Pensiero* was like a big family, Giacomo said, *before the War the women workers came from some other small village...The women went home on Friday, they were boarders and lived in the building on a floor above the plant. After the War they had a grocery shop due to food shortages and a canteen and they would provide ironed work overalls to the blue-collar workers. They would also organise day trips with their workers. They stopped this welfare approach at the end of the 70s/beginning of the 80s, and they had some problems with the trade unions; in any case people continued to be loyal to the company.*

Giacomo was very much hands on in the business, he used to travel around the world to sell his goods. He remembers, *the company was quite small and it had many competitors, I would personally keep all contacts with the suppliers and customers as Managing Director, I had a sales manager, not like Sergio who has a General Director...it was a different organisation...therefore I was a friend of my clients and of several owners of well-known brands.*

Furthermore Giacomo was involved in the community, keeping alive the tie between

*Va' Pensiero* and the town, promoting a retirement home for the town's elderly people for example.

### **5.1.2 The generational transition from the early 80s to the 2000s**

Gaetano (Giacomo's eldest son) started studying at university, but he dropped out and got married. At the end of the 70s, he went to work with his father at *Va' Pensiero*, but did not like the job and left after about 10 years. In the 80s he re-founded his grandfather's company with a cousin, one of the grandsons of his father's uncle who was part of the schism between the two families immediately after the War.

*Giacomo said Gaetano is an extrovert and he is better suited for activities where the person is important, not the organisation...Sergio is more precise, more pessimistic and good at organising...It was good that Sergio was interested in the manufacturing part, it is more suitable for him. I also consider that we are lucky to be able to offer these possibilities to our children and grandchildren.*

Sergio left university in the early 80s and joined *Va' Pensiero*. He said, *the company was growing a lot and they needed to improve the IT system...I realised that my university degree would not lead to any job, it was only a passion of mine.* For many years Sergio worked with Giacomo who passed the baton to him, in the early 90s when he became CEO of *Va' Pensiero*. Giacomo said, *I started to give Sergio more and more responsibilities...when I saw things were going quite well I passed the baton to him... My father worked until some months before dying... I saw all the negative aspects of an old person who cannot change to a modern mentality...I believe it is right for a man at 40 to start to make decisions about his future, it is crazy to continue to hold on to the baton as many do...So when I saw that the time was ripe and I could trust my sons, I gave them the authority and responsibility earlier than necessary.* Giacomo said about the succession *Thank God, I haven't had problems with my sons, they are well integrated, successfully... and enjoy other activities...*With regard to Gaetano and Sergio, Giacomo continued *there is a certain affinity, although they are different, they do not argue, also because everything is divided already, although all of*

*them hold shares in the companies, one is in charge of some things and they trust each other.*

Sergio argued that in the transition from his father to him *there was no trauma nor any strategic changes, there were 3-4 managers directed by his father or him... strategies have always been shared, the day-to-day duties were carried out by the managers... But Maria said, for my father it was very painful, he did it for the sake of the company and for us, his children... he decided to step back and make Sergio stand first and to follow him from behind, clearly he was conscious of what he was doing.*

Riccardo Maino, the General Director, was recruited to reorganise the company in the early 90s. They wanted to have a managerial company, which could grow and hopefully be listed on the stock exchange, make agreements with other companies, mergers and acquisitions. Riccardo Maino the General Director said that during Giacomo's time *there was a management style based on "times of the Empire"... Sergio started to work in the company when he was very young... it was very difficult for him, he was seen as a boy, a friend, a boy/child in short trousers.*

Since the 90s the family have made some formal agreements about the management of their assets, specifying who takes care of what; many of their assets are held in anonymous holdings<sup>28</sup>. Sergio said that they change these agreements every 2-3 years as things move on.

Sergio transferred all the company activities to the factory in the small provincial town. He argued that having everything there made it easier to make fast decisions. He also opened an office in another big town. He reduced the original office space, from the whole floor of his father's time to a single room. He was able to do this because technological advancement (i.e. decline of faxes, new e-mail era) allowed all their premises to be connected and they could communicate rapidly... Sergio said, *we were the first in our industry to be connected with all our offices online..*

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<sup>28</sup>Until the 90s in Italy, due to the cold-war atmosphere also described in 1.4, there was a fear of the arrival of the Communists who could nationalise property, therefore it was quite common among wealthy people to have their assets in trusts that were not directly in their name.

In 1992-1993 there was a serious economic crisis. They had to close a department where 40 people were working. They did not fire anybody, but re-employed them in the company but it was not easy to find work for 40 people in a company of 180. Riccardo said, *we managed the trade-union issues and it was an interesting experience. We all worked, so the sacrifices were divided among all the workers, we went on like that for a year, with some workers on the Government's redundancy/payment fund plan<sup>29</sup>, it was a tragic, tragic experience...* The workers are all people who grew in the company. For example, the supervisors are blue-collar workers and have not studied. Nobody would come to the plant in a small provincial town from far away, so they trained the middle management in-house.

At the time a state-owned investment equity fund entered the ownership with a percentage of about 50-60% (they were not able to tell me the correct figure). Sergio said, *in substance, they have financed us instead of the banks, it is a financial partner which does not impact the management... For this reason our balance sheet is certified...It had some advantages until 2000, it is clear that now they are not satisfied...* From that moment, the company was no longer entirely theirs, although they all talked about it as if it still was.

Sergio travels sometimes and keeps the most important relationships, but much of the travelling is done by Riccardo Maino. They also have a plant abroad. After this crisis the company continued to grow with some ups and downs until 2000. At that time they had 400 employees and a turnover of about € 45,000,000. They were thinking of listing *Va' Pensiero* on the stock exchange. They were satisfied with their business.

### **5.1.3 A long inescapable decline since the early 2000s**

Since the 2000s *Va' Pensiero's* overall industrial sector has declined dramatically in Europe and *Va' Pensiero* has also followed this trend. All the interviewees, but especially Sergio and Riccardo, lengthily referred to this big crisis of this industry in Italy. The interviews are full of details about the Italian decline, the historical context

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<sup>29</sup> See footnote 6 in section 3.6.



and background, a very painful complaint against the Government, the European Community a continuous lament. Sergio said, *the reason for this decline is the opening of the WTO to China<sup>30</sup> ...Our clients prefer to buy abroad...Our American clients don't buy our products anymore, but go to Korea, to Thailand...Many of Va' Pensiero's competitors did not survive.*

In Italy, employment in their sector has decreased from about 1,000,000 people employed in the early 2000s. Sergio also said, *there are still about 400,000 which is quite a lot in the manufacturing business, but we have been abandoned from a strategic point of view... in Italy we will continue to lose employment, 300,000, 200,000 and then nothing, like in other European countries.* In the meantime the production director retired: he was not replaced and Riccardo also oversees the production. They have a sales manager and an administration manager.

Giacomo stopped working in the early 2000s. Almost simultaneously, Maria's husband was diagnosed with a fatal illness.

In the mid-2000s *Va' Pensiero* merged with another company to extend the production chain and a new plant was added.

Moreover, at the end of 2008 the worldwide crisis and recession started, which stopped all their activities. In a published document – the source of which is withheld for reasons of confidentiality – it is said that *in such a situation, any strategy at a company level could not oppose the systemic destruction of the market: an economic intervention on a national and European scale is necessary to reinstate competition and protect Made in Italy products.*

Sergio said, *the only incentive we can offer our clients is production speed. We can provide the clients with products they need in the shops one month after they have been invented. They cannot go to the Far East, in terms of transportation time ...it*

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<sup>30</sup> In 2001 China became a member of the World Trade Organisation (WTO) which allowed exports and imports to and from China. It has opened new markets for all and has made competition very harsh. This event has obviously had a strong impact on the world economy and has enhanced globalisation.

would take much more. It felt rather like the “leftovers of a big meal” which all the other more convenient manufacturing countries are able to eat. So now their competitive advantage consists of small series, with small numbers of items, for a niche market, which would take too long and be too expensive to purchase in East Asia. Furthermore they said that their creative and innovative capacity to invent new products is continuously challenged by the imitation of their products by the emerging market competitors. Riccardo said, *forgery rules are not respected, the rules are applied only by us Europeans for the imported goods...a disaster...But we are convinced that the European client has the right to be aware ... he is not buying an untraced product which can be harmful for his health...globalisation should have been an advantage for all, instead it has been a forfeiting measure for the Europeans...* Sergio and Riccardo argued that their industry, like many others in Italy, suffers all kinds of competition issues that are very difficult to manage and, for example, they have sold less in the USA, an important export market for them, which is also due to an unfavourable exchange rate (a strong Euro against the Dollar).

In the late 2000s, the family bought 50% of a small company, quite far away, for Maria, to help her since her husband was so ill. Maria said *they bought it to make me do something, I am not so interested in that type of business*. Their partner was very dishonest, cheated them, it was a bad experience. After two years the company went bankrupt and closed.

In the late 2000s Giacomo’s wife Marta, then in her early eighties, was diagnosed with a serious chronic disease.

At the beginning of 2011 the situation improved slightly, they started to work a little more, although always in the context of a structural crisis and they started to make some investments. But at the end of 2011, the Italian economic breakdown blocked everything again. This impacted all their efforts in restructuring the company, they were not able to reach an economic break-even point. However, although 2011 was so difficult, they argued that they had hoped in a growing awareness of Italian products, instead of the delocalised ones, which was emerging among Italian and European

consumers and public opinion. They were also hoping for a better exchange rate of the Euro against an extremely weak Dollar which would help them. In a financial published document (the source of which is withheld for reasons of confidentiality) they said that they did not see any other solution for the coming years, except continuing the process of product innovation, excellent quality, flexibility and rapidity.

Both Sergio and Riccardo reported that they had to ask for a redundancy/payment fund plan for the blue-collar workers who were laid off two days a week or also for longer periods. This caused some problems with the trade unions. They continued not to fire anybody, but also not to replace those who retired. So in 11-12 years, from 400 people working for them in the early 2000s, in 2012 there were 189. Sergio said, *We have also invested in technology to save on personnel...the employees have to accept this unwillingly...but there are no alternatives, we have many discontented workers...* Riccardo said *they put up with it, they are not very inclined to change, it is not easy in this period of crisis to change...they do not like to move to another place or town...There are people who hoped for a career here or an increase in salary, but nevertheless now they are willing to contribute to the general effort...* People seem loyal to the company and stay for a very long time. Riccardo said that every year they continue to host a dinner for people who have been working with them for over 35 years and there are many who have worked 40-42 years and have never changed companies. It seems that this is the tradition of the region.

Sergio also said, *we keep the machines that are defunct, if we employed new people we could have a much higher turnover...But we do not have the personnel for a full production.* They do not seem to want to increase production by delocalising it abroad. Sergio stated, *there is a very high risk...we have decided to hold on tight...We have chosen to stay here...*

When I visited the *Va' Pensiero* factory in February 2012 it was a Friday, the workers were not present because they were at home on the redundancy/payment fund plan. I wrote in my research diary *We arrived at the plant which is bigger than I expected. At first sight, from outside it looked very well kept... The plant is marvellous... it felt like at any moment production could go back to the good days before 2001 and the decline.*

*There was something surreal. It was my first time in a plant of that industry and I found it so exciting, so beautiful, so fascinating although no worker was there and the machines were not operating... It looked like at the beginning of the industrial revolution. I felt the need to touch those products... A very deeply significant experience... It is so well kept and so alive. It was as if those wonderful products were talking and communicating, they were so alive. They should not die. But it felt like a real battlefield in an economic war with a lot of dead and wounded people which, as Riccardo said, has destroyed everything. Notwithstanding his pessimistic view about the future, Riccardo spoke about a "project" for the future in terms of improvement of the technological aspects, automation, integration of the management system. But Sergio and Riccardo argued that recovery does not depend upon them. Sergio's children do not seem to want to work in the company nor does he want them to work there. He argued, it is not the right thing for a young person to do. I hope I can contribute to the survival of the company for 10-12 years. Then it could be one of my children or my siblings who, after experience outside, is capable of managing this type of company and will take over the baton and I will retire...Italy is without hope.*

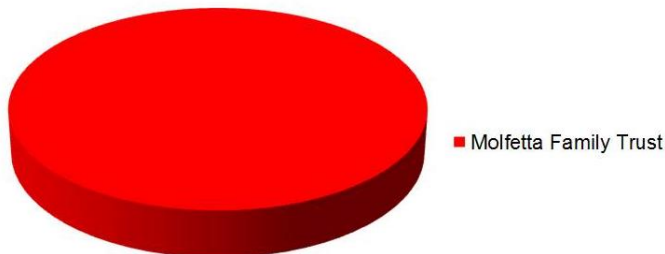
A financial document published in 2012 (the source of which is withheld for reasons of confidentiality) stated that it will be remembered as one of the worst years for the Italian economy and a collapse in purchases. *Va' Pensiero* lost less in turnover than the benchmark in the industry. This was possible because they exported more, in 2010 their sales in the Italian market amounted to 55% against 45% exports and in 2012, 43% in Italy and 57% abroad. It is stated that they are also convinced that the economic crisis will find a solution and they need to be prepared and equipped for better times. But they are also quite pessimistic about 2013 and the possibility of a recovery of the economy.

#### **5.1.4 The *Va' Pensiero* governance structure**

Checking official company historical data (the source of which is withheld for reasons of confidentiality), in terms of the ownership, *Va' Pensiero* was in a Molfetta family trust (see figure 5.2) from when Giacomo bought it from his father-in-law and his family in the late 50s/beginning of the 60s until the early 90s, when, following a first crisis, a

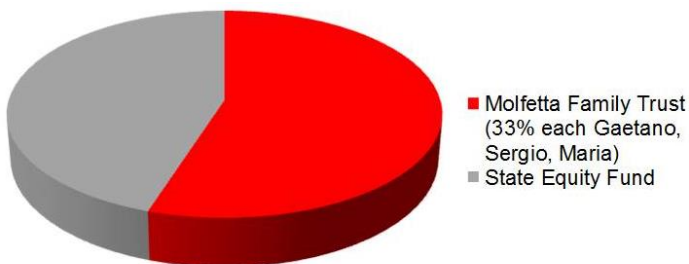
state-owned investment equity fund bought 40-50 % of the company (see figure 5.3).

**Figure 5.2 *Va Pensiero's* shareholders until the early 90s**



Since then Sergio said that *the three Molfetta siblings have 33% each of the 50-60% which they own.*

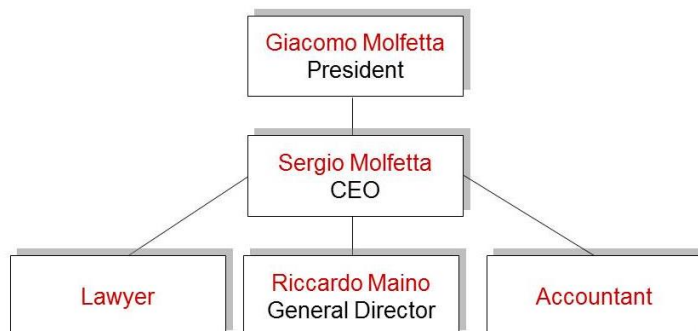
**Figure 5.3 *Va' Pensiero's* Shareholders from the early 90s - 2012**



Their ownership situation is not totally clear in terms of some discrepancies in the narratives. Unfortunately it is impossible to decode some ownership issues because the ownership belongs to a trust and to other companies and access to these has not been possible. At the time of the interviews I asked for the official company documents, but I did not want to be too intrusive with questions on the ownership since it felt I could be indiscreet and want to get too much into *family affairs*. This issue of privacy of family affairs is strong in Italian culture, and perhaps my shyness was part of the unconscious dynamics of the Molfettas not wanting to disclose too much and I colluded with them. This will be explored further in section 5.3.4.

For many years the Board of Directors consisted of: Giacomo the President, Sergio, the CEO, Riccardo, the General Director and two external advisors who were not members of the family, the accountant and the lawyer (see figure 5.4).

**Figure 5.4 Va' Pensiero's Board of Directors from the mid-90s to 2012**



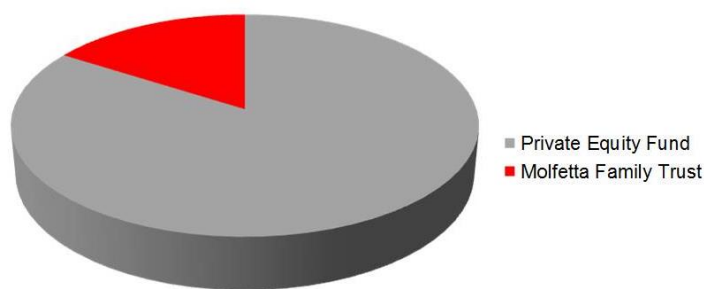
Riccardo, who joined the Board of Directors in the role of General Director in the mid-90s, was not on the Board of Directors from the early 2000s to the mid-2000s, when he re-joined it. It is also worthwhile mentioning that Gaetano was a Board member from the mid-90s to the early 2000s and Elena also from the mid-90s to the early 2000s. The Board of Directors met every three or four months to see the quarterly report. It appeared that they organised the Board of Directors meetings mainly because they are legally obliged to do so.

I also checked with them on their management meeting arrangements. Sergio said, *there are not many meetings and decisions to take, we meet 5-6 times a year. They have technical meetings and Sergio said, we do not have a management committee which meets, also because there is no need of a strategy. If we have to purchase a tool or something else, one or two or three of us meet and we decide... they are only ordinary management decisions.*

From my understanding of a 2012 financial company document (the source of which is withheld for reasons of confidentiality), Gaetano attended the meeting for the first time on behalf of all the shareholders. Did he want to check what was going on in Va' Pensiero, or to offer advice? In 2013, Va' Pensiero became a limited liability company

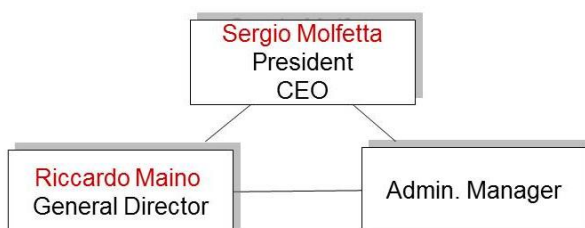
(a more simple type of company and with the liability only of the assets invested in the company). From my understanding of an official company document (the source of which is withheld for reasons of confidentiality), 84% of the company was bought by a private equity fund and 16% was owned by a financial trust owned by the Molfetta family (see figure 5.5).

**Figure 5.5 Va' Pensiero's Shareholders 2013**



The Board of Directors was composed of Sergio as President and CEO, Riccardo as General Director and the Administrative Manager (see figure 5.6). Giacomo was no longer the President.

**Figure 5.6 Va Pensiero's Board of Directors 2013**



My feeling is that they could no longer cope with the losses and decided to sell the majority of the company to a private equity fund. This is quite common in many small and medium - sized companies in Italy, in this difficult period.

### 5.1.5 The company's economic and financial situation

In 2012, the *Va' Pensiero* turnover, € 18,000,000, was 59% less than in 2000 when it was € 45,000,000 and the decline started, continuing to different degrees with the exception of 2010 (see figure 5.7).

**Figure 5.7 *Va' Pensiero's* turnover 2000-2012**

Turnover	2000	2007	2008	2009	2010	2011	2012
<i>Va' Pensiero</i> in million €	45	28.4	24.8	19.4	21.7	20.8	18.4
%		-37%	-13%	-22%	+12%	-4%	-12%

In 2000 about 400 people were employed in *Va' Pensiero*, while in 2007 there were 233 (-42%). This trend continued although slightly less drastically, and the overall decrease in the number of people employed from 2007 to 2012 was -19% (see figure 5.8).

**Figure 5.8 *Va' Pensiero's* employment 2007-2012**

	2007	2008	2009	2010	2011	2012
Manager	7	6	6	6	6	6
White collar	94	86	86	80	76	77
Blue collar	132	130	121	113	113	106
Total	233	222	213	199	195	189
%		-5%	-4%	-7%	-2%	-3%

It is worthwhile observing that the decrease in the *Va' Pensiero* turnover (a double-digit figure nearly every year) is much sharper than the drop in the number of employees over the years. This triangulation through the analysis of the figures, is proof of the Molfettas' culture, they continued not replacing those who retired, but did not sack anyone to preserve *employment*.



The company is highly indebted. Since 2007 they have always had a financial loss. In 2012, Riccardo said *the company is well capitalised, so even if there are some losses, the company can continue on its own feet... there still is a good potential*. My feeling is that they tried to limit the damage, with the lowest losses and keeping some sort of financial balance.

### 5.1.6 Key family and business events and the Italian context

As for the Cangiani case, I have used the chart here below of the Key Family and Business Events, based on the chart developed by Sharma *et al.* (2013). More details about the way I am using this chart are in section 3.5.1. This chart (see figure 5.9) summarises the history of the family and the development of the company presented in the previous sections. One should look at it both from a vertical and a horizontal perspective. I have pointed out the most significant events in boldface.

**Figure 5.9 Key family, business and the Italian context events chart** (elaboration from Sharma *et al.*, 2013).

Year (past events)	1 – Key family events	2- Key Business events	3- The Italian Context
Beginning 1900s		Establishment of <i>Va' Pensiero</i>	Pre WWI and Fascism
Beginning of the 40s	Piero and Fabrizio Molfetta, very close relationship	Piero and Fabrizio Molfetta establish their business	Mussolini and Fascism
Mid-40s	Family relationships are always very close also among the new generations, the children of Piero and Fabrizio. Giacomo leaves university before obtaining a degree.	Piero and Fabrizio break their business relationship, creation of two companies. Giacomo works with his father in their other activities	End of WWII Change in the business panorama in Italy Post-war consequences
Early-50s	<b>Giacomo marries Marta, who holds two university degrees and is from an aristocratic provincial family. Her father owns shares in <i>Va' Pensiero</i> in a small town</b>		<b>Post-war recovery Marshal Plan – industrialisation</b>
Early 50s	<b>Gaetano is born</b>		
Mid-50s	<b>Sergio is born</b>		
End 50s/early 60s		<b>Giacomo buys <i>Va' Pensiero</i></b>	<b>Start of Italian economic boom</b>
Early 60s	Giacomo, Marta and family move to the town where he works <b>Maria is born</b>	Fabrizio builds their office building	

<b>The 70s</b>		Some conflicts with the Trade Unions, end of the welfare for the workers	Social tensions and unrest, unions, Red Brigades
<b>Late 70s</b>	Gaetano leaves university before obtaining a degree	<b>Gaetano starts working in Va' Pensiero</b>	
<b>Early 80s</b>	Sergio leaves university before obtaining a degree	<b>Sergio joins Va' Pensiero</b>	<b>Italian golden industrialisation period</b>
<b>Mid-80s</b>	Maria leaves her studies in Medicine, without a degree	<b>Gaetano does not like working at Va' Pensiero. He takes care of the real estate part of the family assets. He re-starts the old company again with a cousin</b>	
<b>Early 90s</b>		<b>Giacomo passes the baton. Sergio becomes CEO, he moves all activities to the factory in the small town</b>  <b>Riccardo Maino starts working at Va' Pensiero as General Director</b>  <b>Serious company crisis, a department is closed and 40 employees are re-employed in other departments</b>  <b>State-owned equity fund buys 40-50% of Va' Pensiero shares</b>	End of the First Republic – start of the Berlusconi era
<b>Mid-90s</b>		Gaetano enters the Board of Va' Pensiero  Maria and Riccardo become Board Members of Va' Pensiero	
<b>Early 2000s</b>	<b>Carlo, Maria's husband is diagnosed with cancer</b>	<b>They wanted to list the Va' Pensiero on the stock exchange but it starts to decline</b>  <b>Gaetano, Maria and Riccardo leave the Board</b>	<b>Beginning of the decline of their industry, WTO opens to China, globalisation and competition from the Far East Asia</b>
<b>Mid 2000s</b>		Merger with another company to extend the production chain	
<b>2007</b>		<b>The company starts to make losses</b>  <b>Riccardo comes back on the Board</b>	
<b>Late 2000s</b>	<b>Marta, Giacomo's wife, is diagnosed with a chronic disease</b>	They buy a company for Maria The situation of Va' Pensiero gets worse for the company and there are financial losses Slight recovery of Va' Pensiero. The company bought for Maria goes bankrupt and closes.	<b>Lehman Brothers tsunami and the start of the recession</b> Worldwide recession

2011		Sharper decline. Many employees are put on redundancy/payment fund plan.	Political crisis in Italy, fall of the Berlusconi government
2012	Maria's husband dies	One of the worst years. Gaetano attends the shareholders meeting	The worldwide recession is very deep in Italy
2013		Va' Pensiero becomes a limited liability company, 84% of the shares sold to a Private Equity fund. Giacomo is no longer President. Sergio becomes President and CEO, Board members: Riccardo and the Administrative Director Board Members	The recession continues strongly Elections in Italy

### *Comments and observations on the Key Events Chart*

The first thing which is evident observing this chart of the key events in the family, in the business and in the Italian context is the scarcity of information about the Molfetta family. Going through the interviews, unfortunately there was very little information regarding the family. Giacomo talked quite extensively about his father's and uncle's times and family relationships, but nevertheless the focus was on the business. One of the few comments regarding the family was about his uncle's wife, Giacomo thought she was dominant and was the cause of the schism between his father and uncle. Then he talked about the generational transition, but not in terms of their family life, mainly about the business. Maria did talk about her family though, her role as daughter and mother and her worries for her children. Gaetano was mainly interested in presenting his successful business. They also talked about Giacomo's wife's and Maria's husband's illnesses in the last years. As already stated, their main focus was the economic crisis. It could be that the crisis was so disastrous and so worrying that it has wiped away the possibility of thinking and talking about anything else. Furthermore, there could be some shame about the company situation. But the lack of information about the family cannot only be the consequence of the crisis, but from a psycho-social perspective, a signal of some unconscious dynamics to take into account. This will be addressed in depth in Part 2 of this chapter on family drama and crisis.

