

## **Ethnography Meets Management: Kinship and Fictive Kinship in Greek Business**

### **Abstract**

Although kinship and fictive kinship relationships consistently play a pivotal role in the structure, organization and operation of a significant number of businesses worldwide, their conceptualization as alternative institutional arrangements has attracted little attention from management scholars. This study reports on in-depth field work conducted in a Greek business context applying the ethnographic method. In particular the notion of ‘Godfather’ is explored, both as a perceptual category, as well as a device for shaping power relationships and exercising control both within and beyond the organisational framework. The study reveals that in the relative absence of formal rules defining the organizational structure in a given setting, an informal network is a viable substitute. Moreover, it is shown that management uses this mechanism to effectively pursue its corporate and private goals by implicitly monitoring the behaviour of employees and subordinates. Understanding the process and politics of engaging in such relationships gives us an insight into the underlying logic prevalent in corporate formations with familial characteristics, while research at the company level will allow decision makers to make informed choices, and policy makers to introduce policies that accurately address the issues arising in family business contexts.

### **Keywords**

Ethnography, Kinship, Family Business, Informal Relationships, International Management, Greece

## **Introduction**

International business studies predominantly concentrate on large shareholder owned companies (see Storey, 1994, p.7). Much of the literature concerning corporate governance and corporate finance has a similar focus (see Grossman and Hart, 1980; Pedersen and Thomsen, 1997) and there has been very little attention to relation-based governance in academic studies (Li, et al. 2004), or description of views as to how economic actions should be conducted within the context of a specific society (Witt and Redding, 2009). However, it is widely recognised that family firms are a very important corporate form everywhere in the world, and that in many national economies they are overwhelmingly the dominant corporate form (La Porta et al, 1999). This study contributes to the understanding of this important but comparatively neglected phenomenon by investigating the role of kinship and quasi-kinship relationships as structures of corporate governance. It reports on a case study of a family-owned company in the Greek leisure and hospitality industry. The research was carried out through participant observation and long-term ethnographic study.

Due to the historical dominance of quantitative methodologies in English-speaking countries (Johnson et al., 2006) the majority of previous studies have studied companies through publically available data, or through questionnaires, while qualitative methodologies were not frequently used (Werner, 2002), although this trend has improved over the past decade. We adhere to this trend with Starbuck (2010:5) in claiming that ‘the easy research that relies on surveys and public data bases is very likely to discover empty clichés and superficial rationalizations. Researchers can learn things

that are much more realistic by using methods that penetrate facades'. Still however, the most intimate involvement usually reported between researcher and company is the interview (see Witt and Redding, 2009), occasionally coupled with observation for a certain period (Brannen and Salk, 2000; Sharpe, 2006; Luring and Selmer, 2010). The research reported here is, therefore, novel and unusual both in the focus of study (a family firm in Greece), and methodologically (participant observation). This paper takes its inspiration from social anthropology, and as such is providing the further (although of course related) innovation of looking at family business in a socially holistic and integrative way.

Our choice of methodology, participant observation and ethnographic research, is closely related to the characteristics of the phenomenon under study. Rather than using aggregated cultural attributes, individual cultural stances need to be assessed as determinants of behaviour (Brannen and Salk, 2000). In firms (and economies) where ownership and control are separated (along the lines first described in detail by Berle and Means, 1932), the surrounding institutions expect and require the disclosure of detailed information about the activities of the company (Pedersen and Thomsen, 1997). Rule-based systems of this kind are most highly developed in the USA and the UK, although elements of such systems have by now been introduced, in many different countries. In firms which are under family control, and in economies where this is the norm, far less information is publicly disclosed (Li et al., 2003). This means that research methods which work in a 'Berle and Means', such as numerical analysis of publically available data, are often inappropriate to the study of family firms in a familistic economy. Who

makes the rules, for whom, and what objectives these meet is not straightforward in that respect (Witt and Redding, 2009). In relation-based economies' family firms, business matters are also family matters. Participant observation is the ideal way of getting inside the information wall with which a family firm surrounds itself, and one of the strengths of this study is the close congruence between the research method and the characteristics of the company under study.

Although many international management scholars call for qualitative research to supplement quantitative studies (Butterfield *et al*, 1996; Delbecq *et al*, 1975; Luthans and Davis, 1982; Luthans and Morey, 1984; Miles and Huberman, 1994), few actually do it (Luthans, F. and Ibrayeva, E. 2006, p.107).

In this paper, we look not only at family relationships within the firm under study, but also at quasi-kinship relations, of which 'godfather' relationships are one example. Quasi-kinship relationships have been little studied in the context of the international study of comparative business systems.

### **Kinship, business studies, and social anthropology**

Kinship studies were, for a large part of the 20<sup>th</sup> century, the empirical and theoretical core of social anthropology (see, for example: Needham, 1962; Kroeber, 1909; Hocart, 1937; Evans-Pritchard, 1951; Radcliffe-Brown, 1941, Radcliffe-Brown and Forde, 1950;

Fortes, 1949; Leach, 1954; Homans and Schneider, 1955; Richards, 1956; Ardener, 1962; Levi-Strauss, 1949, 1969).

