6-12-2010

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Pei-Chi Huang  
National Sun Yat-sen University, d954050003@student.nsysu.edu.tw

Fei Zhu  
The University of Western Ontario

Recommended Citation
Huang, Pei-Chi and Zhu, Fei (2010) "IS STORY SUFFICIENT? PERSUADING THE OLDER GENERATION IN FAMILY BUSINESSES TO ACCEPT STRATEGIC CHANGE (INTERACTIVE PAPER)," Frontiers of Entrepreneurship Research: Vol. 30: Iss. 13, Article 8.  
Available at: http://digitalknowledge.babson.edu/fer/vol30/iss13/8

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INTERACTIVE PAPER

IS STORY SUFFICIENT? PERSUADING THE OLDER GENERATION IN FAMILY BUSINESSES TO ACCEPT STRATEGIC CHANGE

Pei-Chi Huang, National Sun Yat-sen University, Taiwan
Fei Zhu, The University of Western Ontario, Canada

Principal Topic
Family business is the most predominant form of business in the world and contributing greatly to the global economy. Given its significance, the survival, growth and success of family businesses have gained the attention of many research scholars. One big challenge for many family businesses, however, is the initiation of strategic change when facing environmental threat. Research in education, social psychology, and marketing has demonstrated that storytelling is an effective persuasion approach. Building on this, the current study also emphasizes the use of facts in enhancing persuasion effectiveness. It answers the question of when and how the younger generation can use stories and/or facts to persuade the older generation.

Method
We conducted in-depth interviews with the second-generation family business members in Taiwan.

Results and Implications
We found that familiness is one key to answer the aforementioned research question. First, the structural dimension of familiness fosters family members’ use and re-use of the strong network ties among stakeholders. This contributes to the nurturing of the cognitive dimension of familiness, namely, shared values, understanding, language and story inventory among family members. High cognitive dimension enables the younger generation to use just key facts and incomplete stories as a reminder or a hint to make the older generation efficiently draw analogy and emotionally resonate with the story, thereby accepting the change proposal. In contrast, low cognitive dimension of familiness requires the younger generation to use more relatively complete stories to persuade the older generation.

Second, the structural dimension of familiness also provides the younger generation an opportunity to choose the storyteller. In situations where he/she has doubt on the likelihood of successful persuasion to the senior, parties of common strong social ties between the generations will be used as storytellers or fact providers to facilitate persuasion.

Third, the relational dimension of familiness engendered intimate bonds and trust among family members. This encourages the younger generation to propose something to the point without beating around the bush since he/she is aware that family members are willing to cooperate for they all have a common goal. The trust and attachment among family members also make it easier for the older generation to accept the proposal because he/she believes that the younger generation is working for the well-being of the whole family business. In short, high familiness permits the persuasion bypass the formal lines, thereby enhancing its efficiency and effectiveness.

CONTACT: Pei-Chi Huang; d954050003@student.nsysu.edu.tw; (T): 886-7-525-2000 ext. 4930; National Sun Yat-sen University No. 70 Lien-Hai Rd, Gushan District, Kaohsiung 80424 Taiwan.