Looking at the chart, the main key events and turning points are those which follow.

1. Early 50s – Giacomo and Marta’s marriage breaks the business path set for Giacomo by his father. The wedding leads to Giacomo’s social upgrading as he enters Marta’s aristocratic family<sup>31</sup> and his *Va’ Pensiero* adventure begins.
2. The birth of Giacomo and Marta’s two sons in the early 50s and the mid-50s was a turning point in family life when they take up a parental role. In terms of the business, Giacomo buys *Va’ Pensiero*. In the early 60s Maria was born. It was a period of hope and expansion, a period of generativity, also for Italy as a country recovering from the War.
3. All three siblings Gaetano, Sergio and Maria, left university before finishing their studies. At the end 70s/early 80s, about 20-25 years after Giacomo bought *Va’ Pensiero*, first Gaetano and later Sergio entered the company and this inevitably changed the scenario. But after about 10 years Gaetano preferred to leave and take care of other business activities.
4. In 1991, Riccardo Maino was recruited as General Director. Before that Giacomo managed both roles of CEO and General Director. At about the same time, Giacomo who at the time was entering his seventies, passed the baton to Sergio, in his forties, who became the CEO and the heir to *Va’ Pensiero*. The rational and declared decision for having a General Director was the growth of the company.

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31 The word aristocracy comes from Greek ἀριστοκρατία "aristokratía", from ἄριστος "aristos" "excellent," and κράτος "kratos" "power").As conceived by the Greek philosophers Plato (c. 428/427–348/347 bce) and Aristotle (384–322 bce), aristocracy means the rule of the few best—the morally and intellectually superior—governing in the interest of the entire population" (*The Encyclopaedia Britannica* accessed online 16.2. 2016). Aristocracy and nobility have been features of the ruling elites in Europe, therefore also in Italy. Usually the king/queen or the Catholic Church designates somebody an aristocrat as a sign of military or political or land ownership recognition and the title is transmitted through generations "in the name of birth and prerogative"(Wright Mills, 1956, p12). This type of hereditary entitlement was at the basis of, for example, the French Revolution’s conflicts with the emerging bourgeoisie. Italy has been a Republic since 1946, the aristocracy a relic of the previous Italian kingdom, nobody can be ennobled anymore and aristocrats are not recognised by the State. In section 3.9 on powerful people (elite), such as the research subjects, I have addressed more extensively the issue of élites, which also includes aristocracy, although aristocracy is a very special type of élite due to the nearly sacred type of entitlement or authorisation.

5. In the early 90s, the company went through a serious economic crisis due to the dire Italian economic situation. This also led them to sell *Va' Pensiero* to a state-owned equity fund 40/60% (the exact figures are not clear) so that the company would survive. In the Molfettas' narrative, the sequence of events is not always perfectly clear.
6. In the early 2000s, there is a very significant turning point. That year was a "moment of glory", their turnover reached the maximum level since the establishment of *Va' Pensiero*. They were thinking of listing the company on the stock exchange, but the crisis arrived, hitting their industry in Italy and thus *Va' Pensiero*. In 2001 Gaetano and Maria left the Board, perhaps they sensed that a collapse could occur. Also Riccardo left the Board of Directors that year, but returned in 2007.
7. At that time Carlo, Maria's husband, was diagnosed with a fatal illness.
8. Since 2008 Italy has been deeply affected by the post-Lehman Brothers tsunami worldwide recession, *Va' Pensiero* was completely overwhelmed by the crisis and was caught in a continuous declining spiral in spite of all the attempts made by the Molfettas to treat it. At that time, Marta was diagnosed with a chronic disease. Marta was the person who brought *Va' Pensiero* as a dowry to the Molfetta family.
9. The situation of the Italian economic and political situation precipitated further in 2011. In 2012 Maria's husband died, the first death in the Molfetta family in the second and third generation, since Giacomo's father passed away. In the same period they decided to change the company from a limited to a limited liability company and in 2013, the majority of the shares (84%) were sold to a private equity fund. Through this financial step, the original *Va' Pensiero*, owned by the Molfetta family, died. The recession and globalisation killed it. It seems that the company has been kept standing, waiting for the workers to retire, so that the impact is not felt too strongly by the community.

## 5.2 The main actors

In the previous sections, the history and the context of *Va' Pensiero* has been presented from its establishment at the beginning of the XXth century, to the Molfettas'

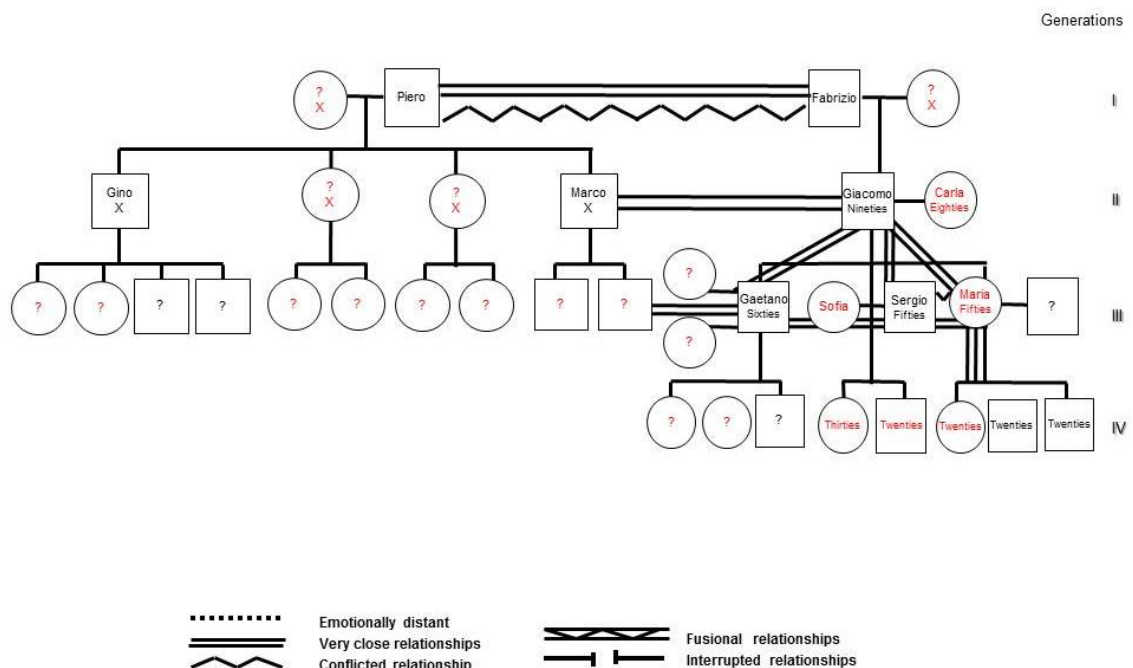
purchase and ownership, until 2013.

I will now introduce the main actors who I interviewed. Obviously my meetings with each of them were different. The possibility of creating a relationship was different, depending on their personalities, their desire to engage in my research project, to tell me something, to uncover some family issues and their opinion about the future of the company and Italy. Like in the Cangiani Group case, a genogram of the Molfetta family has been drawn and will be commented on. Then I will present each protagonist and the family system and values, using some quotes from the interviews, my notes in my reflexive research diary and my observations and ideas, which I have developed and elaborated from the encounters.

### 5.2.1 The Molfetta family genogram

As presented in section 3.5.1 and in the Cangiani Group case, I used the same type of genogram also for the Molfettas (see figure 5.10). It was not easy to put together all the pieces of the Molfetta family puzzle, because, as already mentioned, the family is quite tangled through the generations and many things are very distant in time.

**Figure 5.10 The Molfetta family genogram**



### *Comments and observations*

As described in all the interviews, the Molfettas seem to have close, good and smooth, respectful relationships. The only openly mentioned conflicts have been in the first and third generations. As described in section 5.1.1 concerning the Molfetta family enterprise until World War II, conflict arose in the first generation in the first instance between Piero (Giacomo's uncle) and his parents. As a consequence of it he left home, taking with him his brother Fabrizio (Giacomo's father), 15 years his junior and for whom he was a father figure. This must have been very painful, perhaps traumatic for Fabrizio, who was very young. Furthermore, many years later Piero and Fabrizio Molfetta also broke up business-wise and a schism took place. But my feeling was that notwithstanding the business break-up, the emotional relationships apparently continue to be good: the schism was painful, but apparently not too destructive. In the interviews both Giacomo and Gaetano spent quite some time telling me how close they are to their cousins, how they continued to do business together up to the present day. On the other hand, in the third generation, there is tension between Maria and Sergio, but it is kept hidden. Maria talked about some tension with Sergio, but it was expressed very properly and quite graciously. It is worthwhile remembering that the Molfettas are upper class/aristocrats<sup>32</sup> and that, for this type of culture, conflict should not be shown in public nor openly. It would be vulgar and against the social rules of their class. Fighting, shouting and, in general, expressing feelings do not belong to the manners of this class. Furthermore, Maria said, it is a conflict which will not come into the open, they will not let it explode as long as Giacomo is alive.

From their narrative, the relationship with Marta, Giacomo's wife and the mother of Gaetano, Sergio and Maria, seemed to have been distant emotionally: it felt as if she concentrated more on her studies, intellectual activities and profession and now she was absent coping with her illness. A deeper picture of the Molfettas' relationships will emerge in Part 2 of this chapter on family drama and crisis.

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<sup>32</sup>In an aristocratic milieu good manners, for example the way to behave at meals, are an element of distinction and great importance is attributed to them. Furthermore, there is a belief that people's emotional life and feelings should be kept private and not made manifest.

### **5.2.2 A pen portrait of the main actors' characters**

As for the Cangianis, it would be impossible for me to make an assessment of the personality of my interviewees since it is not within the scope of this work and I did not adopt any assessment tool. I will briefly describe them from my experience in the research encounter and from the notes of my research diary (in italics) and the interviews (also in italics).

#### ***Giacomo Molfetta, the father***

Giacomo was an old gentleman in his nineties at the time of the interview, and when I met him in 2011 he was really fit; he could have been 10 years younger. He was bright, warm, caring and emotionally present. In my research diary, after the meeting, I wrote *Giacomo is really a nice man, very mild but strong at the same time. He has a very modest style, he is an integrator...I felt he had a wise and reassuring presence.* His charisma derives from these uncommon personality traits for an entrepreneur. It is not a charisma which emerges immediately since he has an understated approach, but it comes from his emotional presence, from being there and being available. He is a balanced person who always manages to be positive about life, he sees the glass as half full. He is open-minded. Maria said, *he has his computer, he reads his e-mail, he likes to cook, he takes care of his wife, who has a chronic disease, he has his newspaper and his friends... He is committed to remaining self-sufficient.*

There is something nonconformist in his personality and in his open-mindedness too, especially for a man of his generation and of his upper/aristocratic social class (he married into aristocracy, he was not himself an aristocrat initially). He is a family person, the family is the centre of his life, family unity is essential. Maria said, *my father is still the glue.* He is a catalyst and appears to be a "container" for family dynamics and conflicts, a "working group mentality" (French and Simpson, 2010; see section 2.2.2) representative, able to keep the family group on task, a pragmatic person with good common sense. Maria said *that when they have to discuss something, they meet at grandfather's home and they talk about everything.*



He seems to have decided to pass the baton to his children at an appropriate time. Even though he has retired, he is still interested in the company. In this he was a precursor in understanding his two sons' talents and in organising the transition of the management of his assets the way he did, recognising Gaetano's and Sergio's preferences, capacities and competences, respecting them and finding the best job for each of them. Nevertheless, Maria reported that it was painful and difficult for him to let go, but he managed this pain by being present in a different way, in a mentoring role.

None of his children mentioned a conflict with him or anything unpleasant about him. It seems that his children and probably his grandchildren adore him. He is one of those people with whom it is difficult to fight, but it is also difficult to separate emotionally from them. Some evidence can be that, when I met him for the interview, he remained present in their one-room office while I was interviewing both his sons. Sergio said that they had nothing to hide from him. This critical incident will be discussed in depth in section 5.3.5.

He is very well-respected as an entrepreneur. Riccardo said that *he is greatly admired and he comes and gives us courage*. This is also confirmed in a book on the history of the company (for confidentiality reasons I cannot quote it). My feeling is that, although in a lovely, charming, open minded, warm manner he is quite a overbearing person. I felt some harshness and cold hidden parts in his personality. He could not have been a successful entrepreneur if he had been too mild and accommodating.

#### **Marta Molfetta, Giacomo's wife**

Unfortunately I could not interview Marta, afflicted with a chronic disease. She was described by Maria as an intellectual, with two university degrees. Marta was a professional. Maria said, *my mother was extraordinary for her generation, she was very determined, she always loved to study, to read, she was not a practical person, she did not cook at home...* She was the one who brought the aristocratic blood, she brought *Va' Pensiero* to the Molfetta system from her family of origin. As already stated in section 5.2.1 about the genogram, I got the feeling from the way the interviewees

talked about Marta that she was a cold and distant mother, in her own intellectual world.

***Gaetano Molfetta, elder son***

Gaetano, in his sixties at the time of the interview, was the person I didn't have a completely clear picture of, because the interview was quite short and I lost part of it. When I met him, I was still interviewing his brother Sergio. He entered the room hardly saying hello. He has a fit and athletic build. Gaetano looks a bit like a hippy or a blue-collar working-class person. He is a tall man with long hair, he presents himself in a powerful and charismatic way. My feeling is that he is a straightforward person, very direct, he is what you see.

My first impression was that he takes up a lot of space and feels entitled to it. He is very energetic, he has a loud voice, he expresses his emotions. I had the feeling of an optimistic, positive, realistic, constructive, pragmatic person. In my research diary I wrote *Gaetano has a real entrepreneur's spirit, very lively, not a hippy, very concrete and a real sales man. I was fascinated by his energy and his desire to create new businesses. Gaetano said...I was more inclined to take something to build on my own and be more autonomous. Maria said that, unlike Sergio, and like her father and herself, Gaetano sees things positively.*

Gaetano also seems to have taken on the role from his father of the family unifier of the schism between his father's father and uncle. As already mentioned he founded a company again with a cousin from his father's uncle's branch and he created a company with the brother of his ex-wife with whom he is on good terms. When his sister Maria was widowed, the day after her husband's funeral, he took Maria on a trip. He is also concerned about the new generations since he said *I have done many things*, now I am keen to develop some new small ones for young people.

***Sergio Molfetta, second son***

Sergio is in his early sixties. In my research diary, after my first encounter, I wrote *Sergio is a good looking man in his 50s, an upper-class man from a provincial area,*

*very kind and well-mannered, he is a country gentlemen...There was something so controlled in Sergio, so boring and depressing.*

In all my meetings with him, I remember his formal kindness, he always called back when I called him, he answered all my e-mails punctually and was ready to fulfil my requests. When I travelled by train to visit the factory in the small town, he came to fetch me at the station, at lunchtime he invited me for lunch. His behaviour felt real, part of his upbringing and education. I would say that being so formal is part of his identity therefore it is real. I felt that more than any other member of his family he identifies with the aristocratic background of his mother's side of the family, in the gentry class education and cultural codes. And he runs *Va' Pensiero*.

Like his father Giacomo stated, Sergio is meticulous, analytical, detail-oriented. Maria said *Sergio is an introvert, closed...very different from me and Gaetano, we are very open and straightforward...I do not know how Sergio would have managed if a woman joined the company...*

Sergio started to work in *Va' Pensiero* when he was very young, it was difficult for him to assert his authority when he took over from his father. Riccardo said, *Sergio... has never been charismatic...in this company the entrepreneur is Giacomo...I can tell you that Sergio is very good...it has not been easy for him...slowly, slowly...he has become more mature. He is capable of making decisions, he has goodwill which is typical of an entrepreneur...he is truly appreciated by everybody... Sergio Molfetta is always in touch with the father...*In my research diary I wrote that Riccardo's emotional task for many years had been to help Sergio take up his role, his authority and leadership. Sergio is very reserved. He is a rational person, he does not express his emotions, I would not say he is cold, but defended.

When I visited their marvellous factory with him, I wrote in my research diary *Why is Sergio so detached?...In any case at least I had the feeling that he was proud to take me around. But it felt as if it did not belong to him...*In some moments Sergio also became bureaucratic, if required he answers as he is obliged to. For example his sister

asked him for more information about *Va' Pensiero* and now he forwards it regularly. He is pessimistic. His sister said that *he sees the glass always half empty*. Sergio is the type of person who does not ask for help from others.

*Va' Pensiero* is Sergio's kingdom, Maria said he does not want other family members there and that *Sergio never tells me anything*. He is the second son of three siblings, in terms of birth order he is squeezed like ham in a sandwich between the two slices of bread. Maria also said that Sergio *played a lot of pranks on her*.

In the small provincial town he can still be the king of the empire, he can still be the little prince of an aristocratic family, but he is at the same time a lonely man who stands in command of a declining/dying company. In my research diary I wrote, *it was like he had already decided to retire, it was only a matter of when. There was no hope, no energy, no future. Perhaps he was not born to be an entrepreneur, perhaps he does not like it. But it felt like he did not want to mingle with common people*.

### ***Maria Molfetta, the daughter***

Maria was in her early fifties when I interviewed her. She seemed an intense, warm and generous person. She looked more like Gaetano than Sergio. One would not say immediately that she is a wealthy, upper-class lady. Her way of dressing is casual, unbranded sports-clothing. I immediately felt we had a good relationship. The interview felt like a confidential conversation among women, with a slightly feminist flavour. Talking about her two brothers' personalities, she said *this is very confidential*, I reassured her that it was only for my research. It was very easy to listen to her, to talk to her, she is full of life and vitality. It felt like she was seeking an alliance with me, a way out from all those men – father, brothers, husband – with whom apparently she is submissive. In reality she is a strong woman, she manages her strength in a traditional feminine way, obtaining what she wants laterally and not in a confrontational manner.

Maria studied for 5 years at university; she chose a subject against the will of her father who thought she should have studied economics since she was good at maths. After five years she met her husband and left university to be a wife and mother. She

declared that she is pleased with her life and the choice of being a housewife and taking care of the children. But now the only thing in her life that she regrets is that she did not listen to her father who had advised her to study economics.

My feeling was that she would have liked to work and now that she had turned 50, she regretted not having done so. She said *when I could have gone to work with my father in his last years, my husband fell ill*. Her brothers tried to help her work by buying a company, which went bankrupt. But it was not her choice since she did not like the type of business. It seems that now she has found a personal healing path through her hobbies. She brought a book she had recently published and gave it to me as a gift. I think it was a way of telling me who she is and where she stands.

Maria does not want to openly interfere in the business, entirely managed by her father and, now, by her brothers. But she said *I am also involved if I follow it from outside*. She said that her brothers *take care of the business and she trusts them blindly*. This is true, but mainly for Gaetano who she said is *more similar to her* and shares things with her while Sergio tends to exclude her. Now she is worried because Sergio tells *her that the company is doing poorly, but she is not sure if this situation is due to his pessimism or if it is real*. She is aware that something is wrong in *Va' Pensiero* where she has invested many of her assets. She says that she cannot say to Sergio *you are doing something wrong and perhaps you need some help*. She cannot do it because it would worry and upset her father, we have decided not to do so while Daddy is alive.

In birth order terms she is the 'little one'. Maria is "daddy's girl", she adores Giacomo. She said that *her hobby is something her father transmitted to her...*

Her husband came on the emotional scene only backstage, although she took care of him for 9 years until he passed away a month before I interviewed her. Her children also still live at home, with their partners, Maria enjoys this extended family. She also takes care of her mother whenever there is a crisis. She complained that her brothers are not so present, for example at Christmas and they escape when there are holidays.

***Riccardo Maino, General Director***

Riccardo Maino was in his early sixties at the time of the interview, although when I met him he looked older and tired. Riccardo was born and brought up in the small provincial town of *Va' Pensiero*. He feels a strong attachment to the town and the local community, he is one of them and he identifies with that culture. He comes from a humble working-class, blue-collar background. He climbed the ladder obtaining a degree at university with honours. You immediately feel his social background and that his position of General Director in *Va' Pensiero* is a great personal and social achievement.

In my research diary I wrote that *his narrative was extremely boring, at many moments I could not keep my eyes open, it was a lecture on the inevitable decline of the Italian market*. He is devoted and grateful to the Molfettas. He said that the Molfetta family is open-minded and attentive to community issues in terms of employment. He is a typical Italian family-business manager: quite compliant with the system, having grown within it and benefitted from it, and very responsible; he would never really confront the entrepreneur and carry out a real change. He seems to be a mediator. In these tough years, Riccardo's social background and personality have probably helped in all the trade-union bargaining and personnel matters which I perceived as quite smooth considering the circumstances as there had been no strikes.

He talks of *Va' Pensiero* as if he owned it, although he is aware that he does not. In any case, as a member of the Board he is part of most of the decision making. Emotionally *Va' Pensiero* is his "baby". He is a hands-on person: he carries out the everyday work, the dirty work, he "changes the baby's nappies", but also has the most satisfying jobs. Therefore he is really in pain about the dramatic decline of the company, the pain seeps from every pore, but he still believes in what he calls "the project" which is a transition to better times.

Riccardo is apparently a minor actor, because he is not a family member, but for *Va' Pensiero* he has a very important role, due to his strong bond with the company itself and with Sergio. Symbolically he carries out a parental role both with regard to Sergio

and the company. I would describe Riccardo's emotional role in the first years of Sergio's era as the nanny in a traditional aristocratic family. I will analyse this more in depth in section 5.3.2.

### **5.2.3 The Molfetta family system and values**

To conclude this chapter, I will illustrate some ideas, listed here, that I developed on the Molfetta family system and values from the interviews, my personal observations and ideas collected in my research diary and from reading an extract of a book on the history of the company and all the financial documents in general.

1. *Family unity.* The Molfettas presented themselves as a very united and conflict-free family where family cohesion is a strongly dominant value. For example, in terms of recognising "darker" aspects, the initial break-up of Giacomo's uncle and father from their parents and later the schism between Giacomo's father and uncle were difficult for Giacomo to consciously acknowledge as very painful. The need to repair this break-up of the previous generation was very evident in the narrative of Giacomo and Gaetano. Giacomo talking of his cousin, his uncle's son, said *more than cousins we were like close brothers, we also had common interests in terms of how we viewed life.* The Molfettas talk a lot to one another, they check in often with each other, you feel their closeness. The fact that Gaetano and Sergio accepted being interviewed in the presence of their father and did not feel embarrassed nor mentioned it at the time, is evidence of this. In the second interview I asked Sergio about his experience about being interviewed in the presence of his father, he answered that these were *all normal things, I did not have problems, our relationship is not conflictual, we did not talk about it, he did not ask anything...there aren't things to hide or manoeuvres.*
2. *A patriarchal and paternalistic family.* Giacomo is the head of the "empire" and family life unfolds around him; they meet at his home to discuss family and business matters. Giacomo is open-minded, apparently informal, easy-going and has been innovative in planning his succession and handing his assets to his sons, but in a traditional frame, continuing to be present behind the scenes and maintaining his position as patriarch. As for many patriarchal and

paternalistic families in Italy, the role of women in the business is secondary. When Giacomo's father and uncle had to choose their heir, the fact that among their offspring there were also some daughters was not even mentioned: it was inconceivable that a woman could become the heir of a business. Although Giacomo's wife Marta has two university degrees (the only person of the second and third generations who finished university), she did not work in the family business, but had her independent career. Giacomo had wanted Maria to study economics because she was good at mathematics. Maria also mentioned that she could have gone to work with her father, but beyond Maria's personal story and choice to be a wife and a mother, the idea of a woman who runs the business appears to have seemed culturally impossible for the Molfettas. The role of women in both case studies will be further discussed in section 6.1.5.