In business studies, by contrast, kinship studies are notable for their absence. This has a number of unfortunate consequences. First of all, many of the issues related to native categories, principles of classification, systems defined by opposition, holistic systems, structural analogies, and so on, have little or no arena for empirical discussion in business studies. These same issues have been exhaustively discussed within social anthropology, often beginning in an empirical domain related to 'kinship', but growing well beyond this into the study of culture more generally. This means that the many conceptual advances that were made in social anthropology can scarcely be expressed in the characteristic idiom of, for example, international management studies. A second consequence is that the 'family' aspect of family firms is, as already noted, generally speaking treated as backward and/or deviant (Li, et al., 2004).

In this paper we aim to address both of these problems. We are using an ethnography of a family firm to (1) introduce some key ideas from social anthropology into international management studies; (2) put the family firm at the centre of its own empirical and theoretical normality, as an institution of great importance in the world economy.

The treatment of kinship systems as systems of 'classification of people', led social anthropology into the study of 'classification' more generally. This was congruent with a study of categories, of definition by opposition, of metaphor and analogy (Ellen and

Reason, 1979). One influential attempt to apply this approach to management issues has been made by Buckley and Chapman, through the idea of ‘native categories’ (Buckley and Chapman, 1997; Harris, 2003; De Mattos, Chapman and Clegg, 2004; Charleston, 2009). From a ‘classificatory’ perspective, it is expected that categories will be defined in relation to one another within their own system, and that there will be incongruence of categories as one moves between systems. The other is therefore the way we understand ourselves in a situation that is modified through learning over time (Brannen and Salke, 2000).

Let’s take a category of ‘Godfather’ as an example. In the Anglo-American Anglophone world, this term evokes two things: (1) An institution related to Christian baptism, which has great importance for a few, a small or vestigial importance for most, and no importance for many. The outlines of this institution will be briefly discussed later, in the context of the much greater importance afforded to this same institution in some other parts of the Christian world. (2) A film, ‘The Godfather’, starring Marlon Brando as the ‘godfather’, and Al Pacino as his reluctant ‘heir’, for which regrettably there is no space in this paper.

The Greek equivalent to the ‘Godfather’, or the ‘Compadrazgo’, is:

*The godfather (Nonos).* The male baptising a couple’s child according to Greek Christian orthodox religion. He is picked by a couple on either the fact that he was the best man at the couple’s wedding, or that he is a close friend (if the best man

refuses –which is highly unlikely- or if it is not the couple’s first child), or because he is perceived by the parents to be an adequate godfather for the child, i.e. a man with some sort of power, financial, political, social, etc. The perceived ability to fulfil the obligations of a godfather are pivotal in the selection; on the other hand the commitments attached to “godfather-ship”, and the fact that the couple considers an individual as likely to live up to the expectations, makes the proposition to become a godfather an honour - or so it is perceived by the parents.

The godfather establishes a holy connection with the child being baptized, he is the one ‘putting the oil’ (due to the actual ritual of putting oil on the child during the ceremony), and granting the child its Christian name. This connection he is expected to maintain and honour at least until a child is grown up, often even well after that. He is supposed to be there for the child both materially and spiritually, including namedays and birthdays, as well as the main orthodox festivities of Easter and Christmas. A similar arrangement applies to females.

As we can see, while a ‘godfather’ category exists both in English and in Greek, the shape of that category, in relation to all the surrounding relevant categories, is different. Concentrating on what is *common* to the two categories, across English and Greek, genuinely gets in the way of understanding how these categories work in their own context.

It would be easy and simple to say that ‘kinship’ concerns ‘real’ relationships, of consanguinity, affinity and descent, and that ‘fictive kinship’ concerns extension of ideas concerning the ‘real’ relationships to people who are not ‘real’ relations. It is broadly in this sense that we are using the terms here. A ‘godfather’ is not *really* a father (in the sense of being the genetic male parent), but somebody who assumes a role as something rather like a father – a fictive role, but with real consequences, roles and responsibilities nonetheless.

## **Research Methods**

...there is still no substitute for a good story, well told - especially if you are trying to make people understand how the people you’ve studied think and feel about their lives (Bernard 1995: p. 15).

Only for Witt and Redding (2009) to add:

...if you want to know why people act, you should analyze their intentions as they themselves conceive them. (p.: 863).

