

Navigation of the Paradoxical Landscape of the Family Business

Within the family business domain, there is increasing acknowledgment that family businesses are organizations driven by paradoxes (Casprini, 2017; Garcia et al., 2019; Konopaski et al., 2015); with the negotiating of complex paradoxes or “two desirable (and seemingly opposing) options” (Shuman et al., 2010: 1), an imperative to successfully managing a family business. The paradoxical tensions in family businesses originate from the juxtaposition of competing yet complementary systems of family and business (Basco & Perez-Rodriguez, 2009). Family business entities represent a unique context, whereby familial ties (Zellweger et al., 2010), family goals and values (Kotlar and De Massis, 2013), differing family business governance approaches (Neubaum et al. 2017), family dynamics influencing the business succession (Helin and Jabri, 2016; Hytti et al., 2016; Lam, 2011) and non-rational decision making (Davis & Tagiuri, 1989) intersect. Moores and Barrett (2002: 32) argue “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”. As such, family businesses are inherently paradoxical, and tensions, such as tradition versus change, family liquidity versus business growth, and founder control versus successor autonomy, can both inhibit and foster sustainability, performance and entrepreneurial behaviour (Ingram et al., 2016).

Indeed, Chrisman et al. (2015) has noted the presence of the ability and willingness paradox in regard to family firm innovation. Furthermore, Zellweger (2013) theorized about the importance of the controlling family collective mindfulness (i.e., the ability to use paradoxical thinking in order to find synergies between the business and the family) in understanding the consequences of family involvement. In another study, it was indicated that professionalization in small medium family firms can increase risk-taking activity that fosters greater financial performance results, yet these structures may hinder the entrepreneurial efforts that lead to such risky opportunities (Naldi et al., 2007). In addition, as suggested by Gómez-Mejía et al. (2007), family firms are committed to preserving their socioemotional wealth even if their preservation efforts threaten poor performance. Marshall et al., (2006) found a number of paradoxes with reference to family firm CEOs and succession planning. There also exists learning paradoxes that are characterised by “a struggle between the comfort of the past and the uncertainty of the future” (Lewis, 2000). Unlearning is a paradox in itself when “out of such unlearning, real knowledge does develop and grow” (Brew, 1993: 88). Indeed, many strategies for change fail because family businesses are unable to manage the paradoxical tensions that exist between exploring novel ways of business and exploiting long held assurances (Gabriel Cegarra-Navarro et al., 2011). Accordingly, gaining a more nuanced understanding of how paradoxes work in family businesses, a context rich in tensions and competing forces is of paramount importance (Covin and Slevin, 1989). While all businesses must learn to cope with conflicting situations, family-owned businesses face unique paradoxes that must be managed carefully so that business success is not jeopardised (Moores and Barrett, 2002). In fact, the management and navigation of such paradoxes is critical for the long-term survival and longevity of family businesses.

The Focus of this Special Issue

It is well recognised that one of the key driving ethos amongst family businesses is the transfer of transgenerational value to future generations (Chua et al., 1999). Indeed, the management of inherent paradoxical tensions is at the crux of the successful transfer of such value; however, the process of managing these paradoxes remains a ‘black box’ within the family business research domain (Nordqvist et al., 2014, Zellweger, 2013). The impetus of this special issue is

to enhance our knowledge and understanding of the distinctive, paradoxical landscape of the family business. In particular, we investigate the strategies used by family businesses to manage such tensions and navigate this landscape where numerous paradoxes relating to family businesses have been identified. Although recognising that the family business domain is a well-rehearsed research area, our understanding of paradoxical tensions within a family business, their antecedents, consequences, and dynamic processes, is still in its infancy. This special issue contributes to this research gap by improving our understanding of three important questions of major academic interest: (i) how do successors cope with the paradox of control and autonomy by managing ambivalent emotions stemming from role conflict? (ii) what role does the advisory board play in managing the tensions as paradox in non-family CEO succession? and (iii) how can family business leaders manage paradoxical tensions within and between family and non-family members? The articles submitted to the special issue attempted to answer these and related questions; three articles which made it through the rigorous screening and reviewing process are summarised below.

