

Long-Term Orientation in Multi-Generational Family Firms: A Multiple Case Study Analysis

By

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Declaration

I hereby certify that this material, which I now submit for assessment on the programme of study leading to the award of Doctor of Philosophy is entirely my own work, and that I have exercised reasonable care to ensure that the work is original, and does not to the best of my knowledge breach any law of copyright, and has not been taken from the work of others save and to the extent that such work has been cited and acknowledged within the text of my work.

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Preface

I have presented aspects of this research at the Academy of Management (2015), Babson College Entrepreneurship Research Conference (2014), Family Enterprise Research Conference (2014), European Institute for Advanced Studies in Management (2014), International Family Enterprise Research Academy (2013), and Irish Academy of Management (2013, 2015). A paper written from this thesis entitled “The Impact of Long-Term Orientation on Family Firms’ Innovation: A Multiple-Case Study” is accepted for presentation at the 2016 Academy of Management Annual Meeting, August 5-9, in Anaheim, California, USA.

Papers from this study have been awarded the Family Owned Business Institute research award (2013), Best Doctoral Contribution Award in the Family Enterprise Research Conference (2014) and Best Paper Award at the Irish Academy of Management (2015).

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Dublin, July, 2016

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List of Abbreviations

CEO	Chief Executive Officer
CFB	Centre for Family Business
DCU	Dublin City University
DNA	Deoxyribonucleic Acid
EO	Entrepreneurial Orientation
EPS	Electrical and Pump Services
FB	Family Business
FO	Family Orientation
G	Generation
GAA	Gaelic Athletic Association
HR	Human Resources
IFFPA	Irish Forestry and Forest Products Association
IT	Information Technology
LHG	Lineal High Grader
LTO	Long-Term Orientation
MD	Managing Director
NPD	New Product Development
P	Proposition
R&D	Research and Development
REC	Research Ethics Committee
RQ	Research Question
RTE	Raidió Teilifís Éireann (Radio and Television of Ireland)
SDP	Sawmill Development Programme
SEAI	Sustainable Energy Authority of Ireland
SEW	Socioemotional Wealth
STEP	Successful Transgenerational Entrepreneurship Practices
TMT	Top Management Team
TTJ	Timber Trades Journal
TV	Television
UAE	United Arab Emirates
UK	United Kingdom
US	United States

Abstract

Family firms manage for the long run. In effect, family firms have a *long-term orientation* (LTO), which is defined as the propensity of a firm to prioritise long-term implications that materialise only after an extended period of time. LTO is manifested in the organisational mind-set of the firm and more visibly through the firm's strategic decision-making. Building on the multi-dimensional LTO construct (i.e., *futurity*, *continuity* and *perseverance*) proposed by Lumpkin and Brigham (2011), this exploratory study investigates: (1) how LTO manifests in multi-generational family firms, (2) its influence on the entrepreneurial orientation (EO) of the firms and (3) its association with non-economic goals. Through a stewardship lens, this thesis explores four in-depth case studies of multi-generational (second to seventh generation) Irish firms.

This study makes important contributions to research in the field. First, it brings temporality to the forefront of family business research by exploring a temporal construct grounded in the family business field. It is the first case study-based empirical examination of the LTO construct and proposes a set of codes to capture its distinct dimensions of futurity, continuity and perseverance in multi-generational family firms. Second, this study explores the influence of LTO on the EO of the firms and shows that paradoxical tensions permeate family firms' strategic decision-making. These tensions surface when innovativeness, proactiveness or risk-taking conflict with family goals. Third, this study finds that the non-economic goals pursued by the firms are family-centred and require a long-term perspective, and consequently, they influence the decisions made by the firms in line with long-term thinking. The findings are captured in a set of propositions developed to stimulate further research.

Chapter 1. Introduction

1.1 Research Background and Problem

As the oldest (Colli, 2003) and most common (Nordqvist and Melin, 2010) form of organisation, family firms play a critical social and economic role in the economies of every nation. Approximately 90% of all firms worldwide are family firms (Aldrich and Cliff, 2003). Over one third of all Fortune 500 companies are family firms and around 60% of publicly traded companies retain family influence (Poza, 2007). This is reflected in the rapid growth of the family business field over the last two decades, whereby a significant number of scholars in disciplines, such as management, entrepreneurship, strategy and finance, have shown interest in exploring the family as a unit of analysis (Craig et al., 2009; Gedajlovic et al., 2012; Sharma et al., 2007).

Family firms are heterogeneous and complex enterprises (Sharma, Chrisman and Gersick, 2012). Previous entrepreneurship research suggests that family firms outperform non-family firms across a variety of performance indicators (e.g., Anderson and Reeb, 2003; Lee, 2006; Sraer and Thesmar, 2007). Family firms surpass their non-family counterparts across dimensions such as profitability measures (Anderson and Reeb, 2003; Martínez, Stohr and Quiroga, 2007; Villalonga and Amit, 2006), efficiency (Cronqvist and Nilsson, 2003; McConaughy, Matthews and Fialko, 2001) and sales growth (Chrisman, Chua and Steier, 2002; Lee, 2006; Zahra, 2003). It is argued that greater financial performance is due to the active involvement of family members in the management of the business (Sraer and Thesmar, 2007; Zellweger, 2006), as this leads to longer management tenures, lower salary levels, and increased efficiency and innovation based on trustworthy relationships (Nordqvist and Zellweger, 2010). Indeed, research by Miller and Le Breton-Miller (2005) has shown that long-term perspective in successful family firms is a major reason why they outperform their counterparts.

The desire and intention to sustain the longevity of the family business over generations is a distinctive characteristic and crucial mission of many family businesses (Davis, 1968; Gersick, 1997; Sirmon and Hitt, 2003). Researchers have found that family businesses tend to have a long-term perspective rooted in intentions to pass the business onto successive generations (Chua, Chrisman and Sharma, 1999; Poza, 2007), a stewardship orientation (Davis, Schoorman and Donaldson, 1997; Eddleston and Kellermanns, 2007),

longer CEO tenures (Lansberg, 1999; Zellweger, 2007), transgenerational goals (Miller and Le-Breton Miller, 2005), an interest in building family legacy (Ward, 2004) and longer investment horizons (Anderson and Reeb, 2003; Sirmon and Hitt, 2003; Zellweger, 2007). In effect, family firms have a long-term orientation (LTO), defined as “*the tendency to prioritise the long-range implications and impact of decisions and actions that come to fruition after an extended time period*” (Lumpkin, Brigham and Moss, 2010, p. 241). This provides the motivation for RQ1 which investigates the LTO multi-dimensional construct of Lumpkin and Brigham (2011): *How do Lumpkin and Brigham’s (2011) LTO dimensions (futuraity, continuity and perseverance) manifest in multi-generational family firms?*

Having a long-term orientation (LTO) is a fundamental criterion underlying many of the strategic decisions in family firms that intend to remain family owned or managed (Lumpkin and Brigham, 2011). Incumbent leaders are faced with making investment decisions that reflect their interpretation of the current and future needs of the business and the family. Their entrepreneurial decisions are guided by their long-term vision that, subsequently, impacts upon the fate of current and future family and business stakeholders (e.g., Murray, 2003; Yu et al., 2012). Examples of these decisions include succession planning (Murray, 2003), governance (Mustakallio, Autio and Zahra, 2002), divestment (Sharma and Manikutty, 2005) and debt financing (Chua et al., 2011) among others. LTO has been introduced as a way to theoretically capture competitive performance advantages potentially enjoyed by families in business (Miller and Le-Breton Miller, 2005). Despite its conceptual power and potential in the family business field, there is limited understanding of LTO and its impact on the entrepreneurial behaviour of family firms. While time orientation may have an important effect on firms’ processes (Perez-Nordtvedt et al., 2008; Zahra and Wright, 2011), this area of research remains underdeveloped in the family business arena (Lumpkin, Brigham and Moss, 2010). This study’s aim is to address this gap and shed further light on entrepreneurship in family firms by investigating what is emerging as a central determinant of such activity i.e., the business family’s long-term aspirations.

The link between long-term orientation and entrepreneurship provides an important case in point. Entrepreneurship is said to contribute to enhanced performance (e.g., Rauch et al., 2009), and there is evidence that highly entrepreneurial family firms are better performers (Zellweger, Sieger and Halter, 2011). Nevertheless, there is an ongoing debate

regarding the extent to which the unique characteristics of family firms foster or hinder entrepreneurial behaviour (Chirico et al., 2011). Some scholars suggest that family businesses provide an environment that promotes entrepreneurial activities (e.g., Aldrich and Cliff, 2003; Litz, 1995; Rogoff and Heck, 2003); other researchers, in contrast, have argued that family firms are risk-averse, reluctant to innovate and slow to change (e.g., Gomez-Mejia et al., 2007; Kets de Vries, 1993; Naldi et al., 2007). But how does the time orientation of a family business, specifically long-term orientation, affect its inclination to be entrepreneurial? This thesis investigates how LTO, a key characteristic of most family firms, might influence the process of entrepreneurship in family business. Hence, this leads to the formulation of RQ2: *How do Lumpkin and Brigham's (2011) LTO dimensions (futuraity, continuity and perseverance) influence EO (innovativeness, proactiveness and risk-taking) in multi-generational family firms?*

Furthermore, research has emphasised that family firms give special importance to non-economic goals (e.g., Westhead and Howorth, 2007) and that these goals could influence firm behaviours (Chrisman et al., 2012). Additionally, non-economic goals are also likely to influence temporally related strategic decisions (Ensley, 2006; Lumpkin and Brigham, 2011). For instance, a defining feature of many family firms is the intention to pass on the business to subsequent generations (Chua, Chrisman and Sharma, 1999), an aspiration that sets long-term considerations to the forefront of strategic decision-making. For this reason, this study has also included the exploration of non-economic goals and their association with the LTO of multi-generational family firms. Thus, RQ3 states: *How is LTO influenced by non-economic goals in multi-generational family firms?*

This thesis employs a qualitative case-based approach. Through adopting a stewardship lens, it begins with an examination of Lumpkin's and Brigham's (2011) conceptualisation of long-term orientation as a construct with three dimensions—*futuraity, continuity and perseverance*. The first objective is to examine how these three conceptual dimensions manifest empirically in multi-generational family firms (RQ1). It then seeks to explore how LTO influences the entrepreneurial behaviour of the firms through EO. Through this exploration, this thesis seeks to extend understanding of how a time orientation, specifically LTO, in family firms affects the firms' efforts to be entrepreneurial (RQ2). Due to the importance of non-economic goals in family firms and their perceived association with long-term horizons, this study further explores the association between

the firms' non-economic goals and LTO to understand their influence on the long-term perspective of multi-generational family firms (RQ3).

This research places temporality at the forefront of family business studies by empirically developing the LTO construct, exploring its influence on the firms' EO and examining its association with the non-economic goals of the firms. It is the intention of this thesis to generate greater knowledge of long-term perspective in family firms that is based on their idiosyncrasies rather than in comparison with non-family firms.

1.2 Research Objectives

The purpose of this thesis is to develop an understanding of long-term perspective in family firms and its association with engagement in entrepreneurial activities. In particular, how Lumpkin's and Brigham's (2011) LTO construct manifest, how it influences EO and how it is associated with non-economic goals in multi-generational family firms.

The main objectives of the thesis are to:

- Provide clarity on the LTO construct by identifying its characteristics and determining how it empirically manifests in multi-generational family firms.
- Explore the influence that the LTO dimensions have on the EO of multi-generational family firms.
- Explore the influence that non-economic goals have on the LTO of multi-generational family firms.

In addressing these issues, this thesis reviews and analyses literature that focuses on LTO, EO, non-economic goals, stewardship and family business. Stewardship theory, rooted in the psychology and sociology literature, and the EO construct, from the entrepreneurship literature, are employed to provide theoretical frameworks to guide the study. Stewardship is used to explain the LTO and non-economic goals, while EO is used to denote engagement in entrepreneurial activity at the firm level given that the unit of analysis is the family firm.

1.3 Research Methodology Overview

This thesis adopts a post-positivist paradigm and a critical realist ontology as these were determined the most suitable choices to study long-term orientation in multi-generational family firms. A qualitative strategy using an abductive approach was adopted for this investigation. This approach began with a review of the literature prior to data collection which provided a useful starting point. By firstly reviewing the constructs, the initial research design takes shape and a stronger empirical grounding is established (Eisenhardt, 1989). Qualitative research allows researchers to showcase compelling arguments about how things work in particular contexts (Mason, 2002). As such, a qualitative strategy was deemed suitable to study in-depth, context-rich phenomena (Patton, 2002; Shepherd and Sutcliffe, 2011; Tesch, 1990; Weber, 2004) i.e., LTO in family firms, and to develop a holistic perspective for the phenomenon being studied (Patton, 1990) i.e., LTO. This strategy is consistent with recent calls for more extensive qualitative research to advance knowledge of entrepreneurship in the family business context (e.g., Nordqvist, Hall and Melin, 2007; Nordqvist and Zellweger, 2010).

A multiple case study (Eisenhardt, 1989; Yin, 2003) is the adopted research method. Throughout the analysis, inductive and deductive approaches were used. The aim to build theory from case studies is more achievable if the researcher starts with a preconceived question, sampling strategy and ideas of the main constructs (e.g., Eisenhardt, 1989; Suddaby, 2006). The case study method is best suited for this research as it explores a contemporary issue within a real-life situation and uses multiple sources of evidence to understand the phenomenon of study. The extant literature supports the view that family firms are long-term oriented and pursue non-economic goals, however, what is not clear is how temporal orientation influences the entrepreneurial decision-making of family firms; thus, the boundaries between phenomenon and context remain unclear. Accordingly, a case study method is suited to answering the “how” questions of this research (Yin, 2009).

This thesis uses the specific selection criteria of the Successful Transgenerational Entrepreneurship Practices (STEP) project to identify family firms for participation in the study. For a family firm to be part of the STEP project, it must meet strict criteria. This strict definition ensured the exclusion of other types of family firms, which could result in variation in the analysis and ambiguous findings (Gomm, Hammersley and Foster, 2000). The firms were selected based on purposeful theoretical sampling (Merriam, 1998)

leading to information-rich case studies with comprehensive details of the chosen phenomenon (Patton, 2002). In this regard, cases were selected based on their probability of providing the information needed regarding the concepts under investigation (i.e., the presence of LTO, non-economic goals and EO).

While the main data collection technique was in-depth, semi-structured exploratory interviews, this thesis adopted triangulation (Eisenhardt and Graebner, 2007) of data collection sources within the research to strengthen the validity and reliability of research findings (Eisenhardt, 1989; Miles and Huberman, 1994). This thesis employs a combination of initial interviews, archival records (e.g., company publications, company and industry reports, company videos, press articles and company websites), final follow-up interviews and observations gathered over three years.

The thorough data analysis of this study unfolds in several steps; it begins with data coding followed by the description of the within-case and cross-case analyses, which are then compared to existing theoretical notions as suggested by Eisenhardt (1989), and finally concludes with the development of testable propositions. The data analysis was an iterative process (Eisenhardt, 1989) going back and forth between theory and the empirical material gathered to extend and build new theoretical insights. The data was analysed following rigorous qualitative techniques that were assisted by the use of the qualitative software, NVivo10.

Lastly, the research was evaluated following Yin's (2009) tests for construct validity, internal and external validity, and reliability.

1.4 Contribution of the Research

This section briefly summarises the contribution of this research to theory, practice and education. More specific details regarding contribution will be discussed in Chapter 6.

The research contributes to theory by bringing temporality to the forefront of family business studies. By employing a temporal construct, LTO, grounded in the family business field, this study offers insight and clarity regarding the long-term perspective of family firms and its influence on engagement in entrepreneurial activity. First, it empirically analyses the multi-dimensional LTO construct (i.e., futurity, continuity and perseverance) proposed by Lumpkin and Brigham (2011) by exploring how it manifests in multi-generational family firms. Through case study evidence, it proposes a set of

codes that comprise each of the LTO dimensions with the aim of offering a more nuanced understanding of the LTO construct, and its composition, in multi-generational family firms. Second, by exploring the influence of LTO on the EO of the firms this study contributes to the family business literature, providing further awareness of such firms' strategic behaviour. The findings show that paradoxical tensions permeate family firms' strategic decision-making. These tensions can either promote or hinder entrepreneurial orientation in family firms based on the protection of the family goals. Acknowledging these paradoxes is important for family business scholars as they contribute to a better understanding of the strategic decision-making of family firms. The notion of a paradox in LTO stems as a contribution by initiating a new conversation that can be used to understand LTO and its consequences. Third, this study further investigates the association between LTO and the firms' non-economic goals. The findings show that the non-economic goals pursued by the firms are family-centred and require a long-term perspective, and consequently, they influence the decisions made by the firms in line with long-term thinking. The findings presented contribute to enhanced knowledge of how family firms make strategic decisions following the adoption of a LTO. The above findings are captured in a set of propositions developed to stimulate further research. Finally, this research enriches the theoretical lens through which researchers can examine long-term perspectives in family firms by suggesting that stewardship theory is a purposeful approach to understanding LTO in family firms. This study is consistent with the emerging support of stewardship as a theoretical framework for the study of family firms (Corbetta and Salvato, 2004; Kellermanns and Eddleston, 2007); therefore, it gives an impetus to the integration of stewardship theory with family firm literature.

By gaining a deeper understanding of how LTO manifests, how it might influence entrepreneurial orientation and how it is associated with non-economic goals in a family business context, this thesis contributes to practice by providing guidance to family firm leaders in recognising the long-term consequences of their current actions. Family firms that can successfully understand and manage their LTO will be able to work more effectively in achieving their long-term goals. Furthermore, the paradoxical tensions identified in this study will help leaders of family firms and their advisors to grasp strategic decisions taken by family firms and the consequences and utility of these decisions in the long-term. Since strategic decisions in family firms are not always made on the basis of economic rationale, this thesis offers insights into the subsequent effect of

these decisions on entrepreneurial decisions. In addition, this research highlights the importance of family firm professionalisation. As a partner to the global STEP Project and a member of the DCU Centre for Family Business, the researcher aims to channel the findings of this research to leading family firms across the world. Family firms that can successfully understand and manage their LTO can work more effectively in achieving their long-term goals and survive across generations.

The findings of this research offer rich insights for the development of family business programmes and their educational curriculum. The results of this thesis further reveal the long-term perspective of family firms and how it affects their entrepreneurial decisions around engagement in innovative, proactive and risk-taking practices. This study aims to raise awareness of family business as a discipline and area of interest for educational institutions. In particular, it seeks to promote acknowledgement of family business education within the Irish context which is currently limited.

1.5 Structure of the Thesis

This thesis comprises of six chapters as follows.

Chapter 1: Introduction

This chapter offers an overview of the research background and problem, the research questions, the methodological approach followed, the contributions and the scope of the research. The research questions are also presented in this chapter.

Chapter 2: Literature Review

Chapter 2 offers an in-depth discussion of the relevant literature for this thesis. Starting with an overview of the family business field, it then reviews the definition of family business and provides a comprehensive table with definitional categories of family business spanning the last fifty years. The chapter then discusses the theoretical lens of this study i.e., stewardship theory, followed by a discussion of the main constructs involved in this study i.e., LTO, EO and non-economic goals.

Chapter 3: Research Methodology

Chapter 3 presents the methodology adopted in this thesis. This chapter starts by providing an overview of the philosophical considerations concerning ontological and epistemological choices adopted for this study. It then provides a rationale for the adoption of the qualitative strategy as well as demonstrating the suitability of the multiple case study method for this thesis. The presentation of data collection triangulation is followed by an in-depth discussion about the data analysis carried out in this study. The chapter concludes by presenting the validity of the research, addressing the ethical considerations and the limitations of the methodology adopted.

Chapter 4: Within-Case Analysis

Chapter 4 presents the first part of the analysis, the within-case analysis. This chapter consists of an in-depth study of each of the four cases: Barry's Tea, EPS, Flahavan's and Glennon Brothers. Each case starts with a short firm profile and then it is divided into three major parts: (1) detailed analysis of the presence of the LTO dimensions and how they manifest within the firm; (2) analysis of the influence of the LTO dimensions on the innovativeness, proactiveness and risk-taking of the firm; and (3) the most salient non-economic goals in the case that are later explored in relation to the LTO dimensions. The analysis uses rich citations and extracts from primary and secondary sources to support empirical interpretations and findings of the cases.

Chapter 5: Cross-Case Analysis

Chapter 5 presents the second part of the analysis, the cross-case analysis. This chapter discusses the empirical findings and interpretations from the collated findings of the within-case analysis. Findings emerging from each within-case analysis were compared in order to investigate the similarity (or lack thereof) of patterns across the cases. The patterns were then compared to previously developed theory to offer theoretical interpretations and testable propositions.

Chapter 6: Conclusions and Implications

The final chapter discusses the findings, interpretations and contributions in relation to prior conceptual and empirical literature. These are compared with the research questions and the purpose of the current study. The chapter starts with an overview of the focal

literature for this study followed by a discussion of the empirical and theoretical contributions. The chapter continues with a discussion of implications for practice, limitations of this study and suggestions for future research. To finalise, a brief conclusion of the thesis is made.

1.6 Chapter Summary

This chapter offers an introduction to the thesis and the relevant sections within. The purpose of this chapter is to identify the background and motivation of this research. The chapter started with an overview of the research background and problem followed by the research objectives. A summary of the contributions of this study to theory, practice and education are outlined next. The chapter concludes with an overview of the structure of the thesis. The next chapter outlines the relevant literature that guided the formation of the research objectives.

Chapter 2. Literature Review

2.1 Introduction

The purpose of this chapter is to discuss the theoretical framework for the study by drawing on existing literature and past research in the field. This thesis posits that in family firms the long-term orientation (futuraity, continuity and perseverance) is an idiosyncratic feature of such firms which has an impact on their entrepreneurial orientation (innovation, proactiveness and risk-taking).

The theoretical underpinnings of this thesis were derived from the entrepreneurship and family business fields, in particular, stewardship theory (Davis, Schoorman and Donaldson, 1997), the LTO construct (Lumpkin and Brigham, 2011), the EO framework (Lumpkin and Dess, 1996; Miller, 1983) and non-economic goals of family firms (Chrisman et al., 2005). These research areas informed this investigation by contributing to the knowledge of a long-term perspective in multi-generational family firms.

Chapter 2 is organised as follows: Firstly, an overview of the family business field is provided in section 2.2. Second, the lack of definitional consensus in the family business field is addressed and a definition, aligned with the empirical setting of this study, is set out in section 2.3. Next, section 2.4 is devoted to exploring stewardship theory and its alignment to the theoretical framework of this study. Section 2.5 discusses the literature and main concepts associated with this thesis, i.e., long-term orientation (LTO), entrepreneurial orientation (EO) and non-economic goals. Research questions are then presented (section 2.6) followed by a chapter summary in section 2.7.

2.2 Overview of the Family Business Field

Family firms play an important role within the world's economy (Muñoz-Bullón and Sánchez-Bueno, 2011) representing the oldest (Colli, 2003) and most common (Nordqvist and Melin, 2010) form of organisation; approximately 90% of all firms worldwide are family firms (Aldrich and Cliff, 2003). Researchers highlight not only the significant impact they have on the growth of national economies (Ibrahim, Soufani and Lam, 2001) but also in the economic development of local communities (Zahra and Sharma, 2004). They are seen as major sources of technological innovations and economic progress,

important creators of employment, incubators and financiers of new businesses (Zahra, 2005).

As a discipline, family business has struggled for recognition as an independent domain (Astrachan, Klein and Smyrnios, 2002). Prior to 1975, research in the area of family business was relatively limited (Handler, 1989) and commonly fell under the sociology or small business management domains (Bird et al., 2002). The first journal dedicated to examining the family firm, *Family Business Review*, appeared in 1988. While continuously noted for their importance and economic contribution within the field, family businesses are now widely acknowledged as an area of interest by varied disciplines (Colli, Howorth and Rose, 2013) and family business journals have gained notoriety among academic researchers. This is reflected in the rapid growth experienced by the family business field over the last two decades during which time a significant number of scholars, in disciplines such as management, entrepreneurship, strategy and finance, have shown an interest in exploring the family as a unit of analysis (e.g., Gedajlovic et al., 2012; Craig et al., 2009). Family business research has developed as two separate fields—academic and practitioner—with increased focus on addressing the role of family in business (Sharma et al., 2007). It is acknowledged now that if family involvement is ignored, critical factors that are family-related could be missed (e.g. Chrisman, Chua and Steier, 2003; Heck et al., 2008). Activity within the field is gaining momentum with heightened research interest over the past few decades (e.g., Wright and Kellermanns, 2011; Sharma, Chrisman and Gersick, 2012; Xi et al., 2015), resulting in higher-quality publications (Gedajlovic et al., 2012) in top-tier management (e.g. Miller, Le Breton-Miller and Lester, 2010; Schulze, Lubatkin and Dino, 2003), finance (e.g., Anderson and Reeb, 2003; Villalonga and Amit, 2006), economics (e.g., Bennis et al., 2006; Pérez-González, 2006), and entrepreneurship journals (e.g., Sirmon and Hitt, 2003; Villanueva and Sapienza, 2009).

Family business research has a tendency to “borrow heavily” from other disciplines (Zahra and Sharma, 2004). By its nature, the family business field lies at the intersection of many disciplines including management, history, psychology and sociology (Colli, Rose and Howorth, 2013). General topics of interest have dominated the literature, including succession, followed by economic performance and governance (Chrisman, Chua and Litz, 2003).

In their recent review of the family business field, Benavides-Velasco and colleagues (2013) stated that succession still remains the most prevalent research area followed by management and organisational theory, governance, interpersonal family dynamics, strategic management and organisational change, and financial management. While there are still many aspects of these topics that remain understudied, more effort is needed to address the complexity of family firms and understand their differences and similarities with other types of firm (Benavides-Velasco et al., 2013).

While family business research has been growing over the last decade, it is still an emerging field of study (Chrisman et al. 2008) and it is considered to be in an evolutionary phase (Benavides-Velasco et al., 2013). Greater research focused on family firms' complexities is required in order to understand how they compare with and differ from other types of organisation. Substantial work is still necessary for expanding theoretical approaches (Sharma, 2011), finding valid and reliable methods to measure constructs of interest (Pearson and Lumpkin, 2011), reviewing theories from other disciplines (James, Jennings and Breitreuz, 2012) and integrating the thinking from multiple disciplines (Sharma et al., 2007). In fact, it is acknowledged that developing a theory of the family firm will involve research contributions from a variety of disciplines (Chrisman et al., 2008).

The current research was designed to advance knowledge of a specific understudied area of family business via multiple case studies. In doing so, this study answers the call for a greater understanding of family firms' complexity through a variety of topics and research methods and move beyond the myopic focus of differentiating family firms from non-family firms. By studying LTO, this research enhances the knowledge of such temporal orientation in the context of multi-generational family firms.

2.3 Defining Family Business

Defining family business has long been a major challenge for the family business field (Handler, 1989; Mustakallio, Autio and Zahra, 2002; Klein, 2000; Sharma, 2004; Wortman, 1994; Zahra and Sharma, 2004). Researchers in the field have used an extensive variety of definitions; however, no widely accepted definition exists today. While the lack of consensus is an inherent problem of the family business field, it highlights the complexity of family business research as well as the development of a

field that it is still emerging (Benavides-Velasco et al., 2013). One major reason for the difficulty in establishing a widely accepted definition is due to its legitimacy (Sharma, 2004). Researchers in the field are driven by the economic importance of family firms; however, this driver is not sufficient. To achieve legitimacy, the definition of family business must be clear and the need to establish a separate research field has to be stated (Sharma, 2004).

To define family firms, early researchers focused on family involvement in ownership, governance, management and succession (Habbershon, Williams and MacMillan, 2003). A well-accepted definition of a family firm is the “three-circle model,” which represents a family firm as having three simultaneously interactive systems: the business, the family and the owners (Gersick et al., 1999; Tagiuri and Davis, 1996). While the “three-circle model” has received significant scholarly attention, researchers have also advanced knowledge by examining family firms’ distinct behaviour (Chua, Chrisman and Sharma, 1999), intention (Litz, 1995) and vision (Shanker and Astrachan, 1996). More recently, the family influence on the business has emerged as a main differentiator between family and non-family firms. This has led to the development of numerous measures pertaining to family influence; namely SFI-Substantial Family Influence, which captures the family’s control over the business through its continuous ownership, management and governance (Klein, 2000), and F-PEC, which consists of the subcategories—power, experience, and culture—through which the family can influence the business (Astrachan, Klein and Smyrniotis, 2002). The familiness construct (Habbershon and Williams, 1999) has also gained considerable attention in the family business literature as a feature of distinction from non-family firms. Familiness refers specifically to the “*idiosyncratic bundle of resources and capabilities resulting from the family influences*” (Habbershon, 2006, p. 882) and has been established as an idiosyncratic feature of family firms.

A detailed chronological overview of family business definitions, featured in scholarly works, is detailed in Appendix A-1. The aim of this table is to illustrate the wide variety of family firm definitions as well as to depict the main categories from which family firms are defined. Most family firm definitions include definitional categories regarding family ownership, family control, family management or interdependent subsystems (e.g. Barry, 1975; Donckels and Fröhlich, 1991; Davis, 1983; Ward, 1987). However, other definitions also include categories, such as family employment (e.g. Rue and Ibrahim, 1996), generational transfer (e.g. Handler, 1989) and the perception of being a family

business (e.g. Gudmundson, Hartman and Tower, 1999). Other categories, albeit not as common include size (e.g. Riordan and Riordan, 1993) or surname (e.g. Goldberg, 1996), among others. The vast majority of definitions attach several conditions to these categories; some definitions are multiple inclusive, where at least one of the conditions must be fulfilled (e.g. Gasson et al., 1988), while others are multiple exclusive, where all the conditions must be fulfilled (e.g. Hulshoff, 2001).

Table 2-1. Selected Family Business Definitions

Author	Year	Definition	Category
Davis	1983	[The] interaction between two sets of organizations, family and business,...establish[es] the basic character of the family business and defines its uniqueness.	Subsystems
Ward	1987	Business that will be passed from one generation to another to manage and control.	Generational Management Control
Gasson et al.	1988	A family business satisfied one or more of the following conditions: a) the principals are related by kinship or marriage, b) business ownership is usually combined with managerial control and c) control is passed from one generation to another within the same family.	Generational Ownership Control
Handler	1989	An organisation whose major operating decisions and plans for leadership succession are influenced by family members in management positions or on the board.	Generational Management Subsystems
Donckels and Fröhlich	1991	Family members in one family own 60% or more of the equity in the business.	Ownership
Gallo and Sveen	1991	A business where a single family owns the majority of stock and has total control.	Ownership Control
Riordan and Riordan	1993	A business with 20 or fewer employees in which ownership lies within the family and two or more family members are employed.	Ownership Other
Goldberg	1996	When there were two or more officers or executives listed with the same surname, or when one of the officers or executives had the same surname as the business.	Other
Rue and Ibrahim	1996	Those businesses in which the controlling interest is held by a family and in which one or more family members (including in-laws) is employed or reasonably expected to be employed in the future.	Control Other
Gudmundson et al.	1999	A business is a family business when the organization is family owned or considers itself a family business.	Ownership Perception
Hulshoff	2001	More than 50% of the voting shares are owned by one single family, and more than 50% of the management (team) are drawn from the family that owns the business.	Ownership Management
Miller et al.	2007	...a firm in which multiple members of the same family are involved as major owners or managers, either contemporaneously or over time.	Ownership Management

The array of definitions, varying between broad and restrictive across studies, makes it difficult for scholars to generalise results and make comparisons (Flören, 2002). Table 2-1 above presents a selected sample of family firm definitions and their definitional categories.

The family firms employed in this thesis are part of the Successful Transgenerational Entrepreneurship Practices (STEP) research project. For this reason, the family business definition of the STEP project has been applied. For a family firm to be part of the STEP project, it must meet the following criteria: (1) the owning family must see their business as a family business; (2) the family must hold majority ownership in the main operating business; (3) there must be at least one active operating business; (4) generational involvement in ownership and/or management must span at least two generations; (5) the main operating business must employ at least 50 employees; and (6) the owning family must have an ambition to pass on the business to the next generation (Nordqvist and Zellweger, 2010). This definition, multiple exclusive, includes the categories of perception, ownership and generational transfer.

2.4 Stewardship in Family Firms

Multiple theories and perspectives have been used to better understand family enterprises. Although the following list is neither exhaustive nor in any order of ranking, these are some of the most common theories that have been employed by family business researchers over recent decades: agency theory (e.g. Gomez-Mejia, Nuñez-Nickel and Gutierrez, 2001; Schulze, Lubatkin and Dino, 2003); stewardship theory (e.g. Corbetta and Salvato, 2004; Eddleston and Kellermanns, 2007; Zahra et al., 2008); resource-based view (e.g. Sirmon and Hitt, 2003; Eddleston, Kellermanns and Sarathy, 2008); institutional theory (e.g. Berrone et al., 2010; Campopiano and De Massis, 2015); stakeholder theory (e.g. Mitchell, Agle and Wood, 1997; Neubaum, Dibrell and Craig, 2012); transaction cost theory (e.g. Gedajlovic and Carney, 2010); social identity theory (Bingham et al., 2011); and behavioural agency model (e.g. Cennamo et al., 2012; Sciascia, Mazzola and Kellermanns, 2014).

Stewardship theory is the theoretical lens employed in this thesis. Rooted in psychology and sociology, stewardship theory has become one of the cornerstone theories of understanding family firm's behaviour. Stewardship is concerned with "*human caring, generosity, loyalty, and responsible devotion, usually to a social group or institution*" (Le

Bretton-Miller, Miller and Lester, 2011, p.705). Accordingly, the stewardship view proposes that executives are not simply self-interested individuals but are often altruistic for the collective benefit of their firms (Donaldson, 1990; Donaldson and Davis, 1991; Fox and Hamilton, 1994; Hernandez, 2008). The model of man, which underlies stewardship theory, is one who aims to enhance the collective wellbeing of the firm and possesses a long-term view (Davis, Schoorman and Donaldson, 1997). Stewards are intrinsically motivated and their motives are aligned with the objectives of the organisation (Davis et al., 2000). An example of stewardship behaviour is the emphasis on intrinsic rewards such as opportunities for growth, achievement, affiliation and self-actualisation (Dibrell, 2010). Stewards are not simply self-serving economic individuals and, therefore, non-economic behaviours should also be considered (Donaldson and Davis, 1991).

It has been argued that stewardship behaviours are particularly common in family firms (Corbetta and Salvato, 2004). Due to their long tenure and socio-emotional relationship with the firm, controlling family members are thought to act more like stewards. “*Family members are concerned about the firm because it is part of their collective patrimony and is often the main asset of the family*” (Arrègle et al., 2007, p. 84). Stewardship characteristics include high levels of family identification with the firm, commitment to the business, shared and aligned values between the family and the firm and an orientation towards the long-term success of the firm (Zahra et al., 2008). A family business stewardship approach supports the notion that goals will be more congruent between owner and managers in family firms than in their non-family counterparts (Davis, Schoorman and Donaldson, 1997). This is based on the rationale that executives are often family members or linked to the family (Miller and Le Bretton-Miller, 2005) and that there are psychological factors (e.g. motivation, identification and use of power) and situational factors (e.g. management philosophy, culture and power distance) in an organisation, which may lead to the alignment of the goals of managers (stewards) with the goals of shareholders (Davis, Schoorman and Donaldson, 1997). Family business researchers have successfully expanded the stewardship perspective to include family firms’ behaviour such as identification with the family firm (Vallejo, 2009), commitment (Davis, Allen and Hayes, 2010) and reciprocal stewardship (Pearson and Marler, 2010). Additionally, prior research suggests that family firm stewardship governance is

predictive of performance (Eddleston and Kellermanns, 2007), innovativeness (Craig and Dibrell, 2006; Dibrell and Moeller, 2011) and strategic flexibility (Zahra et al., 2008).

Dodd and Dyck (2015) suggest that there are at least five factors which explain why family firms emphasise stewardship:

- (1) Interpersonal relationships within family firms usually have features which are associated with stewardship such as stability, interaction and interdependence, and a shared social network (Bourdieu, 1986; Le Breton-Miller, Miller and Lester, 2011; Nahapiet and Ghoshal, 1998).
- (2) Family firms often place significant value on the firm's identity and its relational and socioemotional value (Gómez-Mejía et al., 2007; Le Breton-Miller and Miller, 2009).
- (3) Family business owners are usually committed to their firm for the long-term and are more willing to make short-term sacrifices for the long-term benefit of the firm (Le Breton-Miller Miller and Lester, 2011).
- (4) Family business leaders often perceive their reputation as enhanced by engagement in stewardship activities within the firm (e.g. Sirmon and Hitt, 2003).
- (5) Family firms often possess a principled attitude as a result of commonly held values among members (Blodgett, Dumas and Zanzi, 2011; Haugh and McKee, 2003; Payne et al., 2011; Vallejo, 2008), a greater depository of socioemotional wealth (Hauswald and Hack, 2013), and common religious beliefs (James, 2006; Le Breton-Miller and Miller, 2009; Lungeanu and Ward, 2012; Vallejo, 2008).

Stewardship in family business is driven by findings that family firms have non-economic goals in addition to economic aims (Chrisman et al., 2012). For example, in addition to wealth creation and financial performance metrics, family firm leaders will often utilise non-pecuniary measures such as ownership transition and efficiency of the family business system as performance indicators (Craig and Dibrell, 2006). Performance measurement involves not only economic goals but also aspects such as values, culture and reputation (Anderson and Reeb, 2004; Corbetta and Salvato, 2004; Donaldson and Davis, 1991). Accordingly, family managers use their firm as a vehicle to satisfy their need for security, social contribution, belonging and standing within the family (Ashforth and Mael 1989; Gomez- Mejia et al., 2007). They are emotionally committed to the long-term survival and reputation of their firms as they acknowledge the risk to their wealth,

careers and honour from its possible demise (Le Breton-Miller and Miller, 2009). Therefore, a powerful motive may exist for family owners and executives to act in the long-term interests of the firm and all its stakeholders (James, 2006; Lansberg, 1999; Le Breton-Miller and Miller, 2009; Ward, 2004). The ingrained knowledge that family leaders possess about their firms enables them to master uncertainties concomitant with the long-term decisions vital to stewardship (Le Breton-Miller and Miller, 2009; James, 2006).

According to Miller, Le Breton-Miller and Scholnick (2008), stewardship manifests in family firms in three forms: continuity, community and connection. Stewardship in terms of continuity refers to family business leaders' quest for continuity and longevity of the firm and its mission, and in securing long-term benefits for its family members (Gomez-Mejia et al., 2007; Habbershon and Williams, 1999). Stewardship over community aims to nurture employees through motivation, training and values (Arregle et al., 2007; Beehr, Drexler and Faulkner, 1997; Davis, Schoorman and Donaldson, 1997; Guzzo and Abbott, 1990; Ward, 2004). Stewardship over connection involves establishing deep-rooted relationships with customers for continued prosperity and survival (Das and Teng, 1998; Gomez-Mejia et al., 2001; Tsui-Auch, 2004). Stewardship as continuity is the leading concept of this research.

This study utilises stewardship theory as a theoretical framework to investigate LTO in multi-generational family firms. Stewardship theory is applied as a lens (Astley and Van de Ven, 1983) to understand or explain how family firms behave (Nordqvist, Sharma and Chirico, 2014). The researcher considered stewardship theory the most suitable to guide this study because it has been explicitly linked to a long-term view in managers (Davis, Schoorman and Donaldson, 1997) and it supports the significance of non-economic goals (Corbetta and Salvato, 2004). Thus, stewardship theory may form an apt theoretical basis for additional explanation and support of long-term orientation and non-economic motives, and their impact on a firm's behaviour.

2.5 Conceptual and Theoretical Framework

2.5.1 Long-Term Orientation (LTO)

Time orientation significantly influences how firms make decisions and take actions (Lumpkin and Brigham, 2011). Prior research has explored the role of time within a range of contexts including temporal orientation as a cultural value (Hofstede, 1980, 2001; Hall

and Hall, 1990), time and entrepreneurial risk behaviour (Das and Teng, 1997), time orientation in buyer-seller relationships (Speckman, 1988; Heide and John, 1990; Ganesan, 1994; Garbarino and Johnson, 1999), time in supply chain relationships (Cambra-Fierro and Polo-Redondo, 2011) and long-term perspective evaluation between manufacturers and suppliers (Kalwani and Narayandas, 1995; Ryu, Park and Min, 2007). Time has also been a salient concept in the strategic planning literature (Das, 1991; Ramaprasad and Stone, 1992), particularly in relation to planning horizons and scenario planning in the long-term (Schoemaker, 1993). While there are several frameworks regarding temporality, the most widely accepted one relates to organisations' short-term versus long-term decision-making (Lavery, 1996). A short-term perspective implies that strategic decisions focus on present conditions and near-term financial gain (Jacobs, 1991), while a long-term perspective suggests prioritisation of long-range implications (Le Breton- Miller and Miller, 2006). While long and short-term perspectives may not be mutually exclusive, they typically follow different strategic priorities and require different organisational processes (Hamel and Prahalad, 1994).

Defining LTO

Embedded in the organisational mind-set of the firm, long-term orientation (LTO) refers to *“the tendency to prioritise the long-range implications and impact of decisions and actions that come to fruition after an extended time period”* (Lumpkin, Brigham and Moss, 2010, p. 241); a dominant logic that prioritises long-range implications and determines organisational actions (Le-Breton-Miller and Miller, 2011). Long-term orientation (LTO) is a holistic view of time, which considers the effects of the past and the future on present actions (Bearden, Money and Nevins, 2006). The notion of long-term orientation is associated with the concept of intertemporal choice, which is broadly studied in the economic and psychology literature (Loewenstein and Thaler, 1989). Issues of intertemporal choice occur when costs and benefits of a certain decision correspond to different time periods. According to Lavery (1996, p. 828) *“the course of action that is best in the short term is not the same course of action that is best over the long run”*.

LTO has been operationalised in terms of different levels of analysis. At a national level, Hofstede (2001) distinguished between short-term and long-term orientation. At an individual level, Bearden, Money and Nevins (2006) established a measure for LTO and Ganesan (1994) explored LTO in the buyer-seller relationship. However, at the

organisational level, there are only a limited and widely varied number of studies (Brigham et al., 2014). For instance, Zahra, Hayton and Salvato (2004) classified LTO as a dimension of the family firms' culture and suggested that strategic controls reflect a long-term orientation, while financial controls reflect a short-term orientation. Also, Wang and Bansal (2012) explored the positive and negative effects of LTO on corporate social responsibility and performance in new ventures. More recently, Gentry, Dibrell and Kim (2014) postulated that decision-making in family-influenced firms is long-term oriented and manifests as a greater accumulation of slack resources, less strategic risk-taking and lower bankruptcy risk than in non-family-influenced firms. Further, Hoffmann, Wulf and Stubner (2014) explored the relationship between long-term orientation, family involvement in the top management team (TMT) and family firm performance, suggesting that the inclusion of family members in the TMT only enhances firm performance if it induces a long-term orientation among management.

In further developing the LTO construct at the organisational level and in emphasising the significance of expanded temporal orientations in family firms, Lumpkin and Brigham (2011) proposed a multi-dimensional construct of LTO comprising three dimensions: futurity, continuity and perseverance.

- *Futurity* involves evaluating the long-term consequences of decisions and actions with the belief that planning and forecasting for the future is valuable for the firm (Lumpkin and Brigham, 2011). Firms exhibiting futurity typically focus on achieving goals or outcomes that have been pre-determined (Venkatraman, 1989). Firms with high future orientation will consider future events as more salient (Das and Teng, 1997). Futurity is a common assumption in strategic management research as organisational strategy focuses on how managerial behaviours will affect the future (Sharma, Chrisman and Chua, 1997). This futurity mind-set is expected to be more prevalent in family firms than their non-family counterparts, in part, due to their attention to succession planning (Davis and Harveston, 1998; Sharma, Chrisman and Chua, 2003), and, relatedly, their transgenerational family control intentions; such intentions are an indication that the family is oriented toward the long-term (Chrisman et al., 2012).
- *Continuity* focuses on the importance of decisions and actions that are long lasting. It is a key component of LTO because it emphasises the constancy needed to pursue an

enduring mission and the value of preserving reputations for the longevity of a business (Miller and Le Breton-Miller, 2005). The dimension of continuity is concerned with how long-standing aspirations and legacy issues affect future decisions and actions (Lumpkin and Brigham, 2011). Continuity is important to family firms because it takes into account the possibility that a family's legacy will affect future decisions (Lumpkin and Brigham, 2011) and may impact the family's intentions to keep the business within the family (Lansberg, 1999). In family firms, continuity is also consistent with recognising the lasting effect of founders and previous generations of the family business on current and future operations (Davis and Harveston, 1999).

- *Perseverance* is based on the belief that efforts made today will be valuable in the future because of their importance in generating long-term rewards (Brigham et al., 2014). While perseverance is needed for the day-to-day survival of a firm, its effect creates value over time (Lumpkin and Brigham, 2011). Relative to non-family firms, perseverance and long-term rewards are common in family businesses, as reflected in their willingness to use patient capital (Jacobs, 1991; Sirmon and Hitt, 2003) and make longer-term investments (Zellweger, 2007). Perseverance in family firms is also associated with discipline and self-control (Le Breton-Miller and Miller, 2011), high levels of commitment (Brockhaus, 2004), desire to succeed (Kuratko, Hornsby and Naffziger, 1997) and their attitude towards professionalisation of management (Moore and Craig, 2006). Professionalisation in family firms refers to implementing new management practices, supporting long-term planning and involving non-family members in governance and management (Dyer, 1989; Hall and Nordqvist, 2008). In efforts to professionalise the management structure, a family firm improves its ability to compete and this perseverance aids the long-term survival of the business (Chua, Chrisman and Sharma, 1999).

LTO and Family Business

LTO has been introduced as a way to capture the potential advantages and benefits enjoyed by families in business as a result of how they perceive time (Miller and Le-Breton Miller, 2005). This approach is consistent with other family business research, such as works on 'familiness' (Habbershon, Williams and MacMillan, 2003) and

‘particularistic behaviour’ (e.g. Carney 2005) which identify idiosyncratic attributes—such as the temporal orientation of family firms (Dodd, Anderson and Jack, 2013)—that are unique to family firms and help explain their strategic behaviour. Although not all family firms embrace a long-term orientation, it is general consensus that family businesses are more likely to be long-term oriented than non-family firms (e.g. Cassia, De Massis and Pizzurno, 2012; Kellermanns et al., 2008; König, Kammerlander and Enders, 2013). According to Delmas and Gergaud (2014), long-term perspective is fostered by two characteristics of family firms: firstly, the ability of family owners to make independent decisions and secondly, the connection to the next generation. The first relates to the fact that often family firms are owned and managed by family members and, therefore, are more able to make unilateral decisions than non-family firms where ownership is usually more dispersed (Carney, 2005). The second characteristic refers to the generalised aim of family firms in ensuring business sustainability across generations, which extends the time horizon beyond the current generation controlling the firm.

Long-term orientation reflects one of the key aspects of stewardship theory (Davis, Schoorman and Donaldson, 1997), and is identified as the basic form of how stewardship may be manifested in family firms (Eddleston, Kellermanns and Zellweger, 2012; Miller, Le Breton-Miller and Scholnick, 2008; Zahra et al., 2008). Time-sensitive decisions are especially relevant to family firms due to such businesses’ multi-generationality (Anderson and Reeb, 2003), interest in legacy and lasting values (Ward, 2004) and capacity to build enduring relationships (Arregle et al., 2007).

Previous research has reviewed the concept of long-term perspective in family firms using terms such as extended time horizon (Zellweger, 2007), long-term investment and ownership horizons (James, 1999), long-term financial goals (Anderson and Reeb, 2003), long-term orientation (Zahra, Hayton and Salvato, 2004) and ‘managing for the long run’ (Miller and Le Breton-Miller, 2005). These studies assume that family firms tend to emphasise the long-term implications of strategic decisions and actions and, therefore, reflect certain antecedents and outcomes (Zachary et al., 2012). Hence, a family perspective and, in particular, the presence of multiple generations inevitably expands the temporal horizon of the strategic decisions in family firms (Sharma, Salvato and Reay, 2014).

Prior entrepreneurship research suggests that family firms outperform non-family firms

across a variety of performance indicators including profitability (Anderson and Reeb, 2003; Martínez, Stohr and Quiroga, 2007; Villalonga and Amit, 2006), efficiency (Cronqvist and Nilsson, 2003; McConaughy, Matthews and Fialko, 2001), sales growth (Chrisman, Chua and Steier, 2002; Lee, 2006; Zahra, 2003), investment behaviour (Le Breton-Miller and Miller, 2006; Sirmon and Hitt, 2003), entrepreneurship (Zahra, Hayton and Salvato, 2004) and transnational wealth effects (Bertrand and Schoar, 2006). The unique governance circumstances in family firms foster a long-term orientation, which is commonly recognised as a source of competitive advantage (Habbershon and Williams, 1999; Le Breton-Miller and Miller, 2006; James, 1999) and the major reason why family firms outperform non-family firms (Lumpkin, Brigham and Moss, 2010; Miller and Le Breton-Miller, 2005). Long-term oriented family firms seek to protect long-lived assets such as the family name, reputation and legacy (e.g. Reiss, 1981; Post, 1993; Dyer and Whetten, 2006). In addition, they may incur lower capital costs (Anderson and Reeb, 2003) and a higher quality of products and services which leads to greater returns in investment (Tagiuri and Davis, 1992). For that reason, many scholars have focused on analysing characteristics of family firms which tend to promote a longer-term perspective (e.g. Kellermanns et al., 2008; Miller and Le Breton Miller, 2005; Zellweger, 2007). These characteristics can be found, for instance, in family owned firms' propensity for long CEO tenures (Lansberg, 1999; Ward, 2004; Zahra, Hayton and Salvato, 2004; Miller, Le Breton-Miller and Scholnick, 2008), inclination towards longer investment horizons (Zellweger, 2007; James, 1999; Anderson and Reeb, 2003) and patient capital investments in family firm initiatives (Sirmon and Hitt, 2003), intention to pass the business to successive generations (Chua, Chrisman and Sharma, 1999; Poza 2007; Lansberg, 1999), desire to build a family legacy (Ward, 2004), creation of transgenerational goals (Ward, 1987; Miller and Le Bretton Miller, 2005) and tendency for family managers to become stewards of the organisation (Eddleston and Kellermanns, 2007; Miller and Le Bretton Miller, 2006; Davis, Schoorman and Donaldson, 1997).

In a sample of 409 US manufacturing firms, Zahra (2003) found that family governance had a positive effect on their internationalisation activities. This was attributed to the altruistic behaviour of family business leaders towards future generations which, in turn, promotes risk-taking and long-term orientation. Zellweger (2007) argued that firms with long-range perspectives (e.g. family firms) can invest in less risky projects than firms with short-range perspectives and create equal shareholder value. Family firms often

invest in projects with returns deemed insufficiently attractive by non-family firms, which provides an opportunity to acquire markets unoccupied by these counterparts. Similarly, Villalonga and Amit (2010) found that family firms are less sensitive to profit shocks due to their long-term commitment approach. This is consistent with the findings of Andres (2011), who found that family firms are less sensitive to the availability of internal cash flow and more responsive to investment opportunities due to the lower agency cost, and long-term view of the family firm. However, on the contrary, some studies have argued that these long-term characteristics are associated with greater caution and the sort of conservative decisions that may mitigate entrepreneurial behaviour (e.g. Schulze, Lubatkin and Dino, 2003). Long-term orientation is attached to traits that advocate conservatism (Sharma, Chrisman and Chua, 1997) and resistance to change (Hall, Melin and Nordqvist, 2001; Gomez-Mejia et al., 2007). Furthermore, concerns about the family security and future generations makes family firms more risk averse than their counterparts (Daily and Dollinger, 1992; Donckels and Fröhlich, 1991; Habbershon, Williams and MacMillan, 2003). Family firms value tradition and stability (Lumpkin, Martin and Vaughn, 2008), and they are likely to protect both for the long-term (Lumpkin, Brigham and Moss, 2010).

LTO may be of significant assistance for family firms in achieving non-economic goals (Chrisman et al., 2012) as it encompasses the planning, patience and tenacity needed to realise such goals (Lumpkin and Brigham, 2011). Non-economic goals are of primary consideration in family firms' strategic decision-making (Gómez-Mejía et al., 2007; Upton, Teal and Felan, 2001). For instance, a defining feature of many family firms is the intention to pass on the business to subsequent generations (Chua, Chrisman and Sharma, 1999), an aspiration that sets long-term considerations to the forefront of strategic decision-making. Thus, due to the fact that family firms prioritise non-economic goals, which require considerable time to enact, they are likely to have a LTO (Lumpkin and Brigham, 2011). Section 2.5.3 discusses literature relating to non-economic goals within the family business context.

This research explores long-term orientation in family firms. In doing so, this study empirically examines the LTO construct of Lumpkin and Brigham (2011) in multi-generational family firms. Thus, research question one (RQ1) is stated as:

RQ1: How do Lumpkin and Brigham's (2011) LTO dimensions (futuraity, continuity and perseverance) manifest in multi-generational family firms?

2.5.2 Entrepreneurial Orientation (EO)

Entrepreneurial orientation (EO) is a firm-level phenomenon predominantly utilised as a framework for studying the entrepreneurial processes of organisations. Regarded as an essential criterion for firms to succeed in today's extremely competitive and dynamic business environment (Wiklund and Shepherd, 2003), EO refers to the strategic processes, practices and decision-making which enable firms to take entrepreneurial actions (Lumpkin and Dess, 1996). In the entrepreneurship field, EO is considered an effective tool to show evidence of entrepreneurial actions and decision-making across multiple organisational and geographical contexts (Kemelgor, 2002; Kreiser, Marino and Weaver, 2002; Runyan, Dong and Swinney, 2012; Wales, 2016). Entrepreneurial orientation takes into account not only managerial behaviours and decisions, but also the psychological side of managerial activities as it reviews entrepreneurial intentions (Krauss et al., 2005). *"Organizations with an entrepreneurial posture are those in which particular behavioral patterns are recurring"* (Covin and Slevin, 1991, p.8). Therefore, a firm is entrepreneurial because it exhibits entrepreneurial behaviours, and there is a feature of temporal consistency in these behaviours (Anderson et al., 2015).

Deriving from the strategy-making process literature (Mintzberg, 1973), EO defines strategy as a set of actions or behaviours that a firm enacts through entrepreneurial endeavours in the market. It was first operationalised by Miller (1983, p.770) who suggested that an entrepreneurial firm *"engages in product market innovation, undertakes somewhat risky ventures and is first to come up with proactive innovations, beating competitors to the punch"*. In his seminal work, Miller proposed that the dimensions of innovativeness, risk taking and proactiveness fulfil the firm's strategic practices. The initial EO operationalisation by Miller was further refined and developed by Covin and Slevin (1986, 1989), which has since been considered the most rigorous and widely used EO instrument by researchers to study firm level entrepreneurship (Dimitratos, Lioukas and Carter, 2004; Rauch et al., 2004; Wiklund and Shepherd, 2005). In further research, Lumpkin and Dess (1996) proposed two additional dimensions, autonomy and competitive aggressiveness, which should also be considered as components of EO. While these two later dimensions have been widely accepted within entrepreneurship

research, the five-dimension model is sparsely seen in the EO literature in contrast to the original three-dimension model (Soininen et al., 2012).

EO received considerable research attention and, thus, emerged as a central concept in the entrepreneurship field (Covin, Green and Slevin, 2006; Rauch et al., 2009). The most extensive stream of research on EO has focused on exploring its effect on firm performance (Lumpkin and Dess, 1996; Rauch et al., 2009), and how EO indirectly moderates or is moderated by many other factors (e.g. Schepers et al., 2014; Wiklund and Shepherd, 2005). It has been argued that adopting an entrepreneurially oriented posture may be beneficial for firm performance (Rauch et al., 2009). While research on the EO-performance relationship has been predominant, there have been a significant number of studies exploring other aspects of EO, such as the origin of EO (e.g. Yang and Dess, 2007), the antecedents of EO (e.g. Begley and Boyd, 1987; Stewart et al., 1999; Anderson, Covin and Slevin, 2009; Miller, 2011), environmental influences (e.g. Becherer and Maurer, 1997), organisational influences (e.g. Green, Covin and Slevin, 2008) or the association between EO and company resources and capabilities (Smart and Conant, 1994; Dess, Lumpkin and Covin, 1997), among others.

Also, the dimensionality of EO has been met with considerable debate with some contesting that its dimensions are independent (multi-dimensional approach) while others dispute the dimensions co-vary with each other (unidimensional approach). Proponents of the unidimensional view suggest that the EO dimensions are positively correlated, therefore, a firm must be simultaneously innovative, proactive and risk-taking to have an EO, as all of these dimensions need to contribute equally to the firm's overall EO (Kreiser, Marino and Weaver, 2002). This means that the EO dimensions co-vary with each other and an increase in the EO of the firm requires an increase of all of the dimensions (George and Marino, 2011). On the other hand, the underlying idea behind the multi-dimensional perspective is that the dimensions of EO exist independently from each other, therefore, they vary independently. This approach was initially presented by Lumpkin and Dess (1996) who suggested that a firm can have an EO when only some dimensions are manifested. The unidimensional approach has been criticised for being too restrictive as each of the dimensions of EO may have a different influence on key variables such as performance (Lumpkin and Dess, 2001). Therefore, adopting a multi-dimensional view not only provides an opportunity to enhance theory building (Dess, Lumpkin and McGee, 1999) but enables broader conclusions to be reached (Kreiser, Marino and Weaver, 2002).

This thesis adopts the three-dimensional definition of EO and it is treated as a multi-dimensional construct. Thus, the dimensions of innovativeness, proactiveness and risk-taking are explained next.

- *Innovativeness* is a critical element of EO (Rauch et al., 2009; Wang, 2008; Wiklund and Shepherd, 2005), and a necessary means by which firms pursue new opportunities (Lumpkin and Dess, 1996). Innovativeness refers to the “*firm’s tendency to engage in and support new ideas, novelty, experimentation, and creative processes that may result in new products, services, or technological processes*” (Lumpkin and Dess, 1996, p.142). The origins of this concept can be attributed to Schumpeter (1942) who viewed innovation in the entrepreneurial process as an instrument for economic growth. The arrival of new products, services or processes into the marketplace stimulates a new demand while obsolete products and production techniques are eliminated, concluding in what Schumpeter (1942, p.83) described as “*creative destruction*”. Innovativeness, often the result of a firm’s continued effort for new product development (Zahra, 1993), is considered critical for firm survival as it is a key source of new ideas that drive and sustain a successful organisation (Lumpkin, Brigham and Moss, 2010).
- *Proactiveness* is an opportunity-seeking, forward-looking perspective which involves the introduction of new products or services ahead of the competition and acting in anticipation of future demand to create, change and shape the environment (Lumpkin and Dess, 2001). This dimension has also been described as recognition of market trends and exploitation of these emerging opportunities (Kropp, Lindsay and Shoham, 2008). Thus, proactiveness is also associated with entrepreneurship and is an important dimension of EO (Entrialgo, Fernández and Vázquez, 2000; Walter, Auer and Ritter, 2006). Proactiveness is not only about being first in the market with new products and opportunities but, also, it may relate to present operations or differ from them (Venkatraman, 1989). Therefore, proactiveness must also involve continuous critical evaluation of the existing business (Venkatraman, 1989).
- *Risk-taking* is associated with a firm’s predisposition to undertake high-risk projects under uncertainty or in unclear environments (Rauch et al., 2009). It refers to a firm’s

willingness to make large and risky resource commitments which have a reasonable chance of costly failures (Miller and Friesen, 1978; Wiklund and Shepherd, 2005). Entrepreneurially oriented firms are often characterised by risk-taking behaviour, such as incurring heavy debts or permitting significant resources in the interests of obtaining high returns by seizing opportunities in the marketplace (Lumpkin and Dess, 1996). Although risk-taking involves taking chances, it should not be a form of gambling; the firm's goal is to reduce risk through decision-making (Dess and Lumpkin, 2005) and encouraging calculated risk-taking when it comes to new ideas.

EO and Family Business

Family firms possess unique characteristics that are believed to influence the strategy of these firms (Anderson and Reeb, 2003; Carney, 2005; Chua, Chrisman and Sharma, 1999). However, there is some disagreement regarding the extent to which these unique features affect the strategic processes and practices of family firms (Chrisman, Chua and Sharma, 2005) and whether they support or hinder entrepreneurship (Short, Moss and Lumpkin, 2009). Some studies suggest that the family business context is conducive to entrepreneurship (e.g. Aldrich and Cliff, 2003; Rogoff and Heck, 2003) while others argue that some of those distinctive characteristics of family firms inhibit entrepreneurial activity (e.g. Hall, Melin and Nordqvist, 2001; Schulze et al., 2001).

Nordqvist and colleagues (2008) found that family firms are more likely to show signs of proactiveness, innovativeness and autonomy in contrast to risk-taking and competitive aggressiveness. These authors argued that when the tensions between each of the three dualities—historical path/new path, independence/dependence and informality/formality—are kept taut, family firms are given more freedom to act independently and proactively, and they avoid risk-taking and competitive aggressiveness. It is suggested that competitive aggressiveness is less relevant to family firms as they tend to avoid aggressive behaviours because of concerns for reputational loss among their stakeholders (Arzubiaga, Iturralde and Maseda, 2012; Zellweger and Sieger, 2012). Short and colleagues (2009) showed that family firms differ from non-family firms on some EO dimensions but not on the overall EO measure. They found that family firms exhibit less risk-taking, proactiveness and autonomous behaviour than non-family firms. In a later study, Zellweger and Sieger (2012) studied each of the five dimensions of EO in the context of long-lived family firms and argued that high levels of

the five EO dimensions is not a necessary condition for long-term success, as the literature implicitly suggested. Further, previous research has found risk-taking to have a negative relationship with perceived performance in family firms (Naldi et al., 2007) and longer CEO tenures have been associated with lower risk taking activities (Zahra, 2005).

Other studies focused on analysing the influence of generational involvement on the entrepreneurial activities. Salvato (2004) utilised the EO framework to show that entrepreneurship differed among three types of family firms: founder firms, cousin consortium and open family firms. Further, Zahra (2005) explored the conditions under which family firms encouraged entrepreneurial activity, showing that generational family involvement had a positive effect on the firm's entrepreneurial activity, specifically innovation. Contrary to Salvato (2004) and Zahra (2005), Kellermans and Eddleston (2006) showed that generational involvement did not directly influence corporate entrepreneurship.

The above discussion shows that different characteristics of family firms have certain influence on particular dimensions of EO. Hence, the EO framework appears to be a useful tool to study entrepreneurship in family firms. As previously discussed, research (e.g. Miller and Le-Bretton-Miller, 2005) has suggested that a key figure to successful family firms is the presence of LTO. But, what is the role LTO plays in the multiple dimensions of EO? This study follows the call for research to further examine those constructs and explore whether long-term orientation and EO are fundamentally opposed to one another or if they are generally compatible (Short, Moss and Lumpkin., 2009). Reconciling the compatibility of these two orientations may offer insights into factors that influence entrepreneurship (Lumpkin, Brigham and Moss, 2010).

The aforementioned studies highlight the varied findings regarding EO and family business. Table 2-2 chronologically summarises numerous family business studies using EO and their main findings.

