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SUMMARY

THE EFFECT OF REPUTATION ON ENTREPRENEURIAL BEHAVIOUR IN FAMILY FIRMS: A RESOURCE PERSPECTIVE

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Principal Topic

Throughout the development of the field, family business scholars have sought to identify the sources of distinctiveness for family firms. One promising stream in this arena has been familiness (Habbershon & Williams, 1999), which applies resource based view to the family context. Familiness contends that the idiosyncratic family influence on firm level resources explains the competitive advantages or disadvantages of family firms.

Despite its conceptual power, there has been great difficulty in operationalizing familiness into a functional research construct. Pearson et al (2008) make a strong movement to clarify and focus the concept in this direction using a social capital perspective as does Sharma (2008) with a broader discussion of family influenced resource pools. Still, there have been few empirical articles on familiness despite Habbershon and Williams (1999) call that “it is the conditions and antecedents of distinctive familiness that researchers ultimately need to clarify” (1999:13). Our article serves to meet this gap in the literature through the first in depth exploration of the distinctive properties and consequences of a single resource, reputation.

Method

Using an in-depth case study approach, we look at reputation through the lens of resource based view as it has been seen as valuable, rare, hard to duplicate and nonsubstitutatble, thus providing the firm with a sustainable competitive advantage (Hall, 1992; Barney, 1991). Recognizing its impact beyond firm level, we adopt a translevel unit of analysis to include individual and family levels. Furthermore, we connect family reputation to corporate entrepreneurship through foreign market entry and opportunity attraction.

Results and Implications

With this paper we believe that we have three main contributions. First we expand the current understanding of reputation in the family context by moving beyond a stock approach to a nuanced look at types of reputation. We identify a reputation for (i) long term orientation (ii) entrepreneurial spirit (iii) faithful business partnership and (iv) personal accountability. Second, we further develop the concept of familiness by exploring it through a single resource and beyond a firm level of analysis to a family level. Third, we expand on the growing stream of literature linking resources to entrepreneurial outcomes.

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