This paper answers numerous similar calls for ethnography of business organisations (Usunier, 1998; Chapman et al., 2004; Sharpe, 2004; Brannen and Peterson, 2009) by studying the role of kinship and fictive kinship in Plato Leisure Group (PLG – fictitious name for the purposes of anonymity) in Greece. It is often felt that the appropriate choice



of method depends partly upon the maturity of the field. In the early stages, so it is argued, a qualitative approach is all there is, building up understanding of the culture under study. When this has been done, some basis for theory formation has been established, and research can move on to quantitative approaches with their perceived rigorousness. In this view, the two methods follow one another (Bernard, 1995), and this accords with the case in hand; corporate research in Greece is a fairly novel topic, to which a qualitative approach is appropriate.

Sharpe (2004) argues that ethnographic research approaches are very relevant to the understanding of social processes in the field of international business:

The understanding of social processes within firms recognises the social embeddedness of rationality, that is, that rationality is always context-dependent. Such an approach seeks to examine actual existing differences between firms by understanding differences in social institutions and practices (p. 306).

Furthermore, ethnographic research establishes the importance of individual and contextual reciprocal influences on organization culture formation (Brannen and Salk, 2000; Witt and Redding, 2009).

Following Sharpe's line of thought we consider firms not as rational, goal-directed economic actors but as forms of business communities. In that respect these are unique realities since the historical situation, different sets of issues and different points in time

would yield an entirely different working culture from the one described (Brannen and Salk, 2000) making replication problematic (Johnson, et al., 2006).

### ***Data Collection***

Following Gajewska-De Mattos, Chapman, and Clegg (2004), and Chapman et al (2004), *who* and *what* you are as a qualitative researcher “‘matters to what you are readily able to discover and to understand” (p. 292). Defining a sample of the study is one of the elements of setting the boundary of the study (Miles and Huberman 1994). According to McCracken (1988), the selection of respondents in qualitative research must be conducted very thoroughly. The author argues that ‘less is more’ emphasizing: ‘it is more important to work longer, and with greater care, with a few people than more superficially with many of them’ (p. 17). The selected group is not to represent ‘some part of the larger world’, but it is claimed ‘it offers, [...], an opportunity to glimpse the complicated character, organisation, and logic of culture’ (p. 17).

Data collection was conducted by one of the authors in the Greek firm under investigation. He has been fully employed there, a fact allowing him to claim being an ‘observing participant’ rather than a ‘participating observer’, as the theory has it. He was both the researcher and the researched and could identify himself with what was important to his objects of research. In that way he avoided what Punch (1986:48) highlights as a potential problem, that ‘what is trivial to us may be of vital concern to the researched’, but may be neglected.

This research relied on the thorough collection of fieldnotes. These included dialogues between individuals or groups, comments, arguments, gestures, as well as all sort of behaviours and expressions, explicit or tacit, that came to the researcher's attention, although it was not done in an 'iterative and explorative approach, allowing the researchers to be open towards unexpected information' (Lauring and Selmer, 2010:62). The accompanying data included an array of information gathered for the company and the industry in general, including the formal legal and organizational structure financial data, promotional material etc. It also included repeated informal discussions on a whole set of issues with the owners and the managers both in the headquarters as well as in the branches scattered around the most popular summer destinations in Greece. These discussions had an open-ended nature, and were only occasionally systematically recorded while they were conducted. The actual taking of notes happened subsequently. The people talked to in an interview-like manner were perceived to have some special contribution to make to the topics discussed, thus these interviews were actively pursued and were conducted with most of the interviewees at least twice. In total, 23 branch managers, 15 managers from headquarters and 5 members of the board were interviewed over the two year period fieldnotes were taken. This sample included 31 males aged from 30 through to 65 with professional experience ranging from 5 to 35 years, and 12 females aged between 35 to 45 with professional experience from 5 to 20 years.

### ***Data Analysis***

The ethnography, much in line with the 'social anthropology coming home' tradition, captured an insider's view on the overall functioning of the organization, and attempted

to interpret the subjective reality observed through the application of the analytical tools developed for qualitative methods.

Field notes were kept rigorously by the researcher for approximately two years, while the overall involvement, and consequently the observation, lasted longer. After the raw collection of the data, the fieldnotes were transcribed to create coherent and meaningful categories, on the basis of the pre-understanding of the researcher.

The analysis entailed interpretive content analysis in an attempt to identify the key domains standing out of the raw material. Based on the ethnographic nature of the research we did not classify the data categories in advance, and did not impose any coding procedure on the revealed information. Rather we let the themes emerge post hoc, hoping to minimise any researcher bias on the findings. Among these themes that emerged repeatedly through the emphasis put by the respondents, and their concurring nature, the family/kinship dimension of the business community, gender relationships, the ever present ritual/religious aspect, and the dominance of favour exchange/gift-giving/clientilism relationships were the most notable ones. A conceptual mapping of the emerged categories was then undertaken, that allowed the exposure of interrelationships and linkages among them. This implied that the extracted propositions were an integral part of a larger whole, and could only be fully conceptualized in relation to, and through the existence of the neighbouring coded categories. An extract of these categories that are closest related to our present focus on kinship, we present here.

