Editorial: The family-driven entrepreneurial venture: establishing the link between family and business

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1 Introduction

This special issue seeks to tackle the question: 'Is there a link between the family background and the entrepreneurial behaviour of a family business?'. Almost 30 years ago, Landsberg (1983) stated that family firms exist on the boundaries of two qualitatively different social institutions – the family and the business. To understand the family business it is necessary to include both subsystems. Since then, more and more researchers have tried to integrate the 'family' concept into their work. The focus of this special issue is to look at the 'state of the art' in family business research and to identify new theoretical and practical areas. The central theme in the IJEV is "*The Entrepreneurial Venture*" (Sahlmann et al., 1999). In this view, entrepreneurship can be seen as the concentration of opportunity, growth and value creation regardless of company size, age or kind. To understand this, it can be very helpful to take into account the role the family of the entrepreneur plays. This family dimension is somewhat neglected in many domains of research. Entrepreneurship literature is a good example of this deficiency (Steier, 2007). This special issue pays attention to the link of entrepreneurship research and family firm research. The focus is on the following questions: Can an entrepreneurial family background be a valuable resource? How do family, business and ownership, as interrelated subsystems, influence the entrepreneurial behaviour of a firm? And how can this be sustainable in trans-generational succession?

Thirty years ago, there was almost no academic research on family business. Since then a lot has changed. Today, we witness a rapid growth in research articles. As a consequence, the field is in need for more outlets for theory and research (Astrachan, 2010). Therefore this special issue is a very welcome opportunity. We are thankful for the IJEV editors' decision to publish a double special issue on the topic of family firms.

2 Article themes and insights

The papers in this issue offer insights into the research questions introduced above. Different approaches are used to find answers: the authors discuss literature reviews, introduce conceptual frameworks and reveals empirical findings from quantitative and qualitative research projects. The difference in approach makes for a broad and interesting sample of contemporary research. In addition, this special issue covers a variety of themes touching specific topics within family business research. This is reflected in the structure of this special issue. The first section of this issue is dedicated to the ongoing debate on what distinguishes family firms from non-family firms. New and interesting insights are discussed and empirically tested. Insights that can help the field to find a clear and effective definition for family firms.

In the second section, succession is the central theme. Although this is one of the favourite research topics within family business research, a lot of questions remain unanswered. Three papers focussing on specific aspects of the business transfer process contribute to the knowledge of this important topic. The last section is dedicated to innovation and internationalisation. These two aspects are increasingly important to family firms. To assure long term continuity of the family business, family business owners have to find answers to the challenges stemming from a rapidly changing environment. Innovation and internationalisation are two key processes in which family firms have to perform at their best. Below, we summarise specific insights gleaned from these papers in regard to how they advance our understanding of the family-driven entrepreneurial venture.

2.1 Family firms versus non-family firms

The article of Irava and Moores is a good example of the rich potential of a combination of entrepreneurship research and family business research. The authors develop a framework that articulate connections between a family firm's unique bundle of resources, its entrepreneurial orientation, and its non-financial performance objectives. They highlight the fact that family firms have to understand the paradoxical nature of familiness and that family firms develop the capabilities to manage this paradoxical nature such that familiness provides positive outcomes. A commendable contribution towards more understanding of the concept of familiness is done by Montemerlo and Sharma. In their paper, social capital and network theories are used to build a theoretical framework of factors that influence the building of internally focused bonding form of social capital. The conceptual framework proposes that social capital can be developed from different central positions in the business, in the family and at the intersection of family and business. The authors highlight that individuals play a key role in generating social capital. Their role can be stimulated by education and by creating a culture that fosters interdependence and interactions in family and business units.