In order to set the scene for our special issue, we invited Barrett and Moores to give a commentary on the paradoxes, priorities, and pathways inherent in the family business context. Specifically, they return to their seminal 2002 book, *Learning Family Business: Paradoxes and Pathways*, which identified the ‘what’ and ‘how’ of paradoxes confronting prospective family business leaders and in doing so offers guidance on how to navigate these special complexities through the 4Ls framework. Spanning eighteen years, their commentary comprising a systematic literature review of 203 items identifies confirmations and deficiencies in the 4Ls framework; with identified deficiencies providing the basis for rich future research opportunities. Interestingly, and importantly for extending our understanding of paradoxical tensions in the contemporary family business context, Barrett and Moores link the 4Ls model with other areas, frameworks and issues both ‘inside’ and ‘outside’ of the domain. In doing so, they provide new, mutually informative research questions, conceptual framework extensions, and novel approaches to empirical investigation. Learning pathways extensions ‘inside’ the model include learning between phases and the potential for synergistic benefits by combining learning phases. Whilst, learning pathways ‘outside’ the 4L framework include effectuation and new venture creation, successor commitment, and successors’ strategic narratives and institutional logics.

Summary and Overview of the Papers

Emotions in a family business are often heightened due to the unique juxtaposition of business logics with family orientated values and aspirations (Alsos et al., 2014), with such emotions having a ubiquitous influence on strategic outcomes (Kellermanns et al., 2014). Indeed, decisions driven by emotions may subvert the rational approach resulting in sub-optimal outcomes with a negative effect on the family firm. Therefore, an understanding of paradox and emotion management in family business is timely and of central importance to this special issue. The article by Radu-Lefebvre and Randerson provides insights to our first question - how do successors cope with the paradox of control and autonomy by managing ambivalent emotions stemming from role conflict? Drawing on 21 interpretive case studies of French family businesses, this study theorises how, why and with what outcomes successors manage the paradox of control and autonomy surfacing as role conflict through emotion management strategies. In so doing, Radu-Lefebvre and Randerson highlight the types of ambivalent emotions stemming from role conflict during successor selection and installation. The article contributes to our understanding of how successors deal with ambivalent emotions during successor selection and installation by questioning why successors use different emotion management strategies and their underlying emotion management motives and by explaining

the nuances of the outcomes of the successor's emotion management strategies and ambivalent emotions.

Effective talent management is increasingly being seen as competitive imperative for both family businesses and their non-family counterparts (Groysberg and Bell, 2014). A key element of such strategies, especially significant within the family business context is the selecting of individuals based on merit, and thus navigation of the nepotism and meritocracy paradox (Jaskiewicz et al., 2013). Accordingly, an increasing number of family firms are selecting nonfamily CEOs for the highest executive office positions. However, the appointment of a nonfamily CEO may give rise to tensions that need to be managed for effective work relationships between the nonfamily CEO and the business family. Helvert-Beugels, Flören and Nordqvist address our second question - what role does the advisory board play in managing the tensions as paradox in non-family CEO succession?, through their three year longitudinal investigation of non-family CEO succession. This in-depth investigation identified tensions arising in four specific areas after the transition from a family to a nonfamily CEO, namely: professionalization, collaboration, resource allocation and role transition. In so doing, it advances current understanding by underscoring the role of the advisory board in supporting family owners in building effective "work" relationships with the nonfamily CEO, which makes the tensions salient and possible to navigate. Furthermore, it illustrates by whom and how the different tensions are managed, i.e., through changes in behaviour and/or through changes in the underlying subsystems of the family firm.

Our third paper by Allan Discua Cruz explores an important topic for family business research, that of corporate social responsibility (CSR) and paradoxical tensions emanating from family and non-family members in their decision to disclose socially responsible initiatives. Specifically, it addresses our third question - how can family business leaders manage paradoxical tensions within and between family and non-family members? Using a longitudinal single case study from Honduras, the article examines the assumption that CSR in a family business is tension free and driven by the family's desire to preserve social standing and reputation. As evidenced in its findings, the family-non family dynamic is a very fragile topic, weighted with contradictions, often around business and personal rationales. By applying a reciprocal stewardship perspective in the CSR field, this research extends our understanding of the pro-organisational behaviour of family business leaders, and offers an alternate explanation of how to reduce agency tensions and CSR reporting in family firms. Furthermore, there is an assumption that CSR research findings from the developed world can be replicated internationally. However, this fails to reflect the cultural, institutional and geo-political environments of developing world contexts (Jamali and Karam, 2018). By investigating CSR practices in a Latin American country, this article helps to shed light on the nuances of CSR in a developing world context and thus also increases our understanding of the heterogeneity in the family business context (Chua et al., 2012).