### **Evidence on Fictive Kinship: a family turned business or a business turned family?**

The company examined was at the time of the study geographically widely dispersed, which made direct personal control difficult to exercise. Finding ways of achieving control of distant personnel proved therefore important, although the company did not demonstrate the ability or determination to introduce any adequate formal control mechanisms over the period under research. The company struggled with the problem of lack of trust shown to its branch managers, in a context where it was indisputably necessary that some authority be delegated to them.

Efforts were made to address the problem not through elaborate techniques, but rather through an informal web of relationships, resembling a family, or perhaps an ‘extended family’. This served to create the missing bonds among owners and employees, and managers with their subordinates. We will attempt to illustrate this complicated web within the company, where appropriate, with other examples of similar pattern found outside the company among its clients and suppliers.

#### *Entrepreneurship meets Tradition*

PLG (fictitious name) is a company established some 40 years ago as a small start up to become one of the leading travel organizations in Greece. The founder (A) was the man still running PLG, while maintaining partial ownership of the company and acting as executive chairman. The term ‘chairman’ may bring to mind a rarefied and abstract board

of directors and this would be very misleading. A is still involved in the day to day running of the business frequently called in as a trouble-shooter, even for minor problems, because of his good judgement, the depth of his knowledge of the business and the people, the respect he enjoys, and his talent for stubbornly 'getting it his way'.

When the company started expanding in the early seventies and a helping hand became a necessity, founder A drew upon family resources – specifically, on his younger brother (B), an economics graduate and part-time accountant for small businesses swiftly passing over to B the financial management of the company. Some employees of the company that began their careers with the company at that same time, were still around at the time of the research, Most of them internalized into the informal web prevalent within the company due to founder's A and his brother B near-obsessive pursuit to establish quasi-family bonds with the main, non-family related staff. It remains however unclear whether a formally trusting relationship was consequently sealed with a quasi-family bond, or whether the latter was used as a framework within which a relationship based on trust was expected to emerge.

Examples abound: the founder A has baptised the daughter of the company's accountant (CA), who over the years has been promoted to chief controller of the finances of the companies, while his brother (B) has in a similar fashion baptised the son of the financial director (FD), a long term school mate, and the daughter of the general manager (PH) and minority partner of PLG *Airline handling arm*, who retired during the period under research. Yet another partner of the early days of the company was the one who run the

Crete branch (PC), who was tied to the founder through the baptism of his first son. In both these latter cases however, the relationship has turned out nasty. The (PC) took at one stage away virtually all the local business from PLG, and as a result a personal hostility developed, which endures to this day. (PC) is PLG's greatest local rival, and reclaiming some of the business lost to him has developed into an obsession, a personal vendetta, for the owners of PLG. In an attempt to re-establish their presence in the region they sought a new alliance with an ex-employee (PF) from the local PLG branch from the times of partnership with (PC). The new partner shared their feelings about (PC) for his very reasons, so it is safe to assume that a selection criterion was also their common empathy towards (PC). Reinforcing this bond, the younger co-owner B has continued the practice of Godfather-ship even with his new partner and has become the godfather to the eldest son (of three) of the new Cretan partner (PF) and his Welsh wife. This was at the (PF)'s request.

The godfather-ship with the daughter of the retired PLG *airline handling arm* minority shareholder and manager (PH) also turned sour. This became clear when the owners of PLG, asked (PH) to resell upon his retirement to them his minority stake in the company. He was unhappy with the sum suggested, or perhaps might have wanted his minority stake as a 'dowry' for his son (of whom common report after a short internship with the company did not speak well). (PH) attempted to take some business away from PLG when he established his own company in the same field but failed.

The list goes on and on into more recent times. Co-owner B became the best man at the wedding of the manager of the PLG branch on the island of Kos, and was also the godfather of the male offspring. This all happened at the time PLG was re-establishing its position through expanding its network and setting up relationships with all the people who joined the company in key positions in the process. The said manager has not proved to be the best choice either as a manager or as an in-law. He misused the finances of the company to fund, among other things, his own gambling. In spite of this, he was forgiven, probably due both to his special relationship with co-owner B, and to the lack of viable alternatives for the managerial position.

When *PLG Kos* tripled in size from one season to the next, owing to the acquisition of a major international account, the errant manager of the branch was given yet another chance: his company debts were written off, he was given an advance payment in order to settle some debts he had in the local community, and got a big pay rise. In return for this, at a pre-season meeting, he was asked to ‘behave’ – abandon his previous lifestyle, and concentrate on his job and family. Unfortunately his behaviour remained inadequate, but he was only sacked after severe pressure from the account representatives towards the owners for a change.

Although everybody in the company seemed to agree that he was unsuitable both for the job and the company, his sacking came as a big surprise. Co-owner B sacked him reluctantly, and still satisfied the manager’s request to be allowed to use upon his return to his basis (he was called to headquarters to be sacked) the company car to use for a



month, to take his children to school, which he after all kept for longer while he was looking for another job. New debts which he had run up to the company were once again written off.

