

## **CALL FOR SCHOLARLY PAPERS**

### **3<sup>rd</sup> FAM Leadership Paradox & Plurality Meeting, 2020**

#### **Family firms and their paradoxes**

Date: 22 May 2020

LFI-Nova SBE, Católica Lisbon SBE, FAM

Nova SBE, Carcavelos Campus

The FAM Paradox & Plurality meeting is an annual event aimed at discussing organizational and societal problems from a paradoxical perspective. Paradox refers to opposite forces that mutually define one another and persist over time. The fact that organizational and societal issues contain paradoxical features is the point of departure of our debates, our mission consisting in the use of scholarly research on paradox to inform debate and facilitate performance and progress.

#### **Goals**

Family firms are a crucial component of modern economies. They have been presented as having potential competitive advantages but they are paradoxical.

Family businesses (FBs) are crucial for world economy and are significantly influenced by family dynamics. The family remains at the center of the business, meaning that the family component shapes the business in a special way (Chua, et al., 1999). This creates a unique organizational form that is very distinct from non-family businesses. FB have been presented as having potential competitive advantages, but they are paradoxical (Artz, et al., 2010). One could say that the CEO's goal is to pass a healthy business to the next generation. Thus, this long-term focus makes innovation essential for their survival, since they need to be ready to change, as they operate in a world of uncertainty. In fact, family owners control more than 50% of Europe's most innovative firms (Forbes, 2017). Although FBs have the capacity to create and sustain competitive advantages, this vision must be shared by all stakeholders or they won't be as effective. Scholars agree it is increasingly important to adopt a family perspective and focus on the enterprising family as a yet unexploited unit of analysis in entrepreneurship and innovation research.

In the quest to become a bridge between family business practitioners and researchers, the aim of the conference is to create a fertile ground to advance family business research by contributing to the discussion of:

- 1) Family firms' impact in society;
- 2) State of family business research;
- 3) Advancement of work-in-papers that need further development;
- 4) New and relevant questions concerning family business.

### **Keynote**

**Alfredo De Massis** is Professor of Entrepreneurship & Family Business and Director of the Centre for Family Business Management at the Free University of Bolzano where he is also the Leader of the Entrepreneurship, Innovation & Management Cluster (Dept.). He co-directs family business research projects at Lancaster University Management School, UK. In 2015, Family Capital ranked him among the world's top 25 star professors for family business. He serves as Associate Editor of *Family Business Review* and on the Editorial Boards of *Entrepreneurship Theory & Practice*, *Strategic Entrepreneurship Journal* and *Journal of Family Business Strategy*. His research has been published widely in leading academic and professional journals including *Academy of Management Journal*, *Journal of Business Venturing*, *Journal of Management Studies*, *Entrepreneurship Theory & Practice*, *Research Policy*, *Journal of Production Innovation Management*, *Academy of Management Perspectives*, *Family Business Review*, *Global Strategy Journal*, *Journal of Business Ethics*, *California Management Review*. His research has been featured in various media outlets including *Financial Times*, *Harvard Business Review*, *CNBC*, and he has guest edited several special issues in leading management journals (the most recent ones in *SMJ* and *JMS*).

**Andrea Calabrò** is the Academic and Managing Director of the IPAG Family Business Institute (IFBI) and Professor of Family Business & Entrepreneurship at IPAG Business School, Nice, France. He is currently Global Academic Director of the STEP (Successful Transgenerational Entrepreneurship Practices) Project. He co-founded the Family Business Research Strategic

Interest Group (FBR SIG) at the European Academy of Management (EURAM) and is co-founder and organizer of the International Family Business Research Forum (IFBRF). Since 2014 he serves as Associate Editor of *Journal of Family Business Strategy*. He has published journal articles on family firms, internationalization, and corporate governance in leading international peer-reviewed journals such as: *Strategic Management Journal*, *Entrepreneurship Theory & Practice*, *Harvard Business Review (Case Study Collection)*, *Journal of Business Research*, *Journal of Business Ethics*, *International Journal of Management Reviews*, and *Family Business Review*.