Some Reflections and Recommendations

As you read the three papers of this special issue it should be evident that the family business organisational form is built on paradox. Reflective of ever changing societal, cultural, and institutional norms, family business leaders will face paradoxical tensions previous generations could not have envisaged. The family business workplace of the future will be an ageless place, due to longer life expectancies, higher birth rates, improved healthcare, and better working conditions. Family businesses need to embrace the ageless workplace and integrate generations to achieve a blend of experience with energy, wisdom with naivety, and tradition with change. The mindful workplace will see an emphasis shift from the physical health to the mental

wellbeing of staff. Driven by data intelligence, family business leaders will need to create a personalised workplace that is nuanced to the individuality of their staff. The themes of diversity and inclusion will continue, as leaders seek to break silos, reduce hierarchies and improve gender balances. Informed by the contributions of this special issue, we make recommendations for future research for a family business workforce that is ageless, conscious, perceptive, intuitive and collaborative (Andersen and Christensen, 2017).

(1) We all value the same thing?

Valuing our Values

Family businesses are complicated entities (Kepner, 1983), with significant opportunity for conflict, as the business seeks to satisfy family and business logics (Pieper et al., 2015). As the business transcends over time from a single-family business entity to one with multiple-family involvement (e.g. sibling partnership or cousin consortium), the scope for conflict can be heightened through the emergence of a divergence of goals, values, and attitudes (Pagliarussi and Rapozo, 2011). Family businesses that have embraced the transgenerational conundrum are often grounded on four attributes; a value orientated culture, clearly articulated vision, consistent and accurate communication, and attentive stewardship over time (McCarthy, 2014; Nordqvist and Zellweger, 2010). Research from this current special issue has highlighted some triggers of conflict emerging from the desire to manage family and business logics. Many of the triggers of paradoxical tension are derived from diverging family business values including values influencing traditional versus change, the pervasive influence of the past and generational legacy, managing for the long term, family liquidity versus business growth, founder control versus successor autonomy, the ability and willingness paradox of family driven innovation, and family versus business values. To extend our understanding of how family business leaders can successfully navigate the paradoxical landscape, we encourage future research to investigate the formation of family business values, their development across generations, and how divergence of values can lead to paradoxical tensions.

Values reflect the “enduring belief(s) which guide actions and judgements across specific situations and beyond immediate goals to move ultimate end-states of existence” (Rokeach, 1968: 161). For Ozar (1997), values refer “to people’s reasons for acting and judgements about such reasons” (1997: 645). In a study of old Finnish family firms, Koiranen (2002) found that the values that scored highest were those of “honesty, credibility, obeying the law, quality, and industriousness, which are all modes of good ethical conduct” (2002: 175), whereas the values of “yielding good economic return to owners, willingness to grow, and to get social recognition all scored surprisingly low” (2002: 175). Koiranen’s study raises some importance research questions for the study of paradoxical tensions. For example, what is the role of values that are modes of conduct (instrumental values) and values that are end states of existence (terminal values)? Whereas terminal values are goals, worked toward and viewed as most desirable (e.g. family security, family unity, family harmony), instrumental values are the means by which goals are achieved (e.g. politeness, self-controlling, compliant). For transgenerational family businesses, as future generations enter the business be they Generation X, Generation Y, Generation Z, or the Millennial Generation, one could expect changes in their value orientation to be a trigger for paradoxical tensions. For example, Generation X professionals are characterised as valuing work/life balance, individualistic, flexible, technology orientated, whilst Generation Y are considered achievement orientated, family centric, footloose, feedback pursuing, team orientated (Krahn and Galambos, 2014). For many of the current generation (e.g. Baby Boomers), their values reside around strong work ethic, competitive, goal orientated, team orientated, and disciplined (Gibson et al., 2009).

