

Understanding the value logics of family businesses

Daiteng Ren 20130553

University of Nottingham, Ningbo, China

Supervisors:

Haibo Zhou, Jin Chen

Peter Hofman, Oliver Laasch

April 2024

Table of content

Chapter 1 Introduction	5
1.1 Motivation.....	5
1.2 Outline of the thesis	12
Chapter 2 Theoretical background.....	17
2.1 Business model concept.....	17
2.2 Family business	22
2.3 Value logics in family business.....	23
2.3.1 Family logic and commercial logic in family firms	23
2.3.2 Ownership logic and shareholder logic in family firms	25
2.3.3 Governance logic and succession logic in family firms	27
2.4 Family business and institutional work	30
2.5 Family imprinting and the business model.....	32
Chapter 3 Methodology	38
3.1 Research philosophy and research paradigm.....	38
3.1.1 Interpretivism and Constructivism	38
3.1.2 Research paradigm.....	38
3.2 Methodological choice.....	40
3.3 Data collection	41
3.3.1 Case study	42
3.3.2 Interviews	42
3.3.3 Rationale for the selection of samples	46
3.4 Data analysis.....	51
3.5 Validity and reliability issues in the research	53
Chapter 4 Integrating value logics into family business.....	55
Abstract.....	55
4.1 Introduction.....	56
4.2 Theoretical background	58
4.2.1 Business model from value logics	58
4.2.2 Key characteristics of a family business.....	60

4.2.3 Value logics and family business	61
4.3 Methodology	64
4.3.1 Case study	65
4.3.2 Interviews	66
4.3.3 Data Analysis	68
4.4 Findings	71
4.5 Discussion.....	87
4.6 Contributions and implications.....	98
4.7 Conclusion	99
Chapter 5 Institutional work for value logics in family business: Evidence from Chinese family firms.....	100
Abstract.....	100
5.1 Introduction.....	101
5.2 Theoretical background	105
5.2.1 Institutional work.....	105
5.2.2 Institutional work and value logics in family business.....	108
5.3 Methodology.....	110
5.3.1 Sampling.....	111
5.3.2 Analytical approach	112
5.4 Findings	115
5.5 Discussion.....	142
5.6 Contribution and implication.....	146
Appendix 1. Matrix coding data structure	149
Chapter 6 How does family imprinting shape family business models?.....	154
Abstract.....	154
6.1 Introduction.....	154
6.2 Theoretical background	158
6.2.1 Value logic of family business.....	158
6.2.2 Family business and value logics	159
6.2.3 Family imprinting on business models.....	160

6.3 Methodology	161
6.3.1 Sampling rationale	162
6.3.2 Coding process.....	163
6.4 Findings	171
6.5 Discussion.....	196
6.6 Contribution and implication.....	205
6.7 Conclusion	206
Chapter 7 Conclusion	207
7.1 Answering the overarching research question	207
7.2 Theoretical contribution.....	209
7.3 Practical implications.....	212
7.4 Limitations and future research	214
Acknowledgements.....	214
Reference	219

Chapter 1 Introduction

1.1 Motivation

Business model research raises increasing attention in academia where, at a relatively general level, it concerns how firms are motivated towards achieving their economic goals (Laasch, 2018a; Massa, Tucci, & Afuah, 2017), how they work to create value for their stakeholders (Massa et al., 2017) and reach targets of economic growth and development (Klang, Wallnöfer, & Hacklin, 2014; Wirtz, Schilke, & Ullrich, 2010; Zott, Amit, & Massa, 2010). Similarly, the idea is raised that a business model is the method by which a company realizes its goals in both commercial and non-commercial ways (Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson, & Moyano-Fuentes, 2007; Teece, 2010). These arguments emphasize the importance of business models as strong support for the achievement of the firms' financial goals, such as its profits, its market share, and the potential for growth and development. Moreover, the business model reflects to what extent the company may achieve its value in a strategic manner (Casadesus-Masanell & Zhu, 2013).

Apart from the general understanding of the business model, it is also being discussed from different perspectives, such as goal achievement (Zott & Amit, 2007), strategy formulation (Jenkins, Ishikawa, Geaneotes, Baptista, & Masuoka, 2011), stakeholder relationship establishment, business model design and evolution (Hahn, Spieth, & Ince, 2018), business model innovation (Casadesus-Masanell & Zhu, 2013; Evans et al., 2017), among others. Despite

the various definitions of the business model, which depend on different perspectives, there is consensus among researchers on the understanding of a value logics lens (Chesbrough, Rosenbloom, & change, 2002; Osterwalder & Pigneur, 2010). The value logics of the business model can be categorized as: value proposition, value creation, value capture, and value exchange (Laasch, 2018b). These categories are defined as: the logics of value proposition for customers through products or services; value creation via the achievement of economic goals and growth; value exchange among stakeholders; and, value capture due to profit earning patterns (Osterwalder & Pigneur, 2010). Value proposition emphasizes how a firm generates value for its target customers, thus it takes a customer-oriented perspective. Customers and the target market are of primary importance for the company (Osterwalder & Pigneur, 2010; Teece, 2010). Value proposition indicates how a company aims to satisfy its customers by offering products and services (Baden-Fuller & Mangematin, 2013). When referring to value creation, the firm itself is positioned in the center as it focuses more on the companies' resources and processes (Chesbrough et al., 2002; Teece, 2010). The value capture perspective shows how a firm transforms value from the products or services offered to customers into revenue and profit (Teece, 2010). It deepens value creation and places emphasis on financial investment and goal achievements, while also revealing a company's revenue streams, pricing mechanisms, and R&D strategy, among others (Abdelkafi, 2016). Value exchange explores the relationship between the company and its stakeholders.

This is not about value delivery operating in one direction, but more about bi-directional interaction (Laasch, 2018b). Therefore, value logic perspectives reflect the underlying mechanism of how the business model can guide the company to achieve its strategic goals and objectives.

Previous research reveals value logic as an important lens through which to explain how companies, especially commercial businesses, actually propose, create, and apply a commercial logic as the guiding logic to discuss how firms develop and achieve commercial growth (Arend, 2013). An increasing number of studies to express understanding of the business model concept was shaped from a commercial perspective, leading to a purely commercial logic of value (Ghaziani & Ventresca, 2005). This leads to the result that business model mainly focused on a commercial market logic (Laasch, 2018b). While the business model concept is widely used in commercial firms, in family businesses it goes beyond a purely commercial identity, therefore, in family businesses the business model concept is relatively less discussed. Nevertheless, in recent decades, with the development of double- or triple-bottom line business models (Osterwalder & Pigneur, 2010), in which other logics that are associated with a particular identity and institution, such as social, environmental, or family logics are integrated with commercial logic, the value logic perspective of the business model becomes applicable to explain how a hybrid business (i.e., one with not only commercial goals), creates and captures value via its business activities. This development makes a discussion on a specific model for the family

business feasible.

Family businesses constitute a large portion of our world of economy (Astrachan & Shanker, 2003; Olson et al., 2003). They occupy more than 80 percent of all businesses worldwide and contribute 70–90 percent of global GDP. Family businesses are popular throughout society (Heck & Trent, 1999), indeed, they offer job opportunities for more than half of the global non-agricultural labor force. Thus, we cannot estimate the importance of family business to the worldwide economy. During its development, the family makes a significant contribution to the family business, thus stimulating the economy. These points support the significance of family businesses as well as the investment and financing led by the founding family to the business (Olson et al., 2003). Considering the sustainable development of the market, paying attention to family business is essential. Family businesses are the foundation of economic expansion. They contribute significantly to economic development and expansion while also spreading globally, enabling the production of wealth and promoting economic stability.

Despite earlier studies indicating the reciprocal nature of the family and the company within the context of family enterprises. Family businesses are one of the most essential types of businesses (Siebels & zu Knyphausen-Aufseß, 2012). A family business is a special type of firm which combines both commercial and non-commercial features, e.g., growth and revenue, turnover rate, market share, and social emotional wealth. However, few studies focus on the family business

model specifically, thus little exploration has been made into how the family business model is being shaped and transformed. This raises a yet unresolved question: what is a specific family business model and how does it, and its development, differ from the business models of purely commercial firms?

Moreover, outside the family business discussion there is a thriving research string that explores the link between business models and cognition and which analyzes how cognition shapes or accelerates business models (Snihur & Zott, 2020). A business model is shaped by a firm's decision-making through the cognitive process and a mental model (Amit & Zott, 2015; Martins, Rindova, & Greenbaum, 2015). However, there are few studies which combines family business research with a cognitive perspective, thus providing a potential focus for our research (Erdogan, Rondi, & De Massis, 2020; Snihur & Zott, 2020) in which we apply family imprinting as a cognitive lens through which to better understand how family value logics are being shaped.

The business model tailored for the family business is worthy of investigation for the following reason: family businesses not only make efforts to pursue commercial goals, but also attempt to achieve non-commercial goals (Donckels & Fröhlich, 1991). For instance, family firms emphasize stable family development, reputation, social impact, and stakeholder relationships, beyond purely wealth management (Luis R Gomez-Mejia, Cruz, Berrone, & De Castro, 2011). Accordingly, previous research into family businesses has focused on family business succession (Reay, 2019; Schlepphorst & Moog, 2014), family

ownership and leadership (Brundin, Samuelsson, & Melin, 2014), familism and professionalism (Block, 2010), or internalization (Arregle, Naldi, Nordqvist, & Hitt, 2012). However, scholars have paid little attention to how family business owners achieve both commercial and non-commercial goals through their business activities, strategies, and actions, i.e., the business model of the family business. Furthermore, existing literature provides little explanation for the underlying logics which guide family businesses to propose, exchange, create, and capture values via their business activities, i.e., the value logic perspective of the business model. Particularly, there exists a family logic in family firms which is beyond the purely commercial business model (Laasch, 2018b). Previous research argues that a unique feature of a family firm is that it is both a financial and non-financial entity because the initial emotional connection and fundamental kinship among family members working in the company cannot be ignored (Gómez-Mejía et al., 2007). The socio-emotional wealth (SEW) theory, proposed by Gómez-Mejía et al., (2007), explains such behavior as it is mainly oriented towards stakeholder value instead of towards shareholder value. It emphasizes environmental contribution, rather than focuses on the commercial goals achievement. The SEW theory also explains that family owners are derived as a result of a different set of non-economic motivations (Gómez-Mejía et al., 2007). That is, family owners are motivated by non-economic goals, such as to accumulate the companies' image and reputation (Craig & Salvato, 2012; Dyer & Whetten, 2006), as well as being proud of the pride and prestige,

perpetuate family beliefs and values, acquire a strong sense of company recognition and gain self-identity, make efficient use of social capital, and preserve family connections and transgenerational sustainability (Chrisman, Chua, Pearson, & Barnett, 2012; Zellweger, Nason, Nordqvist, & Brush, 2013). For instance, when family firms start to take care of their employees, including both family and non-family members, the employees themselves become more eager to be involved in their daily work, to behave well, to better dedicate themselves to the job, and to gain benefits for their families (Cheng, Zhu, & Lin, 2021). Employees who feel they are being taken good care of by the family tend to strongly identify with the organization, perceive less conflict in work-family relationships, and are less likely to be subjected to psychological contract breaches (Demirtaş, Arslan, & Karaca, 2017). Furthermore, according to Zott and Amit (2007), the business model is also being conceptualized as a boundary-spanning organizational design. As a result, structural imprinting is an imprinting process that influences traits appropriate for a venture's boundary-spanning business model design as well as its internal organizational design.

Therefore, we aim to adopt a value logics lens through which to view the context of these businesses and to attempt to identify a specific business model for the family business, delving into how family firms work to propose, create, capture, and exchange value throughout their development. The overarching research question to be addressed in this PhD thesis reads:

What is a specific family business model under the value logics lens?

In order to answer the overarching research question, this PhD thesis investigated three aspects. Firstly, taking a static approach, we try to map out what kind of organisational value logics constitutes a family business model in value proposition, creation, exchange, and capture; secondly, taking a dynamic perspective, we investigate how a family business model develops value logics which are internalized over time; thirdly, given the dominant nature of the owning family, we examine how the owning family shapes the development of a family business model. These three aspects are translated into three sub questions and are answered by three empirical papers. The rationale for each of the three sub questions are discussed in Chapter 2.

1.2 Outline of the thesis

The remaining sections of this PhD thesis are organized as follows (see Figure 1. for a visual representation). Chapter 2 provides a literature review which covers business model concepts, the value logics lens, the family business and its different perspectives, institution theory, institutional work, and family imprinting. It lays a solid theoretical foundation on which to rationalize the three sub questions for the development of the empirical papers.

Chapter 3 introduces the methodology applied, it includes discussion of research philosophy and paradigms, methodological choices, data collection and analysis.

Chapter 4 introduces the first empirical paper. Building on the literature of business model value logics and family business, this paper discusses how

family firms propose, capture, exchange, and create value. Based on case studies of 15 family firms, which included 68 individual interviews, the key findings are as follows:

1. Family value proposition: family businesses not only focus on proposed value to their customers, aiming to provide high quality products and services, but they are also more willing to offer job opportunities to family members, hence ‘promoting’ purely family members to be functional family members.

2. Family value capture: when considering SEW, a family business firstly starts up with a family fund, along with the development of the company, the aim is both for business growth and family sustainability.

3. Family value exchange: within a family business, employees are more eager to establish and maintain a continuous relationship with their stakeholders.

4. Family value creation: decision making, management style, and daily operations are strongly impacted by family style during their development, family firms also consider appointing professional managers to the top management team from outside the family.

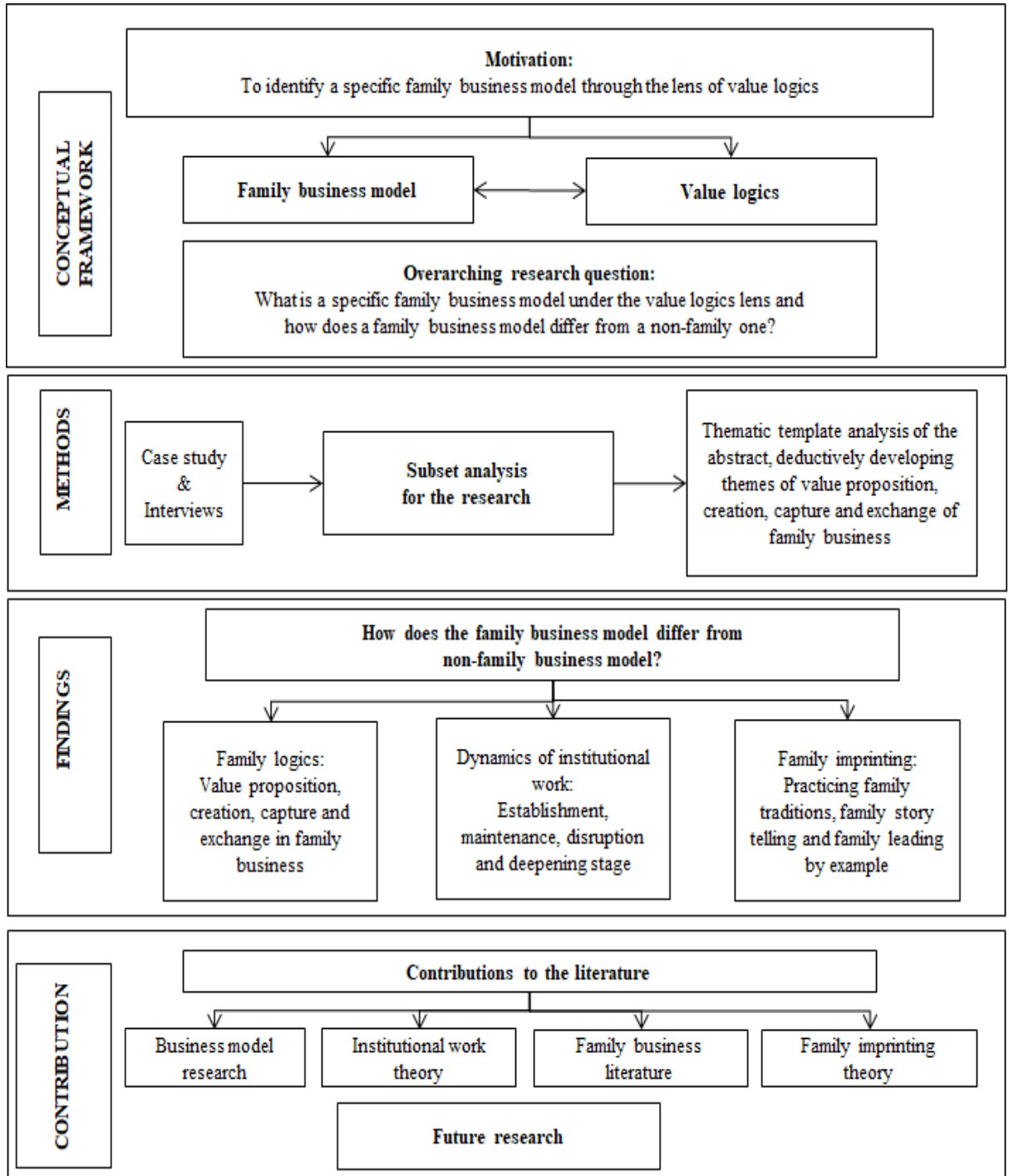
Chapter 5 introduces the second empirical paper. Adopting institution theory and, more specifically, the concept of institutional work, this paper examines the dynamics of institutional work and how it accelerates the shaping and transforming of the family business model. Based on our empirical analysis of 68 interviews with members of 15 family businesses, we propose that there are four stages of institutional work: establishment, maintenance, partial

disruption, and deepening. Owners start up the company by extending “family” to “functional family” plus “profitable business”, we call this the establishment period; the firm is then well maintained since family business members continuously make efforts which highlight the family identity. However, such institutions may potentially be subject to collapse as a result of professional managers joining the top management team, or they may even risk a potential takeover. Under such circumstances, family business members might take action to protect familism, thus institutional work is refurbished, hence, this is a deepening stage.

Chapter 6 introduces the third empirical paper. Using imprinting theory, we found that family firms, especially those with a strong inherent heritage, a unique bundle of resources, a distinctive background and experience are quite different from non-family firms (Dacin et al., 2019). To some extent, family imprinting boosts the development of family firms. Therefore, when establishing and maintaining the relationships with stakeholders, family firms are more eager to establish a long-term, sustainable relationship, even treating their stakeholders as members of the family. Their mission, vision, their own characteristics, would not only play a role in the family’s extended business, but also impact their employees, both family and non-family members. The experience, background, values, beliefs, and traditions of the initial family founder and/or the founding family, play a significant role in accelerating perfection in the family logic.

Chapter 7 is the concluding section. It discusses the theoretical contribution and implications of the research. Clearly, this research contributes to business model research by applying a value logics lens onto the family business context; it contributes to the perspective of the family business literature, embedded in institutional work, connecting business model research with institution theory and, accordingly, provides an extension to family business research. We also contribute to the cognitive literature, offering a family imprinting perspective which discusses how family imprinting plays a role in the shaping of a business.

Figure 1. Outline of the thesis



Chapter 2 Theoretical background

2.1 Business model concept

Business models have become increasingly popular as a unit of analysis to explain differences in firm performance (Zott & Amit, 2007). Business model explains how a firm offers value to customers, suppliers, and other stakeholders (Teece, 2010). A business model offers a systematic and holistic perspective which illustrates how companies run their business (Zott & Amit, 2013). It also shows a dynamic causal relationship among the companies, the target market, and growth and revenue (Baden-Fuller & Mangematin, 2013). A business model at the firm level is to indicate how an organization work to generate revenue by considering the cost management as well as exploring how a company capture and create value (Gambardella & McGahan, 2010). It also refers to the way a company makes money and is specific to individual companies (Birkinshaw & Goddard, 2009). A business model is also discussed as a display of the logic of how an organization convert payment into profits and gains, and how it delivers and create value to its stakeholders (Roome & Louche, 2016). Business model explores the approaches how firms run business to create and capture value within the value chain (San Román, Momber, Abbad, & Sánchez Miralles, 2011). It also shows how a company provide products and offer services to their customers, mainly emphasizes on the value creation. A business model encompasses all parts of a company's strategy for creating highly profitable items and delivering them to target customers (Sinfield, Calder, McConnell, &

Colson, 2012).

These ideas emphasized the importance of business models as strong support for the achievement of the firms' financial goals, such as profits, market share, and the growth of the firm. Yet, as time goes on, the business model concept has been transformed from a description of how a firm works (Magretta, 2002) in order to optimize its daily operation by configuration of business activities (Zott et al., 2010). Moreover, the business model reflects to what extent the company could achieve its value in a strategic way (Casadesus-Masanell & Zhu, 2013). When compared with the traditional business model, modern business models concentrate on innovation and evolution approaches, instead of product and service development (Casadesus-Masanell & Zhu, 2013; Dodgson, Gann, & Phillips, 2013). Organizations have had to reconsider and re-profile their approaches by adjusting their strategies towards new opportunities and challenges, especially when new business models have emerged in times of high-technology growth and internationalization (Gambardella & McGahan, 2010; Hacklin, Marxt, & Fahrni, 2009).

As a general level, business model can be seen as a tool which helps to understand the logic of the business as well as to simplify the complicate element in the organization (Osterwalder & Pigneur, 2010). Business model can also be understood as how a specific organization succeed and how its stories and experience could be spread to a broad group (Baden-Fuller & Morgan, 2010). In terms of the business model, business model explores a causal relationship

between the company and its stakeholders, meaning, how a company makes decision would have an influence on its stakeholders (Baden-Fuller & Mangematin, 2013).

More specifically, business models reveal how a company works to achieve goals by creating value in both economic and non-economic aspects (Massa et al., 2017). This argument appears to connect the business model with value logics concepts, emphasizing the value proposition and delivery to stakeholders (Teece, 2007).

The business model is also described as a company's logic of value proposition, creation, exchange, and capture (Laasch, 2018b; Teece, 2010). Applying a value logics lens to business model research could help better understand how firms propose, create, capture, and exchange value in a specific way. A variety of research suggests that there is a strong and close relationship between value logics and the business model. It is suggested that when assessing a company's value, value logics are very important elements to be considered (Linder & Cantrell, 2001). Considering value logics helps to further investigate how companies operate in order to satisfy their customers, which they do by offering high quality products or services, i.e., value proposition. We can also better understand how a company makes money, i.e., value creation. It also shows how every organization aims to achieve its goals and objectives in a strategic way, i.e., value capture (Osterwalder & Pigneur, 2010). Arend (2013) argued that business models are a logic of value creation, emphasizing both

commercial and non-commercial approaches (Arend, 2013). Additionally, value exchange aims to explore how companies deal with the relationships among their stakeholders, as well as how that value interacts within the company itself. Each company would have its own value logic pattern which depends on its identity and individual characteristics. The interaction of value logics clearly explains business models in a strategic way.

The following table is a summary which combines the business model concept with the value logics lens. It clearly shows how the business model concept is understood from the value logics perspective (see Table 1).

Table 1. Business model exemplar representations under a value logics lens

Value proposition	Key argument
(Lüdeke-Freund, Massa, Bocken, Brent, & Musango, 2016)	Value proposition is how value is to be delivered, exchange, and recognized. It is also a belief from the customer about how value will be delivered, experienced and acquired.
(Chesbrough et al., 2002) (H. Chesbrough, 2007)	Value proposition is not only about the commercial client value proposition, but also the sustainability value proposition for a broader range of stakeholders.
(Nielsen & Lund, 2014)	Value propositions are primarily concerned with generating and delivering an appealing product or service to the market.
(Zott et al., 2010)	Value proposition blends social, environmental, and economic value.
(Magretta, 2002)	A value proposition seeks to benefit a wide range of stakeholders.
(Baden-Fuller & Mangematin, 2013)	Value exchange refers to how businesses strive to provide value to their consumers. It entails multi-relational systemic interactions, with an emphasis on the function of various stakeholders.
Value capture	Key argument

(Lüdeke-Freund et al., 2016) (Zott et al., 2010)	Value capture as the process of securing profits from value creation and the distribution of those profits among participating actors, such as providers, customers, and partners.
(Demil & Lecocq, 2010)	Value capture explores how companies capture value through financing and investment to achieve strategic goals.
(Itami & Nishino, 2010)	Value capture introduces how companies take account into their future development and the implementation path.
Value creation	Key argument
(Lüdeke-Freund et al., 2016)	The business model is a system of value creation.
(Nielsen & Lund, 2014)	Value creation is how an organization create value to customers and partners.
(Zott et al., 2010)	Value creation shows the approaches how a company works to achieve value gain and growth through daily operation and management style.
Value exchange	Key argument
(Zott et al., 2010)	Value exchange includes how companies entails multi-relational systemic interactions that emphasize the participation of many stakeholder groups.
(Laasch, 2018b)	Value exchange emphasizes on how companies develop products and services to their customers, as well as focus on the relationship with stakeholders, aiming at achieve sustainable development.

In our research, we applied the general concepts of value logics. Value proposition is not only about the commercial client value proposition, but also the sustainability value proposition for a broader range of stakeholders (Chesbrough et al., 2002). Value creation shows the approaches how a company works to achieve value gain and growth through daily operation and management style (Snihur & Zott, 2020). Value capture explores how companies capture value through financing and investment to achieve strategic goals (Demil & Lecocq, 2010). Value exchange includes how companies entails multi-relational systemic interactions that emphasize the participation of many

stakeholder groups (Zott et al., 2010).

Business models may also be discussed at a cognitive level. For instance, business models are how business members better understand the firm's position statement and how they behave according to their knowledge and commitment (H. W. Chesbrough, 2007). Moreover, this level also refers to how employees realize the strategic decisions and the how their behavior reflects this (Richter, 1998). Similarly, it has been raised that business models are discussed as linguistic schema (Chesbrough et al., 2002). This means business managers are considered to be sensible to business model design and innovation and should also be able to clearly interpret the working orientation and the direction of future development (Amit & Zott, 2015).

2.2 Family business

According to previous research, scholars have attempted to agree on a definition of the family business (Sanchez-Ruiz, Maldonado-Bautista, & Rutherford, 2018); however, they reveal that every family business is exogeneous. The reason for this is that they differ in a number of approaches, including ownership structure, the proportion of family members to non-family members employed, multi-generational participation, and family business development. However, there are two relatively accepted points of view. Firstly, the most significant difference between family and non-family firms is the impact of the family's functions on the behavior and decision-making within a family business. Following this view, the generally accepted definition is that

family plays the leading role in the firm and makes core decisions (Chung & Luo, 2008). The alternative definition of a family business is a firm in which a single family owns more than 51% of the shares and they have the intention to transfer the business to the next generation (Churchill & Hatten, 1987). In our research, we applied this second definition.