Table 2-2. Selected Studies Regarding EO and Family Business

Author	Year	Findings
Lumpkin and Sloat	2001	Minor differences in EO between family and non-family firms.
McCann et al.	2001	Younger and smaller family firms are more likely to be innovative than older, larger family firms.
Upton et al.	2001	Family businesses have a culture that supports innovation.
Xiao et al.	2001	Family business owners are more risk tolerant than non-family business owners.
Morck and Yeung	2003	Low business innovativeness and family dominance go hand in hand.
Salvato	2004	Entrepreneurship differed among three types of family firms: founder firms, cousin consortium and open family firms.
Carney	2005	The family firm's concerns for wealth preservation may limit the firm's investment in corporate entrepreneurship. Risk aversion keeps family firms from engaging in significant acquisitions.
Zahra	2005	Higher family ownership and involvement are positively associated with risk taking. The higher the number of generations from the same owner family that are active in the company, the higher the firm focus on innovation.
Kellermanns and Eddleston	2006	Generational involvement did not have any significant impact on corporate entrepreneurship.
Gomez-Mejia et al.	2007	Family firms are more likely to engage in risky behaviours to protect their SEW.
Naldi et al.	2007	Family firms take less risk than non-family firms and risk-taking is negatively related to firm performance.
Nordqvist et al.	2008	In family firms, there are less signs of risk-taking and competitive aggressiveness in comparison to proactiveness, innovativeness and autonomy. Also, it was suggested that autonomy be considered as having both external (from stakeholders) and internal (within the organisation) dimensions. The internal autonomy of family members decreases in succeeding generations.
Short et al.	2009	Family firms exhibit language consistent with an entrepreneurial orientation (in shareholder letters) for all dimensions but use less language than that of non-family firms in relation to autonomy, proactiveness and risk taking.
Casillas and Moreno	2010	Family involvement will intensify the influence of innovativeness and competitive aggressiveness on company growth whereas, on the contrary, it will tend to reduce the influence of risk-taking, proactiveness and autonomy on growth.
Chirico et al.	2011	The interaction with EO and higher levels of generational involvement will negatively affect family firm performance.
Cruz and Nordqvist	2012	Perceptions of the competitive environment and EO correlate differently in family firms, depending on the generation in charge, and it is generally stronger in the second generation.
Zellweger and Sieger	2012	Permanently high levels of the five EO dimensions are not a necessary condition for long-term success. Rather, the level of EO is dynamically adapted over time and the original EO scale does not sufficiently capture the full extent of entrepreneurial behaviours in long-lived family firms.
Arzubiaga et al.	2012	The characteristics of businesses can have an influence on the levels reported for the various dimensions of EO.
Sciascia et al.	2012	Knowledge diversity among family members belonging to different generations may enhance some beneficial dynamics but impair others depending on the number of generations involved in the TMT.

This thesis relies on the multi-dimensional framework of EO, including the three-dimensional definition. The multi-dimensional approach allows the researcher to precisely capture the influence of LTO on the innovativeness, proactiveness and risk-taking propensity of the firm. Thus, research question two (RQ2) is stated below.

RQ2: How do Lumpkin and Brigham's (2011) LTO dimensions (futurity, continuity and perseverance) influence EO (innovativeness, proactiveness and risk-taking) in multi-generational family firms?

2.5.3 Non-Economic Goals

Non-economic goals reflect the perceptions, values, attitudes and intentions of the dominant coalitions in the organisation (Argote and Greve, 2007; Cyert and March, 1963). The dominant coalition refers to the powerful actors who control and make major decisions regarding the development and future of the firm (Cyert and March, 1963; Hambrick and Mason, 1984). In family firms, where the dominant coalition is usually controlled by family members, non-economic objectives are of special importance (Westhead and Howorth, 2007) and, consequently, the pursuit of non-economic goals has been recognised as a distinguishing feature of family businesses (Chrisman et al., 2012; Chua, Chrisman and Sharma, 1999). While non-economic goals are not exclusive to family firms, these enterprises are more likely to have multiple and changing goals (Sharma, Chrisman and Chua, 1997) along with non-financial goals that address the family (Ward, 1997; Zellweger and Nason, 2008). Such non-economic goals are found to be closely aligned to family goals and embrace “*benefits unrelated to financial and competitive performance*” (Chua, Chrisman and Steier, 2003, p.333).

A family-controlled firm does not necessarily consider wealth creation as a priority goal (Davis and Tagiuri, 1989; Sharma, Chrisman and Chua, 1997). Family owners are believed to be interested in pursuing non-economic goals such as succession (Handler, 1994); maintaining family harmony, family social status and family identity linkage (Chrisman et al., 2012; Kotlar and De Massis, 2013); developing and protecting the family reputation (Miller and Le Breton-Miller, 2005); and the perpetuation of the family dynasty, family values and social capital, as well as exercising altruistic behaviour towards family members (Chrisman et al., 2005). These non-economic objectives lead to

the creation of socioemotional wealth (SEW), described as the “*non-financial aspects of the firm that meet the family’s affective needs, such as identity, the ability to exercise family influence, and the perpetuation for the family dynasty*” (Gomez-Mejia et al., 2007, p.106). Developed to understand why financial incentives are not always the desired choice (Schulze and Kellermanns, 2015), the SEW construct refers to affective endowments that family owners establish with the firm (Gomez-Mejia et al., 2011); if a threat to that endowment exists, the family is willing to put the firm at risk in order to preserve its socioemotional endowment (Cennamo et al., 2012). In other words, family owners frame decisions in terms of assessing how actions will affect their socioemotional wealth (Berrone et al., 2012). Hence, this perspective suggests that family firms are not risk-averse but loss-averse with respect to SEW (Gomez-Mejia et al., 2007) i.e., they are willing to accept greater risk in order to prevent SEW loss. Although non-family managers might also experience this, “*the value of socioemotional wealth to the family is more intrinsic, its preservation becomes an end in itself, and it is anchored at a deep psychological level among family owners whose identity is inextricably tied to the organization*” (Berrone et al., 2010, p.87).

From a strategic perspective, non-economic goals have important implications for family firm behaviour as they may lead to decisions and outcomes that diverge substantially from those expected in non-family firms, where non-economic goals are less important (Chrisman, et al., 2005). For instance, Gomez-Mejia et al. (2007) showed that family firms are willing to accept higher risk in order to maintain family control. Specifically, when family firms need to decide between 1) higher financial gains but loss of family control or 2) higher financial risk but retention of family control, they are willing to take the risk in order to preserve family control. Berrone et al. (2010) suggested that family firms conform to certain environmental practices in order to protect their reputation in the community, as a poor environmental practice could impact the image of the firm. Furthermore, diversification might also require expertise from outsiders to the firm (McConaughy, 2000; Schulze, Lubatkin and Dino, 2003) and, in turn, impact organisational control. In a later study, Zellweger and colleagues (2012) showed that the price at which family owners would be willing to sell their firms is higher when the buyer is an outsider to the family. The authors argued that the intentions for transgenerational control will impact the price as family owners perceive future control as part of their emotional endowment. Recently, Dou, Zhang and Su (2014) examined the impact of

family involvement on corporate charitable donations. These authors found that although family ownership and duration of control were positively associated with charitable giving, when the next generation is unwilling to take over the business, the positive relationship between family ownership and charitable donations is weakened.

Certainly, non-economic goals may conflict with the firm's economic objectives. Some family business scholars have argued that non-economic goals may lead to negative results (Bloom and Van Reenen, 2007; Gómez-Mejía et al., 2001; Pérez-González, 2006; Schulze, Lubatkin and Dino, 2003). The negative aspect of non-economic goals is especially important when ownership is divided across generations and there are shared expectations among family members (Sciascia et al., 2012). However, family business research has also suggested that a loss of economic efficiency does not have to result from leaders' maximisation of a utility that includes non-economic goals (Jensen and Meckling, 1994). In fact, family managers who include social objectives in their strategic goals may secure substantial economic benefits (Berrone et al., 2010; Dyer and Whetten, 2006; Lester and Cannella, 2006; Miller and Le Breton-Miller, 2005), and firms that strategically manage the pursuit of their non-economic goals can obtain greater economic performance and produce a synergistic effect between social and organisational outcomes (Chrisman and Carroll, 1984). Therefore, family leaders will trade-off between economic and non-economic goals when making decisions.

Non-economic goals are also likely to influence temporally related strategic decisions (Lumpkin and Brigham, 2011; Ensley, 2006). As noted previously (refer to section 2.5.1), non-economic goals often require long-term horizons to be implemented (De Massis et al., 2014; Gómez-Mejía et al. 2007; James, 1999). For example, intergenerational succession is a goal that family firms will not pursue if a long-term vision is not present (Lumpkin and Brigham, 2011). In fact, family leaders attach such importance to non-economic goals and the future of their firms that they often demonstrate stewardship tendencies, such as investment in local communities or development of long-term relationships with customers, suppliers and employees (Miller, Le Breton-Miller and Scholnick, 2008). Hence, since family firms are likely to be managed by a coalition of family members (Carney, 2005), they are more inclined to pursue non-economic goals that reflect the family values (Westhead and Howorth, 2007), with most family leaders considering long-term business sustainment a core responsibility (Chua, Chrisman and Sharma, 1999). Accordingly, short-term opportunities might be less appealing to a family

firm if they threaten the firm's long-established image or ability to generate goodwill (Lumpkin and Brigham, 2011).

Previous research has highlighted the need for a better understanding of the role of non-economic goals in family firm decision-making (Chrisman et al., 2010). There are three justifiable reasons for analysing non-economic goals in this study. First, the findings will better reflect reality since family firms are more likely to include non-economic considerations in their set of goals. Second, since non-economic goals require long-term horizons, reconciling the LTO of family firms with their pursuit of non-economic goals is important for the advancement of both theory and practice in the family business field. Third, studying family businesses from a strategic management perspective must involve explicit acknowledgement of their non-economic goals when exploring family firm behaviour. Thus, research question three (RQ3) is stated as:

RQ3: How is LTO influenced by non-economic goals in multi-generational family firms?

2.6 Research Questions

The specific research questions generated from the literature review discussion are illustrated in Table 2-3.

Table 2-3. Research Questions

RQ1 (LTO)	How do Lumpkin and Brigham's (2011) LTO dimensions (futurity, continuity and perseverance) manifest in multi-generational family firms?
RQ2 (LTO and EO)	How do Lumpkin and Brigham's (2011) LTO dimensions (futurity, continuity and perseverance) influence EO (innovativeness, proactiveness and risk-taking) in multi-generational family firms?
RQ3 (LTO and Non-Economic Goals)	How is LTO influenced by non-economic goals in multi-generational family firms?

2.7 Chapter Summary

In Chapter 2, the literature review pertinent to this thesis was presented. The chapter began with a general overview of the family business field by tracking its development

from a context to an independent research domain (section 2.2). While the field has experienced rapid growth over the last two decades, the definition of family business remains ambiguous. Several definitions were discussed in the following section (section 2.3), which led to the introduction of the STEP definition adopted for this thesis. Next, section 2.4 presented a discussion of stewardship theory and its fit with family firms and with this research in particular. The chapter continued with a presentation of the main constructs concerning this research (section 2.5). First, the LTO construct (section 2.5.1) was explained and then discussed in the context of family firms. Second, the EO construct (section 2.5.2) was presented as the firm level framework to study entrepreneurial behaviour in family firms. The EO framework was also then discussed in the context of family firms. Finally, a review of the non-economic goals literature (section 2.5.3) was outlined with a focus on family firms. Section 2.6 summarised the three research questions of this thesis and the chapter concluded with this summary. The next chapter (Chapter 3) discusses the research methodology applied to this research.

Chapter 3. Research Methodology

3.1 Introduction

This chapter describes the methodology and analysis used in this study. The purpose of this chapter is twofold: (1) to provide a rationale for the adoption of the methodology based on the epistemological and ontological assumptions, and (2) to demonstrate how the selection of case study method has been implanted in a rigorous analysis applied with this method, i.e., with “technical adequacy” (Colquitt and Ireland, 2009, p.226).

The chapter is organised as follows: first, section 3.2 revisits the purpose of the study. Section 3.3 presents the philosophical stance adopted in this research which underpins the choice of research strategy discussed in section 3.4. Next, section 3.5 is devoted to the research method followed by a presentation of the research technique in section 3.6. The rationale for the research technique, including the reasons for the choice of data collection sources is detailed in this section. Section 3.7 presents the process of data analysis. Next, the criteria for evaluating qualitative research are considered in section 3.8 followed by ethical considerations addressed in section 3.9. Lastly, section 3.10 addresses the methodological limitations of the study and the chapter concludes with a summary in section 3.11.

3.2 Purpose of Enquiry

The purpose of this study, as explained in Chapter 1 (section 1.2), is to further the understanding of long-term perspective in family firms. Specifically, how Lumpkin and Brigham’s (2011) LTO dimensions—*futurity*, *continuity* and *perseverance*—manifest in multi-generational family firms, how they influence the entrepreneurial orientation (EO) of the firms and how LTO is influenced by the firm’s non-economic goals.

This thesis is exploratory and qualitative in nature. Exploratory research aims at understanding how a phenomenon takes place and it is favoured when significant descriptive information exists regarding a research area, but there is uncertainty about the phenomenon of interest (Yin, 2004). This study seeks to further examine long-term perspectives in family firms by exploring three fundamental concepts in family business, namely (1) LTO (2) EO and (3) non-economic goals. Although numerous studies have explored the effect of LTO, uncertainty still exists around the role LTO plays in the

entrepreneurial orientation of family firms. “*How might the time horizon that guides a company’s decisions and actions influence the effectiveness of its entrepreneurial practices?*” (Lumpkin, Brigham and Moss, 2010, p.253). Similarly, business scholars have long argued the importance of gaining a better understanding of non-economic aspects that influence family firm decision-making (Chua, Chrisman and De Massis, 2015). This gap gives rise to the following research questions for exploratory investigation:

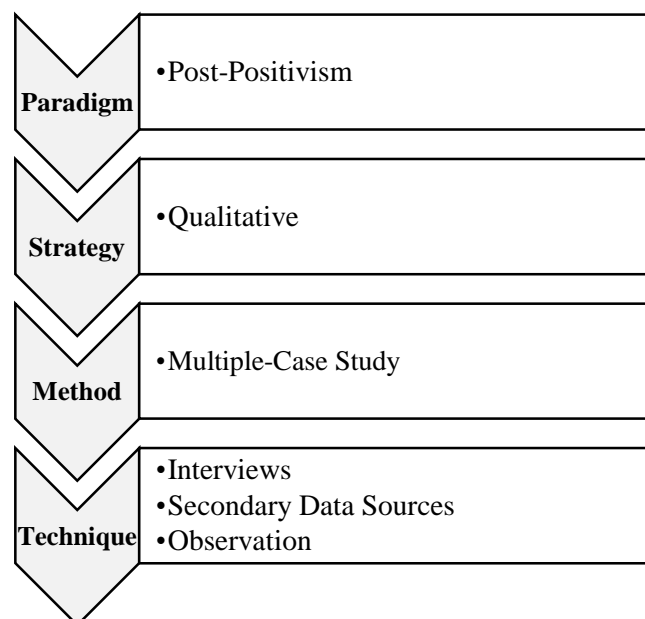
RQ1: *How do Lumpkin and Brigham’s (2011) LTO dimensions (futurity, continuity and perseverance) manifest in multi-generational family firms?*

RQ2: *How do Lumpkin and Brigham’s (2011) LTO dimensions (futurity, continuity and perseverance) influence EO (innovativeness, proactiveness and risk-taking) in multi-generational family firms?*

RQ3: *How is LTO influenced by non-economic goals in multi-generational family firms?*

The methodology employed in this thesis has been dictated by its research questions (Robson, 2011). Figure 3-1 below provides an overview of the research design employed in this study, and each element is discussed further in the following sections.

Figure 3-1. Research Design Typology Overview



Source: Adapted from Strang (2015, p.4)

3.3 Research Paradigm

Based on a set of philosophical assumptions about the social world, paradigms provide a framework through which research is conducted. They reflect fundamental beliefs or metaphysics and are concerned with the underlying principles that shape and define perceptions of the world. An understanding of the philosophical assumptions of research paradigms guides the researcher into ontological and epistemological choices (Guba and Lincoln, 1994). Given that paradigms are human constructions, inevitably, they express the values of their human constructors, the researchers (Guba, 1990) and enable them to express their philosophical view which strongly influences how they design, implement and communicate scholarly research (Strang, 2015). This section starts with a discussion about the philosophical positions within research paradigms, followed by an introduction of the various types and their philosophical assumptions.

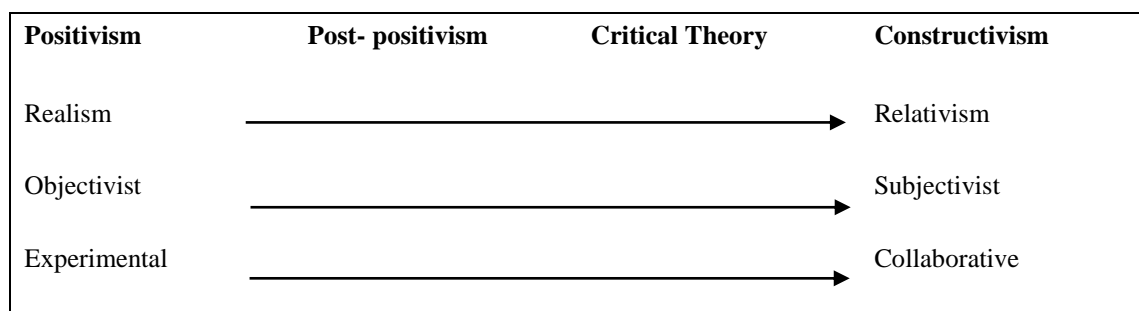
The term paradigm (Denzin and Lincoln, 2011) is equivalent to ideology (Strang, 2015), worldview (Creswell, 2012), philosophy (Neuman, 2000), design strategy (Patton, 2002), or philosophical belief (Yin, 2009). Commonly, paradigms are presented in terms of ontology (i.e., nature of reality), epistemology (i.e., how we know what we know), and methodology (i.e., the process of research) (Denzin and Lincoln, 2011). Guba and Lincoln (1994, p.35) define a paradigm as a “...*basic set of basic beliefs that guide action. Paradigms represent a worldview that defines the nature of the world, the individual’s place in it, and the range of possible relationships to that world and its parts.*”

First, ontology is concerned with the nature of reality; whether reality is objective and independent of human construction or subjective (and perceived through human construction) (Guba and Lincoln, 1994). Researchers who perceive reality as objective and knowable would be inclined towards a positivist stance. On the contrary, researchers who believe reality is subjective and only viewed within the parameters of human understanding would be inclined towards a constructivist stance. Second, epistemology is concerned with the nature of knowledge and the relationship between the researcher and the phenomena under study (Guba and Lincoln, 1994). It deals with knowledge, its presuppositions, foundations, extent and validity. According to Burrell and Morgan (1979), ontology applies to beliefs of the world, whereas, epistemology applies to how knowledge about the world can be created. Finally, methodology focuses on the different techniques to conduct research (Guba and Lincoln, 1994). The methodological stance is

concerned not only with the methods used to collect and analyse data but also with issues such as voice, ethics, values and the rigor of a study (Lincoln and Guba, 2000).

The consensus regarding research paradigms is a continuum of philosophical beliefs and values held by the researcher (Strang, 2015). On one end of the continuum is positivism, where facts are concrete and objective and the researcher is seen as a spectator of the phenomenon of enquiry (Chia, 2002). On the other side of the continuum is constructivism, where facts are subjective and socially constructed by humans (Easterby-Smith, Thorpe and Lowe, 2002). This is shown in Figure 3-2 below.

Figure 3-2. Research Paradigms Continuum



Source: adapted from Ravenek and Rudman (2013, p.439)

3.3.1 Paradigm Choice

It was the researcher's view that post-positivism is the most suited paradigm to guide this study. Post-positivism takes into account the weaknesses and rigidity of the positivism paradigm (Patton, 2002) without going so far as to reject any notion of realism and argue that we cannot observe the world we are part of as totally objective. Post-positivists believe in an 'objective reality' (Creswell, 2009); rather than finding the truth, the post-positivists will try and represent the reality. Ontologically, the post-positivism perspective is critical realism. The essence of this perspective is that reality exists, but it is not perfectly understood by humans due to their "*imperfect sensory and intellectual mechanisms*" (Cook and Campbell, 1979, p.29). Thus, there is a "real" world but it is only imperfectly apprehensible (Guba and Lincoln, 1994). Researchers need to be critical about their studies due to those human imperfections (Guba, 1990). Methodologically, post-positivism emphasises critical multiplism (Guba and Lincoln, 1994); multiple measures can be taken to triangulate and represent the reality. If human sensory and

intellective mechanisms are not perfect, then the research findings should be drawn from as many sources as possible (Guba, 1990).

A post-positive paradigm seeks to develop concepts and theory to enhance understanding of social phenomena in natural settings (Patton, 2002). Post-positivists argue that context is needed and context free experimental design is insufficient. Since entrepreneurship research involves complex and dynamic processes and the interaction among actors, processes and contexts, post-positivism offers the opportunity to study nuances of entrepreneurship by emphasising its dimensions and the interactions between them (Karatas-Ozkan et al., 2014). This is particularly relevant for this thesis, which aims to examine the subtleties of entrepreneurship in a specific setting, family firms, and explore the interplay between the LTO dimensions and the EO of these firms.

The adoption of a post-positivist research paradigm for this dissertation is based upon several reasons. Firstly, the paradigm concurs with the researcher's epistemological and ontological worldview. The knowledge that evolves through a post-positivist lens is based on careful observation and measurement of the objective reality that exists "out there" in the world (Creswell, 2009). While post-positivists do not seek the "truth", they believe they should try and approximate as much as possible to that reality while carefully acknowledging that their own subjectivity is shaping that reality. Post-positivism is a useful paradigm for researchers that view inquiry as a set of logically linked steps, believe in multiple views from participants and employ rigorous methods of qualitative data collection and analysis (Creswell, 2012). Secondly, post-positivism is well suited for the use of case study research as case studies can be viewed as "quasi-experimental" where the researcher cannot manipulate behaviour, but the logic of experimental design can be applied (Yin, 2003). This study uses case studies to explore the interaction of established concepts of entrepreneurship and family business literature. In this respect, post-positivism has aspects of being reductionist, logical, casual orientated, emphasised on empirical data collection and deterministic based on a priori theories (Creswell, 2012). Thirdly, one of the most common forms of post-positivism is critical realism, which is particularly suited to case study research. Critical realism justifies the study of a situation with the aim of understanding why things are the way they are (Easton, 2010). According to Easton (2010), a critical realism approach is appropriate to bounded and complex phenomena such as organisations, inter-organisational relationships or nets of connected organisations, as it helps to identify a complex set of factors and relationships. Therefore,

case studies facilitate a deeper exploration into LTO in family firms as they provide further insight into the social processes involved (Eisenhardt and Graebner, 2007). Critical realism attaches particular importance to context since there are no definite criteria to finding the “truth”, and so the researcher is relied upon to collect further data that raises alternative explanations for debate in the research community (Easton, 2010). Thus, critical realism is the most suitable ontological approach for this study on entrepreneurship in family firms, where the context is of critical importance.

Drawing on Healy and Perry (2000), this study adopts the six quality criteria for case study research within the critical realism paradigm as outlined in Table 3-1 below. Further details regarding the case study research method are considered in Section 3.5. The ontology quality criteria address the suitability and internal validity. The epistemological quality criteria refer to the use of multiple perceptions of participants and peer researchers. Regarding methodology, the quality criteria focus on reliability, external validity and construct validity.

Table 3-1. Quality Criteria for Case Study Research Using Critical Realism

	Criteria	Case Study Techniques
Ontology	Ontology Appropriateness	Selection of research problem; how and why problem. Research problem deals with complex social science phenomena.
	Contingent Validity (Internal Validity)	Theoretical and literal replication, in-depth questions, cross-cases, description of the context of the cases.
Epistemology	Multiple Perceptions of Participants and of Peer Researchers	Multiple interviews, supporting evidence, broad questions before probes, triangulation, awareness of own values, peer review.
Methodology	Methodological Trustworthiness (Reliability)	Case study database: use in the report of relevant quotations and matrices that summarise data, and of descriptions of procedures like case selection and interview procedures.
	Analytic Generalisation (External Validity)	Identify a priori constructs, to formulate an interview protocol that will provide data for confirming or disconfirming theory.
	Construct Validity	Use of prior theory, case study database, triangulation, replication logic across cases, comparison with literature.

Source: adapted from Healy and Perry (2000)

In sum, the paradigm adopted in this research is post-positivism and the ontological approach is critical realism. The appropriate research strategy for guiding this paradigm is presented next.

3.4 Research Strategy: Qualitative

This thesis adopts a qualitative strategy to investigate long-term perspective in family firms and its association with engagement in entrepreneurial activities. Such a strategy is particularly relevant when the researcher aims to understand meanings, contexts and processes in their natural settings (Maxwell, 1998) and have a holistic perspective of the phenomenon under study (Patton, 1990).

A qualitative strategy for this study is appealing for several reasons. Primarily, such a strategy is usually recommended when the phenomenon under study relates to a complex social context (Yin, 2003). A qualitative strategy is appropriate when the phenomenon being studied is incomplete (Eisenhardt, 1989) and/or existing theory is conflicting (Graebner, Martin and Roundy, 2012). Fundamentally, the researcher's role is to gain systematic overview of the context under study (Miles and Huberman, 1994). Qualitative research is most suited to understanding complex processes involving causal mechanisms or complex temporal dynamics (Graebner, Martin and Roundy, 2012). Therefore, a qualitative research strategy was deemed particularly relevant to this study as it explores entrepreneurship in a complex social context (i.e. family firms). According to Graebner, Martin and Roundy (2012, p.279), the main advantage of qualitative data is "*its richness, which enables researchers to unpack multifaceted, temporally unfolding situations and causal mechanisms in a detailed and sophisticated manner*". Qualitative data provides deeper insight into family firms' strategic decisions by uncovering complex social processes, unlike quantitative data which cannot unearth such detail (Eisenhardt and Graebner, 2007).

In addition, qualitative research has a predominant capacity to constitute compelling arguments about how things work in particular contexts (Mason, 2002). Qualitative approaches allow the researcher to acknowledge the complexity and contextuality of business-related phenomena (Eriksson and Kovalainen, 2008). Such research is required when the researcher aims to investigate in-depth, context-rich phenomena (Patton, 2002; Shepherd and Sutcliffe, 2011; Tesch, 1990; Weber, 2004) and to develop a holistic perspective for the phenomena being studied (Patton, 1990). Contextualisation suggests that the idiosyncrasy of the context should be considered as a basis of any qualitative research method, such as case study research (Rispoli, Jouison-Laffitte and Randerson, 2015). Early entrepreneurship research has relied upon primarily quantitative methods grounded in a positivist epistemology (Churchill, 1992; Van de Ven and Polley, 1992).

Yet, continuous calls for qualitative approaches in top-tier entrepreneurship journals have been voiced in decades past (e.g. Bygrave, 1989; Huse and Landström, 1997; Gartner and Birley, 2002; Hindle, 2004; Neergaard and Ulhøi, 2007; Suddaby, Bruton and Si, 2015). In particular, on the topic of entrepreneurial orientation there has been numerous calls for qualitative research (e.g., Covin and Miller, 2014; Miller, 2011; Wiklund and Shepherd, 2011) to provide deeper insight into how the dimensions of EO manifest and may be empirically captured (Lumpkin and Dess, 1996; Wales, 2016). Similarly, in the family business field, scholars have argued that more in-depth, qualitative research is required to better grasp entrepreneurship in the family business context (Nordqvist and Zellweger, 2010). Qualitative approaches are especially suited to providing greater knowledge of the complex and tacit aspects of family businesses' ownership and management (Nordqvist, Hall and Melin, 2007).

Furthermore, qualitative research uncovers a phenomenon through the study of individual perceptions of a social unit and through individual accounts of the development of a phenomenon (Robson, 2011). The researcher attempts to capture data on the perceptions of local actors from within (Miles and Huberman, 1994). As such, qualitative research is convenient when trying to understand long-term perspective in family firms, as it allows the study of family and non-family management within the firm and the perceptions they hold. Qualitative researchers "*can get closer to the actor's perspective through detailed interviewing and observation*" (Denzin and Lincoln, 1994, p.5).

This research employed a combination of both deductive and inductive methods by accommodating the continuous interplay between induction and deduction. Social research is usually classified into inductive and deductive approaches. An inductive approach is related to the development of theory based on in-depth exploration of a new phenomenon (Bryman and Bell, 2007). It begins with empirical data and usually concludes by proposing new theories for unexplored research topics (Locke, 2001; Sekaran, 2003; Strauss and Corbin, 1998). Deduction, however, begins with existing theories and aims to test these in order to verify their validity in different samples and contexts (Robson, 2011; Saunders, Lewis and Thornhill, 2003). Generally, deductive analysis will involve the development of an initial hypothesis which is then tested through empirical data. However, induction and deduction are not completely exclusive.

Much qualitative research lies between the two extremes. Something is known conceptually about the phenomenon, but not enough to house a theory. The

researcher has an idea of the parts of the phenomenon that are not well understood and knows where to look for these things - in which settings, among which actors (Miles and Huberman, 1994, p.17).

Researchers who aim to build theory from case studies will be more effective if they start with a preconceived question, sampling strategy and ideas of the main constructs (e.g., Eisenhardt, 1989; Suddaby, 2006). Some researchers refer to this intermediate approach between induction and deduction as abduction (Josephson and Josephson, 1996; Niiniluoto, 1999; Richardson and Kramer, 2006). The purpose of this thesis was not to develop a completely new theory nor deduce from existing theoretical theories, thus, abduction was considered the most appropriate fit. The research process began with a priori study of the relevant literature to create a theoretical understanding of the research topic. By firstly reviewing the constructs, the initial research design took shape and a stronger empirical grounding was established (Eisenhardt, 1989). Thus, a deductive approach was used as a guide to collect the empirical data. Based on the data collected, it was determined that the influence of LTO on the entrepreneurial decision-making of the family firm was complex and that many other concepts needed to be considered. Therefore, an inductive approach was used to study the constructs and identify patterns among the cases. As a result, the research approach adopted in this paper is abductive which is characterised by an iterative process of data collection and theoretical analysis (Mantere and Ketokivi, 2013; Shepherd and Sutcliffe, 2011; Staat, 1993; Thomas, 2010). Abductive research helps to identify unobserved patterns and generate explanations within existing theories. The abduction research approach begins with existing conceptualisations, which aim to advance research about a phenomenon already known through theory development (Mantere and Ketokivi, 2013; Thomas, 2010; Staat, 1993; Wirth, 1999). Through this approach, researchers can provide new insights based on existing theories. Thus, the development of theory emerges through the constant interplay between empirical data and the researcher's developing conceptualisations. In summary, through the use of qualitative methods, this paper adopts an abductive research strategy. Abductive research provides new insights and extends theory. Concerning the current study, LTO and EO have already been studied within family firms. However, the interplay between both phenomena is not sufficiently understood. The next section focuses on the case study method and its relevance to this study.

3.5 Research Method: Case Study

The case study was identified as the most suitable method for this thesis. Case studies can be regarded as a powerful basis to theory-building, as they allow replication and extension among individual cases (Eisenhardt, 1989; Eisenhardt and Graebner, 2007). The rich context of cases is provided by stories and the theoretical insights are gained from methodological rigor and multiple-case comparative logic (Schweizer, 2015).

According to Yin (2009), the preferred method of study should be based on three characteristics: (1) the type of research question, (2) the control that the researcher has over the behaviour of the participants, and (3) a focus on a contemporary issue. Yin (2009) also recommended the case study method when posing “how” or “why” questions, and when the focus of study is on events in a real-life context.

Firstly, a case study method is deemed applicable for this thesis by the nature of evidence that is needed to answer the research questions (Creswell, 2012). This study sought insight into how long-term perspective functions in the family business. Specifically, how LTO is manifested in multi-generational family firms, how it influences EO and how it is influenced by non-economic goals. The phenomenon of study, firm orientation, lends itself to case study research. Orientations rely on the cognitive intentions of senior managers, and qualitative research allows the researcher to discover meaning, cognition and intentions (Maxwell, 1998).

Secondly, the researcher has no extent of control over the behavioural events. Case studies are deemed appropriate when the phenomenon under study cannot be manipulated (Yin, 2009). The roles that LTO play in the entrepreneurial orientation of the firms studied are part of a complex real-life situation where the researcher has no control of the events.

Thirdly, case studies *“investigate a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple resources are used”* (Yin, 2009, p.13). Case study is the preferred method to understand complex phenomena in dynamic settings (Eisenhardt, 1989; Stake, 1995). This thesis explores a contemporary issue within a real-life situation (multi-generational family firms) and uses multiple sources of evidence to understand the phenomenon of study. The literature supports the view that family firms are long-term oriented, however, what is not clear is the roles this orientation plays in the

entrepreneurial decision-making of family firms; thus, making the boundaries between phenomena and context unclear.

Lastly, case study methodology is especially suitable when the phenomenon and the context are closely intertwined and when the researcher aims to answer “how” and “why” questions: *“a how or why question is being asked about a contemporary set of events over which the investigator has little or no control”* (Yin, 2003, p.9). The concepts pertinent to this research (LTO, EO and non-economic goals) are closely associated to the context (multi-generational family firms) with these issues phrased as “how” questions: “How do Lumpkin and Brigham’s (2011) LTO dimensions (futuraity, continuity and perseverance) manifest in multi-generational family firms?”, “How do Lumpkin and Brigham’s (2011) LTO dimensions (futuraity, continuity and perseverance) influence EO (innovativeness, proactiveness and risk-taking) in multi-generational family firms?”, and “How is LTO influenced by non-economic goals in multi-generational family firms?”.

Additionally, in the context of family business, case study has emerged as a prominent methodological approach for qualitative methodology (Leppäaho, Plakoyiannaki and Dimitratos, 2015) and the most used among qualitative researchers in the field (De Massis et al., 2012). Case studies are appropriate when studying complex interactions between people, processes, and technologies within organisations (Cepeda and Martin, 2005) and they are particularly relevant to family business research due to the variety of perspectives involved in understanding this type of firm and its idiosyncrasies (De Massis and Kotlar, 2014). As such, it is considered a powerful method that can be used in broad, rigorous and creative forms to advance research in the family business field and to understand complex phenomena, develop new theory or refine and extend existing theories (De Massis, 2015).

3.5.1 Multiple Case Study

This study adopts a multi-case study method. Multiple cases create more robust studies because the empirical evidence is often considered more compelling (Yin, 2009). The use of several cases produces comparisons that clarify whether an emergent finding is simply idiosyncratic to a single case or consistently replicated by several cases (Eisenhardt, 1991). It is a reliable method design as it allows for replication logic, searching for cross-case patterns and minimising variation between cases (Pauwels and Matthyssens, 2004).

Due to the limited number of cases included in a study, the selection of the firms is one of the most important elements of the case study process. Yin (2009) maintained that the sample size is irrelevant in the case study method as the appropriate sample size depends on the level of certainty expected from the cases. Following the advice of Yin (2009), this study investigates long-term perspective and entrepreneurial orientation (EO) in four multi-generational family firms. The study is intentionally focused on this small number of firms in order to allow a detailed and contextually rich analysis of the complex process. The two multiple case study approaches by Eisenhardt and Yin are summarised in Table 3-2.

Table 3-2. Multi-Case Study Approaches

	Eisenhardt Open Multi-Case Study Approach	Yin's Theory Based Multi-Case Study Approach
Aim	Theory building	Theory enhancing
Number of Variables	Several	Limited set
Level of Detail	Detailed open analysis, qualitative and quantitative data	Specific, focused analysis, qualitative and quantitative data
Number of Cases	Approximately 4-10	Not specified
Theoretical Foundation	Ex ante mostly not existing	Ex ante already analysed
Generalisation	Feasible	Feasible
Researchers	e.g., Eisenhardt (1989, 1991), Pettigrew (1990)	e.g., Lee (1999), Yin (2009)

Source: adapted from Strang (2015, p.328)

The selection of the case study method is guided by the goal of the study. Exploratory case studies are commonly used to gain an understanding of how organisational dynamics or social processes work (De Massis and Kotlar, 2014). The findings from this case method design allow the researcher to explore and fill a void in the extant family business literature (e.g. Pagliarussi and Rapozo, 2011). An exploratory multiple-case study strategy was deemed most appropriate for this thesis as it seeks to understand how a phenomenon takes place.

3.5.2 Case Selection

The sample for this thesis followed a purposeful theoretical sampling technique (Merriam, 1998). In this thesis, cases were selected based on their probability of providing the information needed regarding the phenomenon under investigation (i.e., the

presence of LTO, EO and non-economic goals). Eisenhardt (1989) asserted that randomisation is not necessary in selecting cases but to choose cases that are likely to replicate or develop the theory. The purpose of this study is to develop theory, not to test it, and theoretical sampling is therefore appropriate (Eisenhardt and Graebner, 2007). Theoretical sampling facilitates the exploration of the relevant phenomenon under particular insightful and pragmatic circumstances (Siggelkow, 2007). While it is not possible to statistically generalise results from this type of analysis (Yin, 2003), this study seeks to develop analytical and theoretical generalisations (not statistical) and advance existing theory regarding the entrepreneurial decision-making in family firms. Hence, cases that demonstrate LTO were purposely selected. Cases were chosen to exemplify the phenomenon of study and, therefore, provide a greater understanding about that phenomenon (Yin, 2009; Eisenhardt, 1989; Stake, 1995).

This thesis employs the specific selection criteria of the Successful Transgenerational Entrepreneurship Practices (STEP) Project to identify family firms for participation in the study. The guidelines of the STEP research project have been applied to other studies investigating EO in a qualitative manner (e.g. Nordqvist, Hall and Melin, 2008). The STEP project is a worldwide research initiative analysing entrepreneurship in the context of multi-generational family firms. Founded in 2005 by Babson College, STEP seeks to investigate the impact of resources and entrepreneurial attitudes on financial, entrepreneurial and social performance outcomes across generations of family firms. To be included in the STEP project, a firm needs to meet the following criteria: (1) the owning family must see their business as a family business; (2) the family must hold majority ownership in the main operating business; (3) there must be at least one active operating business; (4) generational involvement in ownership and/or management must span at least two generations; (5) at least 50 employees must be employed by the main operating business; and (6) the owning family must have an ambition to pass on the business to the next generation (Nordqvist and Zellweger, 2010). This strict definition ensured the exclusion of other types of family businesses, which could result in variation in the analysis and ambiguous findings (Gomm, Hammersley and Foster, 2000). Furthermore, since all the firms are required to be at least in their second generation, they are considered to have long-standing histories and traditions. This longevity, particularly the ability to remain a family firm, provides key insights into this study. A summary of the criteria for the selection of cases is shown in Table 3-3.

Table 3-3. STEP Criteria of Selected Cases

STEP Criteria	
1.	The family must see their business as a family business.
2.	Family ownership in the main operating business must be above 50 per cent (voting share).
3.	The family must have at least one active operating business and not only be a passive shareholder or investor.
4.	At least the second generation must be involved in ownership and/or management.
5.	At least 50 employees must be in the main operating business.
6.	The family must have a transgenerational intention, that is, an ambition to pass on the business to the next generation of family members.

Several authors suggest placing boundaries on a case to indicate the breadth and depth of the study. Cases may be limited to time and place (Creswell, 2009); to time and activity (Stake, 1995); and by definition and context (Miles and Huberman, 1994). In this study, the cases have been bound by a concise definition of family firm as outlined by the STEP criteria. Furthermore, the family firms studied were located within the same geographical area—Ireland—to minimise external variation beyond the phenomenon of interest (Eisenhardt, 1989). When companies operate in similar contexts, variation due to institutional factors is avoided (Chang, Van Witteloostuijn and Eden, 2010). A summary of the sampled cases is briefly introduced in Table 3-4.

Table 3-4. Summary Information on Case Firms

	Case 1	Case 2	Case 3	Case 4
Company Name	Barry's Tea	EPS	Flahavan's	Glennon Brothers
Family Name	Barry	Buckley	Flahavan	Glennon
Industry	Hot beverages: Tea	Water, wastewater treatment	Food (oat-based branded cereals)	Timber: Sawmilling
Year Founded	1901	1968	1785	1913
Generation	4 th	2 nd	7 th	3 rd
Family Ownership	100%	100%	100%	100%
No. of Employees	72	300	52	260

The cases were selected based on purposeful sampling leading to information-rich case studies with in-depth details of the phenomenon of study (Patton, 2002). This strategy was used to identify firms which met the STEP criteria. Since STEP requirements include firm involvement of at least two generations and a desire to pass the business to the next generation, the cases included implicit elements of long-term orientation and non-economic goals. Having multiple respondents was a key element in data collection and

analysis because it fostered diverse perspectives (Eisenhardt, 1989). Furthermore, interviews included respondents from multiple generations, which is an important method when researching family firms (Nordqvist, Hall and Melin, 2009). Additionally, the external view of non-family managers contributed to the process of triangulation to ensure validity in the study (Yin, 2009). The sample comprised of four in-depth cases which involved 26 initial interviews, lasting a total of 22.5 hours (see Table 3-6). These were supplemented by the review of data from secondary sources, as explained in the research technique section (section 3.6). Four extra follow-up interviews, one per case, were carried out at the end of the analysis (more details in section 3.6.1.3). The number of case studies was finalised during the data analysis process when theoretical saturation was reached (Eisenhardt, 1989). This occurs when the analysis of the cases does not contribute any new insights into the phenomenon being studied (Eisenhardt, 1989). Saturation was attained in this study when adding cases and interviews had little effect on the number of categories that were included in the analysis. Thus, the addition of new categories (NVivo nodes) gradually decreased as data analysis moved from case 1 to case 4 interviews.

Although multiple case study analysis is an excellent tool for exploring long-term perspective in family firms, results cannot be generalised. Cases studies are generalisable to theoretical propositions and not to populations or universes (Schweizer, 2015). The goal of this thesis is limited to analysing a specific pattern of constructs within a certain context and the firms selected are not necessarily representative. Furthermore, the geographical focus of the study, Ireland, may limit the transferability of our results to other countries. The next section presents the research technique for data collection.

3.5.3 Unit of Analysis

Identifying the unit of analysis is important as it affects how the findings of a study relate to the existing theory. Patton (2002, p.229) explains it as: *“The key issue in selecting and making decisions about appropriate unit of analysis is to decide what it is you want to be able to say something about at the end of the study”*. The unit of analysis is the hierarchy of data aggregation and could range from micro, such as individuals and firms, to macro, such as communities and regions (Yin, 2009). In case studies, the unit of analysis could be individuals, organisations or organisational units, processes, decisions, programmes, events or situations (Yin, 2009). The main unit of analysis of this study is the family firm.

As explained in Chapter 2, it is important to note that the family business system is comprised of the family, the business and the individual. The unit of analysis in this thesis is the family firm as a system, which is comprised of those three subsystems. The family business system helps the researcher to obtain a holistic perspective about the subunits, which is one of the strengths of case study methodology (Patton, 1990).

Yin (2009) advises researchers to avoid confusion between the unit of analysis and the units of data collection. It is common in case studies to have the individual as the data collection source and the collective (organisation or community) as the unit of analysis. As this thesis attempts to explore the influence of long-term perspective on the entrepreneurial orientation of family firms, the most appropriate unit of analysis is the family firm. However, family and non-family members involved in ownership and/or management were the most appropriate units of data collection.

3.6 Research Technique: Triangulation

The previous section presented the research method of this study. The current section focuses on the research techniques, the tools used to carry out the research and steps through which data was collected and analysed.

Table 3-5. Research Process

Step 1	Case Companies Identification	Identified case companies from secondary sources. Checked fit to research framework. Letter sent requesting participation in the research.
Step 2	Secondary Data Collection	Data archives were retrieved. Researcher was familiarised with the firms prior to interviews.
Step 3	Interviews	35-92 minute interviews were conducted with 26 participants between March and November 2013.
Step 4	Further Secondary Data Collection	Field notes, emails, informal conversations and company documents of each firm were gathered.
Step 5	Data Analysis: Coding	Data segmentation into units and rearranging it into categories.
Step 6	Data Analysis: Within-Case Analysis	Detailed description of each case and identification of codes and themes. Data interpretation.
Step 7	Data Analysis: Cross-Case Analysis	Thematic analysis across the cases. Data interpretation.
Step 8	Synthesis	Re-examination of transcripts. Interpretation of findings reviewed against theory and literature in the field.
Step 9	Validation	Findings were discussed with the family business leaders. Four follow-up interviews (one per case) were conducted.

Table 3-5 presents a summary of the steps followed by the researcher. Although the table outlines a linear process, some of the steps have been undertaken concurrently. A greater evaluation can be achieved when the researcher presents, in detail, the steps followed in the development of this study (Denzin and Lincoln, 1994; Wengraf, 2001).

3.6.1 Data Collection

This thesis employed triangulation strategies that helped the researcher to better understand the research problem. Triangulation enhances the validity and reliability of research findings (Eisenhardt, 1989; Miles and Huberman, 1994) and can be achieved by combining several methods or using several types of data (Eisenhardt and Graebner, 2007; Ghauri, 2004; Seale, 1999). Triangulating data allows researchers to adopt different angles to observe the phenomenon of study (Denzin and Lincoln, 1994; Stake, 2013). Several sources of data collection were used in order to identify and validate variation in the findings (Denzin, 1978; Yin, 2009). This thesis employs a combination of initial interviews, archival records (e.g., company publications, company and industry reports, company videos, press articles and company websites), final follow up interviews and observations gathered over three years. Data triangulation is especially relevant to family business research where it is difficult to separate the family business setting from the business decision-making (De Massis and Kotlar, 2014).

3.6.1.1 Interviews

Interviews are often the primary data source in case studies (Eisenhardt and Graebner, 2007). In this thesis, interviews were the main data collection technique while the supplementary techniques were used to anchor and inform the data collection process and to develop extensive understanding of the family firms studied (Seale, 1999; Yin, 2009). Primary and secondary sources were combined to provide detailed insights as follows. First, a personal letter and a follow-up telephone conversation initiated requests for participation. The firms selected for the research study were chosen based on the STEP inclusion criteria (see table 3-3), as well as their ability to add knowledge and contribute to the developing theory (Creswell, 1994). A sample of the letter sent to participants can be found in Appendix B-1. The selection criteria for interviewee profile were driven by the research questions and these include:

- Owner/founder of the family firm;
- CEO or senior manager, regardless of whether family or non-family;
- Board director, regardless of whether family or non-family;
- Family member actively involved in the business and ideally from different generations; and
- Non-family member playing a significant role within the family firm.

Once the firms agreed to participate, secondary sources such as archival data and documentation were used to gather data and to familiarise the researcher with the company histories and activities (see Table 3-7 for secondary data). Secondary data began with a review of the company's website, media articles, documentaries and videos to gather initial information about the firms.

Next, 26 exploratory semi-structured in-depth interviews were conducted with owners and family members active in the business, non-family executives and board members; each of whom were asked open-ended questions concerning the firm, the individuals within the firm and the influence of the family on the management of the firm (see Table 3-6). Open-ended questions were particularly relevant due to the exploratory nature of this case study research (Yin, 2009). The questions posed required the respondents to give facts and also opinions and insights regarding the phenomenon of study. In each firm, 5-7 semi-structured interviews were conducted with both family and nonfamily members whose roles were significant within the family firm.

Interviews were conducted according to the STEP semi-structured interview guidelines. The interview guide, developed by a team of senior scholars in the area of entrepreneurship and family business research, includes questions regarding vision, goals and entrepreneurial orientation, amongst others. Further guided questions were added to investigate long-term orientation, such as: "How is it possible to maintain an entrepreneurial spirit as the business or business group passes through generations within the owner-family?", "How far ahead does the firm look into the future in planning its strategies and operations?" and "Does the company sacrifice short-term benefits for long-term results (i.e., is the company patient about results)?" and non-economic goals of the firm, such as: "To what extent do non-economic goals affect decision-making in the family business?", "Are affective (non-economic) considerations often as important as economic ones?" and "Do strong emotional ties affect decision-making?". The interview

protocol used is an adapted version of the STEP interview protocol and can be found in Appendix B-2. Although the same interview questions were asked to every participant, a semi-structured interview approach was used, allowing new questions to be brought up during the interview as a result of what the participant was saying (Creswell, 2009; Rubin and Rubin, 2011). Questions for non-family members were adapted.

A summary of the interviews conducted between March and November 2013 can be found in Table 3-6.

Table 3-6. Description of the Interviews

Company	Interviewee Title	Family member	Shareholder	Length (min)	# pages (transcript)	Date of interview
Barry's Tea (Case 1)	Non-executive Board Director	4G	Yes	36	12	Mar 2013
	Finance Director	No	No	35	15	Mar 2013
	Marketing Director	No	No	52	21	Mar 2013
	Chairman	3G	No	43	14	Mar 2013
	MD	4G	Yes	40	14	Mar 2013
	IT Director	No	No	42	13	Mar 2013
EPS (Case 2)	Commercial Director	2G	Yes	38	16	Oct 2013
	Board Director (co-founder)	1G	Yes	62	15	Oct 2013
	MD	1G	Yes	65	16	Oct 2013
	Auditor	No	No	58	18	Oct 2013
	Deputy MD	2G	No	64	25	Oct 2013
	Operations Manager	No	No	65	18	Oct 2013
	Large contracts Manager	No	No	50	17	Oct 2013
	Board Director (co-founder)	1G	Yes	60	22	Nov 2013
Flahavan's (Case 3)	National Account Manager	No	No	54	18	Oct 2013
	Financial Controller	7G	No	52	18	Oct 2013
	CEO	6G	Yes	75	26	Oct 2013
	International Business Manager	7G	No	35	10	Oct 2013
	Marketing and Sales Manager	No	No	35	9	Nov 2013
Glennon Brothers (Case 4)	Sales and Marketing Director	No	No	37	16	Apr 2013
	Financial Director	No	No	49	23	Apr 2013
	Forestry Manager	No	No	55	27	Apr 2013
	Non-executive Board Director	3G	Yes	92	26	May 2013
	co-CEO	3G	Yes	71	32	Aug 2013
	co-CEO	3G	Yes	49	19	Aug 2013
	Scotland Business Manager	No	No	43	14	Aug 2013
Total	26			1,357	474	

Each interview ranged from between 35 and 92 minutes in length and was recorded and transcribed verbatim. The interviews were held between March and November 2013 at the premises of the interviewee. By being part of the participant's natural setting, the researcher can develop a greater level of detail regarding the individual or place and be highly involved in actual experiences of the participants (Creswell, 2009). The adapted interview protocol functioned as a guide to steer the conversation around the issues pertinent to the research topic of this study and was sent to participants in advance for review. Conversations were allowed to flow freely, which gave the participants an opportunity to tell their stories. After each round of interviews, the researcher took notes and a report was produced to gather observations and feelings of the participants. Overall, 22.6 hours of interviews were analysed and captured by 474 pages of interview transcripts. During the time of the interviews, field notes were taken including preliminary thoughts and interpretations. Field notes, emails and informal conversations complemented the taped interviews. In addition, members of the management teams were asked to supply company documents and family information as available.

3.6.1.2 Secondary Data Sources

After the interviews were completed, multiple follow-up conversations took place and emails were exchanged between the researcher and family and non-family stakeholders during the period 2013 and 2015, which allowed for any clarifications needed when analysing the data. Further secondary data was provided by the firms during this period such as company reports, company presentations and a company history book (as in Case 4). Moreover, additional secondary data was also collected by the researcher during the data analysis. These included observations, archival data and other documentation which included media articles, television and radio documentaries, videos, public professional profiles of interviewees, public corporate pages and documents with the National Company Register. For a summary of secondary data sources see Table 3-7.

Table 3-7. Secondary Data Sources

Secondary Sources	Barry's Tea (Case 1)	EPS (Case 2)	Flahavan's (Case 3)	Glennon Brothers (Case 4)
Media Articles	39	9	7	47
Company Reports	19	32	5	-
National Companies Register ^a	1	1	1	1
Corporate Presentations	-	4	1	1
Television/Radio Documentaries	4	-	4	1
Videos	29	8	17	6
Company History Book	-	-	-	1
Professional Interviewee Profiles	2	3	3	2
Public Corporate Webpage	2	1	2	1
CFB ^b presentations and events	-	5	5	4
# Of Material	96	63	45	64

a Denotes directorships registered with the national companies register, as accessed through the FAME database of Bureau van Dijk.

b CFB is the abbreviation for the Dublin City University Centre for Family Business. The CFB is a university centre of excellence in the management and sustainability of Irish family businesses.

3.6.1.3 Follow-up Interviews

Finally, once the data was analysed, four extra interviews were conducted within a period of three months (October-December 2015) to ensure the validation of the findings. All follow-up interviews, one per each firm, covered a summary of the findings in relation to long-term orientation, its influence on the entrepreneurial orientation of the firm and the non-economic goals of the firm. Through these final interviews, the case histories were verified by the informants, who also helped to confirm the understanding developed by the researcher and reconcile any conflicting evidence. The supporting interviews ranged from 25 minutes to 40 minutes in length. The intention behind the follow-up interviews was to validate some of the insights gained from the analysis to answer the research questions of this study, which is consistent with Creswell's (2009) recommendations. The process of data analysis is described in-depth in the next section.

3.7 Data Analysis

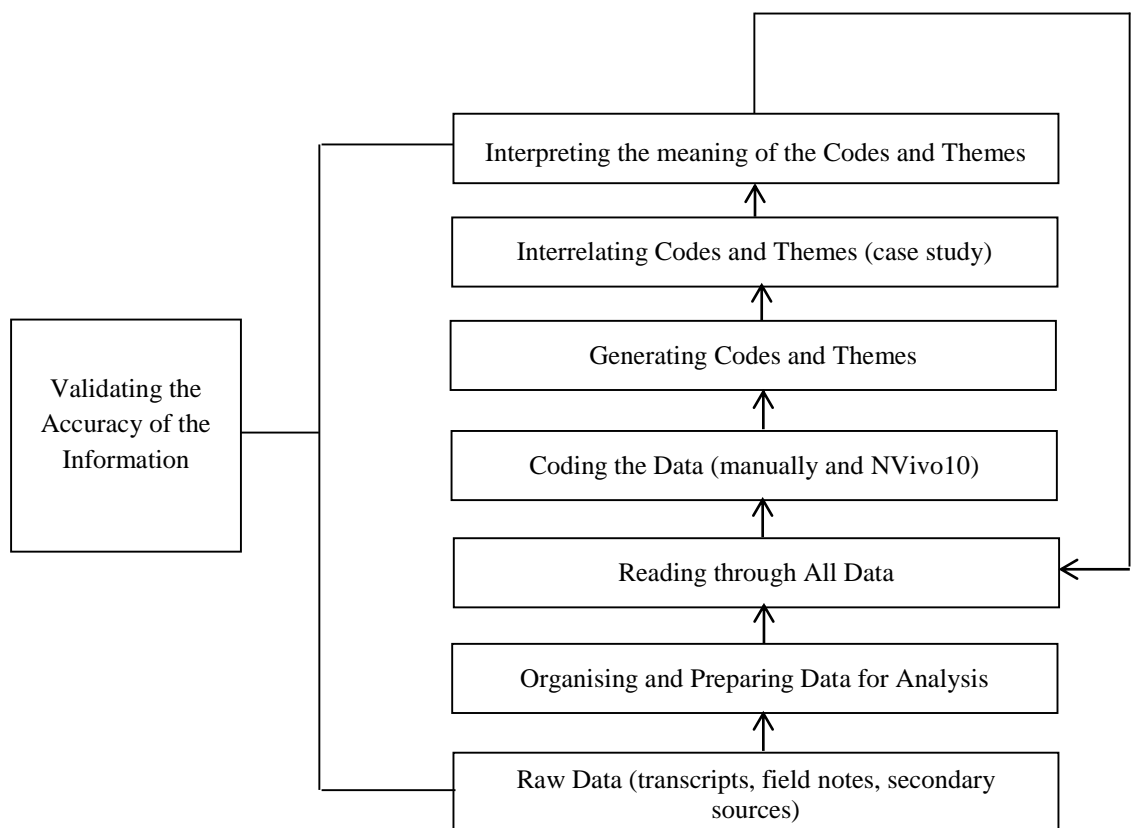
The data analysis in this thesis unfolded in several steps; starting from data coding and followed by the description of the within-case and cross-case analyses to conclude with the development of testable propositions. The data analysis was an iterative process

(Eisenhardt, 1989) going back and forth between the theoretical framework and the empirical material gathered to extend and build new theoretical insights.

3.7.1 Data Coding

The first step involved data coding of interview transcripts and secondary data. To provide structure to the data analysis process, this thesis adopted the approach recommended by Creswell (2009) in Figure 3-3. While Figure 3-3 might suggest a linear approach, in practice, it is an interactive process and the different stages are interrelated.

Figure 3-3. Data Structure for Analysis



Source: adapted from Creswell (2009, p.185)

Coding qualitative data involves segmenting the data into units and rearranging it into categories to facilitate analysis, comparison and the development of theory (Strauss and Corbin, 1998). The coding of qualitative data involves assigning unique labels to text that contains references to specific categories of information (Miles and Huberman, 1994). This primary data coding involved the use of existing theory and prior research to identify key concepts as initial coding categories (Kyngas and Vanhanen, 1999; Potter and Levine-Donnerstein, 1999). Interview transcripts and reports were entered in NVivo 10

and they were coded via the creation of categories (nodes under the NVivo 10 terminology). For an example of nodes and report of transcripts in NVivo see Appendix B-3 and B-4 respectively. These comprised of phrases, terms or descriptions all revolving around LTO, EO and non-economic goals.

Operational definitions of the main constructs were developed using definitions from the literature, all the transcripts and documents collected were carefully reviewed and verbatim quotes highlighted (Miles and Huberman, 1984) from text that appeared to reflect a long-term perspective, non-economic goal or an entrepreneurial orientation. The initial fine-grained coding consisted of more than a thousand text pieces and quotations from the four case studies. In the next step, the text pieces were allocated to the first-order codes (see Figure 3-4 and 3-5). With futurity (Figure 3-4), for example, the case data was designated to this dimension when there was evidence of first-order codes such as: “demonstrate that there is value to planning for the long-term”, “forecasting long-range consequences of current actions”, “evaluating long-term consequences”, “statements that emphasise the future”, “engagement in succession planning” or “tasks aiming to pass control or ownership to next generation”. These initial six categories were then grouped into two second-order themes— “estimation of the future” and “transgenerational control intentions”—which formed the aggregated theoretical dimension of futurity. Similarly, in the data structure for non-economic goals (Figure 3-5), “family harmony” and “family unity” emerged as second-order themes from the previous five first-order codes and they all were aggregated into the “maintaining family unity and harmony” goal. At times, the data did not fit well into a code or referred to more than one code which led to continuous revisions of the codes and categories. Sub-categories emerged, similar categories were combined, or others split up until everything had been categorised (forming the aggregated theoretical dimensions, see Figure 3-4 and 3-5). Each recurrence further enriched the researcher’s conceptual understanding of the constructs. To ensure consistency of coding, a coding manual was developed which included definitions of each category and examples (Weber, 1990). The coding manual comprised the code name, code definition and examples. It was generated based on a mixed deductive and inductive approach. On the one hand, the codes were derived theoretically, taking into account the research question of the study, from the literature in the entrepreneurship and family business field. On the other hand, codes and themes were identified from the transcripts and secondary data, providing the basis for generating new codes or modifying the codes

developed by induction. The codes and categories used to analyse LTO and non-economic goals are presented in Figure 3-4 and 3-5. Throughout the analysis, the data was cross-referenced with theory and set aside if it was not applicable to the framework. Coding sample text, checking coding consistency and revising the coding manual is an iterative process and, as such, was continued until sufficient coding consistency was achieved (Weber, 1990). During this step, NVivo 10 facilitated the organisation of all the codes that emerged from the data. Furthermore, the length of the analysis supported the iterative process, which involved moving back and forth between data and existing theories (Bazeley, 2010; Eisenhardt and Graebner, 2007; Suddaby, 2006).

An intercoder reliability test was performed to develop a more accurate and robust coding design (Miles and Huberman, 1994). Intercoder reliability assesses the degree of similarity between multiple coders' coding of data. An intercoder reliability test increases the dependability of a study by using external researcher/s to analyse a sample of the data. The coding manual, containing all the coding categories and definitions, was provided to a doctoral student based in the entrepreneurship field. The researcher also supplied a sample of relevant literature to familiarise the doctoral student with the phenomenon of study. Next, transcripts of interviews were provided in order to code quotes under the categories in the coding manual. The sample represented 25% of the complete transcript data set. The researcher ensured that the sample included all codes and categories available in the study.

Once the intercoder had coded the sample, the similarity was calculated through the number of coding agreements, and divided by the sum of code agreements and disagreements (Miles and Huberman, 1994). The comparison between the coding of the researcher and the intercoder had a similarity of 0.87 which is above the suggested threshold of 0.70 (Cohen, 1960; Kreiner, Hollensbe and Sheep, 2009). The intercoder agreement of 0.87 meant that the coding process was coherent, confirming the reliability and the robustness of the analysis. Discrepancies between interpretations were debated with an Assistant Professor to reach consensus.