Di Toma and Montanari discuss the unsolved definition dilemma that still is a limitation in the field of family business research. They state that this dilemma stems from the choice between selecting objective and measurable characteristics, such as ownership or governance, and the more abstract characteristics which are difficult to determine and measure like culture, values, or belonging. They suggest to identify objective elements useful to adequately approximate the main abstract characteristics of family business. Wang's paper is also a contribution to the discussion on the definitional issues in family firms. This empirical study explores the proposition that the prevalence of the family business may be less significant than commonly is assumed. In examining the 'essence' of small businesses in relation to vision, intention and behaviour, the conclusion is that most firms do not satisfy the essential characteristics of a family business. The paper of Wang is especially interesting in relation to the Finnish contribution to this special issue, a paper also focusing on small family firms. The study of Kirmanen and Kansikas compares business performance of small Finnish family firms with small non-family firms. The large sample makes it possible to identify differences between industries. The result of this study shows that founder-controlled firm performance was slightly higher than the performance of descendant-controlled firms. Morris and Craig's paper on the concept of family enterprising is another example of the rich potential of applying entrepreneurship literature to the context of family firms. They argue that in order for families in business to increase their chances of survival across generations, a stewardship approach to the organisation is needed to be integrated with a commitment to embracing an entrepreneurial orientation. A single case study provides a qualitative foundation to concept of family enterprising.

2.2 Succession

The succession phase is a crucial moment in the life cycle of any firm. Given the number of family firms, the topic of succession deserves attention on a macro-economic level.

The scorecard tool can be a valuable step in the right direction. The paper of Halkias, Thurman, Harkiolakis, Katsioloudis, Stavrou and Swiercz focus on one specific topic. They investigate the trend for daughters in Asian family owned businesses to take over leadership roles from their fathers in the family firm. The empirical findings of the study are indications that there is a significant difference between the reasons sons and daughters choose not to take over their family business in Asia. This could be a reflection of the cultural tradition to choose the eldest son as the successor who is not necessarily the best and the brightest. Ownership change is also a natural moment for renewing and revitalising a firm. Academically, the question is pending if organisational change predicts improved post-transfer results. The rigorous empirical study of Van Teeffelen and Uhlaner indicates that organisational change, product/market innovation and combined actions all increase post-transfer performance compared to no renewal. In addition, this study highlights the importance of innovation for the continuity of a firm.

2.3 Innovation, corporate venturing and internationalisation

If family firms have specific characteristics that distinguish them from non-family firms this will have consequences for how they manage their business. Innovation is a key management process in today's global and dynamic market. The paper from Roessl, Fink and Kraus seek to understand the readiness and ability of family firms to innovate. The article gives an outline of aspects that promote and hinder innovation in family firms. In addition, practical recommendations are given. For instance as rigidity was spotted as a major obstacle to innovation, the identification of the family firm with company pioneers and company myths has to be reduced. The authors suggest that the way owner-managers take these recommendations into practice will determine the family firms' capacity for innovation.

There are no many empirical studies on innovation in family businesses and previous results have reported contradictory findings. In this regard, we welcome the contribution of Llach Pages and Nordqvist. Their empirical study focus on three strategic resources for innovation where family influence, or familiness, may be strong: human, social and marketing capital. They propose that the family firms' capacity for innovation stems from other strategic resources than financial resources. The analysis of the data reveals that, contrary to conventional thinking; family firms are more innovative than non-family firms.

Doing business in foreign markets has become more and more becoming a matter of survival for family firms. Especially in the Czech Republic, it is important to improve its economic status in the European Union. As a former communist economy there is not much knowledge on the process of internationalisation in family firms. Therefore Moini, Kalouda and Tesar strongly recommend government support in this area for family firms. The case studies show information on factors which influences internationalisation.

3 Future research

The ultimate aim of family business studies is to improve the functioning of the family enterprise (Sharma, 2004). To achieve this goal it is necessary to gain more knowledge on the various forces that underlie these firms. The papers of this special issue contribute in different ways in achieving this goal. However, these articles, besides answering some questions, reveal even more new research questions and opportunities.

For instance, opportunities to duplicate surveys in other regional areas. The research of the father-daughter succession issue is a good example of a project that would benefit if it would be tested in regions with different cultural backgrounds. The various conceptual frameworks are promising and need to be empirical tested to proof their practical value.

It is important to invite scholars from other fields of study to disseminate knowledge and to raise awareness within the academic community (Sharma, 2004). This special issue wants to highlight the importance of linking family business research with entrepreneurship research. Especially some articles in this issue are good examples of the potential value of connecting these fields. So we strongly recommend more researchers to focus on this promising link.

Acknowledgements

The authors would like to thank all the reviewers for their effort and time to review the manuscripts submitted for this special issue. Special thanks also to Joost Ernst, a student assistant at Utrecht University, who was a great help during the review process.

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