3. *Understatement, class and money.* Although the Molfettas' style is understated, my feeling is that they enjoy belonging to an aristocratic upper-class social milieu and fully identify with it. Giacomo proudly said that Marta came from very well-known *old local nobility in the town of Va' Pensiero*...The Molfettas' wealth is not exhibited, there seems to be no great concern about money. Nevertheless their wealth shows through their behaviour. They did not talk much about money, but you could feel that it was there, they have always lived with money, it is not new for them. The evidence is that they move easily from one business to another, they start up new businesses, they can move and have access to financial resources, because they have them. In talking about how they manage their assets and wealth, Giacomo said *we have some very good Jewish friends, who we are close to and they have taught us that it is better to have smaller, fragmented, diversified assets rather than a big business*. They were unclear on the exact number of their shares in *Va' Pensiero*, 50% or 60% percent, it did not seem to matter to them, an attitude which I observed in other wealthy people who do not care about such details and I think is a signal of wealth.
4. *The entrepreneurial style.* The Molfettas' entrepreneurial style is highly appreciated and respected. Riccardo said *all the workers at any level greatly appreciate the entrepreneurs*...*There is a great elegance and humility shown by*



*the family...I could have left, but I preferred not to, because I feel bound to these entrepreneurs, I feel very content here...it is very rare, really very rare..*

They are very concerned about their role and honour in the community of the town where *Va' Pensiero* is based, they seem very dedicated to its welfare. Their approach is paternalistic like at the time of the early industrial revolution, almost as if time had not passed since then. All this concern for the workers and community is really very admirable and full of dignity.

To briefly sum up, the Molfetta family has been an entrepreneurial family since the early twentieth century, therefore for a long time. For the purpose of my research, I was only able to provide an outline of their very complicated and tangled long-term history. I feel that the story of *Va' Pensiero* is a painful one, it is difficult to say if the company will be closed or if it will survive with or beyond/after the Molfettas. The story of *Va' Pensiero* is very similar to what many other companies in many industries have gone through in Italy in these past years of crisis. This theme, together with others, will be examined in further detail from a psychosocial and psychodynamic perspective in the next part of this chapter.

## **Part 2**

### **5.3 Family drama and crisis: main themes in the Molfetta case**

In this part, the main themes related to the family drama and crisis in the Molfetta case will be described. The method adopted for data analysis has been described in section 3.5. As stated there, differently from the Cangiani case, where it was quite straightforward to identify the themes, in the Molfetta case it was much more complicated, less evident and tangled. Therefore, an inductive method based again on what Chenail (1995, p.7, accessed 12 November 2015) calls "Natural - The data is presented in a shape that resembles the phenomenon being studied", was used. But I felt that a further step through a triangulation to a different approach was necessary. So I added another method for the thematic analysis, described in section 3.3.2, Lorenzer's ideas of *scenic understanding* (Hollway and Froggett, 2012). I used the description in my research diary of the critical incident of interviewing the two sons in the presence of their father as a scene (see section 5.2.2 in Giacomo Molfetta's pen

portrait) in the way suggested by Lorenzer in putting the scene and its provocations at the centre, to gain some important psycho-social insights.

### **5.3.1 A family life behind the curtain and family unity**

As already mentioned in section 5.1.6, in the Molfetta narrative there is not much about the family itself. In the interviews there are some personal comments about the family, for example Giacomo spoke about the deep, close relationship between his uncle and father or how fond he was of his cousins, but his main focus was always the business, and Maria spoke of her relationship with her father and brothers. The narrative in the interviews from the family perspective, seems of a family in a nice fairy tale full of love and goodwill. As in any good fairy tale there are also some dark parts, for example the break-up of Giacomo's uncle and father with their parent and the later schism between his father and uncle. It felt like a "told story", learnt by heart for communicating with the outside world, to protect themselves and to keep the family behind the curtain.

I identified some hypotheses for keeping family life behind a curtain. A first hypothesis is that in a traditional patriarchal family such as the Molfettas, family life is a woman's domain and I interviewed mainly men. The evidence is that Maria was the one who spoke a bit more about their family life.

Another reason for the Molfettas not to disclose their family life could be that it was too intimate to talk about it with someone who, after all, was in a professional-researcher relation with them. Evidence could be that when I went to visit the factory in the small provincial town, after the interview Sergio invited me for lunch. Beyond Sergio's formal polite behaviour in asking me, this was a signal of a request for a more intimate relationship. I did not accept this invitation and nearly ran away to catch the train back home, consciously due to my personal shyness, embarrassment and hesitation about how to manage the boundaries. But if I look at this from a projective identification perspective it was too intimate for Sergio too and perhaps it was being projected onto me on his behalf.

I hypothesise that another issue to keep the family in the background has to do with Marta, Giacomo's wife, the mother of Gaetano, Sergio and Maria. Unfortunately I was not able to interview her. As her husband and children described her, she did not take up a traditional role of "angel of the hearth", she did not fit in the "fairy tale" story line, she could not be "shown" and I felt she was a matter of puzzlement or ambivalence. She is an intellectual, with two university degrees, while her husband and her children do not have a university degree. She was an independent professional, and very avant-garde for a woman born in the 20s. But probably there was something about her personality which I felt could not come into the open. In the interviews, nobody talked about her with love and affection, which made me think of an emotionally distant person. Her husband Giacomo spoke about their marriage as a contract more than a love affair. Giacomo spoke more about his father-in-law and the importance of his family in the local community of *Va' Pensiero* than of Marta as a person. This was not surprising for the time in which they married and their social class, but obviously it had some emotional consequences. Marta and Giacomo came from a quite similar, although not identical, social milieu; Giacomo said, *the flat above us belonged to my future wife*, but, as already stated, their marriage allowed Giacomo, who belonged to an upper-class trade family, to access an aristocratic world. I felt that Marta was a foreign element in the system, she *always held a book in her hands*, as described by Maria. But she had to be tolerated because as a dowry she brought the aristocratic blood and *Va' Pensiero* which were both fundamental assets but this could not be spoken aloud.

Family unity is a major theme and value in the Molfetta family, as already described in section 5.2.3. Obviously it is a value that is intrinsic to traditional Italian family culture. The family bond in the Molfetta family is greater than everything else through the generations. As already stated, the break-up of Giacomo's uncle and father with their parents was not acknowledged as traumatic and the schism in the first generation was mostly a business one, which did not really damage the relationships between family members. Moreover, from Giacomo's narrative family unity emerges as deeply reparative in those circumstances. The Molfettas' life is entirely centred around the family. Through the generations, in the family they have found not only relatives but

also friends, business partners, financial resources. It is more like a clan or a tribal culture. Giacomo said that *Gaetano and Sergio went for a week together to New York and to the Guggenheim with the wife of one and the partner of the other, they travel together.*

There could be some specific reasons for the Molfettas' way of manifesting family unity. On the one hand, I felt their unity positive, constructive, supporting, nurturing which is admirable and should be appreciated. On the other hand, they seem a bit separate from the rest of the world, to which they do not always find it easy to relate. An evidence being that the factory is far away in a town in the mountains and their one-room office is in the town in which they live. The "dirty" manufacturing work must be far away. It seemed that neither Gaetano nor Maria go to the plant, the only one who goes is Sergio. Associatively it made me think that in upper-class/aristocratic families for example the children do not dine with their parents in the dining room, but in the kitchen with their nannies or maids. And there is a separation between the sitting room (their one-room office) and the kitchen where real labour takes place (the plant in the mountains).

My feeling was that for the Molfettas the family is their main point of convergence, as all the resources and needs can be found and satisfied within the family. Therefore the downside of this unity seems to be isolation and entrenched boundaries, a further evidence being the above-mentioned incident of interviewing the two sons in the presence of their father in their one-room office and the feeling that their world was in that room.

But the Molfettas' tendency to family unity and separateness from the outside world is intrinsic also to the fact that the Molfettas are a family business. Through my professional experience and moreover in this research, I have developed the idea, scarcely thoroughly explored in literature, that families that own a family business are different from families in other types of professions. What is notable is that the attachment, the closeness, the bond, the family ties of all the family members to each other are more intense and different from other types of families. The company in these

families plays a special role in the psychic economy of the family that owns it. This will be addressed in depth in sections 6.3.2. Evidence from this research material is that all three, Gaetano, Sergio and Maria, talked very little of their wife/partner and husband, while the catalyst of their life was the family of origin and the business. An easy answer for this phenomenon is that they live their entire life together, private life and work, and they have some significant economic advantages in staying together. But I think that there is also something deeper to it.

Heritage and its importance, and owning the company through many generations like in the Molfettas' case, is a great value in family business (see section 2.1.1). Family unity is a main feature to guarantee this. As evidence, Giacomo told me the story of his family businesses through the generations. Maria said her father Giacomo considers *Va' Pensiero* his creature. As in the Cangiani case, the company is perceived as another symbolic sibling for the three human siblings and thus there is something emotionally and unconsciously powerful projected on a family business. Regarding the reasons why people work, Kets de Vries (2014, p.7) says that "there is much more at play – and at stake – than money or other benefits". For example, on the one hand, a family business must satisfy the family's needs for economic welfare and well-being; on the other hand, in the psychic economy of the family, in many cases it should survive beyond the human death of its founder or the following generations through the legacy of its name, brand and presence in the community. So a family enterprise can almost become the witness of the fantasy level of the family members' desire for immortality or eternity, present in any human being. This fantasy or illusion of immortality can become reality through the survival of the business through time and family unity is an essential element for this to happen.

In the Molfettas' case, their upper-class/aristocratic identity, for which heritage and entitlement (see also section 5.3.5) to inherit is inherent to the culture they were brought up in, enhances the continuity/immortality/eternity dimension and makes it more manifest than in other social groups. Luckily the two case studies of my research are different and in sections 6.1 and 6.4, I will further address these issues of family unity.

### 5.3.2 Generational transitions and generativity

My constant question when working on the Molfetta case was *where is the crisis?* I started working on the Molfetta case data analysis having in mind and applying my crisis model in terms of a turning point (see section 2.3). Aside from first generation break-ups there was no really significant turning point, break/rupture or trauma in the material, both in the interviewees' narrative or in my reflexive research diary. It was all so flat and ongoing, like in music without any pause. Although the generation transition when Giacomo handed over the baton of *Va' Pensiero* to Sergio was an important change, as already stated, they described it as quite smooth (this was also my impression) and not as a discontinuity or a turning point. It is worthwhile mentioning that Riccardo Maino, the General Director, played an important role in this generational transition. Riccardo also helped Sergio to take up the role of CEO which was a complicated process due to Sergio's personality and to the dominant charismatic idealised figure of his father Giacomo. It is not unusual in family businesses to recruit a manager or an advisor to support generational transition and educate and train the new generation. Salvato and Corbetta (2013) argue that a respected advisor often takes up a transitional leadership role, which has an impact in terms of specific competences, but can also be important in terms of role modelling, of the emotional relationship and favour a successful generational transition. In section 5.2.2, Sergio's pen portrait, I suggested that Riccardo's unconscious role was that of a "nanny" to Sergio. I developed this idea associatively from the way and the tone with which Riccardo talked about how he supported Sergio's first years of leadership in *Va' Pensiero* and the devotion expressed by Sergio to Riccardo. Traditionally in an upper-class aristocratic family, a nanny is a woman who raises the employer's children as if they were hers. Usually the nanny, as Riccardo, comes from a humble class or a lower class than the family for which she works. It is a very intense personal relationship, often a lifelong one, even after the work of looking after the children is over and they are grown up. I feel that this was Riccardo's role for many years with regard to Sergio. It was not an easy generational transition, although apparently quite smooth. But in time, it seems that Sergio managed to emancipate himself from Riccardo whose informal role of a nanny was probably over. Riccardo said *I am very pleased that this process finished*

*years ago, now Sergio is clearly respected and recognised by everybody in the company.* Both Sergio and Riccardo spoke a lot of each other in a very positive way and with much respect of their reciprocal roles. Sergio said that *they decide everything together...* Furthermore *he would put his son in the company if the Director agreed.* In my research diary I wrote *Sergio consults Riccardo about anything.*

But another psycho-social hypothesis about the absence of turning points or ruptures and the declared smoothness of the generational transition could have to do with the theme of fear of and/or compensation for “father’s failure”. The evidence is that due to conflict with their parents, Fabrizio, Giacomo’s father, was taken away from them by his elder brother, a father figure for him, and this must have been very painful. Later Giacomo was taken by his father-in-law to buy *Va’ Pensiero*. Furthermore, Sergio was supported by Riccardo, as an older brother would do, at an early age as his father withdrew, though not totally. Therefore in the Molfettas’ case there seems to be a transgenerational repetitive pattern which could be a defence against the pain of the rupture or break-ups due to past “father’s failures” which could not be fully openly addressed. In Giacomo’s narrative the break-ups his father and uncle experienced were not described as traumatic, but as a very painful crisis (see section 6.3.1 about crisis and trauma) and later overcompensated for and repaired by the family unity and closeness.

Turning to a further dimension, to the life-cycle dimension and its impact on generational transition, as in the Cangianis’ case study in section 4.3.1.2, Erikson’s (1998) thinking (see also section 2.2.2.1) has been helpful. The stage of development Erikson (1998) called *Adult*, in age terms late twenties to fifties, seems appropriate considering the ages of Gaetano, Sergio and Maria. Giacomo instead is in what Erikson defines *Old Age*, but also the three siblings are heading toward this life phase. Riccardo Maino is his sixties too. On the one hand, the *Adult* stage is described as a time of procreativity, productivity and creativity, which includes both having your own children as well having new ideas, developing new products. The main task in this stage is care, both taking care of and care for people (Erikson, 1998), “balancing needs of others and self” (Kets de Vries *et al.*, 2007, p.70) and taking care of and for the next

generation. As already suggested in section 2.1.1.2, for Scabini *et al.* (2008, p.19), “generativity is the capacity of care and investment for what has been generated”. Scabini *et al.* (2008) argue that generativity is not only an individual feature but it is also the outcome of a positive and fruitful exchange of the relationship among generations. According to Erikson (1998), in the *Adult* stage, the potential crisis is of generativity versus stagnation or self-absorption when care cannot be carried out. It is the time of life in which generational transition should be planned.

On the other hand, in *Old Age* the challenge is between integrity versus despair. Integrity manifests itself through wisdom, the capacity to be more detached from life and to “face death itself” (Erikson, 1998, p.61), to be present and enjoy everyday life as it comes. In terms of the *Old Age* cycle, Giacomo represents this well. Despair has to do with helplessness, depression, no meaning to life, and pessimism, which I saw in Sergio, although much younger and just on the threshold of the *Old Age* life stage.

So all the main actors involved in *Va’ Pensiero* are in their late *Adulthood* or in the *Old Age* (Erikson 1998). I had the feeling that a sense of timelessness dimension pervaded the interviews’ narrative. Age and the life stage, as suggested by Erikson (1998), is an important factor in terms of energy, creativity, capacity for innovation, for projecting into the future, for the possibility of having new ideas and for the life span in front of you to carry them out. For example, at 20 one can do things that at 60 would be impossible. When the economic crisis started in 2000, Sergio in his role of CEO was in his mid-forties and Riccardo Maino as General Director in his late forties. Giacomo retired officially in early 2000s when he was in his eighties, although he is still emotionally present. Sergio and Riccardo were at that age in which they had still a reasonable life span ahead and they could have been innovative and could have carried out important changes.

Instead, in terms of the transition to the next generation, with regard to the children of Gaetano, Sergio and Maria, I had the feeling of a lack of generativity in respect of *Va’ Pensiero*. All three siblings have children, but there is no future plan about the possibility of one of them going to work in *Va’ Pensiero*. Gaetano, Sergio and Maria declared that just as they could decide (or not) to work in *Va’ Pensiero* or in the other



family businesses, their children should also choose their profession freely. Therefore the new generation seems not overtly obliged to work in the family enterprise. In any case they have family wealth backing them: in Italian one says “his back is covered”. Giacomo said about his grandchildren that *we have told them that it is better if they seek their own path, we will help them if possible...* Sergio does not see a possibility of his children working in *Va’ Pensiero*. He said *it would be deceiving our offspring as long as work is so difficult ...Nobody has expressed the desire to come here. To be honest there is no space, we have the problem of laying off people....* Gaetano, instead, is doing business with his son and one of Maria’s sons works in one of their other businesses. I could feel the care dimension for the new generations in Gaetano’s words. Sergio also said *in the future if somebody will have the right experience he could replace me*. Apparently this seems a protective and caring attitude to avoid the pain and the difficulties of the declining/dying company for the new generation, but this is also evidence of despair, the generational transition in his mind is not of a transition, but a substitution, i.e. “either me or them”. This could be further evidence of the transgenerational repetition mode described above in the sense that, as for Giacomo’s uncle and father with their parents, with whom they fell out so badly (many years later his father and uncle also separated), so also for Sergio, who finds it difficult to think of creating a common generational generative space with the next generation.

Unconsciously there seems to be an incapacity to think of creating a common space for the offspring in *Va’ Pensiero* and of carrying on a dialogue and conversations and productive exchanges between the generations.

All this leads me to hypothesise that the life stage challenge of Erikson’s (1998) stagnation or self -absorption and despair seem appropriate for the Molfettas with regard to *Va’ Pensiero*, as I perceived it in my encounters with them. There is a split between the two brothers Gaetano and Sergio. Generativity seems to be part of Gaetano’s DNA, who does not work in *Va’ Pensiero*, but not of Sergio’s, who manages *Va’ Pensiero* and seems more the representative of the stagnation/self-absorption/despair polarity (Erikson, 1998). It is certainly a matter of personality traits

or valence<sup>33</sup> (Bion, 1961), but there is probably a systemic dimension of this polarisation. I hypothesise that this *division of labour* is a heritage and a trans-generational repetition of the dual class belonging of their parents. Giacomo came from an entrepreneurial/trade wealthy upper middle-class milieu, is more hands-on/active and takes care of the cooking and of Marta, an intellectual of provincial aristocracy, whereas custom is to delegate care to the caregivers. In terms of the split between the two brothers, I suggest that another factor contributed to this stagnation, which was the freedom of choice offered by Giacomo to his two sons when they could decide whether to join the company at the beginning of their professional life. Freedom of choice is an excellent criterion for offering all potential possibilities to the offspring, but it can have some consequences on the business. This is an important boundary to take into account, what is important for the family is not necessarily important for the business. It was natural for Gaetano and Sergio to go to work with their father in *Va' Pensiero*, this was not challenged. But then Gaetano left to take care of their other activities because he said that he did not like to work in the manufacturing dimension. This was probably a good choice from a personal point of view and in terms of family dimension (each brother had his domain), but not for the business, because perhaps Gaetano's entrepreneurial competences would have been needed for *Va' Pensiero*. From a systemic perspective it raises the question, why was Sergio, who is a risk adverse person, chosen for an entrepreneurial job which requires the capacity to take risks?

I hypothesise that there is a tension and a split between generativity versus stagnation/self-absorption, and between integrity/despair in the whole family. The evidence for this systemic hypothesis is that the market and external contextual problems regarding the decline of *Va' Pensiero* were strongly dominant in the narrative of all the interviewees, not only in Sergio's. For example when Giacomo talked about the decline of *Va' Pensiero*, he said *it is not the problem of my son (Sergio the leader) but of the situation...* But the family delegated Sergio, who symbolically represents stagnation, self-absorption and despair, to manage *Va' Pensiero*. It raises the question

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<sup>33</sup> Bion's (1961) idea of valence/valency in groups has to do with recognition of "the existence psychological/emotional influence, which was metaphorically similar and as powerful in binding the individual minds as electromagnetic field forces bind atoms and molecules" (Torres and Hinshelwood [Eds], 2013, p.75).

why was Sergio left alone in such a united family, why didn't they ask Gaetano to help try to rescue the company?

From still another perspective, I think that the choice, an unconscious one, of having Sergio, who represents self-absorption and stagnation, as the head of *Va' Pensiero*, was a way to avoid competition between generations, between Giacomo and an heir, who would have potentially led the company better than he had. In this way nobody could compete with Giacomo's leadership and his role was idealised in time and, in Erikson's terms, he has been able to preserve his integrity. This will be further discussed in section 6.1.2.

### **5.3.3 Decline, decline, decline...**

As already stated, in all the interviews, the focus on the industry, the business, the company decline was the main one. The cause of the crisis was attributed to the market and globalisation. It was the same discourse of all the main Italian television channels about the situation, which the Molfettas had absorbed. At times it felt like a child's lullaby, hoping that he/she falls asleep. Although this was the dominant feeling in this chant, once the monotony and boredom was overcome and one did not fall asleep, some interesting themes and issues could be identified. Boredom was very present especially in Sergio's and, although less so, in Riccardo's narrative, they are the two persons who run *Va' Pensiero* every day. Relationships in the Molfetta case are described as smooth and without conflicts, in a timeless continuum, everything seemed immutable and should continue like that. Boredom hides other different feelings such as despair and resignation, lack of action and responsibility, but also covers anger and aggressiveness which are swept under the carpet. Evidence of this was my feeling of a lack of a potentially healthy direct confrontation among the Molfetta family members. I will come back to this in section 5.3.5.

This decline was described as being like a chronic disease, without much hope. Associatively it made me think that since the early 2000s the Molfettas' story also includes the illness dimension: Maria's husband died after a long illness and Marta has a chronic disease. In the Molfettas' interviews these illnesses were spoken of, but this

painful dimension was quite marginal. Maria's husband's illness was mentioned by Giacomo who said that he hadn't worked for a long time. *At the time they had estimated 3 months of life...This impacts my daughter with three children...*As already mentioned, I interviewed Maria when she was just widowed. She said that *it has been an agony...*Her main concern was for her children who she thought should have all the calm on which they then could rely later in their life. She said, *it is right that they have an adolescence...He wanted to die at home, he was not hospitalised, it has been difficult ...* In my notes I wrote *it seems that this ill man has been a real burden, somebody who drained all the resources, a real obstacle, a "dead man walking"*. The death of Maria's husband seemed a relief after so many years of illness, there was no love and affection for him in Maria's words, only a feeling of a big load on her shoulders and on those of her children. My feeling is that they had the same reaction to Marta's chronic illness. They did not talk of the sense of loss of her being so ill. Maria said that when her mother is not well *my father calls me...I to go to help him*. Also in this case no feelings were expressed by Maria. I was quite shocked by the nearly total absence of feelings of pain, anxiety or worry about these illnesses, it seemed that the Molfettas just wanted to erase the illness defensively as something ruining their nearly perfect life.

On the one hand, I hypothesise that there is a parallel process between the way in which the family system deals with the illnesses of Marta and of Maria's husband, and with the decline of the company. It seems easier to talk of the decline and "illness" of the company than illness in the family. The pain is projected on the company and the cause of its decline on the market and in global terms. Like in a serious chronic illness, there seem to be only two possible outcomes of this decline: the possibility of the arrival of a saviour (the Italian economic recovery) or death. The search for potential internal resources in the individuals, in the company, or in the community did not seem to be explored. A lost economic war with many wounded and dead was described, a real battlefield. Unfortunately in recent years, this type of image or crisis in the mind is very common in the views of Italian industrialists, especially in small and medium - sized enterprises, and in the communities where they operate. So the *Va' Pensiero* idea of the decline is not isolated, although it has its own specificities. And this, also in

consideration of my consultant background, led me to some inevitable questions. Could the decline have been avoided or could something more have been done? How much of the present situation is due to the external dimension, to the market, the Italian situation and globalisation? Or how much has to do with the Molfettas' personalities, family system, values and culture? Personally, in the encounters with the Molfettas, I felt that I would have liked to shake the interviewee in front of me and say you need to do something here, you need to react. The Molfettas', and especially Sergio's way of coping with the situation felt like a defensive passive-aggressive state of mind. It felt like they thought that they had no responsibility nor agency for what was happening. The entire cause of the crisis for them was external, projected outside for example on the market, on the Government, on globalisation and they felt 'victimised' by it, as will be further discussed in section 5.3.5. Nothing could be done for *Va' Pensiero*, except to survive in the daily routine. All the anger was thrown towards the outside. Due to their paternalistic attitude and their wealth, the Molfettas have not fired anybody in *Va' Pensiero*, they do not employ anybody new, they wait for people to retire without replacing them. Also in this there is little agency. There is a lot of dignity in the Molfettas' concern about the people employed in *Va' Pensiero*, about not forcing anybody to leave the company, about the impact on the community. They are really admirable in this and in the values that they show through their behaviour. But I want to stretch this idea a bit more, because I feel that beyond this constructive and respectful attitude about people, there also is a more destructive one in their static attitude. I would like to argue that this care for the people and community is also defensive and leads to this static inevitable decline, without risks and responsibilities. Is it really true that this ongoing decline waiting for people to retire is the best solution for the community? Probably the answer is yes. But could a more dynamic approach, perhaps also more traumatic in the short term, have contributed to set off new energies and a new development in the long term? There is no real answer since it is impossible to test an alternative strategy to the Molfettas' one. I just wanted to challenge the idea that there is no other solution and that a very admirable and respectable approach of these entrepreneurs could also be used defensively. I will come back to this in section 5.3.5 with an hypothesis and will further discuss it in section 6.3.1.

