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Introductory Comment to "The Succession Process From a Resource- and Knowledge-Based View of the Family Firm"

Nadine Kammerlander[1] and Daniel T. Holt[2]

How can family firms outcompete others? What is their competitive advantage and how can they maintain it over time? Those are the—implicit—research questions that the seminal article of Cabrera-Suárez, De Saá-Pérez, and García-Almeida (2001) seeks to address. Taking a strategic management perspective, they scrutinize what is at the heart of family firms' success. Thereby, building on resource- and knowledge-based arguments, they reveal *familiness* (Habbershon and Williams, 1999) as the bundle of valuable, rare, imperfectly imitable, and nonsubstitutable family firm-specific resources whose thoughtful orchestration allows family businesses to outcompete other firms. In particular, they highlight the commitment and dedication of family members and employees, the culture, the values, the reputation (as trust-based organizations offering high-quality goods and services), and the stability as the competitive advantages shared by family firms.

Scholars have long emphasized that succession is a major challenge to family businesses. In particular, when the founder retires from his or her business, the family firm is endangered to irrevocably lose some of the knowledge that drove its prior success. The founder is seen as a carrier of valuable, in-depth knowledge, tangible and intangible, about both, the organization and its environment. Intangible knowledge comprises, yet is not limited to, mental schemata, beliefs, skills, and abilities. The strength of the stock of intangible knowledge in the organization is at the same time its weakness: While the complexity and difficulty to share intangible knowledge makes this resource particularly valuable to family firms, it also threatens the family firm's long-term prosperity, in case it is not adequately transferred throughout the succession process.

As the article progresses, Cabrera-Suárez and colleagues take a process-based view and argue that much can be done to ensure a smooth succession process and to foster an effective transfer of intangible knowledge from the predecessor to the successor. Based on the model of Szulanski (1996), four factors determine the success of the knowledge transfer: (a) characteristics of the knowledge (i.e., tangible or intangible); (b) characteristics of the source of knowledge (i.e., the predecessor); (c) characteristics of the recipient of knowledge (i.e., the successor); and (d) characteristics of the context. The authors argue that knowledge transfer can be hampered if the knowledge itself is ambiguous. Moreover, for a smooth transfer, the predecessor needs the motivation to step back, to delegate, and to grant the successor the required autonomy and managerial discretion. The successor, on the other hand, requires the motivation to take over including the willingness to learn from the predecessor. Learning is thereby a continuous process: It often starts early in the childhood and it can take place at home, when hearing about the parent's work, but also in summer jobs. What is common to all those learning opportunities is that they provide the successor with context-specific information about the business, its routines, and its key stakeholders. Cabrera-Suárez et al. (2001) continue to argue that not only predecessor and successor independently but also their relationship affects the knowledge transfer process. In particular, a respectful, trust-based relationship will foster a smooth succession process characterized by stable

[1]Mississippi State University, Mississippi State, MS, USA
[2]WHU–Otto Beisheim School of Management, Vallendar, Germany

Corresponding Author:
Daniel T. Holt, College of Business, Mississippi State University, 302 McCool Hall, PO Box 9581, Mississippi State, MS 39762, USA.
Email: daniel.holt@msstate.edu

business operations as well as innovation and efficiency improvements.

Published in 2001, Cabrera-Suárez et al.'s seminal article has attracted more than 875 cites according to GoogleScholar (status April 2018), reflecting the substantial impact that this article had on the development of the field. Specifically, we see how it shaped three research streams in particular. First, it fostered the conversation on resources and competitive advantages of family firms. Started by Habbershon and Williams (1999), family firm researchers have long sought to capture those strategic assets that differentiate family firms from nonfamily firms. With their discussion, Cabrera-Suárez et al. (2001) not only summarized the status quo of research so far but also laid the cornerstone for further important work in that area such as about resource orchestration in family firms. Second, the article furthered our understanding of succession in family firms. Succession remains an intensively discussed topic among family firm scholars. Cabrera-Suárez and colleagues contribute to this conversation by highlighting the process-based nature of the process and focusing on both, the incumbent and the successor, whose roles change over time. Third, the article is also important for the still-emerging scholarly debate on learning in family firms. It highlights the importance of gaining knowledge and glimpses at the differences that individuals in family firms might experience with regard to learning in contrast to those individuals aiming to work for nonfamily businesses.

In sum, Cabrera-Suárez et al. suggest that family firms may outcompete others because of the resources garnered from their unique individual and organizational learning process. Through this process, family firms may develop highly specific and valuable knowledge that is tied to a given set of strategic behaviors. This firm-specific, intangible knowledge may be difficult to acquire in other firms because it is embedded in family relationships and transmitted to children through their parents. That is, family members, who are potential successors, likely gain valuable knowledge because of the access they have to information as they grow up listening, oftentimes in informal settings, and acquiring knowledge regarding specific short-term methods to "get things done" as well as long-term environmental assessments and managerial strategies. Moreover, the ways that family members share facilitates the transfer of intangible knowledge, making it difficult for nonfamily firms to emulate the same patterns of learning.

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Author Biographies

Nadine Kammerlander is professor of family business at WHU – Otto Beisheim School of Management in Vallendar, Germany. She also leads the institute of family business. She received her PhD in management from the Otto Friedrich University in Bamberg, Germany. Her research interests focus on innovation, governance, and leadership in family firms and her articles have been published, amongst others, in Academy of Management Journal and Academy of Management Review (e-mail: nadine.kammerlander@whu.edu).

Daniel T. Holt is an associate professor of Management in the College of Business at Mississippi State University. He received his PhD in Management from Auburn University. Prior to joining the faculty at Mississippi State University, he served in the U.S. Air Force, serving as an engineer in Central America, Asia, and Middle East. Daniel's research interests include family business, entrepreneurship, measurement methods, and organizational change.