2.3 Value logics in family business

In this section, firstly we discuss different perspectives of family firms, and then we apply a value logics lens onto the family business context in order to better understand the specialized family business model.

In family business research, there exists a tension between “family” and “business”. A business model represents an organization's core logic for value (Linder & Cantrell, 2001). When value logic concepts are embedded into the business model, they relate, physically, to product and service development, market expansion proposals, resource allocation, and stakeholder interest (Amit & Zott, 2015; Basco, 2015; Demil & Lecocq, 2010; Zott et al., 2010). Companies are shaped by logics of value proposing, creating, exchanging, and capturing according to their particular identity and type of institution (Moore & quarterly, 2000; Warnaby, Finney, & Marketing, 2005). In family business research, family logics dominates. The way family firms propose, create, capture, and exchange value differs from nonfamily firms.

2.3.1 Family logic and commercial logic in family firms

A family business is influenced by a group of logics dominated by commercial logic and family logic. Commercial logic is sometimes referred to from an economic perspective (Friedland & Alford, 1991; C. Marquis, Glynn, & Davis, 2007). The main characteristics of the family business are: blood relationship, marriage relationship, loyalty and trust, family reputation and social status, each of which make a family business even more special than non-family companies (De Vries, 1996; Luis R Gomez-Mejia et al., 2011; Gómez-Mejía et al., 2007). See Table 2. for a summary of the key characteristics of a family business and a non-family business.

Table 2. Key characteristics of family business and non-family business

Key characteristics	Family business	Non-family business
Goals	Social emotional wealth + profit	Profit + economic growth
Organization	Family-led + profit	Profit-led
Set up principles	Built on trust	Built on contract
Employees relationship	Kinship + employment	Employment
Governance	Family governance + professional management	Professional management
Time	Long term orientation + potential for takeover	Business growth and potential takeover

On the basis of family logic, there is the possibility that a family-led and governed business would place precedence on family members as managers, at the same time being eager to remain sustainable for family, family members, and the family business (Miller & Le Breton-Miller, 2005). Normally, traits such as these within a corporation would influence decision-making and the selection of structures to be adopted. The mixture of logics can also give guidance to a

corporation's behaviour and may also have an impact on the business model and the firm's performance (Lounsbury & Crumley, 2007).

Since family logic is closely related to the participants who are family members, and who are expected to stay in the family for a long period, family logic would shape a business' regulations and governance. Family membership would be regarded as an identity due to the leadership of a patriarch; family members would have sense of agreement akin to informal laws related to loyalty (Allen, George, & Davis, 2018; J. H. Davis, Allen, & Hayes, 2010). As a result, family involvement might be determined socially (Gómez-Mejía et al., 2007). Family members are preferred for involvement at senior management level based on the "relationship" consideration (Luis R Gomez-Mejia et al., 2011). Family logic is also discussed in accordance with cognition, family members' contribution and reward preferences, and their promotional approach. However, some arguments claim family members may gain great advantages as a result of the firm's decision-making. This can be referred to as the agency theory of principal-principal conflicts. Therefore, when a family holds a high proportion of shares in the firm, it is more likely that the firm's members realize the concentration of the family control logic (Morck, Yeung, & practice, 2003). In some areas, a family logics-led business may make decisions according to socio-economic wealth priorities (Bertrand, Mehta, & Mullainathan, 2002).

2.3.2 Ownership logic and shareholder logic in family firms

In the family business context, the family business model is often distinctive from the non-family business model because the former is generally under the ownership and leadership of one family (Astrachan, Klein, & Smyrnios, 2002). Ownership can include both affective and cognitive dimensions (Pierce, Kostova, & Dirks, 2001). Ownership logic is generated through juridical ownership and financial ownership. Juridical ownership is the theoretical part of family ownership logic. These two main ownership types are often elaborated as shareholder value (Fligstein, 1996; Letza, Sun, & Kirkbride, 2004; Melin & Nordqvist, 2007; Pierce et al., 2001). Shareholder logic tends to occur more in the short-term and concentrates on economic outcomes by evaluating and implicating the values (Brundin et al., 2014). Research finds that shareholder logic stands on the financial perspectives of the business (Fligstein, 1996). Recently, the governance standard has emerged by shareholder value logic on the basis of financial perception (Bradley, Schipani, Sundaram, & Walsh, 1999; Rubach & Sebor, 1998). It is also argued that the target objective for a family business is to offer job opportunities to family members, run a business in a more family-oriented way, and retain the owner's lifestyle. Working in the family business tends to confirm strong emotional ties and connections to the family and sense of belonging, it invisibly becomes one of the elements of family ownership logic. Family members working in the family business show their unwillingness to depart from or sell the firm to others because of the strong identification with the firm (Lansberg, 1988; Salvato,

Chirico, & Sharma, 2010). At times, such identification may become burdensome, resulting in emotions of guilt for quitting the family business or regret for remaining in the organization (Belk, 1988). However, in general, family enterprises are guided by a strong and unique bond (Miller, Le Breton-Miller, & Lester, 2011). Similarly, family business owners are often genuine, and unique in their strong and unconditional commitment to the family business (Hall, 2003). Therefore, family members show their willingness not to leave the company and to maintain ownership of the business (Miller et al., 2011).

2.3.3 Governance logic and succession logic in family firms

Family governance logic arises due to family members wanting to take part in the management decision-making process because the core decisions have a close relationship with their interests and preferences (Dinh & Calabrò, 2019). In the family governance logic, family members, when compared with non-family members, are more welcome to take part in the process of decision-making. Certainly, the suggestion they raise may be more acceptable because they are more closely related to the family business based on kinship, interest, reputation, and sustainable development (Mohammed, Fauzia, & Christopher, 2018). Moreover, family businesses make considerations about the business being inherited by future generations (Gersick, Lansberg, Desjardins, & Dunn, 1999). Hence, according to family governance logic, they pay special attention to the effectiveness of family members' participation in management. The aim of family governance is to establish a scalable, sustainable, and secure

framework that helps to better deal with the relationships within the family business, within the family members, and within the latter's wealth and interests (Martin, Campbell, & Gomez-Mejia, 2016).

More specifically, when there exists a family governance logic, a family business would expect support mainly from family members' strategic decisions (Gersick et al., 1999). From the socio-economic wealth perspective, in a family business members tend to be more consistent in the pursuit of increased reputation, sustainability, and economic value due to a close relationship with the business, giving the advantage of maximizing family business value by better dealing with family governance logic (Berrone, Cruz, Gomez-Mejia, & Larraza-Kintana, 2010; Chrisman & Holt, 2016; Firfiray, Cruz, Neacsu, & Gomez-Mejia, 2018; Luis R. Gomez-Mejia, Patel, & Zellweger, 2018). Thus, the advantages of family involvement are that family members care about the family's reputation and sustainable development and this is beneficial to social and economic wealth (Dembek, York, & Singh, 2018; Miller, Amore, Le Breton-Miller, Minichilli, & Quarato, 2018).

The literature subscribes that in accordance with the specific characteristics and culture of a family business, its organizational structure differs from a non-family business (DiMaggio, 1997; Duh, Belak, & Milfelner, 2010) because, normally, family members are involved in the family business, especially at the foundation stage. Both the build-up and the development of a family business offer opportunities to extend kinship from blood ties to the business level

(Leaptrott, 2005). In this case, a family business would pursue a strong intrinsic relationship among family members, along with the family reputation and stable performance of sustainability. For some family businesses succession is prioritized as the dominant motivation for development and enlargement. Continuing with this theme, management orientation is a long range pursuit in a family business (P. Davis & Stern, 1988).

Based on previous research, due to the features and uniqueness of family firms, we found the preponderance and superiority of family logic is committed to the family-related positions which lead to value logic (Laasch, 2018b). From the state of art, literature recognizes what the family logic exists in the family firms and how the family logic would affect their behavior. Family logic-dominated business may lead to managers' decision-making according to the socio-economic wealth priorities in some regions. In terms of the family business members, their goal is not only to maximize the firm's value, but also to take charge of the staff and different generations of the family. Employees from among the family tend to pay more attention to non-commercial goals than to commercial ones (P. Davis & Stern, 1988). Such features depend on family ownership and governance which show the family characteristics at different stages. Additionally, this shows that the strategic direction for future development in family firms differs when compared with purely commercial firms. However, few studies talk about family which can holistically illustrate what family business do to propose, create, capture and exchange value and how

these value logics are interrelated. Therefore, our research aims to apply value logics to the family business lays a solid foundation by using a systematic analysis of four value functions—value proposition, value creation, value capture, and value exchange—aiming to identify a specific family business model which manifests the features of a family business.

Sub research question 1: What is a specific family business model and how do organisational value logics influence it in value proposition, creation, exchange, and capture?

2.4 Family business and institutional work

The business model is not a static concept, it develops dynamically in response to the changing environment. Therefore, based on the first empirical study on value logics of a family business, where we identify a specific family business model under value proposition, value creation, value capture and value exchange, we try to understand how value logics of a family business are shaped and influenced by the dynamics of institutional work along with the development of the family firms.

Institutional work is an extension of institutional theory. Institutions are ways of acting and judging and exist in every business (Scott, 2001). Institutions are indispensable elements in a social society (Hughes, 1936), they provide standards and criteria for how to behave and what to believe (Meyer, Gaba, & Colwell, 2005; Powell & DiMaggio, 2012; Scott, 2001). Institutional logics set the foundation for an individual's sense-making, which also helps to emphasize

the meaning of embedding value in real society (Friedland & Alford, 1991; Thornton, 2012). Institutional logics are also the beliefs of culture and regulations that form employees' ideas and actions; they help our understanding of how business works in reality and how to solve conflicts between interests and actions (DiMaggio, 1997; Ocasio & Radoynovska, 2016). Institutional work discusses how individuals and groups behave to establish, preserve, and break institutions. Classic institutional work has focused on how people put institutions into practice, including their setting up, remodeling, and transitioning activities (Lawrence, Suddaby, & Leca, 2011). Along with the development of family businesses, the daily operational process will be normatively institutionalized, meaning how norms are generated and how value is exchanged in the firm could also be explained as the dynamics of institutional work, showing the features of family firms at different stages (Scott, 2001).

In general, most family business are surrounded by family members; however, there are employees who do not have kinship with the family but still work in the family business with expectations of loyalty and honesty towards the family (Chung & Luo, 2008). It is important to understand how non-family members perceive, analyse, identify, and gain approval in the family culture. Especially at the establishment stage of institutional work, there is a concern that family owners may prioritize their own interests and remove non-family members who work in the family business (Bertrand et al., 2002). At the same time, family members may take advantage of information delivery because they

are normally the information conductor (Fan & Wong, 2005). Similar views are raised that family members may intentionally control the number of non-family members who may join the business at senior management level, they tend to worry that their positions may be challenged by others (Anderson & Reeb, 2004). Family members act as the senior managers and are the main force who decide how the business operates and lead the strategic direction towards long-term development. Some researchers argue that a family business is built on high levels of trust and dependence. This kind of trust differs greatly from the relationship among staff in a non-family business. It appears that a family business is commanded by informal fundamental laws and regulations instead of interest logic and contractual liability (Jones, 1983). Relatedly, within family business contracts, members may prioritize value logic due to relationship or kinship, rather than as a result of the economic value derived from exchanges; in this way the institutional work is being maintained.

Based on previous research, applying institutional work theory into family business research offers an insight into determining the dynamics of institutional work in family firms, as well as exploring value logics of the family business, how family businesses propose, capture, exchange, and create value, and how they are internalized and influenced by the dynamics of institutional work.

Sub research question 2: How do family members realize the institutional work and how does this shape the family business model?

2.5 Family imprinting and the business model

Scholars in the business model research area considered a cognitively constructed representation that exists in the heads of the organization's decision-makers, but not in the real world (Baden-Fuller & Mangematin, 2013). This notion conceptualizes the business model as a reflection of cognitive structures (Doz & Kosonen, 2010), and cognitive instruments. As a result, related research has discovered the cognitive logic and approaches that might can change such schemas to develop new business models (Martins et al., 2015).

From a cognitive perspective, business models are actually how business members can better understand their job responsibility and how they are guided to be well-behaved. Moreover, this perspective could also be referred to as how employees make sense of strategic decisions, and how they seize opportunities and meet challenges (Richter, 1998). Similar ideas apply a cognitive lens to business model research and could also be discussed in terms of linguistic schema. Business managers are sensible to business model design and innovation, furthermore, interpretation of business members about their working orientation or direction of future development should be clear (Amit & Zott, 2015). The business model can be also considered from a mental perspective, e.g., beliefs or cognitive consensus held by the employees of the firm. Another similar argument is that when compared with business members who work under high pressure by "cold" rules and regulations, the former are more efficient and tend to strongly agree and highly identify with the business model. To some extent, the business model seems to be even more helpful in improving

efficiency, especially when decision-makers are faced with comprehensive information and cognitive differentiation (Massa et al., 2017). Meanwhile, (Teece, 2007) raised the idea that a business model connected with value logics emphasizes the value proposition and delivery to stakeholders. Business models are how companies work to achieve goals by creating value and how company employees' commitments and actions influence the company's outcome.

According to Johnson (2007), founders can reconstruct and recombine existing templates, which is also recognized in the business model literature (Amit & Zott, 2015). Simsek et al., (2015) indicate the significance of differentiate the concepts among imprinters, imprinted, and the imprinting process (Snihur & Zott, 2020). Previous research identifies cognitive imprints which have various functions to examine: how imprinters actively impact the content, range, and stability of strategic choice; the extent and direction of organizational learning; the construction of systematic memory; the development of aspirations and perceptions (Simsek, Fox, & Heavey, 2015). Accordingly, we apply imprinting as the cognitive process which deeply embedded in the employees' cognition, for instance, thinking, learning, aspiration, perceptions and memories of key venture members (Snihur & Zott, 2020).

Imprinting is a dynamic process through which company develops characteristics that reflect prominent features of the environment; along with the company's development, such characteristics would continuous persist even

through the environment might change (C. Marquis et al., 2007). Previous research indicates that the younger generation is strongly imprinted by the older generations in family firms (Simsek et al., 2015), which affects the firm's practices and actions (Rau, Werner, & Schell, 2018). The main reason for imprinting in family firms indicates the significance of family tradition on second-hand imprinting, meaning an indirect influence. Family imprinting is the primary element for a family business (Hammond et al., 2016), it also perpetuates the family's beliefs and practices. Under such circumstances, as a result of the family feature, different generations within the family are strongly united and connected because family members share the histories, experience and practice (Dacin, Munir, & Tracey, 2010). Family imprinting occurs during a short period of susceptibility, the characteristics of a company will reflect the features of the environment, and these characteristics would continue to exist and might result in great changes at the environmental level (Tilcsik & Marquis, 2013). The three main types of imprinting mechanisms identified are as follows. The first imprint mechanism is the strategic education to the next generation. Normally it happens when the older generation would encourage the younger generation to accumulate the working experience as well as receive higher level education. Secondly, the older generation and younger generation work together through establish the entrepreneurial bridge. Thirdly, through strategic succession, the founders would ensure that the new successor would control the key resources and the power of the family business (Reay, Jaskiewicz, & Hinings,

2015). In our research, we use family imprinting as a cognitive lens to better understand the key practices of family imprinting itself and how it may influence the family business model under the value logics lens.

Sub research question 3: How does family imprinting play a role in shaping family business models under the value logics lens?

The connections among papers

All three papers which make up this PhD thesis are closely connected with business model research under a value logics lens. We apply a value logics lens in paper development, but select three different perspectives.

Step 1: To understand what is family business logics and build upon the value logics lens. The first paper is the key part of the research, illustrating the key value functions of a family business. We determine how family businesses propose, create, capture, and exchange value, and how family businesses are heterogeneous from other family businesses in various ways.

Step 2: Institutional work: value logics, dynamics, internalization. The second paper on institutional work connects back to business model research, showing how dynamics of institutional work may accelerate the family business model under the value logics lens. It seeks to explore how family businesses propose, capture, exchange, and create value, and how value logics of family businesses are shaped and influenced by the dynamics of institutional work.

Step 3: Family imprinting, how family logic is being influenced. The third paper applied a cognitive lens, adopting a family imprinting perspective

and attempting to explore how family imprinting plays a role in the family business model shaped within the lens of value logics. Among these three papers, value logics of a family business is the key topic, we discuss this extensively, based on an institutional work perspective and the lens of family imprinting to deepen the research.

Chapter 3 Methodology

3.1 Research philosophy and research paradigm

3.1.1 Interpretivism and Constructivism

The empirical chapters of the PhD thesis are guided by research philosophies of interpretivism and constructivism. Interpretivism involves the understanding and interpretation of the actual situation. It is subjective and carries a strong personal view, therefore it offers different viewpoints and reflections of one fact based on the researcher's background, experience, and standpoint (Bryman, 2016). Interpretivism could also be described as the understandings of, and explanations for, the phenomenon under investigation (Weber, 2009). Meanwhile, constructionism is the knowledge and the point of view constructed by people (Bryman, 2016). It shows social society to be in a continuous process of revision and aims to present a given view of the research area based on the construction of knowledge through research findings (Bryman, 2016).

3.1.2 Research paradigm

Bryman defines a paradigm in terms of how researchers conduct their research and how their findings are interpreted based on a particular set of beliefs (Bryman, 2016). Considering the value logic lens as an entry point, our overarching research question asks what represents a specific family business model under the value logics lens. It seeks to identify a particular organizational value logic specific to a family business. In order to answer this research

question, we have developed three sub questions which are answered by three empirical studies.

The first sub question is: What is a specifically family business model and how does organisational value logics influence a family business model in value proposition, creation, exchange, and capture?

The second sub question is: How do family members realize the institutional work and how does this shape the family business model?

The above two sub questions are exploratory in nature; therefore, we draw on the interpretivist paradigm to gain knowledge and understanding of the four value functions of a family business, and to identify four different stages by referring to the dynamics of institutional work.

The third sub research question is: How does family imprinting play a role in shaping family business models under the value logics lens?

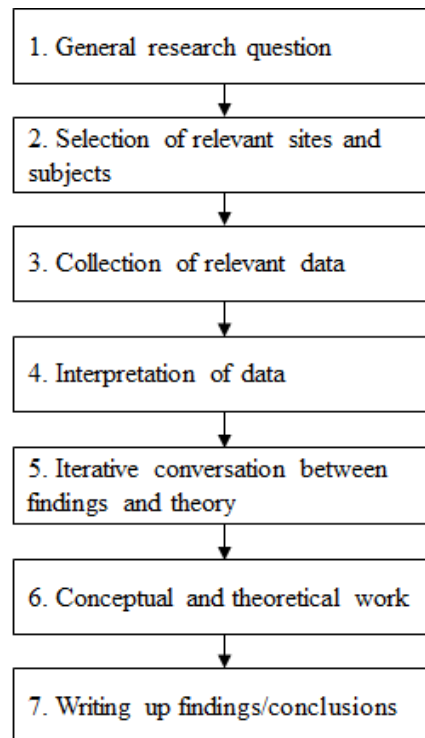
In our third paper, we apply the family imprinting concept as a cognitive lens to explore how family imprinting practices influence the family value logics. Thus, we take a constructivist approach, we construct three key items of family imprinting from the interview data to illustrate how these three family imprinting practices influence the value logics of family firms. The combination of interpretivist and constructivist philosophies help us answer the overarching research question of this PhD project, i.e., What is a specific family business model under the value logics lens?

3.2 Methodological choice

In order to better understand how family firms propose, capture, create, and exchange value in a specific way, it is necessary to delve into how each value logic works differently in family firms. This necessitates asking detailed questions for which a qualitative approach is necessary. Moreover, a qualitative approach allows us to further explore how value logics in a family business differ alongside the dynamics of institutional work, as well as helping to identify key family imprinting practices, using causal loops to show the relationships between different family imprinting practices.

Qualitative research is a research methodology that emphasizes words rather than quantification in the collection and analysis of data. As a methodology it is broadly inductivist, constructionist, and interpretivist (Denzin & Lincoln, 1994). The process of qualitative research includes the questions emerge and solving procedures, as well as offering a means of exploring and understanding the meaning individuals or groups ascribe to a social or human problem. the construction of data from the particular into themes, and making meaning from the data (Creswell, 2009). In our research, we use qualitative research as our main methodology, following the steps outlined in Figure 2.

Figure 2. An outline of the main steps of qualitative research



Qualitative research helps to define what kind of value logics exist in a family business and how value logics interact to influence and shape that model. We aim to identify how institutional work may shape a family business model and how family imprinting practices influence family value logics. The main purpose is to scrutinize the interview data, systematically interpret the empirical materials, identify a specialized family business model under a value logics lens, explore how family members realize the dynamics of institutional work to establish, maintain, disrupt, and deepen the family business model, and evaluate how family imprinting as a cognitive perspective may shape a family business model under the value logics lens.

3.3 Data collection

Guided by our methodological choice of qualitative research, we chose case study and interview as data collection techniques in the empirical papers of the

thesis.

3.3.1 Case study

Case study is an important tool to enrich the research data (Cassell, 2004). The case study approach is especially suitable to consider research questions which require personal details to gain in-depth knowledge (Eisenhardt, 1989; Yin, Oltvai, & Korsmeyer, 1994). As a tool for generating and testing theory, the case study approach has offered the area of strategic management research with breakthrough insights (Burgelman, 1983; Penrose, 1960). The reasoning for this is that a case study allows the researcher to closely interact with the interviewee in the field. Certainly, when the interviewees are in a management situation, a case study provides a good opportunity to visit the company, gain a basic impression of the company, and provide triangulation. As a result, case study is a representative methodology which facilitates the creation of management knowledge (Leonard-Barton, 1990). In our research, case study is an efficient tool to help us better understand the heterogeneity of family firms. Through multi-case study, among 15 family firms, we identified a specialized family business model under a value logics lens, we added an institutional work lens and a family imprinting lens to better understand how family value logics are being shaped.

3.3.2 Interviews

The typical way of undertaking qualitative research is to conduct interviews with individuals. Interviews may be conducted face-to-face, by telephone, in

focus groups, or online. They are useful when participants cannot be directly observed (Bryman, 2016). We use interviews to talk to a specific person in the company to gather first-hand data. By conducting semi-structured interviews, we can better understand the specific family business model under the value logics lens and delve deeply into what, how, and why it appears to be like this. Additionally, interviews help us to explore different stages of institutional work in family firms and how that institutional work takes place alongside the transformation of the family business model. By conducting interviews, we theorize the three key items of family imprinting and understand how family imprinting influences how a business model is shaped.

In theme one, we mainly focus on the family business model under the value logics lens. Interviews began with warm-up questions which asked about the daily working life of the employee in the family business, these answers may also be relevant to value creation. Question 2 is about value capture of family firms; how they capture value and in which way. Questions 4 and 5 aim to understand the value creation of family business, how do they create value and whom do they create value to. Question 6 is about the relationships between family firms and their stakeholders, which conclude to value exchange. Question 7 aims to understand the value proposition of family firms, how do they position themselves as family firms.

In theme two, the interview questions helped to explore how family members realize, behave, and react alongside the dynamics of institutional work

and, meanwhile, shape and accelerate the business model transformation. Questions 1, 2, and 3 focus on different stages of institutional work, Question 4 emphasizes the combination of institutional work with business model transformation.

In theme three, we apply a cognitive lens, starting with how the mindsets of family business members may influence the value logics of family firms. Questions 1 and 2 cover the history of the family firms, how family business members are imprinted along with the development of the company, i.e., value creation. Question 3 is about the value proposition which shows how employees treat others to be most important. Questions 4 and 6 explore how employees are influenced in the family firms, referring to value creation and value capture. Question 5 is about opinions on decision-making in family firms, i.e., value creation. Based on the questions within the three themes, we can firstly generate four value functions of family firms, we can also identify different stages of institutional work and key family imprinting practices. Table 3. summarizes the interview questions for each theme.

Interview question design

Table 3. Interview questions

Themes	Interview questions
Theme one [business model/value logic]	1. What do you do in your daily work?
	2. What is the meaning of your family business and what does the business mean to the family?
	3. What are the advantages of your family business?
	4. For whom does it create value and how does it create this value?
	5. How do you develop products or services (family identity)?
	6. How is the relationship different among stakeholders in the family business?
	7. What of the above made you think your Family Business does differently because it is a family business?
Theme two [Institutional work]	1. What do you or others here do to make sure these family business/ logic/ style things don't get lost?
	2. Can you think about a situation where some of these family business things were under threat/ endangered?
	3. What did people do to protect this family logic?
	4. How do outsiders view that you are the family business? (Changes and maintenance)
Theme three [Family imprinting]	1. What is the biggest achievement in your family business?
	2. What kind of challenges did you face and how did you overcome them?
	3. Who do you think is the most important to the family business?
	4. Who do you think influenced you the most and in which way?
	5. What do you think of the strategic decisions and management style?
	6. What is your feeling working in a family business and to what extent are you influenced by the family or family culture?

3.3.3 Rationale for the selection of samples

To address our research question, we designed an empirical qualitative study based on multiple cases. A qualitative approach is especially focusing on exploring the “how” question. We apply case study because this approach is frequently being used in family business research to dig deep into how family firms behave and act in a specific way (Miller, Steier, & Le Breton-Miller, 2003; Steier, 2003; Steier & Greenwood, 2000), it is also well recognized as a valuable method for family business researchers to describe complex phenomena, develop new theory, or to refine and extend existing theories (Erdogan et al., 2020). Although the case study approach is relatively flexible, a rigorous approach is required, especially during the research design process. The generation of research questions, sample selection, data collection and analysis should strictly meet the requirements of sample rationale (Robson, 2002).

When selecting case samples, the researcher needs to be clear about what kind of organization may fit the criteria for the research. These key points represent the guidance needed to ensure a sound rationale for the sample. Firstly, the selection of types of organization is very important, the researcher must ensure a selected company represents what is being investigated, rather than it being an extreme example (Cassell, 2004). Secondly, the approach used to access additional resources which are separate from the case itself—such as, annual reports, meeting memos, project management plans, and financial reports—is also important because they represent significant supplementary

information for further exploration. When excavates the approach of establish the relationship with the case studies, When applying case study, we get in touch with the local government or the industrial association, or we could consider beginning from personal social relationships and then follow the snowball sampling technique (Cassell, 2004).