#### 5.3.4 Money and the ownership riddle

The Molfettas do not show and do not want to exhibit their money and wealth. Their style is apparently very simple, easy-going, open and understated. Money seems to have been there forever. It felt as if nothing could change in their financial situation, nothing could attack or deteriorate their wealth. The Molfettas' wealth is "old", it comes through generations, it seems part of their DNA. Nobody, Giacomo included, had to fight nor compete to have money and to be wealthy. It seems that they do not have a concern about money. *Va' Pensiero* is losing a lot of money, it is indebted, but they did not express the fear of being left without money, only Maria was a bit puzzled about the situation. They chose not to invest more money in the company from the early 2000s and let it decline, but it felt like more of a moral decision, a matter of social dignity more than a concrete financial loss.

Ownership is fundamental in family business and is directly linked with power through money and wealth. The Molfettas' culture is a deeply rooted owner's one; they are aware that their authority and power come from ownership. Their concern for the community of the *Va' Pensiero* plant is a typical ownership one.

In trying to understand the ownership structure of *Va' Pensiero* as presented in section 5.1.4, I felt like a detective, it was very difficult to understand the ownership riddle. It was fascinating and as in a spy story I wanted to go on and on, and could not stop searching. Two aspects concerned me: the ambiguous dimension and enmeshment in the ownership.

An example of ambiguity was for example that from the interviews the main discourse was that *Va' Pensiero* belongs to the Molfettas. But as mentioned in section 5.1.4 on *Va' Pensiero* ownership, ever since Giacomo's time, the Molfettas' percentage of ownership has not been clear. In reality, since the early 90s, when the state-owned equity fund entered into the ownership, the company has no longer been totally owned by the Molfettas. But in the interviews ownership 'in the mind' was always theirs, the evidence being that they all spoke of their company, this was emotional ownership. This discrepancy and ambiguity between ownership 'in the mind' and the real one

emerged in the second interview with Sergio when I asked a question on ownership. Sergio said that the family owns 40-50% (an imprecise answer to a factual question!), as it made no difference if the family was a majority or minority shareholder. Furthermore Sergio said that Gaetano, Maria and he own 33% of the shares each. But he also added that *my shares through a ploy can represent 51% ownership*<sup>34</sup> *...because I have dedicated 20 years of my life to this company...* Sergio argued that there is no formal agreements among the three siblings, but just a sheet of paper which has a moral value, not officially registered by a Public Notary. They have this mechanism, because in case of a conflict Gaetano and Maria cannot reach the majority of ownership and take over. The same ownership mechanism applies to the companies managed by Gaetano where he officially has 33% of the shares, but can reach 51% through the same plan. To make things more complicated, in forming a clear picture of ownership, when triangulating with the official documents (the source of which is withheld for reasons of confidentiality), it emerged that *Va' Pensiero* shares are not directly assigned to the natural persons (the Molfettas), but to holdings or trusts, like Chinese boxes. There are certainly rational and realistic convenience reasons for this in the Molfetta case, and in Italy (and probably abroad too) it is quite a common and well-known practice among industrialists.

So in the Molfetta case, ownership does not appear to be totally clear and it seems to hide something beyond the financial aspect. The evidence is that, as mentioned in section 5.1.4, it seemed difficult to ask a straightforward question about ownership without feeling intrusive as if there was a secret. I felt that I was not emotionally allowed to ask. In the second interview with Sergio very shyly I said, *please excuse me if I am indiscreet. I am not interested from a financial point of view, but from the relationships perspective.* I asked myself often, what are they hiding? The most banal answer was that *Va' Pensiero* was not “of the Molfettas” any more, as they want to show. Probably the Molfettas felt too ashamed and guilty to say that the company did not belong to

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<sup>34</sup> In Italian corporate legislation there are many ways to manage ownership, some are not always the most simple. Usually this practice is adopted for fiscal reasons, such as saving on taxes, not to be too exposed directly as a person, also in case of bankruptcy. I am not an expert on these types of regulations and I also thought it was not so important to explore these further in the context of this research.

them anymore and admit it publicly. Furthermore the “company in the mind” still felt really theirs.

Obviously this creates a confused, ambiguous and tangled formal/informal ownership, with an apparent equal division of shares, but not in terms of real power, which has also a psychic meaning and impacts the psychic economy of the family.

In the progression review it was suggested that the Molfettas’ ownership situation (perhaps all their history) seemed ambiguous. As will be presented in 6.3.1, ambiguity has to do with the coexistence of two interpretations of reality. Exploring the theme of ambiguity in relation to the Molfettas’ ownership history, as it is, made sense and was enlightening.

From a psychosocial point of view, I hypothesise that this ownership enmeshment, where it is impossible for each of the siblings to have his/her individual assets, mirrors a family enmeshment which cannot be acknowledged and addressed directly. Evidence of this entanglement and loose boundaries in the family system is that I interviewed the two sons in the presence of the father (see section 5.3.5), and they perceived it as a normal situation. This critical incident and the enmeshed ownership made me think that the process of individuation – separation for each individual in such a context is very complicated. Kets de Vries *et al.* (2007, p.92) state “if parents failed to provide the right conditions for the separation-individuation process, the child may have a shaky sense of identity as it moves into adulthood...”. This was my experience both for Sergio and for Maria, only Gaetano seemed more established, and well-integrated.

### **5.3.5 The scene in the one-room office**

As stated throughout this chapter, in this case study it has been very difficult to understand the origin of the crisis. So as already pointed out in sections 3.5.1 and 5.3, I used Lorenzer’s (Hollway and Froggett, 2012) *scenic understanding*, extrapolating a scene and addressing the provocations in it, to understand the experience of interviewing the two sons, Gaetano and Sergio in the presence of their father. I annotated the scene in my research diary immediately after the encounter and wrote /



*had an appointment to interview Sergio and his father Giacomo... I caught the train a bit too early, I was worried about potential delays. I was in the station waiting for the right time... when I got a text message from Sergio saying we are in the office already. He signed informally Sergio... I replied I would get there earlier. But I did not know how to sign, so I did not sign. I immediately started to panic, I suddenly remembered that their office has only one room and how could I manage the interview with both. What should I do? I could not call my supervisors. I was angry with myself because I thought I should have established a schedule, one hour for the father and one for the son.... So I became quite anxious thinking about what to do. I was welcomed by Sergio and Giacomo. I briefly explained the project and my role to them again, I asked them to sign the informed consent that they signed without reading. But then there was the issue of the father and son. I decided to try to have an individual interview and not a group one with both, hoping that one of them would have some errands to run. Sergio said that he had to go as soon as possible and he preferred to be the first interviewee. They did not mention that they wanted to be interviewed together, but the father did not leave the room and remained seated near me with Sergio behind the desk. So I carried out the interview in the presence of the father, who was quite silent listening and respectful when his son was talking. He tried to intervene, but I asked him kindly but firmly to wait his turn and then I would interview him. I was about to close my tape recorder after finishing with Sergio when I heard the noise of keys in the door which opened. Suddenly Gaetano appeared, he entered, barely said hello...Sergio took his stuff, he said that he was leaving and that he would leave Gaetano his place. I explained to Gaetano what I was doing there. Gaetano went to the threshold of the door and started to talk with his brother for about 5 minutes, Giacomo and I sat waiting. Giacomo said that he could spare 30 minutes, so I asked the father if I could interview him last and if he had time. He had no problem, he only had to be home for lunch. So Gaetano sat on the chair behind the desk where his brother Sergio had been before and we started; his father was still sitting near me... At last Gaetano left and I interviewed Giacomo alone. It was a good feeling to be able to have a bit of privacy after that chaotic morning.*

There were some powerful provocations in this scene which need to be addressed not only from an individual, family and group perspective, but also from a psycho-social

one. First of all the idea that being interviewed in the presence of the father can be considered normal. I nearly fell off my chair when I heard it from Sergio (see section 5.2.3). They all coalesced like in a closed nutshell, in their one-room office (which had shrunk from many rooms to one over the years of decline). The Molfetta family members unconsciously wanted to be interviewed together due to their anxiety, fear or angst concerning a catastrophic change (Bion, 1962, 1970, 1979, see section 2.2.2). What is the catastrophe about, what are they defending themselves from?

I also told a colleague that I could not understand the meaning of these interviews of the two sons in the presence of the father. She said it has to do with some separation issue, dependency on the father, a patriarchal culture or an unresolved generational transition. This hypothesis seemed consistent with the idea of a repetitive transgenerational pattern of overcompensation for or fear of break-up and separation in the first generation, as discussed in sections 5.2.3 and 5.3.2. But it was not still enough for me to understand this case.

Another provocation which caught my attention was the continuous idea of an inevitable decline. As mentioned many times, all three interviewees continued to say that the cause of the crisis was external: the market, globalisation, the lack of Government intervention. I wrote again in my research diary, *It was so depressing, a long and inevitable decline, a death that Sergio has to manage, it made me think about the movie "Death in Venice" by Luchino Visconti.*

The Molfetta family members felt victimised by the downturn of the economy and by the global market which are perceived as perpetrators. Pearson and Clair (1998) argue that "the consequence of a crisis can be 'victimisation'...and "the creation of a belief that one's personal system is threatened. It is a defence against unwanted change, it is a way of projecting the responsibility on the external context". When I visited the factory (see section 5.1.3), no workers were there since they had a day off due to a drop in demand and low production. But all the machinery looked perfectly ready to start to produce again. It felt like they were waiting for work to come back as in the "old times" and that a magic wand could bring a recovery of the market and save the company, taking them back to the old glorious years.

The material from the interviews and my research diary and my association to *Death in Venice* and the provocations in the scene described above, from Lorenzer's *scenic understanding perspective*, led me to formulate another psycho-social hypothesis. Luchino Visconti is an aristocratic filmmaker himself and one of the themes of the movie is a criticism of the decadence of his class. It is a world where one cannot dirty one's hands, one must not mingle with others. Boredom (as I experienced in the interviews) becomes a way of life, nothing needs to be conquered, and arrives through entitlement. Property, assets and wealth pass from one generation to another according to well-defined rules and customs of entitlement. It is a pre-French and industrial revolution culture. Hirschhorn (2012) argues that in a narcissistic context, as upper-class/aristocrats often are, "entitlement rather than greed becomes the dominant dynamic" (Gabriel, 2012, p.1648). In this social milieu greed is perceived more as an attribute of the rampant nouveau riches than theirs. Greed implies also what Steve Jobs (2005) recommended when he said "stay hungry, stay foolish". In the Molfettas' family culture I was not able to feel any hunger, everything was already there and available, therefore there was no need for others. Separateness could be defensively easier than being confronted and challenged by social differences and problems.

I feel that there is a strong link between entitlement and victimisation, entitlement leads to victimisation when things go wrong and victimisation can become defensive, contributing to avoid change, initiative and action. And Sergio is the representative of all this, it is projected on him by his family, and he carries out this role on behalf of the family system. Decline is the only possible change or end if the "old social order" does not return.

The Molfettas' dynamic is the witness of a class issue, the decline of their class, aristocrats/gentry/upper class, it is a privileged world which is becoming extinct. Their mentality does not seem to have been too much touched by the 1968 youth movements which aimed to subvert and culturally 'kill' the old order and deeply changed the relationships between parents and children in many European societies (although perhaps in some ways the Molfettas' wish to allow their children to choose

their own path could be understood as part of post-1968 culture). In any case it is a slow and inevitable decline, it is a destiny you cannot change. In Britain the monarchy is trying to transform itself in order to survive. The catastrophic change is the arrival of the barbarians, who can be the rampant entrepreneurs who are ill-educated, without style or *kinderstube* (i.e. good manners) or, even worse, the Chinese, the Koreans, the Russians, the Moroccans or others. Giacomo said that he bought the company from his father-in-law who belonged to an aristocratic family so he was able to climb the social ladder and access the aristocratic world, his family was only a wealthy upper-class family. Sergio who runs the company, represents more than Gaetano this decline of a gentry class, bored and without a future. Evidence from the interviews is their paternalistic attitude, they are protective of their workers. Consciously they say they cannot fire anybody since the factory is in a small town, it is the only one of their industry there, the people would be unemployed and it would cause social upheavals. They feel their social responsibility towards the community and this is a very admirable and respectful approach. So they are no longer investing in the company and Sergio said that he does not want his children to work there, so he does not want or perhaps expect the company to have a future. An hypothesis could be that in this attitude towards their workers and community there is also a repairing and compensating unconscious element against the fear of “father failure” in the collective and social realm as a transgenerational repetition, as a consequence of the break-ups in the first generation (see section 5.3.2).

Let me go back for a moment to the first aspect of the scene, I was early for the appointment with the Molfetta family. What did this mean? Could it be that I was “ahead of the crisis”, at least in terms of them being able to see that there could be a crisis? (I am researching and searching for crisis!) Perhaps I was witnessing an incubation period and, as mentioned in section 5.3.3, I wanted to shake them, which was often my feeling in the encounter with them. So the crisis will come for their workers when they have to close the factory, and for them it will be a crisis from a moral point of view and for their dignity, having to take the decision which is made more complicated because, in terms of the family, the end of this business is not the end of their economic assets. But in terms of the business itself, there is a slow decline leading to demise. Did they

want me to witness their situation and wake them up to the slow decline that needed to be handled before it became a crisis with a negative outcome?

#### **5.4 Conclusion**

The main themes in the Molfetta case point out and continuously raise the question of whether something could have been done to change the quite tragic destiny of *Va' Pensiero* during this long time of crisis. Although the interviewees were quite rational in their answers, focusing mainly on the business and the market, a lively psycho-dynamic and psycho-social picture emerged from the data analysis and the thematic analysis, and has been presented through some ideas and hypotheses of what happened not only on the open scene but also backstage at an unconscious level.

As it will be discussed in depth in section 6.2, this case study puzzled me and was much more complicated than the Cangiani case, because it was much less exciting, and boring, nevertheless in the end it was enlightening.

In conclusion, as in the Cangiani case, some of the investigated themes are common also to other family businesses in Italy, but others are more specific to the Molfetta case. In the next chapter in section 6.1, the common themes in the Cangiani case and in this one will be presented, compared and further discussed, together with the differences. The aim is to move from the specificity of the single case dynamic to some more general ideas about what happens in family business when confronted with a crisis.

## CHAPTER 6

### Understanding family business and crisis from the two case studies

#### Introduction

The aim of this chapter is to bring together the findings and the main themes from both case studies presented in Chapters 4 and 5 and to understand what can be learnt in terms of family business and crisis.

To do this, first of all some similarities and differences, comparing some themes in the two case studies, will be identified. Then I will present my overall emotional reaction (my counter-transference) to the two case studies as a whole – which impacted on how I represented them in my internal world and how I worked with them during the interviews and on the material and supervisions and the progression review.

The last sections will be dedicated to some final considerations of three specific themes: trauma and crisis, family unity, and the problem of succession, which have been particularly relevant in this research project in terms of family business and crisis.

#### 6.1 Case studies comparison: some similarities and differences

In this section I will present some similarities and differences which emerged from the two case studies through some common themes: the economic dimension, ownership, management and community; charismatic leadership; education, social class and life cycle and two cultural dimensions.

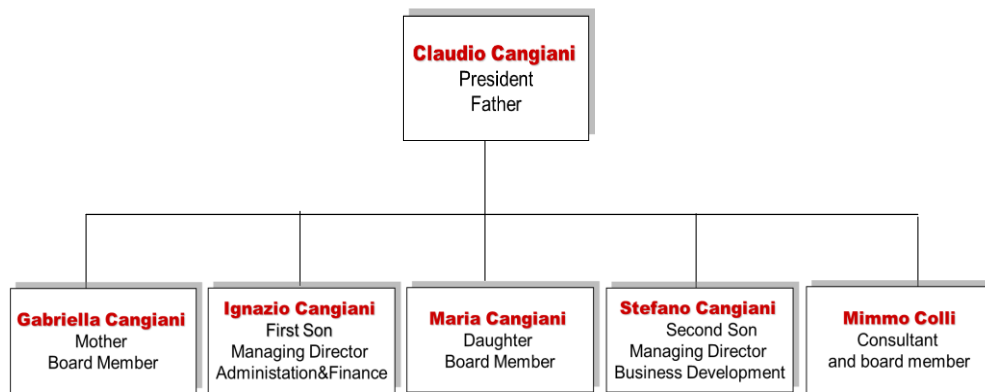
The first theme *The economic dimension, ownership, management and community* includes factual aspects. I decided to go back to these more factual dimensions because I always find that they act as “container” before an immersion in the more emotional/psycho-social interpretative dimension of the other themes which follow. This has been one of the dilemmas I have had throughout this research since I realised that what is relevant from a business point of view is not necessarily important from a psycho-social perspective. My belonging in some way to both worlds made some

choices not always the easiest. This will be further discussed in 7.3.1 in terms of the tension between my professional role of consultant and the researcher role.

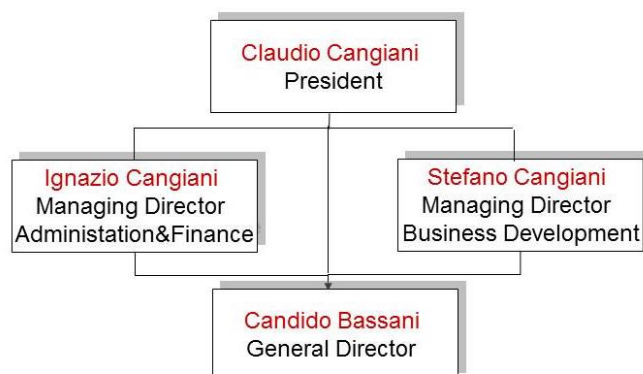
### 6.1.1 The economic dimension, ownership, management and the community

To recall what has been presented in Chapters 4 and 5, here below are the organisational charts of the Board of Directors and Management Structure of the two companies: figures 6.1 and 6.2 represent the Cangiani Group, and figures 6.3 and 6.4 the Molfettas.

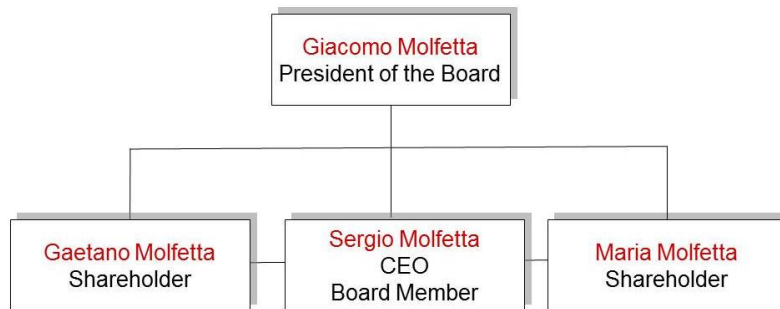
**Figure 6.1 The Cangiani Group Board of Directors until 2011**



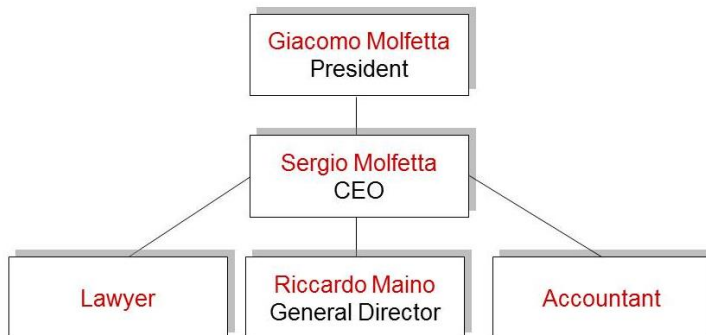
**Figure 6.2 The Cangiani Group Top Management until 2011**



**Figure 6.3 The Molfetta Family in *Va' Pensiero***



**Figure 6.4 *Va' Pensiero* Board of Directors from mid-90s to 2012**



In terms of similarities, Mimetex, the original company of Claudio Cangiani before the establishment of the Cangiani Group in 2011/2012, and *Va' Pensiero* are medium - sized manufacturing companies located quite near each other. Although the industries are very different, they were both bought in the second half of the '50s, a time of economic boom and strong entrepreneurial development, the backbone of Italian post-war recovery and growth (see section 1.4). In the last 15 years both Mimetex (later the Cangiani Group) and *Va' Pensiero* have been affected by the decline of the Italian manufacturing industry in general and their specific industry in particular, as a result of which their business model was challenged. Between 2001 and 2011, the entire industrial sector of Mimetex declined 29.5% in terms of number of employees, but this was less sharp than the 45.8% decline in the *Va' Pensiero* industry (ISTAT 2001 and ISTAT 2011). With regard to turnover, Mimetex (see section 4.1.5, figures 4.6 and 4.7) managed to continue to increase by 75% between 2000 and 2008 (the time of the



big recession after the Lehman Brothers crash), although they experienced some bumpy times as described in Chapter 4. There was a sharp drop in the turnover between 2008 and 2011 (-43%) and the number of people employed between 2009 and 2011 dropped 6%. By comparison, *Va' Pensiero* turnover started to decrease between 2000 and 2008 (-37%), and progresses at a slower pace in the period 2008–2011 (-12%). The number of people employed between 2009–2011 fell 8%. One might argue that Mimetex (and then the Cangiani Group) had a boom, then a drop and then a boom again. While the economic crisis hit *Va' Pensiero* for a longer period of time, making it chronic rather than acute, as suggested in section 5.3.3. The seriousness of the crisis of the industry to which a company belongs and type of product impacted on the company's reaction to the crisis and subsequent strategic and management choices.

In both cases the triggering element for the establishment of the ownership, as it was when I interviewed them, was a family event, but they were very different ones. In the Cangiani case trauma came out brutally and immediately in my first interview with Claudio Cangiani and emerged as the founding element which set the stage and permeated the whole case study. Mimetex was born from a tragedy and its development is infused with pathos, in the Greek meaning of pain and joy. In the Molfetta case however, the beginning of their ownership in *Va' Pensiero* was the marriage of Giacomo and Marta, which was described more as a contract where the company, although not literally, was a dowry. *Va' Pensiero* represented an opportunity for Giacomo, a wealthy tradesman, to climb a social ladder into the aristocracy – it was about social ambition and class.

Both founders, Claudio Cangiani and Giacomo Molfetta, were still President of the Board of Directors in 2011 when I interviewed them. Since 2012, Giacomo Molfetta is no longer so.

The shareholders' architecture is different in both companies. The Cangianis directly owned all the shares of Mimetex and, later, of the Cangiani Group and this was clearly described in the official documents (see section 4.1.4). By comparison, as discussed in section 5.3.4, the Molfetta shareholders' system is more complicated. They are no

longer full owners of *Va' Pensiero*, as a State equity fund entered the ownership in 1993. Furthermore, in 2013, the majority of the shares passed to a private equity fund. Nevertheless the Molfettas' "ownership in the mind" is that *Va' Pensiero* is fully theirs, as if they had never sold a share.

Both families feel a strong sense of entitlement (this has conceptually been addressed also in 5.3.5), power and authority deriving from their ownership in the companies. They are proud of this ownership, one feels their sense of possession.