Gossip in the company had it that after losing his job at PLG he would not be employed by anybody else in the industry, thus falling from grace in the eyes of others. Yet everybody acknowledged that he had received more than his fair share of opportunities, which however most considered as normal given the relationship, although his wife's attempt to persuade co-owner B to reemploy her husband, calling upon their relationship as best man and godfather, did not reverse the situation.

#### *Extending the informal Web to embrace Employees and Suppliers*

The godfather-ship practice was extended beyond partners to include suppliers very early on. Numerous examples of owner A having engaged in quasi-kinship relationships have been reported throughout the fieldnotes, and most of the times these relationships led to the participants of this extended network enjoying protection from the competitive market pressure when supplying PLG, even in cases where their services were of inferior quality to those of external bidders.

Suppliers tied into this informal web claimed on the basis of their relationship larger parts of PLG's business than they would have otherwise received, and in order to ensure they achieved that, they often did not respect the formal hierarchy and structure in the

company: they considered it as legitimate to bypass department heads or divisional managers, and go straight to the boss: their relationship to him entitled them to do so. This often led to frustration in the lower levels of the hierarchy in the company, but proved to be fairly effective for those suppliers taking advantage of the preferential access they had to the owners, since the obvious advantage of the company was occasionally sacrificed to honour the suppliers' informal status.

Pressure was occasionally also exercised to third parties close to the company: the owner would upon the suppliers' request call up his friends in the industry to make an introduction of one of his 'protégées', although this was mostly done reluctantly. It seemed to be a different thing to marginally compromise the efficiency of your own company, than to expose oneself by asking others to unduly opt for someone from your inner circle, when it is expected that everybody will have similar arrangements in place. .

There is a clear contradiction in the pursuit of satisfying the requirements of sub-optimum business relationships while at the same time expect managers to perform in the rationally best interests of the company: and although these customs are not taken as seriously as they used to be and in the business community the best man and the godparents seem to a great extent to be chosen with business goals in mind (whatever these might be), it becomes a balancing act for those on top of the hierarchy to manage these diverse relationships by shifting from one role to another depending on the occasion.

This discussion raises the question of whether fictive kinship-related customs are of diminishing importance in society generally, even where people manifestly still enjoy the rituals associated with them. Are these increasingly empty rituals, which once were full, and now only enjoy an instrumental use? It is possible to argue, however, that these customs have probably always been used for instrumental purposes, but within the context of village politics and reciprocities rather than business affairs. If this is so, then what we are seeing is a reorientation of the custom towards new and pressing, and away from old and less pressing purposes. This does not necessarily mean, either, that people are taking the customs less seriously. It can actually be argued that the new usages or the ritual are entirely serious and that meaning has survived, but has been newly, creatively and pragmatically realised in contexts relevant to the present day.

The new approach to old customs in pursuit of modern goals, can be illustrated through numerous examples. The statement of the manager of the Rhodes office, when he talked about the personnel structure of the firm there, is characteristic:

‘I have learned from the bosses (i.e. the owners) to use ‘*koumbaria*’ (best manship) to do my work, it does not mean anything to me on the job. I have become the best man to ... (an employee) and we have a drink off work, and our wives meet as well. But if the company requires it our relationship is entirely professional. I have however an “eye” on what is happening ... he always tells me what is going on, what is being said’.

The manager is saying that his relationship is ‘entirely professional’. At the same time, he and his colleague (and their wives, families and relations) are eyes for one another, to an extent that they have bigger obligations to one another than people not related in this way. Perhaps what we are finding is a kind of folk-theory to the effect that these relationships are ‘old-fashioned’ in the sense of ‘traditional’, and so in some senses inappropriate to the world of business, which is hyper-modern in their own estimation; at the same time, this folk-theory co-exists with the pragmatic fact that such relationships are actually very useful in business.

The identification of further manifestations of the inner circle of cross relationships goes on with the chief accountant, a childhood friend of co-founder B. He had no formal professional qualification including any language skills qualifications which might be thought vital in a business where the majority of the clientele is international. In spite of this, he headed the accounting department. Before this, he was the accountant of a tacit shareholding of PLG’s owners in a quasi-competing company. Because of the inappropriateness of a direct involvement in this entity’s management, he served there as ‘their man’, until they withdrew their shareholding and took him over to PLG. Despite his lack of popularity based on his rude manners, his position was unchallenged; he was the one knowing all the secrets of the company, as well as every detail of the finances. He was also the only one allowed by the owners - albeit reluctantly- to forge the signature of the owner when a payment is urgently needed and both the owners are away.

Further to the relationships between the owner family and their subordinates, fictive kinship relationships were also widespread among members of staff within the company. Following all the links among the employees of branches, or those between employees and their line managers becomes increasingly complicated, and requires a multi-level mapping to follow, which is beyond the scope of this paper. For the purposes of our paper it is important to stress that the fieldnotes revealed a big richness in raw data, which unfolds the importance of these relationships only once one can distance himself from this web and realize the complexity behind those seemingly simplistic rationalizations.