Figure 3-4. Data Structure for LTO

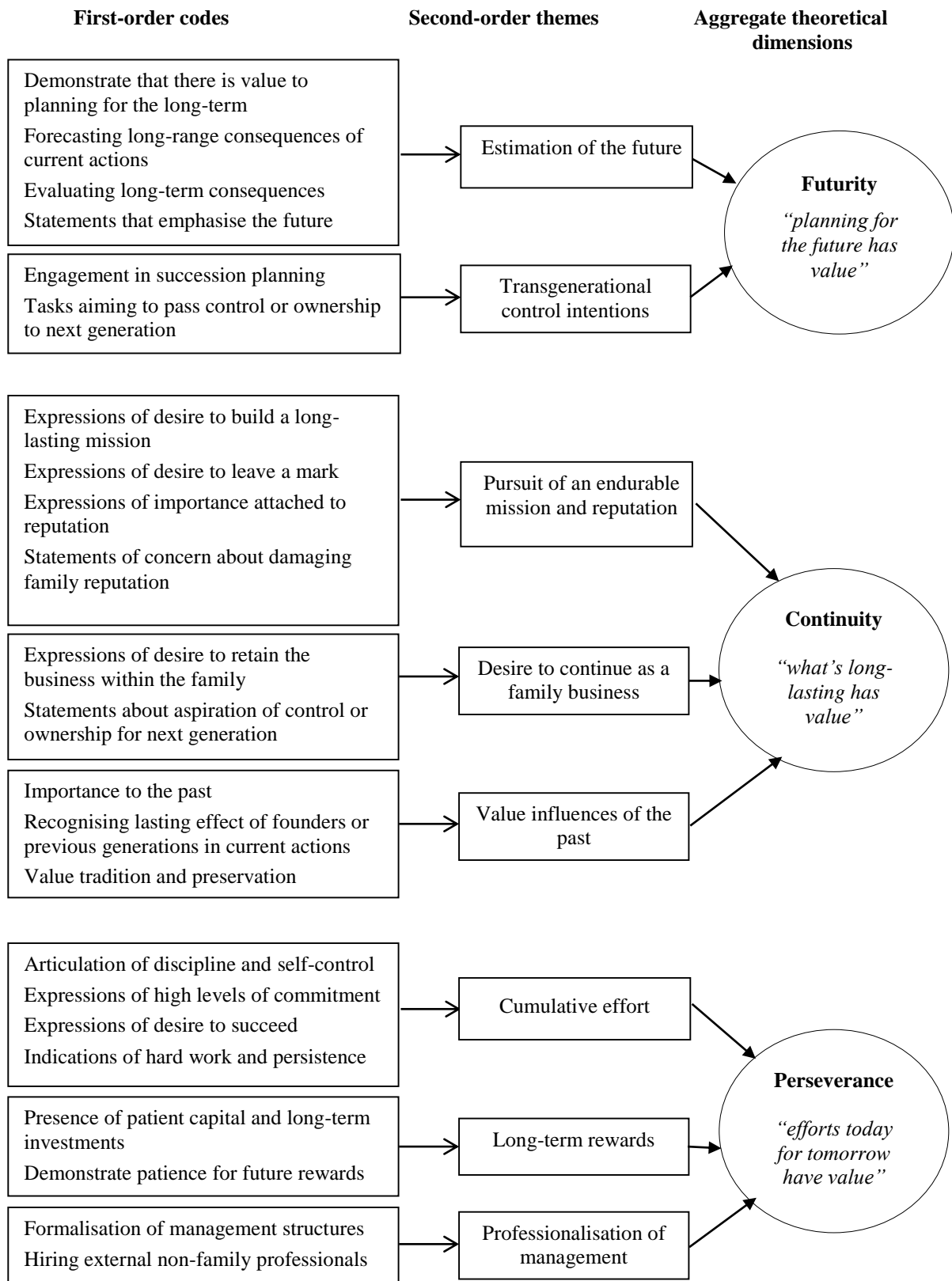
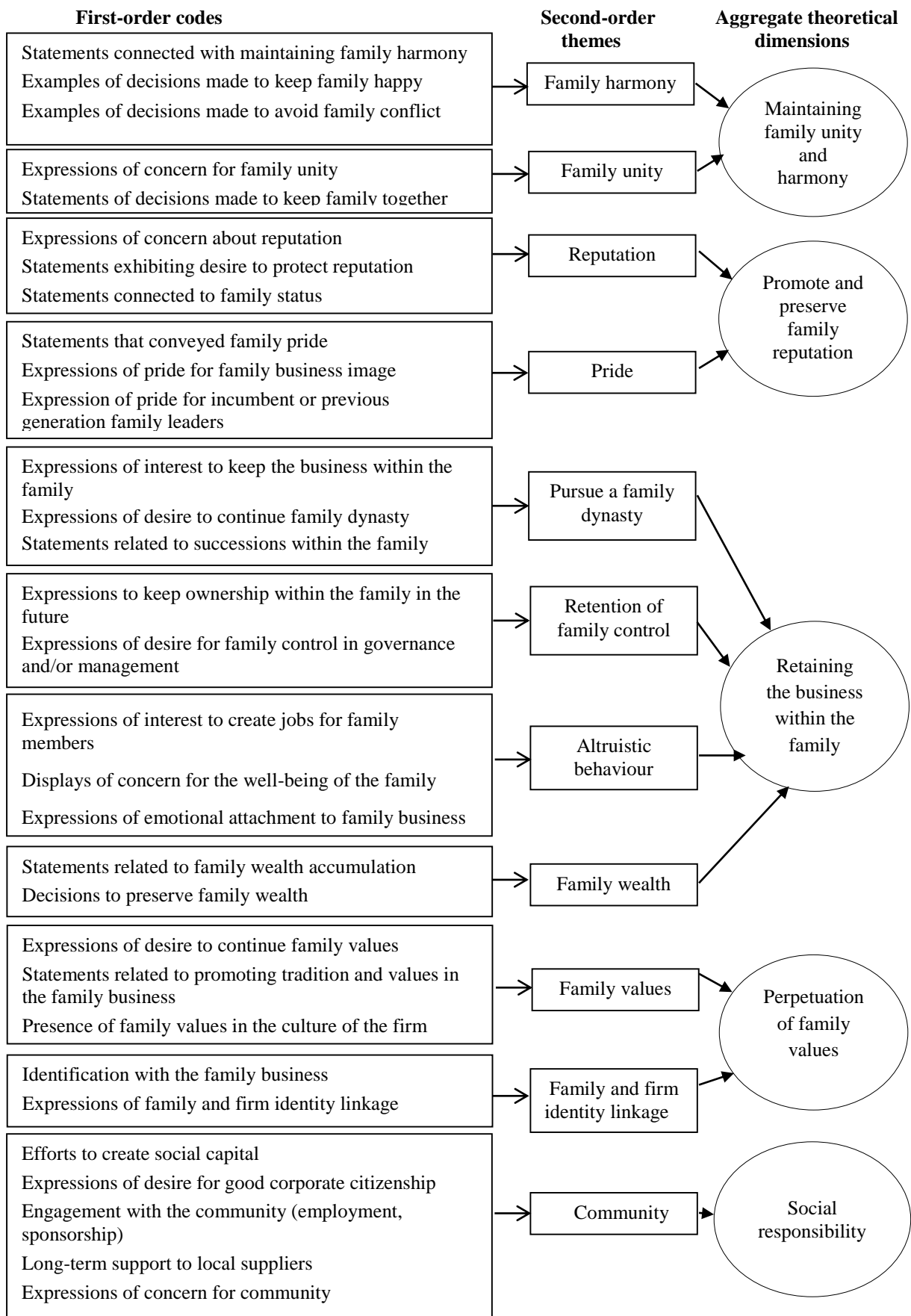


Figure 3-5. Data Structure for Non-Economic Goals



The data coding, modelling and analysis of this thesis were assisted by the qualitative software package NVivo 10. NVivo 10 allows researchers to manage data and ideas, and test the data to report results across specified parameters (Bazeley and Richards, 2000). Transcripts of interviews, notes and documents for each case were coded and analysed using NVivo 10. This software program enabled the systematic coding of several thousand pages of data collected about the cases.

3.7.2 Within-Case Analysis

As per table 3-5, the next stage of analysis, a detailed description of each case was undertaken and the themes were identified (for within-case-analysis refer to Chapter 4), followed by a thematic analysis across the cases (for cross-case analysis refer to Chapter 5), in addition to an interpretation of the cases. In exploratory multiple case studies, the within-case analysis chapter is not only the longest but also the “heart and soul” of the research (Schweizer, 2015). The within-case analysis consisted of codes, patterns and themes which emerged from the data. The goal is to develop a rich understanding of the long-term perspective of family firms through description and analysis of the different constructs. The data analysis was conducted through the use of analytical tools, such as diagrams, tables and frameworks. As recommended by Eisenhardt (1989) and Eisenhardt and Graebner (2007), summary tables are used to confirm the rigour and depth of the empirical foundation of the theory. Each case starts with a short firm profile and then it is divided into three main parts. The first part contains detailed analysis of the presence of the LTO dimensions and how they manifest within the firm. The second part is the subsequent analysis which explores the influence of LTO dimensions on the innovativeness, proactiveness and risk-taking of the firms. The third part identifies the most salient non-economic goals in each case to later analyse their influence on the LTO of the firms. The within-case analysis process helped the researcher to familiarise with each case individually and identify patterns of each case before cross-case analysis is performed (Eisenhardt, 1989).

3.7.3 Cross-Case Analysis

The next stage of analysis involved cross-case analysis. The researcher used replication logic and investigated the similarity (or lack thereof) of patterns across the cases (Strauss and Corbin, 1998). “*cross-case searching tactics enhance the probability that the*

investigators will capture the novel findings which may exist in the data” (Eisenhardt, 1989, p. 541). The cross-case analyses were built on the results emerging from each within-case analysis. The patterns that gradually emerged from the within and cross-case analyses were repeatedly compared with the cases in order to evaluate their fit with the observations and to develop tentative propositions. Case studies were compared to previously developed theory and replication was claimed when two or more cases supported the same theory (Yin, 2009). Cases with recurrent patterns enhanced the validity of the emerging relationships which provided insights for answering the research questions. Cases disconfirming those relationships formed an opportunity to refine and/or extend theory (Eisenhardt, 1989). Recurring patterns led to the development of a set of propositions, as exhibited in Chapter 5.

After the cross-case analysis, the transcripts were re-examined to ensure the emerging findings were consistent with the data. The interpretation of the findings was reviewed against theory and literature in the field (Eisenhardt, 1989). To increase reliability and allay confidentiality concerns, the findings were discussed with the family business leaders in the second round of interviews. Only minor adaptations were made based on their feedback. The next section, 3.8, is devoted to the validity of the research.

3.8 Criteria for Evaluating Research

Case study research has been subject to scrutiny regarding the rigor of its different kinds of validity (Andersen and Skaates, 2004; Healy and Perry, 2000; Miles and Huberman, 1994; Flyvbjerg, 2006). While some scholars use evaluations applied to quantitative research—construct validity, internal validity, external validity and reliability (e.g. Yin, 2009)—others have translated those terms for qualitative research—credibility, dependability, transferability and conformability (e.g. Denzin and Lincoln, 1994). It was the researcher’s view that post-positivism was the best paradigm to guide this study and therefore adopted the validity tests proposed by Yin (2009), which are discussed in the following subsections and summarised in Table 3-8.

3.8.1 Construct Validity

Construct validity is concerned with identifying correct operational measures for the constructs to study (Yin, 2009). The case study method suggests using multiple sources of evidence in a triangulation fashion to address any potential problem: “*data triangulation... essentially provide[s] multiple measures of the same phenomenon*” (Yin, 2003, p. 99). Potential issues with construct validity are reduced not only through triangulation but also via the use of prior theory, having key informants to review case study reports and establishing a clear line of evidence (Gibbert, Ruigrok and Wicki, 2008; Riege, 2003; Yin, 2009). In order to improve the construct validity of the current study, the researcher employed data triangulation, as described in section 3.6.1. Multiple sources of data allowed the researcher to provide rich descriptions of evidence to support the findings. All the data collected was coded and transferred to NVivo 10 and analysed and compared with existing theories. In addition, one final interview with each of the firms was conducted to review and discuss the findings and strengthen the chain of evidence through participant validation (Altheide and Johnson, 1998; Miles and Huberman, 1994; Yin, 2009). The interviews involved a discussion of the findings regarding the long-term orientation, entrepreneurial orientation and non-economic goals of the firm.

3.8.2 Internal Validity

Internal validity refers to the extent to which findings are true, in particular, whether they capture causal relationships as opposed to spurious relationships (Kidder and Judd, 1986). It focuses on demonstrating clear and coherent case study findings (Patton, 1990). While it has been suggested by Yin (2009) that internal validity is mainly relevant to explanatory case studies (when the researcher seeks to establish causal relationships), he further adds that it “*extends to the broader problem of making inferences*” (p.43). Inferences in case studies occur every time that an event cannot be observed directly. Pattern-matching and explanation-building are regarded as valuable tactics for case study methodology (Yin, 2009).

This study addresses internal validity by employing pattern-matching techniques in the data analysis process through within and cross-case comparisons. Pattern-matching was further enhanced by comparison with previous literature (Eisenhardt, 1989). Furthermore, the use of qualitative data analysis software, NVivo 10, (Bazeley, 2010; Edhlund, 2008; Richards and Richards, 1994) bolstered the aggregation and analysis of different sources

of information. After the pattern-matching, it was possible to combine the findings from different cases and build explanations regarding the themes of this thesis in the form of propositions for further research.

3.8.3 External Validity

External validity refers to the extent to which findings are generalisable beyond the immediate sample (Seale, 1999). Case studies rely on analytical generalisation (as opposed to statistical generalisation) where the researcher attempts to generalise a particular set of findings to some broader theory (Yin, 2009). Analytical generalisation applies to generalisation from empirical observations to theory rather than to population (Gibbert, Ruigrok and Wicki, 2008). To improve generalisability, it has been suggested that a rich, detailed description of cases, participants and settings be provided (Lincoln and Guba, 1985) and replication logic in multiple case study methodology be employed (Yin, 2009). This thesis addresses external validity by constructing detailed descriptions of each case and construct of study. Furthermore, the findings of each case were compared against the rest using the recommended replication logic. However, it is important to note that this study acknowledges the diversity and heterogeneity of family firms and, therefore, aims to further understand the phenomenon of study rather than finding patterns and relationships that can be applied to other family firms.

3.8.4 Reliability

Reliability refers to the ability to replicate a study. In case study research, it is concerned with the extent to which results could be replicated if another researcher reproduced the study following the same methods (Seale, 1999; Yin, 2009). Reliability is based on reducing errors and biases in a study; hence, the research process is consistent over time (Miles and Huberman, 1994). To address reliability, the data collection methods must be well-documented and described, and the use of case study protocols in multiple-case design is recommended (Yin, 2009). The present study used an interview protocol (explained in section 3.6) that was complemented by a case study protocol which included descriptions of the procedures. Another principle that is suggested to enhance reliability in qualitative research is an audit trail. Audit trails document the course of development of the completed analysis. Dating to Lincoln and Guba (1985), the audit trail concept is based on a second party who, once familiar with the study and its methodology, can audit

the research decisions and the methodological and analytical processes followed and, therefore, confirm its findings. This thesis developed an audit trail by maintaining a log of all research activities, developing notes and memos and documenting all data collection and analysis procedures throughout the study (Creswell and Miller, 2000).

Finally, the empirical data of this thesis has maintained a chain of evidence (Yin, 2009), i.e. a clear and logical sequence from the research questions, through to the case study and interview protocol, followed by the several sources of evidence and the audit trail and finally, the conclusions that were drawn. Table 3-8 outlines a summary of the discussed quality criteria for this study. Ethical considerations are discussed in the next section.

Table 3-8. Validity Tests

Test	Adopted Tactic	Phase of Research
Construct Validity	• Use multiple sources of evidence	Data collection
	• Establish chain of events	Data collection
	• Key informants review findings	Report composition
Internal Validity	• Pattern-matching	Data analysis
	• Explanation-building	Data analysis
External Validity	• Replication logic	Research design
	• Rich detailed explanation	Data analysis
Reliability	• Use of protocols	Data collection
	• Audit of trial	Data collection and analysis
	• Chain of evidence	Data analysis

Source: adapted from Yin (2009)

3.9 Ethical Considerations

Ethical considerations are important components of social research (Bloomberg and Volpe, 2008). This section presents the procedures followed to comply with ethical issues and avoid any risks to the participants.

Permission for ethical clearance was requested from the Dublin City University Research Ethics Committee prior to the commencement of the data collection. This research was approved and qualified as a low risk social research project by the Dublin City University Research Ethics Committee in March 2013. The letter of approval from the Research Ethics Committee can be found in Appendix B-5.

To comply with the ethical considerations of the Dublin City University Research Ethics Committee and the STEP project, two forms were employed in this study: (i) individual consent form, and (ii) STEP confidentiality agreement. The individual consent form was provided with a Plain Language Statement which explained the purpose and nature of the research, the benefits and risks associated with participation in the study, assurance of confidentiality, details of the participant's function and the contact details of the Dublin City University Research Ethics Committee should participant wish to contact if they had any concerns regarding the study (Appendix B-6). The individual consent form indicated that participation was voluntary and that participants could withdraw from the interviews and from the study at any time. The form conveyed the intention to use the information obtained in the interviews to make collective analysis. The consent form included permission to audio-tape the interview. The STEP confidentiality agreement, a consent form for firm level, lays out the firm's agreement to participate in the research conducted by Dublin City University, in furtherance of their institutional participation in the STEP project. This agreement is a condition of participation in the STEP Project and serves as an acknowledgment that the firm and the institution understand and support the stated objectives of the Global STEP Project (Appendix B-7).

Prior to the interviews, each participant received information concerning the study and was provided with the individual consent form. CEOs were also provided with the STEP confidentiality agreement in advance. Each participant was required to sign the consent form prior to the interview. The participants were informed that the interviews would be recorded in the informed consent form and also verbally before conducting the interviews. The limitations of the chosen methodological approach are discussed next.

3.10 Limitations of Methodological Approach

This chapter has discussed the many strengths of case study research, however, there are certain limitations to this methodology that are applicable to this thesis. Firstly, a common criticism of case study research is that it is weak in generalisability (Punch, 2005). By definition, case studies cannot make claims to be universal or general (Merriam, 1998; Yin, 2009). This thesis sample is purposive and non-numerical, therefore, its aim is not to represent some larger population. As previously explained, the findings and interpretations of this study and, subsequently, the derived propositions, are analytical rather than statistical generalisations formulated through rigorous research. Secondly, it

has been suggested that theory development from case study research can be narrow and idiosyncratic (Eisenhardt, 1989). This study is conducted in the particular context of family business and does not suggest that the findings are transferable to other types of firms. In fact, due to the idiosyncrasy and heterogeneity of family firms, this research does not suggest that it is transferable to other family firms with different characteristics to the ones studied; specific family-related aspects, such as family structures, family values, succession plans or family harmony, can easily change the dynamics of the family business. Furthermore, this thesis was conducted in a specific geographical context—Ireland—therefore, the applicability of the results to family firms from other countries may be limited. Thirdly, case study research is also highly criticised for having greater potential for researcher bias (Yin, 2009), which is introduced by the subjectivity of both the researcher and the participants (Hamel, Dufour and Fortin, 1993). Triangulation (section 3.6.1) and the reliability measures (section 3.8.4) were used to minimise the errors and biases in the study. Additionally, an intercoder reliability test (section 3.7.1) was developed as an external check to the research process and four final follow-up interviews, one per firm, were conducted to mitigate any possible bias during the research process. Finally, the evidence created from multiple-case study research is considered robust and reliable, but it can also be very time consuming and expensive to carry out (Baxter and Jack, 2008).

The study has aimed to be rigorous and exploit the rich information available from the case studies, thus, allowing for a detailed exploration of the LTO of multi-generational family firms, its influence on entrepreneurial orientation and its association with non-economic goals.

3.11 Chapter Summary

This chapter put forward an in-depth discussion of the research methodology adopted to guide this thesis. The researcher decided on a post-positivism paradigm and a critical realism stance as the most suitable choices for this thesis. The choice of qualitative research strategy and case study method were guided by the exploratory nature of the research. The research technique section included a discussion of the data collection via triangulation. Considerable time and effort were afforded to the identification of theoretical research issues, selection of cases and careful documentation of case research

methodology procedures. The chapter continued with a presentation of the data analysis process which was supported by NVivo 10. Next, ethical considerations were described followed by the validity tests for this research approach in terms of construct validity, internal validity, external validity and reliability. Finally, a discussion of the limitations of this methodological choice is presented. The next chapter (Chapter 4) presents the within-case analysis of each case.

Chapter 4. Within-Case Analysis

4.1 Introduction

Chapter 3 contained the rationale for the research methodology and the design for collecting and analysing data for the current research study. The objective of this chapter is to present the first part of the multiple case analysis, which consists of a detailed study of each individual case. This will allow the reader to familiarise themselves with each case and identify unique patterns.

This chapter is structured as follows: Section 4.2 presents the steps involved in the within-case analysis. A summary of the four case profiles is provided in Section 4.3, followed by an analysis of each individual case, with the objective of addressing the research questions. The chapter concludes with a summary.

4.2 Within-Case Analysis Steps

The within-case analysis is organised and presented in three steps:

1. Completion of case profiles.

Individual case profiles were completed to provide an overview of the family and the business for each case.

2. Analysis of the cases and how LTO is manifested in those cases (RQ1).

The empirical findings have been framed around the three LTO dimensions—*futurity*, *continuity* and *perseverance*—as previously derived from the literature review. The identification of each of the LTO dimensions is linked to the presence of the first-order codes in each case and is then grouped under second-order themes; explained in Chapter 3 (see Figure 3-4). Empirical findings for each case relevant to RQ1 are then summarised at the end of this chapter in Table 4-9.

3. Analysis of the LTO influence on the EO of the firms (RQ2).

The three LTO dimensions have been analysed individually with respect to the four firms in terms of their emerging relationships with innovativeness, proactiveness and risk-taking. The influence of the LTO dimensions on the EO of each individual case was driven by the data. Therefore, the LTO dimensions might differ depending on their

salience in each case as elicited from the data. Empirical findings in relation to RQ2 are summarised in Table 4-10.

4. Identification of the non-economic goals of the firms (RQ3).

The most salient non-economic goals of each of the cases are identified. Those non-economic goals are linked to the presence of the first-order codes in each case and then grouped under second-order themes; explained in Chapter 3 (see Figure 3-5). The most salient goals for each case are summarised in Table 4-11.

4.3 Summary of Case Profiles

The case profiles were created from data gathered over three years as a combination of interviews (core and follow-up), archival records (e.g. company publications, company and industry reports, newspapers) and observations (see Table 3-7 for secondary data). The family firms analysed are active in four different industries (hot beverages, food, timber and water treatment) and are each characterised by diverse features in terms of size, turnover, age and generational involvement. In the four family firms analysed, 100% ownership is retained by the family, and each of the current CEO is a family member. The age of the firms varies between 47 years and 230 years. The diversity of firms chosen aids the understanding of the central phenomenon, in this case, LTO, by observing different perspectives and contexts (Eisenhardt, 1989). To minimise external variation beyond the phenomenon of interest (Eisenhardt, 1989) and to minimise the effect of cultural issues (Gaines, Gurung, Lin, and Pouli, 2006), the family firms studied are within the same geographical area i.e., Ireland. Investigating a precise sample (e.g. one region: Ireland) can lead to more accurate results in theory-driven research as other factors that might affect the study are kept constant while the impact of variables that are unrelated to the focus of the research are minimised (Davidsson, 2007). An overview of the four firms is provided in the previous chapter in Table 3-4. Cases were selected according to the STEP case study criteria (refer to Chapter 3, Section 3.5.2).

The discussion of LTO differed in each individual case as it was driven by firm-specific data and its association with EO. Therefore, the dimensions differed from case to case, and the discussion regarding these dimensions is dependent on their salience in each individual case, as elicited from the data.

4.4 Case 1: Barry's Tea

4.4.1 Case Overview

Founded in Cork in 1901, Barry's Tea is a fourth generation family business and one of the leading grocery brands in the Irish market. James J. Barry, grandfather of the present chairman, Peter Barry, started with a small family run grocery shop in Cork City. The growth in popularity of this product over the following 60 years, during which time their teas were sourced mainly from India and Sri Lanka led the company to wholesale distribution of the brand. Barry's Tea first sold its tea to other shops in the city and suburbs before branching out to the rest of Ireland. The success of their tea, and the market's demand for it, encouraged the company to market test new teas emerging from East Africa. The exceptional reaction to these new blends subsequently shaped the signature of Barry's Tea blends.

For the Irish, tea is not merely a drink but a tradition; it is a beverage that has become an Irish institution believed to solve every problem life presents. Irish people drink on average four cups of tea a day, making them the second highest per-capita tea consumers in the world (Euromonitor, 2012). Barry's Tea accounts for 24% of the tea sales nationwide. Whilst Barry's Tea has a multi-national presence, the majority of sales are from Ireland, in particular, from its home province of Munster. The firm exports to eighteen countries spread across the US, Canada, Europe, Australia, New Zealand, Middle East and Asia. Barry's Tea is strategically committed to developing export markets with particular focus on the Irish diaspora and all discerning tea drinkers. English speaking countries, such as the UK, the US, Canada, Australia and New Zealand, receive a significant number of Irish emigrants who develop Irish communities in an effort to remain connected to their home culture. This is how Barry's Tea created a loyal overseas consumer base.

The Barry family come from a line of politicians that stem back three generations, each of whom have focused their political careers on improving the lives of people within their community. The first Barry to enter politics was the founder's son, Anthony Barry (1932-1962 as a politician), followed by his son, Peter Barry (1969-1997), who is now the current chairman. The latest Barry to undertake a political life is Peter Barry's eldest daughter, Deirdre Clune (1997- present). The Barrys are the only family to produce three generations of Lord Mayors in their home city of Cork. In his capacity as Foreign

Minister, Peter Barry was heavily involved in the negotiations which resulted in the 1985 Anglo-Irish Agreement¹ between the UK and Ireland. As a family of politicians, the Barrys have always placed a great emphasis on managing their image and reputation. In this regard, ethics are especially important to Barry's Tea. The firm helps sustain its producers' communities by buying tea directly through government agencies to ensure the development of the local economies in East Africa where 95% of its tea is bought. Additionally, the Barry family supports a number of cultural, educational and community projects every year as well as being present at the majority of large Irish festivals. In 1991, the company became the official sponsor of the Cork GAA² (Gaelic Athletic Association) team for seven consecutive years. The GAA is one of the most coveted sponsorships in Ireland as it represents the largest sporting, cultural and community organisation in the country.

The current Managing Director, Tony Barry, owns 55% of the company with the remaining shares split between his other five siblings. Tony is, intentionally, the only family member involved in the management of the business. His father, Peter Barry (third generation), acts as Chairman, and Donagh, one of Tony's brothers, is the sibling representative on the board. As the majority shareholder and the only family member directly involved in the business, Tony carries the sole responsibility of preserving the family wealth. Under Tony's direction, Barry's Tea has experienced some major changes in its strategy. Spurred by the industry's maturity and lack of opportunity, the company decided to expand outside the tea operations by investing in non-tea based holdings. Investments in non-related tea industries include a broad variety of sectors, such as media, recruitment, food and ship building, among others. By following a diversification strategy, unrelated to the core business, the Barry family have endeavoured to ensure the preservation of the family business by growing family wealth as well as through risk diversification.

Barry's Tea presents a strong corporate culture that revolves around the family values of quality, transparency and respect. The family leaders have sought to create a caring and harmonious environment for family and non-family members throughout the generations.

¹ The Anglo-Irish Agreement was an agreement signed in 1985 between the United Kingdom and Ireland which helped to bring an end to the troubles in Northern Ireland. The agreement gave the government of Ireland an official consultative role in the affairs of Northern Ireland.

² The GAA is a volunteer organisation which develops and promotes Gaelic games and is at the core of Irish identity and culture.

Their strong focus on quality, along with their distinctive ability to blend and taste tea, makes Barry's Tea the leading organisation that it is today. Currently, Barry's Tea is a fourth generation family business and is number two in the Irish tea market, possessing approximately 24% of all tea sales in Ireland. The family employs 72 people at their premises and retains the company's unlimited status.

A summary profile of the Barry family and timeline of main events at Barry's Tea can be found in Figure 4-1 and Table 4-1 respectively.

Figure 4-1. Profile of the Barry Family

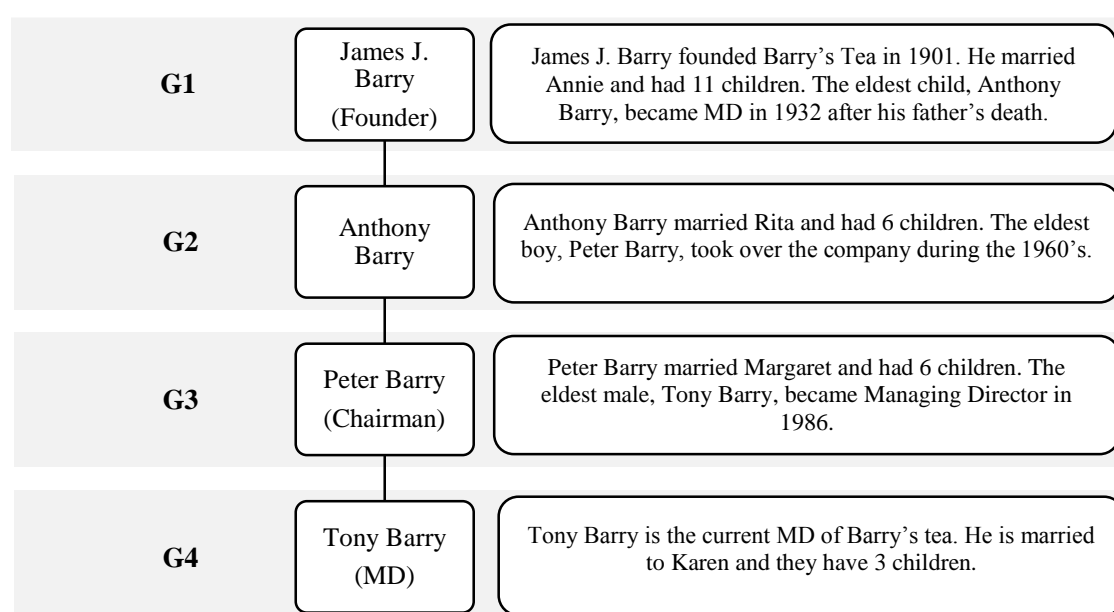


Table 4-1. Timeline of Barry's Tea

Date	Event
1901	Barry's Tea was founded by James J. Barry. The first premises were a retail shop at Bridge Street in Cork City, Ireland.
1911	A second shop at Princes Street was opened. The Bridge street shop closed in the 1920s, allowing the new shop to focus on importing and blending tea from India and Ceylon (Sri-Lanka).
1934	Anthony Barry (2G) was awarded the Empire Cup for tea blending in confirmation of his expertise in the tea trade. The company placed enormous emphasis upon quality, and, as a result the market share of the company continued to grow.
1960	Peter Barry (3G), Anthony's son, pioneered the concept of wholesaling tea and began sourcing teas from East Africa. There was a tremendous reaction to these new African blends.
1967	Due to the significant growth in sales the company decided to move the blending, packing, and wholesaling from the back of the shop. The company acquired new premises to meet the increase in demand for its teas.

1970	Due to spectacular growth in sales, the company acquired its first automated packing machine and moved to bigger premises. The emphasis on blending high quality continued.
1980	With wholesaling having become a major success, Barry's Tea again moved to larger premises on Kinsale Road, Cork, where the current operations are still located today.
1986	Tony Barry (4G), Peter's son, became Managing Director of Barry's Tea. After having qualified as a Chartered Accountant and spending several years working outside the company, the family decided to introduce Tony as the new director of the organisation.
1990's	Barry's Tea endorsed the sponsorship of several events within its community. The company became official sponsor of the Cork GAA team and was present at the majority of large Irish festivals.
2003	The company expanded its tea operations by investing in non-tea based holdings. Investments in non-tea related industries include a broad variety of sectors such as media, recruitment, food and ship building, among others.
Today	Barry's Tea accounts for 24% of the tea market in Ireland and is leader in black tea. The company is going through strategic investment in the development of fruit/herbal tea and, also, green tea. It reinforces its core brand within black tea and aims to maintain its second overall position within tea, all the time its focus is centred on quality.

4.4.2 Within-Case Analysis: Barry's Tea

Interviews with the Chairman, Managing Director (MD), Marketing Director, IT Director, Financial Director and a family non-executive board member took place in March 2013 (details of the interviews can be found in Chapter 3, Table 3-6). The MD, Tony Barry, is the only family member involved in the management of the company after he was appointed MD in 1986. His father, Peter Barry, acts as Chairman of the organisation and one of his siblings, Donagh Barry, is a family member representative on the board. The Marketing Director, Camille O'Flanagan, joined the company in 1995 as Product Manager before progressing to her current role. The Finance Director, Aidan Dunlea, has only been in the company since 2008, but, he is the only non-family member on the board who is actively involved in the non-tea based holdings of the firm. The last interviewee, Michael Hourihan, has been working for Barry's Tea for 24 years. He is in charge of the IT and administration aspects of the business and works closely with the sales staff.

4.4.2.1 Long-Term Orientation (Addressing RQ1)

In this section, step 2 (refer to section 4.2) is followed. The four individual within-case studies will follow this same approach, although results within each case will vary. The identification of each of the LTO dimensions—*futurity*, *continuity* and *perseverance*—is linked to the presence of the first-order codes in each case as explained in Chapter 3 (see

Figure 3-4). The evidence is presented according to the second-order themes for each dimension.

4.4.2.1.1 Futurity

Futurity implies an evaluation of the long-term consequences of decisions with the belief that planning and forecasting for the future is valuable to the firm. As per second-order themes (see Figure 3-4), futurity is present when a firm “estimates the future” and/or exhibits “transgenerational control intentions”. In the case of Barry’s Tea both of these categories are present.

The incumbent generation of Barry’s Tea envisions the company’s commercial future as extending beyond its historical focus on black tea. The company has witnessed the evolution of the Irish black tea market up to its current state as a mature market with limited growth opportunities. In response to the lack of future growth in this area, Barry’s Tea diversified its product line beyond black tea and developed speciality teas. As society became increasingly health conscious (Euromonitor, 2012), the company gradually introduced a new range to include a full herbal, fruit and green tea collection called Barry’s Speciality Teas.

From a new product development perspective, you need to be creating new teas. And we also changed our packaging of those teas. It is important how you display it on the shelf, that it is eye-catching because you want to make it stand out... if you don’t make changes, this would be detrimental in the long-term.
(Michael, non-family, IT Director)

The decision to integrate new types of teas as well as to focus on exports has been driven by the desire to survive and grow in the future, which is part of the family business’ long-term aspirations.

The long-term goals of the organisation are to keep the business healthy, keep the family happy, and build a large, good investment portfolio that diversifies the family risk and preserves their wealth.
(Aidan, non-family, Finance Director)

During the first decade of the 21st century, Barry’s Tea underwent some changes in the strategy of the company. The board decided to diversify outside the tea business through a holding investment approach. In 2003, Barry’s Tea engaged in several partial acquisitions and joint ventures leading to a newly developed direction and long-term focus within the company. Since then, the firm has upheld this strategy and acquired

minority shareholdings in a broad variety of industries including media, recruitment and ship building, among others.

We have diversified the family interests but not the tea business interests. So now we have a tea business and an investment business where we invest in other companies; that is the strategy.
(Tony, 4th generation, MD)

This strategy is aligned with a future vision of how the business will continue to contribute to the family, further highlighting the future-oriented view of the family.

From a family point of view there is a specific strategy which is growing wealth. In the future, this is not going to come from the tea business; it's going to come from the investments. So as a family that made a lot of money in tea, now we are diversified into shipbuilding, recruitment, media, TV, radio - all unrelated businesses to the tea business.
(Aidan, non-family, Finance Director)

The forward-thinking emphasis exhibited at Barry's Tea is also associated with transgenerational control intentions. The company's board has already started to reflect on the ownership and control of the family business in the future.

We've gone through a major plan in the last four years regarding all the stepping back and transfer of shares which have already taken place. I think that's the thinking of where we are with investments for the next generation also.
(Aidan, non-family, Finance Director)

As previously explained Tony Barry holds majority shareholding and is the only family member involved in the management of the business. As part of the family ethos, only one family member has held an executive position, while also acting as majority shareholder, in each of the generations of Barry's Tea.

I was the only one in my generation and Tony is the only one now, deliberately. I have seen too many family businesses where there are brothers and cousins fighting, dividing and changing. Small family firms cannot have two bosses. Sharing decision making at the start is a good thing but in the end one person must make the final decision.
(Peter, 3rd generation, Chairman)

The family aims to pursue this same management and ownership strategy in the future. However, while the view is that ownership will remain 100% within the family, the family is open to non-family executives.

I think, my guess is that we would have another MD after me, not one of my sons, maybe for 8, 10, 12 years and maybe one of the kids will come in afterwards, but I don't know.
(Tony, 4th generation, MD)

Thus, the futurity in Barry's Tea is exhibited in the planning and forecasting of its new products (speciality teas) and diversification strategy, as evidenced by the company's concern for the long-term consequences of these actions. Furthermore, the case presents transgenerational control intentions in its ownership strategy.

4.4.2.1.2 Continuity

Continuity emphasizes the constancy needed to pursue an enduring mission and the value of preserving reputations. Furthermore, continuity focuses on the importance of long-lasting decisions and actions. Continuity manifests as a firm "pursues an enduring mission and reputation", "desires to continue as a family business" and/or "values influences of the past". These three categories are present in Barry's Tea which will be discussed next.

The company's strong link to the past is consistent with its efforts to build a long-lasting mission and reputation. Since its origins, the company has attached significant importance to quality and service built upon enduring networks, which have been passed down through the generations.

The idea of quality is a strong value here and I think everybody understands that. The tea is important and we don't skip on quality. Quality has been an important value right from the start and it still is.
(Tony, 4th generation, MD)

The reputation of the Barry family dates back over a hundred years. The family is well known in Ireland due to its business, political involvement, and community support. Remaining loyal to its mission and reputation has been a tradition for the Barry family.

There is a famous story about my grandfather where he would never sell tea to a big supermarket at a cheaper price than he could sell it to the local shop.
(Donagh, 4th generation, Non-executive Board Director)

In Ireland, the Barry family are renowned for being tea merchants and politicians. The first Barry to enter politics was the founder's son, Anthony Barry (second generation). Anthony's son, Peter Barry (third generation and current chairman), also embarked on a successful political career, as did his daughter, Deirdre Clune (fourth generation). Their passion for politics extended beyond the professional sphere and into their home life: "politics were always spoken around the table" (Peter Barry). As a family of politicians,

the Barry's have always placed a great emphasis on managing their image and reputation by valuing the influences of the past.

My father is a well-known politician. He was a particular type of politician, I know he is my father, but he was straightforward, honest, hardworking, and decent, trying always to do the right thing. That's the image that would have come across to the family, the family business and the products. Image is for everything, our name is on the box of tea, you pick up a box of tea and it says Barry's.
(Tony, 4th generation, MD)

Considering the exposure of the family in the country, the Barry's have always tried to be conservative in their operations. Barry's Tea remains an unlimited company with no obligation to file accounts with its annual return. Accordingly, within the company, finances and investments are also carefully guarded.

Part of the reputation on the investments is that we are very discreet. The public wouldn't know that we invested in lots of different industries. That's part of the family culture, being discreet. If you were in politics, you can't really have it in the newspapers.
(Aidan, non-family, Finance Director)

The company has been 100% family owned since its foundation and it aims to continue this way. As Tony remarks: *"the company is more valuable to the family than anybody else"*. For over a century, the family has followed the tradition to grant the management of the business and majority shareholding to one of the siblings, typically the eldest.

It would have been expected that the eldest family member looked after the family business. Tony isn't the eldest, my sister is the eldest but she became an engineer... Tony, the second eldest, became an accountant, stayed in Cork and I think it was inevitable. I think it's one of our strengths, one of us in the business and not too many people involved in the company. Every other member of the family left Ireland for a period. Tony stayed in Cork; he did the accountancy exams and then went into the business.
(Donagh, 4th generation, Non-executive Board Director)

The future management of Barry's Tea is uncertain. Whether a family member or an outsider will replace Tony in the future remains unknown. No children in the family are currently involved in the business and Tony's three children are still young and studying. However, the incumbent generation are hopeful about keeping the business within the family and securing fifth generation management.

I do not see the business being sold to a non-family member.
(Donagh, 4th generation, Non-executive Board Director)

I don't think the company would be sold outside of the family. I don't see that happening, you can see how the shareholding was done, just to reduce the likelihood of that happening.

You can't tell the next generation what to do, but I guess if you build on what we are trying to do, there's less incentive for the next generation to want to sell the business.

(Aidan, non-family, Finance Director)

Tony's motivation to succeed on behalf of the family business has led to a diversification strategy that has increasingly drawn the company away from its beloved core business, tea. During the last decade, the company has sought a long-term investment diversification plan aimed at future growth. Taking the tea industry's maturity and its limited growth opportunities into consideration, the current MD has positioned the family business to face in a new direction.

We're investing to truly diversify the family business... For example, we have an investment in a recruitment company, we have an investment in a company that imports car tools and hand tools; we have investments in various odds and ends. (Tony, 4th generation, MD)

The tea is the cash cow of the family business with a large market share in a mature, slow growing industry. The cash generated by the tea business is used to invest in other business units and, therefore, to secure the continuity, survival and growth of the family wealth in the long-term.

What we've done is we've diversified the family interests but not the tea business interests. We would have an investment company and we're investing in other companies. That is the strategy. (Tony, 4th generation, MD)

Accordingly, the continuity of Barry's Tea is exhibited through the pursuance of an endurable mission reflected by the importance attached to quality and reputation by the family. There is an explicit expression of desire to continue as a family business and to achieve a long-lasting mission through the new organisational structure. The family values influences from the past as is shown through their emphasis on quality, long-lasting tradition and discretion.

4.4.2.1.3 Perseverance

Perseverance stems from the patience needed to generate long-term rewards; it is driven by the future value of efforts made today. In this analysis, perseverance is identified when the firm exhibits one or more of the following: "cumulative effort", "long-term rewards" and "professionalisation of management". These three categories of perseverance are observed in Barry's Tea.

For over a century Barry's Tea has been retained by the founding family. This is testament to the persistent work of the company leaders in creating future value for their family business.

The strength is from a family point of view, in tea, you want to be set in ten years' time so you want to make sure that you keep the market and your position healthy. So we would invest money with a long-term perspective and I think that's a strength.

(Aidan, non-family, Finance Director)

The family often demonstrates patience regarding future rewards and perseveres in their long-term goals. During the economic recession³ that hit Ireland in 2008, Barry's Tea management, contrary to some of its closest competitors, decided not to reduce the price of any of its products instead choosing to safeguard its quality guarantee.

We decided to maintain the quality of our products and prices despite drops in sales. We did not want our reputation and recognition in the industry to be affected in the long-term.

(Tony, 4th generation, MD)

Their long-held commitment to business success stems from their family pride and tradition. Each generation of the Barry family has taken pride in achievement which has enabled them to succeed for over a century.

Whilst my father was in the public life, he managed to keep the business going and marketed it in a hugely competitive arena: the retail and grocery market. To be able to come out and survive and to be able to size up with the leading brand is quite an achievement.

(Donagh, 4th generation, Non-executive Board Director)

A considerable emphasis on values and hard work has ensured a close alignment between family and business missions, with commitment to the community an important objective of both.

A man that embodies all that is best about Cork people. Peter Barry sums up the very many great elements we have in our society and in our people. There probably is no family business that sums up Cork better than Barry's Tea. We are very proud of that sense of tradition.

(Councilor Murphy, Irish Times 2010)

Ethics are incredibly important to Barry's Tea. Just like we support our community at home, we believe in supporting the local communities we buy our tea from.

(Barry's Tea, 2015)

³ Ireland's economy entered a severe recession in 2008 due to the collapse of the construction sector and its effects on employment and the budget deficit. The economic downturn was followed with the collapse of Irish banks.

Furthermore, Barry's Tea focuses attention on the sponsorship of several events within its community. In 1991, the company became official sponsor of Cork GAA for seven consecutive years, marking one of the most coveted sponsorships in Ireland. Further still, the firm is present at popular Irish festivals such as Dublin Fringe Festival, Castlepalooza Music and Arts Festival, and St. Patrick's Day Festival, Cork.

Another indicator of the company's tendency to persevere, especially in relation to growing the business, is its attitude towards the professionalisation of its management structure. The current MD's efforts to support long-term planning and involvement of non-family members exemplifies his determined pursuit of long-term survival for his family firm. As Barry's Tea expands towards an investment portfolio business, specific systems and structures are required to allow the company to grow.

We are getting more professional. I think we should stay professional and take a long-term view... one thing that we need as a company is outside experience, relevant experience, and good people.
(Tony, 4th generation, MD)

Hence, the perseverance of Barry's Tea is observed through its unyielding commitment to the family business and community, and its sustained discipline, especially during the Irish economic recession. Furthermore, this perseverance is also evident in its attitude towards the professionalisation of management.

Empirical findings in relation to LTO in Barry's Tea are summarised in Table 4-2. A schematic description of the empirical evidence of futurity, continuity, and perseverance in Barry's Tea is provided in Appendix C1.

4.4.2.2. LTO and EO (Addressing RQ2)

The previous section has identified each of the dimensions of LTO in the Barry's Tea case. In this section, step 3 (refer to section 4.2) is followed. The three LTO dimensions have been analysed within each case in terms of their emerging influence on EO (innovativeness, proactiveness, and risk-taking).

4.4.2.2.1 LTO and Innovativeness

Futurity

The futurity of Barry's Tea has resulted in the alignment of its decision-making process with its long-term goals, motivating the firm to explore new ideas. The future outlook of

the current MD has resulted in innovations within the core business that enable survival and growth. Regarding product innovation, the major new product development in Barry's Tea has been the creation of its new line of teas labelled "Speciality Teas". In response to society's heightened focus on health and wellbeing, the company expanded its tea range by developing a new line of teas alongside its core product, black tea. These new ranges include herbal, green, decaf and fruit-infused teas.

The most recent development from the area of new product development is in speciality teas. Speciality teas have become the new area in the tea business. People are interested in this and it's important for us. We have developed new types of tea like the green tea, flavored teas, or decaf tea, driven by research relating to its health benefits.

(Michael, non-family member, IT Director)

Research supporting the long-term health benefits of these teas has been the main driver behind the company's engagement in these new types of products and the introduction of new manufacturing processes.

So anything we've done has been more strategically right for the brand. So we got into the green tea because we should be in green tea or social media because we should try it, like if there is a sector of the market that's going to be very large in the future, then we should be part of that.

(Camille, non-family, Marketing Director)

Innovative practices in the tea business are also present in marketing activities. This is, in part, due to the innovative attitude of Barry's Tea Marketing Director, Camille, who is continually searching for new ideas and ways to communicate the brand. In recent years, Barry's Tea has successfully joined social networking as well as opening an online shop. Furthermore, the company has developed new commercials targeted at a younger audience. In 2009, Barry's focused on their younger market by launching the "Tea With" campaign: a series of cultural events where attendees are offered a cup of Barry's Tea.

In devising the marketing series we wanted to find ways to connect with young tea drinkers in a way that was meaningful to them and to establish our 'Golden Moments' campaign into a modern-day context. The 'Tea With' series allows us to physically put the brand into a 'Golden Moments' type situation.

(Camille, non-family, Marketing Director)

In 2012, Barry's Tea introduced the popular Facebook campaign "Your name, your tea" which gave their loyal customers an opportunity to order a box of Barry's Gold Blend Tea with their name printed on it.

People want their name on the box; people are paying €10 online for this box. There's something really powerful here.

(Camille, non-family, Marketing Director)

Innovative practices are conducted in the belief that they will have utility in the long run and will be of long-lasting benefit to the company. Innovative thinking is encouraged across the organisation. A forward-looking perspective shapes Tony's leadership behaviour which is characterised by his encouragement of new ideas and the confidence he instils in his employees.

In regards to making the change or bringing new ideas, it is never a major obstacle because if research supports it and we feel it is the right thing to do then it usually happens.

(Michael, non-family, IT Director)

As per the above, innovativeness in Barry's Tea is driven by its future orientation. The management of Barry's Tea plan and evaluate new initiatives in line with the anticipated future value of such activities, i.e. the long-term consequences.

Continuity

The enduring aspiration to guard the core business and continue the family dynasty of Barry's Tea has resulted in each of its four generations exploring new ideas and experimenting with emerging trends. The entrepreneurial behaviour of the Barry's Tea business leaders has been engrained in the family business since its foundation, and is particularly observable in the two latest generations. The founder, J.J. Barry, was gifted with an exceptional ability to blend tea. Beginning with one general grocery store, he sourced leaves from small tea gardens and blended them by hand. This specific skill, as well as the appreciation of quality, has persisted down through the generations. The second generation followed the family tradition and grew the business by specialising only in tea. Establishing a reputation as one of the leading tea tasters in Ireland, Anthony (second generation) won the Empire Cup⁴ in tea-blending in London in 1934. Peter Barry (third generation), an exemplar entrepreneur of his time, expanded the family tea business with the initial wholesale of its tea products and subsequent widening of its distribution reach. With innovative processes to blend tea, the emphasis remained on blending high quality teas while pursuing an endurable mission and reputation.

It is still family owned 100%. It is still based on quality and service. Price comes from this and from constant listening to the customer. If somebody complained about the tea, they were treated as if they were the biggest customer in the world and were listened to carefully to satisfy them, we are still doing that.

(Peter, 3rd generation, Chairman)

⁴ Award granted in acknowledgement of tea blending skills and expertise in tea trade.

With eagerness to grow family wealth for future generations, the incumbent (fourth) generation has broadened the range of teas, established an online shop and expanded the brand's reach by targeting a younger audience while maintaining its traditional touch.

We have used our reputation, and we have a marketing project which is currently being discussed. We are examining our brand, and looking to define what the essence of it is and then bring that up and turn it, and tighten up marketing offering or marketing communication. I don't know. We might get JJ Barry's signature on the box, the whole heritage side of things, you know.
(Tony, 4th generation, MD)

Going back to our roots you could say that's innovative. We are looking at new ways of communicating the brand. We also now focus on our social media. Anything we've done has been strategically right for the brand.
(Camille, non-family, Marketing Director)

Consequently, the aspiration to build a long-lasting mission and reputation for both the family and the business has motivated Barry's Tea current MD to engage in innovative practices.

Perseverance

The analysis of Barry's Tea shows that innovative practices are intended to persevere over time in the firm's long-lasting pursuit of success. While individually, perseverance does not seem to be guiding innovativeness, perseverance does support innovations which need a long time to come to fruition.

I mean the strength is from a family point of view, in tea, you want to be set in tea in ten years' time so you want to make sure that you keep the market and your position healthy. So we would invest money with a long-term perspective and I think that's a strength.
(Aidan, non-family, Finance Director)

Accordingly, perseverance supports innovative initiatives that require patience, discipline, and commitment to achieving future rewards.

4.4.2.2.2 LTO and Proactiveness

Futurity

The future vision demonstrated in the strategic operations of Barry's Tea has encouraged engagement in emerging opportunities. Each of these opportunities aimed towards the creation of future value are, thus, characterised by futurity. In the core (tea) business, the

company would not be notably proactive. This is mainly due to the lack of opportunities in the Irish tea market which is currently mature. However, the firm has shown certain proactive behaviour in developing export markets with a particular focus on the Irish diaspora and all discerning tea drinkers. Recently, the firm has focused its exports on Canada, Australia and the United States where there is a significant amount of Irish diaspora.

We are now focusing our attention to the exports to Canada and the US. There are many Irish immigrants in those countries and there is a big potential for us there.

(Tony, 4th generation, MD)

For instance, in the US, Barry's Tea has developed an independent online shop to sell its products to the American fans.

Barry's Tea is America's Favourite Irish Tea. The Irish drink more tea than any other nation in the world. Simply because Ireland has the best tea in the world to drink. [sic]

(Iloveirishtea.com, 2015)

In Australia, Barry's Tea is sold in more than 600 supermarkets around the country via Taste Ireland⁵. In 2011, Taste Ireland agreed a lucrative contract to supply to Woolworths supermarkets, which controls around 30 per cent of Australia's supermarket business.

Notwithstanding, the strongest proactiveness of the firm is present in the investment side of the business.

In the tea business we might not be as proactive. We are more proactive in the investment business. It is a very different business mindset.

(Aidan, non-family member, Finance Director)

The maturity of the Irish tea industry and its vast competition does not provide significant growth opportunities for the players. In order to confront these challenges, the Barry's Tea MD developed a strategy to diversify the interests of the family and the firm by investing in holdings outside of the tea industry. By following an unrelated diversification strategy, Barry's Tea buys partial shareholding in non-tea related companies. These investments started in 2003 and have continued since then with the firm acquiring shareholdings in a broad variety of industries including media, recruitment, and ship building, among others.

⁵ Taste Ireland is a business supplier of Irish brands in Australia. It supplies 100 different brands, selling online and wholesale, as well as through supermarkets.

They make investments in non-core activities through an investment vehicle. The investment vehicle is funded by the tea company but the tea company wouldn't take any debt risks. And it is ring fenced in terms of any debt that might be here which there isn't invariably. They make cash investments and they wouldn't come back to the tea company.

(Donagh, 4th generation, Non-executive Board Director)

Thus, the future outlook of the current generation has encouraged proactiveness in Barry's Tea. The firm's emphasis on the future promotes the search for new opportunities in order to achieve its long-term goals.

Continuity

Similarly, the aspiration to guard the business for the next generation motivates Barry's Tea to recognise emerging opportunities.

Passing the business to the next generation is an advocacy for us as a family. I'm the majority shareholder but my other siblings also have shares in the company, it's an important thing that it's not just me.

(Tony, 4th generation, MD)

This aspiration is the driving force behind Barry's Tea newly revised strategic direction. While the tea business remains the core business of Barry's Tea, the new strategy is a way to diversify family risk and preserve their wealth in the long-term.

We took the decision to diversify 15 years ago. We have a tea business, which is profitable but may not always be, who knows what problems could arise. It is a way to diversify risk and family interests, not tea interest.

(Tony, 4th generation, MD)

From the family's point of view, they are looking to preserve shareholder wealth and we've decided the best way to do it is to diversify.

(Aidan, non-family member, Finance Director)

In essence, the diversification strategy is considered crucial for the continuity of the Barry's Tea family business.

The new investment strategy is a question of credibility investment portfolio. We want to keep the tea business and pass it on, in better shape, to the next generation.

(Aidan, non-family member, Finance Director)

Consequently, the opportunity-seeking behaviour in Barry's Tea is driven by the ambition to safeguard its family's long-standing mission, i.e., continuity encourages proactiveness in Barry's Tea. However, that same continuity hinders proactiveness in the tea business. Over the years, the Barry family has been reluctant to engage in diversification within the

tea business. The family has rejected opportunities to diversify their product into coffee or to establish tea and coffee shops in order to safeguard their core values.

Some people ask why we don't bring cakes, coffee or other products to Barry's Tea. We don't do it because we want to protect the core. (Camille, non-family, Marketing Director)

We wouldn't engage in coffee or something like that. If we want to take some type of risk, we'll do it in the investment business. And that business is not related to the tea business ... if this fails, it fails on its own. (Aidan, non-family member, Finance Director)

Perseverance

The new diversification strategy undertaken by Barry's Tea demonstrates patience, discipline and a commitment to achieve future rewards. This commitment and ambition is channelled into risk assessed long-range investments which aim to generate value for the family in the long-term. In particular, the unrelated diversification involves long-term investment with benefits that can only be unlocked in the distant future.

Tony's desire for the business to succeed and persist over time became apparent when he restructured the family business by engaging in a diversification strategy. As part of this strategy, the current MD decided to hire an experienced finance director who is also the only non-family member on the board of directors. Aidan joined Barry's Tea in 2007 and is the only employee, alongside Tony, who is involved in both businesses. The addition of a non-family expert into the new strategic business has bolstered proactive behaviour in the business.

Tony hired a new finance director who is also a chief executive. He is very good and has brought in a lot of corporate governance, new marketing activities, and outside experience. (Donagh, 4th generation, Non-executive Board Director)

In this regard, the perseverance exhibited in Barry's Tea creates value over time and the professionalisation of management has supported proactive behaviour in the firm.

4.4.2.2.3 LTO and Risk-Taking

Continuity

While pursuing a long-lived mission and reputation has encouraged the family to engage in new products and seek new opportunities, the responsibility to safeguard the family business has lowered their tolerance towards risk.

I don't think we take high risk and I don't want to be taking high risk. I am in the fourth generation of the family business. I don't want it to be on my watch if the business goes down.
(Tony, 4th generation, MD)

Although a certain risk scope could be perceived in the new investment business, the strategy of Barry's Tea would typically involve buying minority shareholdings in different companies in order to diversify risk.

To manage the investments, we don't buy a full company. We don't decide next week that we are experts in recruitment for instance and we should go and buy a recruitment company. We only buy parts of the company... we typically buy a minority shareholding in a company.
(Aidan, non-family member, Finance Director)

We don't want to risk the tea business in any way because it's never leveraged. So it could be leveraged within the investment business and we have an investment strategy with this.
(Donagh, 4th generation, Non-executive Board Director)

The lack of growth opportunities in the tea market along with the desire for business durability has led to strategic diversification within Barry's Tea. This desire for continuity lands a certain pressure on the incumbent generation who want to leave their mark and contribute to the longevity of the family business, without damaging the firm legacy in the process. Barry's Tea makes sure that the risk taken in the investment business does not affect the core tea business, therefore, both businesses remain separate. This is a deliberate strategy by which Barry's Tea is relatively risk averse in the tea company and, thus, it remains stable and secure. Any measured risk is taken in the investment side of the business.

Only two people (Tony and me) are involved in the investment business and we keep it separate. The reason to keep it separate is that we don't affect the structure and the culture of the tea business... For example, we wouldn't take out over a ten million loan on the tea business to make an investment. If we want to take any risk, we'll do it in the investment business. If this fails, it fails on its own without affecting the tea business.
(Aidan, non-family member, Finance Director)

Accordingly, the constancy within Barry's Tea to pursue an enduring mission and the value of preserving the family reputation for the longevity of the business encourages a more cautious approach to risk-taking. However, if the family business future is threatened by the lack of growth opportunities, the family are willing to accept a higher risk and look for opportunities outside the core business.

I didn't want to be sitting here in 10 years' time and the tea business is falling down and my brothers and my sisters are saying, 'did you never think it might fall apart?'

(Tony, 4th generation, MD)

Perseverance

The analysis of Barry's Tea shows that the firm does not take particularly high risks, in part, due to the mature industry in which it operates. Only when the survival of the family business is threatened has the family shown a willingness to increase risk behaviour and look for opportunities outside the tea business. Thus, this risk profile increases as a result of the continuity dimension. While the perseverance exhibited in the firm does not seem to promote risk-taking activities, it has facilitated the non-tea related investments through cumulative effort and patient capital.

We make investments in non-core activities through an investment vehicle. The investment vehicle is funded by the tea company but the tea company wouldn't take any debt risks. And it is ring fenced in terms of any debt that might be here which there isn't invariable. We make cash investments and they wouldn't come back to the tea company.

(Donagh, 4th generation, non-executive board member)

A summary of RQ2 analysis, how LTO influences EO in Barry's Tea is presented in Table 4-2.

4.4.2.3 Non-Economic Goals (Addressing RQ3)

In this section, step 4 (refer to section 4.2) is followed. The more salient non-economic goals to be analysed in the Barry's Tea case are the retention of the business within the family, the perpetuation of family values and the promotion and preservation of the family reputation.

A. Retaining the business within the family

Barry's Tea has been fully owned by the family for over four generations, and the incumbent generation expressed the desire to maintain that ownership in the future.

As a family member after 110 years I see a lot more value in the business than an outsider could offer. How do I bridge the gap in my own value and in my own history and my own family growing up, and being a serious successful business? How can I see that I would sell it for eight years profit for instance?

(Tony, 4th generation, MD)

Furthermore, the policy of having a major shareholder and not diluting the shares is a practice that the family would like to continue into the next generation.

Tony became the majority shareholder but we [siblings] are all in. If I give my share to my children, they all get a very small percentage and if all the siblings do that it doesn't take long to reach a point where everyone has one/two percentage shareholding. I think there should be an option for Tony to buy the shares back and keep it more concentrated. It would be a good way as I think the shareholding, otherwise, might just become more diluted. So, as a long-term objective, I don't think we will ever sell the business outside of the family.

(Donagh, 4th generation, Non-executive Board Director)

The board of directors in family businesses are frequently comprised of family members with the majority of focus afforded to family interests. While having a non-family executive on the board or a non-family MD is welcomed by the Barry family, they believe that the presence of family in management is needed to ensure that family wealth is maximised and the non-economic goals of the firm are successfully achieved.

Regarding the future MD, I suppose we are pragmatic. It can be done with an outside managing director. However, we will need family involvement at the board level.

(Donagh, 4th generation, Non-executive Board Director)

B. Perpetuation of family values

The Barry family, while not denying the importance of the business's successful financial performance, is also motivated by a commitment to a set of engrained values within the family business. Over generations, these family values have formed the basis of the organisational culture. Any decisions made in the family business relate to the Barry's family values.

I know what the right thing is to do because it goes back to the values of the family. The brand is trustworthy, has integrity, is fair, and knows the Irish consumers and because of that I find it easy to decide what to do.

(Camille, non-family, Marketing Director)

Despite there being only one family manager, Barry's Tea appears as family centric to non-family members.

I'm very proud to be part of Barry's Tea because I like what it stands for, I like its values. I'm here 20 years and I think it has changed me as a person. There is a nurturing environment in here.

(Camille, non-family, Marketing Director)

If I went down onto the floor, I would know the people there. People have been here a long time they have a very strong sense of working for a family company as opposed to a multinational; they can speak to me directly.

(Tony, 4th generation, MD)

The company's guiding values of respect, quality, and transparency creates a caring and harmonious work environment in Barry's Tea. These family ideals have been embedded in the business and, consequently, impact the firm's decision-making process.

There is a culture in the business and I think the culture is strongly influenced by the fact that it's a family business. And obviously culture does indirectly impact how decisions are made.
(Aidan, non-family member, Finance Director)

Certain family values may be instilled in the mission of the business – for instance, their focus on quality has always underpinned the strategic decisions of Barry's Tea and has distinguished them from their competitors. The company leaders never made a strategic decision that could harm the quality of its products, which is why the family business decided against expansion into teashops.

If you open tea shops you can't control quality. It might be giving the best tea leaf possible but if someone is not making the tea properly, the customers could say: 'that is not Barry's Tea'.
(Peter, 3rd generation, Chairman)

This emphasis on quality has been successfully maintained over the four generations of the Barry family. The focus is not only on the quality of the tea but equally on the quality of the service provided.

It is still family owned 100%, it is still based on quality and service, and price comes with this and constant listening to the customer.... It was a goal of mine to see that the company, which I was managing, maintained strategic quality, profitability and was a good employer; it's as simple as that.
(Peter, 3rd generation, Chairman)

C. Promote and preserve family reputation

The reputation of the Barry family in Ireland dates back more than a hundred years. The family is renowned nationwide for its tea business, community support, and political involvement. As a family of politicians, the Barrys have always attached importance to the management of their image and reputation.

The family would be known as nice people and Peter Barry as a very nice person. I think that is reflected in the company in terms of relationships, and that is positive in terms of relationships with the retailers. (Donagh, 4th generation, Non-executive Board Director)

In his capacity as Foreign Minister, Peter Barry was heavily involved in the negotiations that resulted in the 1985 Anglo-Irish Agreement between the UK and Ireland. In the following year, the company suffered a hoax when the police received an anonymous warning that boxes of Barry's Tea in shops and supermarkets throughout the Republic of

Ireland had been poisoned. The hoax was related to Peter Barry's political position and his participation in the Anglo-Irish agreement. There was a fear among the loyalist community that his negotiations would lead to the reunification of the North with the Catholic-majority South.

They sent an anonymous letter to the guards that said they had poisoned Barry's tea products in the shops around the border. It was not true and it wasn't made public. If it had been true it could have bankrupted the business.
(Peter, 3rd generation, Chairman)

The Barry's political affiliation has afforded greater public exposure for their successful family tea business.

In particular, more than a normal family, our family image would have been featured on the brand, on the product, and on the company.
(Tony, 4th generation, MD)

The Barry's family brand is perceived as trustworthy, respectful, supportive of communities, and reliable to its customers. These values derive from the family which has shaped its reputation over the years.

Reputation comes from the fact that it is a political family, so you know politics and reputation. We are mindful of that and we have a brand business.
(Aidan, non-family, Finance Director)

The prestige of the Barry name and reputation in Ireland is internationally recognisable. For some members of the family living outside of Ireland, their association with the Barry's family business persists. All of the family members are very proud of the family business and the image and reputation that the company exhibits.

