

Research on Family Businesses in Transition Economies

Professional Development Workshop 2019 AIB Copenhagen

Organizers

Arie Y. Lewin, Duke University ayl3@duk.edu

Alenka Braček Lalić, Vice Dean for Research Alenka.Bracek.Lalic@iedc.si

IEDC - Bled School of Management, Slovenia

LUO Xiaowei Rose Insead xiaowei.luo@insead.edu

The PDW program will include a panel discussion on unexplored research opportunities on family business in transition economies. The panelists include Professor Arie Y. Lewin, Professor WU Xiaobo Zhejiang University, Dr. Alenka Braček Lalić and Professor Peter Ping Li Copenhagen School of Business and Nottingham University. Following the panel discussion each panelist will lead round table discussions with authors of accepted extended abstracts.

The **deadline** for submitting an extended paper abstract (7-10 pages) is **March 10, 2019**. Papers should be submitted to Ms. Stefanie McAdoo Stefanie.macadoo@duke.edu. Subject line should read **AIB PDW Abstract**. Invitations to participate in the AIB PDW on **Research on Family Businesses in Transition Economies** will be made on a running basis through March 31st, 2019.

If you have any questions please contact Arie Lewin at ayl3@duke.edu. Extended papers can be submitted in any formatting style but must clearly identify authors, university affiliation and email address. By submitting a paper at least one of the paper's authors commits to participating in the workshop if the application is accepted and must register for 2019 AIB conference in Copenhagen. <https://aib.msu.edu/events/2019/Registration.asp>

The literature on family businesses has a long tradition and is quite extensive. However, the phenomenon in transition economies is largely unexplored. An incomplete review of International Business journals finds over 167 papers on the topic of family businesses (eight of which in the context of China). Miller, Le-Breton Miller, Lester, and Canella (2007) define family businesses as “firms in which multiple members of the same family are involved as major owners or managers, either contemporaneously or over time.” This definition serves as good starting point for research on family businesses in China, India and other transition economies. According to the Family Firm Institute (<https://ffi.site-ym.com/page/globaldatapoints/>), the economic contribution, impact, and scope of family enterprises across the world is undeniably, and perhaps surprisingly, extremely significant. For example, as of 2017 family firms account for two-thirds of all businesses, create 70%-90% of annual global gross domestic product (GDP), and account for 50%-80% of jobs in most countries.

The literature on family businesses covers a range of topics far wider than can be summarize here. De Massis, Majocchi, and Piscitello (2018) provide a comprehensive review of the literature. The inescapable conclusion is that research on family enterprises in transition economies is an

underexplored research area. Moreover, the phenomenon of family businesses that emerge as leaders in their niche or sector is almost entirely under researched. Simon (1996, 2009) highlights German “hidden” champions, who employ 15% of all German employees and account for 40% of all exports by German firms; almost all of which are family-owned small and medium-size enterprises, and are the backbone of German manufacturing.

However, Mckiernan and Purg (2013) report that the phenomenon of companies that are champions in their niche or sector can be found in Greece, Turkey, Central and Eastern Europe (Russia, former Soviet republics, and Eastern Europe), and China (Lei 2018). Although China, India, and Latin America are three regions where family businesses account for a high percentage of employment and contribution to GDP, research is lacking on the history, emergence, and evolution of family-owned businesses in general, especially on niche and sector leaders. Topics such as socioemotional wealth (Gomez-Mejía, Haynes, Núñez-Nickel, Jacobson, & Moyano-Fuentes, 2007) as a reason that some founders and family successors strive to become niche or sector leaders are clearly under researched. Similarly, research is lacking on the role of institutional voids, venture capitalist investment in potential leaders or innovation leaders (Florida & Kenney, 1998), handing over firms from founders to the next of kin, leadership, management philosophies reflected in beliefs such as *zhongyong* and Confucianism, internalization, corporate social responsibility, the impact of family members in middle management, and the relationship with urban and provincial policy makers and regulators.

Research on family businesses in China and other transforming economies is greatly needed, and it aligns with the *Management and Organization Review* initiative to encourage research on phenomena that can break new ground involving engaged indigenous scholarship on topics that are relevant and potentially impactful for transforming economies striving to escape the middle-income trap as exemplified in the Chinese initiative “Made in China 2025” and “Industry 4.0”

References

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