We considered using a judgement sample, also known as an intentional sample, when picking qualitative samples, as this is the most prevalent sampling technique. The researcher deliberately selects samples to participate in the research and answer the interview questions (Marshall, 1996). This kind of sample strategy depends on the researcher's knowledge and experience as well as the interviewee's contribution. It is a more intellectual strategy than simple or random sampling (Marshall, 1996).

In our research, the 15 family businesses and 68 interviewees were selected deliberately. The main reason for choosing them as our research samples is that these family businesses are situated across in six cities and four industries which avoids the problems of singularity should they be concentrated in a single region or industry; an added reason is the size of the companies, they range from small to public, thus covering all the representative sizes. Additionally, these 15 companies represent first generation to third generation family businesses, thus characterizing the different development stages among the samples. Referring to the interviewees, we made a deliberate sample selection. The interviewees involved in the research range from staff to the owner of the family business

with a appropriate proportion of family members to non-family members; in this way, participants can be expected to answer questions from their own perspective. The rationale for the selection of the sample companies and the interviewees ensures the rigor of our research. Here is the detailed information of our samples, see Table 4.

No.	Company	Generation	Company size	Orientation	Interviewees selected
1	Flow instrument Co.	3	Large	Local	Director of logistics department , Logistic manager, Vice director of financial department, Cost engineer, Quality manager
2	Sea shipping Co.	2	Small	Local	CEO, HR manager, Vice general manager, Financial manager, Captain, Safety manager
3	Steel Co.	2	Large	Global	Financial manager, sales manager, director of quality and safety department, Safety manager
4	Bicycle Co.	1	Medium	Global	CFO, Sales director, Financial manager,
5	Molding machine Co.	2	Large	Global	Sales manager, Director of branding, Director of product development, Senior engineer
6	Mental Co.	2	Small	Global	General manager, vice general manager, R&D manager, worker
7	Pump Co.	2	Large	Local	Chairman, Executive vice president, CFO, HR manager
8	Food processing Co.	1	Large	Global	Vice president, Sales director, Brand director, brand manager
9	Precise instrument Co.	2	Large	Global	Administration director, Sales director, R&D director, Office director
10	Tools Co.	2	Large	Global	Chairman, Director of operation, Project manager
11	Mechanical Co.	2	Medium	Local	Vice-general manager, financial manager, safety manager, sales manager
12	Casting Co.	2	Large	Local	CFO, HR director, technology manager, worker
13	Household electrical Co.	2	Medium	Global	General manager, vice general manager, manager of product development
14	Electrical & Mechanical Co.	2	Large	Global	CEO, director of sales, sales manager, manager of product development
15	Machinery Co.	1	Large	Global	CEO, accounting, statistical officer, financial manager

3.3.4 Data collection process

During our data collection, we undertook field trips to all 15 family firms and conducted 68 interviews. Our research included both primary (interviews and observations) and secondary data sources. We also devised a semi-structured interview consisting of a series of questions which started by establishing the background and experience of the interviewees and the family firms. We then followed-up with questions about the understanding of the value logics of a family business, how the dynamics of institutional work is realized, and how the influence of the family value and family beliefs is perceived to shape the family business model. The length of the interviews varied from 40 minutes up to two hours. All interviews were conducted in Chinese, they were recorded, transcribed, and translated into English for data analysis.

We also had opportunities to triangulate our interviews with observations and the secondary data. When we conducted field visits, we took photos of the company, the workshop and the machines, and the products and. We also had informal conversations with other employees in the company to gain additional information, and we had opportunities to sit in on the meetings of some of the companies, which is helpful for us to collect firsthand information. Moreover, some of our sample companies are listed and a large amount of secondary data was available as a result, this helped us to better deal with a wide range of materials and sources for effective triangulation. These secondary data were

acquired from company websites, business-related publications, periodicals, newspapers, documentaries, films, and newspaper articles. Additionally, in a few of our examples, the family businesses provided access to personal or private documents pertaining to their history or literature, which improved the quality of our empirical data.

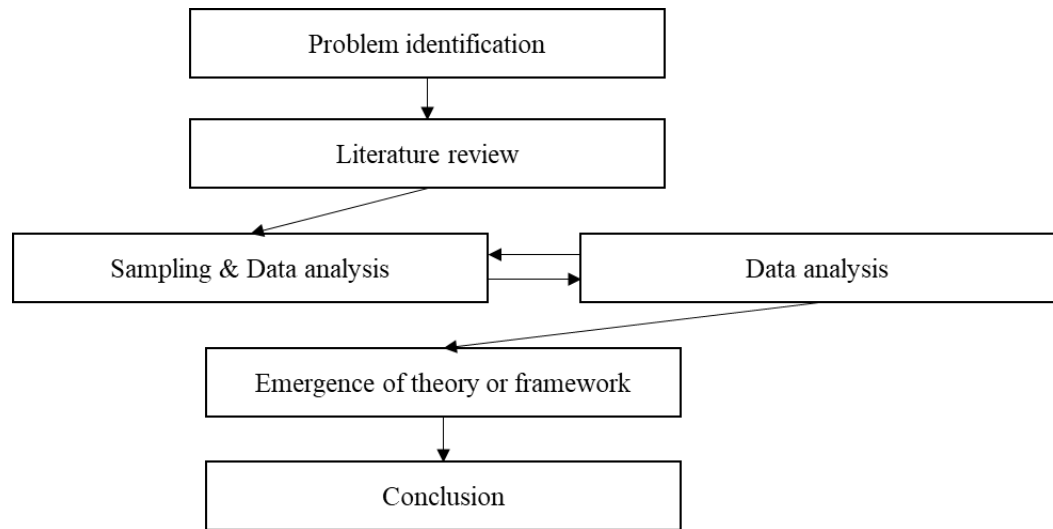
3.4 Data analysis

By analyzing interview data, research questions are expected to be answered. Referring to qualitative data analysis techniques, we used thematic analysis. Firstly, we developed clusters of themes from the dataset in order to address the research question; we then generated clusters based on data familiarization through a rigorous coding process. Both inductive and deductive ways of coding are applied in our research. The main advantage of the field trip was to allow the researcher to see, hear, and experience the company's operation as an addition to the formal interview.

Before comparing and analyzing data, researchers derive each theme or category from the original database (Rubin, 2005), in this way developing a regulation or agreement of similarity for each theme, with the addition of sampling data (Maykut, 1994). The proposition of each theme should be compared on the basis of a reasonable relationship and possible consequence (Saldaña, 2009). During the process of coding and recoding, the themes become more concise. As the first round of coding is concluded, it is retagged or discarded in order to carry the coding process forward. Second round coding

might include recategorizing and recoding due to new themes emerging (Abbott, 2004). Abbott described the coding process as similar to decorating a house, start from a design, move back, make small changes, move back again, make big changes, or re-organize (Abbott, 2004). Categorizing has been described as the process of shaping the data from their original state and summarizing them into a higher level (Richards & Morse, 2012). Corbin (2015) argued that the responsibility of researchers is to show how themes relate to theory evolution (Corbin, 2015). However, there is no requirement of the qualitative researcher to develop existing theory, although it is generally theory that motivates the initial rationale for the whole research project. On completion of the interview transcription process, the interview data were imported into the qualitative data software, NVivo, and coding began. Only the content related to our research which can answer our research questions were selected and coded. However, the coding process for each paper differed slightly, details of which can be found in the methodology section of each empirical paper. The general coding technique is outlined in Figure 3.

Figure 3. A qualitative based process



In addition to the interviews, we also used annual reports, CSR reports, meeting memos, department plans and summaries, and the financial reports of the companies. These represent evidence which may strongly support the arguments. Data analysis in our research followed a three step approach (Ben-Menahem, Von Krogh, Erden, & Schneider, 2016).

3.5 Validity and reliability issues in the research

In qualitative research, there may be potential risks in terms of the sample selection, data analysis, and theoretical framework generalization. These risks may be found in the selection of case companies and interviewees, the approaches related to the coding process, and the development of the conceptual framework.

To ensure validity, we combined primary data (interview) and secondary data (multiple sources described above) for analysis. To ensure the accuracy of our coding process, two members in our research team independently coded

the data and checked the results. Additionally, we checked for consistency between our assumptions and the results to ensure the rigor of the research.

The detailed methodology applied for each paper is discussed in the corresponding chapter.

Chapter 4 Integrating value logics into family business

Abstract

As a concept, the business model is becoming a topic of lively discussion among researchers in the area. From a value logics perspective, the business model is being discussed in terms of how a company makes efforts to propose, create, capture, and exchange value. Family businesses constitute a large portion of the global economy and their importance should not be underestimated. Applying a value logics lens onto family business research could help to better identify a specific family business model. In this research, we conducted analysis of 68 in-depth interviews with staff of 15 family firms to identify a specific family business model under value logics. Our findings show that, when proposing value, family firms aim to satisfy both customers and family members. With reference to value capture, most family firms capture value according to their initial funding and, generally, they pursue long-term, sustainable goals. When creating value, family firms encourage a humanistic management style and prefer to remain protective growth during development. Moreover, family firms tend to establish and maintain a stable relationship with stakeholders and pay more attention to communications and long-term cooperation. This paper contributes to business model research by applying a value logic perspective in the family business context; it also contributes to the family business literature by highlighting the key elements of value logics, especially in Chinese family firms.

Key words: Family business, business model, value logics

4.1 Introduction

Over the last two decades, business model research has raised increasing attention in the academic area of business studies. Definitions, understandings, and interpretations of business the model have been constructed and reconstructed over the decades (Ghaziani & Ventresca, 2005). A business model is dependent on a firm's strategies and operations and the strategic environment in which it operates (Casadesus-Masanell & Ricart, 2010). The business model acts as an intermediate layer between the firm's strategy and its operations. As such, whether a business model is effective depends on the firm's strategic goals (Osterwalder & Pigneur, 2010). Key arguments related to the business model mainly focus on how companies pursue their commercial goals (Laasch, 2018a; Massa et al., 2017). Value logic is a significant perspective when discussing the business model because it acts as a logic of: value proposition for customers, by providing products or services; value creation, by achieving economic goals and growth; value exchange, by dealing with relationships with stakeholders; and, value capture, as a result of profit earning patterns (Osterwalder & Pigneur, 2010). Insights from studies related to value logics suggest that a logic can provide a reference for how a business works (Thornton & Ocasio, 1999). It is also argued that logic is valuable for laying the foundation of a corporation's revolution and reform, and also for performing the function of referring to how the corporation could behave even

more efficiently (Laasch, 2018a). Applying a value logics lens onto business model research can help better understanding of how a firm works to propose, create, capture, and exchange value in a specific way.

Among different types of businesses, family businesses constitute a large portion of the world economy (Astrachan & Shanker, 2003; Olson et al., 2003). Considering the sustainable development of the market, paying attention to family business is essential. Due to the unique identity and their endogenous features, the dual characteristics influence how family firms achieve goals, both commercial and non-commercial, in growth and revenue, turnover rate, and market share, but also in terms of social and emotional wealth. They are strongly affected by social and cultural factors, for instance family stress and unexpected issues (Sanchez-Ruiz et al., 2018), which are discussed under the topic of socio-emotional wealth in the family business literature (Schulze, 2016), e.g., socio-emotional wealth preservation (Kalm & Gomez-Mejia, 2016); conflicts and resolutions (Vardaman & Gondo, 2014); dealing with relationships between socio-emotional wealth and business risk (Gómez-Mejía et al., 2007); and, connections between socio-emotional wealth and family ownership (Martin et al., 2016).

Among studies which refer to family businesses, family business identity is discussed as ownership, management, succession intention, generational participation, and perceived identity (Salvato, Chirico, Melin, & Seidl, 2019). This identity leads to strategic behaviors which are influenced by family

ownership (Miller et al., 2011), such as family business strategy and innovation (Teece, 2010), but also familism which influences decision-making strategies in terms of investment (Birtch, Au, Chiang, & Hofman, 2018).

However, there are few studies which focus on the family business model as a special existence and few of those have explored how the family business model is being shaped and transformed. This raises an unresolved question as to what represents a specific family business model and how it differs from other business models, along with how these firms develop differently, thereby providing a rationale for our research.

In order to fill the research gap, we generate our research question as:

What is a specific family business model under the value logic lens?

We aim to explore how family firms propose, create, capture, and exchange value. Firstly, we contribute to the business model literature by applying a value logic lens onto the family business context, identifying key components of a specific family business model. Secondly, we contribute to family business research by enhancing our understanding of the combination of organizational value logics and the family business model in order to state how family logics shape and influence the family business model in value proposition, creation, exchange, and capture.

4.2 Theoretical background

4.2.1 Business model from value logics

A general argument stands that a business model is the way a firm works

to create value for its stakeholders (Massa et al., 2017) . It is the way a firm operates to reach the target of economic growth and development (Klang et al., 2014; Wirtz et al., 2010; Zott et al., 2010). These ideas emphasize the importance of business models as a strong support towards the achievement of the firms' financial goals, such as profits and market share, and to ensure the firm flourishes.

A variety of research has presented that there should be a strong and close relationship between value logics and the business model (Laasch, 2018b; Osterwalder & Pigneur, 2010). Value logics are very important elements to be considered (Linder & Cantrell, 2001). There is general agreement among scholars that a business model has four key dimensions, value delivery, value creation, value capture, and value exchange (Chesbrough et al., 2002; Hamel, 2010; Osterwalder & Pigneur, 2010).

The value delivery dimension is a customer-oriented perspective and focuses on generating value for a group of defined target customers. It is centered around the firm's value proposition and target customer segment (Teece, 2010). Some scholars have distinguished this dimension as customer sensing and customer engagement. The value creation perspective focuses more closely on the company's resources and processes (Chesbrough et al., 2002). As such, this dimension goes beyond traditional strategic theories, such as the resource-based view, and beyond, purely focusing on acquiring and reconfiguring internal resources (Barney, 1991).

Meanwhile, value capture refers to how the firm transforms the value delivered to customers into revenues and profits (Teece, 2010). This dimension contains the key choices on how to monetize the organization's value creation. Value capture also includes revenue sources, revenue streams, pricing mechanisms, marketing, economics, innovation, and strategic management (Priem, Butler, & Li, 2013).

Value exchange discusses how companies deliver value to customers. It emphasizes the role of different stakeholders, as well as including the interactions of multi-relational systems (Zott et al., 2010). High quality products and service is the guarantee between the companies and their customers from a commercial perspective. Refer to the function of value exchange, it mainly emphasizes on exchange value with the stakeholders by establishing a sustainable relationship (Laasch, 2018b).

4.2.2 Key characteristics of a family business

In the family business context, the family business model is distinctive from that of a non-family business model because the firm is generally under one family's ownership and leadership (Astrachan et al., 2002). Every family business is inhomogeneous (Sanchez-Ruiz et al., 2018; Sharma, 2004). They differ in terms of ownership structure (Donckels & Fröhlich, 1991; Lansberg, 1988), family member proportion, multi-generational participation and succession, family business development and expansion, and so on (Brundin et al., 2014; Romano, Tanewski, & Smyrniotis, 2001; Sanchez-Ruiz et al., 2018;

Tagiuri & Davis, 1996).

Family members have a strong sense of self identity when working in the family business (Kepner, 1983), they gain higher recognition, and are always supported by family business owners and other family members. The majority of family businesses are made up of family members as normally they are the founders, however there is often a number of employees who do not have kinship with the family. These employees are sometimes burdened with expectations of loyalty and honesty towards the family and its business (Chung & Luo, 2008; Miller et al., 2011). Such trusting relationships differ from purely employer-employee relations in a non-family business (Bhatt & Bhattacharya, 2017). Depending on the relationship between employees and the family business, there is a concern that family owners may prioritize their own interests or benefits and ignore those of non-family members in their decision-making (Bertrand et al., 2002). Relatedly, within family business contracts, members may prioritize the spiritual value enjoyed within the family's social network, rather than the economic value derived from its daily operations (Bhatt & Bhattacharya, 2017). As a family business is a hybrid organization, value logics go beyond commercial aspects; the way family firms propose, create, capture, and exchange value depends on the uniqueness of their characteristics.

4.2.3 Value logics and family business

A family business is mainly influenced by a group of logics and especially

by commercial logic and family logic. On the basis of family logic, this reflects if a family-led and governed business would place precedence on their family members as managers, and at the same time would be eager to be sustainable for family, family members, and the family business (Miller & Le Breton-Miller, 2005) .

At the beginning stage of a family business, the number of family members would have a strong impact on family involvement and organizational structure. As a result, the business becomes family-centric rather than business-centric. As Gomez-Mejia et al., (2011) argued, the predominance for socio-emotional necessities makes a family business hesitant to professionalize governance because the preference is for succession to relatives. Therefore, the family business is mainly motivated by family logic, rather than purely commercial logic. In a family business, an efficient and independent business leadership is not easy (Chung & Luo, 2008), which may energize commitment from family members towards greater managerial capability (Gomez-Mejia, Cruz, Berrone, & de Castro, 2011).

When referring to a family business, a selection of value logics are concentrated on the basis of its characteristics, i.e., blood relationship, marriage relationship, loyalty and trust, family reputation, and social status, each of which make family businesses different from non-family ones (De Vries, 1996; Luis R Gomez-Mejia et al., 2011; Gómez-Mejía et al., 2007). Normally, a mixture of logics within a corporation would influence decision-

making and the selection of adopted structures. The mixture of logics can give guidance to corporations' behaviors and may also have an impact on the business model and performance of the business (Lounsbury & Crumley, 2007). Especially in a family business, there is a specific mixture of logics, such as family governance logic, family ownership logic, and family shareholder logic. In terms of family governance logic, a family business would expect support mainly as a result of family members' strategic decisions (Gersick et al., 1999). From the socio-economic wealth perspective, family business members are more consistent in pursuing reputation, sustainability, and an increase in economic value due to a close relationship with the business. This has the advantage of maximizing the value of family business by better dealing with family governance logic (Berrone, Cruz, & Gomez-Mejia, 2012).

Shareholder logic tends to be more in short-term period and concentrates on commercial objectives by evaluating and implicating the values (Brundin et al., 2014). The shareholders in family firms are mainly from within the family. There are strong emotional ties and connections to the family, as well as a sense of belonging, each of which invisibly becomes one of the elements of the family ownership logic. Based on the strong sense of identification and belongness with the family, family members are more willing to participate into the management and the decision-making (Lansberg, 1988; Salvato, Chirico, & Sharma, 2010).

Since family logic is closely related to the participants who are from, and

who stay, in the family for a long period, family logic shapes the firm's regulations and governance. Family membership may be regarded as an identity due to the leadership of a patriarch; family members would have a sense of agreement. The origins of the social regulations and standards are established on the basis of family values, thus family institutions are dominated by such origins (Thornton, 2012). The decision-making in a family business is impacted by family members' socio-emotional satisfaction (Luis R Gomez-Mejia et al., 2011; Gómez-Mejía et al., 2007).

From this discussion we can see that the family firm is a hybrid organization comprising both commercial and non-commercial features, thus an exploration is essential of how the specific characteristics of a family business or family logic might influence value logics in creation, exchange, proposition, and capture.

4.3 Methodology

The grounded theory approach was used to discover fresh insights into this research field in order to answer our research question. From data gathering to data analysis, grounded theory employs an iterative procedure. When compared to previously established conclusions, data processing generates fresh theoretical insights. As a result, theoretical insights based on empirical observations are produced (Glaser, Strauss, & Strutzel, 1968). Because the research was exploratory in character, a qualitative research approach was adopted. The purpose of the research is to identify a specific

family business model and determine the key items of value logics.

4.3.1 Case study

Case study is an important tool for the enrichment of research data (Cassell, 2004). The use of case study is especially suitable to address research questions which require delving into detail and gaining in-depth knowledge (Eisenhardt, 1989; Yin et al., 1994). Case studies have been used as tools for generating and testing theory and have offered the area of strategic management research breakthrough insights (Burgelman, 1983; Penrose, 1960). This is because conducting a case study allows the researcher(s) to closely interact with an interviewee who has personal experience in the field under investigation. When the interviewees are at the management level, case studies provide a good opportunity to visit the company, get close to the organization, gain an initial impression, and to collect both first and secondary data. More importantly, the case study can be used in data triangulation to ensure the accuracy of the data collection process. As a result, case study is also a representative methodology which facilitates management knowledge creation and is being widely used in the research area (Leonard-Barton, 1990).

Following Eisenhardt's recommendations of four to 10 extreme cases in which the phenomenon of interest is transparently observable, in our study we used a multiple-case study approach in the field, visiting 15 family firms in China, in six cities, operating in four different industries (Eisenhardt, 1989). Purposive selection of our samples allowed us to study these 15 family firms

from different backgrounds to help us better understand the underlying logics of their value logics and their unique characteristics. The family firms were selected from six different cities, in which they each had a strong identity in the local economy. The four industries in which these companies operate are representative of industries in China, they offer diversity across the samples. Additionally, the companies we selected are small, medium, and large; and we considered the different development stages of the family firms in terms of first generation, second generation, and third generation. This method avoided the problems of sampling singularity and commonality, aiming to reach the richest and most relevant data to help us explore how different family firms propose, create, capture, and exchange value.

4.3.2 Interviews

As described in this paper, we collected semi-structured interview data and employed the Gioia approach to induce codes from the raw material (i.e., 68 individual interviews from 15 family firms), these were linked to categories and finally folded into relationships among broader themes (Gioia, Corley, & Hamilton, 2013).

The interviewees came from different departments and included both family and non-family members. We took care not to lead informants, rather, we sought practical utility in our problem-driven theorizing (Corley & Gioia, 2011), and focused the semi-structured interviews on exploring the value logics of the family business. We were permitted to record all 68 interviews

with participants who ranged from production line workers to higher level managers and which included a certain proportion of family to non-family members.

The reasons for the selection of the 68 interviewees are as follows. We select both family and non-family members in order to diversify our sample and the positions they hold. As a result of psychological ownership (Broekaert, Henssen, Lambrecht, Debackere, & Andries, 2018) and their biogenetic relationship with the company, family members and non-family members may behave differently. We also consider the different positions of the interviewees, some of whom are at the strategic level, mainly responsible for strategy generation, some from management level, they take part in the company's decision-making processes. We also invite interviewees from the production line as they are involved in the daily operations. Therefore, we may gain a more comprehensive understanding of how family business members work to propose, create, capture, and exchange value in a specific way. Using face-to-face individual interviews, we ensured the provision of a safe and comfortable communication environment.

We took meticulous notes during and immediately after all of the conversations, making sure to preserve the exact words of the informants. We also drafted memos for each interview to enable for changes to the interview questions as the research continued, especially to unravel complicated interdependencies and obtain concrete accounts of who did what when. In addition

to the interviews, we also have annual reports, meeting memos, project management plans, and financial reports, to triangulate.

4.3.3 Data Analysis

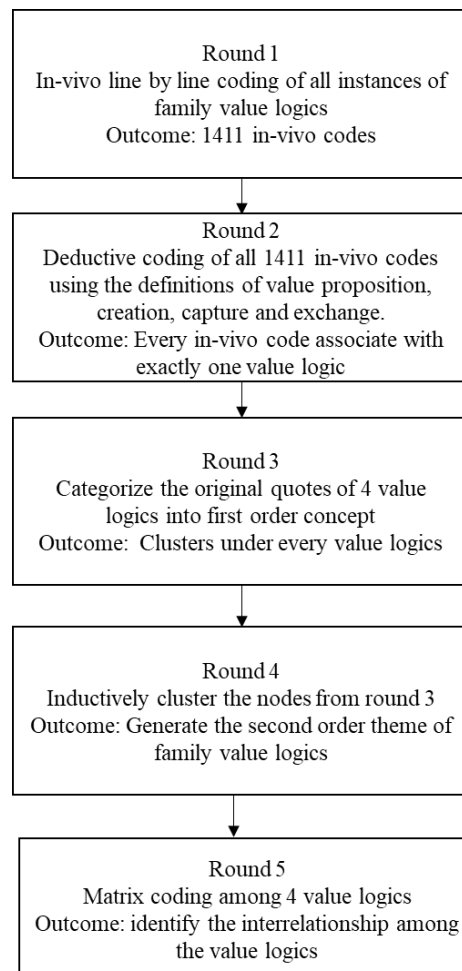
In this research, we followed the Gioia data analysis approach (Gioia et al., 2013). Initially, interviewing and analyzing were place concurrently during the three phases of data gathering, as is common in such a process. As a result, the data yielded a list of first-order nodes. As we transitioned from coding to data gathering, our theorizing shifted to four fundamental value logics: value proposition, value capture, value production, and value exchange.

During the data analysis process, we refined the coding procedure and recoded the entire dataset at a more granular level to better capture how family business members perceive the family business model under the value logics lens. In Round 1 of this process, we went through the interviews and began to code for the four value logics identified in the literature, creating in-vivo codes of all instances of family value logics; resulting in 1411 in-vivo codes related to the topic. In Round 2, we deductively coded the 1411 in-vivo codes from Round 1 in terms of each value logic: proposition, creation, capture, and exchange. In Round 3, we inductively categorized the original quotes into first order concepts, of which we found 12 in total. In Round 4, we followed a process of constant comparison of first-order codes, grouped them into second order themes, according to their inferred roles in the process, and synthesized them into 26 second order themes. The fifth and final round is known as matrix

coding, this aims to identify the interrelationship between different the value logics. To do this, we used the “Matrix coding” function in the N-Vivo software in order to explore the relationships between: value proposition and value creation; value proposition and value capture; value proposition and value exchange; value creation and value capture; value creation and value exchange; and value capture and value exchange.

The data processing was done by all the team members, and the coding process was triangulated. See Figure 1. for a summary of five rounds of coding.