In terms of management, both companies have gone through a generational transition in the family management of the company. As with many Italian post-war entrepreneurs, the older generation leader was active for very long (about 45 years in the Cangiani case and about 40 in the Molfetta case), leaving a strong imprint on the company's culture. Both have the family firmly at the top of management. In terms of handing over the baton, it was overtly very difficult for Claudio Cangiani to leave Mimetex's throne. He was thrown out because of his age, he did not really plan it. Furthermore, there was the issue of whether, after he left the company, it would continue to be run by both Ignazio and Stefano Cangiani, who for many years had similar roles as Managing Directors. Ignazio was always ambivalent about his role in the company while Stefano was fully grounded in it. But there was a birth order issue since Ignazio was the eldest. However, in the Cangiani Group case, in mid-2000s a crisis led to a real generational transition and the merger/acquisition of Mimetex, the original company of Claudio Cangiani, with Rione and Sentiero, which were Stefano's "babies". A new leader, Stefano Cangiani, emerged, a person with a vision that was different from his father's and capable of leading the company from a pure manufacturing company into a new service business. At present the units created by Stefano Cangiani are doing better in terms of turnover than Mimetex, founded by his father Claudio. Ignazio has left the company.

By contrast, Giacomo Molfetta decided to pass on the baton of *Va' Pensiero* when he was in his early 70s, although he continued to be present in company matters. The elder brother Gaetano, who worked in *Va' Pensiero* for a while, was not interested in

the manufacturing activity of their businesses so second-born Sergio inevitably became the leader of *Va' Pensiero*. In the main, he continued his father's activity, practice and style of management. Sergio tried to introduce some innovations, for example he created sales support offices in Italy and abroad, but without any great impact on preventing the decline that he is managing. In section 6.3.3 I will continue to address the issue of the succession in more depth.

In both companies there is a General Director who is not a family member and has been working in the company for a long time. This tells us that in some way both families "allowed" somebody from outside to enter the management. From a management dimensional perspective, it is an indication of a medium - sized enterprise which is evolving towards a larger dimension and towards managerialisation (Corbetta, 2000).

For example, Riccardo Maino, General Director of Mimetex, was recruited when they wanted to list *Va' Pensiero* on the stock exchange, which unfortunately did not happen. But Candido Bassani, earlier Director of Mimetex, now the General Director of the Cangiani Group and Riccardo Maino are very different from the point of view of age, personality and ambitions.

Candido Bassani is much younger. He is in his late 40s, dynamic, ambitious, able to make requests to the family concerning his ambition to climb the ladder in the company management. He left Mimetex when he could not get what he wanted and came back when there was more space for his career. He seems to pursue his personal goals with great determination. Riccardo Maino is in his early '60s, the end of his career, in some way waiting for retirement. Apparently his ambition is to make *Va' Pensiero* surmount the crisis. Currently, the issue of external management in family businesses is very present in family business studies conversations (i.e. Mitchell *et al.*, 2003; Salvato and Corbetta, 2013), also as a way of dealing with generational transition. However, in the two case studies of this research from a psycho-social perspective it is not so relevant (I defined them as minor actors). Nevertheless I feel that Candido Bassani's and (more so) Riccardo Maino's presence also need to be acknowledged for their symbolic role.

To conclude this section, from a community perspective it is worthwhile to recall that Claudio Cangiani and Giacomo Molfetta both showed a very strong devotion to the wider community. Claudio spoke of a *service spirit, the desire, the availability and also the pleasure of dedicating his time to others* and to the professional association. Giacomo Molfetta felt a strong connection, bond and social responsibility towards the town of *Va' Pensiero*, the local community and the workers (he used to organise outdoor trips for them, they lived above the plant). Sergio Molfetta is avoiding laying off any employees, but is waiting for them to retire.

### **6.1.2 Charismatic leadership**

Claudio Cangiani and Giacomo Molfetta were both charismatic leaders, both strongly imprinting the company, which was organised and structured by a charismatic organisational culture. They were at the centre, unwilling to delegate any tasks and all the decisions were taken by these charismatic leaders. For both Claudio Cangiani and Giacomo Molfetta, their companies *Mimetex* and *Va' Pensiero* are their creatures or child and they have an embodied relationship with the company. Both enjoyed their identity and role as entrepreneurs. Like many entrepreneurs of their generation, in terms of personality one could feel a “dynamic tension between the real self and the ideal of self” (Togni, 2008, p.93, my translation).

In terms of the type of charisma, as already described in sections 4.2.2 and 5.2.2, Claudio Cangiani is brilliant, dominant, authoritarian, invasive, oppressive, omnipresent, controlling, prominent, and anxious. I would argue he is a masculine charismatic decisive leader. Meanwhile Giacomo Molfetta is warm, caring, strong and mild at the same time, respectful, an integrator, wise, modest, but very present (as described in section 5.3.5 he was present in the room, seated next to me, during the interviews with his two sons). He seemed more a feminine type of charismatic leader. Maria said he cooks for the family, not a typical task for an Italian man of his time and class. Claudio, however, is the type of person who calls for confrontation, he is always competing and challenging the other. By comparison it is difficult to enter a conflict with a personality such as Giacomo, who is always there, present and available. On the one hand, as it has been described in sections 4.3.1.2, 4.3.2 and 4.4, Claudio's

confrontational charisma was an issue in the generational transition and made it difficult and painful. Claudio was a repository of both positive projections such as idealisation and negative ones, which also created a *schizo-paranoid* (Klein, 1988b) culture and climate in the company. There was always something to fight about and eventually to take flight from. On the other hand, I hypothesise that the more apparent *depressive* (Klein, 1988b) culture of Giacomo, doing the right thing at the right moment (for example, passing the baton early) did not allow the conflictual intensity which could sometimes be needed in terms of personal independent development and identity that can, for example, allow an adolescent to grow into an adult. As also hypothesised in section 5.3.2, the avoidance of conflicts and confrontations in the Molfetta family, also embodied by Giacomo's style, could represent a transgenerational collective defence against the fear of painful breakups and crisis which had been experienced in the first generation by Giacomo's father and uncle.

Beyond other aspects, it seemed to me that these two cultures also impacted the way the crisis manifested itself or was traceable in the two case studies. In the Cangiani case, crises and turning points were clearly immediately identifiable, while in the Molfetta case (see section 5.3.2) I struggled continuously to find where the crisis was.

### **6.1.3 Family unity**

Family unity as a value is very striking in both case studies, it is a value above everything else. Family unity is almost sacred or divine, it is a fundamental binder. In both sets of interviews, family unity was idealised and overemphasised as a form of ideology or religion. This strong value system, like a *security blanket*, a sort of transitional object or space (Winnicott's, 1971) or a sort of overhead third party, has a containing function with regard to the potential conflicts or destructiveness in the family. The description of family unity in the interviews also felt like a "story", almost a fairy tale, in contrast to the complexity of the family's "real-life experience". In the Cangianis' case, Stefano often stated that he would never fight with his brother for money. In the Molfetta case they keep relationships alive and are in business with their family members through generations (although also defensively, to avoid experiencing breakups as in the first generation). Obviously this continuous struggle for unity and

harmony can be castrating and claustrophobic, as it could be felt in Stefano Cangiani's interview about not being adequately rewarded for his achievements or when Maria Molfetta talked about her disagreement with her brother Sergio and about keeping it non-explicit so long as her father is alive. The way family unity is represented both in the Cangiani family and in the Molfettas narrative is typical of a traditional Italian patriarchal and paternalistic family. It is based on loyalty and trust in each family member, a real sentient group dynamic. Claudio and Giacomo, although with different styles, are respected as the patriarchs, the rulers and have had a protective function towards the family. They are also protected by the rest of the family from the aggression which can arise due to their position within the family and from outside. It is a traditional way of conceiving the paternal role and function in terms of also offering boundaries, which can act as a defence against the emergence of open conflicts, and having advantages in terms of the containing and constructive aspects. This striving to maintain unity was strongly perceivable at the time of the interviews together with the fear that this unity might dissolve when the patriarchs died.

This theme of family unity will be further discussed in section 6.3.2 where I will present some ideas about how family unity is a special feature in families in family business in general.

#### **6.1.4 Education, social class and life cycle**

Claudio Cangiani and Giacomo Molfetta both started university and then left without finishing. In Claudio's case because of the fatal accident in which his brother died, following which he had to go and help his father. In Giacomo's case the less tragic, but nevertheless painful schism between his father and his uncle contributed to his decision not to continue his studies. By comparison Marta, Giacomo Molfetta's wife, has two university degrees. All the Cangiani next-generation siblings have a university degree and for a short time, Ignazio and Stefano worked in a company which was not their family one. None of the Molfetta siblings has a university degree or has worked anywhere other than in the family enterprise.

There is also a difference in terms of class between the Cangiani and the Molfetta families. The Cangianis are a middle-class family upgraded by money and by Claudio's social status as a public figure. In the interviews my feeling was that class was not an issue for the Cangianis, it was not something they were preoccupied with. They are well-established with their money and in their community. In contrast, social class certainly seemed an issue for the Molfettas, although perhaps it was not always openly acknowledged. They belong to an aristocratic/upper middle class environment and culture permeates and strongly impacts the whole family behaviour, business and cultural dynamics.

There is also different perception about wealth and money in the two families. In both families, the members do not apparently attach much importance to money. Claudio was not always easy-going about having money and both he and Ignazio were described as being rather stingy. But in general the Cangianis seem quite at ease with their wealth, a new wealth acquired through hard work, which they seem to enjoy. The Molfettas' wealth is old, they absolutely do not show off. This behaviour is a matter of principle for them: they keep their wealth hidden, have an understated style and there is an ease in their sense of entitlement. This also is linked to my associations described in section 5.3.5 and discussed later in section 6.2 about the aristocratic world.

The age of the protagonists of the two companies is different: there is a 10-year difference, approximately, between the Cangiani family members and the Molfetta family members. At the time of the interviews, Claudio was in his early eighties, Ignazio and Stefano were in their early fifties, while Candido Bassani was in his late forties. Claudio did not feel the need to retire until his late seventies, he had the energy and determination. At the same time his sons did not feel "grown up" enough until they were about 50. Furthermore Stefano, to feel comfortable in the role of CEO, had to be able to show his competence and capabilities in leading Rione. This also has a cultural dimension, which is typically Italian. Until 2014 it was almost inconceivable to have people in leadership under the age of 50, but in recent years this has been changing. For example, the present prime minister is only 40, while all the previous ones were

much older and this sets a model for the overall relationships between young and old in leadership positions in the country.

Giacomo Molfetta is in his early nineties, Gaetano and Sergio in their early sixties, Maria in her early fifties and Riccardo Maino in his early sixties. During the period taken into account from 2000, Giacomo was in his eighties. At the time Sergio Molfetta, the CEO of *Va' Pensiero*, was still in a potential *generativity* life phase (Erikson, 1998). Then time passed and Sergio and Riccardo Maino were both in their early fifties.

As already argued in sections 4.3.1.2 and 5.3.2, from Erikson's life-cycle perspective (1997, pp.32-33), the subjects of the older generation, in both cases, are in the *integrity versus despair* cycle and most of the representatives of the younger generation are also reaching that stage although some of them, like the Cangiani brothers, Candido Bassani and Maria Molfetta, are still on the boundary of Erikson's (1998) *generativity versus stagnation* stage. From Erikson's (1998) perspective, in the Cangiani group case, age-wise, when the Italian crisis started, the new generation was still in a position to have a creative and generative potential, while in the Molfetta case, on the one hand, it was potentially too late in terms of age and, on the other, the Molfettas seemed more in a *stagnation/versus self-absorption* state of mind. So age was an important variable in setting the rhythm and the flow of events and in managing crisis.

### **6.1.5 Two cultural dimensions**

To conclude this part of the chapter, I want to briefly address two cultural aspects. The first one is the role of women, which is a societal dimension and the other an organisational-cultural one.

The role of women in this research has been a dilemma for me as a researcher. On the one hand, I interviewed only one woman, therefore objectively I have very little primary data. On the other hand, for me as a woman, it would feel awkward not to at least mention this theme. So I decided to write these few paragraphs not to erase or deny the topic. In general it is hard to evaluate the role of women in family business in Italy and their power since usually they have a hidden role. It is more about pillow talk rather



than direct involvement. In my professional experience I have often felt that women are informally very influential. But in this research I also had very little evidence about their informal role, for example in Maria's case I was not able to get a clear idea about her influence. The women in the Cangiani and Molfetta families do not work in the business, but they are part of the ownership not active on the board. From the narratives of the male interviewees not much was said about women in the family, I felt that they were just put there as 'ornament' and for some sort of equality in terms of shares ownership. Elena Cangiani, Claudio's wife, Maria Cangiani and also Maria Molfetta, the wives of Ignazio and Stefano Cangiani and those of Gaetano and Sergio Molfetta were hardly mentioned. Marta Molfetta, Giacomo's wife, had her own profession, but she was not involved in the family enterprise.

As already suggested in sections 4.2.2, 4.3.1.1, 4.2.3, 5.3.1 and 5.2.3, this represents the typical division of roles and labour in Italian traditional families, the home is the women's domain, women should stay at home to guarantee family unity as "angels of the hearth". The absence of a louder woman's voice puzzled me a lot in terms of understanding family business and crisis. Certainly this is something missing in this research, but I had to concentrate on the data I was able to collect. Any hypothesis on this theme would be hazardous and too speculative, I can only acknowledge this absence and hope to be able to develop further research in this area.

Turning to the organisational cultural<sup>35</sup> issue, it is worthwhile to state that in the two case studies there is a substantial difference. As already pointed out above, throughout the Cangiani case study trauma (the death of the twin brother of the founder) has had a strong impact on the family through the generations and on the business, becoming a key issue in the case dynamics. When I was directly in touch with the Cangianis I did not hear of any serious illness in the family nor did I feel death in the air. Instead in the Molfetta family (see section 5.1.3), Marta, Giacomo's wife who brought *Va' Pensiero* into the Molfetta family, was diagnosed with a serious chronic disease and Maria's

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<sup>35</sup> Shein (2004, p.17) suggests that essentially organisational culture has to do with "*the culture of a group as a pattern of shared basic assumptions that were learned by a group as it solved its problems of external adaptation and of internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems*".

husband passed away after fighting a fatal illness for many years. Illnesses, chronic, fatal and degenerative, with lengthy suffering, have been an intrinsic part of the Molfetta family in recent years and permeated their culture with death and decline. This difference in the two companies has made me think about the symbolic dimension and consequences of trauma and of chronic degenerative illnesses in the families, its impact on the culture of the companies and how this is manifested in the way they confront and manage crisis. This thread could be too speculative in the immediacy of the connection, but saying that the culture of the Cangianis is post-traumatic and that of the Molfettas is chronically ill, seems in any case not too daring and will also be discussed further in the next sections.

## **6.2 My emotional reaction to the two companies**

My emotional reaction, my counter-transference towards the two case studies and their themes as a whole was different.

As described lengthily in Chapter 4, in the Cangiani's narrative there was a lot of individualism, feelings, irrationality and tragedy which evoked in me, associatively, the German expression *Sturm und Drang* (storm and stress)<sup>36</sup>, in terms of the evident storm and stress and passion. *Sturm und Drang* was an important movement in literature and poetry (e.g. Goethe and Schiller) in Germany in the late 18th century that emphasised passion, the natural dimension, feelings and individuality. It was conceived partly as a challenge to cold Enlightenment rationalism (Ducan, 2013). It was the starting time of a bourgeoisie as a social class with an awareness of its role and its recognition as a social form. The Cangianis are socially part of that bourgeoisie which was established in the twentieth century, in Italy and in their region, therefore later than in Germany. I do not want to go into detail about *Sturm und Drang*, but just refer to it as the type of associative metaphor evoked by the Cangianis. My feelings towards the Cangianis were quite straight forward and linear. Also due to my history of trans-generational trauma, I could relate to their trauma and its aftermath. As already mentioned, in the encounter with them I felt loaded with their emotional experience.

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<sup>36</sup> "Extreme passion is, in fact, so closely identified with the *Sturm und Drang* that modern usage has extended the name, even in English, beyond eighteenth-century German literature to any period or state of emotional turmoil" (Ducan, 2013, p.47).

Ignazio, probably on behalf of the family, openly said that talking to me was like being in *Confession*. This felt quite surreal because a woman priest is a taboo for the Catholic Church and furthermore, I am Jewish. But I felt that it was an evidence that they could share some intimate issues with me. The *Confessional* is also where the believers are forgiven their sins. I wondered whether they were also asking me for this? I felt that they deposited a lot of undigested emotions (also probably their guilt feelings towards each other) on me in the interviews and I was able to contain them and understand, at the same time offering them a space for reflection. I felt that through my research I could contribute in some way to their moving forward to a new phase. This hypothesis could perhaps be a bit speculative and introspective or omnipotent, but this is how I felt emotionally and obviously there are no means for this to be further tested.

In contrast, as suggested in section 5.4, the main emotional reaction towards the Molfettas was boredom and sleepiness; in terms of colour it felt grey. I often had the feeling of wanting to shake them to make them react to the situation. As described in section 5.3.5, my metaphor for the Molfettas was the movie “Death in Venice” and the decadence of the leading character’s class. My feeling about the Molfettas in respect to *Va’ Pensiero* was that no alternative could exist to the company’s decline. In the Molfetta case I felt impotent: a part of me could partially identify with them in terms of my own class background, on the other hand, emotionally and professionally I could not understand them. At times I became angry with Sergio and the Molfettas, a reaction to boredom or to their passivity or to their idea of an inevitable destiny of decline. I could not stand it. I often asked myself if I they projected their anger onto me? Or did it have anything to do with my own valency? For example, in terms of chronic disease, I have been affected by a chronic disease, Crohn’s, for a long time, so I know what it means. But my attitude to this lifelong challenge has always been to fight it, never surrender to the illness. So decline, deterioration and surrender are difficult for me to accept. Personally I love intensity, tempests (*Sturm und Drang*), action and pathos and I hate boredom and slowness. In terms of the defended researcher (see 3.2, 3.4.1, 3.8), perhaps these personal dimensions, together with my professional background as a consultant, could have obfuscated my thinking and my reflective capacity about the Molfettas, leading me to a sort of mental *paranoid-schizoid* attitude towards them. I was

lucky to be able to talk with my supervisors who picked this up and helped me to look at this case in a more *depressive* state of mind. They suggested that the Molfetta case could also be seen as a case of a dignified and respectful death of the company, where nothing could realistically be done due to the economic context and the type of family that owned it. The Molfettas' care for the community is a positive face of paternalism (the non-abandoning father) and their wish not to lay off the employees is evidence of dignity and respectfulness. They want to keep going until their finances prevent them from doing so. Probably it was also difficult for me to be a spectator of this "death" or closure, beyond the above-mentioned valence, because my family's company had to close in 1929. I carry all these emotional dimensions and trans-generational biases with me, confirming once more that a researcher is never neutral.

### **6.3 Emerging themes**

In the last part of this chapter, I will address and further examine three particularly significant issues which emerged from this research and its findings which are common to both case studies and probably to family business and crisis in general. These themes are crisis and trauma, family unity and the problem of succession.

#### **6.3.1 Crisis and trauma**

As discussed in Chapter 4, the Cangiani case study is centred on trauma in family business. The theme of trauma has been examined extensively in that chapter. Trauma in family business literature is mainly addressed in terms of the trauma of handing over the baton and succession to new generations (e.g. McCollom, 1988; Herz Brown, 1993; Aronoff and Ward, 1995, Brunner, 2008). From my point of view, succession and generational transition are not necessarily a trauma, but rather a crisis, an inevitable life-cycle crisis and a change of power relationships in the business and in the family. As any life transition it can be experienced in many cases, on the one hand, as traumatic, perhaps triggering re-enactment of old personal and collective trauma as in the Cangianis' case or, on the other hand, as an overcompensated crisis in the Molfettas' case.

Through the comparison of the two case studies, this research shows the difference between crisis and trauma, which is an important distinction. Just to recapitulate, as presented in section 2.3 and above, on the one hand, in my conceptual framework crisis is a transitional time and space with different phases (incubation, critical period and outcome). On the other hand, Beardsworth (2009, p.45), for example, says that according to Freud trauma “is an event in subjectivity that overwhelms the ego’s defences, and which is not itself experiences” or, according to Ferro (2004), there is a very deep and meaningful division between “before” and “after”, caused by trauma, which remains in the memory. As Beardsworth (2009, p.45) suggests, “the trauma appears only in the belated symptoms, the sufferer remaining tied to a past that was never present and does not pass by”... In a traumatic context the whole world has to be re-mapped due to sudden and awful knowledge. As stated in section 2.3, Giust-Desprairies (2005) suggests that crisis is a process which has to do with functioning, while trauma is an event which impacts on structure. The Cangiani and Molfetta cases illustrate this helpful distinction. Crisis and trauma pertain to the individual, to the group and to the organisation. Crisis can be less intense and less damaging, although in some extreme cases it can be similar to trauma or it may become a trauma, for example in a bankruptcy (Brunner, 2008).

As described above, in sections 6.1 and 6.2 and stated many times, in the Cangiani case it was quite easy to understand how the crisis dynamics were deeply influenced by the legacy of trauma and trans-generational trauma, as described in section 4.3.1. In the Molfetta case, crisis was much more ambiguous, difficult to identify and understand beyond the overt market problems. This was probably due to the implication both of an overcompensated transgenerational crisis and the fear of a repetition of the breakups in the first generation (see section 5.3.2) and of social and psycho-social factors about class (aristocracy/upper class) and social identity issues (see section 5.3.5), which were quite hidden.

After writing about the two case studies and thinking of what they could offer in terms of learning about trauma but, more in particular, about crisis, I developed the idea that a specific characteristic of crisis is ambiguity – which does not pertain to trauma or in any

case not to the same extent. The evidence or the illuminating event in developing this idea was that in the Molfetta case my interpretation of the management of the crisis was different in some aspects from my supervisors. I could understand their ideas, I could take them on board, but I could not drop mine, I could not integrate both interpretations into one. Furthermore, in the progression review discussion on the Molfetta case the theme of ambiguity emerged promptly. For example, ambiguity was most manifest in the material about ownership (see section 5.3.4). The idea of ambiguity became a sentinel, in my intellectual journey, a theme to be explored. So I asked myself 'What does ambiguity mean?' To be able to relate it to crisis I looked at the literature to better understand my findings. Ambiguity comes from the Latin "ambiguitas, from ambigere, 'to dispute about,' literally 'to wander'" (The Princeton Encyclopedia of Poetry and Poetics, 2012, accessed 2 December 2015). For Aristotle, who thought that an argument could be only true or not true, "an ambiguous argument was an argument that appeared to be true and untrue at the same time and was, thus, logically untrue" (The Princeton Encyclopedia of Poetry and Poetics, 2012, accessed 2 December 2015 ). According to The Penguin Dictionary of Psychology (accessed 2 December 2015), ambiguity is "a characteristic of a stimulus, statement or situation that permits more than one reading". For Weick (1995) it is "an ongoing stream that supports several different interpretations at the same time" (pp.91–92), while for Kristeva (1980) it is connected with creativity and innovation in poetry. Ambiguity is also post-modern - fluid accessible and in-accessible at the same time, because it is about "openness to the potentiality of a multiplicity of interpretations, not because all are equally important or relevant at the same time and for the same reader but because they all exist equally within the field and will emerge eventually as actualised" (The Princeton Encyclopedia of Poetry and Poetics, 2012, accessed 2 December 2015). Ulmer and Sellnow (2000, p.146) suggest that ambiguity "is inherent to crisis" in organisations. In practical terms, they also argue that ambiguous communication and strategies allow divergent positions to be present and addressed and divergent needs to be taken into consideration. For example, in a family business, as we have seen in the Cangiani case, understanding of the market can differ for each of the generations.

From a relational psychoanalytical point of view, Mitchell (1993, p.32) argues that “whereas Freud was after clarity, explanation and insight, contemporary psychoanalytic authors stress ambiguity, enrichment and meaning”. For Mitchell it is not about rationality versus irrationality, but “the ability to generate experience which is felt as real, important and distinctively one’s own” (Mitchell, 1993, p.32). Mitchell (1993, p.57) suggests that “to say that the human experience is fundamentally ambiguous is not the same thing as saying it is complex”. For Mitchell ambiguity is different from complexity and he also suggests that “we know reality outside us, only through our experience of it...and it is impossible to envision a singular complete understanding of any human experience” (Mitchell, 1993, p.57).