### **Parallel Sessions:**

Each session chair will present the state-of-the-art in the topic, followed by oral presentations, in order to receive constructive feedback. Topics and questions that might be addressed in these sessions:

#### **1. Innovation (Chair: Alfredo De Massis – Free University of Bolzano)**

How do family firms manage the tradition and innovation paradox? How do the paradoxical tensions between tradition and innovation change as the family firm changes over time? Do family firms with different generations of family control manifest the paradox to the same extent? Are the sources of such paradoxical tensions in the family systems and/or in the business system? How does such tradition-innovation paradox vary across different types of family firms? What are the microfoundations of the tradition-innovation paradox? Is temporal symbiosis, defined as a firm's simultaneous adoption of retrospective and prospective approaches to using its resources to concurrently perpetuate tradition and achieve innovation, a core capability that family firms must be endowed with to manage the tradition and innovation paradox? Can family firms develop such capability? If yes, how? Why do, paradoxically, family firms have superior *ability* yet lower *willingness* to engage in technological innovation? Which types of family firms experience greater, lesser, or no ability and willingness paradox in innovation? To what extent does the paradox differ between family firms across and within different industrial sectors, different institutional contexts, and

different spatial contexts? How do changes in ability and willingness change the paradox? Does the paradox reduce as a result of learning and succession? In what ways, when, and why? In what governance, sectoral, and institutional circumstances do family firms experience greater, lesser or no paradox compared with different types of nonfamily firm? Are there other paradoxes in the innovative behavior of family firms besides the tradition and innovation and the ability and willingness ones?

## **2. Succession (Chair: Andrea Calabrò – IPAG Business School)**

With people living longer, increasing demographics and societal changes, family businesses in different parts of the world are exposed to new challenges which make their traditional methods of succession no longer been appropriate. How do changed demographics impact family business succession, and, do family CEOs belonging to younger demographic cohorts such as 'Millennials' have different managerial and leadership style, are only few of the underexplored questions which deserve further attention. Answering those questions would also contribute to understand, what drives succession choices in family firms, and what the performance implications of each succession choice are. Recent research evidence suggests that having a family intensive governance structure fosters, for example, (male) primogeniture as the main succession logic, even when the family firm is experiencing lower profitability, suggesting that inheritance and social norms are still predominant. Moreover, family firms that have the courage to disregard primogeniture and choose more wisely the family successor (subsequent born children and daughters) are the ones experiencing higher post-succession performance suggesting that exploring sibling differences related to birth order can illuminate the debate on family firm succession. These results challenge the taboo around the nepotism "paradox" and the a priori consideration of it as a bad management practice in family firms. They also offer the chance to open-up a debate around the positive aspects of nepotism if it is practiced, managed, and communicated the right way. The aim of this parallel session is thus to explore these and other questions related to family firm succession considering the challenges that the family business model is facing nowadays globally.

### **3. Governance (Chair: Remedios Hernández Linares - University of Extremadura)**

Family businesses are often characterized by the confluence of family, business, and ownership (each of them with their own governance mechanisms), by the role-multiplicity that family members play both within the family and within the business, and by the need to reach both family-oriented goals (economic and non-economic goals) and firm-oriented goals. These features have implications for their governance, and constitute sources of paradoxes that are specific of the family firms' governance. These unique paradoxes raises diverse research questions. How does the family and business paradox change as the family firm moves from one generation to another? How does the family and ownership paradox evolve as complexity of family arises? Are family governance mechanisms useful to manage these paradoxes? Are family-ownership, family-business, and business-ownership paradoxes source of dysfunctional conflict? If so, can family firms learn to manage these paradoxes to avoid such dysfunctionality? Which types of family firms manage better the paradoxical tensions associated to their governance? What are the main paradoxes derived from the multiplicity of roles played by family members involved in the firm? Are there some configurations of corporate governance more adequate than other to successfully manage the paradoxes derived from this multiplicity of roles? If so, which? How do family firms manage the paradox of integrating family-oriented non-economic goals with family-oriented economic goals? How do they manage the paradox of integrating family-oriented non-economic goals with firm-oriented economic goals? Is possible to enhance cohesion and shared visions within the family while at the same time reaching firm-oriented economic goals? How family firms manage the family and business needs paradox when changes on the governance structure are required? May singular governance paradoxes of family firms explain why they behave differently than non-family firms? Do women and men face paradoxes associated to family firm governance differently? If so, why?

#### **Deadline:**

The sessions will include no more than six papers and aim to provide valuable feedback to authors.

In case you are interested in attending please send an abstract of your work to [Liliana.dinis@novasbe.pt](mailto:Liliana.dinis@novasbe.pt) until **February, 23rd**.

**Organizing Committee**

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