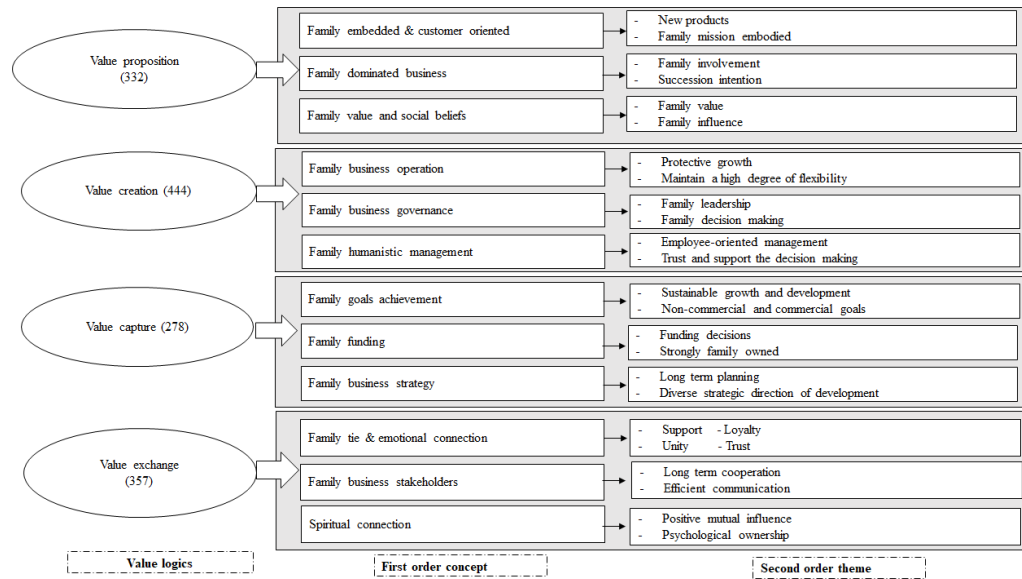
Figure 1. Data analysis process



From the data structure, we found under each value logic, there are three

first order concepts which show how family firms propose, create, capture, and exchange value, respectively. There are 332 nodes in value proposition, 444 nodes in value creation, 278 in value capture, and 357 in value exchange. For instance, in terms of value proposition in family firms, there is the potential that the company will be passed to the next generation, familism dominates, and the business is strongly influenced by family values and beliefs. When there is new product and service development, family firms are eager to embody the family mission within the R&D process, integrating both family and business features. Additionally, due to family uniqueness, some of the interviewees consider offering family members job opportunities, especially at the early establishment stage, in this way we can see family involvement in decision-making and daily operation of the business. Figure 2. below, clearly demonstrates the first order concepts and second order themes in relation to value proposition, value creation, value capture, and value exchange in the family business.

Figure 2. Data structure



4.4 Findings

As seen above, deductive coding began with value proposition, value creation, and value capture. In family firms, in terms of value proposition, we generated three first order themes: family embedded and customer oriented, family members' job opportunities, and familism.

During the process of new product and service development, we found family firms actively integrated the family name and family values and beliefs, in order to strengthen the family consciousness. Additionally, value proposition in family firms not only focuses on how to serve the customer better, but also pays attention to family members, for instance offering job opportunities to family members and encouraging family involvement.

Referring to value creation, there are 444 nodes, which amounts to the greatest proportion of the four value logics. In the first order concept, we found family business operation, family business governance, which is strongly

related to management style and daily operation. In family firms, humanistic management dominates, rather than the pursuit of efficiency and effect, taking care of employees and trusting and supporting each other is how the company maintains sustainability. In terms of value capture, family firms prioritize family goals and performance achievement, family funding, and a family business strategy. In a family business, the goals are less about purely commercial interests and more about sustainable development. Because of the family funding, they show family features and identity when make development strategy. We found 357 nodes in value exchange. In the first order concepts, we found family ties, family business stakeholders, and spiritual connection. For instance, in family firms, value exchange is more about establishing and maintaining relationships with stakeholders. In the second order themes, we can see strong spiritual connections, and good, long-term cooperation between the company and its stakeholders.

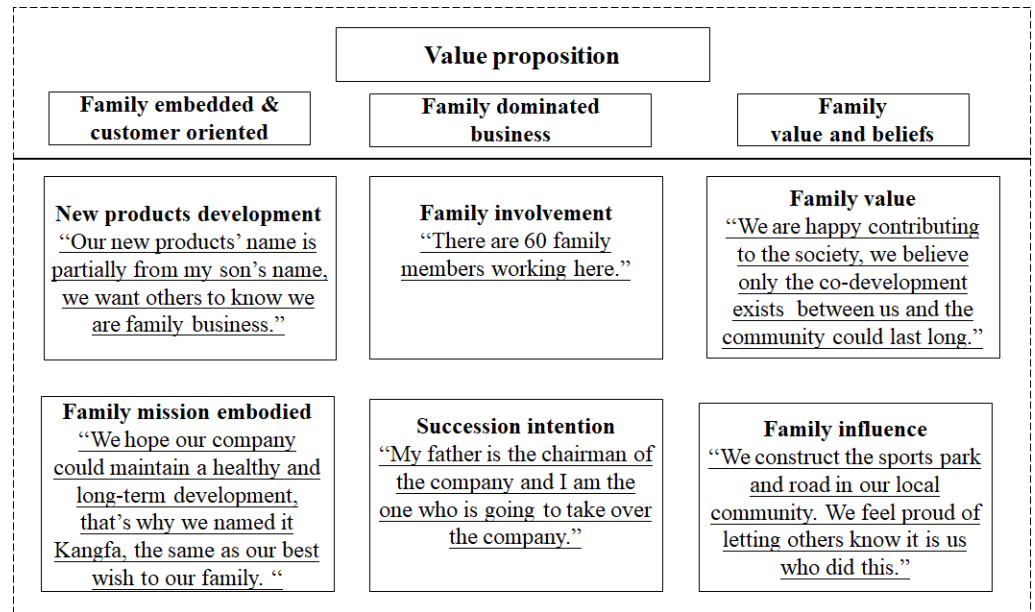
In order to better position family members, the founder of the family business extends “family” into “family business”, in this way the family relationship is not based purely on kinship, but also on business connections. Examples include: “I know he is not only my father-in-law, but also the boss of the company. I sometimes feel high pressure from other colleagues, they view me as son-in-law instead of a pure sales manager” (#62, Electrical & Mechanical Co, Wanyun). “There is a word of the company’s name, which is also the same as my name, it is the invisible link” (#44 Tools Co, Heifan).

Family members who have difficulty finding jobs in the general job market are generally welcome to join the family business. Certainly, most family businesses are open to employing family members as they have an endogenous preference for working with their relatives. The following quote is an example: “Some of our family members, their education background is relatively low, it is not easy for them to find a job, here we offer them job opportunities, it is also important for their family, because most ladies in our area they do not go to work. That’s even more important for their husbands to have a stable job. This is the guarantee of their daily life” (#11, Sea shipping Co, Weilong).

What is different in a family business is also the close attention paid to the local community. For example: “We deliberately hire disabled persons to work in our company. This is what we can do to contribute to the society” (#36 Food processing Co, Qianshu). “There are a certain number of employees who are over 50 years old, they are almost retired, if we close the factory, it is difficult for them to find another job” (#51 Casting Co, Liu). There exists a synergistic effect by connecting outsider stakeholders with insiders. “We establish a good relationship with the government, we support each other” (#23 Molding machine Co, Zhanzhan). “We care about the social influence in our local community, as well as our reputation in the industry” (#16 Steel Co, Zuimei). Some of the interviewees believe in co-development with government support for the family business and they are most willing to

contribute to the community; these points could accelerate sustainable development. See Figure 3. for a summary of the three first order themes in terms of value proposition.

Figure 3. Value proposition of family business



Recently, family businesses are not necessarily under purely family governance, outsiders, such as professional managers, are expected to join the company and support its development, mostly the businesses operate under a mixed management style. “We are happy with the management style, the transformation of the business model promotes the company’s development” (#39 Food processing Co, Fei).

In a family business, inherent dignity is encouraged by applying humanistic management. “We are fully engaged in the daily operation. Our ideas value a lot” (#18 Bicycle Co, Haiqian). “Last time, I went to attend a meeting, someone told me I am so lucky to work in such a great company. I

was surprised at that time, and now I know what she meant. Even I could get higher salary somewhere else, I will still be here” (#51 Casting Co, Liu).

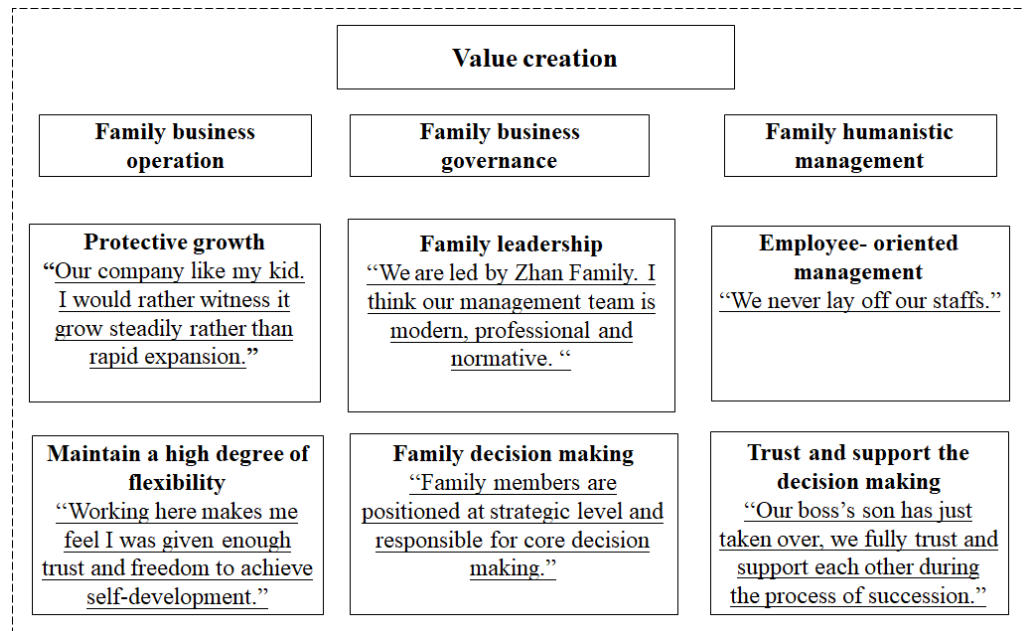
The family business is treated as a child, certainly, there is a preference towards safe approaches to development, i.e., so called ‘protective growth’. In this way, the company is being taken good care of as one interviewee pointed out: “Our company is very much like my kid, in this case, my greatest wish would be my kid is happy and healthy, the same as my wish goes to my company” (#44 Tools Co, Heifan). Hence, employees have a strong connection with the company, and a number of our interviews mentioned the point. For instance, “We never lay off our employees, as they contribute to the company more or less, the company’s value creation depends on them very much” (#1 Flow instrument Co, Ji). Therefore, no matter if employees are family or non-family members, they are encouraged to join in self-development projects. For instance, the company may offer a specific training plan and promotion program. “Every Thursday afternoon, there are professional training courses open to employees. We are happy to attend and learn new things” (#66 Machinery company Co, Juan).

The interview data reveal that half of family business members said, when compared with non-family members, they are more valued and it seems it is easier for them to be promoted, even though, according to the basic rules and institutions, they are being treated the same. For the other half of the interviewees, they shared the view expressed in the following quote: “Within

the company, everyone is the same, no one is exempt, they follow the same rules and standards” (#45 Tools Co, Le).

With reference to value creation, all interviewees emphasized humanistic management and noted how employees are important to the company. See Figure 4. for a summary of the three first order themes in terms of value creation.

Figure 4. Value creation of family business



Family businesses are generally family owned, their initial funding tends to all come from family, it is how the founder(s) aims to fund and develop the family business. Therefore, the founders have the right to position their family members at strategic levels, exemplified by the following quotes: “Me, my wife, my son and my daughter-in-law, we are all working in this company, I am the board director, my son is the general manager, my daughter-in-law is the financial manager, and my wife is HR manager” (#26 Metal Co, Huwan).

My father is still working here, me, my two sisters are now responsible for different departments” (#58 Household electrical Co, Qianmai).

This enables the leadership and absolute authority of the family. When referring to the objective of a family business, surprisingly, we determined that they prefer their company to grow or expand steadily, rather than quickly. For example: “I used to face opportunities to expand our company, but I refused, I would prefer to avoid risky decisions” (#60 Household electrical Co, Feigu). “Instead of entering the public market, we prefer to develop at our own pace” (#68 Machinery company Co, Yanfu). No, it is too risky, we cannot imagine what might happen next, so I wish we would not try” (#48 Mechanical Co, Hulian).

Family businesses prioritize succession of the company to the next generation, in this way the family business’ idiosyncrasies would continue. I hope my son could take over the company and then pass it to my grandson later on” (#10 Sea shipping Co, Kacan). My father has three children, I am one of them, we know he wants us to take over the company, either one of us, or all of us” (#57 Household electrical Co, Hudian). I am happy that my daughter agrees to join the company” (#44 Tools Co, Heifan).

For some family businesses with an expectation of open development, they launch shared ownership with their employees and encourage a joint stock system. “In order to increase the employees’ loyalty, we apply joint stock system. Our staff are happy and are more motivated” (#20 Bicycle Co,

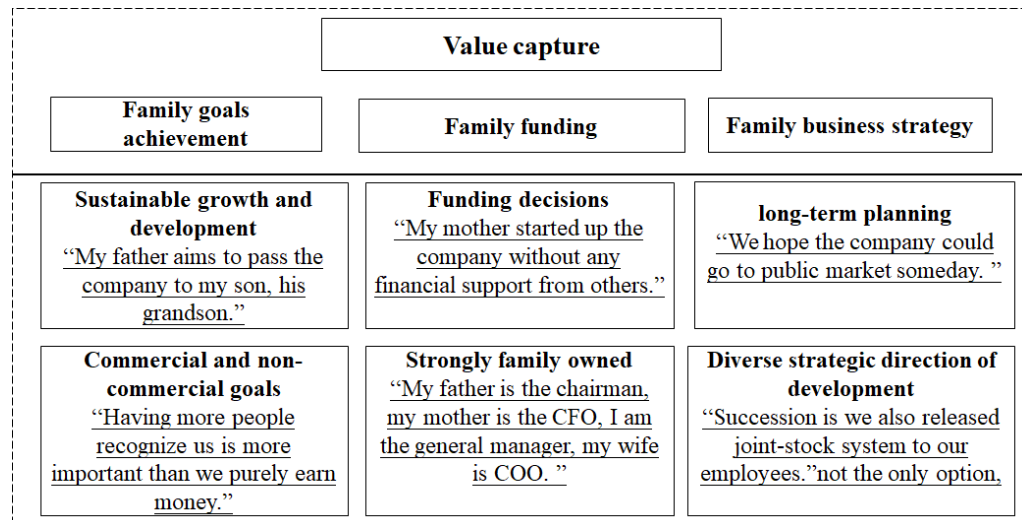
Yunwen). Some family businesses even make the effort to go public and switch their family business into a listed company. “I think being a public company is what we are aiming to achieve” (#55 Household electrical Co, Yunqian). “We are considering several options of our future development. Going to the public is one of them” (#66 Machinery company Co, Juanli).

Other quotations indicate that the future direction of development for the family business is becoming more diverse, owners would consider not only passing the company to next generation but also new approaches would be welcome. For example: “We are ok to sell the company to others” (#64 Electrical & Mechanical Co, Jihei). “If my son is willing to take over the company and he is capable, I would consider to pass the company to him, otherwise I am thinking of someone else to replace. Imagine, he has the attention to take over the company but he is not competent enough, it might be a disaster if I still insist him as my successor” (#60 Household electrical Co, Feigu). There are also other quotations like: “My boss’s son just entered the company, but he has not decided to take over the firm yet. There are many possibilities” (#41 Precise instrument Co, Xudi). Our boss is looking for someone to take over the company, he even asked me if I am willing to take over, however I am an outsider, can you believe?” (#42 Precise instrument Co, Jifa). From the interview results, we can see different possibilities of family firms’ future development and strategic direction.

See Figure 5. For a summary of the three first order themes in terms of

value capture.

Figure 5. Value capture of family business



When referring to value exchange in a family business, humanity, stable relationships, and spiritual connection are the most frequent words discussed, for example: “You know, relationship is everything!” (#21 Molding machine Co, Yuanbian). We have some customers, we have been cooperating with each other for more than 20 years, since our company’s set-up” (#4 Flow instrument Co, Jian).

Reconnecting to the peculiarity of family business, one interviewee said, “We are willing to support the founder family and our new successor. Our founder told us support really matters.” (#55 Household electrical Co, Yunqian). Actually, support comes from trust, only when the employees trust the management team’s decision-making and management style will trust and support follow, as the following quotes suggest: “I trust our boss, he is brilliant” (#67 Machinery company Co, Liannu). “So far I am satisfied with his

management style, it is trendy and efficient” (#43 Precise instrument Co, Weihui). On the other hand, without trust employees cannot support others and, in such a case, unity and loyalty would also disappear. “We are offered the opportunity to share our comments towards the management style. Every month, there will be a lunch meeting, we are free to share our suggestions” (#20 Bicycle Co. Yunwen).

When referring to unity, during daily operations problems and challenges always emerge, the most efficient way to overcome these challenges is through team power. What really matters is high levels of loyalty in a family business. As far as I know, we never fire people” (#3 Flow instrument Co, Zhan). “Our turnover rate is relatively low, most of our department managers started to work in the company when it established” (#1 Flow instrument Co, Ji). We propose that family members are more loyal than non-family members, however, we discovered that even non-family members are happy to work and stay at the company, for example: “Even though I could get higher salary somewhere else, I still prefer working here” (#51 Casting Co, Liu). “I am being treated the same as family member, this makes me feel I am part of the family, not only part of the family business” (#47 Mechanical Co, Canwei).

Value exchange in a family business can also be understood in terms of how stable the relationship is which is being established. Most of the cooperation among stakeholders is long-term, they seldom change their suppliers and, based on long-term cooperation, they are not only business

partners but they become friends; in this case, business is not the only connection. Therefore, referring to those stakeholders especially involved in supply chain, communication becomes easier and more efficient as they are familiar with each other and their general ways of cooperation. “The communication cost is low; we know each other very well” (#61 Electrical & Mechanical Co, Zhuancao).

Most importantly, spiritual connection is strong throughout family business. “I feel strong sense of belongings working here, even though I am not a family member” (#30 Metal Co, Hui). “I don’t think we are treated differently. Me, my parents and my children are being taken good care of. My parents receive red packet twice a year from the company. My children come to summer school and winter school during their vacations. The company hires a teacher coming onsite to give children classes in the daytime. Surprisingly it is free” (#19 Bicycle Co, Lila).

The founders care about the reputation of the family and the family business as well as their social influence. These could be regarded as intangible assets for the company. It was also mentioned that, “The personality of the boss determines the personality of the company, as a normal employee, I feel me and also our colleagues are strongly influence by our boss” (#40 Precise instrument Co, Qianju). Another interviewee claimed, “Our boss is always very creative, reliable and willing to learn new stuff. This also gradually becomes our company culture” (#65 Machinery company Co, Dunni). One

employee noted, “Our boss is very traditional, he is fearful of change and evolution, we are encouraged to remain the same. Slowly, it becomes our company mission: Safe before develop” (#15 Steel Co, Jiwa).

This allows us to determine how a founder family is influential in the company and to everything related to the company. See Figure 6. For a summary of the three first order themes in terms of value exchange.

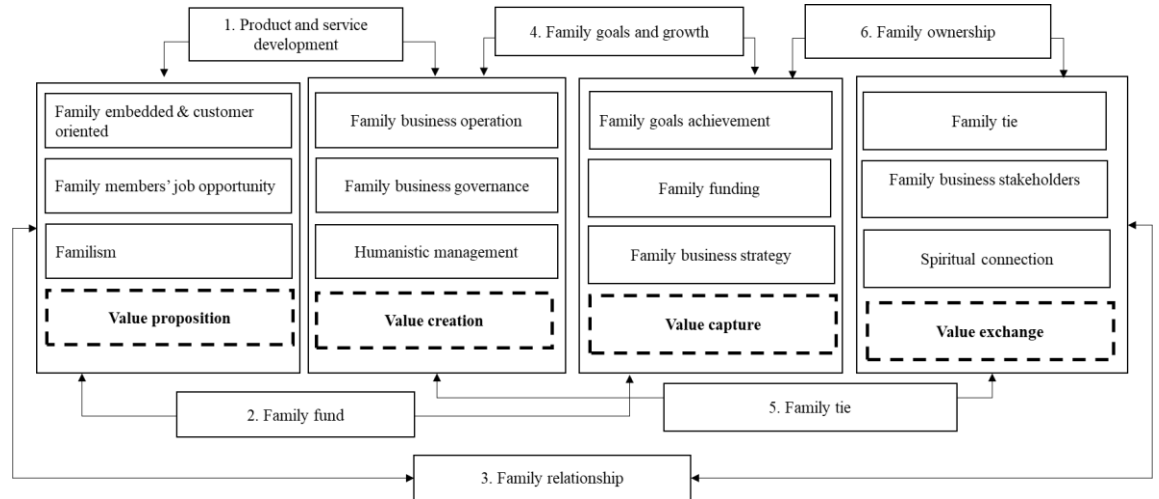
Figure 6. Value exchange of family business

Value exchange			
Family tie & emotional connection		Family business stakeholders	Spiritual connection
Support <u>“We would fully support our successor and make our contribution. He supported our work, too.”</u>	Unity <u>“When we face problems, we always gather together to discuss, and we listen to each other.”</u>	Long term cooperation <u>“We (and suppliers) have being cooperating for more than 20 years. Now, we are friends.”</u>	Positive mutual influence <u>“We are strongly influenced by our boss, being reliable and keeping faith, and our boss said we inspired him as well.”</u>
Loyalty <u>“My work is highly recognized, even I could get higher salary somewhere else, I still prefer working here.”</u>	Trust <u>“We always believe in our managers’ decisions, at the same time, our managers trust us. We fulfill each other.”</u>	Efficient communication <u>“We are so familiar with each other that we know the most efficient way to work.”</u>	Psychological ownership <u>“I feel strong sense of belongings working here. I am being treated as a family member.”</u>

Following a combination of inductive and deductive analysis, an overall picture of family business value logics emerges. Figure 3. clearly identifies that a family business proposes value through their family members, customers, and society. When referring to value capture, a family business is strongly family owned with an obvious long-term orientation, they care more about the future development of the business and succession intentions. For

value creation, a family business adopts family governance, in combination with professional management. Additionally, family flavor exists throughout the whole process of the daily operation of the business. Certainly, humanistic management is encouraged and employees are treated as significant assets. The 68 interviews we conducted were with family firms we visited in different cities, industries, scales, and development stages. The general impression is that many family firms somehow emphasize family features or family identity during the interviews, while others de-emphasize their family character. Figure 7, below shows the results generated from the empirical data after matrix coding.

Figure 7. Matrix coding among value logics



The relationships among the four value logics are clearly indicated in Figure 8. above. Referring to **value proposition** and **value creation**, a family business is an organization which involves both family and business functions. From the commercial perspective, offering high quality products and services is the guarantee of customers' satisfaction. Meanwhile, the daily operation and

decision-making takes care of product upgrade, service improvement, and R&D. For instance, a business that is family owned and led drives **value proposition and value capture**. The main reason for these dates back to the initial driving force for the family firm's establishment, e.g., "We use our own money to start-up the company" (#10 Sea shipping Co, Kacan). "My father and mother, they drew out their savings to start a company" (#58#59 Household electrical Co, Hudian, Xianci). This leads the direction of a family firm's value proposition.

"Having relatives working in my company is what we should do" (#53 Casting Co, Yanyue). "We have 60 family members working here, we value our customers very much, they hold the same place in my heart" (#54 Casting Co, Fadi).

Even though family funds determine the nature of the firm, a family business still involves commercial logic, i.e., taking care of customers. Family kinship and spiritual connection are the main features in terms of the relationship between **value proposition and value exchange**. Due to this, family firms work not simply to care about their family members, at the same time they view their stakeholders as important partners, as exemplified by the following:

"So far we feel we are obligated to the goals of the local community; co-development is what we aim to achieve" (#17 Steel Co, Zhuliang). "We used to hire someone from a public company to support us, however both of us feel

we cannot get used to each other's rhythms" (#56 Household electrical Co, Chuanfu).

In terms of **value creation and value capture**, goals achievement relies on family strategy setting and decision-making. Family business goals and growth show the overlap between value capture and value creation.

"This is my father's company; he is the boss and he is responsible for everything here. I have my own idea if I take over the company, but I believe our ultimate goal is the same" (#64 Electrical & Mechanical Co, Jihe). "I think we need to change!" (#29 Metal Co, Remin).

Family ties play an important role when connecting **value exchange and value creation**, they also determine the development of the family and the business. Family ties are like a bridge which connects purely family business with functional business.

"I feel I should be responsible for not only myself, my family, my company, and also for the society" (#34 Pump Co, Bohu). Indeed, most of the family firms we investigated are still family led and governed. "Of course, family management is great, it is better than any other professional management styles" (#12 Sea shipping Co, Guwei). "Our suppliers and customers are our friends now, we work together for a long time and are very familiar with each other" (#19 Bicycle Co, Lila).

Referring to the relationship between **value capture and value exchange**, family ownership determines goal setting and how to deal with stakeholders.

It also emphasizes the establishment and maintenance of the family relationship.

“We care about our company’s development; it is important without any doubts” (#36 Food processing Co, Tianyu). However, others think differently, e.g., “I often ask myself, what I can do to contribute to the society” (#65 Machinery company Co, Dunni). “Do you remember the colors we use in our company, blue and white, right? It represents our company’s vision, simple and sustainable” (#5 Flow instrument Co, Qiaxing).

Overall, we can clearly identify every value logic of family firms to be closely interrelated and based on the results we explore a specific family business model under value logics lens. The matrix coding results show family firms established long-term relationships with both insiders and outsiders. The stable relationship accelerates the precise proposition that they would seldom change their partner, once the relationship has begun it will last for a long time.

Starting with value proposition, family members involved in the initial management team determine how they run and manage the company. At the same time, dating back to the initial funding of family business, generally such businesses are funded by one family, so the character of being family-owned drives the “family style” through the different stages of development. Family businesses pay attention to sustainable development, this also drives the co-development between the company itself and the whole of society. There is a synergistic effect between them. This also confirms that family businesses do

not only care about themselves but are also willing to contribute to society. Sustainable development is one of the most important goals family firms make efforts to achieve. Additionally, because of the family's endogenous identity, they care more about humanity, and therefore they are more cautious in developing and expanding their business. They take a protective growth approach, especially in terms of risk control. They feel that humanistic management matters, it helps the company grow steadily, rather than through rapid expansion. Based on this, the interrelationship enables us to better understand how inherent value is embedded in a family business. Thus, spiritual connections that have inherent value to the family, go beyond family members to include non-family members. The emotional connection is not only established between family members and the company, but also between non-family members and the company and between the outside stakeholders and the company.