Even my brother, who is abroad in Canada, would constantly meet people who would know he comes from the Barry's Tea family. This is the same with my brother in England or my brother in Dublin.
(Tony, 4th generation, MD)

4.4.3 Case 1 Summary

The within-case analysis of Barry's Tea identified the LTO dimensions of the family firm, examined how these influenced the firm's entrepreneurial orientation and analysed the firm's non-economic goals. Futurity and continuity foster the firm's innovativeness and proactiveness, and subsequently, result in new products, new marketing initiatives, entering new markets, and a diversification strategy for the family business. However, the same continuity has also prevented engagement in new diversification opportunities

in the tea business. The aspiration for continuity and the fear of family wealth deterioration have driven the company towards a risk-averse strategy. The perseverance observed in the professionalisation of management of the fourth generation has also contributed to the innovativeness and proactiveness of the firm. While the company is concerned with both strategy and performance, it also exhibits a deep-rooted and enduring commitment to retention of the business within the family and safeguarding of its values and reputation.

Table 4-2. Summary of Within-Case Analysis for Barry's Tea

Case 1: Barry's Tea		
LTO Dimensions	How is LTO manifested?	How is EO influenced?
Futurity	Estimation of the future <i>e.g. New teas and diversification</i> Transgenerational control intentions <i>e.g. Ownership plan for next generation and ownership strategy</i>	Promotes innovativeness Promotes proactiveness
Continuity	Pursuit of an endurable mission and reputation <i>e.g. Significance of tea, reputation and new organisational structure</i> Desire to continue as a FB <i>e.g. Expression of desire</i> Value influences of the past <i>e.g. Value of quality, conservatism and respect</i>	Promotes innovativeness Promotes proactiveness in the holding business/ Hinders proactiveness in the tea business Encourages a more cautious approach to risk-taking/ If continuity is in danger, risk profile increases
Perseverance	Cumulative effort <i>e.g. Commitment to community and discipline during recession</i> Long-term rewards <i>e.g. Investments in holdings</i> Professionalisation of management <i>e.g. Involvement of non-family executives</i>	Supports long-term innovations Supports proactiveness – diversification Supports any risk taken in non-tea activities

4.5 CASE 2: EPS Group

4.5.1 Case Overview

The EPS Group is a second generation family business and is the leading provider of water and wastewater treatment and pumping solutions in Ireland. Based in Mallow, County Cork, it services multinational, municipal, and domestic customers in Ireland, the UK, and over 30 other international markets.

In 1968, EPS emerged as a partnership between Gerald Buckley and John Joe Sheehan, named ‘Kanturk Electrical and Farm Services, Ltd.’ which traded in the sale and repair of electrical appliances. Three years later, John Joe Sheehan sold his interest to a consortium of the Buckley siblings. Pumps, a component of its early product offering, soon became the focal point of the business. By 1973, when the business was re-incorporated as Electrical and Pump Services (EPS), its executive composition evolved to a sibling quartet—Gerald, Paddy, Tadhg and Betty Buckley—that would remain for almost forty years.

When EPS was contracted as an exclusive retail agent by a leading Dublin-based pump distributor, the BUCKLEYS’ ambitions for EPS grew from local to national. The archaic water infrastructure in certain parts of the country, particularly in the remote regions of the west of Ireland, provided EPS with an extremely lucrative opportunity for subsequent geographical and sectorial expansion. The mono pump, only sold by EPS at the time, offered access to running water for the first time to those homes in the western part of the country not yet connected to the municipal water network.

Through a series of acquisitions and joint ventures, the EPS Group has expanded to become the multinational company that it is today. Its first acquisition, Lister Group’s water and wastewater treatment division in 1981, made EPS a significant player in the regional water and wastewater infrastructure sector. The expansion of the business continued with another acquisition in the UK in 1988 (Aquapure UK) and a partnership with Welsh Water in 1990, opening the door to the vast market of the UK. Ireland’s economic boom⁶, during the late 1990’s and early to mid-2000’s, helped to accelerate the growth of the company. At that time, EPS became the first service provider to establish a

⁶ The economic boom in Ireland from the mid-1990s to the mid-2000s was labelled as the Celtic Tiger. It was a period of rapid real economic growth fuelled by foreign direct investment. The Irish economy expanded at an average rate of 9.4% between 1995 and 2000 and continued to grow until 2008, when it fell into recession.

dedicated division for the maintenance and repair of treatment plants. While its monopoly in this market lasted less than a year, it continues to be market leader. The economic upturn coincided with the arrival of the second generation of Buckleys to the business, beginning in 1997 with Patrick Buckley who is currently the company's deputy managing director. Patrick's arrival was an important factor of the company's new-found momentum. In 2002, the company started EPS Bison, a strategic business unit that provides packaged treatment solutions to support the Irish construction sector. EPS Bison quickly established itself as a significant Irish player in this sector, providing help to capitalise on Ireland's residential housing boom. The acquisitions continued with the buy of AH Cullen, a specialist water treatment company in 2003.

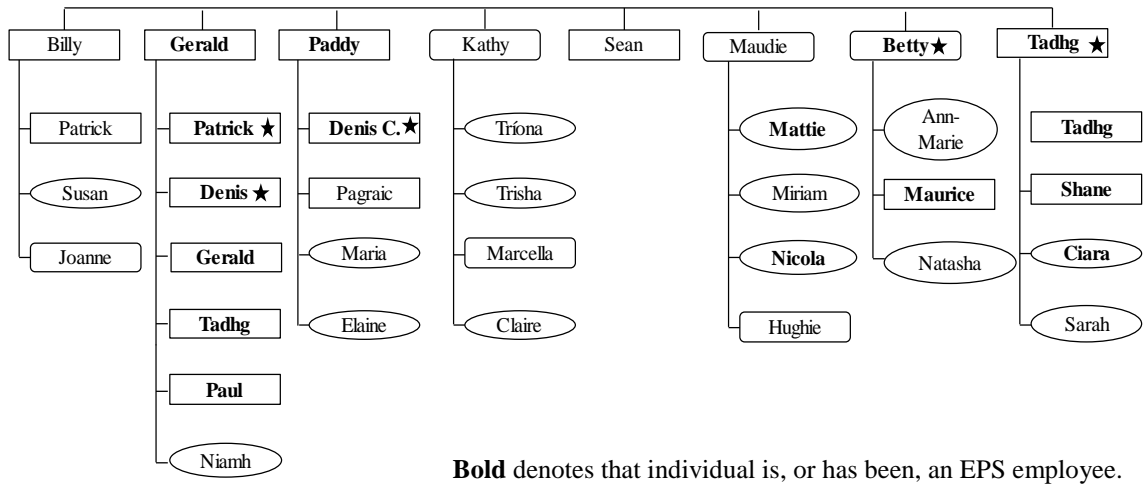
When EPS sought further expansion in the UK market, the company did so by investing in Conder Aqua Solutions in 2008. Five years after this acquisition, the Canadian multi-national, Premier Tech, acquired seventy per cent of EPS's Conder stake and today the two firms operate the business as an ongoing partnership. In 2014, EPS engaged in its latest partnership with Royal Haskoning DHV (RHDHV) to deliver the innovative Nereda technology in Ireland. As the alliance with these multi-nationals begins to show promise, so too does the process of renewal at boardroom level where two first generation family members and four non-family employees are joined on the board by three second generation Buckley directors. EPS ownership remains in the hands of the four siblings of the first generation of Buckleys—Gerald, Paddy, Tadhg (32% each) and Betty (4%). While the handover of management responsibilities is almost complete (Tadhg is due to step aside from his position as MD in 2015), the arrangements for ownership transfer have not been formalised yet. Currently, eleven family members of the second generation are involved in the family business.

Today, EPS offers a range of water/wastewater treatment and pumping solutions to domestic, commercial, industrial and state clients in Ireland and overseas, employing approximately 360 people.

We are a support services group focused on the global provision of clean water for our customers and their communities. (EPS 2015)

A profile of the Buckley family and timeline of main events at EPS can be found in Figure 4-2 and Table 4-3 respectively.

Figure 4-2. Profile of the Buckley Family



Bold denotes that individual is, or has been, an EPS employee.

★ Denotes that individual is current director of EPS.

Table 4-3. Timeline of EPS

Date	Event
1968	Kanturk Electrical and Farm Services Ltd. was founded by Gerald Buckley and John Joe Sheehan in Kanturk, Co Cork. Gerald's brother, Paddy, was immediately enlisted to the staff as a full-time electrician initially.
1969-71	With the inclusion of Betty and Tadhg Buckley (and, temporarily, Billy and Sean as well), the business edged towards being exclusively Buckley-led, which eventually came to pass when a buyout of John Joe Sheehan's stake took the family's ownership to one-hundred per cent.
1973	Electrical & Pump Services Ltd. (EPS) was founded through expansion in Mallow, Co Cork. Gerald, Paddy and Tadhg had an equal shareholding of 32% each, with the other 4% owned by their sister, Betty. The opening of the Galway branch represented their first foray into markets beyond easy reach of their native County Cork.
1975	Premises were acquired at Co. Laois to support activities and development of the business in the Midlands and Leinster regions.
1981	EPS acquired the Lister Group's water and wastewater treatment division, making EPS a significant player in the regional water and wastewater infrastructure sector.
1988	The acquisition of Aquapure UK led to a short-lived expansion into industrial wastewater treatment projects in England, Scotland, and Wales, as well as Cyprus, Bahrain, Libya, and Saudi Arabia.
1990	EPS became a leading supplier and partner to Welsh Water.
1995	The first National Development Plan was implemented in Ireland, resulting in significant investment in the Irish Water and Wastewater Sector. EPS was at the fore of investment, securing a number of key municipal projects.
1997	A new warehouse and distribution and repair centre was built at their headquarters in Mallow, Co Cork. Patrick became the first of the second generation to join the business in a full-time capacity. In the years to follow, he would be joined by four of his brothers and five of his cousins, one of whom since relocated to Australia.
1999	Patrick Buckley was elected as a public representative for Cork County Council. He would serve in this office for ten years.

2000	As Ireland's economy strengthens, a Renewed National Development Plan was part of a lengthy programme of public spending. In response, EPS formed the first intra-company consortia for a DBO (Design, Build, Operate) project for Cork City wastewater treatment works.
2001	The 'Operate' division was formalised to support the national policy for designing, building and operating water, wastewater and pumping schemes.
2002	EPS Bison, a strategic business unit that provided packaged treatment solutions to support the Irish construction sector was formed. EPS Bison quickly established itself as a significant Irish player in this sector, providing solutions to more than 30,000 Irish homes.
2003	EPS acquired AH Cullen, a specialist water treatment company, and secured two of its most lucrative and high-profile twenty-year operating contracts in Dundalk and Drogheda.
2007	A new 2000m ² head office was opened at Mallow to support the ongoing development of the EPS business. This new facility incorporated the latest technology to support its design, project management and sales activities. An in-house R&D and Export Support division was also formed to assist with the development of new technologies and to enhance export potential.
2008	The company's co-founder, Gerald Buckley, became the first director to retire under the company's agreed retirement programme. Four months later, Conder Aqua Solutions was acquired to facilitate further expansion into the UK market.
2009	Further capital development takes place at EPS's regional centres. In September, Paddy—who had joined the business immediately after its creation—follows Gerald into retirement.
2011	Tom Ruddy, the company's technical director for thirty years, retired. He was the business' only non-family shareholder, but his ten per cent stake was returned to the family upon his retirement.
2012	After the retirement of finance director, Liam Sheahan, the new board was established. Gerald and Paddy were represented by their sons Patrick and Denis C, with Denis Buckley, Tom and Jim Palmer, Barry O'Toole, and John Lynch added as independent directors. Tadhg and Betty (both generation one) remained on the board.
2013	Canadian multi-national Premier Tech acquired 70% of EPS's Conder stake, and the two firms operated the business as an ongoing partnership. Separately, EPS bought 50% of UK pump distribution company, Pedrollo Distribution Ltd. Betty retired from her executive position, but retained her directorship.
2014	MEPS, a fifty-fifty joint venture with MWH Treatment (part of MWH Global) was formed. EPS was presented with the internationally recognised Ruben d'Honneur award in recognition of its environmental sustainability efforts. At the end of 2014, EPS engaged in a partnership with Royal Haskoning DHV (RHDHV) to deliver the innovative Nereda technology in Ireland.

4.5.2 Within-Case Analysis: EPS

Interviews with the Managing Director (MD), Co-founder and Board director, Deputy Managing Director, Commercial Director, Operations & Maintenance Director, Large Contracts Director and Auditor Advisor took place during October and November, 2013 (details of the interviews can be found in Chapter 3, Table 3-6). The MD, Tadhg, is the youngest of the founding generation. Since the retirement of his brothers Gerald and Paddy in 2009, Tadhg has served as the company's managing director. Three of his four children are employed by EPS. Until the handover of ownership to the second generation

is formalised, he retains an ownership share of thirty-two per cent. His brother Paddy, retired in 2009, also retains thirty-two per cent of the shareholding. His eldest son, Denis C. Buckley (also an interviewee) is EPS's Commercial Director, while his other three children (one son and two daughters) have no involvement with the firm. Deputy MD, Patrick Buckley, is the eldest son of co-founder Gerald. Patrick was the first member of the second generation to formally join the business. He will be appointed officially as the firm's MD once the retirement schedule for first generation directors reaches its conclusion. Denis C. Buckley, the only one of Paddy's four children to have joined the family business to date did so in 2012. He joined as commercial director after gaining experience in accountancy departments of a series of multi-nationals both at home and overseas. Operations and Maintenance Director, Barry O'Toole joined in 2000 to lead the development of a dedicated operation and maintenance division that had been set up by EPS to service the objectives of the New National Development Plan, rolled out that year by the Irish Government. The Large Contracts Director, John Lynch, started working for EPS sixteen years ago and manages the contracts covering Ireland (which he shares with Barry O'Toole) and the rest of the world (excluding the UK, which is in the domain of Denis Buckley). The last interviewee, Tom Walsh, has been working closely with EPS for the last forty years, acting as an external support in accountancy, taxation and funding matters.

4.5.2.1 Long-Term Orientation (Addressing RQ1)

4.5.2.1.1 Futurity

Futurity is exhibited at EPS when the firm "estimates the future" and through its "transgenerational control intentions" (see Figure 3-4 for second-order themes).

EPS strategic operations are characteristic of management's forward led approach. The company that began as a supplier of electrical and pumping appliances has now expanded to sell a wide range of water treatment and pumping products to domestic, commercial and state clients in Ireland and overseas. Its long-term strategy is to continue providing water treatment solutions through the introduction of new products and applications.

All around Ireland what's required now is to upgrade your septic tanks. There are about 500,000 houses to be upgraded in Ireland. Every one of them is going to need a slightly different solution. We're going to come up with different types of products for different options and applications.
(Patrick, 2nd generation, Deputy MD)

The firm continuously looks into the future in planning its strategies and operations. Its recent partnership with Premier Tech, a Canadian multi-national specialised in R&D capabilities, has been an instrumental part of the company's newly-formed focus and central to its long-term strategy. As a condition of the partnership, EPS granted Premier Tech 70% of its ownership in Conder. In return, EPS is now able to draw on the vast, pioneering expertise of Premier Tech, a firm that is considered the global leader in R&D of environmental technologies (primarily low flow wastewater treatment).

The strategic partnership with Premier Tech carries long-term considerations and synergies. EPS and Premier Tech seek to introduce a new type of filter treatment system to the market that, once positioned and widely adopted, will reduce the intensity of competition by means of natural selection. Furthermore, both companies aim to grow in new markets.

They [Premier Tech] are looking to grow in other areas where we are strong. At the level where we are at, at the moment, our focus is on business in the UK and Ireland. The next stage will be developing other aspects of their business in the UK market, along with us. But, also developing other markets that they need to focus on in particular – for instance Asia – if we want to develop larger contracting and water and wastewater treatment.

(Patrick, 2nd generation, Deputy MD)

Similarly, EPS' cooperation agreement with RHDHV for the delivery of Nereda technology in Ireland aims to deliver an innovative high water treatment capability, in combination with significantly lower investment and operational costs, a minimal ecological footprint and high energy savings.

EPS' long-term considerations also relate to the managerial behaviour of the top management team and their attitudes toward the future.

I see EPS going global. I wouldn't say it aloud as sometimes the board people think I'm off my head. I see a day when we'll be half a billion-euro turnover. Probably not in our generation, but someone will take it to a billion hopefully.

(Patrick, 2nd generation, Deputy MD)

Futurity in EPS is also observable from their transgenerational control intentions. By the end of 2013, when Premier Tech became partners with EPS in the Conder venture, Gerald and Paddy Buckley, along with two more non-family board directors, retired from the board. This left Tadhg Buckley as managing director and Patrick as his deputy. Tadhg is due to retire in 2015 and the family is keen to finalise a shareholders' agreement.

The shareholders' agreement is probably a big hurdle that needs to be crossed and needs to be put in place for the protection of the shareholders.

(Denis, 2nd generation, Commercial Director)

The terms of the agreement or the prospective equity split have not yet been decided upon. The board will be divided approximately fifty-fifty between family and non-family members. However, the board is disproportionately representative given the Buckley family involvement (Gerald has five children, Paddy has one child and Tadhg has three children working in the business) and this is expected to be the focus of the upcoming shareholders' agreement meeting.

We need to bring together the shareholders, the board, and I would suggest also my uncles and aunt (1st generation) and my other two brothers who are not involved on the board level but who are potentially going to be shareholders, as they should be here. And my two uncles and my aunt might decide to bring in their children. We will go offsite somewhere in a hotel.

(Patrick, 2nd generation, Deputy MD)

The clear expression of the BUCKLEYS' future orientation can be seen in their intention to enable the family firm to survive in the long-term by putting processes in place for the next generation. All the measures that the family are trying to establish now to avoid future conflict aim to enable the firm to run in the long-term.

We might not come up with a family council but I would think something like a salary committee or wages committee because when you have too many family members involved it can become personal. That's going to be a source of contention within the family that needs to be removed. Any of those dynamics that can be removed need to be removed to take the decision-making away. I think the fact that the board has been spread across a mix of family and non-family is a good thing.

(Denis, 2nd generation, Commercial Director)

The company retirement plan began in 2008. Gerald and Paddy Buckley retired in 2009 and transferred their directive roles to their sons Patrick and Denis respectively. Gerald and Paddy now operate from the periphery as advisors. Tadhg and Betty are currently representatives on the board but are scheduled to retire next year.

In 2008 we made a plan to hand it over to the next generation. Gerald was the first man to retire. He retired basically in line with what we agreed, maybe three or six months longer, but basically as expected. And then the plan is to continue with the rest of us so that by next year there will be a new management and the old ones are absolutely wiped out.

(Tadhg, 1st generation, Managing Director)

Hence, futurity is evident in the estimation of the future when EPS plans and forecasts its new products as well as new alliances and acquisitions.

Furthermore, EPS exhibits futurity via its transgenerational control intentions through its retirement plan.

4.5.2.1.2 Continuity

Continuity is apparent in EPS when the firm “pursues an endurable mission and reputation” and in its “desire to continue as a family business”.

EPS did not begin as a family enterprise but rather as a partnership between two friends, Gerald Buckley and John Joe Sheehan, having opened a business in 1968 under the name ‘Kanturk Electrical and Farm Services, Ltd.’. The Buckley family were known in the region for their agricultural background and active participation in motorsports and mechanical operations. When Gerald Buckley’s siblings started to join the business in its early years, his partner, John, decided to sell his fifty percent stake to a sibling consortium of Gerald, Paddy, Betty and Tadhg, making Kanturk Electrical and Farm Services Ltd. (soon to be EPS) the exclusive business of the Buckley family for the first time. This ownership quartet has retained their stake in the family business to date.

Around 1969/70, John wanted to get into insurance. He always said he would like to work in insurance, so it was decided then by him to do so. And I suppose from there on it grew into a family business. I was involved, Tadhg was involved, Billy, our eldest brother, he was always there helping with the machines.
(Paddy, 1st generation, Co-founder)

EPS directorship has been modified as part of the company retirement programme which started in 2008. During this process the second generation has recognised the lasting effect of the previous generations of founders and are keen to continue their legacy while leaving their own mark.

Our role now is to build something special with what has been given to us by the original first generation team.
(Patrick, 2nd generation, Deputy MD)

I believe that in the remaining family now, apart from the Managing Director, Tadhg who’s sort of the last of the old guard, there’s a pressure from the younger set to create an equally big entity from where they left off.
(Barry, non-family member, Operations and Maintenance Director)

The incumbent generation has been led into the business by Patrick Buckley, the eldest son of the co-founder Gerald. While Tadhg, his uncle, remains in the company, Patrick holds the title of Deputy MD. It is expected that when Tadhg retires, Patrick will become

the new MD as he is already considered to be one of the primary sources for the company's strategic direction.

Patrick is the real hard goer within the organisation now. And we are of the opinion that we have a very, very strong management team. (Tadhg, 1st generation, Managing Director)

After Patrick graduated from college he joined the family business while holding a political career in County Cork.

I got involved initially working every summer. Since I was very young I used to come in with my father and my uncle Paddy on a Saturday or on holidays. Then we got old enough coming every summer and working every summer in different parts of the business... At the time environmental science and technology was new, a bit innovative as a course. So I went to college and I developed then an interest in science and wastewater treatment and water treatment. So then every summer I worked here in different roles, which were more suited to the course I had done. (Patrick, 2nd generation, Deputy MD)

As an example of his dedication to continued family business preservation, when Patrick's father retired in 2009, he decided to drop his political commitments and fully focus on his involvement in the family business. Patrick was appointed to the board as Sales & Marketing Director before later being promoted to his current role as Deputy MD. He has been especially proficient in the development of a network that can be leveraged by the business and has done so over the course of his ten years in politics.

I worked in politics from 1999 to 2009. So, I would have worked in the business and I was a public rep for those 10 years. In 2009, then I took the decision not to go any further in politics. I pulled out, and I decided to focus on the business then. At that stage, I was the sales and marketing director. My father was just about to retire and I was replacing him on the board. (Patrick, 2nd generation, Deputy MD)

I want to be able to sit back and at 60 [when] I'm retired and say 'I enjoyed that, we took it [the family business] and we transformed it'. I want to transform it. We have the potential to take it from a 70 million to at least 500 million I think. When I'm 60, I want to be able to look back and say 'we did it, we transformed it from that to that, it's someone else's job now to take it on'. (Patrick, 2nd generation, Deputy MD)

The transfer of ownership from first to second generation has yet to take place; therefore, company shares remain in the possession of Gerald, Paddy, Tadhg (thirty-two per cent each) and Betty (four per cent). One clear stipulation is that the ownership will remain within the family.

Dealing with the succession—it's with the family as they want to stay 100% within the family. We [non-family board members] are not involved. (John, non-family member, Large Contracts Director)

Accordingly, the continuity of EPS is observed through the efforts of the incumbent generation to continue the legacy of the previous generation and develop a long-lasting mission while leaving their own mark. Concurrently, there is a clear aim to continue as a family business as reflected by their intentions in addition to their retirement plan.

4.5.2.1.3 Perseverance

Perseverance is identified in EPS when the firm displays “cumulative effort”, “long-term rewards” and “professionalisation of management”.

The industry in which EPS operates is long-term by nature. Water service operations are comprised of the design and build phases which are often a prelude to a lengthy agreement. Consequently, the company management’s high levels of commitment and patience for future rewards is influenced by the industry. Furthermore, EPS is conscious of the long-term value of each part of the business, a value associated with cumulative effort.

The business is a number of separate entities. When we need to, we come together but from a design, build and operate perspective they are separate. My area [operations] has its own budget to meet. Due to the long-term nature of the business, it’s probably better off that the design and build business itself should almost serve the operate business; in the sense that when we are going for a tender it might be beneficial not to seek the margin on the design and build element, but to make sure that you win the operate element of it so you have secured it for the long-term. It is very difficult to make money on building plants, but you make money operating them. (Barry, non-family member, Operations and Maintenance Director)

The long-term, high-value nature of EPS’ operate contracts for municipal water and wastewater treatment plants, has been a steadying force for the company, especially since the economic downturn in 2008. Lengthy contracts will continue to be a strength for EPS into the future.

To some extent the biggest thing that has happened in their industry, obviously, is the creation of the Irish Water Board which will have a huge impact on the awarding of contracts for water treatment plants and that kind of thing. It’s difficult enough to see what will happen there. They’re pretty confident that they’re well established now, they have a good reputation and they’ll do well within a new context. (Tom, non-family member, Auditor Advisor)

The hard work of EPS to create future value is also apparent from its heavy investment in up-skilling and further educating its employees through experiential learning and structured training programmes. In 2012, EPS embarked upon a pilot programme to

introduce efficient business practices to the company. A number of EPS employees participated in the initial programme which was designed to increase performance and competitiveness in the organisation. The perseverance of the EPS management team led the company to continue with these programmes and, in 2014, they launched their Lean Transform Programme with support from Enterprise Ireland⁷. The aim of this programme is to change the culture and productivity performance of the company by upskilling all team members in techniques that will provide sustainable improvement in the business and its wider supply chain. The total investment by EPS is €1.2 million over three years.

The lean transform programme for EPS is a key component of ensuring ongoing and future success for the company and job security for our 275 employees, their families and our wider supply chain. (Denis, 2nd generation, Commercial Director, Irish Independent 2014)

EPS has also exhibited environmental commitment to its community. In 2012, EPS won the award for energy efficiency at the annual Sustainable Energy Authority of Ireland (SEAI) awards. More recently, it was one of ten category winners of the prestigious Ruben d'Honneur Award, a Pan-European accolade granted to them in recognition of the group's environmental and corporate sustainability strategy.

This endorsement [SEAI] is further recognition of our ongoing efforts to develop cleaner technologies and solutions, which reduce energy consumption and increase efficiency. Our vision is to become the most sustainable company in the industry, providing energy efficient and innovative cost-saving water solutions globally. (Patrick, 2nd generation, Deputy MD)

It is also due to the complexity of the market and its business model that EPS is usually engaged in long-term investments, especially through acquisitions and mergers. During the last decade, the company has enhanced growth via this business model. When EPS sought further expansion into the UK market, the company did so by investing in Conder Aqua Solutions in 2008. In 2013, as explained above, Premier Tech and EPS agreed to operate in a partnership. Separately, EPS bought fifty percent of a UK pump distribution company (Pedrollo Distribution Ltd) and formed MEPS, a fifty-fifty joint venture with MWH Treatment in the UK.

Since 2008, we have become very active in the UK market both in the water utility sector and through our acquisition of Conder Environmental Solutions. Combined, these new growth areas are providing an important platform for the future growth and sustainability of the business. Significant progress continues to be made in a number of key areas including R&D,

⁷ Enterprise Ireland is a state body whose role is to aid the internationalisation efforts of Irish firms.

our Environmental, Health and Safety and Quality Management Systems, as well as our energy and carbon reducing initiative. (Tadhg, 1st generation, Managing Director)

The perseverance of EPS is also exhibited in its attitude towards the professionalisation of its management structure. The firm's efforts in effectively advancing its company goals are associated with implementing new management practices and involving non-family members in governance and management. As EPS started to grow, the management team recognised the need to implement a professional structure. With the initial expansion of the business during the seventies and eighties came the appointment of a full time finance director.

Eventually they [Betty, Paddy, Tadhg and Gerald] got to the stage of needing an internal full-time accountant. I interviewed accountants for them and they appointed Liam Sheehan as their full-time internal accountant. That was the first time that anybody from outside the family was involved in a managerial role. (Tom, non-family member, Auditor advisor)

Later the company professionalised their HR function and with the acquisition of Lister Group's water and wastewater treatment division, the company included a technical director. With new hired expertise and specialist development of some internal staff, EPS has grown its technical proficiencies to a level of excellence.

He [Technical Director] was the only one who ever got shares and that was part of his pre-condition for joining—that he would have an option to buy shares, so he holds about 10% of the shareholding. (Tom, non-family member, Auditor advisor)

Today, the incumbent generation continue to see the benefit in the professionalisation of management.

Patrick is more open to bringing in new talent and to the idea that the talent that is within the company should be recognised and rewarded accordingly. (Tom, non-family member, Auditor Advisor)

Thus, as per the above, the perseverance of EPS is manifested through its cumulative efforts, its long-term investments and its attitude towards the professionalisation of management.

Empirical findings in relation to LTO in EPS are summarised in Table 4-4. A schematic description of the empirical evidence of futurity, continuity and perseverance in EPS is provided in Appendix C2.

4.5.2.2 LTO and EO (Addressing RQ2)

4.5.2.2.1 LTO and Innovativeness

Futurity

Futurity is at the core of EPS' strategy. The firm management's ambition to grow and achieve its future goals is associated with their endeavour to implement innovative products and processes. EPS' future orientation motivates the company to constantly engage in the search for innovation in order to grow and achieve long-term goals.

With an annual turnover nearing €70 million, a dedicated workforce of 400+ and our own manufacturing plants in Ireland and the UK, we are an SME that certainly "punches above its weight". We started on our journey in the agricultural heartlands of Ireland in 1968 and we see our future as a truly global one - a future founded on our people, our capabilities and our ability to innovate. We plan further controlled growth of our business, seeking the best opportunities for mutual benefit and the ability to enhance the businesses of our suppliers and clients.

(EPS Corporate Handbook 2014/15)

EPS has a strong track record in bringing innovative products and services to the market and has been to the forefront of new products in the design, manufacture, installation, commissioning, operation and maintenance of water and wastewater treatment and pumping solutions.

In the seventies we bought pressure washers, which had the likes of the people that do the power drains now. We got into that and that was very new at the time. I find that from the domestic scene we have developed a lot over the years by envisioning new products and different processes, and we are still changing.

(Paddy, 1st generation, Co-founder)

The firm has continuously looked to the future when planning its strategy and operations. The innovative and future-oriented approach has been embedded in the Buckley family.

I don't think people knew what 'to innovate' was, they [first generation] didn't recognise it as innovation. But sure they were at it for years. They were always trying to be a step ahead. They were always doing different things... some worked and some didn't, but generally most of them did. They were always trying to find new pump products and new water treatment products.

(Patrick, 2nd generation, Deputy MD)

For instance, EPS developed and installed a new technology called the Bio-Crack at various wastewater treatment facilities throughout Ireland. This innovative technology enables plant optimisation and energy reducing initiatives. In recognition of these energy focused achievements, EPS recently won a major award for energy efficiency at the annual SEAI Awards. The EPS R&D team also recently developed an innovative screening product over a period of two years in an R&D programme supported by

Enterprise Ireland. The ORCA Screen technology offers a low cost and low carbon solution for the preliminary treatment of wastewater. This technology provides environmental and functional improvement from the existing offerings in the marketplace. Recognition for this innovative technology was achieved when it was shortlisted for the Green Innovation Awards in 2011.

The recent partnership agreement with RHDHV to deliver innovative Nereda technology in Ireland was led to fruition by EPS' future orientation. Nereda is an innovative, sustainable and cost-effective biological wastewater treatment technology that purifies water using unique features.

'We have seen an excellent start to our partnership with RHDHV and with three projects currently live (one completed and two under construction) our design and delivery team has rapidly developed the in-house skills and competencies to successfully deliver Nereda® for our customers.'
(Jim Palmer, non-family, Technical Director, EPS website)

Accordingly, the futurity of EPS has encouraged the firm to engage in innovative practices for the long-term benefit of the business.

Continuity

The Buckley family's aspiration to grow and preserve their family business encourages them to explore new products, services and technological processes. Gerald Buckley, previous MD, is seen as an exemplar leader who grew the company to what it is today. The desire of building a substantial legacy is now perceivable in the second generation of the Buckley family.

Gerald Buckley, who is the ex MD, made one or two very big decisions in his career which took EPS from being a company that sold pumps to the local farmer, to what we are now. His sons are now looking for something that can set them apart from their cousins or the rest of us.
(John, non-family member, Large Contracts Director)

The ambition to succeed by extending the legacy of previous generations encourages the incumbent generation to engage in growth-fuelling innovations.

In 2001, we set up a new business unit to avail of the housing boom in terms of treatment plans for single houses. I was put in charge of running that and I took it from 200,000 a year up to 7.5 million from 2001 to 2006, helped by the boom of course. That's everything from designing and setting it up, hiring the sales people, running the production, the assembly and everything.
(Patrick, 2nd generation, Deputy MD)

The County Cork headquarters include state-of-the-art manufacturing and design facilities with these in-house innovation initiatives supported by Enterprise Ireland. EPS hopes to further innovate through its joint ventures, namely MEPS and Conder Aqua Solutions, the UK subsidiaries resulting from their partnerships with global multi-nationals, MWH Treatment and Premier Tech respectively. The partnership of Conder-Premier Tech involves the introduction of rotomould manufacturing technology as well as a new range of innovative and European tested wastewater treatment technologies as well as storage, rain water harvesting and other rotomould tank products.

On filters, there is a smaller market [than treatment plants] but you get a premium price and you have less competition. The market in Ireland is starting to change to filters because local authorities see all the problems aligned with treatment plants as no one would maintain them. If the power is out then the blower doesn't work, whereas, if you have a standard settlement tank and a filter that doesn't need power, it works by gravity, it doesn't matter then even when the power is on or off, it could still work away. So, that's the technology we need to change people over to. This is why we have chosen them [Premier Tech].

(Patrick, 2nd generation, Deputy MD)

Recent government legislation concerning septic tanks in Ireland brings with it responsibilities for the industry to introduce new and more innovative solutions to solve the problems that exist with the current installed base.

Our partnership will ensure that Conder Aqua Solutions will develop and provide such innovation and leadership for the industry.

(Patrick, 2nd generation, Deputy MD)

The second generation deputy manager has shown constant commitment to the continuity of the family business and in taking necessary actions to preserve it.

Patrick recognises Gerald's legacy, but doesn't run EPS in the same dominating manner that Gerald controlled the company. He sees himself as first among equals, as working with the team rather than doing all the running himself. There are different specialisms and he recognises that he can't do everything, that there are experts...

(Tom, non-family member, Auditor advisor)

Patrick believes that innovation starts with people's attitudes and approaches, so in 2012, he decided to re-evaluate EPS values and incorporate a culture of innovation in the organisation. As part of this culture change, the board of management agreed to participate in Enterprise Ireland's leadership programme to enhance their strategic leadership capabilities.

As per the above, the long-standing aspirations of the family, i.e. continuity, have promoted EPS' engagement in novelty and experimentation, while the next generation provides its unique contribution to business development.

Perseverance

A long-term investment strategy has been critical in developing innovation at EPS. The ethos of the Buckleys revolves around enduring relationships with key company stakeholders combined with a commitment to innovation and excellent products and services. Accordingly, the structure of EPS has evolved into a “family of businesses” that has continually innovated through new products, processes and technologies, which have come to fruition along the years.

He [Technical Director] brought it to a new level, he introduced a totally new dimension. They started to think on a national basis rather than on a regional basis...He got them great connections in government and in local government and in bigger companies in the same industry in the UK. He was well connected with these people and he really brought another dimension to it.
(Tom, non-family member, Auditor advisor)

Consequently, this perseverance has supported the firm's engagement in long-term investments and innovations that are realised over a period of time.

4.5.2.2.2 LTO and Proactiveness

Futurity

The company's emphasis on the future is also positively associated with its proactiveness. The Buckleys' aspiration for the growth of the firm is linked with their ability to identify opportunities and introduce products and services ahead of their competitors, while they also anticipate future demand. For instance, EPS was the first Irish business to sell water and wastewater pumps and to establish a monopoly in the distribution of water pumps in regions of the country which were isolated logistically. EPS initiated a dedicated 'operate' service for the maintenance and repair of treatment plants (post-design and build).

When we started 'operate', we were the first company to do operate. We were the first Irish company to do large contracting. When the Buckleys started they sold pumps to farmers; that was their family business. We started off on the 'operate'; I think 9-10 months before anyone else. We had 3 or 4 operate jobs before things kind of started to get out to the market.
(John, non-family member, Large Contracts Director)

When the exclusive licence to sell those pumps expired and competition began to threaten its dominance, EPS switched from monopumps to the more technologically advanced centrifugal pump. EPS began to experience delays with its Irish supplier, so the Buckleys' management team travelled to Italy and brokered a deal with the primary manufacturer—a partnership that still exists over thirty-five years later.

We were using mostly monopumps and then we started using centrifugal pumps and that changed the scene. We were buying from different places and in 1974, Gerald went to Italy. We were buying domestic pumps then from another company in Dublin. But we said, 'if they are bringing in pumps from Italy, why can't we do the same?'

(Paddy, 1st generation, Co-founder)

I spent a lot of time in Italy, because we were looking for new ideas. I'm still going there for trade fairs. I would travel to other countries as well such as Germany.

(Paddy, 1st generation, Co-founder)

An ambitious programme of business mergers and acquisitions has enabled EPS to expand into new territories and emerging sectors.

One of our strategies is to grow and acquire companies in the business areas where there is more money to be made. If you look at the mix of revenues and margins that is changing, every year it's changing. We have a 2020 plan which is to get somewhere between 120 and 150 million, and 5% net profit. And that's before we go do any acquisitions or even half of that.

(Patrick, 2nd generation, Deputy MD)

That proactive mindset has been transferred to the second generation of the Buckley family.

Yes, they still go there [Italy]. Anthony and Patrick go and also some of the sales people who always wanted to see if there's anything new.

(Paddy, 1st generation, Co-founder)

In 2001, led by the now deputy MD, EPS Bison was formed to capitalise on the Irish residential construction boom. By the time Ireland's construction industry had reached its peak in 2007, Bison's annual revenues had grown to €7.5m. In 2008, EPS carried out an alliance with a strategic partner, Conder Aqua Solutions, to ensure positive future prospects for the UK. More recently, 70% of Conder has been acquired by Premier Tech so that EPS operates in a partnership to facilitate further expansion.

We are only after signing the deal with them and we're already looking at opportunities in the UK. I have a meeting set up for immediately after January for him [president of the environmental division] to visit with me to see if we can acquire another company. So, hopefully, by the middle to the end of next year, we'll have another one to tag on and for the next three to four years, to have consolidated the market. That's the plan.

(Patrick, 2nd generation, Deputy MD)

Hence, the firm's future orientation has encouraged the search for new growth opportunities mostly focused on strategic alliances.

Continuity

As explained in the innovativeness section, the aspiration to succeed by extending the legacy of previous generations drives the incumbent generation of EPS to engage in activities that will benefit the firm's growth. As such, this sense of continuity promotes not only engagement in innovative practices, but also the search for opportunities to ensure an enduring legacy.

EPS' robust business planning process has, over the years, sought to expand the firm's strengths and develop capability opportunities where appropriate.

Our predecessors [the founding generation] had a great feel for the market and they were able to see what was coming down the tracks in five or ten years' time. They have educated us so I suppose we would see what's happening too; we were in the UK since 2008, knowing that the recession was about to kick in [in Ireland] in 2008 or early 2009. But we went in 2008 so we were in there about three years before our competing Irish water/wastewater treatment firms.
(John, non-family member, Large Contracts Director)

While the management style of generation one was very much hands on, generation two is more centred on decisions that guide strategic direction and sustainable long-term growth and expansion. For instance, the partnership with Premier Tech is part of the company's vision for future growth. Premier Tech is a global leader in innovation and has accumulated hundreds of patents, some of which EPS/Conder hope to leverage. EPS are the only company in Ireland to sell coconut-based water filtration systems. To further enhance innovative capabilities at Conder, EPS has facilitated its merger with domestic wastewater division, EPS Bison.

The plan from now to 2019 is new products coming out. All the products they [Premier Tech] have researched for all of their businesses all over the world, we can licence them for all of the UK and Ireland. We're installing new rotomould plastic tank manufacturing equipment.
(Patrick, 2nd generation, Deputy MD)

Highlighting the importance of reputation and legacy, a motivating factor in EPS' decision to ally with the Canadian company, Premier Tech, was their commonality as family businesses.

It is hugely important to them that they're not seen to be divorced from their values... It was a factor [that their Canadian partner is a family business], yes. I wasn't involved in the process, but Patrick told me afterwards that their ethos was important to him, that it wasn't

a multi-national soulless corporation. For example, I run a small accountancy practice, we have twelve people. Patrick asked them if I would still be Conder's auditor and they said: 'Why not? He's a family auditor'. Whereas, a multi-national would say: 'No, no, no, it must be KPMG or PwC or something'. (Tom, non-family member, Auditor advisor)

It is through such alliances and acquisitions that EPS has further developed its presence in the UK market.

My own mission with them [Premier Tech], predominantly, is to become the number one in the UK and Irish markets in water treatment. There is an oversupply of manufacturing capacity in the UK market. We are going to start buying out a few of the smaller companies over the next five years which is something I would do with them because their R&D function is big and strong enough to sustain a conglomerated business. I only own 30%, but the plan we've agreed from now to 2019 is that 30% will be worth more than what my 100% is worth today. (Patrick, 2nd generation, Deputy MD)

As evidenced above, the desire to continue EPS' mission for subsequent generations has encouraged the family to engage in new alliances and mergers, which allows the incumbent generation to leave their mark and achieve continued growth.

Perseverance

The perseverance exhibited in EPS has allowed the firm to support its mergers and acquisition strategy which requires a long-term outlook.

Some of the relations we're developing now are setting us up for big growth and opening up more opportunities for going in other directions. (Patrick, 2nd generation, Deputy MD)

In particular, the long-term investment strategy has played a critical role in the growth of the firm. This strategy has been self-funded without any need for third-party investment.

We are investing money back into the business. We got paid for our 70% of Conder that we sold. Every bob we got paid we spent it on the business. We have been investing in it for the last five years. (Patrick, 2nd generation, Deputy MD)

Accordingly, the perseverance demonstrated by family members within EPS has fuelled the firm's search for new alliances for its continued survival and growth.

4.5.2.2.3 LTO and Risk-Taking

Futurity

Under the governance of the Buckley's first generation, EPS developed an inclination towards risk avoidance and minimal capital commitment. While some degree of risk can be observed in their first acquisitions (Lister Group's water and wastewater division in 1981 and Aquapure UK in 1988), the risk was measured and compensated by high revenue streams emerging from their growing portfolio of long-term contracts for water and wastewater treatment plants in Ireland.

However, the strong future orientation of the second generation of Buckleys raises the company's tolerance towards risk. With the arrival of the second generation to the family business, starting with Patrick Buckley in 1997, the acceptance for risk has increased.

There are some decisions that the second generation want to make which are too risky. They can cost the company 3 or 4 million. That's the real difference between first generation and second generation. When Gerald got into contracting it was £20,000, which is probably now like £150,000-£200,000, whereas the second generation take one risk worth 20 million.

(John, non-family member, Large contracts Director)

We do work in Kazakhstan and other places, it is design work not installation, it is purely design. We were in there for about a year and a half, not on a huge scale, but we were doing it and we are starting to look at doing it in other places.

(Patrick, 2nd generation, Deputy MD)

Patrick and Denis C. Buckley (who together account for two-thirds of the second generation's boardroom representation) envisage their tenure as a period of rapid but sustainable growth driven by strategic alliances and acquisitions.

Whilst the transition to what is now effectively our new board has not been easy, we currently have an industry leading team with an excellent mix of views, appetite for risk and areas of expertise.

(Patrick, 2nd generation, Deputy MD)

As such, the incumbent generation attribute value to mergers and acquisitions and the potential future rewards of these endeavours which, in turn, raises the risk profile of EPS.

Perseverance

Long-term investment and the patience for future rewards has been critical in developing EPS. While the firm is not notably risky, the incumbent generation has slightly increased the risk profile of the organisation. Any risk-taking activities are supported by patient capital and cumulative effort so that they can translate into successful projects.

When I said it to the Canadian guys (Premier Tech) 'I want to get to half a million', I don't think they thought we would. If you sit down and look at it, we've done it. But you'll have to borrow a bit of money and take a bit of risk. (Patrick, 2nd generation, Deputy MD)

A summary of RQ2 analysis, how LTO influences EO in EPS is presented in Table 4-4.

4.5.2.3 Non-Economic Goals (Addressing RQ3)

The non-economic goals deemed more significant in EPS are retaining the business within the family and maintaining family unity and harmony.

A. Retaining the business within the family

The full ownership of the firm is within the Buckley family and it is expected to continue this way once succession to the second generation is finalised. While the final details of the ownership and shareholders' agreements are not yet formalised, the Buckley family has shown clear intent on retaining the ownership within the family.

Liam Sheehan, who was with the company for 20 years or more, was a director but never once was there any offer of shares for him, even though he was one of the top three people in the company and was a hugely loyal guy and a very competent, able person. Never once was there was an offer whereby shares could be issued.

(Tom, non-family member, Auditor Advisor)

Even when the quartet of siblings took ownership of the company more than forty years ago, there were expressions of interest regarding the creation of roles for the next generation.

When EPS was growing up, our intention was that, hopefully, there would be jobs here for them [children].

(Paddy, 1st generation, Co-founder)

My father would have had an ambition to try and get us in here and work in the company so that we can progress.

(Patrick, 2nd generation, Deputy MD)

Company ownership remains with the four siblings of the founding generation, although only Tadhg (now MD) remains involved in management. The board is structured such that each family of the founding generation is represented either by the original member (as is the case with Tadhg and Betty) or by one of their sons (as is the case with Gerald and Paddy who are represented by Patrick and Denis C. respectively). The other five board members, including Patrick's brother Denis (as distinct from Denis C., his cousin), are non-representative or independent directors. In view of the increased participation of

generation two, a shareholders' agreement is being drafted that will decide the equity entitlements of each of the inheritors.

B. Maintaining family unity and harmony

One of the current key non-economic goals of the Buckley family is to preserve harmony within the family when the succession process is finalised. The present shareholders from the founding generation are highly motivated to avoid family discord or potential fights over dividends or corporate direction.

We are desperately conscious of it and that's why we are trying to put our shareholders' agreement and structure in place, to try and stop the in-fighting that may come. Thank God there hasn't been any of it [so far], other than a cross word occasionally, but nothing other than that.
(Tadhg, 1st generation, Managing Director)

While an amicable relationship exists between the family members at the moment, the BUCKLEYS are conscious of the need to have structures in place for the next generation.

That's an issue that has to be decided. Clearly there were issues between the cousins coming in and not between the cousins per se. But it was expected that some of them would be automatically entitled to be employed by EPS, whereas the existing cousins who are in EPS said: 'There's no such entitlement. You have to earn that entitlement. You have to show that you're going to be a contributor and not a liability'. I think so far it's okay, but it's a problem that might arise in the future.
(John, non-family member, Large contracts Director)

It is not only the founding generation that is conscious of the family unity and harmony in the future but also the incumbent generation. The firm is currently focused on finalising a shareholder's agreement, which was recently non-existent, to ensure that family values are maintained across subsequent generations.

The owner circle is quite small; it's only moved one generation away from where it is so it's still probably very tight. It hasn't come generations down yet, so I would think there is very little that goes on at this stage that the shareholders don't know about. It hasn't gotten to the stage where they're [first generation] completely removed from it. The big thing going forward will be to get the shareholders' agreement in place, so that there is a safeguard there for the shareholders as it starts to move down.
(Denis, 2nd generation, Commercial Director)

Nevertheless, the incumbent Deputy Manager is concerned that not enough time is given to this process, considering its importance to the future of both the family and the business.

We need to have structures for both [business and family]. At times we don't spend enough time on the family side of it. We're still in the process of finalising our shareholders' agreement.

It's been delayed for personal reasons during the summer but it's starting back up again over the next couple of weeks.
(Patrick, 2nd generation, Deputy MD)

4.5.3 Case 2 Summary

The within-case analysis of EPS identified each of the firm's dimensions of LTO as well as their influence on the firm's EO, and outlined the most salient non-economic goals of the firm. The presence of futurity and continuity leads the family to support innovative practices which have resulted in new products, services and technologies for EPS and its industry. These two dimensions also propel the search for novel opportunities through mergers and acquisitions. The perseverance exhibited in the firm has supported the engagement in those partnerships as well as in long-term innovations. While the company strategy is more progressive than risky, the high future orientation of Buckleys' second generation has increased the risk profile of the organisation. On the other hand, the company prioritises the pursuance of non-economic goals, especially the aim to retain the business within the family and to maintain the family unity and harmony in order to leave a legacy for the incoming generation.

Table 4-4. Summary of Within-Case Analysis for EPS

Case 2: EPS		
LTO Dimensions	How is LTO manifested?	How is EO influenced?
Futurity	Estimation of the future <i>e.g. Upgrading water solutions and partnership with Premier Tech</i>	Promotes innovativeness
	Transgenerational control intentions <i>e.g. Shareholders agreement and retirement plan for G1</i>	Promotes proactiveness Increases risk-taking profile
Continuity	Pursuit of an endurable mission and reputation <i>e.g. Retirement from politics and focus on building reputation and success of G1</i>	Promotes innovativeness
	Desire to continue as a FB <i>e.g. Expression of desire</i>	Promotes proactiveness
Perseverance	Cumulative effort <i>e.g. Lean Transform programme</i>	Supports long-term innovations
	Long-term rewards <i>e.g. Expansion to UK and acquisitions</i>	Supports long-term alliances
	Professionalisation of management <i>e.g. Professional structure</i>	Supports risk-taking activities

4.6 Case 3: Flahavan's

4.6.1 Case Overview

Flahavan's is Ireland's leading producer of oat-based branded cereals and the oldest Irish family food company with a history spanning over 230 years. The oat mill in the rural village of Kilmacthomas (County Waterford) came into the family's possession around 1785 when it was acquired by Thomas Dunn, the great-great-great-grandfather of the current MD John Flahavan. The mill, which at the time was one of five on the River Mahon⁸, is one of only two still in operation in the Republic of Ireland. Prior to 1999, Flahavan's had also been a regional producer of animal feed for beef and dairy consumption. At the time, Flahavan's lost a major source of income, animal feed production, when their process became outdated by advancements in Irish agricultural machinery during the 1960s and 1970s.

A symbol of Flahavan's continued progress, the mill, has undergone a series of process improvements and machinery updates over the years. Prior to adding an oatflaking facility in 1935, the oats were milled and returned to the farmers on a contract basis. By 1959, Flahavan's completed the construction of its current mill building, and in 2009 the company invested €1.6m to increase energy efficiency and organic output. This culminated with an additional €1.5m for warehouse development in 2013. Strides in product innovation have characterised the last decade at Flahavan's. In the late 1990s, a newly appointed marketing director initiated a strategy review for the company. Flahavan's new strategy involved comprehensive market research and consumer profiling, which resulted in a product mix that remains largely consistent. Emerging consumer preferences for organic, quick-to-prepare, ready-to-eat and individually packaged products led to Flahavan's extended range, which constitutes a large portion of the company's day-to-day revenue. While there is room to diversify Flahavan's product mix further, most company efforts are focused on future growth through the export sector. Since first entering the UK in 2003, the company has expanded its geographical locations to Spain, the US, Russia and East-Asia. The continuous vision for export potential has driven the company to introduce its products to unexploited markets such as Thailand and

⁸ The river Mahon passes through Flahavan's Mill and under the rail bridge in Kilmacthomas, Co. Waterford. In former times, the river powered five different mills, three of them at Kilmacthomas. The river drains into the region of the Atlantic Ocean known as the Celtic Sea.

South Korea. By the beginning of 2012, export sales had risen to twenty per cent of total income.

Flahavan's ties to its community are strengthened by the company's ongoing positive contribution to the area. The company, located in the small village of Kilmacthomas, plays a very important role in the local economy and employment creation. The majority of Flahavan's employees emerge from the surrounding community and the company is deliberately sourcing its grains (except for organic varieties) from local farms. Many of the neighbouring farms have grown oats exclusively for Flahavan's for decades, which has created a strong relationship by mutual dependence. The company has built its brand around the Flahavan family, sharing both name and heritage. John Flahavan's signature appears on each packet across the product line which provides an affective touch to the brand and reinforces customer loyalty. The firm has evolved without disconnecting itself from its core values: simplicity and traceability of inputs, healthy outputs, and a consolidation of its position in the community and of its national identity. Furthermore, low levels of staff turnover have provided Flahavan's with stability in decision-making and maintaining the company's core values.

John Flahavan, the company's managing director, and his wife, Mary Catherine, possess 100% ownership of the business. The concentration of ownership and governance within the immediate family has afforded Flahavan's flexibility and speed in strategic decision-making. From the foundation of the company to its sixth generation, the majority shares of Flahavan's have been held by one or two active owner-managers. The fifth to sixth generation transfer resulted in a dispersal of business ownership among various family members, a first in the company's history. By 2000, John Flahavan and his wife acquired all the company shareholding. Two of John's and Mary's six children, James and Annie, are the seventh generation of Flahavan's currently involved in the family business.

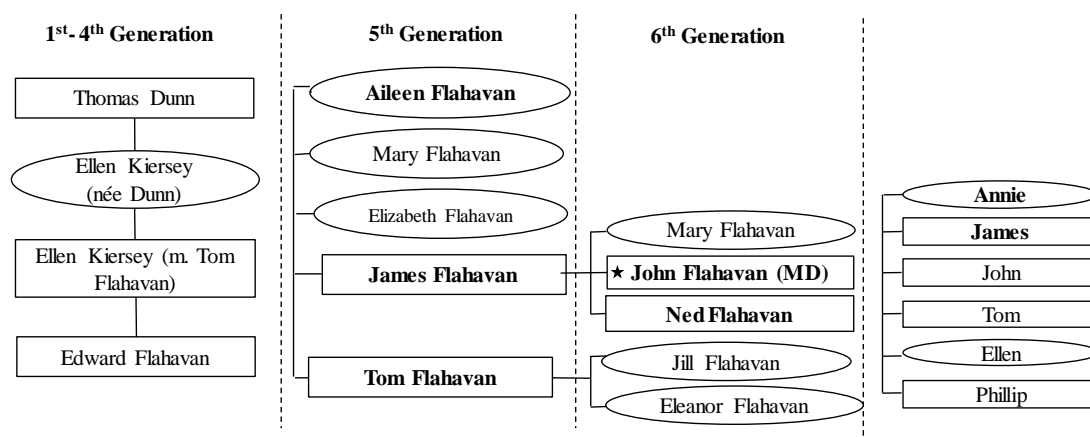
Today, Flahavan's family business possesses over 60% market share of the Irish hot cereals category, which is worth €20.3 million at retail level. The family employ fifty people at their premises and almost all of the Irish oats utilised in their products are sourced from local farmers in Waterford and surrounding counties.

Our Mission is to lead a dramatic change in the way consumers think about Flahavan's brands and the compelling health benefits of oat based products. We will be customer led, identifying the relevant lifestyle and health needs of our existing and potential consumers. We will respond with distinctive oat

based branded products that enhance the Flahavan's brand name and provide excellent value to consumers. (Flahavan's, 2015)

A summary profile of the Flahavan family and timeline of main events at Flahavan's can be found in Figure 4-3 and Table 4-5 respectively.

Figure 4-3. Profile of the Flahavan Family



Bold denotes that individual is, or has been, a Flahavan's employee.

★ Denotes that individual is current director of Flahavan's.

Table 4-5. Timeline of Flahavan's

Date	Event
1778	Records dating to this year infer that the Dunn family (direct descendants of the current family owners) were operating the oat mill at Kilnagrange, the site of the current Flahavan's mill.
1785	Oat mill at Kilmacthomas was acquired by Thomas Dunn, the great-great-great-grandfather of current managing director, John Flahavan.
1910	Reconstruction of the mill building was completed, making it one of the first reinforced concrete developments in County Waterford.
1920	At the ages of fourteen and sixteen, James and Tom (soon to become the fifth generation of owners) were brought back from boarding school to assist their ailing father with the running of the mill.
1925	Edward Flahavan died, leaving control of the business to his two sons, and ownership was divided between all five of his children.
1935	The first significant expansion of the mill took place, with the addition of an oatflaking facility. This brought to an end the contract milling model that the business had hitherto followed. An office block would be added ten years thereafter.
1940	On the 28 th September, the business, which had been in operation for around one-hundred and fifty-five years already, was officially incorporated under the name Edward Flahavan and Sons Ltd.
1959	The construction of the mill building on the River Mahon was completed. Six years later, a new animal feed mill would be built to service the agri-business.

1962	Flahavan's was part of a pioneering group of Irish companies that created a television advert for the newly launched state broadcaster, RTÉ ⁹ .
1972	John Flahavan, now managing director, joined the business. He would be joined two years later by his elder brother, Ned. Construction also began on a new grain and feed store. In the ten years that followed, eight big bulk silos would be developed to supplement this added capacity.
1995	Flahavan's branded goods were sold outside the Republic of Ireland for the first time, appearing on supermarket shelves in Northern Ireland.
1997	John Noonan joined the company as Director of Marketing. The sales directorship would later be added to his brief.
1998	The Food and Drug Administration Authority in the United States allowed porridge producers to make health claims based on the soluble fiber contained in porridge, which is good for the digestive system and can reduce cholesterol.
1999	The company sold its agri-division to another family business in the Southeast of Ireland, Brett Brothers of County Kilkenny. The price was undisclosed.
2000	John Flahavan gained full ownership of the business, acquiring the outstanding holdings of his brother and other relations.
2003	Flahavan's expanded to mainland United Kingdom, where it was stocked by Tesco, Asda, Sainsbury's and Morrison's. A redesign of the company's packaging saw organic oatflakes sold in retro-style paper bags.
2005	Recipient of the Irish Export Association's Food and Drink Exporter of the Year award.
2007	James Flahavan became the first of the seventh generation to join the business.
2009	Flahavan's was the recipient of two prestigious awards, namely the Marketer of the Year award and the Irish Export Associations' Overall Exporter of the Year award. In the same year, James Flahavan becomes the first of the seventh generation to return to the business, and €1.6m was invested in expanding grain drying and storage facilities with dedicated organic oat silos.
2011	Flahavan's products went on sale for the first time in the U.S. market, which was estimated to be worth €1.2bn. The company partnered domestically with McDonald's to sell porridge in its eighty-four Irish restaurants.
2012	Annie Flahavan, one of John Flahavan's two daughters, returned from Australia to work for Flahavan's.
2013	A €1.5m on-site warehouse development was brought to completion.

4.6.2 Within-Case Analysis: Flahavan's

Interviews with the Managing Director, Sales and Marketing Director, International Business Development Manager, Financial Controller and National Accounts Manager took place within October and November 2013 (details of the interviews can be found in Chapter 3, Table 3-6). The MD, John Flahavan, is the sole shareholder of the company. Two of his six children, James and Annie, are employed in the organisation as International Business Development Manager and Financial Controller respectively. Both children have completed third level education and worked outside the family business

⁹ Radio [and] Television of Ireland, abbreviated to RTÉ, is a semi-state company and the national public service broadcaster of Ireland.

before recently joining Flahavan's. James joined the family business in 2010 and his sister, Annie, followed two years later. The Sales and Marketing Director, John Noonan, joined the company in 1997 and after ten years as head of marketing at Flahavan's, his role was combined with sales director. The last interviewee, Margie Walsh, took up the position of Accounts Manager in 2006, replacing an employee that had served in that role for almost forty years.

4.6.2.1 Long-Term Orientation (Addressing RQ1)

4.6.2.1.1 Futurity

Futurity at Flahavan's is present when the firm "estimates the future" and through its "transgenerational control intentions" (see Figure 3-4 for second-order themes).

Futurity is exhibited at the core of Flahavan's strategic operations. The family emphasises future goals and clearly sees value in planning for the long-term, both at operational and strategic levels. Flahavan's main building was built in 1959 with the intention to invest in increased efficiency and organic output. However, the warehouse still needed improvement to increase production efficiency. The new warehouse management system will help to automate and improve the company's inventory with the overall aim of increasing its productivity in the future. The seventh generation's focus on futurity has been crucial to Flahavan's significant investments.

We are actually in the process of putting in a warehouse management system here... we have an outsourced IT provider to go and get it set up. We are investing capital for the long-term, especially in the warehouse. With the warehouse and racking, new forklifts and stock management system, all that is fairly costly. We would be looking at that as a long-term investment.
(Annie, 7th generation, Financial Controller)

Under the stewardship of John Flahavan (current CEO, 6th generation), the business has created targeted growth centres that greatly enhance its transgenerational potential. The organic and export components of the business account for around one-third of the company's revenue.

I think a longer term position might be best by looking at what we are good at this year and continuing to improve in terms of our core business, which is the production of our products and then looking to export it abroad.
(John, non-family, Sales and Marketing Manager)

Furthermore, in 2009, Flahavan's was named Exporter of the Year by the Irish Export Association in recognition of their success in bringing their product to overseas markets.

Since first entering Britain in 2003, the company is already the biggest selling organic brand in the UK and has spread geographically to Spain, the US, Russia and East-Asia. Continued growth through exporting is a long-term plan of the company.

I think the business is going to face internal and international market pressures as we move forward. Therefore, international float is going to be an important part of our future. I think we have something special here, which is a unique product that tastes different to others and that's non-perishable, and those kind of components give you the opportunity for exporting, maybe in a way that you can't do with fresh products or other types of products. There is an opportunity for us to see if we can exploit that export opportunity going forward.

(John, non-family, Sales and Marketing Manager)

Futurity can also be observed in Flahavan's transgenerational control intentions. Flahavan's increased focus on the export sector as an avenue of future growth and James' direct involvement with the sales and marketing system that underpins this are the most overt indications that succession planning is underway.

We need to hurry with the succession planning per se...James, next generation, is working in marketing at the moment, he's working in packaging and artwork and he's dipping into operations. I think he is getting a good round feeling for lots of different aspects of the company, I think the more departments he's running, the better.

(Margie, non-family, National Account Manager)

Accordingly, futurity is manifested in the evaluation of the long-term consequences of decisions such as the new warehouse management or the focus on exports. Flahavan's also exhibits futurity through its transgenerational control intentions with the seventh generation's involvement.

4.6.2.1.2 Continuity

Continuity in Flahavan's is marked by its "pursuance of an enduring mission and reputation", its "desire to continue as a family business" and the "value it places in influences from the past".

John Flahavan demonstrates his entrepreneurial prowess through his ability to pursue an enduring family values-driven mission and an abiding legacy. John has always believed in the value of history and reputation in making family business decisions. The coalescence of the family and company identities is so complete that his signature, which appears on every packet of their oats, is among the most valuable elements of the Flahavan's brand.

If you have a look at the oats package, Dad's signature is at the front and at the back.
(Annie, 7th generation, Financial Controller)

It succeeded in giving some prominence to the themes of family, community and quality, but primarily, it sought to verify for consumers that behind the product, there was a family in whom they could trust. Furthermore, the firm has evolved and expanded without disconnecting itself from its core values, community and national identity. The socio-emotional legacy that the family business has accumulated for over 200 years has manifested in a rapport between Flahavan's and the people in its locality (Kilmacthomas, Co. Waterford). Flahavan's has maintained a strong attachment to tradition and a solid link to the past as can be seen in the value they place in long-term relationships.

It's great to see that 100 years ago my great-grandfather was growing oats for Flahavan's and I'd really hope to see that in maybe another 100 years my great-grandchildren are growing oats for them as well.
(Long-time supplier, RTE, 2011)

For the long established Flahavan's, the succession of the family's seventh generation has not yet begun, and whether it will change the governance dynamics by dividing ownership amongst the next generation remains unknown.

I will be looking at the children that are working in the business maybe having more of the shareholding [than those not involved]. I'm not quite sure what the best way is. In your heart, you give them all the shares of the business and the active ones buy the inactive ones out over time.
(John, 6th generation, CEO)

However, there is a clear desire to keep the business within the family.