*Description meets interpretation: a discussion*

When one has been ‘best man’ to many couples, or been godparent to many children, one is often asked, in humorous vein, whether one intends to run for mayor. This reflects the fact that politicians are trying to establish similar clientilistic relationships with as many people as possible, in an effort to secure votes. In the case of PLG’s owners, they seemed to have tried to establish a network of real and quasi-relatives, in order to control and promote the business. Their success in this might be questioned, when the outcome of these relationships is observed. Where family are employed *because* they are family, rather than because of their competence, then the company will surely suffer. This is, however, the price that the company pays for the perceived transaction cost gain, of operating with trusted family colleagues and associates. Where quasi-family relationships are engineered, it is to be expected that not all of these would have the resilience of real family relationships, and that some would go sour. But this is the way

things are understood in Greek business culture, and trying to operate outside of this system, while it clearly would have advantages on paper, might in reality be virtually impossible. It is difficult to judge, since there are no closely researched examples to offer.

There are two major structural possibilities for the establishment of such family-like relationships within a family enterprise such as the one described. They can be created between employees of equal rank, or they can be created between different hierarchical levels, in which case one of the owners, or one of the members of the owning family, takes over the role of best man or godfather in relation to one of the employees. This does not work in the opposite direction: the owners would not ask an employee to become their best-man or godfather to their children. The best man and godfather are invariably either equal or superior in status to those for whom they perform these roles. When one of the owners looks for a best-man or a godfather, therefore, he would look to those of his own social class or still higher up the social ladder.

When an employee asks one of the owners to become their best man, or to be godfather to one of their children, this has multiple moral and social consequences. The employee is showing gratitude to the owner, implicitly confirming his relationship of dependence upon the owner. This is a kind of complex and longitudinal gift exchange, however. The owner, by accepting the role is accepting some sort of responsibility for the employee - a responsibility to act as 'patron' (see Gellner, and Waterbury, eds., 1977). The employee then has a 'strong shoulder' to lean on, within the company. The possible consequences of this cannot be tightly specified, but there is no doubt that such relationships

significantly affect daily social and operational life within the company. The existence of such relationships makes it tacitly understood that different rules apply to such an employee; they suggest (even though this may not ultimately be true) that he (or she) is beyond criticism and control in a significant sense. The relationship, therefore, has the effect, for the employee, of reducing uncertainty about the outcome of his or her activities in the company. The effect that this will have upon the company's operations can be various, depending upon the individuals involved. Such relationships do, however, provide a cross-company network of 'family-like' relationships, which provide many structural analogies between the family of the owners, and the 'family' of the company. This has the effect of preventing the situation within the company from being constantly perceived as one of opposition and conflict of interest between the owning family and the employees (the first powerful, the second powerless): instead, the company is drawn, in some tenuous sense, into the same domain of moral legitimisation as the owning-family; the owning-family does not just have rights, but also widely recognised and widely dispersed social obligations.

The Athens headquarters are by no means an isolated case, in regard to the deep-rooted impact of family in the way the various PLG branches within the group are structured. It is worth looking at some destinations in this perspective, and trying to untangle the informal web the people within them have created for themselves. The fieldnotes reveal abundant examples of similar behaviour and social structures in other PLG branches in remote locations as well. This allows us to control our contextual categories not only vertically, within one location, but also horizontally, in a multitude of locations of the

firm. The results of this exercise are very similar to the ones described above, confirming the robustness of our discussion.

## **Conclusion**

By establishing the understanding that this particular Greek case is more or less representative for a vast number of organizations in cultures and economies that share similar characteristics with Greece, we highlight the importance of addressing the institutional arrangements that shape the structures of the majority of these organizations. In particular, we showed here that informal institutional arrangements are an important governance device in family firms in familistic contexts. The ‘godfather’ is presented here as an exemplar of a kinship device familiar enough in social anthropological contexts. We argue that this idea has an important role to play in our understanding of corporate governance, and corporate strategy, wherever we are outside the ‘Berle and Means’ conventions. Acquiring in-depth knowledge of the sense-making in this type of corporation will definitely have an impact on the policies chosen to effectively address the issues raised in conjunction with family firms and firms from more traditional contexts.

Many of the issues concerning the Greek business context are related to the issues that we discuss in this paper – absence of transparency in corporate life and corporate profits, absence of transparency in business/government relations, absence of transparency in national accounting, and so on, also touch upon countries and regions with similar



characteristics, especially those of the European South. The tension that is building up in these contexts and the uncertain outcomes of this process makes further research into alternative institutional arrangements more required than ever. Whether this research will look into other countries that resemble Greece or different industries and sectors of their economies, any contribution increasing the awareness to these issues and the consequent understanding will add to the ability of policy makers to take effective measures and managers to manage firms in the most efficient way.