Interestingly, looking at my conceptual framework described in section 2.3 and based on the elaboration of Winnicott’s idea of transitional time and space, Mitchell (1993) argues that in Winnicott (1971), the “very ambiguity of the status of the toy (part of the child, part of the mother, an extension of the child’s mind, an object in the real world) allows the child an enriched form of experience that is neither omnipotent, autistic fantasy nor objective reality, but rather a transitional realm in between”(Mitchell, 1993, p.57). Winnicott located creativity and originality in adult life in the realm of transitional space and time. In my conceptual framework about crisis I suggest that there is dynamic tension in the outcome of the crisis in terms of potential development and/or failure, between Eros (the life instinct) and Thanatos (the death instinct). I want to argue here that when the tension of an ambiguous situation is no longer tolerable or bearable, the situation can explode, like in the Cangiani case.

A further distinction needs to be made between ambiguity and uncertainty. In section 3.2, I referred to *negative capability* (French, 2001) as the capacity to live, stay in uncertainties. Ambiguity and uncertainty are different, although both can pertain to crisis. Uncertainty has to do with the unknown, the unpredictable future, and ambiguity has to do with different interpretations and understandings of the situation. Mitchell (1993, p.32) sees ambiguity also as the capacity “to suspend any judgment, premature understanding and forced clarity” (Mitchell, 1993, p.32) which is a concept similar to *negative capability*. In a moment of crisis or a turning point, a reflective stance that

allows tolerance of ambiguity (of having more interpretations and accepting them) can counterbalance the common omnipotent fantasy that taking immediate action can lead to a solution.

From a different perspective, for example, as already mentioned in the Cangiani case, I was left wondering whether what led to Stefano becoming the leader and was good for the company, was also good for the family. Or, in the Molfetta case, whether perhaps closing the company could be the best solution for the family and their wealth, but not for the workers. Family businesses, with their different overlapping systems, described in the Gersick *et al.* (1997) three circle model, are excellent examples, per se, of ambiguous dynamics. Any event in a family business is open to many interpretations, depending what system it is addressed from; one understanding does not exclude another, therefore it is very fertile terrain on which to explore ambiguity.

To conclude this section, I have tried to describe the difference between trauma and crisis, emphasising how trauma is usually an event with a before and an after which leaves a strong trace on the psyche of a person and in the culture of the group or organisation. While a crisis (a more “normal” crisis) is an ambiguous cognitive and emotional process.

### **6.3.2 Family unity in family business**

From the two case studies it emerges quite clearly that the family has had a prominent role in the development of a family business. In terms of the three circle model which focuses on the three systems (Gersick *et al.*, 1997), I want to argue that the family, its values, its culture, its tradition, is the most influential aspect in the family business dynamics since it is not a corporate or other type of enterprise. Most family business literature, starting from Gersick *et al.* (1997), tends instead to consider the three systems as equal. As pointed out in section 2.4, and also by Michael-Tsabari *et al.* (2014), until recently the dimension of family dynamics has not been taken fully into account in family business literature. Furthermore, as we saw in Chapters 4 and 5, in terms of the way crisis emerges, although in both cases the symptom was related to the business and the market, the origin of the way crisis was managed was in the



family. I am aware that this research cannot completely fill the gap about the role of the family in family business because it is beyond its purpose, but I want to point out a specific issue which intrigued me: family unity.

From my experience working with family businesses, and moreover from the data collected in this research, I developed the idea or the hypothesis that families that own a family business are markedly different from families in other types of professions, in the sense that family ties and bonds are much stronger and more difficult to break.

Family unity is at the basis of the three monotheist religions and influences the national cultures where these religions are practised. In family business this is obviously present, but there is something more about it. As presented in sections 4.2.3 and 5.3.1 and discussed above in section 6.1, this is manifested through a strongly declared family unity that is near to sacred and a type of ideology. For the purpose of this dissertation, I can only refer to data I have collected, which confirm what I have noticed in my previous experience, both personal and professional. The family business is a glue which is central to the family's psychic economy: for example, Stefano Cangiani said that *the company is Claudio's real child* and another sibling for him therefore. The family business is the centre of the entire system, the unifying mechanism and the source of identity. In both my case studies there was strong evidence that family members are very close and united, attached: family ties are very meaningful. The two families looked quite absorbed by their intra-family dynamics, relying a lot on each other and remaining constantly in contact with each other. Both the Cangianis and the Molfettas said they talk to each other every day. In a way they cleave together to defend themselves from the outside world, for example, as in the Cangiani case when there was the Red Brigades kidnapping risk. In both cases, there was also a fear of envy of their wealth (but in a more manifest way in the Molfettas, see section 5.3.4). For the Molfettas it was also about the exclusiveness and elitism of their social class dynamics.

It is the type of family unity of the family members which impressed and puzzled me. In both case studies some members, for instance Stefano Cangiani and Gaetano

Molfetta, were able to go through an individuation and separation process (Kets de Vries *et al.*, 2007) towards more autonomy from the family more successfully than others, such as Ignazio Cangiani and Sergio and Maria Molfetta. But even the most independent members were emotionally dependent on the family business, deeply bonded to it and expressed deep concern for family unity. Furthermore, in my professional activity I have often observed that, on the one hand, when an offspring leaves the family business for other professions and/or life choices, the separation from the family and the business is usually very painful and guilt-provoking. On the other hand, members of the new generation in family businesses, although formally married to their spouse, often seem to be married to the family of origin instead. This is quite common also to business people in the corporate world, but it is different and stronger emotionally due to the family ties. In some way, to different degrees, this was the experience with Ignazio and Stefano Cangiani and Sergio Molfetta that I gained from the material. As stated in section 6.1.5, they talked very little of their wives/husbands, almost as if their marriage was something mainly necessary for social reasons. An easy explanation of this phenomenon is that they live their entire life together, private life and work, and they have some significant economic advantages to staying together. I hypothesise that the business is to the family the 'breast' or the milk producing cow, which also needs feeding and looking after. It could also be a *thirdness*, a relational element, which keeps people together. And in the spirit of ambiguity (see section 6.3.1) it does not have to be one or the other but it can be both.

I do not want to deny the darker side of this unity or idealise it behind the unity and/or in name of this unity or its appearance, collusions, terrible conflicts and pathological behaviours may take place behind the scenes. We all know family dynastic sagas have taken place in the name of this unity and also with disastrous outcomes. In the Cangianis' case this unity was sometimes felt as disempowering. Stefano Cangiani spoke of it, for example talking openly about his dissatisfaction with being paid the same amount or having the same role as his brother for the sake of family unity. Maria Molfetta implied that the family unity could only be challenged when their father was no longer alive, and that some frustration and conflicts were swept under the carpet. Following the hypothesis of a transgenerational fear of breakups, this also might be

because the Molfetta family system is permeated by the unconscious idea that Giacomo could not bear a repeat of a ruptured father and offspring relationship, as had happened with his grandfather and uncle. So it was not only a fairy tale, some aspects of the complexity of family unity were present.

As already mentioned in section 6.1, from a sociological point of view, the behaviours manifested by the Cangiani and Molfetta families are reminiscent of the XIXth or XXth century patriarchal type of family strongly present in Italy, where the father had the *patria potestas* and *manus mariti* “buttressed by Church law ...by secular law and by village mores, under the sanction of public ridicule (Shorter 1977:220)” (Therborn, 2004, p.21). The *pater familias* was “landowner allocating labour and transmitting property...” and a head of a successful family enterprise (Crociani-Windland, 2011). A paternalistic type of culture emerged in both case studies. Paternalism, which can also be related to a matriarch, “means a clan-type emotional hierarchy” (Koiranen, 2003, p.243). “A paternalist is a person who believes in the policy of controlling other people in a fatherly way by providing them with what they need, but giving them little or no responsibility or freedom of choice” (Koiranen, 2003, p.243).

Davis and Harveston (2001, p.18) argue that from a social constructivist point of view, “social and symbolic processes produce patterns of shared cognition (understanding) among members of the same social group.” To the extent that this is true, closely-knit networks, such as families, are key sources of social learning (Bandura 1986). Generally, it is believed that one benefit of social interactions among group members can be shared learning (understanding, consensus)...”. This can enhance what Davis and Harveston (2001, p.26) call “kinship responsibility” among family members which they suggest can strongly contribute to overcoming conflict. Family business literature such as Neubauer and Lank (1988), Collins and Porras (1996) and Koiranen (2002) suggests that shared values and learning are a core dimension of the social capital, a key for the survival of a family business through generations. Koiranen (2002, p.177) cites Aronoff and Ward (2000) who say that “values are important in uniting the family...shared core values are often like glue”. If this is true, as I believe it is in the Cangiani case, family unity and shared values contributed to preventing a more

destructive outcome between the two brothers, enabling them to contain it until they were able to move on. In the Molfetta case it was a more ambiguous situation and it is difficult to say if family unity was containing or contributed to the decline through avoidance of intra-family conflicts. One could also argue that family unity was only a façade for the outside world, to give a good image, a “told story”. Evidence could be the boredom and sleepiness I experienced in the encounter with Sergio Molfetta and in some way also with Riccardo Maino. This could be due to repressed aggression or anger projected onto me. Therefore family unity, beyond having other important conscious and unconscious emotional functions, also became a defence against repetition of the transgenerational pain.

In both case studies, to different degrees depending on the circumstances, the interviewees were aware that family unity and shared values were an essential asset for the company, not only for the family. They knew that without a certain degree of unity or the capacity to achieve it, there was the risk that the company would fail because of the potential relational destructiveness. The two case studies also show how family unity and shared values can operate as a third party or space (Brunner, 2008). A triangle element between the family and the business can play a fundamental safety-net role in a crisis. Therefore any family member who has to live their whole life confronted by the need to maintain family unity for the survival of the company, inevitably unconsciously incorporates, in his/her identity and psyche, these values and culture, which become embedded. This would explain why family members, who for professional reasons decide not to be involved in the family business still find it very difficult to separate: the unity and shared values have become part of their psychic DNA. This is also my personal experience, coming from a family business which was closed nearly a century ago, or in the case of other cousins more recently. Although there have been terrible conflicts, damage and a lot of destructiveness in the family through the generations, we still all strive for this family unity, in practical terms meeting all around the world as a clan and enjoying it.

However, what has been briefly described until now about family unity and values, pertain not only to families that belong to a patriarchal/matriarchal and paternalistic culture. Therborn (2006 p.107) says “The secular changes of the twentieth century, for all their character of an epochal turn, do not mean that patriarchy has disappeared from the earth”. “The Patriarchal burden in the twenty first century” (Therborn, 2006 p.107) is still present in several parts of the globe and perhaps especially in Italy, even though families are changing deeply in their structure and culture as elsewhere in the Western world. I shall not explore the details of the evolution of the family further, but the question which arises is what happens and what will happen to family business in a post-modern world where families are very different? Families are moving from the patriarchal or the matriarchal to a pluralistic, post-modern - fluid, changing system of marriages and informal ways of living together with loose boundaries and parenting. How, or can, family unity emotionally manifest or transform itself in these new circumstances? Aronoff and Ward (1995, p.121) believe “that family business is both of the past and of the future – and that it is just this capacity to transcend time that is its greatest strength”. Perhaps it is still too early since these changes are still too “young”, but, if the hypothesis, presented in this section about the special type and function of family unity in family business, is meaningful, in coming years this will be an important challenge for family businesses. My organisational consultant role would suggest that it is important to create structures which can support and enhance unity and shared values, or act as a mechanism to manage conflicts. Certainly there is some potential in creating these structures, but my psycho-social researcher role sees it as much more complicated. For example, as we have seen in both case studies the charismatic paternalistic leader is a sort of glue and embodies the company’s values and has a containing function. The Cangiani case showed the consequences of sibling rivalry (see 6.3.3), which led to one sibling leading the company and the other leaving it. But what will happen through generations when the ownership is much larger or, as often happens now, when the siblings are not all from the same couple? In family business the different marriage dynamics get projected. For example, in Italy there is a well-known case, the Luxottica saga (a company listed on the Milan and New York Stock Exchange), where one of the ex-wives of the founder managed to kick out the CEO, who was considered one of the best managers in Italy. The impact of the changes in

the family structure on family business dynamics is an area that requires further exploration which cannot be carried out in this PhD. The family is such a fundamental societal structure where so much of a human being's existence consciously and unconsciously flows in and out into the business as well.

### **6.3.3 The problem of succession**

To conclude this chapter I want to introduce a few thoughts about the theme of succession which I have developed through this research and especially from the findings in Chapters 4 and 5. It would be impossible here to fully describe such a broad theme, therefore what follows mainly serves to highlight potential future research paths.

If in a family business there are more siblings and more of them are interested in the company, the choice of heir is always a big challenge. As De Massis *et al.* (2008, p.193) suggest "succession is a defining feature of a family firm". Lansberg (1988, p.121), talking about the lack of planning in succession as one of the main problems in the survival of a company after the founder departs, says that Weber had already emphasised the need for the founder to hand over the power to the heir so that "he could solidify the administrative structures required for the continued development of the enterprise". In the choice of heir or of the new leader or leaders in family business, many family and business dynamics often converge and coincide with important life-cycle stages in the old and new generations. As already discussed in section 2.1, in family business literature a main focus was and still is succession and generational transition (File and Prince, 1996; De Massis *et al.*, 2008).

In the two case studies it felt quite natural or normal for the male representatives of the new generation to work in the company (although this was not fully openly declared). This did not seem to be discussed or questioned within the two families. As already suggested in section 6.1, from the narratives of Stefano Cangiani and Sergio Molfetta, I did not have the impression that when they entered the company it was their specific choice to climb the leadership ladder. For both this was probably the case for reasons of birth order, both being the second-born sibling, but also because at the time of their entrance they were quite vague and ambivalent about climbing the career ladder. It

seemed that they had still to move into a different, more adult relationship with their respective fathers to be able to lead the company.

As in many family businesses, in both case studies, the choice of heir did not seem to be a planned decision, but apparently quite a casual process. In the Molfetta case it depended mainly on the business interests of the two heirs, while in the Cangiani case it was a deeply painful and traumatic process. Although family business literature and consultancy firms are full of tools and suggestions for planning the succession, most of them are rationalistic (see section 2.1.1) and, as is evident in my two case studies, succession is much more complex and is deeply emotional and irrational, depending on a multiplicity of factors (De Massis *et al.*, 2008). A rationally planned succession system can help in a first instance as a common platform, but it is not enough. For example, when there is a trans-generational trauma, as in the Cangianis, all rational planning gets swept away, at least temporarily.

I am aware that the choice of the heir can be addressed from many perspectives. Here, due to the limited space available, I want to introduce a psychoanalytical perspective, which emerges from this research. As is commonly known, for Freud the Oedipal structure is a core concept in his thinking about parent-child relationships. The Oedipus dynamic that emerges during childhood can re-emerge also throughout life and it is seen in the struggle between “desire and fear carried out in relation to paternal law...” and “a tension between the ego and the superego, the former measuring its own strivings against the latter’s harsh demands” (Beardsworth, 2009, p.55). Desire, fear, ambivalent feelings of hate and love and guilt, also repressed or denied, are at the basis of the Oedipus dynamic, which can pertain both to the individual level and the social dimension (e.g. religion internalised as substitute for the father’s authority). Lasky (1984) introduced the idea of the “Oedipal winner” on the basis of the complexity of his therapeutic experience with those children who were “overstimulated by the parent of the opposite sex in a setting where the same-sex parent competed inadequately or not at all” (Lasky 1984, p.351). The fantasy is that the child will be the winner over the same-sex parent, who is often in a more vulnerable state. I shall not discuss the therapeutic matters, where Lasky (1984) argued that often “Oedipal

winners” do not manage to complete their analysis or in any case that it is a long, complicated, bumpy treatment. But I want to borrow the concept of “Oedipal winner” and take into account the anxiety and the fears of becoming an “Oedipal winner”.

So let us go back to the two case studies. In the Cangiani case, Stefano climbed to the top of the company leadership. He continued in his father’s footsteps and took on himself his father’s inheritance; at the same time he renovated and turned the company round in terms of business. The way his father managed things was very present in his thoughts and actions (he said he had a similar character and charisma) and he often expressed gratitude, deep respect and admiration for his father. However, at the same time he was able to see the less flamboyant and more complicated aspects of his father’s character. For a long time there was also something rebellious in his attitude towards his father, something not fully worked through. Ignazio said that he used to slam the door when leaving after a disagreement with his father. But he was not stuck and trapped in a dependent or counter-dependent mode in the relationship: he launched his own business within his father’s company and was agile in taking the initiative and changing things. On the other hand, Sergio Molfetta presented himself and was presented as being different from his father, who was a charismatic leader. Sergio is a low-profile person, as we saw in section 5.2.2, an executor more than an initiator. From the narratives, it seemed that Sergio simply continued his father’s work (it was not literally so, he did make some changes), but my feeling from the material was a condition of obligation, immobility and dependency on his father.

Beyond many other dimensions involved here, I hypothesise that Stefano Cangiani was able to face and overcome the fantasy and the fear of becoming an “Oedipal winner”. In competition with his father, the object of desire was not symbolically the mother, but the company. Claudio was at the age of retirement, therefore in a more fragile and vulnerable state, which would be consistent with what is suggested by Lasky (1984) about the same-sex parent’s conditions in an “Oedipal winner” context. Stefano was able to manage all the very strong emotions connected with the anxiety and the fear of becoming an “Oedipal winner” because he valued and was grateful for what his father had built and given him without being dependent, and had moved forward from a more



adolescent state of slamming doors or running away. In the Molfetta case, Gaetano, Sergio's more entrepreneurial charismatic older brother, declared that he left *Va' Pensiero* because he did not like the manufacturing activity and preferred their other business in which his father Giacomo had not been involved (see section 5.1.2). But from a psycho-social perspective this could also have been a way to avoid fighting with his father; this could have been due to the transgenerational anxiety of separation in the Molfetta family system but it might also, perhaps, have lead him to be confronted with the fantasy of becoming an "Oedipal winner" too.

This leads me to hypothesise that in the realm of a succession and generational transition in family business the challenge is how to manage the anxiety and fear of inevitably becoming an "Oedipal winner", without being a pathological one. If the successor can reach the new leadership position and carry out innovation through a depressive position attitude (with gratitude and recognising the predecessor's achievements) instead of a more *paranoid/schizoid* one (rebellion, or a strong dependency), this can make the difference and can lead to a constructive process. Besides the many other dynamics described in Chapter 4, the Cangiani case is evidence that such a trajectory can lead to successful survival of the company. In the Molfetta case, where Sergio quietly adhered and conformed to his father's legacy, and I would not describe him as an "Oedipal winner" as the company was in fact declining.

This prompts me to ask the following question: from a business perspective, when it is necessary to innovate and change things in the company in new contexts and market demands, is having an "Oedipal winner" a requirement for success? Furthermore, to be successful, does effective succession in family businesses have to deal with the fears and anxieties surrounding the taboo of becoming an "Oedipal winner"? This research indicates a first new germ about this hypothesis in understanding the complexity of succession. Further work needs to be done in this direction on more case studies, which would certainly be fascinating.

One could also look at all this from another perspective in terms of social and emotional inheritance which passes down through generations. In the Molfetta case,

the upper class/aristocratic dimension emphasised the entitlement to inherit, which is part of this class psychic DNA, values, role, strivings and where one inherits according to precise rules and customs which pass from one generation to another. Inheritance is not only about the rational dimension of the management of the company or of the ownership through shares, it is also about the emotional ownership and inheritance which needs to be re-conquered and internalised by the successor/successors. Togni (2008) suggests that in a generational transition not only should the competences and professional interests of the successor be taken into consideration, but his/her motivation and inclinations should also allow a degree of identification with the values of the company and a constructive pleasure in leading the company. Instead, if taking over the company is based only on duty, it can cause the heir to become more rigid or bound by rules, with some consequences at a personal and company level. As for Sergio in the Molfetta case, if the successor is too dependent on the predecessor's model and management style or has idealised it and feels obliged to take over the company as a constraint of destiny, my feeling is that the inheritance cannot be owned and managed fully. In the Molfetta case this is made more manifest by the upper class/aristocratic issue where inheritance is sacred and needs to be preserved as it is through the centuries. In the Cangiani case, Stefano turned the company around; it seemed that emotionally he was able to take the inheritance, manage it freely according to his style and ideas and in this way re-conquer it.

Finally, also to conclude this section, after having discussed the Oedipal dynamics, the sibling, lateral, horizontal one also needs to be addressed. Mitchell (2014, p.5) suggests that "With the birth (or expected arrival) of the next baby, the mother pushes the toddler away from the family and into the peer-group". This is a traumatic and destabilising event and transition in the life of a person. For Mitchell (2000, 2014) sibling relations are a first opening to social relations and encounter with the horizontal axis after the parental vertical Oedipal one. This experience affects all our experiences from childhood to adulthood and beyond family life in all sorts of organisations. Throughout the dissertation I have extensively described sibling relations, but my emotional and intellectual interest, reflected also in the literature search, was not drawn by this topic. I am including it here, because my supervisors suggested that it was

missing. I agree with them, but still my energy does not go in that direction. I have asked myself if I was denying something, if it had to do with my own sibling relationship or if it is something related specifically to the material and the two case studies. I would argue that the latter is the case here.

Interestingly, in terms of birth order, in both families studied the siblings were two older brothers and a younger sister. Furthermore, the present leader Stefano in the Cangiani Group and Sergio in *Va' Pensiero* are both the second-born, while both the first-born have left the company for different reasons. But the dynamic to get to such present leadership positions has been very diverse.

Sibling relations together with the Oedipal dimension have been discussed in some depth in the Cangiani case in terms of love and hate and in terms of the symbolic fear of potentially killing a family member. In the Molfetta case sibling relations felt quite flat and, like the overall case study, less exciting. Sergio had his domain in *Va' Pensiero*, Gaetano in other businesses and Maria at home. As their father Giacomo also said in section 5.1.2, they were able to avoid or manage sibling conflicts by giving the possibility to each brother to work in a different place or enterprise. No sibling rivalry nor Oedipal conflict was mentioned, with the exception of what Maria said about her puzzlement about Sergio's management of the company. Examining the two studies, what emerged was that whilst the Oedipal dynamic was still on stage with active fathers, sibling dynamics were kept more in the background. But, as was quite clear in the Cangiani case when Claudio, the father, retired, in terms of sibling dynamics the situation was similar to a champagne bottle exploding when the cork is taken out. For the Molfettas, at the time I met them, this was still not the case; the charismatic figure of the father Giacomo, although only present in the mind and not in everyday life, kept everything as it was. But Maria (see section 5.2.2) alerted me to the fact that she was not sure what would happen when Giacomo was no longer around and more lateral relations would have to be managed.

Mitchell (2000) argues that the main focus of all psychoanalytical literature is on Oedipal dynamics and only recently under the influence of the feminist movement and

“post-modern concern” (Mitchell, 2000, p.4), have sibling relationships been studied. Differently from other types of companies, in a family business this is also enhanced by the family dimension of being real siblings and at the same time organisational ones. The focus of this research is on the systemic and organisational dimension (not on the individual level). So in terms of the lateral relationships in this setting Armstrong (2007, p.194) suggests that they are “a relation between collaborating persons, role holders, groups or teams that is unmediated by any actual or assumed hierarchical relation”. He continues, arguing that lateral relations’ dynamics “touch on themes of anxiety and vulnerability, in the dismantling of prior expectations and assumptions, both conscious and unconscious....” (Armstrong, 2007, p.195). This is what happened in the Cangiani case, when Claudio, the charismatic leader, retired and the binding element was no longer there and the “heightened sense of vulnerability”(Armstrong, 2007, p.199) due to feelings of rivalry, envy and competition, became manifest. Family unity and values, which have been lengthily examined in the two case studies and discussed in sections 6.1.3 and 6.3.2, can be an important glue and container in family business dynamics and conflicts, but when the whole past family history makes the situation more vulnerable and fragile, this type of containment is not always enough. As the Cangiani case demonstrates, transgenerational and sibling unconscious dynamics and ghosts (Coles, 2011) can explosively emerge out of the blue and add more vulnerability and fragility. As mentioned in section 2.1.1, Ward (1987) argues that only a limited number of family businesses, in a diminishing curve, survive through generations. One of the reasons for this is management of the transition in the succession from vertical to lateral sibling relations. This is a very threatening process and obliges those involved to confront life without “Daddy” or “Mummy” there anymore to mediate.

I think that the issue of Oedipal and sibling relationship in family business is an area in which a psycho-social approach can offer a different and a much deeper understanding than any other one about family business through the interpenetration of the psycho and the social and the possibility of researching *beneath the surface*.