4.5 Discussion

Family business value logics are shaped both by a family logic and an economic logic (Gallo, Tàpies, & Cappuyns, 2004). Both are regarded as ensuring the status of the family and growth of the business. At different stages of the family firm's development the value lens to which the firm pays attention is always changing.

Value proposition of family business

Every company is shaped by the logics of value proposing, creating, exchanging, and capturing; however, they differ in their particular identity and institution. Value proposition mainly refers to customers on the demand side, in other words, it addresses how to solve customer's problems through products and service development and meeting their needs (Arend, 2013). By extending the concept, value proposition includes proposing value to society, the environment, and to stakeholders (Emerson, Bonini, & Brehm, 2003; Florin & Schmidt, 2011; Frow & Payne, 2011; Nicholls, 2008; Randles & Laasch, 2016). Thus, family firms are different from non-family firms due to their value and norms.

Indeed, family-owned firms are highly particularized in their values and norms. The unique feature of the family is the family permeate the organization and shape a distinct organizational culture (Habbershon, Williams, & MacMillan, 2003) with caring behaviors and commitment (R. Gomez-Mejia Luis, Martin, & Marianna, 2003) shared goals and objective among employees((Cruz, Larraza-Kintana, Garcés-Galdeano, & Berrone, 2014).Value proposition may occur in both economic or non-economic areas. In family firms, as with family features and background, they propose value differently. A family business is influenced by a group of logics dominated by both commercial and family logic. Family exists to support, develop, and sustain a family business. Commercial logic is referred to as an economic perspective (Friedland & Alford, 1991; C. Marquis et al., 2007). Family

businesses would somehow pay attention to non-commercial aims, such as soft outcomes. They would rather emphasize a stronger family flavor and pursue emotional profitability. From our empirical data analysis, a family business proposes value not only to its customers by offering them high quality products or services, but also cares more about family members by providing job opportunities and caring about their situation. Moreover, value proposition to the local community, environment, and society are also very important, since family firms are more willing to contribute.

From our samples, we figure out that most of our family firms they propose value through emphasizing the family features and special characteristics. However, the Bicycle Co. and Precise instrument Co. limited the numbers of the family members working in the family firms. Additionally, even though there exists a certain number of family businesses which has a succession intention to the next generation, Household electrical Co., Electrical & Mechanical Co, and Machinery Co. are open for diverse development directions. We also figure out the Molding machine Co. as they de-emphasized themselves as Zhan family, because they view their company as a family rather than their original family.

Value creation of family business

Previous research argues when family firms start to take care of their employees, including both family members and non-family members, for employees themselves, they are more eager to involve in their daily work,

behave well and better contribute themselves in the job and procure benefits for their families (Cheng et al., 2021). Employees who feel they are being taken good care of by the family would identify more strongly with the organization, perceive less work-family conflict, and be less subject to psychological contract breach (Demirtaş et al., 2017). At the beginning stage most family firms are family-owned and led as there tend to be more family members involved in the business when compared with non-family members; resulting in a family-centric, rather than business-centric, company (Gómez-Mejía et al., 2007). While family governance logics arise due to family members who want to take part into the management decision-making process, core decisions have a close relationship with their interests and preferences (Dinh & Calabrò, 2019). In family governance logic, family members, when compared with non-family members, are more welcome to take part in the process of decision-making. Certainly, the suggestions they raise might be more acceptable because of the close relationship with the family business based on kinship, interest, reputation, and sustainable development (Mohammed et al., 2018). Hence, according to family governance logic, special attention is paid to the effectiveness of family members' participation in management. The aim of family governance is to establish a scalable, sustainable, and secure framework that helps to better deal with the relationship between the family business, family members, and family member's wealth and interests (Martin et al., 2016).

However, for a smaller family business, or at start up stage, family governance is more about collaborative and participative decisions, family business members are welcome to join the decision-making process, employees feel more connected. Meanwhile, in a larger family business, the management style tends to be more professional. Not only do these businesses hire professional managers to work in higher positions in the business, but they also establish promotional mechanisms for employees (Sorenson, 2013). Therefore, humanistic management dominates and is popular in the family business.

Related to family governance, the ownership and the organizational structure of the board also have a strong impact on decision-making (Arregle et al., 2012). Meanwhile, the distribution of family members and non-family members at the strategic level on the management team also play essential roles (Brunninge, Nordqvist, & Wiklund, 2007; Chua, Chrisman, Steier, & Rau, 2012; Dekker, Lybaert, Steijvers, Depaire, & Mercken, 2013; Perren, Berry, & Partridge, 1998; Stewart & Hitt, 2012). A large stream of research emphasizes the importance of non-family members working as managers in family businesses and their contribution to facilitation of the professionalization of the family business. Recently, we can see more non-family members working at the higher management level and their contribution and performance, there is no way to estimate this. Additionally, the shift and innovation of management style within the family has been explored, the founder generation

attempts to adopt a family-style of management, however the later generations are more keen to make it professional (Beck, Janssens, Debruyne, & Lommelen, 2011). So, the direction of future development is now becoming more diverse, family firms are open to making new attempt.

Refer to our samples, we found different patterns of family firms. The Flow instrument Co., Sea shipping Co., Mental Co., and Tools Co., still insist on being family owned and led, we can see family members working at the higher strategic management level, and responsible for key decision makings. Rather, from the rest of the companies, we also explored a trend that family firms are open to involve non-family members working in the organization. Particularly, in Food processing Co., their CEO is outside the family, which is also feasible.

Value capture of family business

There is a tension between family logic and commercial logic in family firms. Family logics and commercial logics can be different according to the background (Morck et al., 2003).

The socio-emotional wealth theory suggests that family owners are driven by a distinct set of non-economic motivations (Gómez-Mejía et al., 2007).. Instead of economic objectives, they are motivated by goals such as enhancing their image and reputation (Craig & Salvato, 2012; Dyer & Whetten, 2006), seeking personal pride and prestige, preserving family values, defining their sense of self and identity, fostering social capital, and maintaining family

bonds and intergenerational sustainability (Chrisman et al., 2012; Zellweger et al., 2013).

A family logic dominated business may lead to managers' decision-making occurring in accordance with the socio-economic wealth priorities in some regions. As a result, family involvement might be determined socially (Gómez-Mejía et al., 2007). Family members are preferred for involvement at senior management level based on the "relationship" consideration (Luis R Gomez-Mejia et al., 2011). In some areas, a family logics led business may make decisions according to socio-economic wealth priorities (Bertrand et al., 2002). Therefore, family involvement might be decided by social society (Gómez-Mejía et al., 2007). In a family business, value capture refers to the initial fund, the investment directions, goal setting, and so on. At the start-up stage, most family firms are established by the family, which determines the capital source and leading position. Ownership can include both affective and cognitive dimensions (Pierce et al., 2001). Ownership logic is generated as juridical ownership and financial ownership. Juridical ownership is the theoretical part of family ownership logic (Fligstein, 1996; Letza et al., 2004; Melin & Nordqvist, 2007; Pierce et al., 2001). Shareholder logic is more in the short-term period and concentrates on the economic outcomes by evaluating and implicating the values (Brundin et al., 2014). Previous research argue that shareholder logic stands on the financial perspectives of the business (Fligstein, 1996). Recently, the governance standard has emerged by shareholder value

logic on the basis of financial perception (Bradley et al., 1999; Rubach & Sebor, 1998). Based on this, goal achievement for family firms includes both commercial and non-commercial goals. To set up goals, a family business is more likely to pursue long-term development, in which case many prefer protective growth as opposed to rapid expansion.

From our samples, there are listed companies, for instance, Precise instrument Co., and Food processing Co., apart from financing from the family, both of them are in the capital market, which leads to the diversification of the financing channels.

Value exchange of family business

Referring to value exchange, it is argued that family values will be more concerned with social and environmental issues and long-term development because of the intention to succession (Adendorff, Venter, & Boshoff, 2008). This research emphasized that the value logic of a family business would be essential for the integration of personal development, the personal development of the younger family members as they grow up, and its business expansion (Sreih, Lussier, & Sonfield, 2019). Also important is how to deal with the relationship between family firms and their stakeholders. When discuss the opinions of family firms' contribution to the environment and local community, SEW theory is being referenced (Berrone et al., 2010; Luis R Gomez-Mejia et al., 2011). The primary focus of SEW lies in stakeholder value orientation rather than shareholder value orientation. It underscores the

importance of environmental contributions rather than the achievement of economic goals. Through family governance, family owners and leaders consider the family influence and existence based on blood relationships within the business. When compared with family owners, professional managers may focus on the economic growth and ignore the history of the family itself. The management styles differ due to their differently perceived identities and roles (Madison, Holt, Kellermanns, & Ranft, 2016). However, within the family business context, ownership logic dominates. In general, family businesses are governed by a deep and special attachment (Miller et al., 2011). Rather, in a non-family business such concerns are almost non-existent. Additionally, in terms of the family business members, their goal is not only to maximize the firm's economic value, but also to maintain its institutional work. Employees from within the family unconsciously pay more attention to non-commercial goals than to commercial ones (P. Davis & Stern, 1988). For instance, they are proud of being part of the business built up by the family, they are not only family members but also the owners of the business, this makes them feel different. The positive results of family ownership may date back to family identification, a sense of kinship obligation, social fulfilment, and wellbeing. The business is run or developed not only for economic reasons, but more for social identity and impact, not only for founders themselves, but for the next generations. Ownership of a family business determines powerful emotional connections with the company.

Previous research highlights the "bright side of SEW" (Berrone et al., 2010), emphasizing its focus on long-term business reputation and maintaining a conducive environment for the firm's continued survival, with the ultimate goal of achieving sustainable development (Cruz et al., 2014; Kellermanns, Eddleston, & Zellweger, 2012). However, it also recognizes the existence of a "dark side of SEW," suggesting that family firms may prioritize their own familial needs over the interests of their stakeholders (Cruz et al., 2014; Kellermanns, Eddleston, & Zellweger, 2012). Recent research delves into both aspects of SEW's application within companies, with some family firms even striving to establish a positive family reputation by contributing positively and successfully to society.

Within family firms, besides family members, family firms are eager to establish long-term and stable relationships with their stakeholders, i.e., their customers, employees, suppliers, the government, outside institutions, and the environment. They view the stakeholders as a living community, it is like an eco-system, they work together to achieve sustainable development.

Overall, we identify that family firms do not only focus on the achievement of their commercial goals, but place greater emphasis on humanistic management and sustainable development. Family values associated with social and environmental factors are essential to influence the sustainability of the family firm (Anderson & Reeb, 2004; Déniz & Suárez, 2005; Gallo et al., 2004). At early stages, in order to survive in the market,

family firms make great efforts towards achieving commercial goals, it is the basis and guarantee for the company to move a step further. Moreover, when family firms are at a relatively mature stage, they pay more attention to balancing family goals with business goals. At the same time, when family firms grow steadily, they start to consider if they can continuously contribute to the local community; sustainable development involves maintaining harmony with the environment (R. Gómez-Mejía Luis, Katalin Takács, Manuel, Kathryn, & José, 2007). This sustainable development not only refers to continuous enlargement of the family, but to the potential of the family evergreen.

Most of our samples indicate that family firms show strong willingness working well with the stakeholders, establishing and maintain a sustainable relationship with the suppliers, customers, government, society and so on.

Under value logic lens analysis, when proposing products or services, family businesses pay more attention to repeat customers. Family firms embed family value, family culture and beliefs into the company's name and product development. Moreover, a family business is built upon blood relationships apart from a purely employment relationship (Bingham, Gibb Dyer, Smith, & Adams, 2011). Family members take advantage of family ties and this influences the relationship among family business stakeholders. For instance, customers are not simply customers, long run and stable relationships are developed. The same as the suppliers, they aim for sustainable relationship

with each other, the transition rate among both suppliers and customers are relatively low (Hillman & Keim, 2001). The interviews allowed us to identify that most family firms have already cooperated with their customers for several years, the relationship is quite stable, they trust each other and work well together. Some interviewees mentioned they have been working in the company for more than 10 years, certainly, turnover rate is relatively low in family firms. Additionally, when a family business is under family governance, this can lead to disparate decision-making and daily operations. Humanistic management makes the employees feel more engaged in the firm's development and they feel they are being taken good care of, especially at the spiritual level. The emotional connection is strong. This might be the reason that family businesses somehow prioritize family goals and sustainable development beyond purely commercial goals. This leads to the perception that family firms care more about long-term objectives and family business model transformation rather than short-term growth or rapid expansion (Jenkins et al., 2011).

4.6 Contributions and implications

Our paper offers empirical qualitative evidence that underscores a fundamental component of the family business model's inherent nature. By integrating "organizational value logics" with "family business model," we aim to enrich business model research by elucidating how family logic shapes and impacts the value proposition, creation, exchange, and capture within the

family business model. Specifically, we identify a unique family business model centered on four value functions and emphasize the crucial elements of value logics, particularly within the context of Chinese family enterprises. Our study contributes to the field of business model research by introducing a value logics perspective that underscores the significance of family-specific characteristics and attributes.

Through identifying a specific business model for family business, we help the family firms better design and shape their business model under four value logics as well as better deal with the interrelationships among value logics. It clarifies the family organizational structure, governance mechanisms, and strategic orientations that align with the unique familial values and objectives. This also enhances decision-making efficiency, mitigates conflicts, and fosters a stronger corporate culture. Additionally, for industry professionals, understanding family business models provides insights into the unique challenges and opportunities these enterprises face, enabling them to offer more tailored advice and support. In summary, defining a family business model is crucial for guiding both the internal operations and external relationships of these enterprises.

4.7 Conclusion

This research seeks to understand the family business model under the value logics lens and to define how family businesses differ in terms of value proposition, capture, exchange, and creation. The empirical data analysis found

that a family business normally starts up through family extension and is highly reliant on kindship. Such businesses propose value to their employees by offering job opportunities, and to their customers by developing high quality products and services and contributing to society. In terms of value creation, family firms encourage humanistic management and their decisions are strongly supported by their employees because of a high level of trust.

Referring to the goals of a family business, the aim is for long-term orientation because only this will reflect the success of the company and also the honor of the family. In order to achieve sustainable development, family business applied family governance, with both family and professional teams in their daily operations, referring to value capture. In terms of value exchange, the stakeholders built up long-term relationships, they trust and support each other during the long-term cooperation experience. Their stable relationship is not only built on commercial purposes, but beyond that. The contribution of this research is its identification of typically key components for a family business model and the explanation of how value logics integrated with each other to support the family business' sustainable development.

Chapter 5 Institutional work for value logics in family business: Evidence from Chinese family firms

Abstract

This research seeks to explore value logics of the family business, how family businesses propose, capture, exchange, and create value, and how they

are internalized and influenced by the dynamics of institutional work. Based on an in-depth analysis of 15 family firms, we find two key dynamics within them. One illustrates how family business members are actively involved in institutional efforts to incorporate family value logics across the many stages of the family firm's development. Another dynamic demonstrates how family business members use institutional work to de-emphasize the firm's family nature and focus more on professional management and economic performance, particularly when they perceive the institutional environment views family firms as relatively traditional and less professional. Regardless of the type of dynamic, we found institutional work becomes a process, beginning with an establishment stage and moving to a deepening stage, accelerating the family businesses prior to its long-term orientation and spiritual heritage as the main direction of development. In this way, this research contributes to the institutional work literature by adding the deepening stage throughout the whole dynamic process. Additionally, our research contributes to the business model literature by discovering how value logics in a family business are formed and internalized, along with the establishment, maintenance, disruption, and increased depth of institutional work.

Key words: value logic, family business model, institutional work

5.1 Introduction

“Considering the future development of the company, I would say spiritual inheritance is much more important than simply passing the company

to the next generation, which will be prepended during the succession.”

The chairman of one family business, 2019 (#13HouseholdCo, Dianbu)

This quote illustrates how family firms exchange value by viewing non-commercial achievements to be equally important to economic performance, indeed the spirits and beliefs of the company are even more significant than the achievement of commercial goals. Within family firms, spiritual heritage becomes more important than purely the management of wealth. Considering the long-term orientation of goals, family firms aim at co-development between family and business, as well as exploring diverse possibilities of succession.

The reciprocal nature of the family and the business, within the family business setting, addressed by previous researchers (Siebels & zu Knyphausen-Aufseß, 2012) defines family business as a special type of firm combining both commercial features and non-commercial features, for instance growth and revenue, turnover rate, market share, and social and emotional wealth. Family businesses build on kinship, their spiritual connection is endogenous. Within family businesses, employees are likely to be family members firstly, and then colleagues. The unique characteristics of the family business, to a large extent, necessitates differentiation between the business model for family businesses and that for non-family businesses. In Chapter 4 of this PhD thesis, we identified the features and uniqueness of the family business model from the value logics perspective. For instance, referring to value proposition, family

firms not only aim to develop market-orientated products and service for their customers, they also offer job opportunities to family members and encourage family involvement. For value creation, during the development of the company, family businesses behave as family-first businesses by making “survival” the priority, they prefer protective growth rather than riskier rapid expansion. Additionally, along with the development of the company, family governance experiences evolution and transformation. Referred to as value capture, the initial funding for the company comes from the family themselves. Related to family capture, this leads to a strongly family owned and led business with goals that are both commercially and non-commercially focused. Thus, financial performance, such as sales and revenue, are just as important as the efforts made to enlarge the family and maintain its reputation. Related to value exchange, since family business members build on kinship, they trust and believe there exists a family tie between them and the company. Referring to outside institutional work of the family business, community, government, investors, and suppliers are important stakeholders.

While the previous chapter establishes the understanding of the family business model and its underlying logics, the question of how the business model value logics are internalized and stabilized with employees of family business, as well as how they are transformed over different generations, remains unanswered. However, answering these questions will have significant implications for family businesses as two of their distinguishing

features are long-term orientation and care for socio-emotional wealth.

In order to address these unanswered questions, we adopt institutional work as our theoretical lens. By integrating the value logics lens into institutional work research, we expect to better understand how family value logics exist and are internalized. It enables us to explore the different types of institutional work and what impact that work has on family value logics in a certain way. Additionally, considering the uniqueness of family firms and institutional work, it reveals how family value logics are stabilized in this specific type of business.

Institutional work explores the dynamic process of how people's actions and interactions inform institutional processes of establishment, maintenance, and transformation (Zietsma & Lawrence, 2010). Institutional work can be modified and transformed by individuals through institutional changes and towards the individual's behaviors and actions (Lawrence et al., 2011). The continuous practice of change leads to the institutions' set-up, preservation, and break-off (Lawrence, Suddaby, & Leca, 2009). In summary, this research aims to identify the institutional work practices experienced in family business models and what impact these practices have on the internalization of family value logics.

Thus, our research question reads: How do family members realize the institutional work and how does this shape the family business model?

To address the research question, 68 interviews are conducted in 15 family

firms. The interview questions are semi-structured and their nature aims for in-depth discussion in order to best understand how family members establish, maintain, and disrupt the institutional work in a family business. We explore how family business members behave and react to accelerate the business model transformation during the company's development.

Our contribution enriches both institutional work and family business studies. Firstly, we found that disruption to the family business may occur due to perceptions in the institutional environment that family firms are mostly traditional, non-professionally led, and they lack advanced management and innovation. Secondly, we found family firms have already experienced a disruption stage and make attempts to diversify the direction of future development. We propose this as an additional step in the process of institutional work, namely the deepening stage. Thirdly, we contribute to business model research by discovering how family value logics are internalized along with the dynamics of institutional work and how the family business model is transformed through different developmental stages.

5.2 Theoretical background

5.2.1 Institutional work

Institutions shape ways of acting and judging (Scott, 2001). Institutions are indispensable elements in society (Hughes, 1936), they provide standards and criteria for how to behave and what to believe (Meyer et al., 2005; Powell & DiMaggio, 2012; Scott, 2001). They may be formal or informal; they may

also be visible or invisible. Daily work adjustments are good examples of institutional work performed in an informal way. It is theorized as a more or less taken-for-granted repetitive social behavior that is supported by normative framework and cognitive understandings that provide meaning to social exchange, and therefore enable self-reproducing social order (Greenwood, 2008). Institutions are essential in family business to guide employees understandings, behaviors, and value (Greenwood, 2008).

Institutional work discusses how individuals and groups behave to establish, preserve, and disrupt institutions. Dating back to classic institutional work, this focused on how people put the institutions into practice, including setting up, remodeling, and transitioning of the institutions (Lawrence et al., 2011). Previous research illustrated standardization as the key feature of institutional work and emphasized its function of designing, decriminalizing, and controlling the working process (Slager, Gond, & Moon, 2012). It is also used to reduce disputes and ease contradiction (Perkmann & Spicer, 2008). Institutional work discusses the relationship between actions and institutions, it illustrates what actions have an impact on institutions. Institutional work has shed light on the influence of potential actions on institutions. In general, institutions offer guidance for, and indicators of, actions and behaviors (Lawrence et al., 2009). Referring to actions, the central point of institutional work should be dated back to intentionality, which could also be one's motivation and driving force for doing things (Lawrence et al., 2009).

Institutional work is rooted in “purposive actions”, for which there would be institutional impacts because, to some extent, institutional work is somehow deliberate. Institutional work entails establishing and reinforcing ties between meanings and observable forms of behavior, as well as relationships with stakeholders. Once the norms and regulations are in place, the links may be enforced through symbolic management, with a particular emphasis on proving cultural appropriateness.

Institutional work is a process and it always requires continuous effort (DiMaggio, 1997). To maintain the institutional order, the mechanisms for how a company is run should be strongly supported, modified, and established consistently (Clegg, 2006). Institutional maintenance involves ongoing adaptation, and even disruption and refinement by incumbents. At this stage, employees believe and fully support the founders. They themselves even participate in the institution’s establishment, which gives them higher recognition in the company. In this case, employees are influenced by the company’s culture which makes them feel better engaged in their work.

However, institutional work can be modified and transformed by individuals through institutional changes and individuals’ reactions (Lawrence et al., 2011). For instance, due to the disruption the institution, there will be conflicts between some people who intend to disrupt, and others try to keep the institutions (Battilana, D’Aunno, & organizations, 2009;

Suddaby, Viale, & Gendron, 2012). This would also generate conflicts between different groups., including those who disrupt the institutions and those who don't as well as between groups within the disruptors and non-disruptors? It is very interesting that during the maintenance of institutional work, when there existed decoupling, employees took action to seek opportunities for their company's transformation, creation, or even revolution. They would view this as a significant stage for the company to do something different from the past. For instance, the management style transformation, new product and service innovation, R&D investment, succession, and so on. They believe it is time to change. At the same time, there will also be actions taken to maintain central institutional work (Hirsh, 1997). Additionally, institutional change appears to be generated alongside institutional diversification. For instance, when there are symbolic changes within the institutions, the company might face a breakthrough point because of the substitutions or replacements by new elements (Greenwood & Hinings, 1996). The symbolic changes could be updated rules and regulations, new higher-level managers who join the strategic management team, business model transformation, product and service innovation, plans to enter new markets, and so on. All this give the companies opportunities to change and upgrade. Thus, the disruption of institutional work arises.

5.2.2 Institutional work and value logics in family business

Powerful incumbents strongly preserve institutions through value

exchange and value creation techniques such as reinforcing institutional foundations (Dacin, Munir, & Tracey, 2010); adapting practices to protect existing business models and relationships among stakeholders (Currie, Lockett, Finn, Martin, & Waring, 2012; Lok & De Rond, 2013); engaging in the challenging work undertaken by professional management teams (Micelotta & Washington, 2013); updating of institutions launched by government agencies. Scholars have also focused on exploring how low-power employees can play a role in an institution's transformation and re-establishment, especially their contribution of emotional value, which also represents value exchange and capture (Creed, Hudson, Okhuysen, & Smith-Crowe, 2014). Scholars have also long been interested in how institutions, such as those developed over multiple generations of a family, influence the cognitions, actions, and norms of people who stay inside such institutional environments (Greenwood, 2008).

The institutional work perspective provides a theoretical paradigm for clarifying how the institutions in which individuals are embedded constrain and allow their actions (Zietsma & Lawrence, 2010). It also offers a lens through which to explore how people's actions and interactions inform institutional processes of maintenance which might impact the business model. Table 1. illustrates the arguments from previous research, indicating how different types of institutional work exists in family firms at specific different stages.

Table 1. Types of institutional work in family business

Institutional work and family business		
Establish	Elaborate	Sustain family logic
Preserve	Adjust	Family logic threatened
Collapse	Extension	Protect family logic

In a family business, institutional work is influenced by family culture and family atmosphere. At the firm level, a family business engages in sustaining and advocating for the institutions in the business, meaning rules and regulations set by the founding family. This normally happens at the establishment stage of the company and sets the foundation for future development. For the dynamics of a family business, when family logic is threatened or endangered to any extent, family business members would take actions to protect the family logic by elaborating, adjusting, and extending the institutional work (Lawrence et al., 2011). During the company's development family business members position themselves differently. Apart from family members, non-family members also contribute to establish the institutions or engage in family culture, some of them are not family members, but they are treated as family members which give them more confidence in working for a family business (Lawrence et al., 2009). Even when there are disruptions or threats within family firms, employees would take action to react and adjust when necessary. Indeed, rather than disruption, family business members behave in ways which protect the family logic by supporting family governance and decision-making.

5.3 Methodology

Given the exploratory nature of the research, a qualitative research design was chosen. The purpose of the research is to explore how family firms develop, maintain, and protect the family value logics through institutional work. Fifteen family firms were analyzed in depth by conducting various interviews with both family members and non-family members. The interviews were completely transcribed, and key subjects were extracted using content analysis. Nvivo software was utilized to support the content analysis. During the process of coding and recoding, the themes became even more concise. The first round of coding might be concluded, retagged, or discarded as the coding process moves forward. Second round coding included re-categorizing and re-coding due to new themes emerging (Abbott, 2004). Abbott described the coding process as similar to decorating a house, start with a design, move back, change little things, move back again, make big changes, and even re-organize (Abbott, 2004). Categorizing refers to the process of dealing with the data from their origin to shape them and summarize them into a higher level (Richards & Morse, 2012). Corbin (2015) argued the responsibility of researchers is to show how themes relate to theory evolution (Corbin, 2015).