John and the children see the family business as something that is passed to them and they are going to take care of it, they are going to improve it and pass it on to the next generation.
(John, non-family, Sales and Marketing Manager)

Two of John Flahavan's (CEO and sole owner) six children, James and Annie, have recently moved back to their home town and joined the family business.

I joined the company recently [2012] after returning from Australia. However, I have always been involved. Our house is beside the mill and we all have worked there in summer jobs, we were always involved in what was going on with the business; even when I was in Australia, I was receiving all the emails about what was going on with the family business.
(Annie, 7th generation, Financial Controller)

The involvement of James and Annie, alongside their father's direction, has led to a heightened expectation that the family will retain ownership.

Dad would not want to let it get out of the family. It is part of the family history and has been for a number of generations. It would let down the family.

(Annie, 7th generation, Financial Controller)

Thus, Flahavan's continuity is present in its pursuance of an enduring mission, the value it attributes to the past and its desire to keep the business within the family.

4.6.2.1.3 Perseverance

Perseverance in Flahavan's is identified based on the firm's "cumulative effort", "long-term rewards" and "professionalisation of management".

Firm perseverance is exhibited in Flahavan's commitment to its community through proactive engagement. Flahavan's has provided livelihoods for successive generations, and its mill is a symbol of prosperity to the locals.

It's always been like that. Even back in those days [early years], we would have had very loyal and long-term staff and we would have been employing local people. We always kept the traditional element as well. We are hiring local people and getting the oats from local suppliers, mostly within a hundred-mile radius.

(Annie, 7th generation, Financial Controller)

Flahavan's perseverance is also demonstrated by its propensity for long-term investments. Over the years, Flahavan's has shown a clear leaning towards distant time horizons in its investment strategy. The family has continuously supported a willingness to engage in investments with lengthy payback periods.

The family takes a long-term financial approach. That's the good thing about working with John [CEO] and the company. John is very patient in terms of expecting a return. If he sees that some new idea has a payback in a couple of years then he's quite content to support that. The other great thing about him is that he doesn't panic.

(John, non-family, Sales and Marketing Manager)

The latest and one of the major investments in the company is the development of a warehouse management system. The benefits of this investment have been predicted to pay off in the long-term.

We have invested one point something million and it is going to be the best forklift in the world. I think that's the influence of being in the family business, like James says: 'Look it's more fun investing in this forklift for the long-term'.

(Margie, non-family, National Account Manager)

We are long-term oriented.

(Annie, 7th generation, Financial Controller)

Company CEO, John Flahavan, is conscious of the value associated with cumulative effort and believes that hard work will be rewarded in the future. His desire to succeed and commitment to his family can be observed in his attitude towards the professionalisation of his family business. The family has always exerted absolute control over the business in the absence of external investors, yet they have been consistently receptive to non-family expertise. In fact, both of the Flahavan children, now involved in the business, are subordinated to non-family directors. Furthermore, John advocates the idea that aspiring next generation incumbents should not only be highly educated but also acquire experience outside the family firm.

I suppose in terms of the business, looking back on it I'd say it would have been better to get some outside experience. And I suppose that's my plan since then as well. No one should go back in directly. So, Annie and James have both got experience in other fields in other countries.
(John, 6th generation, CEO)

This has been an effective governance structure for leveraging the talent within the business and also for counteracting nepotism.

Hence, as per the above, Flahavan's perseverance is manifested through its commitment and desire to succeed, its long-term investments and its attitude towards the professionalisation of management. Empirical findings in relation to LTO in Flahavans are summarised in Table 4-6. A schematic description of the empirical evidence of futurity, continuity and perseverance in Flahavan's is provided in Appendix C3.

4.6.2.2 LTO and EO (Addressing RQ2)

4.6.2.2.1 LTO and Innovativeness

Futurity

As previously shown, futurity is embedded in Flahavan's strategic decisions. The emphasis on a transgenerational future is closely interlinked with the endeavour to implement new products and processes. Futurity acts as a driving force for the firm's innovative behaviour, whereby the family is constantly engaging in the search for new opportunities in order to preserve and grow the family business for its eventual transfer to the next generation.

We have improved our stock system, using scanners to scan in and out pallets, and packaging of finished products. At the moment we're actually in the process of putting in a new warehouse management system. We will be looking at this for the long-term.

(Annie, 7th generation, Financial Controller)

Flahavan's vision for the future has not only resulted in the need to implement new processes and technology, but also to innovate within its products. Under the management of the incumbent generation, the company has continuously focused on New Product Development (NPD).

We started doing other products and other packaging, and since 2000 we multiplied our sales four or five times in that period because we came up with different things. For example, we went into organic and convenience products. Eighteen new products were introduced over the following thirteen years.

(John, 6th generation, CEO)

In terms of trying to innovate and move with the times, we've grown a lot. We've added a lot of different lines.

(James, 7th generation, International Business Development Manager)

We are now going back to the drawing board with new products. There are products in the pipeline that are being worked on like gluten-free porridge, kid's sachets and things like that. We would be probably quite innovative. It just takes a while to get all of those products launched.

(Annie, 7th generation, Financial Controller)

At the beginning of 2015, the firm launched an innovative first for Europe—a self-serve porridge machine. Flahavan's developed a solution whereby consumers can dispense a warm, fresh and unprocessed cup of Flahavan's porridge from a machine; this increases time, efficiency and convenience without compromising on the high quality, creamy texture of homemade Flahavan's porridge.

We've made the impossible, possible – a 24-hour porridge to-go solution that requires no cooking, no skill and delivers a delicious, creamy, nourishing breakfast.

(Member of Flahavan's, Love Irish Food, 2015)

The machine is housed in a rustic-style kitchen dresser unit intended to evoke images of the home kitchen. Customers can personalise their fresh porridge with a choice of toppings. At the time of interview this machine was an initiative in progress:

Actually, there's a new project going on at the moment. It is a kind of self-service porridge. Not a vending machine, but like a coffee dispenser by which you get your porridge from a machine. We're getting a few machines over from the US to try it out, do some research and meet with people in different companies to get some information and see whether it's a feasible idea.

(Annie, 7th generation, Financial Controller)

More recently, in mid-2015 the firm launched a new product, Flahavan's Original Granola, which highlights the company's continuous commitment to growing its offering to consumers through New Product Development and innovation.

New Product Development has also spawned opportunities to innovate within distribution channels. The recent partnership with McDonald's and Irish semi-state airline, Aer Lingus, provided new paths to market and facilitated the sales and promotion of Flahavan's products alongside more contemporary brands.

This deal means that McDonald's customers can access our product in a convenient, quick way.
(John, 6th generation, CEO)

The family's sustained presence coupled with the future outlook inherent in the company's ethos enables management's engagement in innovative initiatives:

We would be very progressive in implementing new ideas and new projects. The family is very keen for us to be looking at quick rotation on products. The family is very involved in trying new products and recipes and seeing how to improve them.
(John, non-family, Sales and Marketing Manager)

Accordingly, the company is keen to stress that innovative thinking is not exclusive to family upper level management. Even in the absence of autonomy in their work, employees with ideas on product or process improvements are always welcomed.

You definitely wouldn't be silenced. You get opportunities to have new product development meetings once a month, so you get your opportunity to talk at that, whatever your position.
(Margie, non-family, National Account Manager)

As per the above, innovativeness in Flahavan's is promoted by its future orientation. Flahavan's innovative initiatives are evaluated in line with the anticipated value of such activities.

Continuity

The aspiration to grow by extending the legacy of previous generations is aligned to the family's enduring tradition. Reputation and tradition have been critical factors in driving marketing innovation at Flahavan's. John's loyalty to his company legacy influences every major strategic decision. In the early 2000's, the brand's heritage was leveraged to provide the firm with a sustainable competitive advantage.

Flahavan's is a brand steeped in history in Ireland with unrivalled family expertise and oat milling tradition.
(John Flahavan, Irish Examiner 2015)

The new marketing strategy involved advertising that showcased the Flahavan's family association and highlighted the health and convenience of the products; this is reflected in the Flahavan's tagline: 'Sets you up for life'.

Our reputation as a family business is definitely in this area around County Waterford and the Munster province. But then, I don't know if people would know the family further than that. This is one of the things that John Noonan (Sales and Marketing Director) is developing; a marketing strategy to draw more people's attention to the family business and the community. We are hiring local people and getting the oats from local suppliers mostly within a hundred-mile radius.
(Annie, 7th generation, Financial Controller)

As part of this new marketing direction, the company packaging was redesigned to make space for a five-line narrative entitled: 'From Our Family to Yours' with the signature of John Flahavan featured underneath. These small touches act as a powerful reminder of the family behind the brand.

While the Flahavan's brand is well-known in Ireland, it had to tailor its packaging for the US market to convey the messages of heritage and authenticity for consumers.

We found out in consumer research we did in the US that there was a positive attitude to porridge oat products coming from Ireland. The Irish origin of oats backs up the positive image they have of Ireland as a point of origin for good quality food.
(John Noonan, Irish Food Magazine, 2014)

Efforts to strengthen the association between brand and long-established tradition have led to the proposed opening of a visitor centre on Flahavan's premises. The suggested visitor centre would serve as brand promotion by further highlighting the history, legacy and community centric ethos of Flahavan's.

Near the warehouse building there's another old shed with real nice stonewalls. It hasn't been used for years so we would need a new roof and insulation and everything. But we are thinking of making that into a visitor centre or something like that. We could include a little shop there as well.
(Annie, 7th generation, Financial Controller)

The family ability to recognise innovative processes is also aligned to their engineering background. The family's shared passion for engineering has led to impressive innovations in energy sourcing, which is seen as an on-going venture run in constant parallel to the regular course of business. This applied knowledge has put Flahavan's to the fore in sustainable business nationally, and their technique of using by-products to cook the oats is cutting-edge globally, replicated only in New Zealand.

John has quite a lot of 'off the wall' ideas. He's great in the whole energy side of things and reusing waste, they all are engineering minded - there's a husk that comes off the outside of the oat and we burn that; we use the river for electricity.

(Margie, non-family, National Account Manager)

Perseverance

Long-term investment strategy has been critical in spearheading innovation at Flahavan's. The perseverance shown by the current CEO allows for continuous improvement which sustains an innovative culture within Flahavan's.

The family would be very involved in trying new products and looking at their ability and at the construction of recipes and how that might be improved.

(John, non-family, Sales and Marketing Manager)

Accordingly, the firm has continually innovated in new products, processes and technology, which have come to fruition over the years and have been passed on to the following generation. For instance, the addition of the oat-flaking facility in 1935 not only rearranged the company's value chain, but it also produced oats that were finer and, therefore, faster to cook.

Since the oat-flaking facility was added to the mill in 1935, prior to which oats were milled and returned to farmers on a contract basis, process improvements and machinery updates have been a regular feature.

(John, 6th generation, CEO)

In 1985, Flahavan's introduced a unique practice of burning the outer shell of the oats to generate steam in the cooking process. This has not only given their oats a distinctive taste, but has also laid a precedent for sustainable production at the company.

Commitment has also been afforded to sustainability whereby a number of innovative initiatives have combined old technologies with new. For instance, Flahavan's uses the original stream to generate 10% of electricity requirements to assist with powering the mill. It also uses the husk (by-product) of the oats to support environmentally friendly manufacturing processes by burning it to power the boiler, which in turn generates steam for the cooking. The next innovative project committed to sustainability is to install a wind turbine at the mill.

We will soon be installing a turbine in the mill. The turbine will add to our credentials as being an environmentally friendly producer in conjunction with our water turbine and our oat husk burning boiler.

(John, 6th generation, CEO)

Sustainability is part of the fabric of the company.

We feel that this is part of our DNA. We feel that the sustainability factor is an integral part of the way that we go about our business. (James Flahavan, Irish Food Magazine 2014)

Sustainability is very important to us and what we have noticed over the last five to ten years is that business-to-business and business-to-consumer customers are realising the importance of the sustainability part of the business.

(James Flahavan, Irish Food Magazine 2014)

Thus, the family's perseverance has supported Flahavan's to continually engage in new ideas and processes.

4.6.2.2.2 LTO and Proactiveness

Futurity

The future focus embedded in the firms' operations positively influences the company's proactiveness. The desire to grow, which is part of the family business' long-term perspective, is associated with Flahavan's ability to recognise opportunities and engage in new markets.

We need to be looking at all the areas of growth, whether it's through export products, adding on new elements to the company or new pieces through exports, making more convenience products, or whether it's through getting into cold cereals. There is potential to increase everything within the Flahavan's brand. And even outside of that, whether it's through using by-product to generate energy from and stuff like that. There are capabilities within that we have in-house at the moment; we are trying to unlock them really.

(James, 7th generation, International Business Development Manager)

In his role as International Business Development Manager, James Flahavan shares his father's enthusiasm for their product export potential. He has brought oats to enigmatic markets, such as South Korea where the company is targeting oatmeal as a rice substitute and has created some innovative recipes to help familiarise Koreans with oatmeal.

We are looking at all the areas of growth. One area is growth through export products; this is a strength we are working on. We're trying to increase exports as a percentage of our business so that we're not under the control of the three multiples in the country that we have at the moment. (James, 7th generation, International Business Development Manager)

Flahavan's products are not used as hot breakfast cereals but as ingredients in savoury dishes with, for example, anchovies and spring onions.

In terms of trying to develop a new market, we will have to explore the different ways people consume the product.
(James Flahavan, Irish Food Magazine 2014)

Accordingly, Flahavan's futurity has promoted the firm's engagement in seeking opportunities for survival and growth of the firm.

Continuity

Their abiding ambition to guard the business and keep it within the family motivates Flahavan's to explore new opportunities and create a mission that nurtures firm proactiveness.

The family perceives the business as an asset which has been afforded to them with the understanding that it will be maintained and enhanced upon before its transferral to the upcoming generation.

What motivates me to succeed is that I get a buzz out of the business and I want to be able to pass on a thriving company to the next generation.
(John Flahavan, Irish Times 2009)

John and the children see the family business as something that is passed to them and they are going to take care of [it], they are going to improve and pass it on to next generation.
(John, non-family, Sales and Marketing Manager)

The efforts by John Flahavan to build a long-lasting mission and reputation as well as the desire to maintain family ownership have been passed to his children, the seventh generation of the Flahavan's family. The company has been very proactive in seeking new opportunities in unforeseen markets. This exploration of new opportunities has been led by the incoming generation.

With all the competition in Ireland, I think we really need to look internationally. We have been looking at some unexpected markets such as South Korea. They have taken probably two or three orders at this stage, it's quite good. Recently we have been looking at Thailand... We have put the produce in speciality stores. We have a lot of different flavours, things like seaweed and that.
(Annie, 7th generation, Financial Controller)

However, if the opportunity could anyway jeopardise the reputation of the family, Flahavan's will not consider engagement in said opportunity. As a recent example, the firm was presented with the offer to sell its oats to private label retailers. While it might seem an attractive offer financially, the family decided not to undertake it to avoid any damage to the long-term reputation of the firm.

It could affect our brand in the long-term, and that's our reputation.

(Annie, 7th generation, Financial Controller)

As per the above, the long-standing aspirations of the family and the desire of the seventh generation to make a unique impression on the business have encouraged the pursuit of new opportunities. Accordingly, Flahavan's inclination towards continuity promotes proactive engagement in firm activities that will build a long-lasting mission for the next generation. However, if the new opportunity is somehow damaging of family reputation and tradition, the same continuity will hinder proactiveness by guiding the family to avoid engagement in those new opportunities.

Perseverance

By Flahavan's embarking in exporting opportunities in uncertain markets, the family business demonstrates patience, discipline and commitment to achieving future rewards. While it appears that perseverance does not drive the firm's engagement in these opportunities, it does support the realisation of these opportunities for future long-term benefits.

We sell in the UAE, in a number of stores around Abu Dhabi. It's not traditionally a hot cereal, oat eating country, so there is a little bit of work that needs to be done there, but one of the benefits of eating oats is how full it keeps people for longer.

(James, 7th generation, Irish Food Magazine)

4.6.2.2.2 LTO and Risk-Taking

Continuity

While long-standing aspirations and legacy have induced company management to engage in and support novelty products and processes, it has also influenced their behaviour towards risk.

We are careful. Our legacy makes you to be more careful. After more than a 100 years you do not want to mess it up.

(Annie, 7th generation, Financial Controller)

Although a certain degree of risk was inherent in the numerous product launches over the last two decades, the uncertainty was mitigated by extensive market research feedback.

With our NPDP [New Product Development], I suppose we are probably a bit conservative. A lot of research will go into [it] before the new products are brought out. You will need a lot of lead time before any new products are launched.

(Annie, 7th generation, Financial Controller)

Similarly, any uncertainty accompanying Flahavan's organic initiative was outweighed by the security of their resource munificence. The €1.6 million capital investment recently undertaken at the mill, which was split between production infrastructure (one-third) and storage infrastructure (two-thirds), aimed to support the thriving organic component of the business. John Flahavan describes it as a 'natural' step for the company, and one that is not a high risk investment despite the sizable capital expenditure involved. Furthermore, Flahavan's organic line was tried, tested and received positively by the marketplace over a ten-year period.

We're cautious; I wouldn't say we take high risks.

(Mergie, non-family, National Account Manager)

This low risk approach has been adopted since the firm came under the sole stewardship of John Flahavan. The initial risk by John Flahavan—investing significant capital in retaining the family business—could be viewed as a leading factor to Flahavan's conservatism ever since. His effort to build a long-lasting legacy and retain the business within the family has prompted him to exercise caution with family wealth. The vulnerability that defined that period, both in business and family contexts, is something that John Flahavan would prefer not to see repeated. In 2000, John assumed full control of the company by acquiring the shares of his brother and cousins.

Before 1999, we had three shareholders: myself, my uncle's family and my brother. When my aunt died, her two daughters decided that they wanted to sell their shareholding and myself and my brother bought it. I had approximately a third of the shares, my brother a third, and there were some other cousins, who weren't involved in the business directly, with another one-third of the shares. My cousins then decided to get out [of the business] and my brother followed by saying he wants to get out as well. That was quite a shock to me. I didn't want to get out of the family business, having been run for five generations.

(John, 6th generation, CEO)

As recently exhibited by the firm's rejection of an offer to supply private label retailers, Flahavan's avoids risk in order to safeguard the family business. While the deal would have financial rewards for the firm, Flahavan's decided to reject the offer due to concerns about damage to the brand and family reputation in the future. As per the above, Flahavan's aspirations to protect the family business and build a long-lasting mission encourage a more cautious approach to risk-taking.

Perseverance

The analysis of Flahavan's shows that the firm is conservative towards risk-taking activities. The risk-taking observed in the company was as a result of the business longevity being threatened and was, thus, driven by continuity. Perseverance does not appear to encourage risk-taking behaviour; however, in acquiring full ownership of the firm, John Flahavan invested significant effort and patient capital in this risky activity to retain the family firm in a time of uncertainty. Empirical findings in relation to RQ2, how LTO influences EO in Flahavans are summarised in Table 4-6.

4.6.2.3 Non-Economic Goals (Addressing RQ3)

The non-economic goals deemed particularly important at Flahavan's are retaining the business within the family, perpetuation of family values and social responsibility.

A. *Retaining the business within the family*

The concentration of ownership and decision-making at Flahavan's shows that control is ring fenced around the immediate family. In 1999, as John's brother and cousins became increasingly apathetic towards the business, and subsequently keen to sell, John was resolute in his intention to retain the family business that had been owned and managed by five generations of the Flahavan's family.

My cousins decided they wanted to sell their shareholding. Then, my brother, who worked in the business, wanted to get out as well. I said I didn't want to get out, but I was only one-third against their two-thirds, I was out-voted. It [the business] actually went to the market and there were valuations given from a number of different companies. We agreed that I could buy it at the highest price offered but less than that amount, because I wouldn't have to go to the same amount of due diligence that other companies [would]. And in 2010, I gained full control of the company.

(John, 6th generation, CEO)

This strong emotional attachment to the family business and desire for dynastic succession is embedded in the next generation.

Dad would not want to let it [the business] get out of the family... It has a long history and it is going back a few generations. It would let down the family.

(Annie, 7th generation, Financial Controller)

B. Perpetuation of family values

Of the values upheld by the Flahavans, loyalty in the business and respect for the family appear paramount. These values are secured as they endeavour to protect and maintain the family identity.

We don't have a family constitution. We don't have a written set of family values but like I think that they come through in the company anyway. Loyalty and hardworking, everyone does their best. It's a very open door policy. For example, on people's birthdays everyone bakes something, and in the morning [at] tea they get a cake and a present. It's our culture, we're a family business but the non-family members in the company would be close as well.

(Annie, 7th generation, Financial Controller)

The perpetuation of family values and traditions within the business is embedded in the culture of the organisation and observable by non-family members.

We all crowd into the tearoom at 11 o'clock for a cup of tea together, whereas in bigger companies you would have your coffee at your desk. It's open and inclusive. I have never gotten up in the morning and said 'how will I face in there today... It's an open, inclusive management style... the main source of information is the tearoom.

(Margie, non-family, National Account Manager)

John has always endeavoured to treat his children in the business equally to everybody else. The non-family employees appreciate the family involvement in the business and how their family values have shaped the culture of the organisation. Of the values upheld by the Flahavans, loyalty to the business and respect for the family appear paramount. These values are secured as they endeavour to protect and maintain the family identity.

We don't have a family constitution. We don't have a written set of family values, but I think that they come through in the company anyway. Loyalty and hard work and everyone doing their best. It's a very open door policy. For example, on people's birthdays everyone bakes something, and in the morning [at] tea they get a cake and a present. It's our culture, we're a family business, but, the non-family members in the company would be close as well.

(Annie, 7th generation, Financial Controller)

C. Promote and preserve family reputation

In the decade following John's acquisition of Flahavan's, aspects of both John's and the company's identities became mirrored. The unification of identities between John Flahavan and the company he owns is such that his signature, which appears on every packet of Flahavan's oats packets, is one of the most valuable elements of the brand. Flahavan's is synonymous with quality, dependability and Irishness.

We believe the quintessential Irishness of the brand comes across in the new marketing campaign.
(John, non-family, Sales and Marketing Manager)

The addition of James and Annie Flahavan to the staff has empowered the identity of the brand.

You feel kind of personally responsible to the family, you know, and it's very much family. If I'm anywhere promoting the brand I use John and Mary Flahavan as examples, I use them as merchandise. People loves that there's a real Flahavan behind the brand. It's a family business, we are into our sixth generation and James and Annie are the seventh. That's all our marketing.
(Margie, non-family, National Account Manager)

While this may be the result of a clever marketing exercise, the values and identity of Flahavan's are entirely authentic. John Flahavan's wife, Mary, promotes their oats and other Irish products by sharing the family recipes on the company website. Oats are an essential ingredient in popular Irish products such as black pudding and soda bread.

D. Social responsibility

At Flahavan's, the relationship maintained with local farmers, whose families have supported the Flahavan's business for generations, is an exemplar of the persistence within the family firm.

Some farmers over here don't have enough feed to keep their animals over winter. A lot of farms will go under.
(Long-time supplier, RTE 2011)

The goodwill and dependability of the local farmers, from whom Flahavan's source their production inputs, showcases how intrinsically linked Flahavan's is to its community. The company has remained loyal to its suppliers for almost two hundred and thirty years without seeking to expand or diversify elsewhere. Additionally, Flahavan's provide direct employment in the locality with staff originating from the surrounding area. Deep-rooted personal relationships between local long-term employees and Flahavan's are based on mutual trust, standards of reciprocity and admiration.

We are also a substantial purchaser of local goods and services. For the past six years we have actively been involved in promoting food in the area through our sponsorship of the West Waterford Festival of Food, our recent participation in the Waterford Harvest Festival, and through our support of other activities.
(John, 6th generation, CEO)

As a consequence, the company has very low staff turnover and the lines between family and non-family staff have become blurred.

I've lived all my life in Kilmacthomas, I have no car and I cycle from home to the plant. I am proud of the brand. All my children have worked here.

(Non-family employee, Irish Mirror 2015)

Flahavan's is widely perceived as unique from its competitors, those of whom are renowned multi-nationals such as Kellogg's, Weetabix and Quaker Oats (a PepsiCo subsidiary). This is mainly due to the ubiquity of Flahavan's products in the local and national community. The company's landscape and community in the village of Kilmacthomas is symbolic of Irish culture. By offsetting positive connotations such as community, patriotism and family, Flahavan's has succeeded in appealing to Irish emigrants overseas and as such established itself as an emblematic brand for Ireland. For instance, Flahavan's and a few selected national brands have made their products available among the Irish diaspora in Australia via an Irish food supplier, Taste Ireland. Flahavan's business methods are designed to ensure that these perceptions are underpinned by genuine community engagement.

What started as a niche boutique-style operation in 2004 has now flourished into a scalable and thriving enterprise... there are 600,000 Irish passport holders in Australia.

(Eamon Eastwood, Irish Times 2014)

4.6.3 Case 3 Summary

The within-case analysis of Flahavan's identified its futurity, continuity and perseverance and their influence on the firm's EO as well as the non-economic goals most important for the firm. The presence of futurity and continuity leads the family to engage in innovative practices, which have resulted in new products, new marketing campaigns, and new technological processes across the years. Long-term innovations have been supported by the perseverance of the Flahavan's family, as perceived in this analysis. Futurity and continuity also drive the firm's proactiveness when seeking novel opportunities in new markets outside of Ireland, which is mainly led by the seventh generation in their attempt to make their own mark on the family business; these opportunities have been supported by the perseverance exhibited in the firm. However, if the opportunity presented can somehow damage the family tradition or reputation, then

the safeguarding of family reputation outweighs any possible benefits of opportunity acceptance. The strong presence of continuity within the firm also manifests as a more cautious approach to risk-taking aimed at safeguarding the family business. Lastly, the company attach a great importance to the family non-economic goals, mainly focused on retaining the business within the family, the perpetuation of family values, promotion and preservation of reputation, and social responsibility.

Table 4-6. Summary of Within-Case Analysis for Flahavan's

Case 3: Flahavan's		
LTO Dimensions	How is LTO manifested?	How is EO influenced?
Futurity	Estimation of the future <i>e.g. Warehouse management system, NPD and focus on exports</i> Transgenerational control intentions <i>e.g. Direct involvement of next generation in several areas</i>	Promotes innovativeness Promotes proactiveness
Continuity	Pursuit of an endurable mission and reputation <i>e.g. Desire to continue with family values and reputation</i> Desire to continue as a FB <i>e.g. Expression of desire</i> Value influences of the past <i>e.g. Value of tradition and locality</i>	Promotes innovativeness Promotes proactiveness/ Hinders proactiveness if reputation can be damaged Encourages a more cautious approach to risk-taking/If continuity is in danger, risk profile increases
Perseverance	Cumulative effort <i>e.g. Commitment to community and employees</i> Long-term rewards <i>e.g. New warehouse and visitor centre</i> Professionalisation of management <i>e.g. Involvement of non-family directors</i>	Supports long-term innovations Supports exports Supports risk taken when acquiring full ownership

4.7 Case 4: Glennon Brothers

4.7.1 Case Overview

Glennon Brothers is a third-generation medium-size family business founded in Longford, Ireland, in 1913. The business began when two brothers, on their return to Ireland from the United States, set up a sawmill in their home town. In 1928, after fifteen years in the business, one of the brothers, James, decided on returning to America (that same year approximately 19,000 Irish emigrants travelled to North America) while the other brother, William, stayed and preserved the family business. William's son Paddy (second generation) inherited full ownership of Glennon Brothers in 1943 after William passed away. Like the generation before them, Paddy's boys helped out in the business on their summer vacations and were each taught how to work in the sawmill. Paddy was responsible for the growth and development of the business for over 50 years and was a highly respected figure within the timber processing industry. Two of his sons, Pat and Mike (third generation), later joined the family business and are today's co-CEOs of Glennon Brothers. Pat is responsible for log production, forestry and capital development, while Mike is in charge of sales, marketing and the financial sides of the business.

Glennon Brothers has always focused on pushing the boundaries of innovation and quality of home-grown timber through the early adoption of new sawmilling and scanning technology. While a number of investments and new technologies were implemented during the 1960's, the most significant development has occurred through sawmill acquisitions under the management of the incumbent (third) generation of the Glennon's family. The strategy of growth and development through acquisition and diversification has been the hallmark of the business over a ten-year period from 1998 to 2008. Its first acquisition, in Fermoy (south of Ireland) in 1998, was sought primarily to overcome the disadvantaged location of its sole operations (the Irish midlands) from where it had to source, extract and haul timber across the entire country to reach its customers. The second acquisition followed a serious fire that broke out in Glennon Brothers' main production facility in Longford where the entire factory was destroyed overnight. While Pat and Mike wanted to rebuild the Longford plant for family, historical and emotional reasons, the shortage of logs in Ireland meant that the hard business reality of their situation outweighed the emotional pull, and they decided instead to expand the group outside of Ireland by acquiring a sawmill in Scotland in 2005 (Windymains Timber). In 2007, the company diversified into timber frame house manufacturing when they bought

the Irish firm, Dempsey Timber Engineering. The recession of 2008 led to a collapse in the property and construction sectors, putting Glennon Brothers under increased pressure in its home market. However, in that same year, against this challenging backdrop, the company made another two acquisitions in Scotland (Adam Wilson and Sons, and Alexanders Timber Design).

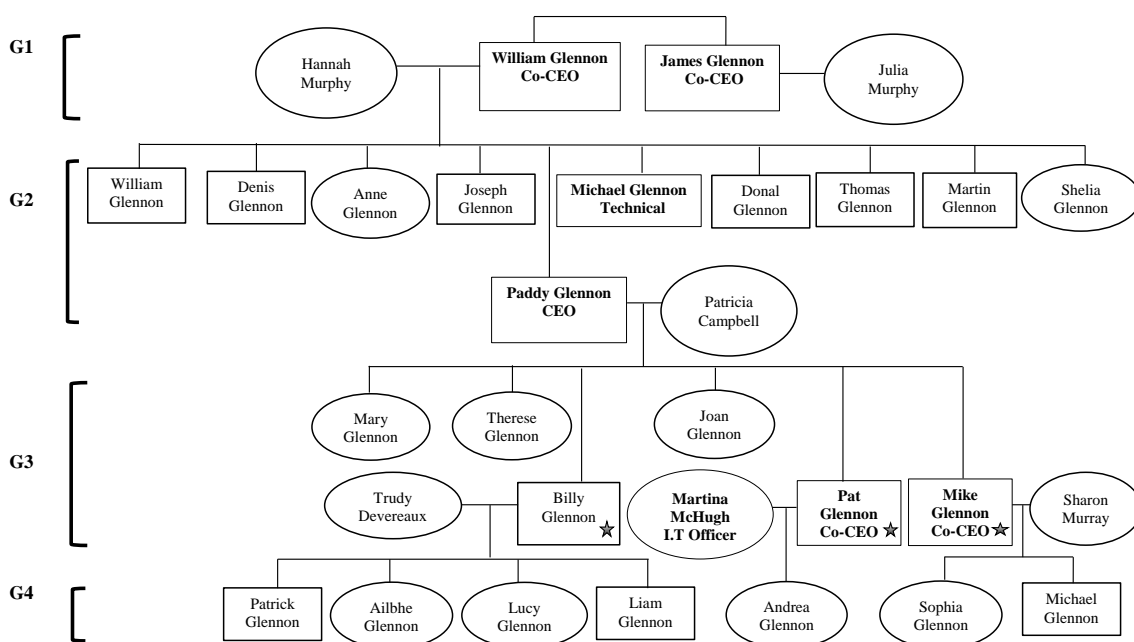
The family business has evolved without disconnecting itself from its community. At both staff and family level, Glennon Brothers has been involved with and supportive of the GAA (Gaelic Athletic Association), Ireland's largest sporting organisation, in different capacities for many years. Members of almost every GAA club in county Longford have worked at the sawmill over its decades in existence. In 2013, by way of recognition for the Scottish community's support of the business, Glennon Brothers sponsored the very first Gaelic Football School in Edinburgh.

Pat and Mike possess 90% (45% each) ownership of the business, while their other brother, Billy, owns the remaining 10% shareholding and is a non-executive board member in the family business. The children of Pat, Mike, and Billy (fourth generation) are young and the future ownership or management of the family business is undecided. None of the fourth generation members are presently involved in the family business.

Today, through its plants in Ireland and the UK, Glennon Brothers offers a unique one-stop-shop solution, supplying products for the construction, packaging, and fencing industries. The firm directly employs 360 people between all its sites and 170 people indirectly in haulage and harvesting. Its main export markets are the United Kingdom and France.

A profile of the Glennon family and timeline of main events at Glennon Brothers can be found in Figure 4-4 and Table 4-7 respectively.

Figure 4-4. Profile of the Glennon Family



Bold denotes that individual is, or has been, a Glennon Brothers employee.

★ Denotes that individual is current director of Glennon Brothers.

Table 4-7. Timeline of Glennon Brothers

Date	Event
1913	Glennon Brothers' Timber Ltd. was founded by two brothers (James and William) returning from the U.S.
1928	James decided to return to the U.S. and William kept the family business.
1938	Glennon Brothers' power supply changed from water to steam.
1943	William's son, Paddy (second generation), inherited full ownership of Glennon Brothers in 1943 after William passed away.
1945	The sawmill power changed from steam to electricity.
1969	Log harvesting and shipping operations from Scotland to Ireland took place.
1977	Production of decorative panelling from Irish pine and fir began.
1978	The company produced whitewood flooring from Irish spruce.
1980	A profile chipper sawing line was installed.
1981	Sawdust-fired drying kilns were installed.
1984	Computerised forestry and log inventory systems were implemented.

1988	A telesales operation was introduced. The firm got involved in sourcing timber to build the “Dyflin Viking Ship” ¹⁰ for Dublin’s millennium celebrations.
1993	Irish timber was shipped to Japan for the construction of traditional houses.
1995	Decorative pine flooring was launched on the market under the Glenpine brand name. Around this time (mid-1990’s), Mike and Pat Glennon (third generation) took charge of Glennon Brothers.
1998	Glendeck, the outdoor decking product line was launched. The brothers made their first acquisition (Fermoy).
1999	The refurbishment of the sawmill in Fermoy began, which included a €20 million development in 2001.
2002	This year marked I.T investment and the launch of a company website. The firm became certified for heat treatment.
2003	Installation of new treatment facilities was carried out. A new planning line was installed in Fermoy. The firm also started importing Scottish logs.
2004	Paddy Glennon (second generation) died. A few months after, there was a serious fire in Longford, resulting in the destruction of the processing line. High-speed handling equipment was bought for operations in Fermoy.
2005	A new log grader was installed in Fermoy. The Glenfence fencing range was launched. A strategic growth plan for the United Kingdom was developed. Windymains Timber Ltd. was established.
2007	Acquisition of Dempsey Timber Engineering took place.
2008	Acquisitions of Adam Wilson & Sons, and Alexanders Timber Design were made. This year signalled an economic downturn for Ireland.
2013	The firm celebrated its 100 th year anniversary. This same year, Glennon Brothers sponsored the very first Gaelic Football School in Edinburgh.
2014	The company launched the first landing craft, timber transport service to the west coast of Scotland, labelled “Red Princess”. Glennon Brothers invested €13 million in a processing plant in Fermoy. This new purpose built facility, included a state-of-the-art Lineal High Grader (LHG), a new technology based on X-rays.

4.7.2 Within-Case Analysis: Glennon Brothers

Interviews with the co-CEOs, non-executive Board Director, Forestry Manager, Financial Director, Sales and Marketing Director, and International Business Manager took place within May and August 2013 (details of the interviews can be found in Chapter 3, Table 3-6). The co-CEOs possess 45% shareholding each with the remaining 10% belonging to their brother Billy who is a non-executive Board Director. None of the Glennon’s fourth generation is presently involved in the business. Pat Glennon joined the family business

¹⁰ Norwegian Vikings invaded the territory around Dublin in the 9th century, establishing the Norse Kingdom of Dublin. The Norse referred to the kingdom as Dyflin, which is derived from Irish Dubh Linn, meaning "black pool".

in 1978 followed by his brother Mike in 1985. The two brothers became CEOs in the mid-1990s. The Forestry Manager, Gerry Dolan, joined the firm 34 years ago, first as an assistant and later taking charge of production as part of his current role. Both the Financial Director and Sales and Marketing Director joined Glennon Brothers in 1997 and 1998 respectively. They were hired under Paddy Glennon, father of the present CEOs. The International Business Manager, David Roger, is the newest employee and joined Glennon Brothers as part of the firm's first acquisition in Windymains, Scotland, in 2005.

4.7.2.1 Long-Term Orientation (Addressing RQ1)

4.7.2.1.1 Futurity

Futurity at Glennon Brothers is manifested when there is evidence of “estimation of the future” in the firm strategic decisions (see Figure 3-4 for second-order themes).

Paddy Glennon (second generation), a pioneer in his home industry, grew and developed the Longford mill over sixty years. Wanting to improve and grow his business, he established a Sawmill Development Programme (SDP) that consisted of three phases rolled out over eight years. The SDP aim was firstly to develop the business infrastructure and then increase primary capacity. The investment programme was part of a long-term strategy to cater for the increased usage of Irish forests, which were maturing over the coming decade.

It's now up to the processor to ensure the timber wealth of our forests will generate economic growth. We need the cooperation of the state forest company to ensure ongoing continuity of supply to increase their share of the home market and to prepare for large future potential.
(Paddy Glennon, Glennon Brothers One hundred years a growing 2013)

Like their father Paddy, the two brothers have been pushing the boundaries for others within the sector. When Pat and Mike joined the family business, they soon became key decision-makers of the company and Paddy decided to let them take charge of Glennon Brothers in the mid-1990s. It was their considerable emphasis on future goals that pushed them in 1998 to make their first acquisition.

The first acquisition happened in 1998. That was probably our first big move, and I would say it was the biggest move the company has ever taken. It was at the time that the business was the most explorative.
(Pat and Mike, 3rd generation, co-CEOs)

The next acquisition occurred in 2005. At that time, Ireland was at the height of the building boom, which provided little opportunity for acquisitions and growth. The brothers knew that to grow the company in the future they had to look abroad. This strategic decision and focus on futurity drove the brothers to acquire Windymains sawmill in Scotland; a family business with no family members wishing to take it over, and a CEO who was willing to relinquish control of his mill.

Mr. Harrison [Windymains' previous owner] was a hard businessman. We knew this is the one kind of development for us...we bought Windymains Timber in 2005, which is our first step into the single day export. That business was very successful for us; it was making money from day one and [it] was in 2005 when the construction industry was going stone mad! Basically we couldn't get enough logs. (Pat and Mike, 3rd generation, co-CEOs)

The brothers continued growing the family business through another acquisition in Ireland, and a fourth and a fifth in Scotland in 2007 and 2008 respectively. Glennon Brothers have utilised acquisitions as an avenue for future growth and the brothers are planning to continue with that strategy for the long-term.

We are at approximately 100 million turnover now. The next jump for acquisition for us would be a significant one; it just means we have to get structures in place so that we can grow the business as fast as we can. (Pat and Mike, 3rd generation, co-CEOs)

Glennon Brothers' long-term goals and desired future are clearly perceived by its employees.

I've been working with Michael very closely for a long time. Mike has had this vision of growing the company. Fifteen years ago, Michael said, "we have to be at 100 million turnover". We're now nearly at 100 million turnover. And I don't see them stopping there, they will do something more. (Declan, non-family member, Sales and Marketing Director)

Therefore, futurity manifests in the long-term planning and forecasting of Glennon Brothers across generations; at the fore are the co-CEOs who evaluate the long-term consequences of their strategic decisions.

4.7.2.1.2 Continuity

Continuity in Glennon Brothers is evident from its "pursuance of an endurable mission and reputation", "desire to continue as a family business" and "value it places in influences from the past".

Since their father died and they began leading the business, Pat and Mike have invested significant time and effort in continuing the legacy of their ancestors. Up until 2004, the

Longford plant would have been the major operating plant in Glennon Brothers. After the serious fire that destroyed the Longford plant in 2004, the main production facilities are in the plants of Fermoy and the UK. While the Longford plant does not provide any financial benefits for the family business, the emotional and historical family connections to Longford drove the brothers to keep it running as a secondary plant. Today, the plant still plays an important role for kiln drying and as a base for their central office.

The amount of extra timber that we would sell resulting from sponsorship of the county would be zero. But it's kind of about responsibility to Longford. Here is where our parents came from and we wanted to do something to mark the contribution of all of the people that worked in Longford.
(Pat and Mike, 3rd generation, co-CEOs)

We have got really close ties with Longford. I grew up playing around the mill, getting caught on saws and all of that. In the same way the farmer's kids grow up in the field. This generation of kids don't have that experience. Michael's kids are in Dublin, mine are in Dublin, Pat's daughter Andrea is in Longford. So how we deal with that, or how the guys deal with that, is going to be an important question; the succession planning questions.

(Billy, 3rd generation, Non-Executive Board Director)

The brothers' desire to preserve the family business is often perceived in the decisions and actions they take.

I have inherited the responsibility of the family here and it is a huge moral responsibility.
(Pat, 3rd generation, co-CEO)

While succession planning for the fourth generation of the Glennon family has not started yet, the brothers agree that the family should retain the business. However, their kids are young, and to date they have not held the conversation on succession with the next generation of Glennons.

The succession thing we haven't talked about yet. I have thought about it a little bit and I'm not afraid of the conversation. I know I won't live forever and I want to hand the business over to whatever mechanism or person that eventually comes up with a position that is the right solution for the business. The family is very important; it is great for the business. The business has to stay here and it will provide a great livelihood for the family going forward.
(Pat and Mike, 3rd generation, co-CEOs)

To Pat and Mike, brothers and co-CEOs, ownership must be kept within the family.

We would like to see our business continue within the family. We are totally biased toward a family business because it says "we care more". (Pat and Mike, 3rd generation, co-CEOs)

The brothers have the support of their brother, Billy, who agrees that keeping the ownership within the family will be a major consideration for succession planning:

Maintaining the family ownership would be a priority of the process.

(Billy, 3rd generation, Non-Executive Board Director)

My father gave the other parts of his wealth to my sisters as his gesture of spreading it; but he was pretty clear that he didn't want to disperse the shareholding of the business. He and I had conversations about possibly making non-family members directors and even shareholders. But that's one of the things about family businesses. He was very protective about the ownership and Pat and Mike, particularly, are very protective about the ownership staying within the family.

(Billy, 3rd generation, Non-Executive Board Director)

Interestingly, all the acquisitions made by Glennon Brothers are family businesses as well. Family business owners who decided to sell their business were more willing to make offers with Glennon Brothers due to their shared understanding of running a family business.

Jim Harrison [former owner of Windymains], he's in his 70's and his family didn't want any involvement in the family business, they had made their own way. Same thing with Mr. Wilson [Adam Wilson and Sons], he had three daughters and none of them wanted to be in the business. The thing that differentiates the Glennons is that they would be very driven. Fundamentally, these owners wanted to sell to the Glennons because they recognised them as decent guys, a family business that would work hard and keep our business good. So these guys, at the end of day, wanted to sell their businesses to the Glennons because it meant that in a way it was keeping their family business moving along as part of the family.

(David, non-family member, Scotland Business Manager)

I liked their attitude [Pat and Mike], they were charming people and I learned to have great respect for them. I would not have sold it to Pat and Mike if it was only about money, it was also about people, and for me it was a personal thing as well as a commercial decision.

(Owner of Windymains, Glennon Brothers One Hundred Years a Growing, 2013)

Similarly, in 2007 during their acquisition of Dempsey Timber Engineering, Glennon Brothers again observed how being a family business was a very important factor in the owners' decision to sell.

The acquisition of Dempsey's for example, it was a husband and wife team; they came to the Glennons and asked them what their motto was. The great thing that the boys are offering is this: "we will keep your family business going. We'll look after your customers, we'll look after your people, we'll do all this, and it's a different style." That's what family businesses want.

(David, non-family member, Scotland Business Manager)

As per the above, the continuity of Glennon Brothers is exhibited through the efforts of the brothers to build a long-lasting mission that values their past and tradition, which is manifested in their attachment to Longford. While succession planning has not started yet, there is an explicit intention to keep the business within the family.

4.7.2.1.3 Perseverance

Perseverance in Glennon Brothers is exhibited when the firm demonstrates “cumulative effort”, “long-term rewards” and “professionalisation of management”.

Glennon Brothers’ business is somewhat idiosyncratic due to its dual CEO structure. Individually, Pat and Mike possess very different skill sets. Their varying expertise complements each other; Pat is responsible for log production, forestry and capital development. He holds a specialised knowledge of the industry acquired over many years working in the mill. Mike is in charge of sales, marketing and the financial sides of the business. His excellent interpersonal skills have positioned him as the partner who handles customer relationships in the company.

Glennon Brothers undertook a huge challenge when they bought their first company as they found out in the week following the acquisition. The company’s financial accounts were worse than expected and the plant was experiencing a financial loss. Furthermore, the plant had a poorly motivated and frustrated workforce. Pat and Mike spent considerable time on the ground in Fermoy working tirelessly to turn around this loss-making plant.

They came to Fermoy with a plan and they came with the right attitude. They told us at the start, we are investing in this plant, we can see the potential for growth and expansion. They spoke to every man on the floor and told us this is where we are and outlined where they intended to go. They told us we have a future together and we want you to be part of the team on this journey. (Fermoy worker, Glennon Brothers One hundred years a growing 2013)

Little or no investment had been made in the Fermoy plant for many years so the brothers started to improve existing machinery. At the same time, Pat and Mike began to seek funding to build a world class state-of-the-art manufacturing facility in the plant. The funding involved £20 million over three years, the biggest financial borrowing ever undertaken by the firm. The brothers’ ambition for success and their unyielding commitment were motivating factors in Pat’s decision to move him and his family to Fermoy.

When we made the decision that we were going to invest the money, I decided we’d move. I moved down to Fermoy for two years with my wife who was a schoolteacher. I got her trained up in IT, we were going to make a major jump at technology. None of these guys knew the first thing about technology. So we got her to do a course in the local vocational school and help the staff here. (Pat, 3rd generation, co-CEO)

The brothers' commitment and intensive efforts result from their perseverance in achieving goals with long-term future pay-offs.

When we moved to Fermoy, my wife had to stop her job. Furthermore, we adopted a child at that time. It was hard on her because I was gone all day. Hopefully now we reap some of the benefits of those sacrifices I've made along the road. (Pat, 3rd generation, co-CEO)

My dad always used to say, "10% is inspiration and 90% is perspiration" and that's what we have followed over the years. (Mike, 3rd generation, co-CEO)

A couple of months after their father, Paddy, died, the mill in Longford was destroyed by a fire. With the loss of this family institution developed over two generations, the brothers' only solace was the fact that Paddy was not alive to see its destruction. Longford was producing 100,000 cubic meters of timber per annum (same production as Fermoy) and the fire halved the production in one night. The brothers' persistence and loyalty to their family business led them to tackle the disaster the very next morning. The unyielding commitment of the co-CEOs seeps downwards to the firm's operational level where the staff show serious dedication to the business's survival.

In 2004, a major fire burned the Longford plant to the ground overnight. In that period, we were 'up to here' with our borrowings because of the Fermoy plant and we didn't know what we were going to do. We approached the workers the next morning and we had to ask 30 people to relocate to the plant in Fermoy so we could run it on a double shift. And we got 30 guys to relocate and in that year we only dropped our sales to 5% after losing half of our production. So it was testament to the people that we have in our organisation. (Pat and Mike, 3rd generation, co-CEOs)

In financial terms, Glennon Brothers is usually engaged in investments with long-term horizons. Its major investments, mainly its acquisitions, have lengthy payback periods.

Investments here are big. There are millions spent. You can't do that in the short-term, you will not win from the short-term. You have to think long-term. (Declan, non-family member, Financial Director)

Supporting long-term goals and results is embedded in Glennon Brothers' culture.

They don't want to make decisions just in the short-term. It's not like a public company where you need results say in three months. It's more the case that the right decision is constantly made and the time frame is taken out of it; it's more of a long-term perspective. We are also about long-term relationships. (Declan, non-family member, Sales and Marketing Director)

The brothers' desire to succeed and grow their family business can also be observed in their attitude towards the professionalisation of the firm. When Glennon Brothers acquired Adam Wilson and Sons in Scotland, they secured their first non-family top level manager, David Rodger, to oversee Glennon Brothers' Scottish sites. David's vast experience included overseeing the building and implementation of a new sawmill for a major Scottish company.

As per the above, perseverance at Glennon Brothers is observed through its commitment and desire to succeed, its long-term investments and its attitude towards the professionalisation of management. Empirical findings in relation to LTO in Glennon Brothers are summarised in Table 4-8. A schematic description of the empirical evidence of futurity, continuity and perseverance in Glennon Brothers is provided in Appendix C4.

4.7.2.2 LTO and EO (Addressing RQ2)

4.7.2.2.1 LTO and Innovativeness

Futurity

Glennon Brothers highlight the value of planning for and evaluating desirable future outcomes. The aspiration to grow and achieve its long-term goals prompts the firm to engage in new technology and processes in its plants.

This industry has a perception of being very low tech. But it is such a competitive industry, and you have to get the latest in technology to actually be able to survive... the guys [Pat and Mike] went out and borrowed a huge amount of money to build the world class manufacturing facility. They got the best technology to get the best machine. So they definitely have that innovative focus.

(Declan, non-family member, Sales and Marketing Director)

Glennon Brothers' vision for futurity and growth has shaped its strategic decision-making. For instance, when Glennon Brothers acquired the plant in Fermoy in 1998 (first acquisition), the co-CEOs engaged in innovative activities to ensure their family business realised its future goals.

There were big changes, it was all: 'go, go, go!' They had new ideas and a new way of doing business and they were a family business. When I started over 30 years ago there was much more manual labour involved, but with the new investment we now have a highly computerised state-of-the-art mill.

(Non-family employee, Glennon Brothers One Hundred Years a Growing, 2013)

Similarly, the last two acquisitions (Dempsey Timber Engineering and Alexanders Timber Design) have been involved in innovative projects using home timber. Dempsey Timber Engineering produced an eco-village on a 66-acre site in Ireland; the first of its kind in the country, the village was a mix of residential and commercial units that conformed to a sustainable building charter. Alexanders Timber Design produces around 600 timber houses per year. These examples showcase the range and growth of innovative products from Glennon Brothers over the last thirty years.

In the last number of years we have kept changing. If you went back 10 or 15 years we introduced fencing and competitors started to follow. Once we started doing it then the others started doing it. There's constant innovation here.

(Declan, non-family member, Financial Director)

More recently, 2014 saw production commence in Glennon Brothers new €13 million 'value added' processing plant in Fermoy. This new purpose built facility, includes a state-of-the-art Lineal High Grader (LHG). The LHG, which is the first of its kind in Europe, is a new technology that uses X-rays for density evaluation, lasers for geometric profile measurement and multi-channel vision systems to detect visual characteristics.

That same year, the firm launched the first landing craft, timber transport service to Scotland, aimed at reducing the environmental impact of transporting logs. A 750-tonne ferry, which once carried passengers around the Greek islands, has been refitted in order to fill a new role in Scotland's booming forestry sector. The "Red Princess", an innovative and practical initiative, has received enthusiastic support from the Scottish Government.

Enormous time and energy has been invested in successfully implementing this innovative service over the last eighteen months. As we all know, continuity of raw material supply is fundamental to the growth of the sector, and we very much hope that the vessel will become a key part of our long-term log supply.

(Pat and Mike, 3rd generation, co-CEOs)

It is a classic forestry solution, delivering green growth—it adds economic value by accessing more timber for the market and putting money into island and coastal economies, while contributing to the Scottish Government's carbon reduction target.

(Scottish minister, TTJ online, November 2014)

Accordingly, Glennon Brothers' futurity has encouraged the firm to engage in innovative practices over the years for the long-term benefit of the firm.

Continuity

A sense of continuity is present among the dominant coalition of family in Glennon Brothers. The brothers' tendency to support new ideas, technology and processes that aid business growth and longevity is linked to the family's long-term objective of preserving the business. Paddy Glennon's (second generation) ambition to secure family control motivated him to explore new ideas and processes for the continuity of the family business.

In 1981, we did a major jump forward where we built a brand new sawmill, which was new technology at the time. It wasn't proven in Ireland or the UK where the traditional method was what we call a barn saw. We were now going to go for a circular saw. It was brand new technology and it was a new orientation system for logs and stuff like that. My dad and my uncle, both very forward thinking guys, said we were going to go with this technology.

(Pat and Mike, 3rd generation, co-CEOs)

Paddy was seen as an exemplar entrepreneur and innovator of his time. He set about modernising his business through investment in new technology and transport, employing additional staff in key areas and finding new outlets for his processed timber.

I only knew Paddy Glennon slightly but Paddy would have probably been considered one of the innovators in terms of all the stuff he would have done. And he would have tried a lot of different things at a lot of different stages.

(Declan, non-family member, Financial Director)

Building an enduring legacy was a mission of Paddy's that is now shared with his children. The incumbent CEOs maintain the same passion for the business as their father.

They're very passionate about what they do here because of the connection with the family.

(Declan, non-family member, Sales and Marketing Director)

To date, innovativeness has been a key factor in ensuring continuity for Glennon Brothers:

We would have a good track record over the years of being very innovative in this industry. If we go back to the late 90's, we were the first company to adopt decking art. Go back even further we brought in pine flooring; at that point it had to be imported from Scandinavia so we started manufacturing it from an Irish-Scotch plant. So, traditionally, the company grew only on this site. The way they grew was through being inventive and finding new products, new niches and developing new markets.

(Declan, non-family member, Sales and Marketing Director)

Most of the new technology we would have implemented is ahead of the game, we were ahead of the game at that time (previous generation) too. My father was very instrumental.

(Pat, 3rd generation, co-CEO)

Pursuing an endurable mission and reputation has influenced Glennon Brothers' engagement in and support of new ideas and processes in order to succeed and continue their family business.

Perseverance

Glennon Brothers' commitment and desire to succeed in the long-term has led the family to continually support novel initiatives and processes.

We kept adding on bits and we kept improving and we tried to bring forward the quality of timber. Home grown timber at that time was inferior quality to what's coming in. So we started going round adding value to it and to kiln dry timber. I remember we brought an old boiler in and we started kiln dry timber and we were the first timber depot ever to kiln dry home grown timber. Then we decided we'd start using it for floor boards. So that was a big step forward for us again.
(Pat, 3rd generation, co-CEO)

As such, long-term investments have played a critical role in the development of innovative practices. Examples include the €20 million investment for the development of Fermoy in 2001 or the €13 million invested in the new LHG technology in 2014. These long-term investments are made with the intention of benefiting the firm in the future and, thus, demonstrating the patience of management for future rewards.

Accordingly, the perseverance exhibited by Glennon Brothers has driven the firm's engagement in innovations that require long-term investments.

4.7.2.2.2 LTO and Proactiveness

Futurity

Glennon Brothers' emphasis on futurity positively influences the firm's proactiveness. The brothers' aspiration for firm growth, which is part of the family business' long-term vision, is linked with their ability to recognise opportunities and engage in new markets.

Under the management of the third generation, Glennon Brothers has acquired firms that provide other routes to market in both Ireland and the UK. Previous to their first acquisition in Fermoy in 1998, Glennon Brothers' sole operative plant was based in Longford in the midlands of Ireland. The firm was at a strategic disadvantage in comparison with the other sawmills in the country as it had to source, extract and haul timber across the entire country to reach its customers. Pat and Mike both knew that to

move forward, the business needed to expand operations beyond its existing site. After acquiring Fermoy and having grown its operations, the brothers recognised the opportunity to look for an operation site outside of the country.

In 2004, we hit 80,000 cubic meters and we said: “bringing in this volume of logs we should be looking at some kind of an operation in Scotland”. We went to look at a place in Scotland. We travelled in Scotland for a week and we looked at sites. We talked to several entrepreneurs and also the Scottish enterprise board.

(Pat and Mike, 3rd generation, co-CEOs)

This proactive behaviour and future-oriented approach is also observable in the second generation, such as when Paddy enabled the business to grow outside of Ireland.

There were only two growth areas for spruce log supply in Europe, namely Russia and Scotland, so we thought we would give Scotland a shot first.

(Mike, 3rd generation, co-CEO)

Accordingly, the firm’s futurity has promoted the search of opportunities for the survival and growth of the firm. These opportunities have mainly taken the form of acquisitions, although new opportunities through exports have also been followed.

Then we had a catastrophic collapse of the construction industry. We went through hell. It cut through the Irish business with a knife. We had to fight to survive week-on-week, trying to restructure the business, which we did thankfully, to get ourselves focused on exports.

(Pat and Mike, 3rd generation, co-CEOs)

You must keep your production up. So then when the real economic downturn came in 2008, Mike looked at France. We had even exported to Japan (Irish timber was shipped to Japan and Korea for the construction of traditional houses).

(Gerry, non-family member, Forestry Manager)

Between 2009 and 2011, Glennon Brothers doubled the value of its Irish exports from €10 million to €20 million and was the first Irish or UK company to export home grown soft wood timber into France. Today, 66% of its Irish production is exported to UK and Northern Ireland and 10% into France. This success is a fitting testament to the proactive behaviour and dedication of the brothers.

Continuity

The continuity inherent in Glennon Brothers drives the incumbent third generation to engage in new opportunities in order to succeed and pass the business to the next generation. While the second generation focused on growing the family business mainly

in Ireland, the incumbent third generation has centred on a growth through acquisitions strategy which has led to geographical expansion. A century since its foundation, Glennon Brothers is now the oldest surviving family-owned sawmill business in Ireland. For eighty-five years the firm operated on a single site in Longford, but since 1998 Glennon Brothers has developed and grown dramatically through acquisition and diversification. The strategy of growth and development through acquisitions has been the hallmark of the business over a decade from 1998 to 2008.

As explained above, the desire to continue Glennon Brothers' mission for the benefit of subsequent generations has promoted proactive growth through acquisitions. However, proactiveness also involves continuous critical evaluation of the existing business, which relates to present operations and how they foster or stifle growth. In this regard, the decision to keep the Longford plant post-fire could be perceived as a lack of proactiveness. The strong sense of continuity exhibited in Glennon Brothers is exemplified by the brothers' avoidance of any opportunity that could damage the tradition and values of the family. As such, instead of distancing themselves from the Longford plant after the fire, Mike and Pat decided to maintain it as a central office and secondary operational base for kiln drying. The Longford plant is more than a mere operational base to the family. The Glennon family have a sense of obligation to the Longford community who have worked in and been supportive of the sawmill business over many decades.

Longford is our iconic home. In Longford we have the loyalty of people, people with great work attitude and who share our identity.

(Mike, 3rd generation, co-CEO)

Perseverance

The perseverance exhibited in Glennon Brothers has not only supported long-term innovation but also proactiveness. Their cumulative effort and desire to grow and succeed has promoted engagement in new opportunities outside their community.

He would go to the Hanover Fair every year, and he would go on at least one or two trips to Canada, the US or Sweden to seek opportunities. He cultivated relationships with the people in those countries, and he pushed himself to do that. You know one of the things that we say about leaders is that you need to live in a tension between being part of your community, a community of the business and being able to stand outside your community.

(Billy, 3rd generation, Non-Executive Board Director)

Accordingly, the firm's engagement in new opportunities, in particular acquisitions, has facilitated the pursuit of long-term investments with patient rewards. In 2005,

Windymains Timber was added to the Glennon group. Closely following that acquisition were the purchases of Dempsey Timber Engineering and Alexanders Timber Design in 2007 and 2008 respectively. In 2008, against the challenging Irish economic backdrop, the company made its fourth acquisition in Scotland, acquiring Adam Wilson & Sons.

These acquisitions exemplify management's patience, and commitment to future rewards. As such, the perseverance exhibited by the brothers supported the firm's acquisition strategy.

4.7.2.2.3 LTO and Risk-Taking

Futurity

It is the future-oriented outlook and long-term planning and evaluation of Glennon Brothers that drives the company to take risks. The company demonstrated a high risk-seeking behaviour over the years by borrowing heavily and committing significant resources to ventures in uncertain environments.

The Glennons will be risk-taking. There were probably financially safer technologies and investments they could have done. They would have picked the riskiest ones because they wanted to maximise growth. (Declan, non-family member, Financial Director)

If you are not growing, you are dying. Dad always said, "it is ok to make mistakes, you need to try". (Mike, 3rd generation, co-CEO)

With their high regard for long-term investments and desire for future accomplishment in mind, the brothers borrowed heavily on several occasions. For instance, the first acquisition involved a huge investment by Glennon Brothers.

The Fermoy acquisition happened in 1998. But that was one where the kitchen sink was on the line, and I think it was during the time that the business was the most explorative, because we spent probably the equivalent of three years of our turnover; which is not something that we do in the manufacturing sector, it's something more from the aircraft industry. (Pat and Mike, 3rd generation, co-CEOs)

Similarly, a large risky investment was undertaken for their first Scottish acquisition, Windymains, in 2005.

I think they are very risk positive. They borrowed a lot of money for their first acquisition in Scotland. They borrowed 20 million and our turnover was only about 20 million at the time. So there was a huge risk involved and we were going into a different country. They would

have had a history of taking risks. So I think they don't take stupid risks but they are risky for success. (Declan, non-family member, Sales and Marketing Director)

Later, in 2007, Glennon Brothers acquired Dempsey Timber Engineering during an unfavourable time for the organisation. However, the brothers, on assessment of the long-range returns from this acquisition, decided to take the risk.

The Dempseys, a husband and wife team, came to us and said that the business was getting too big for them and they said: "Look, would you be interested in coming on board?" In 2007 we bought Dempsey Timber Engineering. We were looking at results to get another route into the actual market rather than an undistinctive one, and out of this we bought that business. We couldn't have bought a business at a worse time.

(Pat and Mike, 3rd generation, co-CEOs)

While the risk profile in Glennon Brothers could be considered high, the brothers are very conscious of the continuity of the family business and of leaving an enduring legacy to the next generation. As such, it is not the need for continuity that motivates Glennon Brothers to raise their risk tolerance but rather the future orientation of the brothers.

Perseverance

While the future orientation of the brothers encourages engagement in risk-taking activities, those activities are supported by their cumulative effort and long-term investments, i.e. perseverance. Each of the Glennon Brothers' acquisitions have required a high level of commitment accompanied by a desire to succeed, hard work and patient capital.

It was really, really difficult managing the people and moving people to the new plant. The banks had agreed a 20 million loan for the new plant and next the fire happened so we were very exposed/vulnerable for the first month or two. They were really critical moments. I suppose Pat and I would have been very aware of it, "watch this carefully because if you do something wrong, the whole thing goes wrong". (Mike, 3rd generation, Co-CEO)

As such, perseverance has supported risk-taking activities at Glennon Brothers. Empirical findings in relation to RQ2, how LTO influences EO in Glennon Brothers are summarised in Table 4-8.

4.7.2.3 Non-Economic Goals (Addressing RQ3)

The non-economic goals deemed most significant in Glennon Brothers are retaining the business within the family and social responsibility.

A. Retaining the business within the family

In Glennon Brothers, there is no consideration for selling equity to outside family members. Paddy (second generation) had the explicit intention to transfer his business to his sons and keep it within the family. Transferring full ownership to his sons and not to his daughters was a reflection of Ireland's patriarchal culture at the time. When the eldest son, Billy, decided to adopt a career outside the family business, Paddy wanted to ensure that Mike didn't follow the same route.

