AN EXPLORATORY STUDY OF DIMENSIONS AND CHARACTERISTICS OF ENTREPRENEURSHIP IN FAMILY FIRMS (SUMMARY)

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SUMMARY

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Principal Topic

We draw on the entrepreneurial orientation (EO) construct to investigate what characterizes entrepreneurship in family firms over time. We address how and why certain dimensions of entrepreneurship are more present and important than others for the performance of these firms. Our contribution is that we address the call to pay more in-depth attention to the role of firm characteristics in studies of entrepreneurial orientation and that we add to the scarce but growing literature on entrepreneurship in family firms.

Method

We draw on in-depth longitudinal, interpretive case research into family firms operating in different B2B industries conducted through interviews, observations from meetings and archival data in order to refine and generate theory. Interpreting the empirical findings through the EO framework three themes emerge.

Results and Implications

The three themes addressing the uniqueness of EO in the studied family firms are: a) The role of the balance between tradition and renewal, that is, the balance between different and changing owner-family demands and the firm’s need for renewal and entrepreneurial activities to stay competitive. b) The role of the balance between autonomy and dependence, that is ownership as key to allow the family firm to be continuously entrepreneurial through internal and external autonomy, but also to key contributions to entrepreneurship from different actors outside the owner-family, indicating signs of dependence. c) The role of the balance between formality and informality, that is, the balance between increased formalization as a result of growth and the informal and flexible way of working needed for a create climate supporting new entrepreneurial ventures. The two family firms are not entrepreneurial across all dimensions of EO to reach desired performance outcomes. Characteristics related to the family firm character as captured in the three thematic tensions have impact on entrepreneurial orientation. In family firms hosting the three balancing tensions, two dimensions of EO are less important when studied over time; risk-taking and competitive aggressiveness, whereas dimensions of autonomy, innovativeness and proactiveness are more present dimensions. To stay entrepreneurial over time family firms need to be aware of the role of these tensions and keep them taut.

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