5.3.1 Sampling

When conducting qualitative research, based on this approach, samples selected will be more closely related to the aim of the research to improve the validity. Purposive sampling is not random, rather samples are deliberately selected (Bryman, 2016). In our research, the 15 family businesses and 68

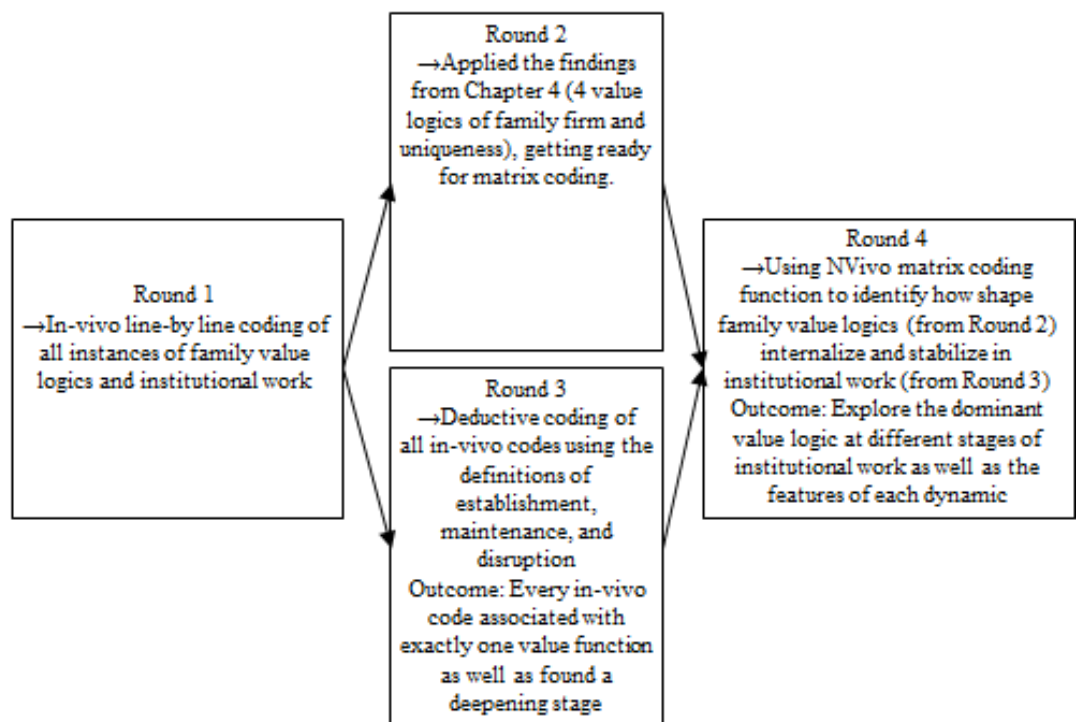
interviewees are selected deliberately. The main reason for choosing them as our research samples is that these family businesses are established in six different cities and four different industries, which avoids problems of singularity, rather than being concentrated in a specific region or industry. Another reason is that the size of the companies differs, from small to large public firms, thus covering all representative sizes; moreover, the interviewees range from production line workers to higher level managers. A certain proportion of family members and non-family members are included since they are likely to answer the questions from their own perspective, such as their position, experience, feelings, identity, and background. The rationale for such sample selection is expected to help to diversify the sample as well as support the rigor of the analysis.

5.3.2 Analytical approach

Firstly, we apply the key findings from Chapter 4 into the analytical approach and discuss the four value logics in family firms and their uniqueness. Secondly, we focus on the institutional work perspective, we aim to explore how family value logics internalize with the institutional work. Based on the three key types of institutional work—establishment, maintenance, and disruption (Lawrence et al., 2009)—we positioned the interviewees into a specific situation to identify: how they actively took part in the establishment of the institutions; what actions they may take, or have taken, to either participate in daily operations or to support decision-making; and, by helping

them recall any moments that they feel the family logic has been endangered or threatened, what actions they may take, or have taken, during such a specific period. The interview questions are set based on the research question in order to seek out how the family business members propose, create, capture, and exchange value and how the institutional work shapes the business model transformation under the value logic lens. From previous research, when referring to institutional work, normally there are three stages: creation, maintenance, and disruption (Lawrence et al., 2009, 2011). This argument strongly supported our research when applied to the family business context in the first round. See Figure 1.

Figure 1. Coding process



Step 1: In-vivo coding

We analyze the interviews in four steps. In the first round, we did line-by-line in-vivo coding of all instances related to family value logics and institutional work.

Step 2: Deductive coding round 1

We applied the findings from Chapter 4, theorizing the value proposition, value creation, creation capture, and value exchange of family firms, ready for matrix coding between value logics and institutional work in Step 4.

Step 3: Deductive coding round 2

Then we followed an iterative process of reading through interview data several times, starting from existing institutional work research and then generalizing the data according to the theories and based on our understanding. We used the same empirical material and conducted deductive coding by concluding the dynamics of institutional work into three themes: establishment, maintenance and disruption. Each of these could be theorized into three stages throughout the dynamics of institutional work in a family business. However, some interviewees talked about the limitations of family businesses beyond the advantages, and even showed lack confidence in the development of the family business. These interview responses gave the potential for the research to dig more deeply and uncover the possible reasons for this, and also laid the foundation for adding a new stage into the institutional work cycle through the re-establishment of family logic.

Step 4: Matrix coding

By integrating coding results of value logics from Chapter 4 with the coding results of institutional work, we ran the matrix coding, aiming to explore how value logics exist at different stages of institutional work and how family value logics are internalized with the institutional work. NVivo's matrix coding function helps us to draw from the previous deductive coding results and identify the dominant value logics which exist in each type of the institutional work; it also allows us to explore how value proposition, value creation, value capture, and value exchange of family firms are internalized in different types of institutional work. Our main approach is to firstly run matrix coding of the establishment of institutional work with value proposition, value creation, value capture, and value exchange separately; secondly, we use the matrix coding function to investigate the two specific value logics with the most numbers of nodes, then we generate how these two value logics exist and are internalized within the institutional work as well as the stages of development in a family business. Appendix 1 demonstrates the matrix coding process applied.

5.4 Findings

Dynamics of institutional work in family firms

From the empirical data analysis—apart from the three stages of institutional work from previous research, establishment, maintenance and collapse—we found there exists another specific type, i.e., a deepening stage (Lawrence et al., 2009). Additionally, we discovered that at the stage of

“collapse”, the process is not always complete disruption, it may be partial.

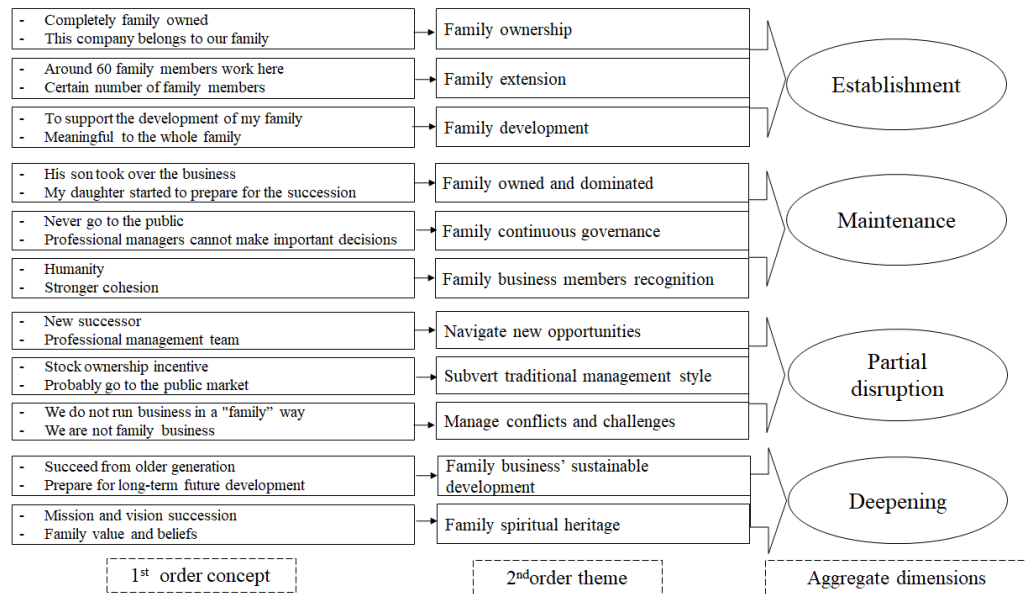
According to the interview data, the interviewees frequently mentioned family ownership and extension, which could be referred to as value proposition at the establishment stage, and noted that the family business not only focuses on business development but, more importantly, cares about the family’ sustainable development which represents value capture. At the start-up stage of family firms, they focus more on institutional establishment, family culture, and value extension. Related to the maintenance stage, apart from succession, family leadership and governance could be a symbol that reflects the strong family flavor, which is value creation. At this stage, we can see interviewees show their trust toward the family business. A strong sense of family belonging means they actively engage in supporting the management and daily operation of the business. At this stage, it is relatively stable with few changes. for instance, even non-family members have strong recognition with the family business through high levels of commitment, trust, and loyalty which help maintain the institutions within the family business, and can be referred to as value exchange. However, in the partial disruption stage, our interviewees talked about management transformations, the potential for involving professional managers in the strategic management team, and future options for development. At the deepening stage, we discover that family firms aim at long-term orientation as well as the firm’s sustainable development.

The dynamics of the institutional work could be divided into four stages,

establishment, maintenance, partial disruption, and deepening. See Figure

2. The coding process of dynamics of institutional work in the family business

Figure 2. Coding process



At the beginning, most family businesses belong to a family, in which case family members, especially the founder, are responsible for **establishing the institutional work**. There are a certain number of family members working in the company, which enables the family leadership to continue in a “family management” way.

“My father starts up the family business and the way how he runs the company is where I learn from. He has his own management style, the style he draws from his experience” (#2SeashipCo, GH).

At this stage, the founding family plays an important role in firstly starting up the business and secondly setting up the initial institutions. In this case, the family is the domain and has a quite powerful status. It is natural because the family members, have a certain relationship with the family, they share a similar background of growth, trust, and beliefs. This would allow them to

enter the firm more easily and somehow reduce the adaption time.

When a family business moves to the **maintenance stage**, there remains strong cohesion between the family business and family members, they are positive recognition of being part of both the family and the business. In this stage, family firms have gone through some growth and development, they tend to have a steady customer base and been in business successfully for several years. They would support the decision-making and possible succession.

“Even though I am not a family member, I feel I am being treated as part of the family” (#15MachineCo, JE). “I am now into the process of succession, I am a son-in-law, I know the responsibility of working in the company and I would try my best to run it well” (#13HouseholdCo, WY).

During this stage, the employees could be divided into two parts, family members and non-family members. For family members, they would continue their working style based on their cognition, in this way they take action to maintain what they used to do which also makes them comfortable. What is interesting is that during this period our interviewees mentioned that they are being taken good care of and they are being treated very well in the company. Therefore, these employees would agree with what is going on in the period and they behave according to what they believe and understand. High recognition of family business members fosters a sense of belonging and shared values, encouraging members to contribute actively and collaboratively.

It enhances trust and communication, strengthening the business's resilience and adaptability. By valuing each member's contributions, the institution can retain talent, promote innovation, and ensure a stable growth.

However, a **partial disruption stage** comes when some family business members began to de-emphasize the family nature, partly because they perceive that the institutional environment considers family firms to be relatively traditional and less professional.

“Our boss emphasized at the regular meeting several times. The main reason is at the earlier stage, family firms make more efforts in how to survive, they pay more attention to make best use of family resources and advantage.” Along with the company development, the family business members began to realize the shortcomings of family governance as well as family and family business reputation. They would like to show a positive image to the public. The high expectation towards public impression and the founders’ ability is not in step with the development of the company, leading to the disruption stage of institutional work.

“Remember, we are listed company now, do not label us as family business, we are not, we are modern and advance” (#3HitechCo, LM). “We are not family business, we run the company in a very professional way” (#9PreciCo, JF). Some interviewees expected a professional management team to replace the family managers, moreover, they began to consider going to the public or engaging in share transfers. “Succession is not the only option of our

company. If my daughter does not want to take over the company, that's fine, I may consider doing share transferring" (#13HouseholdCo, DB).

When moving to a partial disruption stage, it is not likely the business will completely collapse, it is more like a gaping hole in a glacier which indicates something unusual and unexpected might happen. During this stage, some employees started to realize they probably have different opinions and ideas about the firm. The key point is about the understanding of "family" and its nature. Some raised the idea about refusing to label the company as family business, even the founder prefers to do this. Some mentioned they are happy to see the new successor taking over the company and give the company a new life. Some even argued to have professional management team completely replace the family members at the strategic level. All these show the future development of family business is no longer a single process. The possibilities are diverse and this is a trend already.

After a period of adjustment, family businesses started to realize when challenges come to them, there are always opportunities to seize. When some companies arrive at the **deepening stage**, some of them are relatively mature, they have diverse options for future development and they value spiritual heritage much more than wealth management. Some of them are still at the development stage, however some of them have gone through a business model transformation and are also in the cycle of the dynamics of institutional work. For instance, some of them are still working to ensure survival of the company,

their products are thoroughly updated because they have invested heavily in R&D. Some companies started to involve non-family members in the higher management team. Having professional managers in the strategic team could be categorized into the partial disruption stage because it breaks the stability of only family members leading the company. Sustainable development becomes the primary goal. “Considering the future development of the company, we adopt joint-stock mechanism already which works well. Additionally, share transferring could be one of the options too” (#4BikeCo, YW).

Family values and beliefs can deeply enrich institutional work by fostering a strong cultural foundation. They promote trust, loyalty, and a sense of purpose, encouraging members to work together with integrity. These values guide decision-making, shape organizational practices, and create a positive work environment, ultimately enhancing the institution work's stability and effectiveness.

The deepening stage indicates that a new cycle of institutional work has begun and the family business is ready to embrace the new situation. They care more about emotional connection among the family business members, they aim at long-term sustainable development, and they pay more attention to the spiritual heritage passing to the next generation. These also bring more developmental possibilities to the firm.

Different Patterns of family firms' institutional work

From the empirical data analysis, we started our discussion by identifying our four types of institutional work. We found companies #10, #11, and #12 are at the establishment stage. From the family business employees' perspective, they have strong recognition of family, therefore they take actions based on their cognition and understanding. Referring to the business model perspective, they prioritize survival and make efforts to achieve the stability of the company, aiming at sustainable development. In the family business context, we indicate that family firms' grow from being only family, to becoming a functional family. It is during development that is the essential period for family rules and regulations to be established and launched. See Table 2.

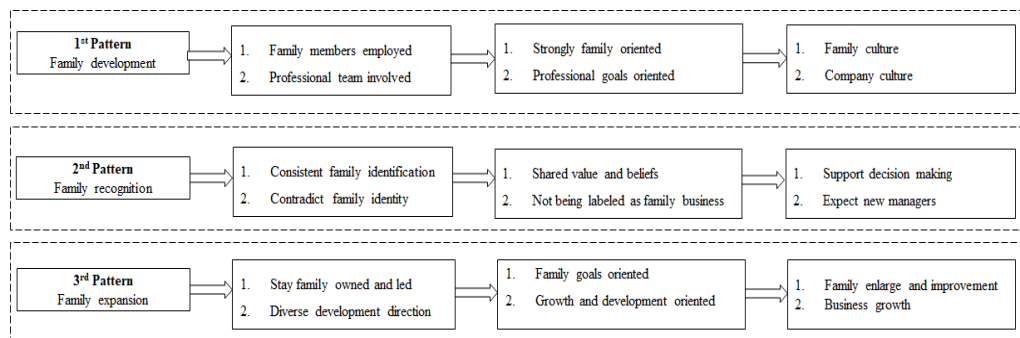
Table 2. Institutional work in family business

Institutional work in family business		
Family business employee's perspective (Individual level)	Business model perspective (Firm level)	Application in family business
Establishment (Company #10, #11, #12)		
Recognition of family culture	Stability of the family firm	Extend from pure family
Behave according to institutions	Sustainability of the firm	Family rules and regulations establishment
Maintenance (Company #4, #8, #9, #13, #15)		
Personal contribution	Family dominant management	Management style
Support the decision-making	Professional management team	Family role in daily operation
Disruption (Company #2, #6, #14)		

Conflicts in employees' relationships	Limitations of management	Manage the limitations
Failure of identity conversion	Future goals conflicts	Family or business
	Business model transformation	Family and business
Deepening (Company #1, #3, #5, #7)		
Competent for the job	Professionalize the company	Family governance and professionalism
Consider career development	Co-development between the company and the stakeholders	Sustainable development of the family business and family evergreen

We then dig deeper to further explore the three patterns of family firms according to the common characteristics of family development, family recognition, and family expansion. See Figure 3.

Figure 3. Family business patterns



Under the first pattern of family development, there existed two situations which highlight how family extension is involved in family business. According to the structure of family members working in the company and their operating position, some family businesses are very strongly family-

oriented. However, some family businesses started to involve a professional management team. This has led them in different developmental directions. Referring to the company culture, some have a very strong family culture, but others have a very strong professional company culture and are professionally goals oriented, for instance, how to achieve fast growth.

“We are public company now, we are family led and at the time we do have our professional management team” (#7BumpsCo, LB). “Our company is established by my father and it is still at the early stage. We are a very typical family business. I am now the general manager, my mum responsible for administration and my wife is working in the financial department” (#6MetalCo, ZL).

For the second pattern, family recognition, we found some family business members are very proud of being part of the family business, however others even contradict the family identity. This leads to different outcomes whereby some employees support the company owner and their decision-making, but some oppose the leadership.

“I think our new successor is too young to take over the company. I would rather prefer there might be a new leader sometime” (#2SeashipCo, WH). However, there are opposite opinions, “Our boss’ son is in the process of succession, I am responsible for helping him getting familiar to the company. I would fully support him and I believe he can do it well” (#11ElectrCo, MC).

Those who are consistent with family identification with the family

business normally share similar values and beliefs, which enables them to become more self-disciplined and to better support the decision-making. However, those who contradict the family identity are not happy to be labeled as a family business, some even mentioned they would be satisfied if there was a new successor taking over the company. These two opposite mindsets reflect two different expectations towards the company and how the employees position themselves.

For the third pattern, referring to the family business expansion, there are different expectations of retaining family ownership forever or entering the capital market and mix. Additionally, we discover three main tensions along with the dynamics of the family business: growth approach, professionalization, and potential development. Firstly, during development, some family businesses make efforts to achieve quick growth and rapid expansion, e.g.,

“One of our successes is to have 1/3 market share of our products in Europe” (#4BikeCo, YW). Rather, others argue, “We established 20 years ago but it seems we are not yet the leading company in the industry. I think the main reason might be we are quite risk-averse, we would prefer our company to firstly survive rather than grow quickly” (#1FlowCo, KACAN).

For family business itself, the way the founder makes decisions could determine the direction of the company’s development. In terms of the professionalization perspective, there is always a tension between family

management and professional management. There is an increasing number of family businesses starting to realize the importance of having a professional management team responsible for daily operations.

“I used to work in another listed family business, now I am the CEO in this company even though I am not a family member” (#8HamCo, QL). Certainly, some noted they are family owned and led, but they believe their family style of management is quite advanced and efficient. Referring to potential future development, there are more possibilities when compared to the previous period. They do not insist on staying family led, some of them even emphasized,

“My son and daughter are not the only successor, I am more willing to pass the company to the one who can run the company well” (#7BumpsCo, Bohu). “Our company is very well on track, I don’t care if someone we are being taken over by other companies” (#13HouseholdCo, Dianbu). These tensions occur along with the different stages of institutional work and reflect the legitimacy of how family business members realize and behave in their daily work.

In order to uncover how family value logics internalize into institutional work, we use the matrix coding function to explore the two dominant family value logics with institutional work. This builds on the findings from Chapter 4 which discovered the key value logics in family firms and how they are interrelated. Based on the findings, referring to value proposition, family firms

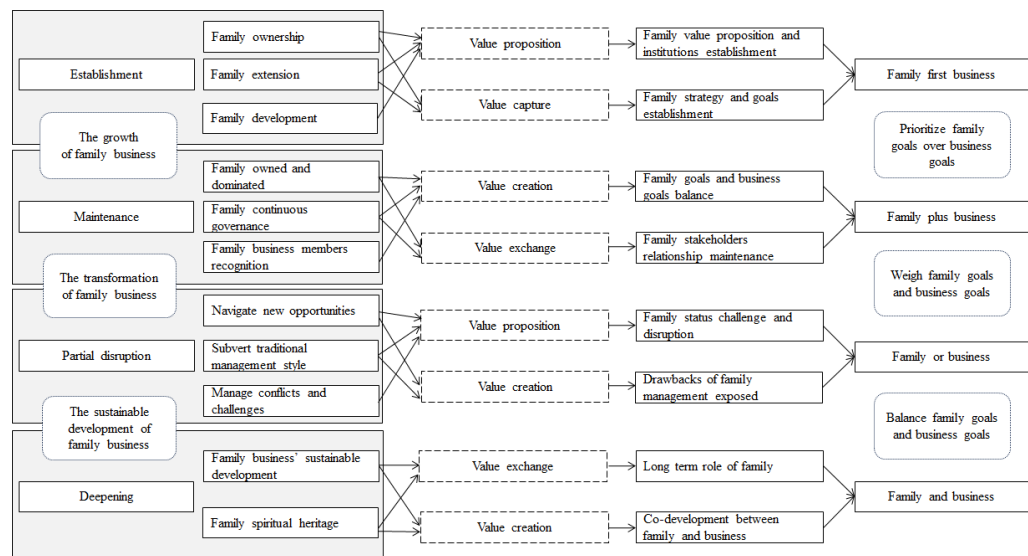
firstly offer job opportunities to family members and encourage family involvement. Moreover, they value familism by paying attention to family influence, family effect, and family identity. Apart from taking care of their customers, family businesses think highly of their family value. For value creation, during the development of the company, family businesses behave as family-first businesses by putting “survival” as their priority, they prefer protective growth to riskier rapid expansion. Additionally, along with the development of the company, family governance might experience evolution and transformation. Some family businesses began to hire professionals. In terms of value capture, the initial funds for the company come from the family itself. Related to family capture, this leads to strongly family owned and led businesses. Along with the development of family businesses, their goals are both commercial and non-commercial. They not only focus on financial performance, like sales and revenue, they also make efforts to enlarge the family and maintain the family’s reputation. Related to value exchange, since family business members build on kinship they tend to trust and believe there exists a family tie between them and the company. Referring to outside institutional work of the family business, community, government, investors, and suppliers are important stakeholders. Family businesses create and propose value by supporting the construction of infrastructure and organizing charity activities.

Conceptual model

Based on the matrix coding results from the empirical data analysis, we combine family value logics with the institutional work perspective. Along with the development of the company, family institutional work plays a significant role at different stages of development and is closely related to specific value logics in family firms. After analyzing all the interview data, we develop a theoretical model showing a cycle throughout the establishment, maintenance, partial disruption, and deepening of the institutional work which exist in family businesses. We also note the antecedents and motivations explaining how and why family business members behave, which might lead to consequences of a business model transformation. We found that when the family businesses firstly set up their companies, family business members would naturally follow the way the founders run the business, at this stage the institutions extend from family culture, meaning this is an establishment period. When moving to the maintenance stage, since family business members identify with the management style, the individual and the organization integrate and move forward in a more harmonious way. However, when the companies enter the partial disruption stage, the previous model is challenged and it becomes a turning point. At the deepening stage, family firms seek to explore ways they could overcome the difficulties or take the opportunity to transform and upgrade. Here we can identify that during the development of the company they experience three stages—early, growth, and mature—and then a further development stage, thus we conclude this to represent the

company's life cycle. This could be referred to as different stages of business model transformation. Throughout the dynamics of the changes, family firms adjust themselves to better positioning at the specific stage in order to cope with challenges and uncertainty. Figure 4. illustrates the conceptual model showing how family value logics are internalized and stabilized in institutional work at specific stages.

Figure 4. A conceptual framework of institutional work in family firms



Thus, companies behave differently at specific periods, especially when family businesses are at different generations, even though they would go through survival, development, transformation, and reformation, they would somehow think survival so far to be the company's biggest achievement. This exactly matches the stages of institutional work—establishment, maintenance, partial disruption, and deepening. These four stages make up the institutional work cycle which illustrates how family business members establish family logic, take actions to make sure the family logic is not lost, even when family

logic might be endangered at times family business members would still be strongly supportive. Among our samples, we cover all these four stages of the company development. Companies #6 and #13 are at the survival stage, even though they have been through years of development, they still face challenges to keep running the company. Companies #4, #9, #10, and #12 are at the rapid development stage, their main task during this period is to explore the market potential and enlarge the company. Companies #2, #5, #11, #14, and #15 are at the disruption stage, they are at a relatively mature stage, they have both opportunities and challenges for transformation. Companies #1, #3, #7, and #8 have already gone through the disruption stage and moved on to further development. They started to reform their business model and aim for long-term orientation.

From the interviews, we also find that at the early-stage of development, family businesses pay more attention to family enlargement and business growth, they emphasize survival as their biggest achievement during this period. Therefore, they care more about how to survive in the market and how to develop the family business first. Along with the development of the company, they started to realize the inefficient management under family governance, that there are more limitations and restrictions when the company grows in size, and thus a period of new challenges occurs. Family firms began to consider the changes of their firms' future orientation, e.g., two respondents said, respectively:

“Our management style is quite old-fashion and very traditional, we need to change” (#2SeashipCo, YM). “It is hard to get fund from the bank” (#2SeashipCo, GH). Under this situation, family businesses reach the point where they consider business model transformation. For example, one mentioned: “We are now producing semi-finished goods, but we used to produce finished goods” (#6MetalCo, HW). At the same time, the dynamics of institutional work shape and affect the business model transformation.

Establishment

From the interviews, we conclude the findings as follows. The establishment of institutional work in the family business firstly relied on family extension. This is the survival stage; family firms mainly focus on *value capture* and *value proposition*. At the beginning stage, family members extended “pure” family to “functional” family, then family business have a strong family flavor because of the employees’ composition, which refers to family members’ *value proposition*. Three interviewees mentioned, respectively, “Our relatives work here” (#12PackageCo, ZC), “My son and daughter are here” (#14MechaCo, Yuan), “We built on kinship” (#2SeashipCo, Kacan).

This also determines the family ownership because normally the family business is family owned and led, referring to *value capture*. For instance, “The company will be owned by this family forever” (#1FlowCo, GQ). As a result, what they care more about is the development of their family, rather than the

rapid growth of their business, for example: “Support the development of my family first” (#10ToolsCo, HF), “Our aims are long term orientation” (#15MachineCo, DM).