I worked for six months in a corporation and I wanted to go back there and my dad said at the time, "Would you come back in to the business now?" I said, "No, but I wouldn't mind coming into the business someday. I wouldn't mind getting more experience first" and he said, "I need you to come in now". Now was the time to come in or not at all and not in that aggressive way but clearly in that fashion.

(Mike, 3rd generation, Co-CEO)

Paddy was resolute in his intention to retain the business's ownership within the Glennon family. Furthermore, he strategically divided the ownership in three parts, allowing 10% ownership to his eldest son, Billy, to provide balance in the instance of a fall out between the co-CEOs. While his daughters didn't receive any shareholding of the business, Paddy left them part of his wealth.

My parents had died and they did their best to even things out. The dominant wealth in the family was the business, they could have sat down and made sure that people got an even share but they didn't; they looked at the future of the family business. But none of those jealousies have arisen in the family.

(Billy, 3rd generation, Non-Executive Board Director)

We were all aware that Pat and Mike were going to be in the business and to us it was not a matter of who got it, but it was a matter of wanting the business to survive and grow.

(Joan Glennon, Glennon Brothers One Hundred Years a Growing, 2013)

This strong emotional attachment to the family business and desire for dynastic succession is embedded in the next generation. While the fourth generation of the Glennon's family are still young, and succession planning is not yet prioritised, the brothers are overtly inclined towards keeping ownership within the family.

We would like to continue the family business. I think that it is the passion and the commitment which make businesses survive ultimately. If there is a family business environment then it is the place where associated values can be generated.

(Billy, 3rd generation, Non-Executive Board Director)

B. Social responsibility

The Glennon family have a sense of obligation to their tradition and also to the families in the community who have worked in and been supportive of the sawmill business over many decades.

One of the things about a family business is there is a tremendous responsibility on you. I remember, in particular, the night of the fire and people coming up and looking for a sense of direction. I have inherited the responsibility of their families, and they look at you for help. There was definitely a huge moral responsibility and we didn't know what we were going to do. We called the guys in the next morning and met down the yard. Everybody was there in a circle around one of the burnt areas and we were thinking about their families, their sons, their daughters, their wives. It was very emotional. (Pat, 3rd generation, co-CEO)

Due to the value of tradition and reciprocation to the local community, the firm sponsors Longford GAA (Gaelic Athletic Association), Ireland's largest sporting organisation, which is deeply rooted at parish and community level throughout the country.

Longford defines something central about the business, and I think that's why the sponsorship of Longford [GAA] made so much sense to all of us. (Billy, 3rd generation, Non-Executive Board Director)

Glennon Brothers dates back to 1913 and has a legacy of great contributions from great people. Without the contributions of these people, Glennon Brothers would not have survived the many challenges it has faced. This sponsorship presents us with a unique opportunity to mark the enormous contributions made by many people from County Longford in making Glennon Brothers what it is today. (Mike, 3rd generation, co-CEO)

The third generation of Glennons grew up in the mill and maintain very close ties to their rural community of Longford.

Longford, the physical place of Longford, epitomises what matters about the business. What matters in terms of giving a sense of localness, being part of the community, and the values—like the family values of growing up there. I think that all of those things matter to Pat and Mike particularly, and to myself, and I think we'd probably now need a new articulation of that as a thing that matters about the business. (Billy, 3rd generation, Non-Executive Board Director)

We live in Dublin and my son is making his first communion next Saturday, but the day after it I'm going to see Longford play in the championship and I said, "look you're coming with me whether you like it or not". (Billy, 3rd generation, Non-Executive Board Director)

Glennon Brothers also sponsor a programme in Dublin City University that supports economically disadvantaged students from Longford. This initiative provides them with a pathway to third level education which would previously be beyond their reach.

Furthermore, the firm also demonstrates community commitment in Scotland where Glennon Brothers has made acquisitions.

Forestry is ultimately a rural based thing so the community aspect of it is very important. When we were approached to sponsor the first school league in Edinburgh we rose immediately to that challenge. We want to put something back into the community in which we operate. We were very happy to get involved in something like that.

(Mike, 3rd generation, co-CEO)

We would sponsor the local football team, we sponsor a children's league for Gaelic football in Edinburgh, we would sponsor the local bowling team, we would sponsor the local faith, we would sponsor a Santa Claus place at Christmas ... We would be seen as somebody who is mindful—be a good neighbour, be mindful of people and be part of the community.

(David, non-family member, Scotland Business Manager)

4.7.3 Case 4 Summary

The within-case analysis of Glennon Brothers analysed the LTO dimensions of the family firm and their influence on the firm's EO as well as identified the firm non-economic goals. The presence of futurity and continuity has encouraged innovativeness and proactiveness in Glennon Brothers over generations. The strong future orientation of the third generation drives the firm to seek new opportunities that are considered high-risk in order to achieve its future goals. However, if the opportunity presented can somehow damage family tradition and values, in this case the Glennon Brothers distancing themselves from the Longford plant after the fire, then the safeguarding of family values and attachment to traditions outweighs any possible financial benefit. On the other hand, the perseverance manifested in Glennon Brothers, especially in the third generation, has supported the firm's engagement in long-term innovations and acquisitions. While the company is concerned about its economic growth, it also exhibits a deep-rooted and enduring commitment to its non-economic goals, namely retention of the business within the family and social responsibilities.

Table 4-8. Summary of Within-Case Analysis for Glennon Brothers

Case 4: Glennon Brothers		
LTO Dimensions	How is LTO manifested?	How is EO influenced?
Futurity	Estimation of the future <i>e.g. Acquisitions strategy</i>	Promotes innovativeness Promotes proactiveness Increases risk-taking profile
Continuity	Pursuit of an endurable mission and reputation <i>e.g. Keeping Longford plant after fire and value of being a family business in investments</i> Desire to continue as a FB <i>e.g. Expression of desire</i> Value influences of the past <i>e.g. Emphasis on previous generation and Longford origins</i>	Promotes innovativeness Promotes proactiveness/ Hinders proactiveness if tradition and values can be damaged
Perseverance	Cumulative effort <i>e.g. Commitment to community and discipline in first acquisition</i> Long-term rewards <i>e.g. Acquisitions and Red Princess</i> Professionalisation of management <i>e.g. Involvement of non-family senior manager (Scottish plant).</i>	Supports long-term innovations Supports long-term acquisitions Supports risk-taking activities

4.8 Chapter Summary

Within-case analysis was the focus of this chapter. The analyses of the individual cases were presented in respect to RQ1, RQ2 and RQ3 correspondingly. The findings of the four cases are summarised in Table 4-9, Table 4-10 and Table 4-11.

Concerning LTO (RQ1), certain codes and themes (see Figure 3-4) appeared as most salient in representing the futurity, continuity and perseverance of each of the cases. This evidence is summarised for the four cases in Table 4-9.

Regarding LTO and EO (RQ2), each of the LTO dimensions is, somehow, associated with the EO of the firms studied. The roles that futurity, continuity and perseverance adopt in the EO of each of the cases is summarised in Table 4-10.

With reference to LTO and non-economic goals (RQ3), the most salient non-economic goals for each of the firms were identified and they are summarised in Table 4-11.

The next chapter focuses on between-case analyses and reviews these findings in detail by explicating the patterns presented from the unfolding dimensions across the cases.

Table 4-9. Summary of Within-Case Findings for LTO (RQ1)

LTO Dimensions	Case 1: Barry's Tea	Case 2: EPS	Case 3: Flahavan's	Case 4: Glennon Brothers
Futurity	<p>Estimation of the future <i>e.g. New teas and diversification</i></p> <p>Transgenerational control intentions <i>e.g. Ownership plan for next generation and ownership strategy</i></p>	<p>Estimation of the future <i>e.g. Upgrading water solutions and partnership with Premier Tech</i></p> <p>Transgenerational control intentions <i>e.g. Shareholders agreement and retirement plan for G1</i></p>	<p>Estimation of the future <i>e.g. Warehouse management system, NPD and focus on exports</i></p> <p>Transgenerational control intentions <i>e.g. Direct involvement of next generation in several areas</i></p>	<p>Estimation of the future <i>e.g. Acquisitions strategy</i></p>
Continuity	<p>Pursuit of an endurable mission and reputation <i>e.g. Significance of tea, reputation and new organisational structure</i></p> <p>Desire to continue as a FB <i>e.g. Expression of desire</i></p> <p>Value influences of the past <i>e.g. Value of quality, conservatism and respect</i></p>	<p>Pursuit of an endurable mission and reputation <i>e.g. Retirement from politics and focus on building reputation and success of G1</i></p> <p>Desire to continue as a FB <i>e.g. Expression of desire</i></p>	<p>Pursuit of an endurable mission and reputation <i>e.g. Desire to continue with family values and reputation</i></p> <p>Desire to continue as a FB <i>e.g. Expression of desire</i></p> <p>Value influences of the past <i>e.g. Value of tradition and locality</i></p>	<p>Pursuit of an endurable mission and reputation <i>e.g. Keeping Longford plant after fire and value of being a family business in investments</i></p> <p>Desire to continue as a FB <i>e.g. Expression of desire</i></p> <p>Value influences of the past <i>e.g. Emphasis on previous generation and Longford origins</i></p>
Perseverance	<p>Cumulative effort <i>e.g. Commitment to community and discipline during recession</i></p> <p>Long-term rewards <i>e.g. Investments in holdings</i></p> <p>Professionalisation of management <i>e.g. Involvement of non-family executives</i></p>	<p>Cumulative effort <i>e.g. Lean Transform programme</i></p> <p>Long-term rewards <i>e.g. Expansion to UK and acquisitions</i></p> <p>Professionalisation of management <i>e.g. Professional structure</i></p>	<p>Cumulative effort <i>e.g. Commitment to community and employees</i></p> <p>Long-term rewards <i>e.g. New warehouse and visitor centre</i></p> <p>Professionalisation of management <i>e.g. Involvement of non-family directors</i></p>	<p>Cumulative effort <i>e.g. Commitment to community and discipline in first acquisition</i></p> <p>Long-term rewards <i>e.g. Acquisitions and Red Princess</i></p> <p>Professionalisation of management <i>e.g. Involvement of non-family senior manager (Scottish plant).</i></p>

Table 4-10. Summary of Within-Case Findings for LTO and EO (RQ2)

	EO (Innovativeness, Proactiveness, Risk-Taking) How is EO influenced?			
LTO Dimensions	Case 1: Barry's Tea	Case 2: EPS	Case 3: Flahavan's	Case 4: Glennon Brothers
Futurity	Promotes innovativeness Promotes proactiveness	Promotes innovativeness Promotes proactiveness Increases risk-taking profile	Promotes innovativeness Promotes proactiveness	Promotes innovativeness Promotes proactiveness Increases risk-taking profile
Continuity	Promotes innovativeness Promotes proactiveness in the holding business/ Hinders proactiveness in the tea business Encourages a more cautious approach to risk-taking/ If continuity is in danger, risk profile increases	Promotes innovativeness Promotes proactiveness	Promotes innovativeness Promotes proactiveness/ Hinders proactiveness if reputation can be damaged Encourages a more cautious approach to risk-taking/If continuity is in danger, risk profile increases	Promotes innovativeness Promotes proactiveness/ Hinders proactiveness if tradition and values can be damaged
Perseverance	Supports long-term innovations Supports proactiveness – diversification Supports any risk taken in non-tea activities	Supports long-term innovations Supports long-term alliances Supports risk-taking activities	Supports long-term innovations Supports exports Supports risk taken when acquiring full ownership	Supports long-term innovations Supports long-term acquisitions Supports risk-taking activities

Table 4-11. Summary of Non-Economic Goals (RQ3)

	Non-Economic Goals
Case 1: Barry's Tea	<ul style="list-style-type: none">• Retaining the business within the family• Perpetuation of family values• Promote and preserve family reputation
Case 2: EPS	<ul style="list-style-type: none">• Retaining the business within the family• Maintaining family unity and harmony
Case 3: Flahavan's	<ul style="list-style-type: none">• Retaining the business within the family• Perpetuation of family values• Promote and preserve family reputation• Social responsibility
Case 4: Glennon Brothers	<ul style="list-style-type: none">• Retaining the business within the family• Social responsibility

Chapter 5. Cross-Case Analysis

5.1 Introduction

Chapter 4 distilled the LTO dimensions (RQ1), their association with EO (RQ2) and identified the most salient non-economic goals (RQ3) in each of the firms by means of within-case analyses. First, the LTO dimensions—*futurity*, *continuity* and *perseverance*—were analysed and presented in terms of second-order themes for each of the cases. Second, the LTO dimensions were related to their influence on the innovativeness, proactiveness and risk-taking of each of the firms. Third, the non-economic goals of each of the firms were categorised and presented in terms of aggregated theoretical dimensions.

This chapter extends these analyses to a cross-case comparison; the suggested next-step in multiple case analyses. This chapter is organised as follows: first, an introduction is followed by a comparison of the within-case findings; second, sections 5.3, 5.4 and 5.5 are devoted to the analysis of LTO (RQ1), LTO and EO (RQ2) and LTO and non-economic goals (RQ3), respectively. The chapter concludes with a summary of emergent findings.

The research questions provide the structure for the chapter. An overview of the patterns concerning the four cases is presented. Tables 4-1, 4-2 and 4-3 summarise the within-case findings from Chapter 4. These form the basis for comparative analysis and the discussion that follows the rest of the chapter.

5.2 Long-Term Orientation (RQ1)

RQ1 asked which characteristics capture each of the dimensions of LTO and mark its manifestation in family firms: “*How do Lumpkin and Brigham’s (2011) LTO dimensions (futurity, continuity and perseverance) manifest in multi-generational family firms?*” Certain codes for each dimension were commonly found across the cases. These codes are derived from the literature and analysis that has addressed various aspects of LTO (see Figure 3-4). The commonality of these codes emphasises their prominence and inclusion in each of the LTO dimensions. The following frameworks, comprising of the set of first-order codes captured in each dimension, offer clarification to the LTO

construct and provide a more nuanced understanding of how its dimensions are manifested in multi-generational family firms.

5.2.1 Futurity

Regarding *futurity*, six codes (see Table 5-1 below) are thought to represent the dimension. Those codes are organised into two themes: (1) estimation of the future and (2) transgenerational control intentions. These themes represent the most prominent manifestations of futurity across the cases. The first category (1) was characterised by the firm's propensity for long-term planning, efforts aimed at forecasting the long-range consequences of current actions, evaluating long-term consequences and emphasising future value. The second category (2) related to the firm's intention for control or ownership by the next generation and engagement in succession planning. Table 5-1 presents the suggested codes that form the structural make-up of futurity, as evidenced across the four cases.

Table 5-1. Futurity Dimension

Codes	Themes	Dimension
1. Demonstrate that there is value to planning for the long-term. 2. Forecasting long-range consequences of current actions. 3. Evaluating long-term consequences. 4. Statements that emphasise the future.	Estimation of the future	Futurity
5. Engagement in succession planning. 6. Tasks aiming to pass control or ownership to next generation.	Transgenerational control intentions	

5.2.2 Continuity

Regarding *continuity*, the recurrent nine codes (see Table 5-2 below) across the cases that captured how this dimension is manifested are organised into three main themes: (1) pursuit of an endurable mission and reputation, (2) desire to continue as a family business and (3) the value of influences from the past. These categories represent the most salient

manifestations of continuity across the cases. The first category (1) was apparent when the firm showed evidence of pursuing an enduring mission, a desire to leave a mark, placed importance on reputation or showed concern for damaging family reputation. The second category (2) was observed when the firm expressed a desire to retain the business within the family or an aspiration of control or ownership for the next generation. The third category (3) was applicable when the firm showed appreciation for the past, recognised the effect of founders or previous generations or valued tradition and preservation. These codes provide a suggested framework for the continuity dimension shown in Table 5-2.

Table 5-2. Continuity Dimension

Codes	Themes	Dimension
1. Expressions of desire to build a long-lasting mission. 2. Expressions of desire to leave a mark. 3. Expressions of importance attached to reputation. 4. Statements of concern about damaging family reputation.	Pursuit of an endurable mission and reputation	Continuity
5. Expressions of desire to retain the business within the family. 6. Statements about aspiration of control or ownership for next generation.	Desire to continue as a family business	
7. Importance to the past. 8. Recognising lasting effect of founders or previous generations in current actions. 9. Value tradition and preservation.	Value influences of the past	

It is important to note that continuity is the LTO dimension that it is most closely associated to family. As per the above table, continuity values influences of the past are concerned with keeping the business within the family and pursuing a long-lasting mission and reputation. Lumpkin, Martin and Vaughn (2008) proposed the concept of family orientation (FO) to address, in part, the values and involvement of individual family members in a family business. Their family orientation concept intends to reflect

the ways individuals perceive, relate to and value family. As such, family orientation focuses on describing and explaining the extent to which individuals bring the family essence to a family business setting. Drawing on the concept of family orientation from Lumpkin and colleagues (2008) and based on the empirical evidence of continuity in the four firms studied, this thesis proposes that continuity in multi-generational family firms is mainly manifested through the family and, as such, is a familial long-term oriented dimension.

It is also important to note that certain elements of futurity, specifically transgenerational control intentions, are also linked to the family. The engagement in succession planning activities or in tasks aimed at passing control or ownership to the next generation of family members is also associated with the family. The element of futurity is associated with the family and it is the only element of the dimension with such a link. The rest of the futurity codes (see Table 5-1), i.e., demonstrating value to planning for the long-term, forecasting long-range consequences of current actions, evaluating long-term consequences and emphasising the future, are not related to the family per se. It is for this reason that only continuity is considered family oriented in this research.

5.2.3 Perseverance

Regarding *perseverance*, the eight recurrent codes (see Table 5-3 below) between the cases that demonstrated how this dimension unfolds in family firms are organised into three main themes: (1) cumulative effort, (2) long-term rewards and (3) professionalisation of management. Perseverance is most aptly displayed across the cases via these three categories. The first category (1) manifested as the firm demonstrated discipline and self-control, a high level of commitment, desire to succeed and/or hard work and persistence. The second category (2) was observed as evidence of patient capital and/or patience for future rewards. Lastly, the third category (3) was identified through the firm's efforts to professionalise management, whether it was through the formalisation of management structures or through the inclusion of external non-family professionals in their organisational structure. All of these features provide a suggested framework (Table 5-3) for the perseverance dimension. Table 5-3 illustrates the common codes, across the four cases, which constitute the structure of perseverance.

Table 5-3. Perseverance Dimension

Codes	Themes	Dimension
1. Articulation of discipline and self-control. 2. Expressions of high levels of commitment. 3. Expressions of desire to succeed. 4. Indications of hard work and persistence.	Cumulative effort	Perseverance
5. Presence of patient capital, long-term investments. 6. Demonstrate patience for future rewards.	Long-term rewards	
7. Formalisation of management structures. 8. Hiring external non-family professionals.	Professionalisation of management	

5.2.4 Summary of LTO Findings (RQ1)

New theoretical constructs, such as LTO, offer several opportunities for researchers but at the same time pose important challenges, especially in their methodological application. One of the main obstacles to future research in this area is the lack of reliable measures and constructs development (Lumpkin and Brigham, 2011). This thesis represents an important step in this direction by empirically exploring Lumpkin and Brigham's (2011) LTO construct and proposing a set of codes to capture the distinct dimensions of LTO in multi-generational family firms. These codes are derived from a combination of extant literature and the in-depth analysis of the four cases.

Research has called for greater understanding of long-term perspective and its implications in family enterprises (Sharma, Salvato and Reay, 2014). However, since Lumpkin and Brigham's (2011) work, only one attempt has been made to measure and refine their LTO construct. In their study, Brigham and colleagues (2014) developed content analytic measures (i.e. word lists) to capture futurity, continuity and perseverance using samples of firm shareholder letters. The validation of family business constructs and measures is critical to the development of the field (Litz, Pearson and Litchfield, 2012; Sharma, 2011). To date, however, no attempt has been made to grasp the LTO

construct using psychometric instruments. Surveys could be a suitable tool to measure LTO given the experience and knowledge that family scholars have gained in the past. As a first approximation, the LTO frameworks presented in this thesis propose a set of codes that could be a useful base for developing items to conduct questionnaires designed to capture how the LTO dimensions—*futurity*, *continuity* and *perseverance*— are manifested in family firms. The codes presented are intended to depict the LTO dimensions that relate to multi-generational family firms. By providing a detailed account of how these dimensions manifest, this study re-affirms the importance of futurity, continuity and perseverance in the context of entrepreneurial family firms.

This research may be viewed as exploratory in that it represents an initial empirical attempt to articulate the LTO construct through case study evidence. The definition of the construct and the three dimensions that constitute it are derived from theory. The codes presented should be purposeful in aiding researchers to recognise the importance of LTO in multi-generational family firms, and how to organise and interpret their observations of LTO. However, subsequent theorising and empirical examinations might offer new insights about the construct. Further analysis of the LTO dimensions and their influence on the EO of the firms is discussed next in RQ2.

5.3 LTO and EO (RQ2)

RQ2 asked how LTO influences entrepreneurial behaviour through the firm's EO: "*How do Lumpkin and Brigham's (2011) LTO dimensions (futurity, continuity and perseverance) influence EO (innovativeness, proactiveness and risk-taking) in multi-generational family firms?*". The influence of LTO on the EO of the case firms, as identified from the within-case analysis, is briefly revisited prior to examining the influence on EO between cases. Discussion now focuses on how the cross-case patterns within the three dimensions of LTO—*futurity*, *continuity* and *perseverance*— influence the three dimensions of EO—*innovativeness*, *proactiveness* and *risk-taking*.

5.3.1 LTO and Innovativeness

Futurity

The four family businesses in this study stress the importance of long-term strategic and operational planning and see utility in considering the future when making decisions,

consistent with the futurity dimension. Their inclination towards long-term planning prompts these firms to support new ideas and processes in order to achieve desirable future outcomes. Table 5-4 provides sample data that exhibit how futurity is associated with the firm's innovative behaviour.

Table 5-4. Futurity and Innovativeness

Case	Futurity	Sample Quotation	Innovativeness
Barry's Tea	Demonstrate that there is value to planning for the long-term	The most recent development from the area of new product development is in speciality teas. Speciality teas have become the new area in the tea business. People are interested in this and it's important for us. We have developed new types of tea like the green tea, flavored teas, or decaf tea, driven by research relating to its health benefits (Michael, non-family, IT Director)	New products
EPS	Emphasise the future	In the seventies we bought pressure washers, which had the likes of the people that do the power drains now. We got into that and that was very new at the time. I find that from the domestic scene we have developed a lot over the years by envisioning new products and different processes, and we are still changing (Paddy, 1st generation, Co-founder)	New products
Flahavan's	Demonstrate that there is value to planning for the long-term	We have improved our stock system, using scanners to scan in and out pallets, and packaging of finished products. At the moment we're actually in the process of putting in a new warehouse management system. We will be looking at this for the long-term. (Annie, 7th generation, Financial Controller)	New technology
Glennon Brothers	Evaluating long-term consequences	Enormous time and energy has been invested in successfully implementing this innovative service over the last eighteen months. As we all know, continuity of raw material supply is fundamental to the growth of the sector, and we very much hope that the vessel will become a key part of our long-term log supply. (Pat and Mike, 3rd generation, co-CEOs)	New service

In case 1, Barry's Tea, although the core business (tea) operates in a mature industry, the incumbent generation engages in innovation with teas (speciality teas) and marketing practices; this results from the company's emphasis on the future, along with the desire to survive and grow in a highly competitive market. In case 2, EPS, the firm's ambition to grow and achieve future goals fosters their engagement in innovative products, and innovative technological and environmental processes. EPS holds a sustained record for introducing innovation to the market as facilitated by its future outlook when planning its strategies and operations. Also, each of the firms' partnerships and acquisitions have aligned to the innovative goals of the firm. One of the most recent examples is the partnership with Premier Tech, a global leader in R&D that has accumulated hundreds of

patents, some of which EPS hope to leverage. In case 3, Flahavan's, their emphasis on transgenerational control intentions is closely associated with their endeavour to implement new ideas. The new warehouse management system, along with continuous focus on new product development, is a reflection of Flahavan's future orientation. The evaluation of long-term consequences has also motivated Flahavan's to innovate in relation to its distribution channels, as demonstrated by their recent partnerships with McDonald's and Aer Lingus. Lastly, in case 4, Glennon Brothers, the brothers' vision for longevity and growth has shaped the firm's strategic decision-making. In each of the acquisitions carried out by the company, there has been an investment in new technology and processes in those plants to achieve Glennon Brothers' vision for development. One of their latest innovations, evaluated on its potential for long-term value, is their first landing craft aimed at reducing the environmental impact of transporting logs.

This analysis suggests that innovativeness in the firms studied is promoted by its future orientation which is characterised as both the "estimation of the future" and "transgenerational control intentions". Accordingly, the engagement in innovative practices is driven by the anticipated future value of such activities, i.e. its long-term consequences. Building on this reasoning and as evidenced in the cases, the following proposition is suggested:

P1: *Futurity (in terms of estimation of the future and transgenerational control intentions) is positively associated with innovativeness in multi-generational family firms.*

Continuity

All four cases highlight the importance of building a long-lasting mission and reputation which demonstrates the effect that founders and prior generations have on the current and future strategies. Furthermore, the four family firms in this study are consistent in their desire to retain family ownership and also, preferably, control through succession. When the future aspirations and legacy of the firm become central to its strategy, family leaders are motivated to engage in innovative practices as an avenue for retaining family involvement and continuing the family legacy. The recurring patterns within the cases show how innovativeness is linked to the desire for long-term business preservation.

Sample data showing how continuity is associated with the firms' innovativeness is provided in Table 5-5, followed by a related discussion.

Table 5-5. Continuity and Innovativeness

Case	Continuity	Sample Quotation	Innovativeness
Barry's Tea	Appreciate the importance of the past	Going back to our roots you could say that's innovative. We are looking at new ways of communicating the brand. We also now focus on our social media. Anything we've done has been strategically right for the brand. (Camille, non-family, Marketing Director)	New processes
EPS	Desire to leave a mark	I want to be able to sit back and at 60 [when] I'm retired and say 'I enjoyed that, we took it [the family business] and we transformed it'. I want to transform it. We have the potential to take it from a 70 million to at least 500 million I think. When I'm 60, I want to be able to look back and say 'we did it, we transformed it from that to that, it's someone else's job now to take it on'. (Patrick, 2nd generation, Deputy MD)	New ideas
Flahavan's	Value tradition and preservation	Near the warehouse building there's another old shed with real nice stonewalls. It hasn't been used for years so we would need a new roof and insulation and everything. But we are thinking of making that into a visitor centre or something like that. We could include a little shop there as well. (Annie, 7th generation, Financial Controller)	New service
Glennon Brothers	Recognising lasting effect of founders or previous generations in current actions	Most of the new technology we would have implemented is ahead of the game, we were ahead of the game at that time (previous generation) too. My father was very instrumental. (Pat, 3rd generation, co-CEO)	New ideas

With the ambition to continue the tea family business, the current generation of the Barry family has engaged in a new marketing strategy and a way to communicate the brand that is aligned to its past and traditions. In case 2, EPS, the second generation's aspiration to succeed, by extending the legacy of its founders, encourages them to engage in growth-fuelling innovations. EPS has engaged in a series of acquisitions and joint ventures over the last two decades that has resulted in numerous new products, solutions to reduce energy consumption and more efficient technologies. The seventh generation at Flahavan's, case 3, perceives their family business as an asset afforded to them to maintain and enhance before passing it to the next generation. As such, the family's ambition to guard and grow the business during their generational tenure encourages Flahavan's to explore new ideas and processes. Recently, the firm has invested in new product development, and engaged in a series of new marketing strategies to enhance the family image and reputation. Lastly, in case 4, Glennon Brothers, seeking a long-lasting mission has influenced the present co-CEOs to engage in and support new ideas,

acquisitions, and processes in order to succeed and continue the family legacy. Paddy, second generation, was perceived as an exemplar entrepreneur and innovator of his time, and his children, Pat and Mike, have inherited the same passion as their father for continuous innovation and firm enhancement. The brothers have an exceptional record of being very innovative in the timber industry via new products, new niches, new markets and acquisitions.

This discussion suggests that family businesses with heightened levels of continuity will engage in and support new ideas, novelty, experimentation, and creative processes in order to pursue a long-lasting mission and reputation. Family firms that are influenced by the past and recognise the lasting effect of prior generations are willing to engage in innovative practices in order to grow and survive and, therefore, continue the family legacy. This discussion suggests the following proposition:

***P2:** Continuity (in terms of the pursuit of an endurable mission and reputation, desire to continue as a family business and value influences of the past) is positively associated with innovativeness in multi-generational family firms.*

Perseverance

The firms in this study all possess a determination for business survival, an awareness of the value of collective effort and often patience for future rewards. These families' perseverance, and unyielding commitment coupled with a desire for long-term success, support the innovative practices needed to realise future objectives. The firms accept investments with lengthy payback periods and acknowledge that such investments are crucial to providing opportunities for new ideas and processes. Table 5-6 provides sample data that exhibit how perseverance is associated with the firms' innovativeness.

The perseverance in Barry's Tea was more apparent from their support of the new diversification strategy than from their support of innovation. As already discussed, Barry's core business is based in a mature industry where ground-breaking innovations do not occur. As such, the company is innovating through the development of new types of teas and new marketing activities to ensure survival. In case 2, EPS, long investment horizons have been a critical factor in company support of innovativeness. The family's willingness to use patient capital has enabled them to persevere financially with a number of acquisitions and partnerships that have resulted in numerous new products and

technologies. Through their patience and commitment, the Buckleys have spearheaded innovative ideas, processes and technologies such as the new Bio-Crack or the ORCA screen technology. Similarly, in case 3, Flahavan's, the sole owner and CEO of the family business is a proponent of the innovative culture within the company. Under the leadership of John Flahavan, the family business has been continuously involved in innovative practices, which have resulted in new products, processes and technologies. The considerable commitment, discipline and ambition of the next generation have given way to new environmentally friendly technologies, such as their wind turbine, and entirely new products, like their self-service porridge machine. Lastly, Glennon Brothers and co-CEOs (case 4) have backed numerous innovations due to their appetite for success and deep-rooted commitment. In financial terms, the brothers' patience for future rewards has been crucial in facilitating innovation both through acquisitions and the implementation of new technologies in those plants.

Table 5-6. Perseverance and Innovativeness

Case	Perseverance	Sample Quotation	Innovativeness
EPS	Patience for future rewards High levels of commitment	This endorsement [SEAI] is further recognition of our ongoing efforts to develop cleaner technologies and solutions, which reduce energy consumption and increase efficiency. Our vision is to become the most sustainable company in the industry, providing energy efficient and innovative cost-saving water solutions globally. (Patrick, 2nd generation, Deputy MD)	New technologies
Flahavan's	Patience for future rewards High levels of commitment	We will soon be installing a turbine in the mill. The turbine will add to our credentials as being an environmentally friendly producer in conjunction with our water turbine and our oat husk burning boiler. (John, 6th generation, CEO)	New technologies
Glennon Brothers	High levels of commitment Patient capital	Glennon Brothers invested €13 million in a processing plant in Fermoy. This new purpose built facility, includes a state-of-the-art Lineal High Grader (LHG), a new technology based on X-rays. (IFFPA, 2015)	New technologies

In sum, the analysis of the cases has shown perseverance as an important aid to effective innovation. As such, a family business that attributes value to efforts with future rewards will exhibit a high level of perseverance. The cumulative effort and patient capital exhibited in the family firms studied support innovative practices that come to fruition in the long-term, in line with the following proposition:

P3: *Perseverance (in terms of cumulative effort, long-term rewards and professionalisation of management) supports innovativeness in multi-generational family firms.*

5.3.2 LTO and Proactiveness

Futurity

The future orientation manifested in the firms studied not only encourages innovativeness but, also, prompts the companies to seek new opportunities. The focus of firm management on potential value when planning their strategies boosts their proactiveness so that they achieve their desired future. Table 5-7 provides sample data that exhibit how futurity is associated with the firm's proactive behaviour.

Table 5-7. Futurity and Proactiveness

Case	Futurity	Sample Quotation	Proactiveness
Barry's Tea	Evaluating long-term consequences	We are now focusing our attention to the exports to Canada and the US. There are many Irish immigrants in those countries and there is a big potential for us there. (Tony, 4th generation, MD)	New markets-exports
EPS	Forecasting long-range consequences of current actions	One of our strategies is to grow and acquire companies in the business areas where there is more money to be made. If you look at the mix of revenues and margins that is changing, every year it's changing. We have a 2020 plan which is to get somewhere between 120 and 150 million, and 5% net profit. And that's before we go do any acquisitions or even half of that. (Patrick, 2nd generation, Deputy MD)	New markets-business areas
Flahavan's	Emphasise the future Evaluating long-term consequences	We are looking at all the areas of growth. One area is growth through export products; this is a strength we are working on. We're trying to increase exports as a percentage of our business so that we're not under the control of the three multiples in the country that we have at the moment. (James, 7th generation, International Business Development Manager)	New markets – exports
Glennon Brothers	Evaluating long-term consequences	You must keep your production up. So then when the real economic downturn came in 2008, Mike looked at France. We had even exported to Japan (Irish timber was shipped to Japan and Korea for the construction of traditional houses). (Gerry, non-family member, Forestry Manager)	New markets – exports

Barry's Tea, case 1, would not be notably proactive in their core business. The firm has engaged in some novel opportunities and new markets, however, their products and services are mostly dictated by changes in customer preferences and overshadowed usually by their competitors. At EPS, case 2, the family emphasis on the future promotes

its proactive behaviour. Since it began, EPS management has demonstrated keen foresight by introducing new products, services and technologies ahead of its competitors and, on some occasions, acting in anticipation of future demand. For instance, the first generation of Buckleys formed Ireland's premier business in water and wastewater pumps and travelled abroad looking for more technologically advanced centrifugal pump suppliers. The second generation also possesses this entrepreneurial streak by introducing new products and services aligned to their partnerships and acquisitions. Similarly, in case 3, James' and Annie's emphasis on the future, has led to a culture of opportunity discovery in Flahavan's firm. The seventh generation of Flahavans has encouraged engagement in new unexpected markets, such as South Korea and Thailand, which have resulted in novel products for the firm. Lastly, in case 4, the brothers and co-CEOs of the family business have demonstrated their forward thinking ability by continuously exploiting opportunities for new products and services as well as targeting new markets abroad. Following their first acquisition in Ireland in 1998, Pat and Mike, seeking to expand their business, embarked on their first overseas acquisition in Scotland. These acquisitions led to the continuous expansion of Glennon Brothers that today owns three properties in Ireland and two in Scotland.

This analysis suggests that futurity in a family firm will encourage an opportunity-seeking perspective characterised by the engagement in new markets and opportunities. The dimension of futurity, viewed as the planning and assessment of long-term goals based on their future value potential, fosters proactiveness in multi-generational family firms. Building on this analysis, the following proposition is suggested:

P4: *Futurity (in terms of estimation of the future and transgenerational control intentions) is positively associated with proactiveness in multi-generational family firms.*

Continuity

Managing the family legacy and ensuring its continuation encourages these family firms to engage in new opportunities, however, this responsibility can also stifle opportunity-seeking actions if the family values or reputation is somehow damaged. Table 5-8 provides sample data showcasing how continuity is associated with the firm's proactiveness. Family leaders may view continuity in family firms, i.e., pursuing an

enduring mission and reputation, as a catalyst for seeking fresh opportunities. However, if that opportunity jeopardises the family values, the firm might decide not to engage in it.

Table 5-8. Continuity and Proactiveness

Case	Continuity	Sample Quotation	Proactiveness
Barry's Tea	Pursuit of an enduring mission	We took the decision to diversify 15 years ago. We have a tea business, which is profitable but may not always be, who knows what problems could arise. It is a way to diversify risk and family interests, not tea interest. (Tony, 4th generation, MD)	Diversification outside of the tea business
		I didn't want to be sitting here in 10 years' time and the tea business is falling down and my brothers and my sisters are saying, 'did you never think it might fall apart?' (Tony, 4th generation, MD)	
		Some people ask why we don't bring cakes, coffee or other products to Barry's Tea. We don't do it because we want to protect the core (Camille, non-family, Marketing Director)	Rejection of diversification in the tea business
EPS	Recognising lasting effect of founders or previous generations in current actions	Our predecessors [the founding generation] had a great feel for the market and they were able to see what was coming down the tracks in five or ten years' time. They have educated us so I suppose we would see what's happening too; we were in the UK since 2008, knowing that the recession was about to kick in [in Ireland] in 2008 or early 2009. But we went in 2008 so we were in there about three years before our competing Irish water/wastewater treatment firms. (John, non-family member, Large Contracts Director)	New markets
Flahavan's	Pursuit of an enduring mission	With all the competition in Ireland, I think we really need to look internationally. We have been looking at some unexpected markets such as South Korea. They have taken probably two or three orders at this stage, it's quite good. Recently we have been looking at Thailand... We have put the produce in speciality stores. We have a lot of different flavours, things like seaweed and that. (Annie, 7th generation, Financial Controller)	New markets – exports
	Pursuit of an enduring reputation	We decided not to engage in private label: It could affect our brand in the long-term, and that's our reputation. (Annie, 7th generation, Financial Controller)	Hinders proactiveness
Glennon Brothers	Pursuit of an enduring mission	The acquisition of Dempsey's for example, it was a husband and wife team; they came to the Glennons and asked them what their motto was. The great thing that the boys are offering is this: "we will keep your family business going. We'll look after your customers, we'll look after your people, we'll do all this, and it's a different style." That's what family businesses want. (David, non-family member, Scotland Business Manager)	New market-Acquisition
	Appreciate the importance of the past Value tradition and preservation	The amount of extra timber that we would sell resulting from sponsorship of the county would be zero. But it's kind of about responsibility to Longford. Here is where our parents came from and we wanted to do something to mark the contribution of all of the people that worked in Longford. (Pat and Mike, 3rd generation, co-CEOs)	Hinders proactiveness (not differing Longford plant)

In case 1, Barry's Tea, the need for continuity generates a pressure experienced by the incumbent CEO whose desire is to ensure the continued success of the family tea legacy. Accordingly, Tony has introduced a new diversification strategy with no ties to the core family business, therefore, directing risk away from the family's legacy. However, the firm has rejected diversification within the core business over the years. The family ambition to protect their core values, such as positive reputation and quality, has encouraged Barry's Tea to avoid any opportunities that could somehow damage those values. At case 2, EPS, the ambition of the second generation to leave their mark has encouraged them to engage in a growth strategy based on partnership opportunities. That same ambition has pushed the seventh generation of the Flahavans, case 3, to be very proactive in the geographic expansion of the firm. Their aspiration to grow the family business is apparent from their efforts to create value and expand the Flahavan's brand abroad with novel ideas, such as the substitution of oatmeal with rice in South Korea, or the introduction of new products ahead of competitors, such as a variation of porridge flavours. However, the family would reject any opportunity that could damage the reputation of their family and tradition in the future. Lastly, in case 4, Glennon Brothers, the brothers' emotional attachment to Longford and the founders' legacy influenced them to avoid closure of the Longford plant despite the lack of financial sense in upholding it. In this case, the continuity of family legacy encouraged the Glennon family to maintain the Longford plant and therefore, prevented the strategic elimination of operations in maturity or decline. However, that same continuity and the desire to leave their mark has promoted the brothers to take opportunities through an acquisition strategy.

This discussion suggests that continuity in multi-generational family businesses encourages engagement in new opportunities in order to build an enduring legacy of the family business. Notwithstanding, if the presented opportunity jeopardises the family's values, tradition, or reputation, the same continuity will guide the family to avoid engagement in that opportunity. Furthermore, it might even prevent the discontinuation of certain operations or products in decline or maturity due to their emotional significance. While for non-family firms diversification may be perceived as a way of reducing firm risk, for family firms diversification may augment the perception of risk, in part because family does not see risk in purely economic terms. Building on this reasoning and as evidenced in the cases, the following proposition is suggested:

P5a: *Continuity (in terms of the pursuit of an endurable mission and reputation, desire to continue as a family business and value influences of the past) is positively associated with proactiveness.*

P5b: *If family goals are at risk, continuity (in terms of the pursuit of an endurable mission and reputation, desire to continue as a family business and value influences of the past) is negatively associated with proactiveness.*

Perseverance

Through their perseverance, the firms' management supports opportunity exploration and creation of novel products and services ahead of competition and in anticipation of future demand. These family leaders' thriftiness, persistence and hard work, combined with their goal for future value creation in the firm, leads them to adopt a proactive approach in their decision-making processes. Table 5-9 provides sample data that exhibit how perseverance is associated with the firm's proactive behaviour.

Table 5-9. Perseverance and Proactiveness

Case	Perseverance	Sample Quotation	Proactiveness
Barry's Tea	Hiring external non-family professionals	Tony hired a new finance director who is also a chief executive. He is very good and has brought in a lot of corporate governance, new marketing activities, and outside experience. (Donagh, 4th generation, Non-executive Board Director)	New opportunities
EPS	Patience for future rewards	Some of the relations we're developing now are setting us up for big growth and opening up more opportunities for going in other directions. (Patrick, 2nd generation, Deputy MD)	New acquisitions
Flahavan's	Patience for future rewards	We sell in the UAE, in a number of stores around Abu Dhabi. It's not traditionally a hot cereal, oat eating country, so there is a little bit of work that needs to be done there, but one of the benefits of eating oats is how full it keeps people for longer. (James, 7th generation, International Business Development Manager)	New markets
Glennon Brothers	Patient capital	Investments here are big. There are millions spent. You can't do that in the short-term, you will not win from the short-term. You have to think long-term. (Declan, non-family member, Financial Director)	New acquisitions

As previously discussed, the first case analysed, Barry's Tea, is not remarkably proactive in their tea business due to the maturity of the market. However, the perseverance of family management, exhibited by their patience for future rewards and ongoing commitment to the business, has led to noticeable proactiveness in the investment facet.

Here, the business can actively seek and exploit opportunities for future growth and acquire new holdings ahead of the competition, all in order to grow the family business and increase family wealth. As he aspires to advance the family's goals, Tony openly supports long-term planning and the involvement of key non-family members in governance and management (in reference to Aidan, new Financial Director). Furthermore, these holding acquisitions rely heavily on the family's support for a long-term investment strategy. At EPS, case 2, the family's commitment and drive for success supports an environment of opportunity discovery. The Buckleys' robust business planning process is aimed at expanding EPS' strengths, with special consideration given to crucial acquisitions and partnerships. Those opportunities have led to new products, processes, and markets and are a reflection of the perseverance needed to endure over time. Even during adverse times, such as the economic downturn in 2008, EPS continuously pursued opportunities that included an expansion into the UK market. Similarly, Flahavan's, case 3, emphasis on exports is associated with patience for rewards. The seventh generation of the family is expanding the brand by entering uncertain markets in concurrence with making major adaptations to their product for these countries. The next generation of family leaders intends to continue this opportunity seeking behaviour by testing new and emerging markets, which exemplifies their patience for rewards, persistence, commitment and desire to succeed. Lastly, in Glennon Brothers, case 4, the proactive efforts of the brothers to create future value for the family business have manifested as business expansion into Scotland and exportation to England and France. The success of this geographical expansion is made possible by their patience for future rewards as enacted through continuous engagement in long-term investment.

This analysis suggests that *perseverance* in a family firm will support an opportunity-seeking perspective characterised by long-term rewards and capital. The firms exhibiting perseverance are conscious of the value in cumulative effort, often demonstrate patience for future rewards, and possess high levels of commitment, discipline and determination to succeed. These values combined support proactiveness in firms. Building on this analysis, the following proposition is suggested:

P6: *Perseverance (in terms of cumulative effort, long-term rewards and professionalisation of management) supports proactiveness in multi-generational family firms.*

5.3.3 LTO and Risk-Taking

Futurity

The family firms studied present diverse risk profiles. Case 2, EPS, and case 4, Glennon Brothers, are more tolerant to risk while case 1, Barry's Tea, and case 3, Flahavan's, are conservative in terms of risk-taking strategies. The prominent future orientation of the incumbent generation in cases 2 and 4 has raised the firms' propensity for risk-taking. In these two cases, the next generation demonstrates forward focus and long-term planning that leads them to support some risky decisions in order to achieve desirable outcomes. Table 5-10 provides sample data that exhibit how futurity is associated with the firms' risk behaviour in these two cases.

Table 5-10. Futurity and Risk-Taking

Case	Futurity	Sample Quotation	Risk-Taking
EPS	Evaluating long-term consequences	We do work in Kazakhstan and other places, it is design work not installation, it is purely design. We were in there for about a year and a half, not on a huge scale, but we were doing it and we are starting to look at doing it in other places. (Patrick, 2nd generation, Deputy MD)	Venturing into uncertain environments
Glennon Brothers	Demonstrate that there is value to planning for the long-term	The Fermoy acquisition happened in 1998. But that was one where the kitchen sink was on the line, and I think it was during the time that the business was the most explorative, because we spent probably the equivalent of three years of our turnover; which is not something that we do in the manufacturing sector, it's something more from the aircraft industry. (Pat and Mike, 3rd generation, co-CEOs)	Borrowing heavily

Case 1, Barry's Tea, is highly conservative and risk averse. The core business, tea, follows a risk avoidance strategy with incremental and measured growth. The new holding business was established to diversify the family risk and move away from complete reliance on the core business which competes in a considerably mature market. The low risk profile has been observed throughout the four generations of the Barry family. In case 2, EPS, the previous generation (founders) grew the company with little risk involved in their strategies. The company was openly conservative and inclined towards risk avoidance. However, the incumbent (second) generation's ambition to grow and achieve future goals has increased their engagement in risky decisions to a certain extent. The soon-to-be CEO, Patrick Buckley, and his siblings have occasionally made decisions which involved the commitment of significant firm resources or the exploration of uncertain environments. The future value priority of the firm has increased the level of risk tolerance among the second generation of the family. At Flahavan's, case 3, a prudent

and measured approach inhibits high risk. The firm is calculative in growing its market share within their very competitive industry. A certain degree of risk is inherent in the numerous product launches; however, the uncertainty is mitigated significantly by in-depth market research. Lastly, in case 4, Glennon Brothers, the brothers' vision for future success and growth has increased the risk profile of the family business. While the previous generations avoided any projects involving major risk, Pat and Mike, the current co-CEOs, have demonstrated high risk behaviour over the years by borrowing heavily for numerous acquisitions and committing significant resources in uncertain or substandard firm environments. The long-term value assessment of those decisions has encouraged the brothers to increase the risk-taking behaviour of the family business. It is the future orientation of the brothers that encourages them to raise the risk profile of the firm.

This analysis suggests that in multi-generational family firms, high levels of futurity might increase the firm's risk behaviour. The emphasis on the future coupled with an aspiration for meeting future goals encourages the firm leaders to raise the risk tolerance. While futurity might be a factor that encourages risk tolerance in future generations of conservative family firms, it is not sufficient on its own to foster risk-taking. Family firms that embrace conservative strategies might continue doing so across generations. Factors like retaining tradition, family legacy or safeguarding the company mission might encourage the firm to pursue a low risk-taking strategy. This is developed further under the next sub-section, Continuity. This suggests the following proposition:

P7: *Futurity (in terms of estimation of the future and transgenerational control intentions) is positively associated with risk-taking in multi-generational family firms.*

Continuity

As previously discussed, the cases studied in this research present diverse risk profiles. While in case 2 and case 4 an element of risk is present in their strategies, cases 1 and 3 are mainly conservative. Furthermore, the strong future orientation of the incumbent generations in cases 2 and 4 has heightened the firms' risk acceptance. While futurity can encourage risk-taking strategies in a firm, the opposite can occur with a past-oriented view where loyalty to time honoured tradition discourages risk-seeking behaviour. Family business leaders' focus on building a long-lasting mission and reputation, in recognition of prior generations' efforts, might promote risk avoidance. Table 5-11

provides sample data that exhibit how continuity is associated with the firms' risk behaviour.

Table 5-11. Continuity and Risk-Taking

Case	Continuity	Sample Quotation	Risk-Taking
Barry's Tea	Pursuit of an endurable mission	I don't think we take high risk and I don't want to be taking high risk. I am in the fourth generation of the family business. I don't want it to be on my watch if the business goes down. (Tony, 4th generation, MD)	Reduces risk-taking in core business
	Pursuit of an endurable mission	We have diversified the family interests but not the tea business interests. So now we have a tea business and an investment business where we invest in other companies; that is the strategy. (Tony, 4th generation, MD) I didn't want to be sitting here in 10 years' time and the tea business is falling down and my brothers and my sisters are saying, 'did you never think it might fall apart?' (Tony, 4th generation, MD)	Increases risk tolerance
Flahavan's	Pursuit of an endurable reputation	Not undertaking private label: It could affect our brand in the long-term, and that's our reputation. (Annie, 7th generation, Financial Controller) We are careful. Our legacy makes you to be more careful. After more than a 100 years you do not want to mess it up. (Annie, 7th generation, Financial Controller)	Reduces risk-taking
	Desire to retain the business within the family	The initial risk by the CEO investing significant capital in retaining the family business: My cousins then decided to get out [of the business] and my brother followed by saying he wants to get out as well. That was quite a shock to me. I didn't want to get out of the family business, which has been run for five generations. (John, 6th generation, CEO)	Increases risk tolerance

In case 1, the present CEO is determined to sidestep unnecessary risk in the core family business. As majority shareholder, Tony must balance the need of safeguarding his family's tea tradition with the goal of wealth creation. The unwavering emphasis on preservation encourages a cautious approach to risk-taking in the tea company. However, that same focus encourages risk-taking elsewhere, in order for the incumbent generation to leave their mark and build an enduring mission. Following a hugely positive past performance, Tony views himself as a steward of the family business which he must nurture on behalf of the present and future generations. Similarly, at Flahavan's, case 3, a low risk approach has been adopted since the present CEO, John, took a significant financial risk when buying out his brother and cousin to inherit full ownership of his family business. John not only considers himself as company CEO but also as caretaker of his family legacy for future generations. John is ensuring that this role is passed to his

children who form the seventh generation of Flahavan's. This mind-set is exemplified by the seventh generation's refusal to agree a private label offer.

This discussion suggests that the need for continuity inherent in multi-generational family businesses can cause them to avoid risk-taking strategies in order to preserve their legacy, and ensure the continuance of an interminable family mission and reputation. Family firms with a strong appreciation of the past and recognition of the work of prior generations will be less willing to engage in high risk decisions if those decisions can somehow damage their continuity. The assumed stewardship role of family business leaders lends to a cautious risk approach. However, that same stewardship role drives the family business leaders to take risk if that continuity is in danger. This analysis suggests the following proposition:

P8a: *Continuity (in terms of the pursuit of an endurable mission and reputation, desire to continue as a family business and value influences of the past) is negatively associated with risk-taking in multi-generational family firms.*

Perseverance

As a dimension of LTO, perseverance is characterised by continued efforts in hope of future rewards and a persistently conscientious attitude. Also, perseverance enables family firms to professionalise and make long horizon investments due to the use of patient financial capital, which is often regarded a strength in this type of firm. While perseverance has not promoted or hindered risk-taking activities, risky activities undertaken by the firms has been supported by their perseverance, mainly through cumulative effort and long-term investments. Table 5-12 provides sample data that exhibit how perseverance is exhibited when the firms undertake risk activities that have been driven by the futurity or continuity of the firms.

Firstly, cases 1 and 3 are notably conservative toward high risk-taking activities. However, as explained in the continuity section, if the survival of the family firm is at risk, the firm will be willing to accept higher risk for the longevity of the business. That risk is driven by continuity, but it is supported by the perseverance shown in the firms. In particular, the commitment, discipline and patience for future rewards and long-term investment facilitate the risk-taking activity.

Table 5-12. Perseverance and Risk-Taking

Case	Perseverance	Sample Quotation	Risk-Taking
Barry's Tea	Presence of long-term investments Demonstrate patience for future rewards	We make investments in non-core activities through an investment vehicle. The investment vehicle is funded by the tea company but the tea company wouldn't take any debt risks. And it is ring fenced in terms of any debt that might be here which there isn't invariable. We make cash investments and they wouldn't come back to the tea company. (Donagh, 4th generation, non-executive board member)	Certain risk outside the tea business
EPS	Presence of long-term investments Demonstrate patience for future rewards	When I said it to the Canadian guys [Premier Tech] 'I want to get to half a million', I don't think they thought we would. If you sit down and look at it, we've done it. But you'll have to borrow a bit of money and take a bit of risk. (Patrick, 2nd generation, Deputy MD)	Venturing into uncertain environments
Flahavan's	Articulation of discipline and self-control High levels of commitment	My cousins then decided to get out [of the business] and my brother followed by saying he wants to get out as well. That was quite a shock to me. I didn't want to get out of the family business, having been run for five generations... Because I was only one-third against their two-thirds, I couldn't decide, I was out-voted. But, I said I'd go ahead if I could get enough money to gather to buy their part. (John, 6th generation, CEO)	Borrowing heavily
Glennon Brothers	Presence of long-term investments Demonstrate patience for future rewards	I think they are very risk positive. They borrowed a lot of money for their first acquisition in Scotland. They borrowed 20 million and our turnover was only about 20 million at the time. So there was a huge risk involved and we were going into a different country. They would have had a history of taking risks. So I think they don't take stupid risks but they are risky for success. (Declan, non-family member, Sales and Marketing Director)	Borrowing heavily

Secondly, cases 2 and 4 present higher risk profiles. While perseverance is not a driver for the companies to engage in risk-taking activities, the patient capital and the patience demonstrated for future rewards has supported those risky actions. Building on this analysis, the following proposition is suggested:

P9: *Perseverance (in terms of cumulative effort, long-term rewards and professionalisation of management) supports risk-taking in multi-generational family firms.*

5.3.4 Summary of LTO-EO Findings (RQ2)

The three dimensions that constitute LTO were discussed individually regarding their influence on the innovativeness, proactiveness and risk-taking of the family firms studied.

Their prominence in each case identified patterns which suggested a set of propositions summarised in Table 5-13.

Table 5-13. Summary of propositional statements LTO-EO

	Innovativeness	Proactiveness	Risk-Taking
Futurity	P1: Futurity (in terms of estimation of the future and transgenerational control intentions) is positively associated with innovativeness in multi-generational family firms.	P4: Futurity (in terms of estimation of the future and transgenerational control intentions) is positively associated with proactiveness in multi-generational family firms.	P7: Futurity (in terms of estimation of the future and transgenerational control intentions) is positively associated with risk-taking in multi-generational family firms.
Continuity	P2: Continuity (in terms of the pursuit of an endurable mission and reputation, desire to continue as a family business and value influences of the past) is positively associated with innovativeness, in multi-generational family firms.	P5a: Continuity (in terms of the pursuit of an endurable mission and reputation, desire to continue as a family business and value influences of the past) is positively associated with proactiveness. P5b: If family goals are at risk, continuity (in terms of the pursuit of an endurable mission and reputation, desire to continue as a family business and value influences of the past) is negatively associated with proactiveness.	P8a: Continuity (in terms of the pursuit of an endurable mission and reputation, desire to continue as a family business and value influences of the past) is negatively associated with risk-taking in multi-generational family firms.
Perseverance	P3: Perseverance (in terms of cumulative effort, long-term rewards and professionalisation of management) supports innovativeness in multi-generational family firms.	P6: Perseverance (in terms of cumulative effort, long-term rewards and professionalisation of management) supports proactiveness in multi-generational family firms.	P9: Perseverance (in terms of cumulative effort, long-term rewards and professionalisation of management) supports risk-taking in multi-generational family firms.

The first observation is that *futurity* is embedded in EO. Futurity refers to the belief that forecasting and planning for the future is valuable. More specifically, a firm concerned with generating, adopting and implementing new ideas, new opportunities and risk, aims toward the creation of future value. Entrepreneurial practices are conducted with the belief that they will have utility in the long run and be of long-lasting benefit to the

company. It was clear from the cross-case analysis that family firms adopt innovative, proactive and risk-taking practices to achieve desirable future outcomes and accomplish the business' long-term goals. Furthermore, typically innovative, proactive and risk-taking initiatives come to fruition only after the passage of time; hence they are characterised by futurity. It is reasonable to assume, given this close association, that futurity is at the heart of EO.

Second, *continuity* is a crucial dimension in understanding how LTO influences EO. Continuity takes into account the arc of time; that is, it embraces the bridging of the past, present and future. Continuity is concerned with enduring traditions that promote constancy and longevity, and are driven mainly by a desire to retain the business within the family and a need for building a long-lasting mission and reputation. Continuity, intended to contribute to a desired legacy, can be associated with a stewardship-centric approach. Family leaders are motivated to engage in these entrepreneurial activities in order to transfer a healthy growing firm to the next generation and, therefore, to benefit the family's broader interests. This is consistent with stewardship theory in that the family acts responsibly for the sake of the firm and its stakeholders (Miller, Le Breton-Miller and Scholnick, 2008). As such, entrepreneurial practices in family firms are highly influenced by continuity. However, this dimension appears to be paradoxical in nature with regards to EO: continuity encourages EO but that same continuity can also hinder EO. It was observed from the cross-case analysis that continuity fosters innovativeness and proactiveness. However, the same continuity inhibits opportunities that could jeopardise the family's values, tradition, or reputation in the long-term. Regarding risk-taking, while the pursuance of continuity encouraged more cautious behaviour, if the survival of the family business was in danger, that same continuity would encourage risk-taking in order to safeguard the persistence of the business within the family. Consequently, the interaction of familial influence with long-term goals creates a distinctive paradoxical behaviour in the continuity dimension.

The notion of paradoxes is not new and has been previously discussed in the family business literature (e.g., Nordqvist, Habbershon, and Melin, 2008; Moores, 2009). The paradoxical nature of family business derives from the combination of competing yet complementary systems of family and business (Basco and Perez-Rodriguez, 2009). As Moores and Barrett (2002) suggest "*having to deal with an additional layer of complexity*

created by the family means that the tasks and priorities involved in learning to manage a family business lead to specific and enduring paradoxes” (p. 32).

This notion of the paradox in the continuity dimension extends previous literature on long-term orientation and can be used to understand the nature of the LTO construct. Paradoxes cannot be resolved, only managed (Handy, 1994). Therefore, a suggested response to deal with paradoxical tensions is to “*accept the paradox and learn to live with it*” (Poole and Van de Ven, 1989, p.556). Paradoxical thinking can enhance theorising and open up new views for understanding LTO and its influence on the EO of family firms.

Third, *perseverance* views future value and rewards as a result of hard effort, commitment, patience and conscientious behaviour. This dimension is associated with cumulative effort, long-term investments and the professionalisation of management. This study provides evidence of engagement in innovative, proactive and risk-taking initiatives that are supported by cumulative effort and long-term rewards; however, there was no evidence of a direct association between perseverance and EO. Entrepreneurial initiatives have found to be driven mainly by the firm’s futurity and continuity (not perseverance) but there has been presence of perseverance supporting those entrepreneurial activities. The firms studied demonstrate cumulative effort and patience for future rewards. All four cases accept investments with lengthy payback periods and acknowledge that such investments are crucial to providing entrepreneurial possibilities. Consequently, the cross-case findings suggest that the firms’ perseverance supports the EO of the firms, i.e., facilitates innovative, proactive and risk-taking practices needed to realise future objectives of the firms. RQ3 is addressed next.

5.4 LTO and Non-Economic Goals (RQ3)

RQ3 raised a query regarding the influence of LTO and non-economic goals in multi-generational family firms: “How is LTO influenced by non-economic goals in multi-generational family firms?”. This section examines how the cross-case patterns of the non-economic goals might influence the LTO of the firms.

Between the four cases, the five non-economic goals deemed most salient in the firms were: retaining the business within the family, the perpetuation of family values,

promotion and preservation of the family reputation, maintaining family unity and harmony and social responsibility. All these non-economic goals are closely associated with the family. The family's ownership, influence and control place these goals as the most prominent non-economic objectives evident among the firms.

Retaining the business within the family—As observed in this study, retaining the business within the family is expressed as the desire to ensure the family business is successfully transferred to the succeeding generation. In these particular cases, the retention of the business infers a need for family ownership and control continuation. Desire to retain the business within the family featured prominently across the four cases.

Perpetuation of family values and promote and preserve family reputation—While it was stressed across the four cases that family values and reputation are extremely important, it was more evident in the two eldest cases, i.e., Barry's Tea and Flahavan's. Both values and reputation played a special role in these cases. The interaction between the family and the business often allowed family values to become embedded, which were then reflected in their strategic decisions. Similarly, the family reputation became ingrained in the firm and it was difficult to separate one from the other.

Maintaining family unity and harmony—Conserving the harmony and unity within the family was particularly pertinent to case 2, EPS. This goal seems to be a reflection of the firm's current life cycle phase: first generational succession. While the company is primarily managed by the second generation of the family, the first generation still possess full ownership of the firm. The firm is currently working on finalising a shareholders' agreement, which was non-existent to date, in the aim of passing the shareholding to the second generation. Family members have highlighted the importance of keeping the family united during this challenging process.

Social responsibility—All four cases upheld a very close link to their local communities through engagement and participation particularly in cases 3 and 4, i.e., Flahavan's and Glennon Brothers. These two firms demonstrated commitment and responsibility to their local communities. Table 5-14 provides sample data that exhibit the association between non-economic goals and LTO.

The cross-case analysis of the non-economic goals and their link to LTO show that the non-economic goals pursued by the firms are family-centred as opposed to business-

centred. All the non-economic goals identified in this study (i.e., retaining the business within the family, perpetuation of family values, promote and preserve family reputation, maintaining family unity and harmony and social responsibility) are family-centred and require a long-term horizon to be implemented. In other words, these goals would not be pursued if the family was not managing for the long-term. For instance, promoting and preserving the family reputation or the perpetuation of the family values are goals that implicitly involve a long-term perspective and would be difficult to achieve without a LTO.

