

FFI ON FRIDAY | JUNE 01, 2018
PREPARED EXCLUSIVELY FOR FFI MEMBERS

EARLY RELEASE:
June 2018 Issue of
FBR





This week's *FFI on Friday* is not for the faint hearted!

It's an early release of the June 2018 issue, but rather than a series of independent articles, *FBR* editor Tyge Payne and his talented group of associate editors set themselves the task of identifying five seminal articles published in *FBR* in the last 10-15 years, writing summaries of those articles, asking the original authors to update their initial thinking – and, to identify “take away points” for all of us.

So... please take your choice! You can read the summary (called the Commentary) of the original articles, the original articles themselves, or the updated articles as they appear in the June issue. Or take the shortcut below for the Take-Away Points!

EDITORIAL

Reflections on Family Business Research: Considering Domains and Theory

by G. Tyge Payne

Most scholars devoted to the study of organizations are familiar with the classic questions regarding the reasons for the existence, variation, and perpetuation of organizations. In family business research, our central questions align closely with those of the classic organization theory domain: Why do family businesses exist? How do family businesses change and survive? How and why do family businesses differ from other businesses and each other? ... As family business scholars, we continue to strive to establish the domain of family business research and improve upon our theoretical and empirical contributions to academia, business, and society. It is my hope that the articles and commentaries contained within this issue... continue to propel the field forward in provocative and imaginative new ways.



G. Tyge Payne

ARTICLES

COMMENTARY: The Succession Process from a Resource- and Knowledge-based View of the Family Firm

by associate editors Nadine Kammerlander and Daniel T. Holt

ORIGINAL ARTICLE: The Succession Process from a Resource- and Knowledge-Based View of the Family Firm *First published March 1, 2001*

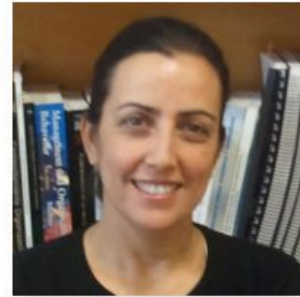
NEW ARTICLE: A Dynamic Network Model of the Successor's Knowledge Construction from the Resource- and Knowledge-based View of the Family Firm



M. Katuska Cabrera-Suárez



Desiderio Juan García-Almeida



Petra De Saá-Pérez

Take-Away Points

- *Successful intra-family succession* can be considered as a process of “transgenerational entrepreneurship” where business families show a continued commitment to entrepreneurship and the pursuit of new business opportunities.
- *Familiness* can be considered as a dynamic capability that allows a family firm to extend, modify, or create VRIN (Valuable, Rare, Imperfectly Imitable, Non-Substitutable) resources and ordinary capabilities through knowledge integration and recombination in order to maintain transgenerational entrepreneurship.
- The succession process should be understood as a process of *knowledge construction* more than a mere replication process of the predecessor’s knowledge. With this aim, successors should develop a knowledge network to include many training activities with many agents, and where relational aspects and social capital resources are key.
- The *successor’s knowledge construction* in the family firm takes place through time, and this long-term perspective can favour the identification of gaps and new trends to access relevant knowledge and agents and consequently enhance the successor’s development.

COMMENTARY: Reflections on the F-PEC Scale of Family Influence: Clarifying its Distinctive Contribution

by associate editors Jon C. Carr, Alfredo De Massis, and Allison W. Pearson

ORIGINAL ARTICLE: The F-PEC Scale of Family Influence: A Proposal for Solving the Family Business Definition Problem *First published March 1, 2002*

NEW ARTICLE: The F-PEC Revisited: From the family business definition dilemma to foundation of theory



Joseph H. Astrachan



Sabine B. Rau



Kosmas X. Smyrniotis

Take-Away Points

- A number of measures and conceptualizations have been proposed to understand the complexities and nuances involved in capturing the *nonrecursive interrelationship between family and firm*.
- *One such conceptualization is the F-PEC scale* which is a theoretical concept encapsulating measures of the possible influence of owners and managers on the firm... While these alternate or modified versions of the F-PEC scale have some merit, we argue that the F-PEC is robust and taps a specific dimension of family firms.
- To explain family influence and whether it serves to the good or the bad of the business, manifold research avenues are possible. Building blocks of this explanation can be *power, experience, and culture on the individual, the group, and the organizational level*.

COMMENTARY: Entrepreneurial Risk Taking in Family Firms: The wellspring of the regenerative capability

by associate editors Cristina Cruz and Keith H. Brigham

ORIGINAL ARTICLE:

Entrepreneurial Risk Taking in Family Firms *First published March 1, 2005*

NEW ARTICLE: Entrepreneurial Risk Taking in Family Firms: The wellspring of the regenerative capability



Shakar Zahra

Take-Away Points

- *Research on risk taking* by (and in) family firms needs to evolve to study the organizational capabilities that make entrepreneurship, hence successful adaptation, possible.
- Risk taking is the *mainspring of family firms' regenerative capability* that enables adaptation.
- *Systems and organizational process* should receive greater attention in future studies of family firms' entrepreneurial activities.

COMMENTARY: **Agent, Stewards, and Capabilities: A review**

by associate editors Peter Jaskiewicz and Don O. Neubaum

ORIGINAL ARTICLE: Family Governance and Firm Performance: Agency, Stewardship, and Capabilities
First published March 1, 2006

NEW ARTICLE: Looking Back at and Forward From: “Family Governance and Firm Performance: Agency, Stewardship and Capabilities”



Danny Miller



Isabelle Le Breton-Miller

Take-Away Points

- Although they sacrifice in depth and detail, *encompassing, synthetic conceptual models* can tie together important theories to develop more complete accounts of family firm performance.
- Such models can come *closer to practice* while also having academic impact.
- Such models are *harder to publish* these days.

COMMENTARY: Documenting the “Family Effect” on Family Business Research

by associate editors Don O. Neubaum and Wim Voordeckers

ORIGINAL ARTICLE: Examining the “Family Effect” on Firm Performance
First published December 1, 2006

NEW ARTICLE: Are Family Firms Really Better? Reexamining “Examining the ‘family effect’ on firm performance”



W. Gibb Dyer

Take-Away Points

- Research comparing family to nonfamily businesses is *not likely to be a fruitful endeavor* due to differences in desired outcomes between the two types of firms.
- *Trade-offs between socioemotional wealth and firm financial performance* should be considered in future research on family firm performance.
- Future research on family firm performance should *focus on heterogeneity in the families* that own and manage businesses. Factors to be considered are: family structure, family functions, family interactions, and family events.
- More research should be conducted comparing private versus public family firms. *Current research is biased* toward using public data on family firms.

DATES TO REMEMBER

June 11

London Regional Meeting –
Park Plaza Riverbank
5:30PM – 7:30PM

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