THE ROLE OF FAMILY SUCCESSION TEAMS IN THE RENEWAL OF THE FIRM’S ENTREPRENEURIAL ORIENTATION (SUMMARY)

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THE ROLE OF FAMILY SUCCESSION TEAMS IN THE RENEWAL OF THE FIRM’S ENTREPRENEURIAL ORIENTATION

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Principal Topic

Leadership of the firm by multiple family members has become common practice in the context of family business transfer from one generation to another (Cater and Justis, 2010). This new trend in the family business can be linked to the general trend of entrepreneurship to become a collective phenomenon. Several research studies have suggested that firms directed by teams are on average more profitable than firms directed by a single individual (Vyakarnam, 2005; Clarkin, J. and Rosa, 2005; Ucbasaran and al., 2003; Lechler, 2001). Firms directed by teams are gaining momentum in the increasingly dynamic and complex global environment (Slevin and Covin, 1992), and they have a significantly greater propensity to survive (Westhead and al., 1995). The growing research into entrepreneurial teams has highlighted its positive impact on the firm performance (Cooper and Daily, 1997; Birley and Stockley, 2000; Teal and Hofer, 2003).

Method

The purpose of this paper is to examine entrepreneurial orientation (EO) in family firms subject to collective succession from an incumbent to a team of successors. Drawing on the literature covering entrepreneurial teams and EO, we analyze the particularities of the family succession team and its impact on family firm’s EO. We address two main questions: 1) What are the factors which have an impact of the emergence of family succession team? 2) How does family succession team retain and strengthen the EO in family firms that are transferred from a generation to another? We used a qualitative approach to better explore the family succession team applying a holistic, in-depth investigation methodology. The strength of this methodology comes from the use of multiple sources of data (i.e. interviews, press articles, video conferences). We triangulated the data from six holistic case studies of family business successions in Quebec (Canada) using a variety method of data collection. The results from the analysis of our six case studies allow us to build a definition of the family succession team and its implications for the reinforcement of EO within the family business.

Results and Implications

The success of these six collective family successions may be explained in part by the good relationships between members of the family, in part by the fact that the predecessor, in his supervisory capacity, allowed successors to take initiatives. It can also be explained by the harmonious transition from predecessor to successor: the team of successors was formed internally, the social network of the firm was naturally transferred, and the business vision is both shared and based on common values.

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