Other questions to be answered include: (i) What are the perceptions of differing generations to values specified by the firm as desired states of behaviour (espoused values) and the reality organisational member perceive to be valued in the organisation (lived values)? In a study of lived versus espoused values in family businesses, Gatrell et al., (2001) highlight the seminal role of the founder in forming the organisational values which are retained long after their exit from the business. (ii) What about values of spirituality versus materialism? Both spirituality and materialism pursue fulfilment through happiness; where spirituality teaches us about intrinsic happiness and to be selfless, materialism teaches us about extrinsic happiness and to be selfish (Trungpa, 2002). (iii) What about societal versus individual values? Both are beliefs and facilitate social choice, where societal values are prescriptions for desirable modes of conduct or established orientations toward other community members (Fu et al., 2004). Other notable divergent value orientations which could help to untangle the paradoxical dilemma include co-operative vs. competitive values explicit (open) vs. implicit (hidden) values (Koireann, 2002: 176).

Paradoxical Tensions and the Imprinting of Behaviours

Like an archaeologist studying a research site for evidence of layering of materials over time using radiocarbon dating, organisational imprinting theory could assist in identifying the sources of divergent values in a family business, and their layering over time (Marquis & Tilcsik, 2013). Organisational imprinting is the process where a focal entity develops unique features and characteristics which reflect the prevailing environmental conditions, but such characteristics may persist, or amplify despite changes in environmental conditions (Marquis & Tilcsik, 2013). Prior research examining the source of imprinting has largely followed two distinct approaches, the first being condition focused (aligned to the external environmental conditions), and the second being decision focused (aligning to the founders' early decisions) (Mathias et al., 2015). Family business provide a unique context to study imprinting over time given the persistent influence of the founder (Kidwell et al., 2018), overlap of competing yet complementary systems of family and business (Pieper et al., 2015), presence of rational and non-rational decision making (Davis & Tagiuri, 1989) and major disruption at times of transition between generations (Neubaum et al. 2017). Indeed, founding conditions, or the environmental characteristics at the time of the birth of the firm have been shown to have a significant bearing on the values, attitudes, and actions of the firm, long after the founder has left the firm (Marquis & Tilcsik, 2013).

The concept of imprinting as an academic discipline first emerged from studies by animal biologists at the end of the 19th century. These biologists examined the early behavioural traits of birds who leave the nest early and their instinctive bond with the first moving object they see within hours of hatching. The learning stamped during the early life of the birds became engrained and persisted throughout their life (Lorenz, 1937). In an organisational context, for Simsek et al. (2015: 292) organisational imprints are formed through three overlapping processes- (a) genesis, where an imprint is formed by a focal entity interacting with several prevailing environmental conditions (b) metamorphosis- the change, evolution and transformation of an imprint, (c) manifestations, the impact of imprint on organisational performance. We encourage future research to investigate the layering of values, goals and attitudes over time in a family business through the processes of genesis, metamorphosis, and manifestations. First, to explore the genesis of values by investigating the imprinter characteristics (individual, team, organisation, network,) and the environmental conditions at the time of the initial stamping (Marquis and Tilcsik, 2013). Then to identify additional sources of values, attitudes and goals throughout the evolution of the business (Pieper et al., 2015).

Second, to assess the dynamics of imprints and how they are passed from generation to generation. For example, some values will be retained (persist), where some values will lose their relevance and disappear (decay), whereas some values will be of heightened importance to the family (amplification). Finally, to address the organisational impact of the values (Simsek et al., 2015)

Changing those bad habits

It is well documented that strengths of the family business context include a coherent sense of purpose, sustainability capital, familial values, community networks, strong work ethic, long term outlook, and a paternalistic culture (McCarthy, 2014; Poza, 2013). Through the parent-child relationship, certain values, behaviours, and family attitudes get passed across generations through the family culture (Pieper et al., 2015). Recently, using an imprinting lens, Kidwell et al. (2018) challenged the positive “halo” of organizational learning in family business by looking at the dark side of family business and some of the bad habits that can be formed, such as altruism, free-riding and shirking, and sense of entitlement. They introduce the concept of re-imprinting, or the breaking of bad habits formed over time in the family business. They refer to two main strategies to modify bad habits namely, “implementation intentions in which new behavioural responses are established by linking cues to an alternative response in an effort to supersede an undesired habitual response.. and context modification in which a situation is changed so as to disrupt cues to habitual action and create opportunities to modify habits” (2015: 12). We encourage future research to explore values in a family business that perhaps do not reflect the organisation of today, values that were fit for purpose for a previous generation but do not align with the contemporary organisation. Interesting future research questions could include - How to identify when values do not align with the current organisation and can values be remoulded? How are remoulded values passed on to next generation family members? Are there different approaches for non-family involvement?

(2) Surely all family businesses are the same?