As a concluding note it is important to stress that family, or familistic firms, in familistic societies, do not need entirely new theories to deal with them. It is not true, of course, that totally incompetent people are assured of a berth just because of who they are. In Greece, just as in the U.K. or the U.S.A., incompetent people are censured, sidelined, and sacked. It is just that the boundary in Greece is differently drawn.

## **References**

Ardener, E., (1962). *Divorce and Fertility – An African Study*, Oxford, Oxford University Press.

Berle, A. and G. Means, (1932). *The Modern Corporation and Private Property*, MacMillan, New York.

Bernard, R. H. (1995). *Research Methods in Anthropology: Qualitative and Quantitative Approaches* (second edition). London: Sage.

Brannen, M.Y. and M.F. Peterson (2009). 'Merging without alienating: interventions promoting cross-cultural organizational integration and their limitations', *Journal of International Business Studies*, Apr 2009. Vol. **40**, 3; pp. 468-490.

Brannen, M.Y. and E. Salk (2000). 'Partnering across Borders: Negotiating Organizational Culture in a German-Japanese Joint Venture', *Human Relations*, Vol. **53**,4; pp. 451-487.

Buckley, P. and M. Chapman (1996). 'Economics and Social Anthropology – Reconciling Differences', *Human Relations*, Vol. **49**, 9; pp. 1123-1150.

Buckley, P. and M. Chapman (1997). 'The Use of Native Categories in Management Research', *British Journal of Management* Volume **8**, 4; pp. 283-299.

Butterfield, K., L. Trebe Trevino, and G. Ball (1996). 'Punishment from the manager's perspective: a grounded investigation and inductive model', *Academy of Management Journal*, **39**, pp.1479-1512.

Chapman, C. (1996/1997). 'Social anthropology, business studies, and cultural issues'

*International Studies of Management & Organization*. White Plains: Winter. Vol. **26**, pp. 3-30.

Chapman, M. and C. Antoniou (1997a). 'Religion in Business: a Greek Example' *Paper presented at the annual Academy of International Business U.K. Chapter Conference*, Leeds, April.

Chapman, M. and C. Antoniou (1997b). 'Male perceptions of the Greek versus non-Greek female managers in the Greek business Context' *Paper presented at the Workshop on Cross Cultural Perspectives: Comparative Management and Organization*, Henley, 20-22 June.

Chapman, M., H. Gajewska-De Mattos, and C. Antoniou (2004). 'The Ethnographic IB Researcher: Misfit or Trailblazer?' in Marschan-Piekkari, R. and Welch, C. (eds.), 'Handbook of Qualitative Research Methods for International Business', Cheltenham, UK and Northampton, MA: Edward Elgar pp: 287-305.

Charleston, B. (2009). 'What are the cross cultural issues experienced by Expatriate managers working on aid projects in developing countries?', PhD thesis.

Delbecq, A., A. Van de Ven, and D. Gustafson (1975). *Group Techniques for Program Planning*, Scott Foresman, Glenview, IL.

Ellen, R. and Reason, D. 1979, *Classifications in their Social Context*, New York, Academic Press.

Evans-Pritchard, E.E. (1951). *Nuer Kinship and Marriage*, Oxford, Clarendon Press.

Fortes, M. (1949). *The Web of Kinship among the Tallensi*, Oxford, Oxford University Press.

Gajewksa-De Mattos, H., M. Chapman, and J. Clegg (2004) 'Poles and Germans: An International Business Relationship' *Human Relations*, vol. **57**, pp. 983 - 1015.

Gellner, E. (1977). 'Patrons and Clients' in Gellner, Ernest and Waterbury, John (eds.) *Patrons and Clients in Mediterranean Societies* London: Duckworth.

Grossman, S. and O. Hart (1980). 'Takeover bids, the free-rider problem, and the theory of the corporation', *Bell Journal of Economics*, **11**, pp.42-64.

Harris, S. (2003). 'National Values and Strategy formation by Business leaders', PhD Thesis.

Herzfeld, M. (1980). 'Honour and Shame: Problems in the Comparative Analysis of Moral Systems' *Man* **15**, pp. 339-351.

Herzfeld, M. (1987) *Anthropology through the looking-glass: critical Ethnography in the Margins of Europe*, Cambridge: Cambridge University Press.

Hocart, A.M. (1937). 'Kinship Systems', *Anthropos*, **22**, pp. 345-51.

Homans, G. and D. Schneider (1955). *Marriage, Authority and Final Causes*, New York, Free Press.

Johnson, P., A. Buehring, C. Casell and G. Symon (2006). 'Evaluating Qualitative Management Research: towards a contingent Criteriology' *International Journal of Mangement Reviews*, Vol. **8**, 3 pp. 131-156.

Kenna, M. E. (1976). 'The Idiom of Family' in Peristiany, Jean G. (ed.) *Mediterranean Family Structures* Cambridge: Cambridge University Press.