A long-term orientation places value on extended time horizons and assigns greater importance to the future. The family leaders in the firms studied expressed a high level of concern for the long-term future of the family business which was reflected in their family-centred non-economic goals. Accordingly, non-economic goals require a long-term horizon to be implemented and, consequently, have a temporary influence on the decisions made by the family firms; i.e. they influence the firm to engage in long-term thinking. Building on this reasoning, and as evidenced in the cases, the following proposition is suggested:

P10: *Family-centred non-economic goals are positively associated with LTO in multi-generational family firms.*

Table 5-14. LTO and Non-Economic Goals

Non-Economic Goal	Case	Sample Quotation	LTO Theme
Retaining the business within the family	Barry's Tea	As a family member after 110 years I see a lot more value in the business than an outsider could offer. How do I bridge the gap in my own value and in my own history and my own family growing up, and being a serious successful business? How can I see that I would sell it for eight years profit for instance? (Tony, 4th generation, MD)	Desire to continue as a FB Value influences of the past
	EPS	My father would have had an ambition to try and get us in here and work in the company so that we can progress. (Patrick, 2nd generation, Deputy MD)	Desire to continue as a FB Transgenerational control intention
	Flahavan's	Dad would not want to let it [the business] get out of the family... It has a long history and it is going back a few generations. It would let down the family. (Annie, 7th generation, Financial Controller)	Desire to continue as a FB Value influences of the past
	Glennon Brothers	We would like to continue the family business. I think that it is the passion and the commitment which make businesses survive ultimately. If there is a family business environment, then it is the place where associated values can be generated. (Billy, 3rd generation, Non-Executive Board Director)	Desire to continue as a FB Pursuit of an endurable mission
Perpetuation of family values	Barry's Tea	It is still family owned 100%, it is still based on quality and service, and price comes with this and constant listening to the customer.... It was a goal of mine to see that the company, which I was managing, maintained strategic quality, profitability and was a good employer; it's as simple as that. (Peter, 3rd generation, Chairman)	Pursuit of an endurable mission
	Flahavan's	We don't have a family constitution. We don't have a written set of family values but like I think that they come through in the company anyway. Loyalty and hardworking, everyone does their best. It's a very open door policy. (Annie, 7th generation, Financial Controller)	Pursuit of an endurable mission
Promote and preserve family reputation	Barry's Tea	In particular, more than a normal family, our family image would have been featured on the brand, on the product and on the company. (Tony, 4th generation, MD)	Pursuit of an endurable reputation
	Flahavan's	We decided not to engage in private label: It could affect our brand in the long-term, and that's our reputation. (Annie, 7th generation, Financial Controller)	Pursuit of an endurable reputation Estimation of the future
Maintaining family unity and harmony	EPS	We are desperately conscious of it and that's why we are trying to put our shareholders' agreement and structure in place, to try and stop the in-fighting that may come. (Tadhg, 1st generation, Managing Director)	Desire to continue as a FB Estimation of the future
Social responsibility	Flahavan's	We are also a substantial purchaser of local goods and services. For the past six years we have actively been involved in promoting food in the area through our sponsorship. (John, 6th generation, CEO)	Value influences of the past
	Glennon Brothers	Longford defines something central about the business, and I think that's why the sponsorship of Longford [GAA] made so much sense to all of us. (Billy, 3rd generation, Non-Executive Board Director)	Value influences of the past

5.4.5 Summary of LTO-Non-Economic Goals Findings (RQ3)

Non-economic goals were discussed regarding their influence on the LTO of the family firms studied. Interestingly, the pursuance of family-centred non-economic goals is positively related to the LTO in multi-generational family firms.

Family firms are likely to be managed and controlled by a family-based dominant coalition (Carney, 2005). Indeed, all four cases in this study are owned and managed by family members. Accordingly, a dominant coalition comprised of family members is more likely to pursue non-economic goals that reflect the family values and aspirations (Westhead and Howorth, 2007). For instance, the five main non-economic goals identified in this research of (1) retaining the business within the family, (2) the perpetuation of family values, or (3) the promotion and preservation of the family reputation, (4) maintaining family unity and harmony and (5) social responsibility, are all closely associated with the family; i.e. they are family-centred goals.

Family-centred non-economic goals are long-term oriented and often require long-term horizons to be enacted (De Massis et al., 2014). In fact, it would be unlikely that any family would pursue any of the identified non-economic goals if they did not have a long-term perspective and vision for the family firm. These family-centred non-economic goals, consequently, influence the strategic decisions made by the family firms towards the long-term. Family-centred non-economic goals appear to go “hand in hand” with LTO. As Lumpkin and Brigham (2011, p.1162) state: *“non-economic goals and LTO are both congruent and linked and that it would be difficult to achieve one without the other”*.

Family leaders attach such importance to non-economic goals and the future of their firms that they often demonstrate stewardship tendencies (Miller, Le Breton-Miller and Scholnick, 2008). As such, stewardship goals are more focused on long-term outcomes (Lumpkin, Brigham and Moss, 2010); the short-term appeal of an opportunity might be less interesting to them. As previously explained in section 5.2.2, continuity, in the context of multi-generational family firms, is the LTO dimension which has the closest association with the family and can be associated with a stewardship-centric approach. In this regard, it is not surprising that the majority of LTO themes identified under the non-economic goals of the firms (see Table 5-14) are associated with the continuity dimension of LTO. Continuity is associated with “the pursuit of an endurable mission and reputation”, “the desire to continue as a family business” and “the value of influences of

the past” which are aligned to the family-centred non-economic goals of the firms studied. Further, continuity has been found to be paradoxical with regards to EO; while continuity encourages EO, it also produces the opposite effect by hindering EO if family goals are at risk. Understanding non-economic goals can help to explain the paradoxical nature of continuity in multi-generational family firms. Family firm stewards will make decisions that are devoid of harm to the non-economic goals of the family, i.e. they will not engage in activities that threaten the family-centred non-economic goals. Thus, perceiving and acknowledging the complexity of non-economic goals in family firms will assist understanding of how family firms make strategic decisions.

In sum, this study shows that in multi-generational family firms, family-centred non-economic goals require long-term horizons, and consequently, they will influence the decisions made by the firm in line with long-term thinking. Furthermore, understanding family-centred non-economic goals can enhance our knowledge of the paradoxical tensions in multi-generational family firms.

5.5 Chapter Summary

Chapter 5 addressed the three research questions RQ1, RQ2 and RQ3 from a cross-case analysis approach.

Concerning LTO (RQ1), section 5.2 presented a set of codes for each of the LTO dimensions—*futurity*, *continuity* and *perseverance*—that represent how the construct manifests in multi-generational family firms.

With regard to LTO and EO (RQ2), the three LTO dimensions were analysed for their association with the firm’s EO. Section 5.3 presented the patterns of influence for each of the LTO dimensions on the innovativeness, proactiveness, and risk-taking of the firms studied. Propositions P1 to P9 were developed for future empirical research.

Relating to LTO and non-economic goals (RQ3), section 5.4 outlined the most salient non-economic goals across the four cases were related to LTO. Proposition P10 was developed for future empirical research.

Conclusions summarising the overall findings of the thesis together with their contributions are presented and discussed in the next chapter.

Chapter 6. Conclusion and Implications

6.1 Introduction

The research analysis of this thesis, as aligned to the research questions, was presented in Chapter 4 (within-case) and Chapter 5 (cross-case). The analysis involved the in-depth study of Lumpkin and Brigham's (2011) multi-dimensional LTO construct (i.e., futurity, continuity and perseverance) by analysing how it manifests in four multi-generational family firms; how each of its dimensions influence the EO of those firms (i.e., innovativeness, proactiveness and risk-taking); and identifying the most salient non-economic goals of the firms and their association with LTO.

The main findings of the within and cross-case analyses form the core discussion of this chapter. This chapter begins with Section 6.2, which provides a brief recap of the pertinent literature leading to the research questions' formation. Next, the empirical findings and contributions of this thesis are presented in Section 6.3. Section 6.4 is devoted to the theoretical contributions of the thesis, followed by Section 6.5, which highlights the implications for practice. Next, the limitations of the study and the avenues for further investigation are presented in Section 6.6 and Section 6.7 respectively. A conclusion to the thesis is presented in Section 6.8.

6.2 Relevant Literature Review in Brief

A growing body of literature confirms the widely held belief that family firms manage for the long run (Miller and Le Breton-Miller, 2005). Researchers have found that family businesses tend to have a long-term perspective rooted in intentions to pass the business onto successive generations (Chua, Chrisman and Sharma, 1999; Poza, 2007), a stewardship orientation (Davis, Schoorman and Donaldson, 1997; Eddleston and Kellermanns, 2007), longer CEO tenures (Lansberg, 1999; Zellweger, 2007), transgenerational goals (Miller and Le-Breton Miller, 2005), an interest in building family legacy (Ward, 2004), and longer investment horizons (Anderson and Reeb, 2003; Sirmon and Hitt, 2003; Zellweger, 2007). In effect, family firms have a *long-term orientation* (LTO) defined as the propensity to engage in decision-making and actions that materialise only after an extended time period (Lumpkin and Brigham, 2011). However, as yet, we

do not fully understand temporal orientations, nor do we fully grasp their implications in family firms (Sharma, Salvato and Reay, 2014). Accordingly, clarification of the LTO construct in terms of its dimensions and how they manifest in family firms will aid understanding of this complex phenomenon so that it can feature more prominently in future theory-building endeavours. This quest for clarification provides the motivation for RQ1 which investigates the LTO construct using the multi-dimensional construct of Lumpkin and Brigham (2011).

Prior research also suggests that LTO bestows competitive advantages on family firms (Le Breton-Miller and Miller, 2006) and contributes positively to their survival and financial performance (Baù et al., 2013). Far less is known, however, about *how* LTO drives superior firm performance (Sharma, Salvato and Reay, 2014). The link between long-term orientation and entrepreneurship provides an important case in point. Entrepreneurship is said to contribute to enhanced performance (e.g., Rauch et al., 2009), and there is evidence that highly entrepreneurial family firms are relatively better performers (Zellweger, Sieger and Halter, 2011). Nevertheless, there is an ongoing debate regarding the extent to which the unique characteristics of family firms foster or hinder entrepreneurial behaviour (Chirico et al., 2011). Some scholars suggest that family businesses provide an environment that promotes entrepreneurial activities (e.g., Aldrich and Cliff, 2003; Litz, 1995; Rogoff and Heck, 2003); other researchers, in contrast, have argued that family firms are risk-averse, reluctant to innovate and slow to change (e.g., Gomez-Mejia et al., 2007; Kets de Vries, 1993; Naldi et al., 2007). But, what is the role LTO plays in the entrepreneurial actions of family firms? Following RQ1, this thesis investigates how LTO, a key characteristic of most family firms, might affect the process of entrepreneurship in family business. Accordingly, this study focuses on entrepreneurial orientation (EO)—an integral construct of entrepreneurship—for three reasons. First, established research has revealed that the EO construct provides an effective tool for capturing evidence of entrepreneurial action across a wide variety of organisational and geographical contexts (e.g., Kemelgor, 2002; Wales, 2016). Second, with its roots based in the strategy-making literature (Mintzberg, 1973), EO provides a basis for determining the type of organisational level processes that are potentially influenced by a LTO. Third, family business research has successfully used EO to study entrepreneurship in family businesses (e.g., Salvato, 2004; Nordqvist, Habbershon, and Melin, 2008). Hence, this

leads to the formulation of RQ2, which investigates how LTO influences EO in multi-generational family firms.

A company in the hands of the family does not necessarily prioritise economic goals only. Family owners are believed to emphasise non-economic goals (Chrisman et al., 2012) that are of special importance to the family (Westhead and Howorth, 2007) such as succession (Handler, 1994); maintaining family harmony, family social status and family identity linkage (Kotlar and De Massis, 2013); and developing and protecting the family reputation (Miller and Le Breton-Miller, 2005), among others. These non-economic goals are likely to have a temporal influence on strategic decisions (Ensley, 2006; Lumpkin and Brigham, 2011) as they set long-term considerations to the forefront of strategic decision-making. Thus, due to the fact that family firms prioritise non-economic goals, which require considerable time to enact, they are likely to have a LTO (Lumpkin and Brigham, 2011). This link is explored in RQ3, to understand the influence of non-economic goals on the LTO of multi-generational family firms.

6.3 Empirical Contributions

This study developed dimensional frameworks that represent LTO as a result of the cross-case evidence (RQ1). The three LTO dimensions—*futurity*, *continuity* and *perseverance*—were reviewed individually in the within-case analyses and then grouped and compared in the cross-case analysis. Next, the LTO dimensions were associated with the firm's EO: innovativeness, proactiveness and risk-taking (RQ2). This study found different patterns of influence for each of the LTO dimensions. Last, this thesis identified the most salient non-economic goals across the cases and their influence on the LTO of the firms (RQ3). Findings and contributions are discussed next in detail in the order of the research questions: RQ1, RQ2 and RQ3.

6.3.1 Research Question One (RQ1)

How do Lumpkin and Brigham's (2011) LTO dimensions (futurity, continuity and perseverance) manifest in multi-generational family firms?

Table 6-1 presents a framework, interpreted from theory and data, which maps the LTO dimensions—*futurity*, *continuity* and *perseverance*—and integrates the codes for each

dimension presented earlier in Chapter 5 (Tables 5-1, 5-2 and 5-3). To the best of the researcher's knowledge, it represents the first attempt to provide a framework for assessing the presence of LTO in multi-generational family firms through case study evidence. The development of constructs and measures is critical for the advancement of the family business discipline and presents both opportunities and challenges to the field (Pearson and Lumpkin, 2011).

This framework contributes to the growing stream of research on temporal dimensions in family firms (Sharma, Salvato and Reay, 2014). In further developing a construct (LTO) by grounding it in the family business field, this study advances understanding of longer term views in family firms and opens new and existing conversations in the literature. It builds on the conceptual operationalisation of LTO, by Lumpkin and Brigham (2011), by empirically capturing the LTO construct through case study evidence. The framework advances literature on long-term orientation by aligning its conceptual construct with *empirical realities* (Colquitt and Zapata-Phelan, 2007). By providing a detailed account of how the LTO dimensions—*futurity*, *continuity* and *perseverance*—manifest, this study affirms the importance of these dimensions in the context of entrepreneurial multi-generational family firms.

The proposed framework is comprised of eight themes (see Table 6-1) aimed at offering clarification of the LTO construct and providing a more nuanced understanding of how each dimension is manifested in multi-generational family firms. The first dimension, *futurity*, is comprised of two themes that represent the most prominent indications of future orientation across the cases, i.e., estimations of the future and transgenerational control intentions. Next, *continuity* consists of three themes: pursuit of an endurable mission and reputation, desire to continue as a family business and the value of influences from the past. Finally, *perseverance* is most notably represented across the cases by three main themes, namely cumulative effort, long-term rewards and professionalisation of management. The framework presented will assist researchers to recognise LTO in family firms and will serve in future theory-building exercises. Although the framework is promising, it should be acknowledged that this research is exploratory in nature. The framework represents an initial empirical attempt at mapping out the LTO construct through case study evidence, and therefore, subsequent theorising and empirical examinations will confirm the framework.

Table 6-1. Framework for the LTO construct

Codes	Themes	Dimension
Demonstrate that there is value to planning for the long-term. Forecasting long-range consequences of current actions. Evaluating long-term consequences. Statements that emphasise the future.	Estimation of the future	Futurity
Engagement in succession planning. Tasks aiming to pass control or ownership to next generation.	Transgenerational control intentions	
Expressions of desire to build a long-lasting mission. Expressions of desire to leave a mark Expressions of importance attached to reputation. Statements of concern about damaging family reputation.	Pursuit of an enduring mission and reputation	Continuity
Expressions of desire to retain the business within the family. Statements about aspirations for control or ownership by next generation.	Desire to continue as a family business	
Importance to the past. Recognising lasting effect of founders or previous generations in current actions. Value tradition and preservation.	Value influences of the past	
Articulation of discipline and self-control. Expressions of high levels of commitment Expressions of desire to succeed. Indications of hard work and persistence.	Cumulative effort	Perseverance
Presence of patient capital, long-term investments. Demonstrate patience for future rewards.	Long-term rewards	
Formalisation of management structures. Hiring external non-family professionals.	Professionalisation of management	

In summary, this study establishes the empirical structure of LTO by specifying a set of codes that comprise each of the LTO dimensions in multi-generational family firms through case study evidence. These codes provide a means of clarifying our understanding of the LTO construct, and its composition, in family firms. Furthermore,

and in line with previous studies (e.g., Kellermanns et al., 2008), this research indicates that the family firms included in the analysis are long-term oriented, i.e., they tend to emphasise long-term implications of current strategic decisions. As such, LTO is embedded in the firms' mind-sets and influences the strategic decision-making of these firms. Next, this study explored how the LTO dimensions impact on the EO of the firms (RQ2).

6.3.2 Research Question Two (RQ2)

How do Lumpkin and Brigham's (2011) LTO dimensions (futurity, continuity and perseverance) influence EO (innovativeness, proactiveness and risk-taking) in multi-generational family firms?

Upon identifying the characteristics that constitute LTO and showing how it manifests in family firms, this study then investigated how LTO influences EO within the firms. Through this exploration, the thesis contributes further understanding into how a temporal orientation, specifically LTO, in family firms, affects the firms' efforts to be entrepreneurial. Using the EO framework, it identifies how the LTO dimensions—*futurity, continuity and perseverance*—impact EO in multi-generational family firms. Prior research suggests that LTO is an important factor in explaining family firm strategic behaviour and resulting performance outcomes. In particular, this research answers the call to study LTO in contexts where the relationship between temporal perspectives and key variables influences firm outcomes (Brigham et al., 2014).

The data showed how the LTO dimensions—*futurity, continuity and perseverance*—were associated with the firms' innovativeness, proactiveness and risk-taking. Firstly, *futurity* was found to promote EO in multi-generational family firms. The empirical evidence suggested that futurity is embedded in the EO of the firms. Accordingly, when a family firm is concerned with being innovative, proactive or risk-taking, those intentions are held in the belief that they will have value in the long-term. As such, the family firms studied launched new products and processes, new technologies, entered new markets, and embraced uncertainty and bold financial decisions driven by the future orientation of their leaders, i.e., assessing actions in terms of the consequences in the

long-term. Therefore, innovativeness, proactiveness and risk-taking are characterised by futurity.

Secondly, the *continuity* dimension was found to be crucial to understanding the influence of LTO on the EO of the firms. Continuity exhibited a paradoxical influence whereby it both encouraged and inhibited EO in multi-generational family firms. All the cases studied demonstrated a strong desire to build an enduring legacy and mission for the long-term benefit of the family firm. Family leaders were found to engage in innovativeness and proactiveness driven by the motive to build an enduring legacy and, consequently, transfer the family business to the subsequent generation. Continuity prevents risk-taking as was found when family leaders, driven by the motive to pursue an endurable legacy, sought to avoid risk-taking. In this regard, continuity fostered innovativeness and proactiveness and hindered risk-taking in multi-generational family firms. However, that same continuity was found to have the opposite effect on those entrepreneurial activities that could jeopardise family goals in the long-term. Consequently, continuity hindered innovative and proactive initiatives that could damage family goals, yet it fostered risk-taking activities if the longevity of the family firm was at risk. Accordingly, family leaders were found to make strategic decisions that protect their continuity whether these result in entrepreneurial engagement or avoidance. The continuity paradox is consistent with stewardship-oriented behaviours. Stewardship theory proposes that business leaders are not simply self-serving economic individuals but often act with altruism for the benefit of the organisation and its stakeholders (Davis, Schoorman and Donaldson, 1997; Hernandez, 2012). The conditions expected to be associated with stewardship in family firms include high levels of family identification with the firm, commitment with the firm, shared and aligned values between the family and the business, and an orientation toward the long-term success of the firm (Zahra et al., 2008). In particular, stewardship manifested in the form of continuity (Miller, Le Breton-Miller and Scholnick, 2008) refers to family business leaders' quest for firm longevity, an enduring mission and long-term benefits for the family members. The family business leaders in this study assume a stewardship role that facilitates engagement in innovativeness and proactiveness, while a cautious risk approach is also exercised. However, that same stewardship role drives the family business leaders to avoid innovative activities and proactive behaviour that might damage family goals yet increase their risk profile if firm continuity is in danger. This

notion of a continuity dimension paradox extends previous literature on long-term orientation and can be used to understand the nature of the LTO construct.

Lastly, *perseverance* appears to support innovativeness, proactiveness and risk-taking in the firms studied. While there was no clear evidence that perseverance encouraged EO, the perseverance exhibited by the firms provided the support needed to execute long-term entrepreneurial initiatives characterised by patient rewards and long-term investments. The family firms studied demonstrated cumulative effort and patience for future rewards and accepted investments with lengthy payback periods, which were acknowledged as crucial to engagement in certain entrepreneurial opportunities. Consequently, the firms' perseverance supports the EO of the firms, i.e., facilitates innovative, proactive and risk-taking practices needed to realise future objectives of the firms.

The above findings are captured in propositions P1 to P9 which were generated to stimulate the development of propositions for future empirical testing (see Table 5-13). What accounts for these findings? On the one hand, the tendency for family firms to have a LTO appears to promote EO; on the other hand, the concern to protect continuity seems to inhibit EO in family firms. The very characteristics of family firms that promote long-term orientation might also foster conservatism (Sharma, Chrisman and Chua, 1997) and aversion to change (Hall, Melin and Nordqvist, 2001). The answer lies in understanding paradoxes in family firms. Paradoxes in family business are not new. Other studies (e.g., Chrisman et al., 2015; Ingram et al., 2014) have studied this phenomenon to understand behaviour in family firms. The notion of a paradox in LTO can enhance theorising and present new avenues to explore the construct and its influence on the EO of family firms. In particular, this study explores the paradoxical nature of continuity, and how understanding this dimension enables family firms to manage the confusions it presents. Furthermore, stewardship theory provides a useful rationale for this paradox.

In summary, the findings concerning LTO and EO (RQ2) contribute to the literature on strategic entrepreneurship in family firms by providing a more fine-grained perspective of the LTO construct and investigating how its dimensions are associated with entrepreneurial orientation in multi-generational family firms. Family firms with LTO are mindful that the consequences of many of their decisions will be realised only after an appreciable delay. As such, this research brings temporality to the forefront of family business studies by extending the LTO construct and exploring its influence on the firms'

EO. The notion of a paradox in LTO stems as a contribution by initiating a new conversation that can be used to understand LTO and its consequences. Furthermore, this study shows how the stewardship approach provides a useful framework for understanding strategic decision-making in multi-generational family firms. Lastly, a key contribution of this study is the suggestion that LTO is not only compatible with EO but may also be an important *enabler* of entrepreneurial practices in family firms. Next, this study explored how the non-economic goals of the firms influenced LTO (RQ3).

6.3.3 Research Question Three (RQ3)

How is LTO influenced by non-economic goals in multi-generational family firms?

Having analysed the LTO construct (RQ1) and explored its association with the EO of the firms (RQ2), this study further investigated the connection between LTO and the firms' non-economic goals (RQ3).

Across the cases, five non-economic goals were deemed most notable, namely retaining the business within the family, perpetuation of family values, promotion and preservation of the family reputation, maintaining family unity and harmony, and social responsibility. All of these non-economic goals were strongly associated with the family. A dominant coalition comprised of family members (as is the case with the four firms in this study) is more likely to pursue non-economic goals that reflect the family values and aspirations (Westhead and Howorth, 2007). In this regard, it is reasonable to suggest that the non-economic goals in this study are family-centred.

This study found that those family-centred non-economic goals require long-term horizons to be implemented, and consequently, they will influence the decisions made by the firms in line with long-term thinking. For instance, retaining the business within the family across generations would not be an aim of the family if they were not managing for the long run, and in fact, it would be difficult to accomplish without assigning importance to the future, i.e., having a LTO. These findings are captured in proposition P10, which is developed for future empirical research.

P10: Family-centred non-economic goals are positively associated with LTO in multi-generational family firms.

Additionally, the family-centred side of the non-economic goals appears to be in harmony with the family-oriented side of the continuity dimension. In other words, continuity was found to be a family-oriented dimension with a stewardship-centric approach, and those characteristics were also apparent in the non-economic goals pursued by the firms. As such, understanding the family-centred non-economic goals can inform the field of the paradoxical nature of the continuity dimension. When family managers are stewards of their firms, they will engage in activities that are devoid of harm to the family, i.e. they will not pursue activities that threaten family goals. Therefore, understanding the family non-economic goals can help us to understand how and why family firms make certain strategic decisions, and thus, enhance our knowledge of the paradoxical behaviours in multi-generational family firms.

In sum, the findings concerning LTO and non-economic goals (RQ3) contribute to the family business literature by contending the link between LTO and family-centred non-economic goals in multi-generational family firms. The findings presented contribute to enhanced awareness of how family firms make strategic decisions as a result of the adoption of non-economic goals.

6.4 Theoretical Contributions

Beyond the empirical contributions discussed in section 6.3, this study makes theoretical contributions to the larger body of academic scholarship in family business.

Firstly, this study brings temporality to the forefront of family business studies. Prior studies have suggested that a longer time horizon exists in family firms (e.g., McConaughy, 2000) and that influences from the past dictate current behaviour in this type of firm (Le Breton-Miller and Miller, 2014). Supposedly, this long-term perspective leads to competitive advantages (Le Breton-Miller and Miller, 2006) and positively contributes to the survival and financial performance of family firms (Baù et al., 2013). While time constructs such as LTO (Lumpkin and Brigham, 2011) have been introduced to the family business literature, research that explicitly incorporates temporal constructs is rare and we still do not fully understand temporal orientations, nor do we grasp their

implications in family firms (Sharma, Salvato and Reay, 2014). Family firms offer an ideal research context to study time variables as *“the presence of family and multiple generations in family enterprises automatically expands the temporal frame that owners, managers, advisors, and researchers alike assume in their choices and analyses. Thus, the context of family enterprise offers a rich arena to develop and test time-related theories”* (Sharma, Salvato and Reay, 2014, p.10). This study aimed to fill this gap by empirically analysing the multi-dimensional LTO construct proposed by Lumpkin and Brigham (2011), first, by exploring how it manifests in multi-generational family firms, second, evaluating its influence on the entrepreneurial orientation of those firms and third, its association with the non-economic goals of the firm. By employing a construct grounded in the family business field, this study contributes to initiating new and existing conversations in the literature. Therefore, one of the foremost theoretical contributions of this research is to establish the temporal lens at the forefront of family business studies and offer rich insights into the LTO construct. Empirical findings of the case studies offer considerable knowledge of the temporal nature of LTO and its influence on the firms’ entrepreneurial orientation.

Secondly, this study contributes to the family business literature by providing further insight into such firms’ strategic behaviour. This thesis draws upon LTO in family firms as a means of explaining their efforts to be entrepreneurial. Primarily, this study shows that paradoxical tensions permeate family firms’ strategic decision-making. These tensions can either promote or hinder entrepreneurial orientation in family firms based on the wider impact on the firm’s continuity. In other words, while continuity is often a driver of engagement in innovativeness and proactiveness, this same continuity can also produce an opposite effect, i.e., inhibiting entrepreneurial orientation. Acknowledging these paradoxes is important for family business research as they contribute a deeper insight into the strategic decision-making of family firms. Furthermore, reconciling the LTO of family firms with their pursuit of non-economic goals is paramount to the advancement of both theory and practice in the family business field. The significance of non-economic goals in family businesses and in explaining family firms’ strategic behaviour is widely accepted, yet research on non-economic goals in this type of firm is limited (Debicki et al., 2009). This study advances family business research by revealing the link between LTO and non-economic goals in family firms. Specifically, this thesis shows how family-centred non-economic goals can influence the firm towards long-term thinking and thus

demonstrates that they play an important role in the strategic decision-making of multi-generational family firms.

Thirdly, this research also enriches the theoretical lens through which researchers can examine long-term perspectives in family firms by suggesting that stewardship theory is a purposeful approach to understanding LTO in family firms. This study is consistent with the emerging support for stewardship theory as a theoretical framework for the study of family firms (Corbetta and Salvato, 2004; Kellermanns and Eddleston, 2007). Stewardship theory fundamentally contends that the principles of agency theory (Jensen and Meckling, 1976) do not apply to all situations and that non-economic aspects should be considered (Donaldson and Davis, 1991). Specifically, stewardship theory suggests that managers (stewards) are not motivated merely by individual goals because for them pro-organisational and collectivistic behaviour has a higher utility than an individualistic and self-centred one (Chrisman et al., 2007). From the perspective of stewardship theory, family leaders often act as stewards posing high levels of concern for the long-term future and longevity of the firm (Miller, Le Breton-Miller and Scholnick 2008). As such, family firms are likely to embrace a time orientation that favours the long-term (Lumpkin, Brigham and Moss, 2010). The findings of this study identified strong ties with stewardship theory. First, the results highlighted the importance of continuity in the strategic decisions of firm. Continuity was found to be closely associated with family goals. This was found to be consistent with family leaders who act as stewards of the business and who relinquish the pursuit of possible gains for the long-term well-being of the firm. Equally, the non-economic goals of the firms were family-centred and aligned to the continuity dimension, therefore such goals were deemed crucial in the engagement or avoidance of entrepreneurial activities. By enlisting stewardship theory as explanation for these findings, this study suggests that multi-generational family firms are driven by long-term familial goals that, in many cases, are non-economic in nature. Following recent calls to extend the theoretical viewpoint in family business research and employ theories which focus on the family (Jennings, Breitzkreuz and James, 2014), this thesis contributes a new impetus to the research stream by integrating stewardship theory and family firms.

Fourthly, this study synthesises theoretical contributions from both the entrepreneurship and family business literatures. Responding to recent calls to examine the compatibility of the LTO and EO constructs (Lumpkin, Brigham and Moss, 2010; Short, Moss and

Lumpkin., 2009), this study explores LTO, its influence on the EO of family firms and its association with non-economic goals. By doing so, this study links both disciplines and offers testable propositions for further research. As previous studies have suggested (e.g., Kellermanns and Eddleston, 2006; Naldi et al., 2007; Zahra, 2005), this research shows that family is a key component to understanding entrepreneurship in family firms. The findings provide greater insights into a long-term perspective within family business scholarship and contribute significantly to the ongoing conversations between entrepreneurship and management researchers.

6.5 Implications for Practice

The findings of this thesis have important implications for owners and advisors of multi-generational family firms. By gaining a fine-grained understanding of LTO in a family business context, this study develops new knowledge in the family business domain that can generally inform practitioners.

Firstly, multi-generational family firms seeking to remain successful across generations need to recognise and understand the long-term consequences of their current decisions. Family firms are complex and dynamic entities that are rich with peculiar, idiosyncratic features. The unique nature of the family business system (family, business and ownership) means that they are difficult to understand as they contain contradictory or bivalent attributes (Tagiuri and Davis, 1996). In academic family business literature, the distinctive long-term perspective in family business is termed as “LTO”. While family business practitioners have frequently alluded to long-term horizons in family firms, this research explores each of the LTO dimensions and identifies its characteristics in multi-generational family firms. The suggested LTO framework provides a structure that firms can use to identify and explore their long-term orientation. Family firms that can successfully understand and manage their LTO can work more effectively in achieving their long-term goals.

Secondly, this thesis investigates how the LTO of family firms influences their engagement in entrepreneurial activities. Seeing LTO as a critical element to understanding entrepreneurial orientation in family firms is an important advancement for practitioners. The findings of this thesis highlight that the continuity of family firms, which is concerned with pursuing a long-lasting mission and reputation, keeping the

business within the family and valuing influences of the past, is imperative to the entrepreneurial decision-making of these firms. The pursuance of continuity has a paradoxical effect on the entrepreneurial orientation of the firms. On the one hand, family firms are willing to engage in innovative, proactive and risk-taking activities that protect their continuity. On the other hand, family firms are willing to avoid any innovative, proactive or risk-taking initiatives that threaten their continuity. For instance, we have seen in case 1, Barry's Tea, how the firm avoids any diversification from the core business that can somehow damage the continuity of the firm's mission and reputation. However, given the maturity of the core tea industry, the firm has engaged in diversification from the core business when the continuity of the family firm is perceived to be at risk. Understanding the continuity paradox, and family goals and priorities, would help family owners and advisors to discern the factors behind strategic decisions taken by multi-generational family firms, and the consequences of these decisions in the long-term. Practitioners who are aware of and understand these paradoxes will be able to manage and advise family firms more effectively.

Thirdly, strategic decisions in family firms might not always be underpinned by rational economic assumptions. Family firms have non-economic goals and the pursuit of those goals may lead to decisions and outcomes that diverge substantially from the decisions and outcomes expected in non-family firms where non-economic goals are less important. This study offers insights regarding non-economic goals in multi-generational family firms and their tendency to be long-term and family oriented. Thus, interpreting the family-centred non-economic goals is a way of understanding strategic behaviour in multi-generational family firms, and this is beneficial to practitioners.

Lastly, recent family business research has highlighted the need for professionalisation of family firms (e.g., Moores and Mula, 2000; Stewart and Hitt, 2012). Professionalisation involves implementing new management and governance practices, and in family firms this also implies the involvement of non-family professionals (Hall and Nordqvist, 2008). By professionalisation of management, a family firm attempts to improve its ability to compete, which signifies the importance of perseverance in ensuring the effective and long-term survival of the business (Chua, Chrisman and Sharma, 1999). In this research, professionalisation is reflected in the perseverance of the family firm and in its support for long-term objectives. Practitioners in family firms should ensure that they understand situations that require professionalisation of processes and structures for

the long-term benefit of the firm. By extending knowledge of the distinctive features in family firms, their chances to remain successful across multiple generations increase.

6.6 Limitations

The dissertation's findings and conclusions should be interpreted with caution in view of the thesis's limitations. These important limitations raise several interesting issues that provide fertile ground for future research.

First, the findings of this thesis are based on data collected from successful multi-generational family firms that have taken part in the STEP project. These firms, as per STEP criteria, overtly aspire to pass on the business to the next generation. The cases were selected purposely through theoretical sampling as driven by the phenomena of interest and the nature of the research. It is the researcher's view that this was an appropriate option, as case studies are deemed suitable for understanding and extending relationships among constructs (Eisenhardt and Graebner, 2007). However, confining the study to successful multi-generational family firms may limit the findings' generalisability. As such, this study's results represent analytical rather than statistical generalisation (Yin, 2009). A useful advance to increase generalisability would be to examine the propositions and LTO model provided across a wider spectrum of family firms outside the STEP criteria, and thus enabling broader perceptions of how LTO shape entrepreneurial orientation in family firms.

Second, case study research is highly criticised for potential research bias and subjectivity of the researcher when collecting, analysing and interpreting the data (Yin, 2009). This study has aimed to be rigorous and exploit the rich information available from the case studies, thus, allowing for a detailed exploration into the LTO, EO and non-economic goals of multi-generational family firms. For that, prior observations of the phenomenon of interest were guided by the literature review (refer to Chapter 2). The fieldwork was directed by the research methods and protocols that were designed to ensure validity of the research process. Triangulation and reliability measures were applied to minimise the bias in the study. Triangulation of data included a combination of in-depth initial interviews, archival records (e.g., company publications, company and industry reports, company videos, press articles and company websites), final follow-up interviews and

observations gathered over three years. Validity measures involved construct validity, internal validity, external validity and reliability (refer to Chapter 3 for more details).

Third, in the attempt to investigate long-term perspective in the context of family firms, the sample of family firms comes from a single country, Ireland. While limiting the sample to a single country might control influence of cultural variables, which might shape the constructs of study (LTO, EO and non-economic goals), this choice may limit opportunities to apply results to geographical regions that differ radically from Ireland. Future research could study those constructs across multiple countries to investigate the validity of this study in other geographical areas. Furthermore, considering that there is little empirical research in this area, future research could be aimed at a wider empirical base. The research propositions and the empirical findings presented in this paper provide both legitimacy and guidance for such future research avenues.

Lastly, the focus of this research was solely on family firms. Thus, the intention was not to compare family firms with non-family firms but rather to understand strategic behaviour in family firms. This was a research design choice as the emphasis was on exploring LTO in multi-generational family firms as opposed to distinguishing it between family and non-family firms. The growing realisation that family firms are heterogeneous (Chua et al., 2012; Westhead and Howorth, 2007) suggests that studies should focus more on the research within family firms rather than comparing them to non-family firms. This study found differences between the entrepreneurial orientations of the incumbent family leaders, especially in regard to risk-taking, where the firms appeared to be more conservative towards risk in later generations. Certain non-economic goals were also found to be more prominent in later generations of the family firm. As such, this suggests that it is important to consider the nuances of the family in order to better understand the family business, and furthermore, that generational factors may be key to grasping family firm's entrepreneurial decisions.

6.7 Avenues for Future Research

Despite the limitations discussed in section 6.6, this study illuminates important avenues for future research as discussed next.

To complement this study, it would be interesting to investigate whether adopting a LTO has a positive effect on the performance and competitive advantages of family firms.

While previous research supports this view (Miller and Le Breton-Miller, 2005), additional empirical investigation is needed. Future research might examine questions such as: What is the relationship between LTO and family firm performance? and What are the performance implications of a short-term versus a long-term orientation?

One additional route could be the development of longitudinal studies that explore how LTO-related entrepreneurial practices evolve as a family firm's long-term perspective changes over time. Such studies could contribute further by providing insights into the impact that LTO has on the EO of family firms at different points in time or in different generations. To what extent does it differ across generations and between family and non-family managers? Does the LTO of firms controlled by later generations of a family vary from those controlled by the founding generation? Family business owners who intend to pass down their business to the next generation adopt a longer time frame and are more concerned about the sustainability of their business. In this regard, continuity, as a concept, is not only crucial to LTO but it could also assist in understanding how LTO evolves across generations as it becomes an embedded part of multi-generational family firms. The continuity paradox might become more complex in later generations of the family as family leaders feel a greater responsibility to preserve the family legacy and not cause the demise of the business. For example, it would be particularly interesting to assess continuity in a wider empirical base of family firms from different generations and see if it varies from founder generations to later generations. And if a difference is found, how does it influence EO in these firms? Future research into LTO-EO could also explore whether it is the LTO of the family, the individual LTO of key members (e.g., founder, incumbent family CEO) or the LTO of the top management team that has the greatest influence on the EO of the firm.

Future research could also be aimed at a wider empirical base. Studying family firms under different definitional criteria and geographical contexts could enhance the generalisability of the results in this study. The question of whether the findings obtained in this study are unique to this sample or are applicable to other multi-generational family firms is worthy of future comparative research. Accordingly, future research might investigate whether the influences of similar LTO can be found in other countries, or whether differences occur when compared to non-family firms. Do family firms frame temporal choices differently to non-family firms? The suggested propositions presented

in this study provide fruitful avenues where one can begin his or her research design. The propositions suggested in this study provoke thought for future research.

Another future research path would be to explore how the incumbent generation's behaviour and decisions influence future generations. Intergenerational theorists contend that the behaviour of the incumbent generation affects subsequent generations and have applied this notion to family issues and broader social issues (Barry, 1989; Richards, 1981; Portney and Weyant, 1999; Weiss, 1990). The concept of intergenerational reciprocity suggests that obligations to future generations stem from the fortune received from past generations (Becker, 1986; Wade-Benzoni, 2002). As the long-term implications of intergenerational decisions are temporally and personally removed from decision-makers, non-family firms would potentially have different perspectives than family businesses on how clan-like behaviours are instituted. As such, future studies of LTO and intergenerational reciprocity may help identify differences in LTO between family and non-family firms.

LTO is a promising arena for future research into the nature of family firms and the decisions they face, and this research will spur fruitful discussion and engaging studies about this intriguing construct.

6.8 Conclusion

LTO has gained significant interest among family business scholars. However, if LTO is to become one of the cornerstone theoretical constructs upon which the field is built, then it needs to be clearly understood. Through the theoretical lens of the stewardship view, this research attempted to expand the understanding of LTO through the multi-dimensional construct of Lumpkin and Brigham (2011) by untangling it empirically, highlighting its influence on EO and investigating its association with non-economic goals in multi-generational family firms. Using an in-depth and rigorous qualitative multiple case analysis, this thesis studied the characteristics of the LTO dimensions—*futurity*, *continuity* and *perseverance*—and their influence on the innovativeness, proactiveness and risk-taking of multi-generational family firms. The study identified a paradoxical nature regarding the continuity dimension which guided the firms' engagement (or disengagement) with EO. Simply put, the family firms studied are considered to be loss averse when it comes to pursuing entrepreneurial actions that may

threaten the family's *continuity*. Additionally, this study reconciled the firms' non-economic goals with their LTO in an attempt to extend understanding of the paradoxical tensions in family firms.

It was the researcher's aim to establish the temporal lens at the forefront of family business studies. Gaining an even deeper understanding of LTO and its impact on family firm EO can provide additional theoretical and practical insights for the family business literature. This study invites future researchers to continue development of this important line of enquiry.

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Appendix A: Literature Review

Appendix A-1. Family Business Definitions

Author	Year	Definition	Category
Donnelley	1964	A company is considered a family business when it has been closely identified with at least two generations of a family and when this link has had a mutual influence on company policy and on the interests and objectives of the family.	Generational Control Subsystems
Church	1969	The whole capital is privately held, practically all the important and administrative posts are filled by members of the family.	Ownership Management
Channon	1971	A family member was a chief executive officer, if there had been at least two generations of family control and a minimum of 5% of the voting stock was still held by the family or trust interests associated with it.	Generational Control
Barry	1975	An enterprise, which, in practice, is controlled by the members of a single family.	Control
Barnes and Hershon	1976	Controlling ownership [is] rested in the hands of an individual or of the members of a single family.	Control
Alcorn	1982	A profit-making concern that is either a proprietorship, a partnership, or a corporation...If part of the stock is publicly owned, the family must also operate the business	Management Other
Tagiuri and Davis	1982	Organizations where two or more extended family members influence the direction of the business through the exercise of kinship ties, management roles, or ownership rights.	Ownership Management Subsystems
Beckhard and Dyer	1983	The subsystems in the family firm system . . . include (1) the business as an entity, (2) the family as an entity, (3) the founder as an entity, and (4) such linking organizations as the board of directors.	Subsystems
Davis	1983	[The] interaction between two sets of organizations, family and business,...establish[es] the basic character of the family business and defines its uniqueness.	Subsystems
Rosenblatt et al.	1985	Any business in which the majority ownership or control lies within a single family and in which two or more family members are or at some time were directly involved in the business.	Ownership Control
Dyer	1986	A family firm is an organization in which decisions regarding its ownership or management are influenced by a relationship to a family (or families).	Subsystems Control
Pratt and Davis	1986	One in which two or more extended family members influence the direction of the business through the exercise of kinship ties, management roles or ownership rights.	Subsystems Control
Stern	1986	[A business] owned and run by members of one or two families.	Ownership Management
Babicky	1987	[a] small business started by one or a few individuals who had an idea, worked hard to develop it, and achieved, usually with limited capital, growth while maintaining majority ownership of the enterprise.	Ownership Management

Churchill and Hatten	1987	It is either the occurrence or the anticipation that a younger family member has or will assume control of the business from an elder.	Generational
Upton and Sexton	1987	A business that includes two or more relatives and has at least two generations working together in an operating capacity.	Generational Other
Ward	1987	Business that will be passed from one generation to another to manage and control.	Generational Management Control
Gallo	1988	Family businesses have the following characteristics: 1) one family owns a majority of the stock, 2) family members are involved in the company's management, and 3) there is a clear desire to transfer ownership to future generations.	Generational Management Ownership
Gasson et al.	1988	A family business satisfied one or more of the following conditions: a) the principals are related by kinship or marriage, b) business ownership is usually combined with managerial control and c) control is passed from one generation to another within the same family.	Generational Ownership Control
Hollander and Elman	1988	A business that is owned and managed by one or more family members.	Ownership Management
Lansberg et al.	1988	A business in which the members of a family have legal control over ownership.	Control
Handler	1989	An organisation whose major operating decisions and plans for leadership succession are influenced by family members in management positions or on the board.	Generational Management Subsystems
Dreux	1990	Economic enterprises that happen to be controlled by one or more families (that have) a degree of influence in organizational governance sufficient to substantially influence or compel action.	Control Subsystems
Leach et al.	1990	A company in which more than 50% of the voting shares are controlled by one family, and/or a single family group effectively controls the firm, and/or a significant proportion of the firm's senior management is members from the same family.	Management Control
Ward	1990	A business in which there are two or more family members influencing the business	Subsystems
Ward and Aronoff	1990	Family businesses can be defined as owner-managed enterprises with family members exercising considerable financial and/or managerial control.	Ownership Management Control
Donckels and Fröhlich	1991	Family members in one family own 60% or more of the equity in the business.	Ownership
Gallo and Sveen	1991	A business where a single family owns the majority of stock and has total control.	Ownership Control
Johansson and Lewin	1991	A business owned or controlled by a single person or limited group of persons and their families, who also are actively engaged in management functions within the business.	Ownership Control Management
Lyman	1991	The ownership had to reside completely with family members, at least one owner had to be employed in the business, and one other family member had either to be employed in the business or to help out on a regular basis even if not officially employed.	Ownership Other
Schwartz and Barnes	1991	Both management and ownership control is in the hands of family members.	Ownership Management

Daily and Dollinger	1992	Two or more individuals with the same last name were listed as officers in the business and/or the top/key managers were related to the owner working in the business.	Other
Dumas	1992	A business owned and operated by a family that employs several family members.	Ownership Other
Holland and Oliver	1992	Any business in which decisions regarding its ownership or management are influenced by a relationship to a family or families.	Subsystems
Stoy Hayward	1992	A family-owned business is defined by any one of the three following criteria: a) more than 50% of the voting shares are owned by a single family; b) a single family group is effectively controlling the firm; and c) a significant proportion of the firm's senior management is drawn from the same family.	Ownership Management Control
Dannhaeuser	1993	A family business must be owned and managed by at least two or more members of the same family, serve as a major source of family income, and employ no more than 50 people.	Ownership Management Other
Riordan and Riordan	1993	A business with 20 or fewer employees in which ownership lies within the family and two or more family members are employed.	Ownership Other
Welsch	1993	One in which ownership is concentrated, and owners or relatives of owners are involved in the management process.	Ownership Management
Astrachan and Kolenko	1994	Family ownership of more than 50% of the business in private firms or more than 10% of the stock in public companies; more than one family member works in the business or the owner anticipates passing the business to the next generation of family members or the owner identifies the firm as a family business.	Ownership Generational Perception Other
Carsrud	1994	A firm's ownership and policy making are dominated by members of an 'emotional kinship group' whether members of that group recognize the fact or not.	Ownership Control
Covin	1994	A business owned and operated by a family that employs several family members.	Ownership Management Other
Fiegener et al.	1994	A firm that is both family owned and managed.	Ownership Management
Lansberg and Astrachan	1994	A company that is owned or controlled by a family and in which one or more relatives is involved with management.	Ownership Management Control
Corbetta	1995	Those businesses where one or more families, connected by family or affinities ties or strong alliances, hold a share of risk capital sufficient to ensure control of the enterprise.	Control Ownership
Cromie et al.	1995	A family business satisfied one or more of the following conditions: a) more than 50% of the shares are owned by one family; b) one family can extend considerable control over the business; f) a significant number of top managers are drawn from one family.	Ownership Control
Galiano and Vinturella	1995	A business in which the members of a family have legal control over ownership.	Control
Gallo	1995	A business in which one or two more families held a percentage of equity equal or greater than 50 percent.	Ownership

Litz	1995	A business firm may be considered a family business to the extent that its ownership and management are concentrated within a family unit, and to the extent its members strive to achieve and/or maintain intraorganizational family-based relatedness.	Ownership Management Other
Shanker and Astrachan	1996	Broad def.: requires family to have some degree of effective control of strategic direction, and the intention of keeping the business in the family. Mid-range def.: All the above + founder or descendants of the founder should run the business. Narrow def.: All the above + multiple generations should be involved in daily operations of the business.	Control Generational Management Other
Goldberg	1996	When there were two or more officers or executives listed with the same surname, or when one of the officers or executives had the same surname as the business.	Other
Rue and Ibrahim	1996	Those businesses in which the controlling interest is held by a family and in which one or more family members (including in-laws) is employed or reasonably expected to be employed in the future.	Control Other
Westhead and Cowling	1997	Have undergone an intergenerational transition, speak of themselves as a family firm, more than 50% shareholding owned by family, 50% of daily management team are family members.	Ownership Management Generational Perception
Smyrnios et al.	1998	Family business as one in which any one of the following four criteria hold true: 50% or more of the ownership is held by a single family; 50% or more of the ownership is held by multiple members of a number of families; a single family group is effectively controlling the business; and a significant proportion of the senior management is drawn from the same family.	Ownership Control Management
Winter et al.	1998	To qualify as a family business, the owner-manager had to have been in business for a least a year, worked at least six hours per week year-round or a minimum of 312 hours a year in the business, been involved in its day-to-day management, and resided with another family member.	Ownership Management Other
Donckels and Lambrecht	1999	A family business is one in which the majority of the shares are in the hands of one family, and in which the general management of the business belongs to the same family.	Ownership Management
Gudmundson et al.	1999	A business is a family business when the organization is family owned or considers itself a family business.	Ownership Perception
Heck and Trent	1999	A business that is owned and /or managed by one or more family members.	Ownership Management
Chua et al.	1999	A business governed and/or managed with the intention to shape and pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families.	Ownership Management Control Other
Klein	2000	A family business is a company that is influenced by one or more families in a substantial way. Influence in a substantial way is considered if the family either owns the complete stock or, if not, the lack of influence in ownership is balanced through either influence through corporate governance or influence through management. For a business to be a family business, some shares must be held within the family.	Ownership Subsystems Management Control

Koiranen	2002	Family business is a business operation owned and controlled by one family that has either transferred, is in the process of transferring or will transfer to the next generation and a family business, regardless of its form, is the economic unit in which the business operations of the family take place and in which the interactive interests of family life, ownership, and business are applied to the ever changing circumstances.	Generational Ownership Control Other
Littunen and Hyrsky	2000	A family business is one where the controlling ownership rests in the hands of one individual or the members of a single family.	Ownership
Hulshoff	2001	More than 50% of the voting shares are owned by one single family, and more than 50% of the management (team) are drawn from the family that owns the business.	Ownership Management
Lee and Tan	2001	A family enterprise is an establishment with at least 50% equity from the family.	Ownership
McConaughy et al.	2001	A public corporation whose CEOs are either the founder or a member of the founder's family.	Other
Anderson and Reeb	2003	The family owns (any) share of risk capital and/or some of its members are on the board of directors.	Ownership Other
Olson et al.	2003	A business that was owned and managed by one or more family members.	Ownership Management
Chrisman et al.	2004	A firm that is owned and managed by family members and seeks to ensure transgenerational involvement through family succession.	Ownership Management Generational
Chrisman et al.	2005	Family involvement is only a necessary condition; family involvement must be directed toward behaviours that produce certain distinctiveness before it can be considered a family firm.	Other
Lee	2006	Family business if founding family members or descendants hold shares or if they are present on the board of directors.	Ownership Control
Westhead and Howorth	2006	Family firm if more than 50% of ordinary voting shares is owned by members of the largest single family group related by blood or marriage and the company is perceived by the CEO managing director/chairman to be a family business.	Ownership Perception
Hutton	2007	...any company where founders or descendants continue to hold positions in top management, on the board, or among the company's largest stockholders.	Ownership Management Other
Martínez et al.	2007	...a company that falls into one of the following criteria: (1) A firm whose ownership is clearly controlled by a family, where family members are on the board of directors or top management; (2) A firm whose ownership is clearly controlled by a group of two to four families, where family members are on the board; (3) A firm included in a family business group; (4) A firm included in a business group associated with an entrepreneur that has designated his family successor.	Ownership Other
Miller et al.	2007	...a firm in which multiple members of the same family are involved as major owners or managers, either contemporaneously or over time.	Ownership Management
Andres	2008	... it has to meet at least one of the following two criteria: a) the founder and/or family members hold more than 25% of the voting shares, or b) if the founding-family owns less than 25% of the voting rights they have to be represented on either the executive or the supervisory board.	Ownership Control

Cucculelli and Micucci	2008	A firm characterized by a transgenerational involvement in the family succession.	Generational
King and Santor	2008	A firm where a family owns more than 20% of the voting rights.	Control
Miller et al.	2008	Family business is when there is more than one family member involved in the business.	Subsystems
Rutherford et al.	2008	A business where at least two of the business' officers or directors have the same last name.	Other
Saito	2008	The founder or his descendant is a president or chairman and/or the founding family is the largest shareholder in the firm.	Ownership Other
Chu	2009	A firm that has more than 5% family shareholdings and has at least one family member on the board of directors.	Ownership Other
Arosa et al.	2010	Family firm if the main shareholder is a person or a family with a minimum of 20% of firm equity and there is a family relationship between this shareholder and the directors based on the coincidence of their surnames.	Ownership Other
Muñoz-Bullón and Sánchez-Bueno	2011	A business is considered a family firm when both of the following conditions are met: (a) two or more directors are related and (b) family members hold a substantial proportion of equity.	Ownership Other
Sacristán-Navarro, et al.	2011	We defined a family firm as a company in which the ultimate owner or the large owner was a family or an individual who held more than 10% of the voting rights.	Ownership Control

Appendix B: Research Methodology

Appendix B-1. Sample Letter to Participants

xxth October 2012

Dear XXXXX,

We would like to invite you to participate in a major research project examining successful family firms in Ireland.

This important research project is being carried out by *DCU Business School* and is part of the global *STEP (Successful Transgenerational Entrepreneurship Practices)* research project. The STEP project explores how family firms innovate to create new streams of wealth and value across different generations of the family. A leading Irish family business, NTR, has participated in the STEP project

The main advantages for XXXXXX in joining the STEP project are as follows:

- You will be part of a network of European family companies from different industries, countries and family contexts. You will be able to exchange experiences with and learn from “peers” on key family firm issues.
- You will be invited to a one-day meeting per year with your local STEP research team, getting feedback on the interviews done within your family and family business; the opportunity to discuss the conclusions from the study and the research findings from the Global STEP project and how they might apply to XXXXXX.
- Access to learning sessions that are supported by research coming from a consortium of European professors and experts on family business.
- Your company and brand(s) will acquire more visibility thanks to the commitment of DCU Business School researchers to cite, when it is useful and possible, their Family Partners.

Participation in the STEP project involves:

- Facilitating DCU researchers to write a detailed case study on XXXXXX evolution.
- No direct financial contribution.

We would like to invite XXXXXX to join our research project. We would welcome the opportunity for members of our research team, Dr Eric Clinton and Ms Vanessa Diaz, to meet with you to discuss this project in more detail.

My colleague, Dr. Eric Clinton, will follow-up with a phone call in the next week in order to arrange an appointment to discuss the study and its benefits for your firm in more detail.

Yours sincerely,

Prof Colm O’Gorman
Associate Dean for Research
DCU Business School

Appendix B-2. Adapted Version of the STEP Interview Protocol

History and Externalities:

1. Describe the historical development of your business or business group with a focus on the family members' role and involvement.

The answer should cover, if relevant, the following issues:

- a. The entrepreneurial process when the firm was founded – who, how?
- b. Information on the ownership/shareholder succession(s)?
- c. Information on the leadership succession(s)- Chair, CEO, President?
- d. Information on the ownership involvement, i.e. number and constellation of shareholder family members and or branches and changes in this over time?
- e. Information on the number of family members working in the business(es), in leadership/management?
- f. Who were the family member and non-family actors who have been most influential and what roles they played and why it was significant
- g. What resources and capabilities they brought to the organization?
- h. Were there any downsides to their leadership – positive leadership characteristics can also have a constraining downside on the organization?

2. Describe your main industry in terms of competition and how this relates to the development and strategy of the business or business group?

The answer should cover, if relevant, the following issues:

- a. Competition in terms of pace of change, nature of change, technology requirements, capital requirements, consolidating?
- b. How aggressive are the competitors?
- c. The scope and opportunity of your markets – regional, global, growing, declining?
- d. The importance of innovation and change to stay competitive?
- e. Major innovations in the industry over the past 10- 15 years?

3. Describe how key environmental forces influence the development of the business or business group.

The answer should cover, if relevant, the following issues:

- a. Demographic and social trends?
- b. The role of “the green” environment, opportunity or threat for your business?
- c. Character of the political and economic situation at regional and national level?
- d. Key environmental factors that made a difference in what you are today?
- e. Forces that have effected your family and in turn your businesses?

4. Describe how key regional, national or people group cultural forces that have influenced the development of the business or business group.

The answer should cover, if relevant, the following issues:

- a. The role of national and regional culture for the development of the business?

- b. The role of religion and faith for the development of the business?
- c. The role of ethnicity for the development of the business?
- d. The national view of connection to the global society?
- e. The infrastructure that supports or constrains business growth and or entrepreneurial development?
- f. Taxation and other governmental influences on business?

5. Describe how your *family “life stage”* has influenced the ownership and/or management involvement and development of the business or business group?

The answer should cover, if relevant, the following issues:

- a. Did the governance just follow the life stage: founder, siblings, cousins?
- b. How intuitive/informal vs intentional/strategic managing the family life stages and development:
- c. How aware the business managers were of the family’s role in the development of the family ownership group through generations?
- d. What steps were taken to continue positive family influences and to address negative family influences on the firm?
- e. Possible competitive advantages or constraints of the family’s ownership and/or management at different life stages?

6. Describe the major *strategic and/or entrepreneurial events and initiatives* during your history that have made you what you are today – think in terms of 20, 15, 10, and 5 year blocks.

The answer should cover, if relevant, the following issues:

- a. Key people and strategic events that have made a difference in what you are today?
- b. Key innovations, new ventures, new markets or renewal activities that have made a difference in what you are today?
- c. How would you describe the firm’s growth path (i.e. evolutionary, accidental, intentional, aggressive, entrepreneurial, strategic, plodding, steady)?

Entrepreneurial Orientation

7. Would you describe the *owner-family* as entrepreneurial? Why or why not?

The answer should cover, if relevant, the following issues:

- a. The main attributes that you think makes the family entrepreneurial?
- b. The main attributes that you think are lacking for it to be entrepreneurial?
- c. How the family ownership is a resource for entrepreneurship?
- d. How it has changed over time?
- e. Is continuity in and of itself transgenerational/entrepreneurial (i.e. existing for a long period of time)?

8. Would you describe the *business unit and practices* you are involved in as entrepreneurial? Why or why not?

The answer should cover, if relevant, the following issues:

- a. The main attributes that you think makes the firm entrepreneurial?
- b. The main attributes that you think are lacking for it to be entrepreneurial
- c. The entrepreneurial capabilities of top leaders/managers in the firm?
- d. How the family influence or involvement is a resource for entrepreneurship?
- e. How has it changed over time?

9. Describe your family business or group's *capabilities to take new actions/initiatives* (i.e. to introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures).

The answer should cover, if relevant, the following issues:

- a. Commitment and support for new ideas, novelty, experimentation, and creative processes that may result in new initiatives?
- b. If there is a specific process for identifying new opportunities and converting them into new ventures?
- c. If the firm dedicate some budget or internal corporate venturing capital for financing new ventures from the first phases (market research, business plans)?
- d. If enough products/services have been launched over the last five years?

10. Do you generally take new initiatives/strategic actions *ahead of your competitors proactively or do you prefer to "wait and see"* and or adopt "the new" later (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

The answer should cover, if relevant, the following issues:

- a. If this (the answer) facilitates or hinders further growth and or the accomplishment of vision and goals?
- b. How and why the family influence and or involvement impact this posture?
- c. Are there resources and capabilities that you have or lack that makes this posture/approach your chosen strategy?

11. Do you generally take new initiatives/strategic actions and invest where the *outcome is highly uncertain*, or do you prefer to invest where less resource is at stake and you *know fairly well the result* (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

The answer should cover, if relevant, the following issues:

- a. If this (the answer) facilitates or hinders further growth and or the accomplishment of vision and goals?
- b. How and why the family influence and or involvement impact this posture?
- c. Are there resources and capabilities that you have or lack that makes this posture/approach your chosen strategy?

12. To what extent would you describe the organization as *innovative and generating new ideas, experimentation and creative processes* that may or may not result in new initiatives/strategic actions (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

The answer should cover, if relevant, the following issues:

- a. If this (the answer) facilitates or hinders further growth and or the accomplishment of vision and goals?
- b. How and why the family influence and or involvement impacts this
- c. Are there resources and capabilities that you have or lack that makes this posture/approach your chosen strategy?

13. To what extent are *individuals and teams in your firm given freedom to be creative, to push for new ideas and to change current ways of doing things* in order to come up with new initiatives/strategic actions (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

The answer should cover, if relevant, the following issues:

- a. If this (the answer) facilitates or hinders further growth and or the accomplishment of vision and goals?
- b. How and why the family influence and or involvement impact this posture?
- c. Are there resources and capabilities that you have or lack that makes this posture/approach your chosen strategy?

14. Do you generally take new initiative/strategic actions that directly and intensively *challenge the existing positions held by your competitors* (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

The answer should cover, if relevant, the following issues:

- a. If this (the answer) facilitates or hinders further growth and or the accomplishment of vision and goals?
- b. How and why the family influence and or involvement impacts this
- c. Are there resources and capabilities that you have or lack that makes this posture/approach your chosen strategy?

15. How is it possible to *maintain an entrepreneurial spirit* as the business or business group passes through generations within the owner-family?

The answer should cover, if relevant, the following issues:

- a. The most important steps/initiatives taken to keep the entrepreneurial spirit across generations, or that should be taken
- b. Biggest threats to keep the entrepreneurial spirit across generations
- c. Description of the entrepreneurial commitments and capabilities of the next generation

- d. Formal and informal methods in use to develop next generation's entrepreneurial capacity
- e. How you would judge the entrepreneurial commitments and capabilities of the next generation at the current time

Familiness Resource Pools

Leadership

16. Describe how your *family leadership* (ownership and management) plays a role in creating an *advantage or constraint* for your family business or group.

The answer should cover, if relevant, the following issues:

- a. What do they consider to be the advantage or constraint from family involvement?
- b. How is family leadership tied to the group's entrepreneurial capabilities?
- c. How has/will succession positively or negatively impact the family's advantage and entrepreneurial capabilities?
- d. How does family leadership enhance or constrain the hiring and effectiveness of non-family leaders – i.e. building a team with non-family management?

17. What distinct resources or capabilities do you associate with your family leadership for generating new entrepreneurial opportunities?

The answer should cover, if relevant, the following issues:

- a. If the company were sold and did not have family leadership would it change?
- b. What resources and capabilities are in the senior generation – in the successor generation – how are they transitioned from one generation to the next?
- c. How has succession positively or negatively changed the resources and capabilities over the generations – how has this impacted the company's entrepreneurial capabilities?
- d. How does the family leadership enhance or constrain OTHER resources (i.e. capital, knowledge, other leaders)?

Networks

18. Describe how external *networks and personal connections* play a role in the development of your business and or for generating entrepreneurial opportunities.

The answer should cover, if relevant, the following issues:

- a. Are there certain people/businesses that give you opportunities, funding to grow and develop entrepreneurial opportunities?
- b. How do you find opportunity – is it through your family/community network?
- c. Who holds these relationships, i.e. individuals, branches, senior, successors?

- d. How connected are these networks to the family vs non-family leaders?
- e. Are the networks transferable, i.e. if the company were sold would these networks disappear or could those who bought the business continue to use them?

19. What role does the *family's history, reputation and goodwill* play in creating and using the networks and connections for development or generating entrepreneurial opportunity?

- a. What examples do you have of people doing deals/business with you because of your family's legacy and or reputation?
- b. How is your strategy based upon or developed around your family's reputation and or brand?
- c. How does your family maintain/nurture the reputation and goodwill to ensure it is enduring part of your strategy?
- d. Is it tied to a particular family member...can it be passed on to the next generation?

20. Describe how particular family members (historically and today) play a role in initiating, maintaining and or exploiting opportunities in the networks.

- a. Who owns the relationships in the network?
- b. Is there any intentional effort to nurture them...and or pass them on?
- c. Are their ways in which these people constrain new opportunity seeking/exploiting?

Financial capital

21. Describe how your family ownership/control *enhances or constrains the allocation of capital* as it relates to growth and entrepreneurial opportunities.

The answer should cover, if relevant, the following issues:

- a. Who makes these decisions and if there is any disagreement over how the decisions are made?
- b. What is the capital allocation process...is it formal or informal...is there a strategy and budget or more intuitive?
- c. Does the family's control of the capital make the business more or less opportunistic, i.e. able to capture opportunities when they come up?

22. How would you describe the *risk profile* of your family ownership group?

The answer should cover, if relevant, the following issues:

- f. Commitments to fund growth vs dividends to shareholders?
- g. Risk-taking vs risk averseness when seeking a return?
- h. Focus on cultivating current businesses or creating new streams of revenue?
- i. Views on financial strategies to grow (e.g. debt, private equity, strategic alliances etc.)?
- j. The return expectations of the owner-family?

