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LONG-TERM ORIENTATION AND INNOVATIVENESS IN MULTI- GENERATIONAL FAMILY FIRMS (SUMMARY)

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≈ SUMMARY ≈

**LONG-TERM ORIENTATION AND INNOVATIVENESS
IN MULTI-GENERATIONAL FAMILY FIRMS**

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Principal Topic

Due to the heterogeneous nature of family businesses, it should not be surprising that research relating to innovativeness in family firms is mixed, with some studies suggesting family firms provide a unique platform for innovativeness, while others finding that family firms are less likely than non-family firms to engage in innovativeness.

Having a long-term orientation (LTO) is a fundamental criterion that underlies many of the strategic decisions in family firms whose intention is to remain a family firm. 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 long-term vision for the business, which guides their entrepreneurial decisions, impacts the fate of current and future family and business stakeholders.

While having a longer-term orientation is deemed important, family firms need to concurrently foster their competitiveness and embrace entrepreneurship. Though much has been written about the need for family firms to recognise and exploit innovative opportunities, still, little is known about the evolution of entrepreneurship processes in family firms. Our goal is to address this research gap and shed further light on innovativeness in family firms by investigating what is emerging as a central determinant of such activity i.e., the business families long term aspirations.

Method

An in-depth multi-case study approach is used to explore 36 longitudinal European multi-generational case studies collected as part of the Successful Transgenerational Entrepreneurship Practices (STEP) research project. The empirical material was coded and analysed using established techniques for qualitative research. We analysed the material using a traditional content analysis method. We applied the dictionary codes of LTO of Lumpkin and Brigham (2011) and innovativeness. Finally, we identify emergent attributes of relationships between the two constructs.

Results and Implications

Our analysis of the cases indicates that family firms' engagement in innovation is directly related to their LTO. Family firms pursue conscious long-term strategies that have a direct impact on their entrepreneurial orientation, specifically, on their innovativeness. Our findings suggest that futurity, continuity and perseverance are positively associated with innovativeness in multi-generational family firms.

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