Based on this, the establishment of institutional work is born. Here, at the beginning stage, most family businesses, especially at startup stage, *capture value* from their own family funds, thus, family businesses pay more attention to family development, the main reason being they would expect their funds to achieve value appreciation. For instance, one interviewee said: “The main reason for us to start up a family business is to enlarge our family. However, the enlargement of the family highly relies on the business development” (#2SeashipCo, KACAN).

In addition, the initial motivation for starting a family business could also be to provide jobs for family members, which could be referred to as *value proposition*. One of the interviewees mentioned: “It is very special here, most people in our family are fishers, their jobs rely on seasons very much, they do not have high education background, in this way, we offer job opportunities for them to get involved in stable work situation. It reaches win-win situation, because we know each other well and they are happy to work with people who they are familiar with” (#1FlowCo, KACAN).

In this case, when starting up the company, some name the company by embedding the founders’ sons’ and/or daughters’ names, others name the company the same as the family name, which also refers to *value capture* and

proposition. This also gives their customer the impression of family branding, rather than focusing only on products or service, “Our customers trust our products because they trust us, trust our family, they think we are reliable” (#1FlowCo JZ).

At the establishment stage, a certain number of family firms would prioritize family goals over business goals. We found family value proposition is dominant and it is embedded especially at the early stage of the family firm’s startup. Therefore, family firms would prioritize family goals before business goals, most family firms are “family first” business. Institutional set ups are strongly determined by family culture and family influence. At the same time, establishment of a family business strategy and development of a blueprint show the important place of the family as the initiator in the family firms. At this stage, family firms show uniqueness of characteristics as they are family-first businesses. Therefore, they believe at the establishment stage, family dominant would prompt the development of the business.

Maintenance

Family business members maintain family logic based on recognition. At this stage, family firms mainly focus on *value exchange* in their relationships with different stakeholders and *value creation* in their management style transformation. The family business employees’ commitment to, and loyalty and trust in, the family business, for example “strong cohesion” and “high loyalty”, are highly valued. They adopt family leadership to govern the family

business and position family members at the strategic management level, the interviewees mentioned. For example, “The company is led by the boss family” (#11ElectrCo, HR), “My father responsible for everything” (#13HouseholdCo, HR).

Moreover, maintenance of institutional work in the family business reflects the succession of passing the family business to the next generation, for example: “Our company has already passed to second generation and we would like to pass it to the third generation if we are able to make it”. Due to the maintenance stage, family business members agreed with how the family business was being operated while acknowledging both the company’s and their own contribution, which refers to *value creation*. Even non-family members felt inspired by their boss, or the boss’ family, due to their treatment as part of the family, which is *value exchange*. They advocated family leadership and praised family governance. At this stage, most family businesses insist on being a “family-first business”, they believe their companies are established on the basis of employees’ trust and loyalty, this positive recognition would drive the company to continuously emphasize family impact and influence, which refers to both *value creation* and *value exchange*. For example, “I work here because I believe the company will develop, I have enough confidence that my brother-in-law could manage the business well. Working here to me is not only I am part of the family but also,

I think I could support our family with its future development” (#12PackageCo, Chuanfu).

At the maintenance stage, we can see family business members make efforts to protect the family logic and maintain stable and protective development. Referring to maintenance, family firms enter into a relatively stable stage. They started to integrate and balance family goals and business goals. With the family business members’ recognition and support, family firms become “family plus business” firms; they value their stakeholders as they establish and maintain a long-term and friendly cooperative relationship and continue to work well with each other. At the same time, we explored family firms at this stage started to weigh family goals and business goals. Some of our sample companies still insist on putting family goals in front of business goals, however, a certain number of family firms began to consider the relationship between family and business model, for instance, how to balance family goals and business goals in the process of development.

Partial Disruption stage

When some of our sample companies arrived at the partial disruption stage, family firms started to face the transformation, and some extend, it will destabilize the development of the company. The partial disruption of institutional work in a family business generally happens because the family business members have exaggerated limitations when referring to long-term development. During this period, the drawbacks of the company’s

development begin to appear. Family firms normally view this stage as a vital period, managing limitations is their primary task. Therefore, family firms formulate their strategy according to their specific development stage. One interviewee argued, “We are not family business” (#5MoldCo, YB).

By denying their identity, they would rather have others view them as professional companies, they felt family business are normally at the early-stage of development and are very traditional and old-fashioned. They felt it is a shame to be classified as a family business because they are modern and efficient. We identify some family firms who would rather position themselves as a relatively modern and professional company rather than continuing with a traditional and backwards management style, which could be referred to as *value proposition*. At the same time, some interviewees raised concerns about the lack of an educational background to the family leader or founder. Due to this problem, they might not have enough knowledge to manage the company well, especially when the company grows. However, there are also opportunities when they begin to consider the composition of the top management team. For instance, having new successors assume responsibilities of the family, in this case they would have their own ways to manage the business, surely, the “old” management style might be challenged. Additionally, when a family business starts to hire professional managers to join the business, the different backgrounds between professional managers and family members may result in them having different management styles,

which could be referred to as *value creation*; even though, when there appears management innovation within the family business, new management ideas and institutions will iterate previous ones. There also existed one possibility, nowadays family business leaders are open to transferring their shares to others, for instance selling equity or entering the public market, which is *value creation*. With shares transference, there might be equity separation and, as a result, a disruption to recent family logic. Moreover, there are some companies who have already applied joint stock mechanisms, which are very successful. At this stage, one interviewee said, “We hired the professional managers from listed companies to help us at strategic level. However, this did not work, since the way how public companies work are totally different from our management style” (#12PackageCo, XC).

Another interviewee from the same company mentioned: “I know my management style might be old-fashion, however the employees they get adapt to this, integrating new management style might take a long time. For me, I would prefer to pass the company to my children, but I feel they are relatively lazy, always late for work and cannot solve the problems independently” (#12PackageCo, Zhuliang). These kinds of concerns slow the pace of further development and enlargement of the company. All these could be concluded into the partial disruption of institutional work in a family business, this also lays the foundation for the company’s further development.

At the partial disruption stage, we find that family business members

began to realize the drawbacks of family management; therefore, family status is being challenged and disrupted. Family firms are in the situation of whether they should take action to overcome the problems or navigate the new opportunities. Some of the family firms deliberately deny their family attributes, and some of them subvert the existing attributes, seeking a new management style. At this stage, family firms are struggling with whether they give priority to family or to business, so called “family or business”. Family firms would somehow take actions to either balance family and business goals or to explore a new business model which could adapt to the pace of development.

Deepening stage

For the deepening stage, after the disruption, it could represent a new start for a family business, however, the new age of family business could also be built from the previous institutional work for long-term orientation. Some family firms are experiencing reformation, when combining *value capture* and *value exchange*, we can see a deepening stage is an essential period for family firms’ further development. “I realize we are now entering into a new development phase; things are changing and we are getting used to it” (#7BumpsCo, AZ).

Referring to long-term orientation, family businesses not only consider passing the company to future generations, but also to continuously invest in R&D to ensure their competitive advantage, which is *value capture*. Some of

them, as they expressed during the interviews, also aim to be a 100-year sustainable company and to persistently contribute to society, which is also *value capture*. At this stage, we identify that they highly value spiritual heritage, they feel that passing the spirit and its characteristics to future generations is much more meaningful than company succession or wealth management, which refers to *value exchange*. “Working here, I feel strong sense of belongings and spiritual coexistence” (#8HamCo, FX). At the deepening stage, interviewees indicate that family business employees normally have a relatively strong emotional connection with the company, they aim at long-term co-development with the community.

Overall, we can assume that during the development of the family business, especially at the early stage, most family businesses work to survive, they make efforts to achieve both family growth and business growth to help them exist in the competitive marketplace. Family extension, family ownership and leadership are still the leading domains. Family members have strong recognition in the company and they believe family-first business is so far an ideal option. Along with the companies’ development, they started to face difficulties of a lack of resources and an inefficient management style. The main reason is when companies arrive at the mature stage, the size of the company enlarges, thus the educational background and the management experience of the founders might not be able to keep pace with the development. The drawbacks of family governance begin to appear. Some of

the family businesses began to realize probably it is the right time for them to change, such as via business model transformation, consideration of the long-term role of family, product upgrade, R&D development, and so on. They set long-term sustainable objectives and work to cope with challenges. Apart from the family characteristics, some family business, especially the public companies, work to guarantee high quality products, high levels of service, and continued investment in R&D innovation. At the same time, some small and medium sized companies appear to realize the importance of innovation. They believe the key factor for a family business to achieve success is to perfectly integrate family features with the business perspective. For instance, embed family culture, family development, and family members' growth paths into the way they run the business. It is not only a family-first business but also a business which can support the family. Thus, a family business model shows exactly what the firm is doing to reach their goals and to what extent they take "family" into consideration.

At the deepening stage, family firms aim for long-term sustainable development, they not only emphasize the important role of the family, but also seek diverse possibilities for their future development. Family firms, at this stage, are relatively mature, apart from the inheritance of wealth they take actions to achieve co-development between the family and business, so called "family and business". At this stage, family firms make efforts to achieve the sustainable development by integrating both family goals and business goals.

Apart from the family and business goals achievement, family firms also contribute to the environment, society, and local community; as well as working well with the customers, suppliers, government and so on. Family firms enter into a family and business stage, thus, deepening the institutional work.

5.5 Discussion

Institutions manifest through group boundaries and material practices (Thornton, 2012). Institutional work aimed at stabilizing institutions has been observed to usually entail the strengthening of group borders, as well as the adaptation and reestablishment of the institutions, as well as the construction of routine material activities (Zietsma & Lawrence, 2010). Both types of labor can be viewed as enclosures that limit appropriate interaction and activity. With reference to institutional work, previous research argues that family business members would be more positive about maintaining the family logic (Lawrence et al., 2009). The strong identification with the organization not only exists among family members, but also extends to non-family members (Miller & Le Breton-Miller, 2005), they normally would behave like close relationships, informal arrangements, high levels of trust, commitment, and loyalty among members (Bingham et al., 2011; Brundin et al., 2014; Hoffman, Hoelscher, & Sorenson, 2006). This could be continuity, unity, and cohesion when discussing family firms and their employees. (Jaskiewicz, Combs, Shanine, & Kacmar, 2017).

In our research, at the beginning stage of the family business, all the businesses involved in our samples have been established on account of the extension of the family. Family members and their relatives are key employees at the start up stage. This clearly determines the ownership of the family business for not only owning, but also leading. In terms of the goals set by a family business, most of the family business members argued their priority is to make sure it is a family first business (Aparicio, Basco, Iturralde, & Maseda, 2017). The family business would benefit the owner's family first before considering business goals of achieving commercial growth. Under value logic lens analysis, when proposing products or services, a family business pays more attention to repeat customers, which emphasizes sustainable development together with economic growth (Laasch, 2018). Moreover, the beginning stage of the family business startup is often considered to be a way to provide job opportunities for family members and, at the same time, extend the family relationship to a dual relationship. This can also be considered as the family members' proposition. For the maintenance stage, most of the family businesses are led and governed by one family, whereby the family plays the essential role in key decision-making which includes strategy orientation (Tsai, Lin, Lin, Lu, & Nugroho, 2018). Even when a family business faces a succession problem, they would still consider passing the company to their next generation (Gagné, Marwick, Brun de Pontet, & Wrosch, 2021). This confirms that family logic would not be lost, the owners may be

different, but the successors also belong to the family; the institutional work in the family business remains the same. One interesting finding is that, within the family business, greater attention is paid to the spiritual level, or the so-called 'mental model'. Even non-family members feel they are treated like family members. Additionally, they are very happy staying in the family business because they get strong feelings of community. Higher recognition with the family business could result in better trust in each other, appreciation of everyone's contribution, low staff turnover rate, and strong commitment to the family business culture, management style, and strategy orientation (Apos, Brien, Minjock, Colarelli, & Yang, 2018). Radical organizational change and adaptation has become an important area of study due to the complexity of the political, legal, and technological changes that most firms must deal with. Reacting quickly to contextual changes has become a crucial component of competitive advantage and organizational sustainability (Greenwood & Hinings, 1996). In family firms, the organizational transformation and institutional work changes also exist, at this point family businesses are going through the disruption stage. Some family business members are worried about future development. They highlighted the limitations and short-coming of the family business. Disruption happens when family business members start to deny their identity. They feel being classified as a family business may be shameful. Based on their understanding, a family business is one which is not advanced, is old-fashioned, and being run according to older methods

(Suddaby et al., 2012). Another possibility of the family business's future development is because of professional management (Dekker et al., 2013). For instance, new successors who take over the business would have their own ways of making decisions, with a professional management team involved at the top level who might overturn the previous management style, internal management innovation would also change the way the family business used to work (Sreih et al., 2019). Due to the family funding for the initial financing approach, the family business is family-owned and led. It is built upon blood relationships beyond the purely employee/employer relationship. Family members would somehow take advantage of the family tie which influences the relationship among family business stakeholders (Lingo & Elmes, 2019). However, whether a family business is under family governance or under professional managers' governance, this could lead to greater disparity in decision-making and daily operations.

What is more, when share transfers exists, the family business would choose to go to the public market, with new shareholders and capital inflow family logic might be lost. All these might represent disruption of institutional work in the family business. For the deepening stage, psychological safety comes from trust and respect from interpersonal relationship. In family firms, family members are used to get along with their relatives, they are quite familiar with each other which might help them better deal with the situations when they express their ideas and opinions on SEW (West & Anderson, 1996),

this acts as the bridge connecting the previous ways of protecting family logic and creating new institutional work as the situation changes. The strength of a community's meritocracy can also play a role, for example, by establishing corporate discipline in a way that offsets the potentially negative features of family-intensive governance and nepotism. Besides the evaluation of performance, family values are associated with social and environmental factors that are essential to sustainability (Anderson & Reeb, 2004; Déniz & Suárez, 2005; Gallo et al., 2004). This is because sustainable development in a family business not only refers to the continuous enlargement of the business, but also to the potential of the family evergreen. Furthermore, whether family-intensive firm governance arrangements will reflect positive family priorities of stewardship—that is, committed and ongoing care for an organization and its stakeholders' long-term well-being—will depend on the strength and dominance of a family logic within a community as well as its embrace of family-related identities and values (Arregle et al., 2012; Miller & Le Breton-Miller, 2005).

5.6 Contribution and implication

This research has significant practical implications. It can help family businesses to better realize the dynamics of institutional work stages and to more precisely position themselves at a specific stage. When family firms are at the partial disruption stage, our research offers solutions of managing limitations and navigating new opportunities throughout the institutional work

change by better internalizing the family value logics. More importantly, the addition of a deepening stage points out that for optimization of a sustainability-oriented family business model, the importance of spiritual heritage goes beyond that of wealth inheritance. Thus, family firms can aim at long-term, sustainable goals by focusing on the inheritance of family spirits and values, paying attention to the deepening stage provides suggestions for family firms when planning their future development. Family firms can leverage these insights to strengthen their decision-making, mitigate conflicts and limitations, and ensure long-term sustainability. Moreover, it encourages a deeper reflection on how family dynamics and values influence the business model, fostering a more holistic and comprehensive approach to managing the family enterprise. Our research also helps guiding family businesses in navigating these stages effectively, while industry professionals can be beneficial to offer tailored support that aligns with the unique dynamics of family enterprises.

5.7 Conclusion

This research seeks to understand the family business model under the value logic lens and to explore how family business models are shaped and influenced through family business members when establishing, maintaining, disrupting, and re-establishing their institutional work. Drawing on our 68 interviews, we found the family business model has an essential impact on, and connection with, the dynamics of institutional work. Due to the family

identity and long-term orientation of the family business, there exists a deepening stage, especially for spiritual heritage. Future research could take a different lens to the topic, using comparative analysis to explore different patterns of the family business model.

Appendix 1. Matrix coding data structure

Institutional work and value logics in family firms		Value proposition (332 nodes)	Value creation (444 nodes)	Value capture (278 nodes)	Value exchange (357 nodes)
<i>Establishment and family value logics</i>		<i>Value proposition (179 nodes)</i>	<i>Value creation (134 nodes)</i>	<i>Value capture (175 nodes)</i>	<i>Value exchange (101 nodes)</i>
Establishment (320 nodes)	Family ownership (139 nodes)	“My father is still working here, me, my two sisters are now responsible for different departments (#58Household electrical Co, Qianmai).”	“Me, my wife, my son and my daughter-in-law, we are all working in this company, I am the board director, my son is the general manager, my daughter-in-law is the financial manager, and my wife is HR manager (#26 Metal Co, Huwan).”	“Our turnover rate is relatively low, most of our department managers started to work in the company when it established (#1 Flow instrument Co, Ji).”	“We have some customers, we have been cooperated with each other for more than 20 years, since our company’s set-up (#4 Flow instrument Co, Jian).”
	Family extension (106nodes)	“The first employees we hired are all our family members or our relatives. Because most of them used to be fish men and their education level are relatively low (Founder of#2SeashipCo, Kacan).”	“We offer job opportunities to our family members to guarantee them a stable job (#11, Sea shipping Co, Weilong)	“Our initial fund is from our family.” (#18 Bicycle Co, Haiqian).”	“We are not only family members any more, we are colleagues (#1 Flow instrument Co, Ji) .”
	Family development (75 nodes)	“We name the company by our own names, because this is not only a company,	“At the early stage, we hope our company works well, and the same as our	“We aim to achieve win-win situation that both family and	“The communication cost is low; we know each other very well, we are not

		but also the presentative of our family (#4BikeCo, Haiqian)."	family (#66 Machinery company Co, Juan). "	business is successful (#45 Tools Co, Le)."	only partners, but also friends (#61 Electrical & Mechanical Co, Zhuancao)."
<i>Maintenance and family value logics</i>		<i>Value proposition (88 nodes)</i>	<i>Value creation (145nodes)</i>	<i>Value capture (110 nodes)</i>	<i>Value exchange (151 nodes)</i>
Maintenance (299 nodes)	Family succession intention (87 nodes)	"If my son is willing to take over the company and he is capable, I would consider to pass the company to him. (#60 Household electrical Co, Feigu)."	"We are willing to support the founder family and our new successor (his son). Our founder told us support really matters." (#1FlowCo, Ji)"	"My father has three children, I am one of them, we know he wants us to take over the company, either one of us, or all of us (#57 Household electrical Co, Hudian)."	"There is a word of the company's name, which is also the same as my name, it is the invisible link (#44 Tools Co, Heifan)."
	Family continuous governance (120 nodes)	"So far, I am satisfied with his management style, it is trendy and efficient (#43 Precise instrument Co, Weihui). (#40 Precise instrument Co, Qianju)."	"In our company, family governance is dominant, now we have our new successor, he is the son of the founder, he responsible for everything now (#10 Sea shipping Co, Kacan)."	"Our company is very much like my kid, in this case, my greatest wish would be my kid is happy and healthy, the same as my wish goes to my company (#44 Tools Co, Heifan)."	"In our company, there are 200 employees, there certain number of employees who have been working in the company for more than 15 years. Every year, there are less than 3 employees quit the job (#1FlowCo, Ji)"
	Family business members'	"Even though I could get higher salary somewhere else, I still prefer working	"We believe the family make smart decisions during the development of	"In order to increase the employees' loyalty, we apply	"Last time, I went to attend a meeting, someone told me I am so lucky to

	recognition (92 nodes)	here (#51 Casting Co, Liu)."	the company, we would fully trust and support them as they really did great job in the past (#5MoldCo, Zhanzhan)."	joint stock system. Our staffs are happy and are more motivated (#20 Bicycle Co, Yunwen)."	work in such a great company. I was surprised at that time, and now I know what she meant (#51 Casting Co, Liu)."
<i>Partial disruption and family value logics</i>		<i>Value proposition (103 nodes)</i>	<i>Value creation (110 nodes)</i>	<i>Value capture (86 nodes)</i>	<i>Value exchange (89 nodes)</i>
Partial disruption (223 nodes)	Navigate new opportunities (68 nodes)	"Our boss is looking for someone to take over the company, he even asked me if I am willing to take over, however I am an outsider, can you believe? (#42 Precise instrument Co, Jifa)."	"We may not the most successful company in the industry, but we are proud because we are still survived (#12PackageCo, Chuanfu)."	"I think being a public company is what we are aiming to achieve (#55 Household electrical Co, Yunqian)."	"Our boss is very generous to the local community. We constructed the road, bridge, and the primary school. We are happy to give back to the society, especially the local area (#3HitechCo, Zhuliang)."
	Subvert traditional management style (74 nodes)	"We are ok to sell the company to others (#64 Electrical & Mechanical Co, Jihei)."	"We are happy with the management style, the transformation of the business model promotes the company's development (#39 Food processing Co, Fei)."	"We are offered the opportunity to share our comments towards the management style. (#20 Bicycle Co. Yunwen)."	"The customers and suppliers for us are relatively stable, we trust each other and we work with each other very well (#13HouseholdCo, Dianbu)."
	Manage conflicts and challenges (81 nodes)	"Our boss is very traditional, he is fear of change and evolution, we are encouraged to remain	"I know he is not only my father-in-law, but also the boss of the company. I sometimes feel high	"I used to face opportunities expand our company, but I refused, I would	"You know, relationship is everything! (#21 Molding machine Co, Yuanbian)."

		the same. Slowly, it becomes our company mission: Safe before develop (#15 Steel Co, Jiwa)."	pressure from other colleagues, they view me as son-in-law instead of a pure sales manager (#62, Electrical & Mechanical Co, Wanyun)."	prefer to avoid risky decisions (#60 Household electrical Co, Feigu)."	
<i>Deepening and family value logics</i>		<i>Value proposition (135 nodes)</i>	<i>Value creation (168 nodes)</i>	<i>Value capture (128 nodes)</i>	<i>Value exchange (175 nodes)</i>
Deepening (301 nodes)	Family long term orientation	"We establish good relationship with the government, we support each other (#23 Molding machine Co, Zhazhan)."	"Even though our company has been 20 years, when we recall the biggest achievement, I would still say survival so far. As many of our competitors are no longer existed (#2SeashipCo, Guwei)."	"There is a sports park named by our company in our local community, and we constructed road called the same as well. We gained a lot from the society and we are pleased to contribute (#5MoldCo, Yuan)."	"We deliberately hire disable person working in our company. This is what we can do to contribute to the society (#36 Food processing Co, Qianshu)."
	Family spiritual heritage	"Our boss is always very creative, reliable and willing to learn new stuffs. This also gradually becomes our company culture, I believe it will pass on to the next generation (#65 Machinery	"We are proud of being hidden champion in our industry, we are the representative of high-quality guarantee (#7BumpsCo, Bohu)."	"We care about the social influence in our local community, as well as our reputation in the industry (#16 Steel Co, Zuimei)."	"I remembered there was one company coming to me last year and offered me higher salary and I refused, I feel working here I have strong sense of belongings. Even though I am not family member, I

		company Co, Dunni).”			feel I am well in the group (#14MechaCo, Liu).”
--	--	----------------------	--	--	--

Chapter 6 How does family imprinting shape family business models?

Abstract

We explore how family imprinting shapes family business models, using the value logics lens. We conducted 68 interviews across 15 Chinese family businesses and analyzed them using a thematic template analysis. Our findings show how family business models' value proposition, creation, exchange, and capture are shaped by three distinct family imprinting practices, namely practicing traditions, family storytelling, and family leading by example. These practice shaping effects assume both the format for maintaining family business models and for changing them. We firstly contribute to business model research by exploring how family business models are influenced by family imprinting. We also contribute to the family business literature by embedding the family imprinting perspective as an important driving force during the development of the family firm. Finally, we contribute to imprinting research by offering the value logic lens as a conceptual bridge between the family members' cognitive logic and the logics of action of a family business.

Key words: family imprinting, family business model, value logics

6.1 Introduction

This paper seeks to identify a particular organizational value logic for a family business from a cognitive perspective (Laasch, 2018b; Ocasio & Radoynovska, 2016). The general concept of the business model discusses how companies do business, aiming to pursue economic goals (Zott & Amit, 2007).

However, in family firms, with the features and uniqueness of family, the strategic goals tend to be beyond purely commercial ones, they also emphasize non-commercial goals, such as addressing social and environmental concerns (Adendorff et al., 2008). From a cognitive perspective, along with the development and growth of the family business, shared beliefs, rituals, practices, and legacy help family firms persist over time, although they may constrain changes in the organization (Lumpkin, Martin, & Vaughn, 2008). It is implied that strong recognition of the previous generation, i.e., that generation who imprinted the organizational tradition (especially at the establishment stage) (Stinchcombe, 1965), might survive and persist over time (Tilcsik & Marquis, 2013) within and among generations (Hammond, Pearson, & Holt, 2016). In our research, we applied a cognitive perspective into business model research, because, building on the argument to theorize how cognition plays a role in business model shaping, as well as how individuals' ideas would impact on the firms' value proposition, creation, capture and exchange.

Value logic is a logic of value proposition for customers through products or services, value creation occurs with the achievement of economic goals and growth, and value capture is a result of profit-earning patterns and value exchange among stakeholders (Osterwalder & Pigneur, 2010). In family firms, since their employees are either from the family or outside the family, and the relationships between family firms and their family business members differ, this could lead to disparate understandings and behaviors. When the employees

are family members, they tend to share values, norms, beliefs, a sense of belonging, and a strong emotional connection with the firm (Jaskiewicz et al., 2017). Previous research argues that the impact heritage and history have emphasizes the great power of traditions. This includes setting goals and objectives, shared values and beliefs, inherent family cohesion, continuity, and support (Jaskiewicz et al., 2017). From a cognitive perspective, the behaviors and practice of family business members are strongly imprinted by shared experience and past stories (Erdogan et al., 2020). Especially at the establishment stage of the family firms, imprinting plays a role during the survival period and continues to develop to the further stages (C. Marquis et al., 2007).

Even though family business research has been widely discussed, there remains potential for us to combine family business research with business model research and to introduce a cognitive lens to better understand how cognition might influence the business model. More specifically, we aim to develop a better understanding of how imprinting practices exist in family businesses and to what extent the practices would influence the firms' value logics. From previous research, firstly, there is a lack of family business research being discussed from a cognitive level. For instance, Erdogan (2020) applies A family imprinting approach is used to describe how to manage the contradiction of traditions and innovation in a family business. Marques et al., (2022) explore a family imprinting approach for nurturing willing successors

with evidence from centennial family firms. Social emotional wealth in family businesses is also being discussed as part of the cognition stream (Dayan, Ng, & Ndubisi, 2019; Vardaman & Gondo, 2014). Secondly, there is little research which combines the business model with the cognitive perspective. Outside the family business discussion, there is a thriving research string that explores the link between business models and cognition which analyzes how cognition shapes or accelerates business models (Frankenberger & Sauer, 2019; Martins et al., 2015; Snihur & Zott, 2020).