- k. How they primarily judge performance and over what period of time?
- l. Commitment to entrepreneurial risk and return profile?
- m. Who sets the family risk profile and is there agreement?

Decision-making

23. How would you describe *the decision making processes* in your businesses or business group?

The answer should cover, if relevant, the following issues:

- a. Short term or long-term oriented?
- b. Quick or fast decision-processes?
- c. Centralized through top/family leaders or decentralized throughout?
- d. Informal personal interaction or formal meetings and processes?
- e. Acceptance of failure in the decision-making?
- f. Entrepreneurial or managerial?
- g. Intuitive and personal or strategic with planning?

24. How does your family's ownership and or management *enhance or constrain your decision making* as it relates to growth and entrepreneurial opportunities?

The answer should cover, if relevant, the following issues:

- a. What type of family issues might constrain effective decision making...provide specific examples from history...describe the family dynamics around decisions?
- b. The future – do you anticipate any changes in the family that would make you more or less entrepreneurial?
- c. How is the family's decision making a resource for entrepreneurial action?

Culture

25. Describe your *family's core values* that are foundational for your family business or group and how they relate to growth and entrepreneurship.

The answer should cover, if relevant, the following issues:

- a. When and how these values were identified?
- b. Where(whom) do they come from and what was the transmission process?
- c. How implicit/unstated vs explicit/stated they are?
- d. Are they shared by the family members?
- e. How they influence the work in the firm in practice?
- f. How they are a resource that could provide advantages and/or constraints?
- g. How are they linked to your history and legacy?
- h. What you are doing to institutionalize and perpetuate them?

26. Describe your *family's vision* for continued ownership and value creation and whether it includes entrepreneurial action?

The answer should cover, if relevant, the following issues:

- a. How implicit/unstated vs explicit/stated it is?
- b. Who knows it and who buys into it – how is it “the glue” for the family?
- c. How the vision drives or influences the firm level practices?
- d. Does the vision drive entrepreneurship?
- e. Is the family ownership and or involvement key to maintaining the vision?
- f. How the vision is a resource that could provide an advantage?
- g. What you are doing to institutionalize and perpetuate the vision?

27. Describe the *culture of the group or business* (i.e. beliefs, formal/informal, relational, trust, communication) and how the family ownership and or management creates and or influences the culture.

- a. How implicit/unstated vs explicit/stated it is?
- b. How it is maintained?
- c. How it will be passed on...how succession effects it?
- d. Would it change if the company is sold?
- e. How it is part of the competitive advantage in the company?

28. Describe how you believe the culture of the family business or group *supports or constrains an entrepreneurial mindset and action*.

- a. Is the culture a positive or negative resource for entrepreneurship?
- b. How it has evolved/changed over the years in relation to entrepreneurship?
- c. Give examples of how it has/does support entrepreneurial strategy/action?

Relationships

29. How would you describe the *relationships between family members and the impact on the development of your business or business group*?

The answer should cover, if relevant, the following issues:

- a. Are they an important resource for the business, advantage, entrepreneurial development?
- b. The effectiveness of the communication...does it enhance or constrain business practices?
- c. Degree of conflict and harmony?
- d. Feelings of safety and the allowance for people to fail?
- e. Differences in the relationships between active and non-active family members, generations, and core families?
- f. Is there a commitment from the next generation to unity and to take over the business?

30. How would you describe the *relationships between family members and non-family employees that have an impact on the development of your business*?

The answer should cover, if relevant, the following issues:

- a. Are they an effective team?

- b. Do you need to bring in more non-family leaders?
- c. Do the family relationships keep you from bringing in new leaders, or enhance the attraction of new leaders?
- d. Loyalty of non-family leaders and relation to advantage?

31. Describe how your family relationships *enhance or constrain your ability to act like entrepreneurs*.

- a. Relationships and decision making around capturing opportunity?
- b. Unity and relational agreement around growth and what new opportunities to pursue?
- c. Next generation unity and entrepreneurship?

Governance

32. Describe *the governance of the business or business group*– how you have organized the family’s ownership in relation to management.

The answer should cover, if relevant, the following issues:

- a. Governance structures that are in use now and before (e.g. shareholder meetings, boards, family councils, executive committees, policies and guidelines etc.)?
- b. How governance structures have changed over time and the reasons for change?
- c. Shareholder involvement – formal or informal?
- d. The role of the board – decision making or pro forma?
- e. The role of the top management team – informal/familial or professional/formal?
- f. The family conversations/meetings; where and how they take place?
- g. Determine if governance provides any resource advantages or constraints to their competitiveness?

33. How strategic or intentional are the governance structures and business models *established in order to grow and act entrepreneurially* (versus more evolutionary as the family has changed over each generation)?

The answer should cover, if relevant, the following issues:

- a. What is the process of determining governance structures and business models?
- b. Do they enhance entrepreneurship?
- c. Are they designed for today...or do they take into account growing tomorrow?
- d. Who drives the governance decisions and is it positive or negative?

Knowledge

34. What specific knowledge and competencies are crucial for *competing in your industry*?

35. In your business, how are these specific knowledge and competencies *related to the family's ownership and or involvement*?

The answer should cover, if relevant, the following issues:

- a. What are the tacit and deeply embedded knowledge resources crucial for competitiveness and entrepreneurial capacity and the extent to which these are linked to family members?
- b. The extent to which these knowledge resources have been formed across generations?
- c. The extent to which there is deliberate work for maintaining and transferring these knowledge resources to a wider set of people and across generations.?
- d. Does this deeply embedded knowledge lead to new insights and innovations?.
- e. If the business was sold and the family no longer involved would the business still have the knowledge, i.e. is it transferable?

Entrepreneurial Performance

36. What are the *family's goals for the future as you understand them*?

The answer should cover, if relevant, the following issues:

- a. How the family defines and measures success as you understand it (in monetary and/or non-monetary terms)?
- b. The owner-family's five year goals and how they are prioritized?
- c. How the family understands/prioritizes their performance measures?
- d. How the family's goals are determined?
- e. How the owner-family enhances or constrains the achieving of these goals?
- f. The biggest threat to meeting these goals?

37. What are the most *important entrepreneurial outcomes to the ownership and management of the business or group (i.e. traditional entrepreneurial activities: new products, new businesses, innovations, new business models, change activities)*?

- a. Describe the number of entrepreneurial initiatives over the last three years (i.e. specific innovations, new products, new markets, renewal initiatives, new businesses)?
- b. How has the workforce (number of employees) evolved over the last three years (increase / decrease)?
- c. How would you describe your market share/position in the market over the last three years in relation to your competitors (increase / decrease)?
- d. What are the expenses for research and development as a percent of total sales and how have they evolved during the last 3 years?

38. What are the most *important financial goals outcomes to the ownership and management of the business or group (i.e. traditional financial measures)*?

- a. What is the gross profit of your firm (in % of total sales) and how has this evolved over the last three years?
- b. How have the sales evolved over the years?

- c. What was the return on equity of your firm in the last 3 years?
- d. Has your company reached above- or below industry average cash flows?
- e. Have you paid dividends to non-family shareholders?
- f. Have you created or destroyed market value? Is market value relevant for you?

39. What are the most *important social outcomes* to the ownership and management of the business or group?

- a. Does the family consider itself a social entrepreneur – are their social impact goals strategic and intentional or an evolutionary bi-product?
- b. Employment for people in the local community (or just continuity for employing family members)?
- c. Support for surrounding society, clubs, associations etc.?
- d. Philanthropy – how local/regional is it – how personal is it, i.e. driven by family values and mission?
- e. Is family business continuity, survival and succession success, i.e. legacy is the social driver versus larger social goals?
- f. Is the family's social prestige and influence the key social driver versus larger social goals?

40. What is your view on the likelihood that your family business or group will achieve their goals over the long run?

- a. What do you need to ensure that you can meet these goals?
- b. What would keep you from meeting these goals?
- c. How will the family influence and or involvement hinder or constrain you in meeting these goals?
- d. Describe your role in ensuring your meet these futuristic goals?
- e. Do you consider these goals “entrepreneurial”?
- f. Do your goals lead your family to transgenerational wealth creation?

Extra questions included for the purposes of this study are outlined below.

Non-economic aspects

41. Describe how you believe family business has a personal meaning to family members.

The answer should cover, if relevant, the following issues:

- a. Are family members proud to tell others that they are part of the family business?
- b. Does family business define who you are?
- c. Do family members feel that business success is their own success?
- d. Do family members have a strong sense of belonging to the family?

42. To what extent do emotions and sentiments affect the decision-making process in the family business?

The answer should cover, if relevant, the following issues:

- a. Are affective (non-economic) considerations often as important as economic ones?
- b. Is protecting the welfare of the family a mission of the family business?
- c. Do strong emotional ties among family members help to maintain a positive reputation/image?
- d. Are emotional bonds between family members strong? Do family members feel close to each other?

43. To what extent do non-economic goals affect decision-making in the family business?

The answer should cover, if relevant, the following issues:

- e. Are affective (non-economic) considerations often as important as economic ones?
- f. Is protecting the welfare of the family a mission of the family business?
- g. Do strong emotional ties affect decision-making?

44. Describe how you believe family goals affect decision-making in the family business.

Please provide examples of some non-economic goals the company pursue.

Long-term perspective

45. To what extent does the company consider the future when making current decisions?

The answer should cover, if relevant, the following issues:

- a. How far ahead does the firm look when planning its strategies and operations?
- b. Does the firm consider the long-term consequences of the actions taken today?

46. To what extent do forces from the past, such as long-term aspirations, affect future decisions?

The answer should cover, if relevant, the following issues:

- a. Is the firm strongly influenced by the past when making decisions?
- b. Does the company consider time-honoured values and traditions when making future decisions?

47. Does the company sacrifice short-term benefits for long-term results/rewards?

The answer should cover, if relevant, the following issues:

- a. Is the company patient for results or rewards?
- b. Is there a belief in the organisation that the efforts made today will pay-off in the future?

Appendix B-3. Sample of NVivo Nodes

PhD.nvp - NVivo

File Home Create External Data Analyze Query Explore Layout View

Project Documents PDFs Dataset Audios Videos Pictures Memos From Other Sources Import Classification Sheets Attribute Values Report Extract Items List Project Classification Sheets To Other Destinations Export

Nodes

- Nodes
 - Cases
 - Query Based Codes
 - Thematic Coding
 - Relationships
 - Node Matrices

Sources

Nodes

Classifications

Collections

Queries

Reports

Models

Folders

Look for: Search In Thematic Coding Find Now Clear Advanced Find

Thematic Coding

Name	Description	Sources	References
LTO	Long-term orientation (LTO), defined as the tendency to prioritize the long-range implications and impact of decisions	24	305
Continuity	Continuity is based on the belief that that which is long-lasting and endures has value. As such, it consists of preserv	24	165
Pursue enduring mission and reputation		20	75
Desire to keep the business within the family		19	46
Long-term relationships	Effort to build long-term relationships	4	7
Value influences of the past	Value legacy from previous generations	13	26
Futurity	Futurity is based on the belief that forecasting, planning, and evaluating the long-range consequences of current acti	20	77
Estimation of the future		15	38
Succession planning		2	2
Transgenerational control intentions		13	30
Perseverance	Perseverance refers to the conscientiousness that is required to persist over time. It is based on the belief that efforts	20	57
Discipline and self-control		9	16
High level of commitment		11	20
Desire to succeed		4	7
Long-term investment- Patient capital		5	8
Professionalisation of management		4	4
EO	Miller (1983)"An entrepreneurial firm is one that engages in product-market innovation, undertakes somewhat risky v	24	268
Innovativeness	Innovativeness reflects a firm's tendency to engage in and support new ideas, novelty, experimentation, and creative	19	77
Proactiveness	Proactiveness is an opportunity-seeking, forward-looking perspective characterized by the introduction of new produc	23	148
Risk Taking	Risk taking refers to the degree to which managers are willing to make large and risky resource commitments-i.e., th	8	25
Non-economic goals	The achievement of these goals leads to the creation of SEW, including among other things preservation of values, h	24	338
Emotional attachment		13	40

VD 29 Items

Appendix B-4. Sample of NVivo Transcripts Summary Report

23/05/2016 12:04

Source Summary

Total Words in Source	Total Paragraphs in Source	Number of Nodes Coding Source	Coded Percentage of Source	Number of Text References	Number of Audio Video References	Number of Image References
Document						
Internals\\Interviews\\Barry's Tea- Non-ex Board Director- Brother - Transcription						
4974	228	31	1,0000	116	0	0
Internals\\Interviews\\Barry's Tea- Finance Director - Transcription						
4257	506	28	1,0000	152	0	0
Internals\\Interviews\\Barry's Tea- IT Director - Transcription						
6574	185	36	1,0000	111	0	0
Internals\\Interviews\\Barry's Tea- Marketing Director- Transcription						
9255	462	13	1,0000	69	0	0
Internals\\Interviews\\Barry's Tea- Chairman- Father-Transcription						
5789	332	20	1,0000	95	0	0
Internals\\Interviews\\Barry's Tea-MD- Transcription						
7915	183	30	1,0000	161	0	0
Internals\\Interviews\\EPS- Operations Manager- Transcription						
9754	382	24	1,0000	65	0	0
Internals\\Interviews\\EPS- Commercial Director - Brother- Transcription						
6454	314	18	1,0000	38	0	0
Internals\\Interviews\\EPS Board- Director - Co-Founder - Transcription						
15001	578	23	1,0000	126	0	0

Total Words in Source	Total Paragraphs in Source	Number of Nodes Coding Source	Coded Percentage of Source	Number of Text References	Number of Audio Video References	Number of Image References
Internals\\Interviews\\EPS- Deputy MD- Transcription						
12125	573	39	1,0000	302	0	0
Internals\\Interviews\\EPS- Board Director- Co-Founder- Transcription						
6664	146	17	1,0000	49	0	0
Internals\\Interviews\\EPS- Large Contracts Manager- Transcription						
8521	408	27	1,0000	82	0	0
Internals\\Interviews\\EPS- Auditor- Transcription						
7662	464	21	1,0000	64	0	0
Internals\\Interviews\\Flahavans- Financial Controller- Daughter- Transcription						
7845	464	34	1,0000	162	0	0
Internals\\Interviews\\Flahavans- Int. Business Manager-Son- Transcription						
5803	141	26	1,0000	60	0	0
Internals\\Interviews\\Flahavans- MD- Transcription						
9651	860	16	1,0000	49	0	0
Internals\\Interviews\\Flahavans- Marketing & Sales Manager- Transcription						
4948	144	16	1,0000	46	0	0
Internals\\Interviews\\Flahavans- National Account Manager- Transcription						
10109	392	32	1,0000	157	0	0
Internals\\Interviews\\GB- Non-ex. Board Director- Brother- Transcription						
13472	387	22	1,0000	163	0	0
Internals\\Interviews\\GB- Sales & Marketing Director – Transcription						
6921	257	26	1,0000	102	0	0

Total Words in Source	Total Paragraphs in Source	Number of Nodes Coding Source	Coded Percentage of Source	Number of Text References	Number of Audio Video References	Number of Image References
Internals\\Interviews\\GB-Financial Director- Transcription						
8605	574	16	1,0000	57	0	0
Internals\\Interviews\\GB-- Forestry Manager- Transcription						
8525	784	10	1,0000	17	0	0
Internals\\Interviews\\GB- Co-CEO interview- part 1-- Transcription						
10024	236	29	1,0000	101	0	0
Internals\\Interviews\\GB- Co-CEO interview - - Transcription						
13526	696	33	1,0000	177	0	0
Internals\\Interviews\\GB- Scotland Business Manager- - Transcription						
8004	307	27	1,0000	62	0	0

Appendix B-5. Approval Letter from the Research Ethics Committee

Ms. Vanessa Diaz
DCU Business School

14th March 2013

REC Reference: DCUREC/2013/049

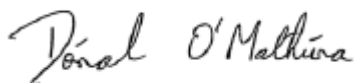
Proposal Title: **Entrepreneurship in Family Business**

Applicants: Dr. Teresa Hogan, Dr. Eric Clinton, Ms. Vanessa Diaz

Dear Vanessa,

This research proposal qualifies under our Notification Procedure, as a low risk social research project. Therefore, the DCU Research Ethics Committee approves this research proposal. Materials used to recruit participants should note that ethical approval for this project has been obtained from the Dublin City University Research Ethics Committee. Should substantial modifications to the research protocol be required at a later stage, a further submission should be made to the REC.

Yours sincerely,

A handwritten signature in black ink that reads 'Donal O'Mathuna'.

Dr. Donal O'Mathuna
Chairperson
DCU Research Ethics Committee



Appendix B-6. Plain Language Statement

PLAIN LANGUAGE STATEMENT

Research Title: Strategic Entrepreneurship in Family Firms

Department: DCU Business School

Researcher: Vanessa Diaz Moriana
Tel (01) 700 5970, email: vanessa.diaz2@mail.dcu.ie

Supervisor: Dr Teresa Hogan, DCU Business School
Dr Eric Clinton, DCU Business School

Description:

The researcher is seeking to investigate Strategic Entrepreneurship in Family Firms. In particular, the research explores the area of emotional attachment and non-financial goals in family businesses and the key role that they play in the strategic decision-making process of family owned firms. Entrepreneurial behaviour is a necessary condition of transgenerational survival in family firms. This study seeks to identify the drivers of entrepreneurial behaviour in family firms by investigating the effect of idiosyncratic family influenced social emotional wealth.

Main research questions proposed:

- The effect of socioemotional wealth in the entrepreneurial behaviour of family firms.
- The relationship between non-economic goals and financial performance in family firms

Details of what involvement in the Research Study will require

The research will require 6 members of the family firm (ideally 3 family members and 3 non-family members) to take part in a 30-45-minute interview. If acceptable to the participant, the interviews will be audio-recorded for the sole purposes of analysis.

Potential risks to participants from involvement in the Research Study (if greater than that encountered in everyday life)

Participants are not exposed to any risk at any stage.

Benefits (direct or indirect) to participants from involvement in the Research Study

- Participants will be part of a network of European family companies from different industries, countries and family contexts. They will be able to exchange experiences with and learn from “peers” on key family firm issues.
- Participants will be invited to a one-day meeting per year with your local STEP research team, getting feedback on the interviews undertaken within your family and family business; the opportunity to discuss the conclusions from the study and the research findings from the Global STEP project and how they might apply to their organisation.
- Access to learning sessions that are supported by research coming from a consortium of European professors and experts on family business.
- Their company and brand(s) will acquire more visibility thanks to the commitment of DCU Business School researchers to cite, when it is useful and possible, their Family Partners.

Advice as to arrangements to be made to protect confidentiality of data, including that confidentiality of information provided is subject to legal limitations

All data collected will be fully confidential. A case study will be developed with the information of the interviews. The final case study will be provided to the participant prior to publication for approval.

Findings may be included as part of articles for submission to journals and conferences. As under Irish law, data collected is subject to the Data Protection Act 1998.

Advice as to whether or not data is to be destroyed after a minimum period

Data of the interviews will be kept in the form of case studies.

Statement that involvement in the Research Study is voluntary

You are under no obligation to participate in this research. If you choose to participate, you may withdraw at any stage with absolutely no repercussions.

Any other relevant information

This study is part of a global research framework called STEP (Successful Transgenerational Entrepreneurship Practices). The STEP project is a global collaborative research initiative that establishes learning partnerships between academics and business families around the world in order to explore the entrepreneurial process in family firms. More than 40 leading universities around the world are currently participating in this leading research in family business.

If participants have concerns about this study and wish to contact an independent person, please contact:

The Secretary, Dublin City University Research Ethics Committee, c/o Research and Innovation Support, Dublin City University, Dublin 9. Tel 01-7008000

Appendix B-7. STEP Confidentiality Agreement

CONFIDENTIALITY AGREEMENT

Agreement dated as of this ____ date of _____, 201__, by and between (“Institution”), a [nature of entity] with a principal place of business at [_____] and [_____] (“Family Business Group”), a _____ organized under the laws of [insert country], with a principal place of business at [_____].

1. The Global Successful Transgenerational Entrepreneurship Practices (“STEP”) Project is a consortium of peer colleges, universities and researchers that are organized into four global regions—Europe, Latin America, Asia Pacific and North America (each, a “Region”). Institution is a [insert region]. STEP Affiliate and wishes to work and collaborate with Family Business Group in conjunction with its participation in STEP.
2. The Family Business Group agrees to participate in the research conducted by Institution in furtherance of Institution’s participation in the STEP Project. The Family Business Group has appointed [_____] as its representative (the “Representative”) to coordinate with the Institution in conjunction with the research and other undertakings hereinafter described; represents that the Representative is duly authorized to sign this Agreement on behalf of the Family Business Group; and represents that such signature authorizes Institution to communicate and correspond with the Family Business Group’s family members, officers and employees..
3. This Agreement is a condition of participation in the STEP Project and serves as an acknowledgment that the Family Business Group and the Institution understand and support the stated objectives of the Global STEP Project.

Under the terms of this Agreement and as described in the STEP Project literature provided herewith, the Institution and its designated researchers are authorized to conduct field research concerning the Family Business Group. The research methods may include the following: (i) reviewing public documents and private documents provided by the Family Business Group; (ii) conducting in-depth interviews with family and non-family stakeholders, affiliates and employees of the Family Business Group; (iii) collecting survey data from family and non-family stakeholders and authorized officers and employees of the Family Business Group; (iv) observing conversations during meetings or STEP educational summits (each, a “Summit”) and events. All documents, interviews, survey distribution, meeting attendance or Summit participants will be approved by the Representative prior thereto.

4. All Confidential Information that is collected from a Family Business Group through whatever method--documentation, interviews, surveys, meetings and Summit conversations, etc.--is intended to be used exclusively by the STEP researchers consistent with the purposes described herein. Any confidential, proprietary and trade secret information of Business Families and Groups

disclosed in the context of participation in the STEP Project is deemed to be "Confidential Information". Confidential Information includes, without limitation: (i) information in tangible form that bears a "confidential," "proprietary," "secret," or similar legend, and (ii) discussions relating to that information whether those discussions occur prior to, concurrent with, or following disclosure of Confidential Information. Confidential Information will be kept confidential with access to the data conforming to the STEP regional and global governance protocols. The Representative will oversee and control access to all Confidential Information.

5. The name of the Family Business Group will not be associated with the confidential data in the STEP Database. This data will be accessed by STEP researchers in keeping with the STEP Data Use Protocols. No public disclosure of or connection of the family name with the data within the STEP Database shall take place without the prior written permission of the Family Business Group through the Representative. Without such permission, the data can only be used and or published through statistical analyses, and or multi-company studies with coding and masking.
6. In situations when it is desirable to use the name of the Family Business Group, written permission must be granted by the Representative for a specific academic or educational deliverable or purpose. Examples of such exceptional use would include, but are not limited to (i) materials for Institutional, Regional or Global STEP Summits and educational events; (ii) written teaching cases or verbal examples for educational purposes; (iii) published academic papers or presentations; (iv) text books or other trade publications; and (v) popular press quotes or disclosures, (collectively, "Press Disclosures"). When permission is granted for public disclosure, the Representative will be given the opportunity to review the printed material to the extent possible in order to ensure it is accurate prior to publication. In particular, the Family Business Group retains an explicit right to disapprove any reference or publication of non-public financial information and data. While proposed Press Disclosures will be reviewed with the Family Business Group prior to release, the Family Business Group acknowledges that neither the Institution nor STEP is in control of the ultimate manner in which they are utilized.
7. In addition, the Representative's prior written approval by the Family Business Group is required for all public or printed use of the family's name, company logo, branded images, or pictures of family members and business leaders in conjunction with the STEP Project.
8. The term "Confidential Information" does not include any information which the Institution can demonstrate (i) was at the time of disclosure or thereafter generally available to and known by the public through no improper action or inaction by the Institution; (ii) was available to the Institution on a non-confidential basis from a source other than the Institution, provided that such source is not and was not bound by a NDA with the Family Business Group; or (iii) has been independently acquired or developed by the Institution.

9. In the event that the Institution becomes compelled by lawful process (such as interrogatories, subpoenas, or civil investigative demands) to disclose any Confidential Information, the Institution shall provide the Family Business Group, to the extent legally permissible, with prompt written notice so that the Family Business Group may seek a protective order or other appropriate remedy, or both, or waive compliance with the provisions of this Agreement. In the event that the Family Business Group is unable to obtain a protective order or other appropriate remedy, the Institution shall furnish only that portion of the Confidential Information which it is advised by its counsel is legally required to be disclosed.
10. No provision in this Agreement can be waived or amended except by written consent of the Family Business Group. The Institution agrees that the Family Business Group shall be entitled to equitable relief, including an injunction and specific performance, in the event of any breach of the provisions of this Agreement, in addition to all other remedies available to at law or in equity. If any provision of this Agreement is found to be unenforceable, such provision will be limited or deleted to the minimum extent necessary so that the remaining terms remain in full force and effect. This Agreement shall be governed by the laws of the [insert home country here], excluding conflicts of laws provisions, and shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. This Agreement supersedes all prior discussions and writings and constitutes the entire agreement between the parties with respect to the subject matter hereof.

EXECUTED as of the date above written.

Family Business Group

By: _____
Its _____,
Hereunto duly authorized

Institution

By: _____
Its _____,
Hereunto duly authorized

Appendix C: Within-Case Analysis

Appendix C-1. LTO in Barry's Tea - Sample Evidence

Futurity	Sample Empirical Evidence
Estimates the future	<p>From a family point of view there is a specific strategy which is growing wealth. In the future, this is not going to come from the tea business; it's going to come from the investments. So as a family that made a lot of money in tea, now we are diversified into shipbuilding, recruitment, media, TV, radio - all unrelated businesses to the tea business. (Aidan, non-family, Finance Director)</p> <p>From a new product development perspective, you need to be creating new teas. And we also changed our packaging of those teas. It is important how you display it on the shelf, that it is eye-catching because you want to make it stand out... if you don't make changes, this would be detrimental in the long-term. (Michael, non-family, IT Director)</p> <p>In the investment business, a long-term goal would be to have a very successful investment company...and completely diversify family wealth. In the tea business, this is the point where it all started and this would be my very first business, so I would like to see this go on from strength to strength over the years and generations. (Tony, 4th generation, MD)</p> <p>The decision to diversify was made to seek development opportunities to support the future growth. The maturity of the tea industry and the high competition in the market does not provide for significant growth opportunities. (Tony, 4th generation, MD)</p> <p>The long-term goals of the organisation are to keep the business healthy, keep the family happy, and build a large, good investment portfolio that diversifies the family risk and preserves their wealth. (Aidan, non-family, Finance Director)</p> <p>We find it's important to be active in this new market to us because it's what people are looking for and there are potential sales out there. It's very important to have a presence in there. Types of tea like the green tea and de-caff tea is driven by research a lot of articles in the paper relating to health benefits. (Michael, non-family member, IT Director)</p> <p>We have diversified the family interests but not the tea business interests. So now we have a tea business and an investment business where we invest in other companies; that is the strategy. (Tony, 4th generation, MD)</p>
Transgenerational control intentions	<p>I think it can be done with an outside managing director, it certainly can without a doubt, you can have an ethos with a strong chairman which is a family member and with family involvement on the board... Not only for the family but also for "the eyes of the buyers", which are the retailers; I think it's important that it is still considered a family run firm. (Donagh, 4th generation, non-executive board member)</p> <p>I think, my guess is that we would have another MD after me, not one of my sons, maybe for 8, 10, 12 years and maybe one of the kids will come in afterwards, but I don't know. (Tony, 4th generation, MD)</p> <p>I was the only one in my generation and Tony is the only one now, deliberately. I have seen too many family businesses where there are brothers and cousins fighting, dividing and changing. Small family firms cannot have two bosses. Sharing decision making at the start is a good thing but in the end one person must make the final decision. (Peter, 3rd generation, Chairman)</p> <p>We've gone through a major plan in the last four years regarding all the stepping back and transfer of shares which have already taken place. I think that's the thinking of where we are with investments for the next generation also. (Aidan, non-family, Finance Director)</p>
Continuity	Sample Empirical Evidence
Pursuit of an endurable mission and reputation	<p>Even my brother, who is abroad in Canada, would constantly meet people who would know he comes from the Barry's Tea family. This is the same with my brother in England or my brother in Dublin. (Tony, 4th generation, MD)</p> <p>I think the way the culture of the business has developed affects a lot of the family values. So you know, long- term thinking, treating people with respect, doing the right thing for</p>

	<p>people, or managing your reputation. A lot of that will come from the family and its now in the business. (Aidan, non-family, Finance Director)</p> <p>I'm 52, I definitely would be gone by 60 let's say. That's only 8 years, and I may be gone by 5 years, who knows? And this is the kind of family businesses that I would never be gone. (Tony, 4th generation, MD)</p> <p>If you open tea shops, you can't control quality. It might be giving the best tea leaf possible, but if someone is not making the tea properly the customers could say that is not [the high quality] Barry's Tea". (Peter, 3rd generation, Chairman)</p> <p>My father is a well-known politician. He was a particular type of politician, I know he is my father, but he was straightforward, honest, hardworking, and decent, trying always to do the right thing. That's the image that would have come across to the family, the family business and the products. Image is for everything, our name is on the box of tea, you pick up a box of tea and it says Barry's. (Tony, 4th generation, MD)</p> <p>Part of the reputation on the investments is that we are very discreet. The public wouldn't know that we invested in lots of different industries. That's part of the family culture, being discreet. If you were in politics, you can't really have it in the newspapers. (Aidan, non-family, Finance Director)</p> <p>We source the very best quality teas. The Irish are so good with the quality tea they like and they're getting the very top tea from Barry's. They know that by buying Barry's Tea, not only do they know Barry's, but they know it's high quality tea. You can't compromise on quality. (Denis Daly, Teaology YouTube Video)</p>
Desire to continue as a family business	<p>I do not see the business being sold to a non-family member (Donagh, 4th generation, Non-executive Board Director).</p> <p>I don't think the company would be sold outside of the family. I don't see that happening, you can see how the shareholding was done, just to reduce the likelihood of that happening. You can't tell the next generation what to do, but I guess if you build on what we are trying to do, there's less incentive for the next generation to want to sell the business. (Aidan, non-family, Finance Director)</p> <p>I'm the majority shareholder but my other siblings also have shares in the company. It's an important thing that it's not just me as it is difficult to transfer across generations and I am fourth generation now. (Tony, 4th generation, MD)</p> <p>It would have been expected that the eldest family member looked after the family business. Tony isn't the eldest, my sister is the eldest but she became an engineer... Tony, the second eldest, became an accountant, stayed in Cork and I think it was inevitable. I think it's one of our strengths, one of us in the business and not too many people involved in the company. Every other member of the family left Ireland for a period. Tony stayed in Cork; he did the accountancy exams and then went into the business. (Donagh, 4th generation, Non-executive Board Director)</p> <p>The company is more valuable to the family than anybody else. (Tony, 4th generation, MD)</p> <p>The family has never considered to change the financial structure of the business and make it public. It has always been maintained as a private family firm and it is not going to change. (Aidan, non-family, Finance Director)</p>
Value influences of the past	<p>I'm delighted that I trained Tony up to the standard and more actually. So there is someone there to continue where I left off. (Denis Daly, Teaology YouTube Video)</p> <p>My father was still alive and he was a very good judge of tea. So I tried to harness those qualities and use them while I could. We had a small shop in a place called Princes St. at the time and that's the only place I had. I actually told him we should expand because we had been doing very well. If you try to stand still you will fail. (Peter, 3rd generation, Chairman)</p> <p>The idea of quality is a strong value here and I think everybody understands that. The tea is important and we don't skip on quality. Quality has been an important value right from the start and it still is. (Tony, 4th generation, MD)</p> <p>There is a famous story about my grandfather where he would never sell tea to a big supermarket at a cheaper price than he could sell it to the local shop. (Donagh, 4th generation, Non-executive Board Director)</p>

	<p>There is a famous story about my grandfather where he would never sell tea to a big supermarket at a cheaper price than he could sell it to the local shop. (Donagh, 4th generation, non-executive board member)</p> <p>We emphasize quality and service. I remember I used to go around and check the customers and the shops, and a woman said to me one day “I like Barry’s service. If the Barry’s man is outside the door, I know it is 11:20 on a Tuesday”. (Peter, 3rd generation, Chairman)</p>
Perseverance	Sample Empirical Evidence
Cumulative effort	<p>A man that embodies all that is best about Cork people. Peter Barry sums up the very many great elements we have in our society and in our people. There probably is no family business that sums up Cork better than Barry’s Tea. We are very proud of that sense of tradition. (Councilor Murphy, Irish Times 2010)</p> <p>Ethics are incredibly important to Barry’s Tea. Just like we support our community at home, we believe in supporting the local communities we buy our tea from. (Barry’s Tea, 2015)</p> <p>We decided to maintain the quality of our products and prices despite drops in sales. We did not want our reputation and recognition in the industry to be affected in the long-term. (Tony, 4th generation, MD)</p> <p>Whilst my father was in the public life, he managed to keep the business going and marketed it in a hugely competitive arena: the retail and grocery market. To be able to come out and survive and to be able to size up with the leading brand is quite an achievement. (Donagh, 4th generation, Non-executive Board Director)</p>
Long-term rewards	<p>The strength is from a family point of view, in tea, you want to be set in ten years’ time so you want to make sure that you keep the market and your position healthy. So we would invest money with a long-term perspective and I think that’s a strength. (Aidan, non-family, Finance Director)</p> <p>We make investments in non-core activities through an investment vehicle. The investment vehicle is funded by the tea company but the tea company wouldn’t take any debt risks. And it is ring fenced in terms of any debt that might be here which there isn’t invariable. We make cash investments and they wouldn’t come back to the tea company. (Donagh, 4th generation, non-executive board member)</p>
Professionalisation of management	<p>I will have got a professional qualification before I came here I’m an accountant, charter accountant. I have a business degree in college, and then became charter accountant. I entered the business when I was 26, I think that’s important, absolutely no point of taking someone here when you are 18. I have a son of 20 years of age and another of 18, not that they want to come here but I wouldn’t allow them anyway. It’s not right, they don’t have any experience and one thing that we need as a company is outside experience, relevant experience on good people in here. (Tony, 4th generation, MD)</p> <p>Tony hired a new finance director who is also a chief executive. He is very good and has brought in a lot of corporate governance, marketing activities and outside experience. (Donagh, 4th generation, non-executive board member)</p> <p>We are getting more professional. I think we should stay professional and take a long-term view... one thing that we need as a company is outside experience, relevant experience, and good people. (Tony, 4th generation, MD)</p>

Appendix C-2. LTO in EPS - Sample Evidence

Futurity	Sample Empirical Evidence
Estimates the future	<p>All around Ireland what's required now is to upgrade your septic tanks. There are about 500,000 houses to be upgraded in Ireland. Every one of them is going to need a slightly different solution. We're going to come up with different types of products for different options and applications. (Patrick, 2nd generation, Deputy MD)</p> <p>I see EPS going global. I wouldn't say it aloud as sometimes the board people think I'm off my head. I see a day when we'll be half a billion-euro turnover. Probably not in our generation, but someone will take it to a billion hopefully. (Patrick, 2nd generation, Deputy MD)</p> <p>One of our strategies is to grow and acquire companies in the business areas where there is more money to be made. If you look at the mix of revenues and margins that is changing, every year it's changing. We have a 2020 plan which is to get somewhere between 120 and 150 million, and 5% net profit. And that's before we go do any acquisitions or even half of that. (Patrick, 2nd generation, Deputy MD)</p> <p>They [Premier Tech] are looking to grow in other areas where we are strong. At the level where we are at, at the moment, our focus is on business in the UK and Ireland. The next stage will be developing other aspects of their business in the UK market, along with us. But, also developing other markets that they need to focus on in particular – for instance Asia – if we want to develop larger contracting and water and wastewater treatment. (Patrick, 2nd generation, Deputy MD)</p>
Transgenerational control intentions	<p>I suppose the owner circle is quite small, it's only moved one generation away from where it is so it's still probably very tight. It hasn't come generations down yet, so I would think there is very little that goes on at this stage that the shareholders don't know about. It hasn't got to the stage where they're completely removed from it. The big thing going forward will be to get the shareholders agreement in place so that there is a safeguard there for the shareholders as it starts to move down. If you take myself and Patrick in comparison, I'm the only one in my family in the business whereas Patrick is one of four in the business. It will probably come to our family a lot faster than it will come to his family because they will have greater involvement as time goes on, whereas I'll be the one and only link for our holding in the company. (Denis, 2nd generation, Commercial Director)</p> <p>In 2008 we made a plan to hand it over to the next generation. Gerald was the first man to retire. He retired basically in line with what we agreed, maybe three or six months longer, but basically as expected. And then the plan is to continue with the rest of us so that by next year there will be a new management and the old ones are absolutely wiped out. (Tadhg, 1st generation, Managing Director)</p> <p>The shareholders' agreement is probably a big hurdle that needs to be crossed and needs to be put in place for the protection of the shareholders. (Denis, 2nd generation, Commercial Director)</p> <p>We might not come up with a family council but I would think something like a salary committee or wages committee because when you have too many family members involved it can become personal. That's going to be a source of contention within the family that needs to be removed. Any of those dynamics that can be removed need to be removed to take the decision-making away. I think the fact that the board has been spread across a mix of family and non-family is a good thing. (Denis, 2nd generation, Commercial Director)</p> <p>We need to bring together the shareholders, the board, and I would suggest also my uncles and aunt (1st generation) and my other two brothers who are not involved on the board level but who are potentially going to be shareholders, as they should be here. And my two uncles and my aunt might decide to bring in their children. We will go offsite somewhere in a hotel. (Patrick, 2nd generation, Deputy MD)</p>
Continuity	Sample Empirical Evidence
	<p>Around 1969/70, John wanted to get into insurance. He always said he would like to work in insurance, so it was decided then by him to do so. And I suppose from there on it grew</p>

<p>Pursuit of an endurable mission and reputation</p>	<p>into a family business. I was involved, Tadhg was involved, Billy, our eldest brother, he was always there helping with the machines. (Paddy, 1st generation, Co-founder)</p> <p>Gerald Buckley, who is the ex MD, made one or two very big decisions in his career which took EPS from being a company that sold pumps to the local farmer to what we are now. His sons are now looking for something that can set them apart. (John, non-family member, Large contracts Director)</p> <p>I always had an interest in coming back into the family business at different stages. For instance, when I came back from Australia there would have been a natural juncture to come back in but I felt I didn't have enough experience outside. From my own perspective I would have preferred to wait until I wasn't working for my father. I didn't have a problem working with my father but I just felt it would probably be healthier if we weren't. I felt I could get more experience elsewhere and also bring that experience in. (Denis, 2nd generation, Commercial Director)</p> <p>I believe that in the remaining family now, apart from the Managing Director, Tadhg who's sort of the last of the old guard, there's a pressure from the younger set to create an equally big entity from where they left off. (Barry, non-family member, Operations and Maintenance Director)</p> <p>Our role now is to build something special with what has been given to us by the original first generation team. (Patrick, 2nd generation, Deputy MD)</p>
<p>Desire to continue as a family business</p>	<p>Dealing with the succession—it's with the family as they want to stay 100% within the family. We [non-family board members] are not involved. (John, non-family member, Large Contracts Director)</p> <p>I got involved initially working every summer. Since I was very young I used to come in with my father and my uncle Paddy on a Saturday or on holidays. Then we got old enough coming every summer and working every summer in different parts of the business... At the time environmental science and technology was new, a bit innovative as a course. So I went to college and I developed then an interest in science and wastewater treatment and water treatment. So then every summer I worked here in different roles, which were more suited to the course I had done. (Patrick, 2nd generation, Deputy MD)</p> <p>I want to be able to sit back and at 60 [when] I'm retired and say 'I enjoyed that, we took it [the family business] and we transformed it'. I want to transform it. We have the potential to take it from a 70 million to at least 500 million I think. When I'm 60, I want to be able to look back and say 'we did it, we transformed it from that to that, it's someone else's job now to take it on'. (Patrick, 2nd generation, Deputy MD)</p> <p>I worked in politics from 1999 to 2009. So, I would have worked in the business and I was a public rep for those 10 years. In 2009, then I took the decision not to go any further in politics. I pulled out, and I decided to focus on the business then. At that stage, I was the sales and marketing director. My father was just about to retire and I was replacing him on the board. (Patrick, 2nd generation, Deputy MD)</p> <p>Liam Sheehan, who was with the company for 20 years or more, was a director but never once was there any offer of shares for him, even though he was one of the top three people in the company and was a hugely loyal guy and a very competent, able person. Never once was there was an offer whereby shares could be issued. (Tom, non-family member, Auditor Advisor)</p> <p>My father would have had an ambition to try and get us in here and work in the company so that we can progress. (Patrick, 2nd generation, Deputy MD)</p> <p>Patrick is the real hard goer within the organisation now. And we are of the opinion that we have a very, very strong management team. (Tadhg, 1st generation, Managing Director)</p> <p>When EPS was growing up, our intention was that, hopefully, there would be jobs here for them [children]. (Paddy, 1st generation, Co-founder)</p>
<p>Perseverance</p>	<p>Sample Empirical Evidence</p>
<p>Cumulative effort</p>	<p>The business is a number of separate entities. When we need to, we come together but from a design, build and operate perspective they are separate. My area [operations] has its own budget to meet. Due to the long-term nature of the business, it's probably better off that the design and build business itself should almost serve the operate business; in</p>

	<p>the sense that when we are going for a tender it might be beneficial not to seek the margin on the design and build element, but to make sure that you win the operate element of it so you have secured it for the long-term. It is very difficult to make money on building plants, but you make money operating them. (Barry, non-family member, Operations and Maintenance Director)</p> <p>To some extent the biggest thing that has happened in their industry, obviously, is the creation of the Irish Water Board which will have a huge impact on the awarding of contracts for water treatment plants and that kind of thing. It's difficult enough to see what will happen there. They're pretty confident that they're well established now, they have a good reputation and they'll do well within a new context. (Tom, non-family member, Auditor Advisor)</p> <p>We are investing money back into the business. We got paid for our 70% of Conder that we sold. Every bob we got paid we spent it on the business. We have been investing in it for the last five years. (Patrick, 2nd generation, Deputy MD)</p> <p>Well, they went from small water treatment plants for farmers and small industries and so on to these big community schemes and local government schemes, involving not just the installation but the maintenance contracts over I would say a 20-year period, which are seriously profitable. (Tom, non-family member, Auditor advisor)</p>
Long-term rewards	<p>Since 2008, we have become very active in the UK market both in the water utility sector and through our acquisition of Conder Environmental Solutions. Combined, these new growth areas are providing an important platform for the future growth and sustainability of the business. Significant progress continues to be made in a number of key areas including R&D, our Environmental, Health and Safety and Quality Management Systems, as well as our energy and carbon reducing initiative. (Tadhg, 1st generation, Managing Director)</p> <p>Some of the relations we're developing now are setting us up for big growth and opening up more opportunities for going in other direction. (Patrick, 2nd generation, Deputy MD)</p> <p>The lean transform programme for EPS is a key component of ensuring ongoing and future success for the company and job security for our 275 employees, their families and our wider supply chain. (Denis, 2nd generation, Commercial Director, Irish Independent 2014)</p> <p>This endorsement [SEAI] is further recognition of our ongoing efforts to develop cleaner technologies and solutions, which reduce energy consumption and increase efficiency. Our vision is to become the most sustainable company in the industry, providing energy efficient and innovative cost-saving water solutions globally. (Patrick, 2nd generation, Deputy MD)</p>
Professionalisation of management	<p>Eventually they [Betty, Paddy, Tadhg and Gerald] got to the stage of needing an internal full-time accountant. I interviewed accountants for them and they appointed Liam Sheehan as their full-time internal accountant. That was the first time that anybody from outside the family was involved in a managerial role. (Tom, non-family member, Auditor advisor)</p> <p>He [Technical Director] brought it to a new level, he introduced a totally new dimension. They started to think on a national basis rather than on a regional basis...He got them great connections in government and in local government and in bigger companies in the same industry in the UK. He was well connected with these people and he really brought another dimension to it. (Tom, non-family member, Auditor advisor)</p> <p>He [Technical Director] was the only one who ever got shares and that was part of his pre-condition for joining—that he would have an option to buy shares, so he holds about 10% of the shareholding. (Tom, non-family member, Auditor advisor)</p> <p>I did a course in IT Sligo, environmental science and technology; it was new, a bit innovative as a course. It fitted with the business, that was part of the reason why I did it. (Patrick, 2nd generation, Deputy MD)</p> <p>Patrick is more open to bringing in new talent and to the idea that the talent that is within the company should be recognised and rewarded accordingly. (Tom, non-family member, Auditor Advisor)</p>

Appendix C-3. LTO in Flahavan's - Sample Evidence

Futurity	Sample Empirical Evidence
<p>Estimates the future</p>	<p>I think a longer term position might be best by looking at what we are good at this year and continuing to improve in terms of our core business, which is the production of our products and then looking to export it abroad. (John, non-family, Sales and Marketing Manager)</p> <p>I think the business is going to face internal and international market pressures as we move forward. Therefore, international float is going to be an important part of our future. I think we have something special here, which is a unique product that tastes different to others and that's non-perishable, and those kind of components give you the opportunity for exporting, maybe in a way that you can't do with fresh products or other types of products. There is an opportunity for us to see if we can exploit that export opportunity going forward. (John, non-family, Sales and Marketing Manager)</p> <p>We are actually in the process of putting in a warehouse management system here... we have an outsourced IT provider to go and get it set up. We are investing capital for the long-term, especially in the warehouse. With the warehouse and racking, new forklifts and stock management system, all that is fairly costly. We would be looking at that as a long-term investment. (Annie, 7th generation, Financial Controller)</p> <p>We are looking at all the areas of growth. One area is growth through export products; this is a strength we are working on. We're trying to increase exports as a percentage of our business so that we're not under the control of the three multiples in the country that we have at the moment. (James, 7th generation, International Business Development Manager)</p> <p>We're under probably a lot more pressure at this point in time with lots of private labelled offerings. Oats have been growing in market but if you're in the growing market, others will want to get there as well. But, I would certainly say that we're not going to be still, we want to go for growth. I would always look at these things like you can never stay still, whether you go forward or you go backwards. You know, there's no staying where you are. So, I'd certainly say we want to go forwards and not backwards. (John, 6th generation, CEO)</p>
<p>Transgenerational control intentions</p>	<p>We need to hurry with the succession planning per se... James, next generation, is working in marketing at the moment, he's working in packaging and artwork and he's dipping into operations. I think he is getting a good round feeling for lots of different aspects of the company, I think the more departments he's running, the better. (Margie, non-family, National Account Manager)</p>
Continuity	Sample Empirical Evidence
<p>Pursuit of an endurable mission and reputation</p>	<p>Given that the family house is across the road, we would have been working here pretty much every kind of holiday time, whenever we were out of school: summer holidays, Christmas, Easter, etc. There was always a job in the mill to be done that was kind of saved for when we were off-school. We would have always been involved in the business from the age of about 12, 13 up through school, through college, our whole life. (James, 7th generation, International Business Development Manager)</p> <p>If you have a look at the oats package, Dad's signature is at the front and at the back. (Annie, 7th generation, Financial Controller)</p> <p>It could affect our brand in the long-term, and that's our reputation. (Annie, 7th generation, Financial Controller)</p> <p>Near the warehouse building there's another old shed with real nice stonewalls. It hasn't been used for years so we would need a new roof and insulation and everything. But we are thinking of making that into a visitor centre or something like that. We could include a little shop there as well. (Annie, 7th generation, Financial Controller)</p> <p>Our reputation as a family business is definitely in this area, around Waterford and Munster. But then, I don't know if people would know the family further than that. This is one of the things that John Noonan (Sales & Marketing Director) is developing. A</p>

	<p>marketing strategy to draw more people's attention to the family business and the community. (Annie, 7th generation, financial controller)</p> <p>You feel kind of personally responsible to the family, you know, and it's very much family. If I'm anywhere promoting the brand I use John and Mary Flahavan as examples, I use them as merchandise. People loves that there's a real Flahavan behind the brand. It's a family business, we are into our sixth generation and James and Annie are the seventh. That's all our marketing. (Margie, non-family, National Account Manager)</p>
Desire to continue as a family business	<p>Dad would not want to let it get out of the family. It is part of the family history and has been for a number of generations. It would let down the family. (Annie, 7th generation, Financial Controller)</p> <p>He (James 7th Generation) would have not come back from a high flying job to work here if he didn't have the aspiration to take over the business in the future. (Margie, non-family, National Account Manager)</p> <p>I joined the company recently [2012] after returning from Australia. However, I have always been involved. Our house is beside the mill and we all have worked there in summer jobs, we were always involved in what was going on with the business; even when I was in Australia, I was receiving all the emails about what was going on with the family business. (Annie, 7th generation, Financial Controller)</p> <p>I will be looking at the children that are working in the business maybe having more of the shareholding [than those not involved]. I'm not quite sure what the best way is. In your heart, you give them all the shares of the business and the active ones buy the inactive ones out over time. (John, 6th generation, CEO)</p> <p>John and the children see the family business as something that is passed to them and they are going to take care of it, they are going to improve it and pass it on to the next generation. (John, non-family, Sales and Marketing Manager)</p> <p>My cousins then decided to get out [of the business] and my brother followed by saying he wants to get out as well. That was quite a shock to me. I didn't want to get out of the family business, having been run for five generations. (John, 6th generation, CEO)</p>
Value influences of the past	<p>He has letters going back 300 years like there's filing cabinets there that are just – doesn't --- led to your bookshelves like, you know, he is going to augment Flahavan's business interests on stage, you know, a museum of all the old stuff like that which I think there is an opportunity for his business recently here. (Margie, non-family, National Account Manager)</p> <p>It's great to see that 100 years ago my great-grandfather was growing oats for Flahavan's and I'd really hope to see that in maybe another 100 years my great-grandchildren are growing oats for them as well. (Long-time supplier, RTE, 2011)</p> <p>They like to employ local. There are lots of relatives of relatives who work here... families within families. It is all Kilmacthomas people. (Margie, non-family, National Account Manager)</p>
Perseverance	Sample Empirical Evidence
Cumulative effort	<p>It's always been like that. Even back in those days [early years], we would have had very loyal and long-term staff and we would have been employing local people. We always kept the traditional element as well. We are hiring local people and getting the oats from local suppliers, mostly within a hundred-mile radius. (Annie, 7th generation, Financial Controller)</p> <p>Sustainability is very important to us and what we have noticed over the last five to ten years is that business-to-business and business-to-consumer customers are realising the importance of the sustainability part of the business. (James Flahavan, Irish Food Magazine 2014)</p> <p>We are going to persevere and we're going to try and explore as many countries as we can... I think there's a lot of room for the business to grow whether it be into energy, whether it be into new variance, new products, whether be to new markets or whether be diversifying to cold cereals. (James, 7th generation, International Business Development Manager)</p>

	<p>We feel that this is part of our DNA. We feel that the sustainability factor is an integral part of the way that we go about our business. (James Flahavan, Irish Food Magazine 2014)</p> <p>We will soon be installing a turbine in the mill. The turbine will add to our credentials as being an environmentally friendly producer in conjunction with our water turbine and our oat husk burning boiler. (John, 6th generation, CEO)</p>
Long-term rewards	<p>The family takes a long-term financial approach. That's the good thing about working with John [CEO] and the company. John is very patient in terms of expecting a return. If he sees that some new idea has a payback in a couple of years then he's quite content to support that. The other great thing about him is that he doesn't panic. (John, non-family, Sales and Marketing Manager)</p> <p>The old building is ancient and with that comes a lot of difficulties in production and meeting quality standards and stuff like that but lately there has been huge money 'going up the yard', as I call it, and we just built a fabulous new warehouse which is the biggest thing Flahavan's has done in a long time. It's one point something million and the best forklift in the world is going in there. (Margie, non-family, National Account Manager)</p> <p>We are long-term oriented. (Annie, 7th generation, Financial Controller)</p> <p>We have invested one point something million and it is going to be the best forklift in the world. I think that's the influence of being in the family business, like James says: 'Look it's more fun investing in this forklift for the long-term'. (Margie, non-family, National Account Manager)</p> <p>We sell in the UAE, in a number of stores around Abu Dhabi. It's not traditionally a hot cereal, oat eating country, so there is a little bit of work that needs to be done there, but one of the benefits of eating oats is how full it keeps people for longer. (James, 7th generation, Irish Food Magazine)</p>
Professionalisation of management	<p>I did the accounting qualification and then as soon as that was done, I took off to Australia I was due to go travelling just for a year but I ended up staying 6 years in Australia. So, I worked there for about 5 years for a telecommunications company in the Finance area.... Here I'd be trying to improve things, having seen really high tech systems [where] everything's computerised. (Annie, 7th generation, Financial Controller)</p> <p>I suppose in terms of the business, looking back on it I'd say it would have been better to get some outside experience. And I suppose that's my plan since then as well. No one should go back in directly. So, Annie and James have both got experience in other fields in other countries. (John, 6th generation, CEO)</p> <p>James did civil engineering and then he did Masters in constructive finance and then he went abroad to work, to London. After he came back. (John, 6th generation, CEO)</p> <p>The infusion of professional management into the business in the late 1990s formed a critical element in Flahavan's success. In 1997, John Flahavan recruited an experienced marketer, John Noonan, as the firm's director of marketing</p>

Appendix C-4. LTO in Glennon Brothers

Futurity	Sample Empirical Evidence
Estimates the future	<p>I've been working with Michael very closely for a long time. Mike has had this vision of growing the company. Fifteen years ago, Michael said, "we have to be at 100 million turnover". We're now nearly at 100 million turnover. And I don't see them stopping there, they will do something more. (Declan, non-family member, Sales and Marketing Director)</p> <p>It's now up to the processor to ensure the timber wealth of our forests will generate economic growth. We need the cooperation of the state forest company to ensure ongoing continuity of supply to increase their share of the home market and to prepare for large future potential. (Paddy Glennon, Longford Leader 1990)</p> <p>Mr. Harrison [Windymains' previous owner] was a hard businessman. We knew this is the one kind of development for us...we bought Windymains Timber in 2005, which is our first step into the single day export. That business was very successful for us; it was making money from day one and [it] was in 2005 when the construction industry was going stone mad! Basically we couldn't get enough logs. (Pat and Mike, 3rd generation, co-CEOs)</p> <p>My father was a particularly insightful man and a real leader. He thought about the industry, not just the business. He looked at things from an industry perspective, not just from the perspective of how Glennon's can survive. He thought beyond the insularity of Irish and local businesses. (Billy, 3rd generation, Non-Executive Board Director)</p> <p>The first acquisition happened in 1998. That was probably our first big move, and I would say it was the biggest move the company has ever taken. It was at the time that the business was the most explorative. (Pat and Mike, 3rd generation, co-CEOs)</p> <p>There were only two growth areas for spruce log supply in Europe, namely Russia and Scotland, so we thought we would give Scotland a shot first. (Mike, 3rd generation, co-CEO)</p> <p>We are at approximately 100 million turnover now. The next jump for acquisition for us would be a significant one; it just means we have to get structures in place so that we can grow the business as fast as we can. (Pat and Mike, 3rd generation, co-CEOs)</p> <p>You must keep your production up. So then when the real economic downturn came in 2008, Mike looked at France. We had even exported to Japan (Irish timber was shipped to Japan and Korea for the construction of traditional houses). (Gerry, non-family member, Forestry Manager)</p>
Continuity	Sample Empirical Evidence
Pursuit of an enduring mission and reputation	<p>I have inherited the responsibility of the family here and it is a huge moral responsibility. (Pat, 3rd generation, co-CEO)</p> <p>Our family silver is on the line and when my family money is on the line I am going to be involved in shaping it. (Pat, 3rd generation, co-CEO)</p> <p>We have got really close ties with Longford. I grew up playing around the mill, getting caught on saws and all of that. In the same way the farmer's kids grow up in the field. This generation of kids don't have that experience. Michael's kids are in Dublin, mine are in Dublin, Pat's daughter Andrea is in Longford. So how we deal with that, or how the guys deal with that, is going to be an important question; the succession planning questions. (Billy, 3rd generation, Non-Executive Board Director)</p>
Desire to continue as a family business	<p>Maintaining the family ownership would be a priority of the process. (Billy, 3rd generation, Non-Executive Board Director)</p> <p>My father gave the other parts of his wealth to my sisters as his gesture of spreading it; but he was pretty clear that he didn't want to disperse the shareholding of the business. He and I had conversations about possibly making non-family members directors and even shareholders. But that's one of the things about family businesses. He was very protective about the ownership and Pat and Mike, particularly, are very protective about the ownership staying within the family. (Billy, 3rd generation, Non-Executive Board Director)</p>

	<p>Pat wanted to get into the family business and he did straight from school. In the case of Mike, my father was pretty clear he wanted Mike to be in the business but not the same as with me. When Mike finished university, he got an offer to work in a pharmaceutical company. Mike was thinking of going to get a couple of years of business experience. However, my father put a lot of pressure on him to join the family business straight away, because I think he was concerned that if Mike went and started working for another company, then his career would take that direction. So I'd say my father was quite strategic; he was thinking about succession a long, long time before probably we were. (Billy, 3rd generation, Non-Executive Board Director)</p> <p>The other thing that my father did, which is interesting, is the way that he set up the shareholding of the business. He basically said: "Look, Pat and Mike are in the business, and you've got a different style to both of those guys. My big fear is what happens if the two guys fall out over time?" So he constructed the ownership in a way that my shareholding was the balancing shareholding. (Billy, 3rd generation, Non-Executive Board Director)</p> <p>The succession thing we haven't talked about yet. I have thought about it a little bit and I'm not afraid of the conversation. I know I won't live forever and I want to hand the business over to whatever mechanism or person that eventually comes up with a position that is the right solution for the business. The family is very important; it is great for the business. The business has to stay here and it will provide a great livelihood for the family going forward. (Pat and Mike, 3rd generation, co-CEOs)</p> <p>We would like to see our business continue within the family. We are totally biased toward a family business because it says "we care more". (Pat and Mike, 3rd generation, co-CEOs)</p>
Value influences of the past	<p>Longford defines something central about the business, and I think that's why the sponsorship of Longford [GAA] made so much sense to all of us. (Billy, 3rd generation, non-executive board director)</p> <p>The amount of extra timber that we would sell resulting from sponsorship of the county would be zero. But it's kind of about responsibility to Longford. Here is where our parents came from and we wanted to do something to mark the contribution of all of the people that worked in Longford. (Pat and Mike, 3rd generation, co-CEOs)</p> <p>They're very passionate about what they do here because of the connection with the family. (Declan, non-family member, Sales & Marketing Director)</p> <p>We took over the sponsorship of the Longford GAA. And even when Michael referred to us and worked in the press it comes up as current company background. You know, it was always the message was, in recognition of the enormous contribution of many people from the county, Longford. Over the 100 years we became its sponsors. There's definitely the historical and emotional baggage there that goes a long time. (Declan, non-family member, Sales & Marketing Director)</p>
Perseverance	Sample Empirical Evidence
Cumulative effort	<p>In 2004, a major fire burned the Longford plant to the ground overnight. In that period, we were 'up to here' with our borrowings because of the Fermoy plant and we didn't know what we were going to do. We approached the workers the next morning and we had to ask 30 people to relocate to the plant in Fermoy so we could run it on a double shift. And we got 30 guys to relocate and in that year we only dropped our sales to 5% after losing half of our production. So it was testament to the people that we have in our organisation. (Pat and Mike, 3rd generation, co-CEOs)</p> <p>It was really, really difficult managing the people and moving people to the new plant. The banks had agreed a 20 million loan for the new plant and next the fire happened so we were very exposed/vulnerable for the first month or two. They were really critical moments. I suppose Pat and I would have been very aware of it, "watch this carefully because if you do something wrong, the whole thing goes wrong". (Mike, 3rd generation, Co-CEO)</p> <p>My dad always used to say, "10% is inspiration and 90% is perspiration" and that's what we have followed over the years. (Mike, 3rd generation, co-CEO)</p>

	<p>They came to Fermoy with a plan and they came with the right attitude. They told us at the start, we are investing in this plant, we can see the potential for growth and expansion. They spoke to every man on the floor and told us this is where we are and outlined where they intended to go. They told us we have a future together and we want you to be part of the team on this journey. (Fermoy worker, Glennon Brothers One hundred years a growing 2013)</p> <p>He would go to the Hanover Fair every year, and he would go on at least one or two trips to Canada, the US or Sweden to seek opportunities. He cultivated relationships with the people in those countries, and he pushed himself to do that. You know one of the things that we say about leaders is that you need to live in a tension between being part of your community, a community of the business and being able to stand outside your community. (Billy, 3rd generation, Non-Executive Board Director)</p> <p>We are dealing with the same customers for more than 11 years. People come and people go and then you just start of again and build the relationship and stuff like... that will be one in Mike's key strengths that will be very good at building relationships with his key customers and he will put enough of the time effort into doing that he would say look if that that guy wants to meet me, I will meet him at 6 o'clock tomorrow, 7 o'clock tomorrow, 8 o'clock tomorrow I will give him as much time as he wants especially in the early stages , to build up that level of trust. (Declan, non-family member, Sales and Marketing Director).</p> <p>When we made the decision that we were going to invest the money, I decided we'd move. I moved down to Fermoy for two years with my wife who was a schoolteacher. I got her trained up in IT, we were going to make a major jump at technology. None of these guys knew the first thing about technology. So we got her to do a course in the local vocational school and help the staff here. (Pat, 3rd generation, co-CEO)</p> <p>When we moved to Fermoy, my wife had to stop her job. Furthermore, we adopted a child at that time. It was hard on her because I was gone all day. Hopefully now we reap some of the benefits of those sacrifices I've made along the road. (Pat, 3rd generation, co-CEO)</p>
Long-term rewards	<p>And about two months later then we said "Look it we're going to invest money in it now with the HR problems" So we then put together a business plan, a really, really detailed business plan and borrow the money from the bank to invest in this acquisition. (Pat and Mike, 3rd generation, co-CEOs)</p> <p>Investments here are big. There are millions spent. You can't do that in the short-term, you will not win from the short-term. You have to think long-term. (Declan, non-family member, Financial Director)</p> <p>They don't want to make decisions just in the short-term. It's not like a public company where you need results say in three months. It's more the case that the right decision is constantly made and the time frame is taken out of it; it's more of a long-term perspective. We are also about long-term relationships. (Declan, non-family member, Sales and Marketing Director)</p>
Professionalisation of management	<p>The brothers' desire to succeed and grow their family business can also be observed in their attitude towards the professionalisation of the firm. When Glennon Brothers acquired Adam Wilson and Sons in Scotland, they secured their first non-family top level manager, David Rodger, to oversee Glennon Brothers' Scottish sites. David's vast experience included overseeing the building and implementation of a new sawmill for a major Scottish company: I'm a great supporter of the Glennons. I've worked for a number of family businesses and saw how they evolved. And to be a family business is I think it is a great strength. But also, if you want to move it on, you need to manage the structure. (David, non-family member, Scotland Business Manager)</p> <p>We are at approximately 100 million turnover now. The next jump for acquisition for us would be a significant one; it just means we have to get structures in place so that we can grow the business as fast as we can. (Pat and Mike, 3rd generation, co-CEOs)</p>