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WHO DO WE KNOW? INTERGENERATIONAL SOCIAL CAPITAL IN FAMILY FIRMS (SUMMARY)

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SUMMARY

WHO DO WE KNOW? INTERGENERATIONAL SOCIAL CAPITAL IN FAMILY FIRMS

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Principal Topic

The general interest in family firms increases in the last decades (Debicki et al. 2009). The research stream of business succession offers many success factors and ideas, what the key factors of missing the strategic goal of succession are. Family firms have the challenge to transfer contacts and social capital during the business succession process to stay successful. How to handle this challenge is the main question of this research. One key factor explaining failure and success of business succession could be the potential loss of social capital in the intergenerational transfer (De Freyman et al. 2006; Steier 2001; Nahapiet, Ghoshal 1998). Thus, to exploit the old contacts of predecessors the younger successors need a transfer of this social capital or another solution to keep advantages of the contacts.

Method

To gain information about transfer of social capital we use qualitative interviews (De Massis, Kotlar 2014; De Freyman et al. 2006). So we determine family owned firms by an exploratory multiple-case study for theory building (Eisenhardt 1989). We considered business relationships between analyzed enterprises by data selection. We interviewed various actors in each company being involved in the family business or succession process.

Results and Implications

We contribute to the literature in the following ways: first through a new combination of two different research streams. We point out, that an inherent social capital competence is needed. Networks are the relations between different actors and the family business during the succession has to try to transfer network contacts from one person to another. Second, we identify the current network of the predecessor and the successor. In our dataset mainly family firms are included, which choose a planned succession and predecessor and successor are able to work together. In this case, they have the realistic chance to transfer network contacts. To analyse the explicit and implicit known network contacts we compare the statements of the participants and try to figure out the overlaps of network contacts. Third, we build up proposition which will be combined in a model for social capital transfer during the succession process.

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