The Paradox of Heterogeneity in transgenerational entrepreneurship

Transgenerational entrepreneurship has become a predominant area of study in family businesses, as we continue to strive to better understand why some family firms are able to sustain the family business over generations versus other family firms which disappear within the first three generations. Scholars have studied and suggested possible reasons including generational differences in innovation management (Chrisman et al., 2014), the capacity to generate resilience in the presence of environmental jolts (Campopiano et al., 2019), the capacity for business families to balance exploration and exploitation (Arredondo and Cruz, 2019), and the role of the business family in maintaining the entrepreneurial spirit (Frank et al., 2019).

Chrisman et al. (2015) suggest that *ability* (i.e., the capacity of the family owners’ discretion to utilize the resources of the firm) and *willingness* (i.e., the temperament of the family owners to engage in idiosyncratic behaviours which influences the firm’s strategic decision-making). Within the context of innovation, this paradox encapsulates the tension between being able to have the reserves to engage in innovation versus the willingness to potentially risk both economic and socioemotional wealth endowments on engaging in an uncertain innovation. In addition, this tension can be expressed in relation to the type of innovations, such as incremental versus disruptive innovations, and the strategic, social, and familial risks associated with each output. Further, Campopiano et al. (2019) extend this perspective by highlighting the role of family resilience in relation to slack resources, family-centred non-

economic goals, and open (i.e., work and share costs with external partners) vs. closed (i.e., internally work and fund) innovations. These authors suggest that firms which are highly motivated by family-centred non-economic goals (FCNEGs) may have a greater resilience to absorb the environmental jolt by maintaining larger amounts of slack resources to deploy when necessary and are more likely to work with external partners through open innovations.

In their empirical study, Arredondo and Cruz (2019) further extend this thought by considering the tension (i.e., the dual balance) between organizational ambidexterity (i.e., exploration and exploitation) and family firm socioemotional wealth. They argue “the key is to find a balance between continuing to exploit existing markets and technologies while engaging each generation in the exploration of new business opportunities (Arredondo and Cruz, 2019: 792) and concurrently being able to balance “how families manage the creation of financial wealth with the preservation of the socioemotional wealth” (Arredondo and Cruz, 2019: 792). They discovered family firms which were able to manage the paradoxes, had attributes which included having the highest organizational ambidexterity and having a strong affinity for socioemotional wealth. These firms were the most likely to be successful across generations.

As has been illustrated, the balancing of the tensions associated with innovation along with the inclusion of non-economic goals, such as socioemotional wealth, are critical for transgenerational success. With a predominant focus on the firm, Frank et al., (2019: 264) argue for greater prominence and consideration of the business family, which they define “as a family that owns one or more businesses and derives income via its businesses, where the business family’s life is characterized by the influence of the businesses owned and, in many cases, also managed and/or controlled”. These authors further articulate the concept of “enterpriseness” of business families which mediates the relationship between the family and the business. As such, not all family members are members of the business family. They further delineate “enterpriseness” through involvement (i.e., the size of the business family), essence (i.e., the number and legitimacy of business family members), and identity (i.e., identity as a member of the business family). Members of the business family are able to balance the trade-offs and demands between the family and the business. Those business families which are most effective at managing this tension are more likely to successfully engage in transgenerational entrepreneurship. A key component of all these articles is the constant tension between the family and the firm. For firms who are able to successfully manage this tension the probability of the firm surviving across generations is greater. Scholars should delve deeper into better understanding the paradoxical tension associated with the family’s economic and non-economic goals for the firm. For example, does a business family mediate the relationship between the family and the business? Is this a formal or informal group? What are the trade-offs of being a business family member? Further, how do the economic and non-economic goals of the family affect the business family structure over time and thereby influence the strategic decision making associated with the firm’s innovation, such as the willingness to explore a disruptive/open innovation or the capacity to absorb environmental jolts across generations?