Kroeber, A., 1909, 'Classificatory Systems of Relationship', *Journal of the Royal Anthropological Institute*, **39**, pp.74-84.

La Porta, R., F. Lopez-De-Silanes, and A. Shleifer (1999). 'Corporate Ownership Around the World', *The Journal of Finance*, **2**, pp.471-517.

Lauring, J. and J. Selmer (2010). 'The supportive expatriate Spouse: an ethnographic Study of Spouse Involvement in expatriate Careers', *International Business Review*, Vol. **19**, 1, pp. 59-69.

Leach, E., 1954, *Political Systems of Highland Burma*, London, Bell.

Lévi-Strauss, C., (1949). *Les Structures élémentaires de la Parenté*, Paris, Presses Universitaires de France.

Lévi-Strauss, C. (1969). *The Elementary Structures of Kinship*, Boston, Beacon Press (translated from revised edition, 1967, of Lévi-Strauss, 1949, by R. Needham).

Li, S., S.H. Park and S. Li (2004). 'The Great Leap Forward: The transition from Relation-based Governance to Rule-based Government', *Organizational Dynamics*, Vol. **33**, 1, pp. 63-78.

Loizos, P. and E. Papataxiarchis (1991). 'Gender and Kinship in Marriage and Alternative Contexts' in Loizos, Peter and Papataxiarchis, Evthymios (eds.) *Contested Identities: Gender and Kinship in Modern Greece* Princeton: Princeton University Press.

Luthans, F. and T. Davis (1982). 'An idiographic approach to organizational behavior research: the use of single case experimental designs and direct measures', *Academy of Management Review*, **7**, **3**, pp.380-391.

Luthans, F. and E. Ibrayeva, (2006). 'Entrepreneurial self-efficacy in Central Asian Transition Economies: Quantitative and Qualitative Analyses', *Journal of International Business Studies*, **37**, pp.92-110.

Luthans, F. and N. Morey (1984). 'An emic perspective and ethnoscience method for organizational research', *Academy of Management Review*, **9**, pp.27-36.

McCracken, G. (1988). The Long Interview, *Qualitative Research Methods Series 13*, Sage Publications.

Miles, M. B., Huberman, A. M. (1994). *Qualitative Data Analysis. An Expanded Sourcebook*, 2nd edition, Sage Publications.

Needham, R. (1962). *Structure and Sentiment*, Chicago, Chicago University Press.

OECD (2003). *White Paper on Corporate Governance in Asia*, Paris, OECD

Pedersen, T. and S. Thomsen (1997). 'European patterns of corporate ownership: a twelve country study', *Journal of International Business Studies*, **28**, pp. 759-779.

Pitt-Rivers, J. (1976). 'Ritual Kinship in the Mediterranean: Spain and the Balkans' in Peristiany, Jean G. (ed.) *Mediterranean Family Structures* Cambridge: Cambridge University Press.

Punch, Maurice (1986). *The Politics and Ethics of Fieldwork* Beverly Hills, CA: Sage.

Radcliffe-Brown, A.R., (1941). 'The Study of Kinship Systems', *Journal of the Royal Anthropological Institute*, **71**, pp.1-18

Radcliffe-Brown, A.R. and D. Forde (1950). *African Systems of Kinship and Marriage*, Oxford, Oxford University Press.

Richards, A. (1956). *Chisungu: a Girls' Initiation Ceremony among the Bemba of Northern Rhodesia*, London, Faber and Faber.

Sharpe, D. R. (2004). 'The Relevance of Ethnography to International Business Research' in Marschan-Piekkari, R. and Welch, C. (eds.), *Handbook of Qualitative Research Methods for International Business*, Cheltenham, UK and Northampton, MA: Edward Elgar, pp. 306-323.

Sharpe, D. R. (2006). 'Shop Floor Practices under changing Forms of managerial Control: A comparative ethnographic Study of Micro-politics, Control and Resistance



within a Japanese Multinational', *Journal of International Management*, Vol. **12** pp. 318-339.

Starbuck, W.H. (forthcoming). 'What makes a Paper Influential and Frequently Cited?' *Journal of Management Studies*.

Storey, D. (1994) *Understanding the Small Business Sector*, London, Routledge.

Svejenova, S. (2006). 'How much does trust really matter? Some reflections on the significance and implications of Madhok's trust-based approach', *Journal of International Business Studies*, **37**, pp.12-20

Usunier, J.-C. (1998). *International & Cross-Cultural Management Research*, Sage Publications.

Werner, S. (2002). 'Recent Developments in International Management Research: A review of 20 Top Management Journals', *Journal of Management*, Vol. **28**, 3 pp. 277-305

Witt, M. and G. Redding (2009). 'Culture, Meaning, and Institutions: Executive Rationale in Germany and Japan', *Journal of international Business Studies*, **40**, pp. 859-885