#### **6.4 Conclusion**

Some meaningful ideas about family business and crisis have emerged through the comparison of some themes in the two case studies. In writing this chapter, I felt it was also opening new research paths rather than just offering something definite and concluded. The comparison of the two case studies certainly advanced my thinking on family business, on crisis in general, on understanding family business and crisis and about the complexity of such challenging topics which, as the chapter shows, can be addressed from many perspectives. I am left with the feeling that, more than reaching the conclusion, I want to continue to research the threads or the seeds that have been planted in this chapter.

## CHAPTER 7

### Concluding a research journey and final reflections

#### Introduction

This research dissertation is a contribution both conceptually about family business and crisis and in terms of methodology and method as an application to a type of research subjects who have never been before explored in psycho-social studies. On the one hand, an original dynamic conceptual framework about crisis has been developed and applied to the field material collected. On the other hand, a psycho-social approach has helped to shed light on some important themes and has contributed to some original findings on family business dynamics and crisis which have been described throughout the chapters. To summarise these are: trauma and crisis; ambiguity in crisis, family business and in psycho-social studies; the role of family unity; generational transition; succession and Oedipal and sibling dynamics.

In this last chapter some final considerations about family business and crisis will be presented. Some lessons learned about applying my conceptual framework on crisis and psycho-social studies methodology and methods to family business will be discussed.

To conclude, some reflections on my role as a researcher, a role continuously challenged by my professional one of consultant, will be addressed, as will how the PhD journey has been a meaningful and valuable me-search (Tchelebi, 2015), transitional time and space for me personally and professionally.

#### 7.1 Family business and crisis: a summary

How I see now family business and crisis having reached the end of this psycho-social research journey, is summarized in a new conceptual framework in figure 7.1.

## Summary - Family business and crisis: a psycho-social perspective

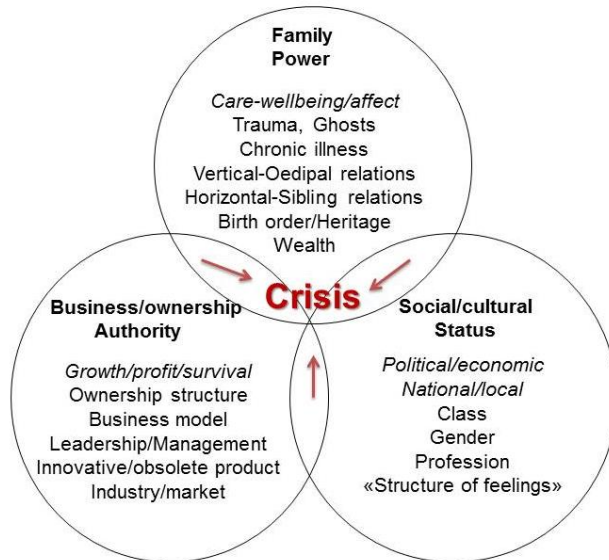


Figure 7.1 - Adapted and reprinted with permission of Harvard Business Publishing. From "Generation to Generation: Life Cycles of the Family Business" by Kelin F. Gersick, Marion M. Hampton, Ivan Lansberg, and John A. Davis. Copyright 1997 by the Owner Managed Business Institute; all rights reserved.

In some ways, the idea in this new conceptual framework is similar to and inspired by the Gersick *et al.* (1997) model discussed in section 2.1.1, but it is different in terms of systems involved. It does not comprise ownership<sup>37</sup> and it includes the social dimension and the dynamic dimension of crisis.

As figure 7.1 shows, family business is a complicated social structure, because it is on the intersection of three dimensions: the social, the economic and, the most intimate, the family dimension. Different aims and goals and authority, power and status are pursued by the family (care/well-being/affect) and the business (growth, profit, in any case survival), and these are difficult to integrate and to make sustainable. The third circle in figure 7.2., i.e. the national and local context, "colours" the dynamics with its specificity. As the case studies in Chapters 4 and 5 have shown, crisis can explode and be manifested in any sector but, as a process, crisis should conceptually be located in the centre of the intersections. The manifest crisis is not necessarily the origin or the

<sup>37</sup> In figure 7.1 I have not distinguished between the business dimension and the ownership as in the Gersick *et al.* model (1997, see section 2.1.1). Although I feel it is an important distinction, I think the two systems also overlap and from a psycho-social perspective, they have to do more with "hardware". This distinction can be more helpful in consultancy than in research.

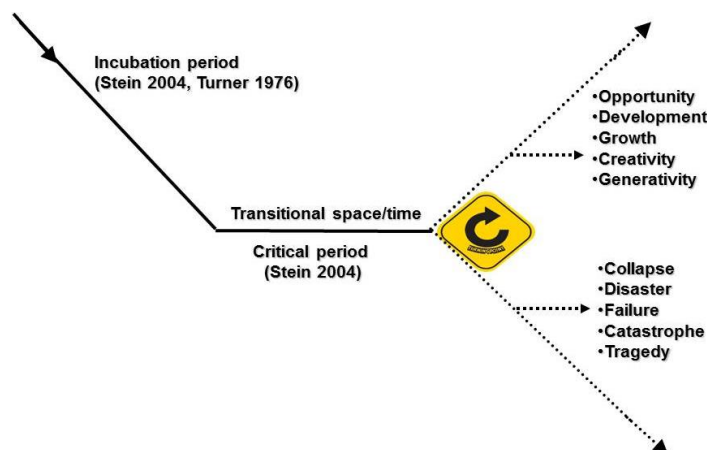
real crisis in family business. In both my case studies the overt crisis was apparently manifest as a business market one, but the research demonstrates that there was much more in the family that influenced the events.

Looking at figure 7.1 in more detail, three aspects will be addressed. Since I have placed crisis in the centre, the first aspect is the originality of my conceptual framework on crisis; the second is the family business as such, including the social dimension; the last aspect deals with the strengths and limits of a psycho-social perspective in understanding family business and crisis.

### 7.1.1 Application of the conceptual framework about crisis

I developed a conceptual framework on crisis, which has been presented in section 2.3. I conceptualised crisis as a process or flow which generally manifests itself in three phases (see figure 7.2).

**Figure 7.2 Crisis**



The first long phase which Stein (2004, from Turner, 2006) describes as the “incubation period” in disasters, and I would also add crises, is lengthy, lasting possible months or years and is usually latent. This is a time during which preventive measures can be used to avoid a crisis. Looking at figure 7.1 above, one could argue that the “incubation period” can pertain to one of the systems only, for example the business/economic one in both case studies. As already suggested, considering that business owners and



managers are not psychological or emotional practitioners, but pragmatic people, it is inevitable for them to identify the crisis and talk of it from an economic/market perspective. Although a family business is permeated by the family, directly addressing real family issues appears to be dynamically more difficult.

At a certain point the crisis erupts, becoming overt and entering what Stein (2004) defines as a “critical period”. This can be triggered by an event (Pearson and Clair, 1998) and becomes central. As opposed to catastrophes in which the “critical period” usually has a short time span, a crisis can precipitate quickly too, but it can also last for a long period of time. In the Cangiani case in Chapter 4, in the early stages of his life, the founder of the company experienced a “catastrophic change”: the tragic death of his twin brother which changed his life. There was a constant post-traumatic element, an anxiety concerning another “catastrophic change” in the organisational culture of the company which emerged every time the company was confronted with a market crisis and deeply impacted on generational transition and succession.

I have also argued that a crisis could also be considered a transitional space and/or time (Winnicott, 1971) where the death (Thanatos) and life (Eros) instincts or drives (Freud, 2005) compete and the outcome or winner is unpredictable. The idea is that crisis is an intermediate “area of experience”, where/when at a certain point the crisis reaches a turning point which can lead to outcomes that can be in a developmental direction or a more destructive/failed one. A symptom of the latter manifests itself with a feeling of being stuck in the concreteness of despair for the previous lost situation without being able to even think of new ways out. I encountered the latter situation in the Molfettas’ case in Chapter 5, where it was difficult to identify a real turning point and the nature of the crisis had become chronic in an ongoing “critical period” of more than 10 years.

By contrast a more developmental path may emerge, when there is the capacity to recall childhood experiences of “play”, and to have the illusion that external reality could correspond to one’s own desire and that new ideas can creatively be thought or imagined (Hirschhorn, 2012, see section 2.2.1) and carried out. In the Cangiani case,

although it was more complex due to the ever-present shadow of trauma, this could take place.

I think that conceptually integrating the idea of crisis as a potential space and time in figure 7.2 and the one of crisis as a central element in figure 7.1 makes sense and is consistent with the experience of this research and what has been described in the case studies. But putting crisis in the centre was not an easy task for me either, I felt a lot of resistance as a “defended researcher” in so doing. I was only able to do it by integrating my own counter- transference experience of crisis during the whole research experience with my intellectual reflections. Finally, I had the feeling that all the pieces of the conceptual and experiential puzzle were finally in place and I had a whole picture about family business and crisis. As the two case studies also show, I hypothesise that the capacity to put crisis in the centre, conceptually and emotionally, is the real issue, because it can be too painful and anxiety-provoking. For example, the Cangianis could not think about the different crises in a sequence (see section 4.3.1.2), so it was thought better that crisis remained on the side, rather than be faced directly.

To conclude this section, in terms of understanding crisis, my research confirms the helpfulness of the initial conceptual framework in portraying crisis as potential space and time and as a turning point with unpredictable outcomes in family business. I would argue that it is also a valid method in identifying where the crisis is located and how it proceeds through the different phases and with different consequences. Furthermore, the idea of a search for turning points was paradoxically also the most useful when in the Molfetta case I could not find them and I used this absence as evidence of a symptom. A limit of this conceptual framework is that it does not necessarily explain all the conscious or unconscious reasons or causes of a crisis; other types of conceptual frameworks or methods need to be added and integrated for this task, for example Lorenzer’s idea of *scenic understanding* (Salling, Olesen and Weber, 2012).

However, the outcome of a crisis in terms of constructiveness or destructiveness is difficult to assess, especially in the short term and there will always be a certain degree of ambivalence. Since crisis can be a process as well as a symptom, the outcome is

usually never black or white nor necessarily defined forever. But from a more conceptual and exploratory point of view, being able to keep the two potential directions of the outcome of the crisis distinct and stretching this idea, perhaps also a bit artificially, has been helpful. The outcome of a crisis also depends on many factors and varies according to which perspective one looks at it from. For example, as suggested in section 4.4, from a business point of view, after the crisis, the Cangiani Group is now thriving and has fully recovered. What is probably more complicated is the family dynamics in the aftermath of the succession crisis and what happened to the relationship between the two brothers. And in the Molfettas' case what is probably better for the company's workers, who can continue to work in *Va' Pensiero* until retirement, impacts heavily on the Molfettas' wealth: they probably had to relinquish a substantial portion of financial ownership if not the emotional one to keep the company going. And this could be seen as a generous, ethical and dignifying choice.

### **7.1.2 Family business**

Throughout this dissertation many themes about family business have been addressed and discussed. Here I want to point out three concluding ideas from a psycho-social point of view.

*Family as a dominant dimension in family business* On the basis of this research, I would argue that, from a psycho-social perspective in family business family is the most dominant system, as is portrayed in figure 7.1. This idea differs from most family business literature, where traditionally in the three circles model (Gersick *et al.*, 1997, see section 2.2.2.1) the three systems are described as having equal influence. Furthermore, as already suggested in section 2.4, the family is the least researched among the systems. I suppose this is the case because it cannot be done solely by means of economic tools and most scholars come from the business and management field. But as the two case studies in Chapters 4 and 5 clearly show the organisational culture is deeply permeated by the one of the family: the family colours the scene and sets the stage. The family traumas, crises, pathologies, health are projected onto the business and influence and deeply impact it. I absolutely do not want to deny the business, economic and ownership dimensions. Throughout my work, I have always

been very attentive to all the factual aspects which I have always considered fundamental in examining business dynamics as such, due to the nature of my research object which is about business although run by families. All the hard data have been essential in terms of triangulation and have been taken into consideration also for their psycho-social meaning, but it is the family that makes the difference in a family business. Another piece of evidence, suggested in section 6.3.2, is that of family unity, which is a special and stronger commitment of the family to unity in a family business; this is different from other types of families that are not business owners. In other words, the business also has a function for the family, as I go on to explain.

*Business as a theatre for family relationality* I have found that there is usually some sort of theatrical drama (sometimes a family saga) in the way family business stories are told and presented both by the actors in the immediacy of the encounter and how they are reported in literature. As hopefully emerges from Chapters 4 and 5, it felt in some moments like being in a theatre attending a sort of Greek drama or comedy about the beauties and miseries of human beings and, in some cases, a discussion of the founding mythologies. It seems that the business becomes a stage for such a performance to be amplified. I have asked myself the meaning of this dramatisation and about the need to “theatricalise”. The stories were so alive and so poignant. Probably this is not the case for all family businesses, but it has often happened to me professionally. Crociani-Windland (2013, p.2) explored the “meaning of festivals” in Tuscany as ritual spaces, offering both expression and containment, and repositories of affects, cultural and community identities through time and a way for the manifestation of “structure of feelings” (Williams, 1977). Following this path although from a different angle, I hypothesise that in family business the company itself, beyond its material meaning, from a psycho-social perspective, plays a *thirdness* (Benjamin, 2004) role for intersubjective dynamics, but in an ongoing continuum in time and not like festivals which are bounded by time. The company becomes a stage where feelings and affects can be projected, family tensions and crisis can be “performed” and worked through, together with a desire to integrate present and past and to project the future. This theatrical dimension was present in the narratives of my interviewees, for example in the way Stefano Cangiani presented how his brother offered to get out

of the company and leave it all to him (see section 4.3.1.2). As a further piece of evidence, when I presented the material or the case studies at conferences the attention, curiosity and engagement of the audience has always been very high when listening to these stories as something with which people could identify themselves, strongly resonating with them as human beings and members of families.

*Generation transition and succession* Although I have addressed this topic in depth throughout this dissertation, considering its importance I cannot but mention it again here. The Cangiani case study especially but also partially the Molfetta case, show the delicacy of the generational transition and how it is a time of crisis, or in any case when crisis goes from being latent to being manifest. An equilibrium in the family and in the business, which was acquired over decades, is subverted and challenged. It is a moment of great fragility and vulnerability when previous forms of containment (e.g. management style, charismatic structure) are not operating anymore and the new ones of the heir/heirs are not yet fully established, therefore the situation can “erupt”. As amply described in Chapters 4 and 5 and discussed in section 6.3.3, these are times of transition from an Oedipal relationship of the father to adult children to a more sibling horizontal relationship, that oscillates between a dependency mentality to a fight and flight one (French and Simpson, 2010) (see section 2.2.2.1). As the Cangiani case has shown, the most ancient fears and taboos of patricide and fratricide can emerge at an unconscious level during a time of succession. With regard to these taboos, as described in section 6.3.3, an original contribution of this research is the idea that in any succession in a family business, the heir should be an “Oedipal winner” (Lasky, 1984), able to give some sort of personal imprinting to the company and overcome the dependency on the previous generation’s leadership and management style. This may be even more important in times of external turbulence and rapid change, such as recently experienced.

## **7.2 Psycho-social research methodology and method and family business**

A key aim was to apply a psycho-social perspective to family business and in Chapter 3 I have discussed extensively how I used psycho-social methodology and methods in this research.

Although early on I had identified my conceptual framework and methodology, throughout this research experience, like many other psycho-social researchers, I continued to ask myself about the significance of psycho-social studies in researching family business, how to position it and what could be learned from it. As stated for example in sections 1.3 and 2.1.1 and portrayed again in figure 7.1, in family business different systems are involved which need to be examined and they can be contrasting in terms of aims and perspective; this is a key element. In the model used, crisis is positioned in the centre as a transitional space and time. Putting all this together has convinced me that psycho-social studies are a conceptual transitional space (Rustin, 2014) or, as Parker (2014, p.7) suggests, “a signifier for that space, which is about the connection between the psychological and the social”. Moreover I think that this research shows how psycho-social studies are a space of “interpenetration” (Hoggett, 2014), where interpenetration is not only about the psycho and the social, but also the interdisciplinary and transdisciplinary methodology and methods used. In section 6.3.1. I suggested that an important dimension of crisis is ambiguity – which literally means that different and also contrasting interpretations of reality are taken into consideration and kept in mind. In view of this, I put forward the idea that psycho-social studies, like crisis, is an ambiguous discipline. In other words, are psycho-social/psychosocial studies a discipline or not? Are they interdisciplinary, trans-disciplinary or both? Where are the disciplinary boundaries? Is “all included” or are some things excluded? Is it psychology or is it sociology? Is it psycho-social or psychosocial? I am aware that ambiguity is usually (or at least in everyday conversations) perceived as something negative, slippery and best avoided, but as described in section 6.4, there is a lot of potential in ambiguity – if there is no pressure to reach a unique interpretative consensus (and possibly even then!). I want to argue that ambiguity has merit in the sense that staying in the uncertainty of ambiguity, as *negative capability* ((French, 2001), can also elicit new thinking. I think that psycho-social studies, its disciplinary interpenetration and the possibility of addressing phenomena from different perspectives or interpretations, intrinsic to ambiguity, has been methodologically appropriate for understanding the complexity of family business and crisis. As this research has shown, each system in family business can be understood through

specific disciplinary interpretative stances. Furthermore, since psychosocial studies are “a process of disciplinary emergence” (Frosh, 2014, p.164) hopefully further psychosocial research will continue in the area of family business.

I now want to point out a few final considerations in terms of methods, the importance of identifying with the research subject’s values and the social dimension.

### **7.2.1 The method used**

In terms of methods, as described in section 3.4.1, F.A.N.I. (Hollway and Jefferson, 2000) interviews were fundamental for data collection. As discussed in section 3.8, I used F.A.N.I. in a quite orthodox way which, from my perspective, proved helpful. For example, I did not use direct interpretations during the interviews, but only asked questions which would elicit emergence of the “lived experience”. I have argued there that the possibility of not using interpretations has been important considering that the interviewees were not acquainted with psycho-social studies nor with psychoanalytical methods and it was a new territory of application. Furthermore, the fact that I did not share the findings in progress with my interviewees, and I concentrated only on the interviews, the informal observations and company data, had some limitations, however this allowed me to work more on the relatedness (Brunner, 2002) than on the relationship<sup>38</sup>. This is one of the differences from consultancy, which aims to introduce change and possibly development, while in a research context such as this one – a pure research project – the aim is to develop new knowledge which needs a free space for intellectual speculation. In addition, on this aspect, for example, I also had to take into consideration that there are different attitudes to ethical and consent issues in the United Kingdom and in Italy. For example, as described in section 3.7.1, for my Italian interviewees, the British consent forms and formalities were alien and therefore nearly getting in the way of conducting the research, so had to be kept simple. Moreover, the sensitivity and the complexity of the issues and material meant sharing findings too early in the process could be tantamount to foreclosure, which in a consultancy context would be dealt with more easily than in a research one. So it would also have been

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<sup>38</sup>Miller (Brunner, 2002, 166) suggests that relationship “clearly involves a natural transaction between two people, or two or more people, and you can have relatedness without there being a relationship.”

more complicated to share the findings in progress with the interviewees because it could be perceived as an intervention, which would have had different emotional implications for both the people involved and for me.

The two case studies (see section 3.5.1) that form the main bulk of this research, have been built psycho-socially through a mix of different methods and tools which has certainly contributed to a holistic trans-systemic view of family business dynamics as a whole. This allowed me to present a fuller story line which the interviews alone could not offer since it would have been too fragmented. If the area of family business or also other types of organisations is to be explored by future researchers, a case study approach could be very helpful, because it manages, on the one hand, to give the full picture of the system/institution/organisation and at the same time reaches the depth that is the main aim of a psycho-social approach. Comparing case studies built with similar methods (although not the same ones since in the Molfettas' case I also used Lorenzer's [Hollway and Froggett, 2012] ideas about *scenic understanding*) has been helpful since I was interested in how crisis is manifested and unfolds in family business. It has allowed me to examine two completely different perspectives – the traumatic one in the Cangianis' case and the more "normal" one in the Molfettas' (see section 6.3.1), although some trans-generational pain kept unconsciously under the carpet was identified. At this stage I would argue that, as suggested by Yin (2009) and discussed in section 3.5.2, the use of a single case study or a multi-case study depends very much on the theme of the research and the nature of the case studies themselves, if the study is a transversal or an in-depth one. As this is a piece of qualitative research, the comparison cannot be based on the replicative dimension of the phenomena, but on the thematic and in-depth study. Certainly a limitation of a multi-case research study is its laboriousness and time consuming nature.

To conclude this section, as has already been suggested in section 2.4 and in Chapters 4 and 5 and in the comparison in Chapter 6, one of the main strengths of a psycho-social approach is that it can get into family matters, addressing unconscious and emotional issues which pertain deeply to individual and family life and also influence the business one so much.



### **7.2.2 Identification with the researched subjects' values**

I want now to turn to an issue with which I was confronted and which I feel has not been openly addressed much in psycho-social studies methodology and methods.

My position is that psycho-social studies, as described in most of the literature I was able to review, has a socio-political agenda. It was developed at a specific historical moment of the emergence of the need for change in society (Hoggett, 2014) and was inspired by disciplines that challenge the status quo, e.g. Critical theory, Feminist theory, Anti-colonialist theories and others. However, it is obvious that a business organisation pursues a set of primary tasks based on performance and profit margins, a task which is different from a "non-profit" one which pursues, for example, care or the health of the community. Family business is a bit in the middle because, although profit is certainly an aim for the survival of the firm, the care and wellbeing of the family is also pursued. So I felt that there was a tension between psycho-social studies and the business aims involved in family business. As this research shows from my described experience, it is not an insurmountable one, but was something to be aware of when researching family business psycho-socially. The job of the researcher is to understand the logic behind certain phenomena, in spite of any ideological challenge or position. Nevertheless this is fraught with problems depending on where the researcher comes from and what ideas he/she has for example about society and how he/she relates politically and ideologically to the profit and not-for-profit dimension and therefore, in my case, to family business. For example, I was brought up in a family business culture, so I can understand the logic behind the desire to have and run a company which pursues profits. But I am aware that I am ambivalent about this matter, in the sense that at the same time I can understand and identify with the more socially and politically oriented values of psycho-social studies (I have always been a left-wing voter). As with any other subjective dimension of the researcher, it inevitably has an impact in the research encounter and it is important for the researcher to be aware of his/her own assumptions, value base, ambiguities and also internal contradictions. In this sense I have found psycho-social reflexive practices helpful in being alerted that,

for example, the transference-counter-transference dynamics tell us something not just about the researched subject, but also about ourselves.

On the basis of this research experience, I think that a certain degree of identification with the researched subject's values is necessary to be able to carry out the research. In psychotherapy Bordin (1979) introduced the concept of a working alliance between the therapist and the patient. Unlike transference, it is about "a reality-oriented relationship" (Johnson and Wright, 2000, p.260). According to Bordin (1979, p.252) "The working therapeutic alliance between the person who seeks change and the one who offers to be the change agent is one of the keys, if not *the* key, to the change process". In family business consultancy a "chemistry meeting" is suggested before deciding to work with the client to explore if one is able to work with him/her (Hilbert-Davis and Dyer, 2003, p.36). As Johnson and Wright (2000, p. 260) suggest "the strength of the alliance is determined by the compatibility of the demands of a particular therapeutic alliance and the characteristics of the client and therapist". For example, I could not have worked with my interviewees had I been too shocked by their wealth or envious of it – or had I felt the need to contest it for some ideological reason.

Therefore, to conclude this section, without entering a complicated conceptual debate, in terms of methods, identification to some degree with the values and beliefs of the research participants plays an important role. Such identification means that the researched subject can feel the empathy and care of the researcher and thereby feel contained. If the researcher is too ambivalent about the values of the researched subject a good working alliance, although limited temporarily as a research encounter, cannot happen and this has implications for the ethical dimension of the encounter in terms of the researcher's projections and counter-transference management.

### **7.2.3 The social dimension**

A family and an organisation are not a closed systems, but as social structures they are part of an environment with which they constantly and inevitably interact.

At the beginning of my research I had some difficulties in positioning and understanding the social part of psycho-social studies as a distinctive feature of psycho-social studies and in terms of method, especially considering the meso and micro level of my research. Sociological, political theories, anthropology or other perspectives about society (e.g. Marxism, Feminist and Anti-colonialist theories) from which many authors come (Frosh, 2014) inform psycho-social studies and constantly remind the researcher of the social, political and specific cultural national dimension involved. But these theories usually analyse and are concerned with broad societal issues which can be generally helpful in understanding these societal issues, but felt too vast for example in respect of the specificity of the meso and micro level of my case studies.