The Paradox of Business family and family business noneconomic goals

The paradoxical tensions between the goals of the family and the goals of the family-owned business are complex (Irava and Moores, 2010; Moores et al., 2019; Williams et al., 2019). Ward (1987) identified this paradox of goals and purposes for the family business by highlighting business first, family first, and business family, indicating what the primary motivation of the family for their business. This perspective has been further extended to include FCNEGs (Chrisman et al., 2012), including socioemotional wealth (Gomez–Mejia et

al., 2007). For example, FCNEGs would be a low priority for families who adopt a business first approach to their business compared to the business family. Families must consider the different perspectives and have a better understanding of who they are. Unfortunately, not all families have the capacity to perceive who they are versus the reality of how they interact with their firm. Moores et al. (2019) suggest family firms who are able to both perceive who they are, which is appropriately reflected in reality, compared to other family firms where the perception of being a wonderful family firm does not match the reality. This misalignment can be further exacerbated when the family firm puts FCNEGs before economic goals of the firm creating increased tension and the firm at risk. Further, this approach can be classified as family logics versus business logics. Moores et al. (2019) recommend for a family firm strategic decision-makers to possess a dual-logic mindset where they can balance between the family and business logics. Williams et al. (2019) took a different perspective when describing the paradoxes of family and FCNEGs. They highlight how there are basic economic goals which must be met first before the family can move to FCNEGs. More precisely, they posit the family firm must make a sufficient and sustaining profit, with an “enhanced family income and lifestyle” (2019: 396) being generated. At this point, FCNEGs become more salient, such as “owning-family control and autonomy,” “intra-family dynastic succession,” or a strong identity with the firm. Although these FCNEGs are never maximized, the family engages in satisficing, to reduce the tension among the different FCNEGs. The paradoxical tension among the FCNEGs will vary among families and their firms, based upon the heterogeneity of needs, wants, and the capacity to realize these goals. Likewise, we encourage authors to build off of original paradigms, such as illustrated by Moores et al., (2019) or to consider establish concepts such as satisficing to explain how firms manage the paradoxical tensions of FCNEGs. Moreover, we encourage scholars to delve deeper into how successful firms are able to maintain the balance/alignment between family logics and business logics, while constantly having to adapt to changes from their internal family dynamics, as well as environmental shocks to the family firm.

(3) All our people are the same?

Diversity versus invisibility

Although there are many different forms of diversity, gender tends to be the “opening act” with regards to markers of difference within the context of diversity and inclusion (McAdam, 2013). Accordingly, the subsequent discussion will look at the role of women in family business. Women have been supporting family businesses for centuries (Minoglou, 2007) in gendered roles which have been unconsciously incorporated and reproduced within the family business; with such roles informal, loosely defined and generally unpaid (Danes and Olson, 2003). Indeed, the term *invisible* is synonymous with the narrative relating to women in family business (Cole, 1997) with such *invisibility* due in part to a dearth of research attention afforded to them (Hamilton, 2006). Traditional values and societal expectations with regards to gender roles are heightened in a family business setting where women’s professional and family lives crossover (Hamilton, 2006). Despite the changing professional and family roles of women and the rising prominence of women at C-suite positions across all organizational types, women are still less likely to be groomed for leadership positions (Barrett and Moores, 2009; Vera and Dean, 2005; Wang, 2010) and there remains a dearth of female successors within the family business context (Overbeke et al., 2015). This may not be surprising given that primogeniture is “perhaps the most significant societal/cultural barrier to daughter succession” that persists in Western contexts (Wang, 2010: 478). Of the notable exceptions that acknowledge women’s as successors, most find that women assume leadership positions due to “special circumstances” such as crises (e.g., a lack of male heirs) or by “default...rather than consciously or

unconsciously directing themselves towards leadership, as their male counterparts usually did” (Barrett and Moores, 2009: 3). But what about those women who do get invited to the management table?

Fitting in versus standing out

For those women who do succeed to taking up leadership positions, we recognize the paradoxical quandary of *fitting in while standing out* (De Clercq and Voronov, 2009) as a gendered process where subjects must balance the tensions of fitting into the dominant referent group (i.e., male dominated business or industry) while standing out as performing a different gender. According to Marlow and McAdam (2015: 794) this fitting in process “requires an iterative dialogue between new entrants to the field and present incumbents which is sensitive to prevailing and particularized norms”. As part of this process, women are required to construct a leadership identity that they consider legitimate and is legitimized by others (Hytti et al., 2017). This legitimizing process involves the leader negotiating the paradoxical tensions of reproducing habitual practices of organizational leadership (i.e. fitting in) while being novel (i.e. standing out) (De Clercq and Voronov, 2009). As a woman family business leader, these tensions are exacerbated, as gendered identity work must be undertaken whilst maintaining femininity and ensuring that the masculine traits associated with leadership are assumed (Marlow and McAdam, 2015). Accordingly, coping strategies are used as a means of managing the competing social roles (i.e. the expected family role (good mother and wife) and expected business role (professional worker) (Salganicoff, 1990; Cole, 1997) and the male normative standards imposed by the field (Chasserio et al., 2014; Lewis, 2006). This conflict is often compounded in the family business context by conflicting messages such as “dedicate yourself fully to the business but give the family children”; “Do not take business home, but let’s talk shop tonight” (Salganicoff, 1990:133). This speaks to argument that women’s multiple social positions, such as gender and the business sector in which they operate their businesses, constitute “a lived social relation that necessarily involves the negotiation of conflict and tension”. It is this type of negotiation that women family business leaders have to undertake to establish their entrepreneurial legitimacy within their respective family businesses that requires further scholarly attention.

Nepotism versus meritocracy

Nepotism is generally perceived as the reason why families hand their businesses over to their offspring or close family members. Nepotism concurs negative connotations in that it supports employment based on subjective measures such as kin and blood relations as opposed to objective measures based on merit, skills and qualifications (Yeung, 2000). Additionally, it is often negatively correlated with regards to durability and economic performance (Sidani and Thornberry, 2013). However, as Lee et al. (2003) argue the appointment of family members may not always be the result of favouritism but rather a decision based on economic reasoning in that it favours the recruiting individuals that know the business and have an interest in it. Given the idiosyncratic nature of family businesses (Memili and Dibrell, 2019), such a recruitment strategy may be apposite. Nonetheless, nepotism is regarded as one of the main barriers to promoting meritocracy or professional management in the family business workplace, as it favours the hiring of individuals on grounds of merit, birth order or family membership as opposed to merit (Jaskiewicz et al., 2013; Liu et al, 2015); thus going against equality practices and eroding good talent management practice. Accordingly, the extent to which meritocracy is promoted within the family business context depends on its willingness to tackle traditional cultural and structures which may promote nepotism and favouritism. We encourage future research to explore the nepotism versus meritocracy paradox especially in light of talent management strategies with the family business context.

Diversity and Talent Management - The Missing link?

Talent management, the attracting and retaining of talent is becoming a competitive imperative across all organisational types, including family businesses (Groysberg and Bell, 2014). Tattli et al. (2013:2) “define talent management as the creative and competitive way by which organisations meet their human capital needs”. While approximately 70% of family businesses want their business to transition to the next generation, only 30% will actually be successful. Less than 12% of these family businesses survive to the third generation (Bjuggren and Sund, 2001), which speaks to the well-known saying, “clogs to clogs in three generations”. To aid longevity, it is important that family businesses see the connection between diversity and talent management and have courage to disregard primogeniture norms and challenge the dominance of the male ‘owner-manager’ stereotype (Hamilton, 2006; Nelson and Constantinidis, 2017). In fact, Calabrò et al. (2018) argue that family businesses who go against traditional norms are rewarded in the form of higher post-succession performance. In fact, the presence of gender diversity and a mix of executive and non-executive managers show the strongest econometric significance, suggesting that diversity is important (Floreani and Mason, 2017). We contend that future research needs to cognisant of the socio-cultural and institutional contexts in which talent management decisions are made. Accordingly, gender diversity and other broader forms of social diversity should be considered in unionism with talent management as opposed to being viewed as two parallel issues; as both are based on meritocracy and professional management. Although it is easy to say that family firms should promote on merit as opposed to gender, birth order or family membership, it is important that such approaches are sensitive to role conflict and work-life balance issues that may disadvantage women in general and those in family businesses in particular.

Concluding Remarks

Our starting point for this special issue was the acknowledgment that family businesses are inherent with paradoxes; however the antecedents, consequences, and dynamic processes of these paradoxes are less well-known. In order to provide an overview of the distinctive, paradoxical landscape of the family business, we invited Moores and Barrett to provide a commentary, which comprised a systematic literature review of 203 items spanning an eighteen year period. After a rigorous reviewing process, three papers were selected for inclusion in this special issue and in so doing, provide insight into the strategies used by family businesses in order to manage such tensions and navigate this landscape where numerous paradoxes relating to family businesses have been identified. Finally, we, the editors, anticipate the findings from this special issue will be a catalyst for future research of family businesses, which is ageless, mindful, intuitive, collaborative, and paradoxical.

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