In my literature review, I have tried to understand how different authors e.g. Hollway and Jefferson (2000, 2013), Walkedine (2003, 2007) deal with classical sociological categories such as class, race and gender. But psycho-social studies is also something more and different, as Kenny and Fotaki (2014, p.19) say "Psychosocial perspectives draw on the notion of a dynamic unconscious from psychoanalysis, combining this insight with considerations of broader social and political contexts offered by diverse fields including sociology, political studies, anthropology, cultural studies, philosophy, feminism, postcolonial studies and queer theory". The way I came to understand this interpenetration of the psycho and the social and to make sense of it was by looking at it from a historical perspective. As Rustin (2014, p.198) suggests "psycho-social studies has provided a location in which contemporary concerns with the spheres of subjectivity and emotions were able to be engaged with in ways which even some 'interactionist forms' of sociology were resistant to". And he continues "Where students choosing to study sociology in the 1960s and 1970s found studying the constraints and inequalities first of class, then of gender, then of race, to be extremely absorbing and sometimes transformative for them, it became evident that their interest in questions of individual identity and its meanings later become more pressing". Changes in society, changes in scholars' and academia's interest led to focus also on the individual and the subjective dimension. So psycho-social methodology developed as an extension of sociological and anthropological methodologies, to which the psychological dimension,

which was not included at the time, was added (drawing on psychoanalysis and the study of the inner world) and also needed to be taken into consideration. Therefore many psycho-dynamic methods, such as free association, observations, use of self through transference and counter-transference and photo-matrix have been included in the psycho-social qualitative research tool kit, not only to understand the individual but the individual in context in a non-personalised way.

Kenny and Fotaki (2014) also suggest that by taking up the social dimension these approaches “avoid the individualizing, subject-centred perspective” (Kenny and Fotaki, 2014, p.19). This has been especially true working with my research subjects who are entrepreneurs. As I described in section 1.4, they tend to have an individualistic culture, they feel the “sovereign in their kingdom” and the “I” is at the centre of their world. In the first case study, the Cangiani Group in Chapter 4, although with the specificity of the Italian local context, the social dimension has not been so central since the main theme was trauma, which overwhelmed everything else. In the second case study, the Molfetta family in Chapter 5, the social/class dimension has been very powerful for understanding the dynamics at stake. But, although I could associatively and intuitively identify it, from a researcher’s perspective I needed a method to help me provide some evidence: as described in sections 3.5.1 and 5.3.5, Lorenzer’s (Salling, Olesen and Weber, 2012) *scenic understanding* enabled me to reach a deeper social unconscious level.

To conclude, I was deeply challenged by the issue of the intersection between the psycho and the social and related methodological aspects and methods addressing family business and crisis, as probably this section itself shows. I reached the conclusion, which perhaps is quite banal, that these difficulties and/or slipperiness are, on the one hand, a challenge of psycho-social studies. On the other hand, they are inherent in the fact that psycho-social studies is an emergent discipline. In a way I expected, hoped and had the illusion of working with an established discipline with defined methods. I learned that psycho-social studies is not this, and I had to swim in choppy waters and live with the tension between safety and the excitement and risk-taking of being in new frontiers. It is still a field of experimentation, development and

also new ideas of methods in approaching the social. In terms of emergence of methods, for example Crociani-Windland's (2011) innovative Deleuzian work, in her extensive research on the psycho-social meaning for the community of festivals in Tuscany, also gives a new perspective about the social. Beyond many other aspects, this research has hopefully contributed, on the one hand, to the understanding of the social unconscious, for example through the application of Lorenzer's *scenic understanding* (Salling, Olesen and Weber, 2012) method. On the other hand, all these considerations on the social dimension have led me to portray, in the conceptual framework in figure 7.1, the relevance of the social and cultural dimension and how it can impact the crisis dynamic in family business. Hopefully others will follow to expand what is quite a "newborn" field of study which needs still more grounding in research.

### **7.3 Final reflections**

When I started my PhD journey, 6 years seemed an infinite amount of time. Now that 7 years (due to two extensions) have passed, it feels time has sped so quickly and suddenly I am at the end. In these final reflections about my research experience I will discuss two aspects which have been important through the years. The first one is the tension between my professional role as a consultant and the researcher's one. The second aspect is the acknowledgement of the transformative personal experience of the PhD in a "me-search" perspective.

#### **7.3.1 The tension between the role of the researcher and of the consultant**

Although I already had a degree in Italy and an M.Sc. in England, both requiring me to submit a dissertation with a certain amount of research, landing from the practitioner's world into the researcher's one has really not been smooth. I realised that I tend to stick strongly to my consultant's identity, it is so embedded and embodied in me. Consultancy is a vast professional field that is quite difficult to define and here I am unable to describe all the consultancy approaches and debates. However to position myself, I am a process<sup>39</sup> psycho-dynamic systemic consultant. This type of consultancy

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<sup>39</sup> Shein (1990) identifies three types of consultancy. The first is "Providing Expert Information" (Shein, 1990, p.59) on how to do things. The second one is "Playing Doctor" (Shein, 1990, p.60) where the expectation is to have, for example, an organisational diagnosis or assessment and "suggest a cure". (Shein,1990, p.60) The last is "Process Consultation" (Shein, 1990, p.60), where the consultant's

shares some conceptual frameworks, first of all the psychoanalytical thinking, with psycho-social studies and a special attention to the *emotional experience* (Armstrong, 2005, p.52).

I would say that, on the one hand, a difference is that in consultancy the clients “come because there are dilemmas they are facing or changes they are seeking to introduce or practical problems they are having to address” (Armstrong, 2005, p.53). In research instead the aim is knowledge acquisition and building. Furthermore, in process consultation, the needs and/or requests of the clients (i.e. dilemmas, change, a diagnosis, an assessment) are overtly or covertly expressed in some way and should be addressed. Research is a purely explorative process. But for a process consultant the role of consultant and the one of researcher can easily overlap if one does not keep clearly in mind, for example, the “task, technology, territory and time” (Miller, 1989).

Furthermore, my research participants were also very similar to many of my clients, since I regularly work with family businesses, therefore the role boundary was much more complicated to keep. At the beginning of the PhD, in search of the companies to research, I was really disoriented when approaching the companies as the researcher role was such an extraneous one and difficult to take up in a “familiar place” (Shapiro and Carr, 1991).

Moreover, potentially starting a new career when nearly at the age of retirement was very complicated emotionally and mentally. At some moments I felt it quite embarrassing and shameful to be at the starting point again. Was I a student with a professional future in front of me? Was I on the verge of retirement and confronted with all the related anxieties? Who was I? My experienced and reputable professional role became an anchorage or perhaps a defence against these dilemmas, so I couldn't relinquish it. Evidence of this, for example, has been described in section 3.4. on how, in presenting myself to the interviewees, I also felt the need to tell them about my consultancy background. It felt more powerful (especially interviewing powerful people,

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assumption is that clients “know something is wrong, but the help they really need is figuring out exactly what this is” (Shein, 1990, p.60).

see section 3.9) and safe. On the other hand, I thought that the interviewees would have wondered where I came from, what I had done until then. Furthermore, I was referred to one of the companies through my professional network, so I felt responsibility towards my referees. And the consultancy attitude and culture also accompanied me further on in the data analysis. Although I have always considered myself a reflective and non-interventionist person (some clients have criticised me for a lack of problem solving and action) suddenly in the research project I become judgemental, in search of interventions and solutions possibly in a developmental direction. This was very evident in the second case study, as I have described in section 6.2: I could not accept the decline of the company and probably its death. As already argued this can be due to many reasons, but a consultant's role is to look ahead and possibly help a company to recover; I was trapped in it and acting it out in my thinking.

This tension between the role of the consultant and of the researcher certainly had to do with personal issues and anxieties, but also the research topic, family business, lends itself to consultancy, which can be either formal or informal. For example, when searching for the companies to be researched in the initial contact phase my feeling was that the contact people expected something in exchange for their participation in the research, it was not something material, but some sort of coaching or consultancy since they knew my background. In any case the two companies which in the end took part in this project did not ask me for anything overtly and allowed me the research space. But especially in the Cangiani case as said in section 4.4, I asked myself if covertly in some way through the research itself some sort of emotional consultancy took place in creating a reflexive space so they were able to get in touch with some ghosts of the past.

Turning to a different aspect, from my consultant's perspective I have often found myself wondering if the psycho-social methodology and method of this research could also be used when working with clients. The answer I gave myself is both positive and negative.

On the positive side, certainly I would feel comfortable using the same type of F.A.N.I. (Hollway and Jefferson, 2000) interviews, data analysis and case study method. An additional issue would be when and how to feed back the findings to the clients which I had not set out to do (only one of the interviewees had timidly asked me to see the result), see also section 7.2.1. The negative aspect is that this research has been very time-consuming both in the data collection and analysis. I think that a client would need the reports in a much shorter time span and the cost of the research or intervention would be too high.

To conclude this section, the real emotional transformation from a consultant's role to a researcher's one took place towards the end in writing this dissertation, when putting things together. Emotionally it has meant authorising myself in terms of my intellectual capacities and competences to be a researcher and this has not been easy considering my personal background, as described in section 2.4. I finally feel that I can fully be a researcher and have internalised the role, while in different circumstances I can also still take up a consultant's role with my clients.

### **7.3.2 Conclusion: a PhD as a “me-search” transitional space and time**

Tchelebi (2015) argues that a psycho-social PhD can be a “me-search” project in the sense that there is usually a personal component in the motivation to engage in such a journey. In section 1.1 I explained my motivation to undertake a PhD and how it was directly connected with my professional and personal history. I come from a family business environment affected by deep crises, so since the beginning I was aware that it was a “me-search”. What was unexpected was the intensity and how this experience deeply affected my identity. On the one hand, as mentioned in the previous section, I have acquired the competences and the skills of a researcher, which was undoubtedly among my goals. On the other hand, this journey has deeply impacted my identity, I feel much more self-confident intellectually and I have finally found an authoritative voice in my field. This has been often an issue of debate with my supervisors who quite regularly invited me to be more assertive and critical, which has never been easy for me.



The journey to reach this personally satisfying point of such a transformative experience was quite turbulent, however. Pneumonia hit me just before the progression exam which had to be postponed. Furthermore, I had to ask for two extensions due to the reoccurrence of my Crohn's disease (see section 6.2), which slowed me down. At the same time, emotionally it felt that the six years of a part-time PhD was not enough for the right digestion of the experience. I needed all this time for the labour (a lot of pain) to internalise it and make sense of it and for my "me-search". Petriglieri and Petriglieri (2011, p. 44) "introduce the concept of identity workspaces, defined as institutions that provide a holding environment for individuals' identity work". These authors refer to their experience with MBA students in business schools and conceptualise "identity workplaces" as a transitional space and time. But I believe that this pertains also and perhaps more to PhD participants and the idea of being in an "identity workplace" has accompanied me during these years.

Although "identity work" is never-ending, my feeling now is that this "me-search" has reached an end. The first signal is that, after 30 years, I have taken the risk of starting to close my relationship with my main client (an association of family businesses, which was like a security blanket). Although practically I have reached retirement age, with all the consequent limitations, I feel ready to try to pursue that new professional life which was among the reasons for starting a PhD. I have learned what my strengths and my limits are and am aware that there are things I can do and others that I had better not (for example, I am a quite a slow learner and writer). It is a feeling of deep learning, of professional achievement and accomplishment, never experienced before and for which I am very grateful.

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## APPENDIX 1

### Intervista

#### *Interview*

(English version in Italics under the original Italian)

Grazie disponibilità e tempo

*Thank you for your availability and time*

Introduzione – Esperienza Aziende Familiari – Associazione imprenditoriale e consulenza.

*Introduction – Experience Family Business –Entrepreneurial Association*

Mio PhD sulla “Gestione della crisi (momenti di svolta) nelle aziende familiari: una prospettiva –psico-sociale”. Mi interessa focalizzare l’attenzione sulla dimensione emotiva, psicologica e su il rapporto tra queste dimensioni sul contesto aziendale e territoriale.

*My PhD on “Crisis management (turning points) in family business: a psycho-social perspective”. My focus is on the emotional, psychological dimensions and on the relationship between these dimensions within the company and in the territorial context.*

Consenso informato-registrazione

*Informed consent – tape recorder*

Domanda

*Question*

Non so se mi può raccontare un po’ la Sua storia sia personale che professionale, tutti gli eventi e le esperienze che sono stati particolarmente importanti e significativi per Lei? Può incominciare da dove Lei desidera.

*Could you tell me, in your story, both personal and professional, which have been the most important and meaningful events and experiences for you? You can start from wherever you want.*

## **APPENDIX 2**

### **Consenso Informato**

#### **Informed Consent**

**(English version follows the original Italian document)**

Il mio nome è Louisa Diana Brunner e sono una ricercatrice del PhD alla University of the West of England Centre for Psycho-Social Studies. Sto facendo una ricerca su “La gestione della crisi nelle aziende familiari: una prospettiva psico – sociale”. La principale finalità della mia tesi è capire la gestione della crisi nelle aziende familiari. Desidero esplorare come la famiglia e l’impresa interagiscono, come affrontano la sfida di gestire la crisi, al fine anche di costruire un modello che può aiutare nella gestione della crisi.

Le ho chiesto di partecipare a questa ricerca perchè la Sua storia e quella della Sua azienda sono molto significative per il tema della mia tesi. In questa fase, per poter condurre la mia ricerca, ho bisogno di:

- Intervistare ciascun membro della famiglia e/o top manager coinvolti nell’azienda. E’ una intervista qualitativa in profondità con lo scopo di esplorare l’esperienza professionale e personale dell’intervistato. Prevedo che l’intervista duri un’ora/un’ora e mezzo. Registrerò l’intervista. Potrei aver bisogno anche di una seconda intervista dopo qualche tempo dopo aver finito la trascrizione del testo registrato durante la prima intervista.
- Avere accesso ad alcuni documenti, per esempio foto della famiglia e dell’azienda, pubblicazioni su o di membri della famiglia, brochures, pubblicità, dichiarazioni sulla missione, ecc.

Se tutto va bene, Le chiederò di partecipare ad un’ulteriore fase della mia in cui utilizzerò altri metodi di indagine.

Tutti i dati raccolti saranno conservati confidenzialmente e anonimi. Non svelerò niente di quanto mi viene detto nelle interviste ad altri membri della famiglia o dell'azienda. Nei risultati finali e nelle pubblicazioni che seguiranno, mi assicurerò che non ci sia alcuna descrizione personale o dettaglio che possa svelare l'identità dei partecipanti o dell'azienda per la quale lavorano. Non condividerò alcuna informazione che possa identificarLa con nessuno al di fuori del mio team di ricerca che consiste di me stessa, il mio Direttore degli Studi ed i miei supervisori.

Oltre a fornire informazioni di valore per questo studio, spero che troverà che l'intervista e questo progetto di ricerca nel suo complesso possano darLe l'opportunità di rivisitare e riflettere sulla Sua esperienza come membro della famiglia e dell'azienda. Inoltre può beneficiare della presenza di un ricercatore esterno che sta cercando di capire le dinamiche la Sua azienda e la Sua famiglia e dal feed-back generale sui risultati della ricerca quando finita.

La decisione di partecipare alla ricerca dipende esclusivamente da Lei. Se prenderà parte, può interrompere la Sua partecipazione in qualsiasi momento. Inoltre, può chiedere di cancellare i dati dallo studio dopo che la ricerca è stata condotta. Se desidera sapere di più su questo progetto di ricerca, può contattare me [louisadiana.brunner@gmail.com](mailto:louisadiana.brunner@gmail.com) oppure il mio Direttore degli Studi Anne-Marie Cummins – [Anne.marie.cummins@uwe.ac.uk](mailto:Anne.marie.cummins@uwe.ac.uk).

Una copia di questo consenso Le verrà consegnato come riferimento per il futuro.

Cordialmente  
Louisa Diana Brunner

**Dichiarazione di Consenso**

Sono d'accordo di partecipare a questo progetto. Ho capito che cosa mi è stato chiesto di fare e che posso ritirarmi in ogni momento.

\_\_\_\_\_

Firma

\_\_\_\_\_

Data

**Nota integrativa**

Sono d'accordo alla registrazione (audio e video) a \_\_\_\_\_ su

\_\_\_\_\_.

\_\_\_\_\_

Firma

\_\_\_\_\_

Data

**Consenso al trattamento dei dati personali e sensibili ai sensi nuovo T.U. Privacy (D.Lgs. 196/03).**

Il sottoscritto \_\_\_\_\_

nato a \_\_\_\_\_ il \_\_\_\_\_

residente in \_\_\_\_\_

acquisite le informazioni fornite dal titolare del trattamento ai sensi del D.Lgs. n. 196/2003, e consapevole, in particolare, che il trattamento riguarderà i "dati" sensibili, vale a dire i dati "idonei a rivelare l'origine razziale ed etnica, le convenzioni religiose, filosofiche o di altro genere, le opinioni politiche, l'adesione ai partiti, sindacati, associazioni od organizzazioni a carattere religioso, filosofico, politico o sindacale, nonché i dati personali idonei a rilevare lo stato di salute e la vita sessuale" presta il suo consenso per il trattamento dei dati necessari allo svolgimento delle operazioni indicate nell'informativa.

Firma \_\_\_\_\_

## English

My name is Louisa Diana Brunner and I am a PhD researcher at the University of the West of England Centre for Psycho-Social Studies. I am conducting my research on “Crisis management in family business: a psycho - social perspective”. The main aim of my thesis is to understand crisis management in family business. I want to explore how family and business interact, are confronted and challenged when managing a crisis and from this build a model which can help to manage crisis.

I have asked you to participate in this research because the your story and the one of your company is very significant for the theme of my thesis. In order to carry out my research, I will need to:

- Interview individually each member of the family and/or top manager involved in the Company. It will be a qualitative in depth interview with the aim of exploring the professional and personal experience of the interviewee. I expect that I need one hour and a half for each interview session. I intend to record these sessions. It could be that I need to do a second interview after some time to collect more data once I have transcribed the first interviews.
- Have access to some documents, e.g. photos of the family and of the company, publications on or by family members, brochures, advertisements, mission statements, etc.

All the collected data shall be kept confidential and anonymous. I will not disclose anything that is said to me in the interviews to other members of the company or of the family. In the final results, or in any subsequent publications, I will ensure that no personal description or details shall disclose away the identity of the participants or the company for which they work. I will not to share any information that identifies you with anyone outside my research group which consists of me, my Director of Studies and supervisors.

In addition to providing valuable information for this study, I hope that you will find that being interviewed gives you an opportunity to revisit and reflect upon your experiences as member of the family and of the company. Furthermore you may benefit from having an external researcher trying to understand your company and your family dynamics and from the overall feed-back on the research outcome when finished.

Taking part in this project is entirely up to you. If you take part, you may interrupt your participation at any time. In addition, you may ask cancel your data from the study after the research has been conducted. If you want to know more about this research project, please contact me at [louisadiana.brunner@gmail.com](mailto:louisadiana.brunner@gmail.com) or my Director of Studies Anne-Marie Cummins [Anne-marie.Cummins@uwe.ac.uk](mailto:Anne-marie.Cummins@uwe.ac.uk).

A copy of this consent form will be handed to you for future reference.

Yours sincerely,  
Louisa Diana Brunner

**Consent Statement**

I agree to take part in this project. I have understood what I have been asked to do and that I can withdraw from at any time.

\_\_\_\_\_  
Signature Date

**Additional Consent**

I agree to *(audio)/(video)* taping at \_\_\_\_\_ on \_\_\_\_\_.

\_\_\_\_\_  
Signature Date

**Consent to process personal and sensitive data, in compliance with the new T.U. Privacy (Italian Legislative Decree 196/03)**

I, the undersigned, \_\_\_\_\_, born in \_\_\_\_\_ on \_\_\_\_\_, pursuant to the acquisition of information provided by the data controller, in compliance with Italian Legislative Decree n. 196/2003, and aware, in particular, that the data processing shall involve "sensitive data" , i.e. data allowing the disclosure of racial or ethnic origin, religious, philosophical or other beliefs, political opinions, membership of parties, trade unions, associations or organizations of a religious, philosophical, political or trade-unionist character, as well as personal data disclosing my state of health and sex life, give my consent to process the data that are necessary to carry out the operations indicated in the Information Sheet.

Signature \_\_\_\_\_



## APPENDIX 3

### Temi per la seconda intervista a Ignazio e Stefano Cangiani

#### Themes for the interview with Ignazio e Stefano Cangiani

(English version in Italics under the original Italian)

#### **Famiglia – *Family***

Gemello del padre più piccolo o più grande

*Twin of the father younger or older*

La transizione generazionale

*Generational transition*

Nomi di famiglia Stefano, Ignazio, Maria

*Family names Stefano, Ignazio, Maria*

Ansia del padre

*Father's anxieties*

Entrata in azienda con quali obiettivi

*Entrance in the company with what objectives*

Le donne

*Women*

Interrogativi sul futuro

*Preoccupations for the future*

Patto di famiglia  
*Family agreements*

Le brigate rosse  
*Red Brigades*

**Azienda-Company**

C'è qualcosa di nuovo che è successo negli ultimi sei mesi da quando ci siamo incontrati?

*Is there anything new that has happened in the last six months, since we met?*

Come è andato il 2010?  
*How did 2010 go?*

Fusione  
*Fusion*

Momenti di svolta  
*Turning points*

Crisi del 1993  
*1993 crisis*

Crisi del 2003 2004 -2005 -2006 (età del padre quanto ha inciso??)  
*Crisis of 2003 2004 -2005 -2006 (age of the father what impact did it have??)*

L'espansione dell'azienda come è avvenuta, in che anni? 20 miliardi lire 1999/2000 a 35 milioni di euro nel 2008?  
*How did the expansion of the company take place? 20 billion lire 1999/2000 to 35 million euros in 2008?*

Altre attività a ...che non sono andate bene.

*Other activities in... that did not go well.*

Passaggio generazionale quando è partito per gli aspetti strategici. Come sta andando?

*Generational transition – when did it start in terms of strategic aspects? Where is it going?*

Le relazioni industriali

*Industrial relations*

Managerializzazione – Area Commerciale e CFO

*Managerialisation – Commercial areas – CFO*

Riunioni Comitato Direttivo sono incrementate?

*Have the Board meetings increased in number?*

I livelli di condivisione con il fratello, per esempio l'esigenza di un'azienda più strutturata.

*Levels of sharing with the brother, for example the need for a more structured company?*

Da metà 2000 ad oggi un'altra azienda?

*From the mid-2000s until today, another company?*

Le donne

*The women*

Gli utili

*Profits*

## APPENDIX 4

### **Temi per la seconda intervista a Sergio Molfetta**

#### **Themes for the interview with Sergio Molfetta**

(English version in Italics under the original Italian)

#### **Bilanci**

*Balance sheets*

#### **Famiglia**

*Family*

Come si è sentito nell'intervista davanti al padre?

*How did you feel during the interview in presence of your father?*

Come parlate in famiglia dell'azienda? E' lasciata tutta a Lei? Come mai?

*How do you talk about the company in the family? Is the company all left to you? Why?*

L'azienda dà poca, nessuna soddisfazione, in che senso?

*The company gives you very little or no satisfaction, in what sense?*

Quando papà ha lasciato l'azienda?

*When did your father leave the company?*

Azienda

*Company*

Che cos'è quest'azienda per Lei?

*What is this company to you?*

Mi può parlare di più di come prendete le decisioni strategiche? Per l'azienda e per il gruppo?

*Can you tell me more about how you take strategic decisions? For the company and for the group?*

Riunioni del management ci sono state? In caso positivo quando sono finite?  
*Have there been management meetings? If yes, how did they go?*

Qual è il suo ruolo, cosa fa?  
*What is your role, what do you do?*

Cosa intende per trasparenza? Tutto pronto per la Borsa e poi il declino?  
*What do you mean by transparency? Everything was ready to be listed on the stock exchange and then the decline?*

Crisi, quali definirebbe i momenti di crisi?  
*Crisis, which would you define as the moment of crisis?*

Subire la crisi mondiale  
*Suffer the worldwide crisis*

Cosa è successo nel 2000?  
*What happened in 2000?*

Come vede l'azienda tra 10-15 anni?  
*How do you see the company in 10-15 years?*

### **Governance**

Quote azienda uguali?  
*The same equal shares?*

Finanziaria di famiglia  
*Family holding*

Metafora

*Metaphor*

Morte a Venezia

*Death in Venice*