To close the research gap, we use a family imprinting perspective as the entry point, we identify three key items of family imprinting and four value logics of a family business, we further investigate how these key items of family imprinting influence the value functions and how this works to accelerate the shaping of the family business model and its transformation. Therefore, we generate a key research question:

How does family imprinting play a role in shaping family business models under the value logics lens?

To address the research question, we used a qualitative research method, conducting interviews and carrying out multi-case studies. Semi-structured interviews allowed us to delve deep into understanding why and how family imprinting exerts the functions it does, and to what extent family imprinting shapes the value logics in family firms. We make three main contributions. Firstly, we contribute to the family business literature by identifying family

imprinting as an important shaping force of family business models. Secondly, we contribute to business model research by exploring how family business models are influenced by family imprinting. Finally, we contribute to the imprinting research by offering the value logic lens as a conceptual bridge between the family members' cognitive logic and the logics of action of a family business.

6.2 Theoretical background

We now combine the value logic of family business and family imprinting as a cognitive perspective to build our theoretical argument.

6.2.1 Value logic of family business

Business models have been conceptualized as a company's logic of value proposition, creation, capture, and exchange (Laasch, 2018a). Business models are how a company works to achieve goals by creating value in both economic and non-economic aspects (Massa et al., 2017). Business models also discuss value proposition and delivery to stakeholders (Teece, 2007). These ideas emphasized the importance of business models as a strong support towards the achievement of a firm's financial goals, such as profits and market share, which allow a firm to blossom. Yet, as time goes on, the business model concept has been transformed from a description of how a firm operates (Magretta, 2002) to optimize its daily operation by configuration of its business activities (Zott et al., 2010). Moreover, the business model reflects to what extent the company may achieve its value in a strategic way (Casadesus-Masanell & Zhu, 2013).

6.2.2 Family business and value logics

The following provides a brief outline of the different characteristics of value proposition, creation, exchange, and capture, as well as how they apply more specifically to family business models.

Value proposition mainly refers to how a company provides an attractive product or service to their target market (Laasch, 2018b). It involves social, environmental, and commercial principles and shares its value proposition with stakeholders (Emerson et al., 2003; Florin & Schmidt, 2011; Frow & Payne, 2011; Nicholls, 2008; Randles & Laasch, 2016). In a family business, family values, especially social and environmental concerns, may accelerate the sustainable development of the company (Adendorff et al., 2008; Déniz & Suárez, 2005; Gallo et al., 2004).

Value creation is guided by the goals of strategic management and depends on how daily operation activities are connected to each other (Laasch, 2018b). The predominance of socio-emotional necessities makes family business differently, they reveal a preference for succession to remain among relatives (Gómez-Mejía et al., 2007).

Value capture is understood as a social, environmental, and economic triple bottom line (Birkinshaw & Goddard, 2009; Lüdeke-Freund et al., 2016). Value capture is normally determined by business logics, emphasizing the economic value capture of the company (Laasch, 2018b). In a family dominated business, managers' decision-making may occur in accordance with

socio-economic wealth priorities in some regions (Morck et al., 2003).

Value exchange emphasizes how companies deal relationship with stakeholders (Laasch, 2018b). In the case of family firms it is argued that family values are more concerned with social and environmental issues because of the intention for succession and oriented development in the long-term (Adendorff et al., 2008), thus representing value exchange.

6.2.3 Family imprinting on business models

A business model is shaped by a firm's decision-making through the cognitive process and mental model (Amit & Zott, 2015; Martins et al., 2015). We applied imprinting as a cognitive lens through which to explore how it shapes the business model in a certain way. Imprinting is a process in which a focused entity acquires traits that reflect major environmental elements, and such qualities survive despite considerable environmental changes in subsequent periods (C. Marquis et al., 2007). Following Marquis and Tilcsik (2013), the focal entity (entity bearing the imprint), the sources of imprints (imprinting entities), the sensitive periods, the imprinting mechanisms, the resulting imprinting content, and especially the previous generation, with the incumbent leader found to be highly influential, especially if they are also the founder, are the main elements to describe an imprinting situation. Other potential imprint sources include the family business and its other members, as well as other organizations and their members. For instance, previous research indicates that the younger generation are strongly imprinted by the

older generations in family firms (Simsek et al., 2015), which affects the firms' practices and actions (Rau, Astrachan, & Smyrnios, 2018). Family imprinting occurs during a short period of susceptibility, the characteristics of a company will reflect the features of the environment, and these characteristics would continue to exist and may encounter great changes at the environment level (Tilcsik & Marquis, 2013). Strategic education of the next generation (encouraging education and work experience relevant to the firm's entrepreneurial future), entrepreneurial bridging (the older and younger generations working together), and strategic succession (ensuring the protection of the successor's key resources and power in the family business) are the three main types of imprinting mechanisms identified (Reay et al., 2015).

Recent research has found how a business founder's characteristics have become imprinted onto their venture's business model (Snihur & Zott, 2020). Given the prominent role of imprinting processes in family businesses, and its influence on business models, we believe studying the imprinting of family logics onto family business models is likely to offer novel and relevant insights. Accordingly, we study the role of family imprinting in the shaping of a family business model's value proposition, creation, exchange, and capture.

6.3 Methodology

We conducted 68 semi-structured interviews in 15 family firms. The semi-structured interviews ranged from 40 to 45 minutes in length. The

interviews were recorded, and transcribed. All participants signed a consent form and agreed with the ethical forms. During the interviews, notes were taken when interviewees mentioned important information in order to enrich the data.

6.3.1 Sampling rationale

We applied purposive sampling, in order to improve validity. Purposive sampling is conducted by deliberately selecting samples rather than by randomly choosing them (Bryman, 2016). Our sample comprises 15 family firms in six different cities from across four different industries. The latter include: manufacturing, which is predominant; logistics; casting; and, food processing. In this way, we avoided samples being drawn from the same regions or the same industries. Moreover, our 15 companies cover small, medium, and large businesses, according to the evaluation criteria based on net asset, profit and income, and the number of employees. These companies are also at different development stages, three are owned and led by the first generation, 11 by the second generation, and one has already passed to the third generation. In this way, our sample better represents the characteristics of different stages of development from different angles. Among the interviewees, we talked to both family members and non-family members in the family firms. Most interviewees work at the strategic level of management, so they can be expected to have extensive knowledge and experience to share when answering questions. Furthermore, we also have interviewees working at the front line.

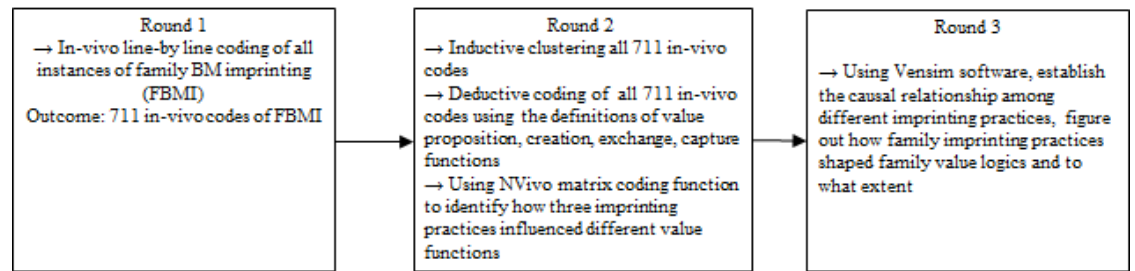
The information these participants shared was supplementary, its purpose being to avoid any limitations which may arise as a result of interviewing only people working at management level.

6.3.2 Coding process

Abbott (2004) described the coding process as similar to decorating a house, start with a design, move back, change small elements, move back again, make bigger changes, even re-organize (Richards & Morse, 2012) describe categorizing as the process of dealing with the data from their origin and then summarizing them into a higher level, Corbin (2015) argued that the responsibility of researchers is to show how themes relate to theory evolution. Overall, we completed three rounds of data analysis. During the first round of coding, we conducted line-by-line in-vivo coding by selecting the most relevant nodes according to our research, in this way 711 in-vivo codes were created which relate to family business model imprinting. Second round coding included recategorizing and recoding as new themes emerged (Abbott, 2004). We firstly inductively clustered all 711 in-vivo codes and concluded three family imprinting practices. Then we deductively coded 711 in-vivo-codes according to the definitions of the four value logics. After that, we used the matrix coding function in the NVivo software to explore how three family imprinting practices influence the four value logics in family firms. In round three, we used Vensim software and conducted causal loop analysis, aiming to identify how family imprinting practices shape family value logics, and to what

extent this occurs. Figure 1. visualizes the coding process.

Figure 1. Coding process



Round 1: In-vivo coding

We analyzed the interviews in four steps. In the first round, we conducted line-by-line in-vivo coding of all instances related to family business model imprinting, which resulted in 711 codes. All 711 in-vivo codes express how family firms propose, create, capture, and exchange value as well as how family imprinting plays a role in the shaping of a business model. For instance, “I view it as a family imprinting from our boss and his son, which also influence us a lot.” [Lai, Financial Manager, Flow Instrument Co.] “We exchange our value by acting as a bridge that connecting both family and the company, as well as the company and our stakeholders.” [Lila, HR Manager, Bicycle Co.] “We are very proud of ourselves because we create value not only to our family and family members, our customers feel they are being very well served by us.” [Jihei, CFO, Electrical & Mechanical Co.]

Round 2: Inductive coding, deductive coding, and matrix coding

We extracted key words from the interview data that referred to a family imprinting perspective based on the level of frequency these words were used

and their significance (Lewis et al., 2011). Using the in-vivo coding results, we developed first order concepts from the initial quote (Eisenhardt & Graebner, 2007). Next, we aggregated the first order concepts into second order themes which represent the key perspective related to family imprinting items. We identified three key items which refer to family imprinting: **practice family traditions; family storytelling; and, family leading by example.**

A total of 156 in-vivo codes were coded **practicing family traditions.** For example, we found, “Based on the past, we encourage people to be creative and open to new ideas.” [Tian, IT department manager, Molding Machine Co.] “For every important day in our company, we have religious rites to celebrate.” [Kacan, director, Sea Shipping Co.] We reasoned that both these participants were talking about how they learned from past family experience, thus, we categorized such comments as “Family traditions”.

A total of 128 in-vivo codes were coded as **family storytelling.** We also found similar codes which we theorized as “Family storytelling”, these quotes show how the family business members hear stories from others and how they re-tell stories to others. For example, “The most important thing is to share our stories with employees and managers.” [Yuan, Marketing Manager, Molding Machine Co.] “I am inspired by our company stories heard from my department director.” [Wanyun, Marketing Manager, Electrical & Mechanical Co.]

A total of 207 in-vivo codes were created in this way. These codes were

categorized into **“Family leading by example.”** Additionally, we coded for items which spoke to the influence of the “boss” or of the founding family. For example, “Our boss is gentle and kind, he is good at humanistic management, I feel I am being taken good care of.” [Chuanfu, Vice-president, Household Electrical Co.] “Our boss has a good habit of doing daily exercise, he encourages us to do the same, we are strongly influenced by him.” [Yanfu, Financial Manager, Machinery Company.] “He has his expertise in everything, financial, medical, and technical, he has a strong desire to learn new things which motivate me a lot.” [Xianci, Administration Officer, Household Electrical Co.].

We then followed a deductive, top-down approach to identify how the imprinting practices identified in the second coding round influenced the business model’s value functions (Teece, 2010). In particular, we coded each of the for value proposition, value creation, value capture, and value exchange (Laasch, 2018b).

We allocated each of the 711 in-vivo codes into one the four value logics. For instance, “We have a clear career planning and promotion mechanism for employees, both family members and non-family members.” [Zuimei, HR Manager, Steel Co.] “We also care for our employees' families, their parents and children, we are grateful.” [Bohu, Director, Pump Co.] “We embed our family name into our products, we are happy our customers recognize us in this way.” [Jin, Logistic manager, Flow Instrument Co.]

We categorized similar quotes into value proposition. A total of 207 codes were coded as *value proposition* because they all expressed how family firms propose value, not only to their customers but also to their employees and the whole of society.

We categorized the following into value creation. “We believe our professional management team, we give them opportunities leading the firm, even though they are not family members.” [Fa, Branding Director, Food Processing Co.] “We as a family firm, are quite advanced and scientific, and our business model is professional and standard.” [Xudi, CFO, Precise Instrument Co.]

A total of 182 in-vivo codes were coded as *value creation*. Further, we defined value capture as elements of which are present in the following quotes. “We win, we make money, and we are very happy.” [Guwei, General Manager, Sea Shipping Co.] “The goal of balancing the family and the enterprise should be considered.” [Kacan, Director, Sea Shipping Co.] “The development of the enterprise is relatively solid and stable, we as a family firm would somehow avoid rapid growth and expansion.” [Feigu, Director, Household Electrical Co.]

These quotes represent the shared goals and beliefs in the family firms, as well as how they might achieve their objectives. Therefore, we deductively coded these types of in-vivo codes under the theme of value capture. A total of 107 in-vivo codes were coded as *value capture* because value capture is mainly dominated by business logic through the pursuit of economic goals.

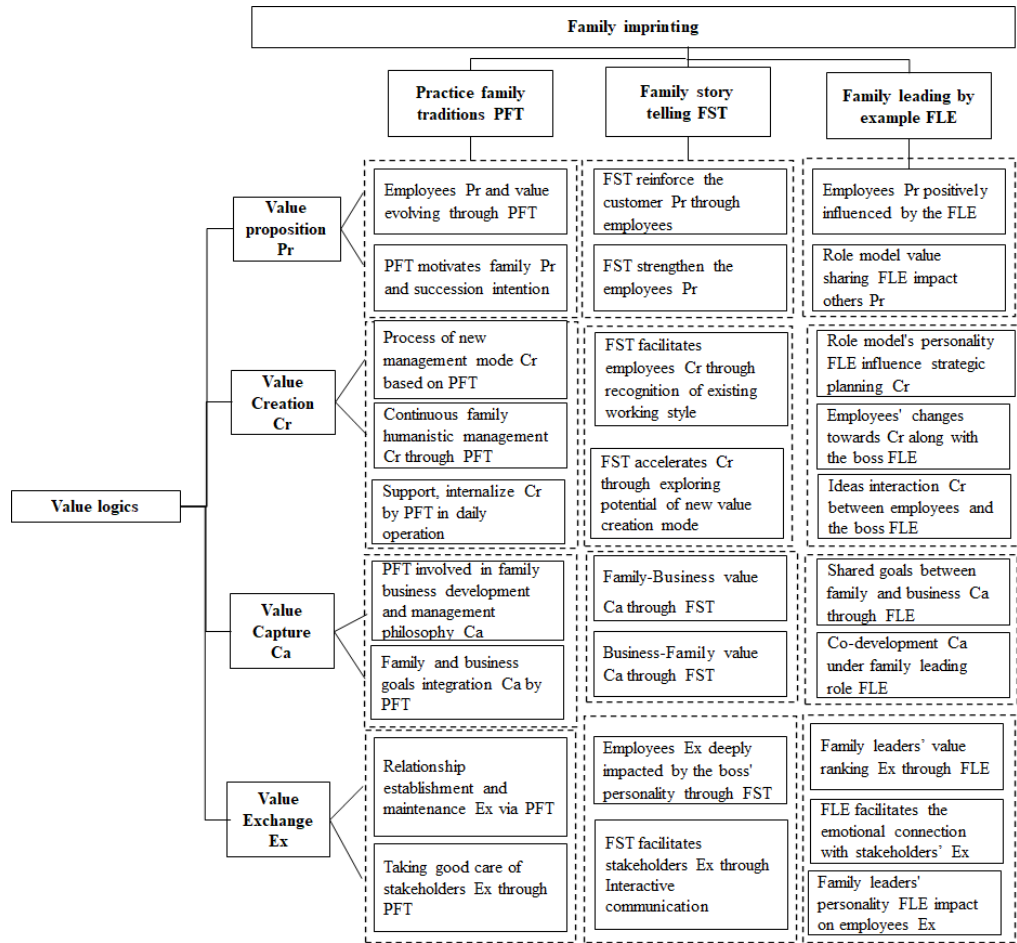
In terms of *value exchange*, the quotes under this theme embody the relationship among different stakeholders, for example, “We establish a good and stable relationship with our customers and stakeholders, we have been worked with them since our establishment 15 years ago.” [Liu, COO, Casting Co.] A total of 215 in-vivo codes were coded as *value exchange*. We have illustrated the deductive coding process of this stage, which we applied to all four value functions. According to the inductive and deductive coding results, we had coded the 717 in-vivo codes to both family imprinting practices and family business model functions. In Phase 4, we applied NVivo’s matrix coding function to draw from inductive and deductive coding, and to identify how family imprinting practices influenced the family business model’s value functions. The matrix coding function allows us to categorize to explore how practicing family traditions may influence the shaping of the family business model through value proposition, value creation, value capture, and *value exchange*. Then we applied the same approach to discover how the four value logics are influenced by **family storytelling** and **family leading by example**. For instance, “Because it was handed down from our ancestors. family over business is always our family traditions, family members are important, offer them job opportunities, treat them well.” [Guwei, General Manager, Sea Shipping Co.]

In this quote, we can see a strong influence of practicing family tradition on value proposition, i.e., family tradition is more important than the business.

This drives the way family members are treated as well as how value is proposed to the employees who are family members. Additionally, considering the following, “Nowadays, we care about the integration of our ideas when we make strategic decisions. Our boss shared his successful experience to us, I learn from it.” [Jian, R&D Manager, Metal Co.]

It can be seen from this quote that sharing experiences is a way of **family storytelling**; this has an influence on decision-making and management style, which could be referred to as value creation. Figure 2. shows the matrix coding result after deductive and inductive coding findings, showing how three family imprinting practices may influence the four value logics.

Figure 2. Matrix coding result



Round 3 Causal relationships

As is typical when developing grounded theory, categorizing the data might assist us better grasp which variables and causal links are represented (Glaser et al., 1968). In the cases described in this paper it is bridging between grounded theory and system dynamics. There is also a connection between grounded theory and systems modelling. Grounded theory provides an approach for developing systems modelling, particularly the causal loop diagram and system dynamics (Yearworth & White, 2013). In our research, we adopted an adequately theorized integration of Causal Loop Diagram development with the process of qualitative data analysis.

Refer to the causal loop diagram, it is used to map out and conceptualize the questions, as well as to offer a visual including the information of important elements, the causal relationships among the elements, and the feedback loops. More specifically, causal loop analysis emphasizes on indicating the qualitatively explored feedback loops and the dynamic relationships based on the studied problem (Liebovitch, Coleman, & Fisher, 2020). Scholars may begin to discover causal loops as a description of the feedback processes progressively emerging from this investigation by integrating variables and causal links (Yearworth & White, 2013). Morrison proposed that a concise notion may be founded in qualitative data analysis while also expressing a dynamic hypothesis that can only be disclosed via the process of causal loop diagramming and system dynamics modeling and simulation (Yearworth & White, 2013).

In our study, we applied the causal loop analysis in order to figure out the dynamic relationship among different family imprinting practices, as well as identify the significance of the specific family imprinting practice through counting the numbers of the feedback loops.

6.4 Findings

From the empirical data analysis, we defined three family imprinting practices: **practicing family traditions; family storytelling; and, family leading by example.**

Practicing family traditions enacts family customs and beliefs

intergenerationally. It shows that employees' ideas and actions are passed on from older generations and are taken into practice based on the history or the development of the family firm, while also setting a foundation for future development. More specifically, it emphasizes the process of learning from experience. Family storytelling is creating, sharing, and reshaping narratives of family events. Within family firms, the founders, or the older generations, will tell the stories to the younger generations and employees in the company. Additionally, for the employees, the stories may be heard from someone else and kept in mind. Family storytelling is the process of repeating, reshaping, and adjusting the family stories. Family leading by example represents a family member leading in a way that influences organizational members to emulate this family member. In family firms, employees will take the "boss" as a role model, learn from them, and be strongly influenced by them. The boss is like an ambassador representing the family and the firm. From Figure 2, we can identify how family imprinting practices shape business model functions under the value logics lens.

Table 1. Exemplary quotes

	Value proposition Pr <i>Value offered to whom and for what benefit.</i>	Value creation Cr <i>The processes aimed at increasing value generation.</i>	Value capture Ca <i>The process of securing profits from value creation and the distribution of those profits.</i>	Value exchange Ex <i>Multi-relational systemic interactions, emphasizing the “role of different stakeholder groups”.</i>
Practice family traditions PFT <i>Enacting family customs and beliefs intergenerationally</i>	Employees [Pr] and value evolving through PFT “We care about our staff; we encourage our employees to be more motivated and responsible. We value their traditions” [Dunni, General Manager, Machinery Co.]	Process of new management mode [Cr] based on PFT “We need to establish a new concept, a new management mode. Learning from the past and transcend the past.” [Ji, Accounting Manager, Flow Instrument Co.]	PFT involved in family business development and management philosophy [Ca] “It pursues stable development rather than focusing on immediate interests. Yes, we believe it and keep practicing it.” [Lai, Financial Manager, Flow Instrument Co.]	Relationship establishment and maintenance [Ex] via PFT “We emphasis more on the family tradition, there is an old saying in China called, you can be rich on more than three generations. There is ancestral discipline, because people are not disciplined enough, they need to be restrained. We aim to break it.” [Zuimin, HR Manager, Steel Co.]
	PFT motivates family [Pr] and succession intention “It [the firm] means something to the family, the boss must want to pass it on to the next generation, because the firm is handed	Continuous family humanistic management [Cr] through PFT “In the recent 20 years, our team is relatively stable. The benefits from taking care of our	Family and business goals integration [Ca] by PFT “For the boss, we aim at 100 years or more, it's a big goal, passing from generation to generation. Being a 100-year-firm is what we aim to achieve.”	Taking good care of stakeholders [Ex] through PFT “Everyone is in a good relationship. Even though we have non-family members working in the company, we work well with each other, we feel we are being taken good care of. His father did this and now he [son,

	down from the older generation.” [Zhanzhan, Branding Director, Molding Machine Co.]	employees as always, therefore we continuously improve the salary system.” [Yanyue, CFO, Casting Co.]	[Bohu, Chairman, Pump Co.]	the boss] is doing the same.” [Yumi, General Manager, Sea Shipping Co.]
		Support, internalize [Cr] by PFT in daily operation “I just wanted to say, if I can help, I would help, I did so in the past few years and will continue to keep the traditions.” [Jihe, CFO, Electrical & Mechanical Co.]		
Family storytelling FST <i>Creating, sharing and reshaping narratives of family events.</i>	FST reinforces the customer [Pr] through employees “The founding family has been talking about revitalizing national industry and creating Chinese brand.” [Yuanbian, Sales Director, Molding Machine Co.]	FST facilitates employees [Cr] through recognition of existing working style “I told our staffs money that is too easy to make is not what we are pursuing. They agree.” [Qianju, Administration Director, Precise Instrument Co.]	Family-Business value [Ca] through FST “We believe a good enterprise will drive the development of the whole family. That’s why we emphasize on integrating family and business value through sharing our family stories in the company.” [Jun, General Manager, Metal Co.]	Employees [Ex] deeply impacted by the boss' personality through FST “I love talking to others, I realize communication with others is extremely important and I learnt a lot from listening to others’ working experience.” [Zhehui, CFO, Tools Co.]

	FST strengthens the employees [Pr] “I told them [employees], this factory is not just my factory, it's your factory, it's our factory. When there are new employees joining us, our management will also let them know [what I told them].” [Huwan, CEO, Metal Co.]	FST accelerates [Cr] through exploring potential of new value creation mode “We are always told not taking too many risks. Steady development is relatively safe. I remember when I was young, my uncle said this company is his second child, we aim to protect it and witness its growth.” [Le, Sales Director Tools Co.]	Business-Family value [Ca] through FST “Our company will not be listed, we do not want to be bought by others, we always want to belong to ourselves. At every annual meeting, our boss emphasizes on this point, always being family owned and led.” [Qiaxing, Logistic Director, Flow instrument Co.]	FST facilitates stakeholders [Ex] through interactive communication “Our boss told us we should make our own contribution to the country, the society and the environment. I heard from colleagues that we built bridges, roads and primary schools in our town, which has been strongly recognized.” [Zhuliang, CFO, Steel Co.]
Family leading by example FLE <i>A family member leading in a way that influences organizational members to emulate this family member.</i>	Employees [Pr] positively influenced by the FLE “Our company is very famous, which means everyone knows the name of the boss is Zhang. We respect and support him as he is our role model.” [Yuan, Marketing Manager, Molding Machine Co.]	Role model's personality FLE influenced by strategic planning Cr “He just wants the family firm to get bigger and bigger. He was one of those who treated the business like his son.” [Zanlan, Vice General Manager, Metal.Co]	Shared goals between family and business [Ca] through FLE “As an entrepreneur, he constantly broadens his horizon and sees the changes in the world. Our enterprise develops step by step. Our boss is not only obsessed with making money, he also values other aspects of success.” [Zhanzhan, Branding Director,	Family leaders' value ranking [Ex] through FLE “He hires people with disabilities. He does charity work every year, contribute to the society is what he values the most important.” [Zhan, Vice Director of Financial Department, Flow Instrument Co.]

			Molding Machine Co.]	
	<p>Role model value sharing FLE impact others [Pr] “The boss said that since you follow me, I will be responsible for you. I trust him, he is the role model, I believe he will do as what he said ... I want to be the person like him.” [Liufen, Accountant Officer, Machinery Company Co.]</p>	<p>Employees' changes towards [Cr] along with the boss FLE “Our boss is good at humanistic management. We are strongly influenced by him, loving and supporting each other during our daily work. ” [Qianmai, Financial Manager, Household Electrical Co.</p>	<p>Co-development [Ca] under family leading role FLE “The firm’s initial fund was from the founding family. Along with the company’s development, the boss insisting on both commercial goals achievement and their contribution to the local community, which inspired me a lot. I started to participate into the charity activities after</p>	<p>FLE facilitates the emotional connection with stakeholders’ [Ex] “He has a very healthy lifestyle, without bad habits. We were also deeply influenced by him. I also want to do sports regularly, keep exploring new things and leaning from him how to establish a sustainable relationship with our suppliers and customers.” [Juanli, HR Director, Machinery company Co.]</p>

		<p>Ideas interaction [Cr] between employees and the boss FLE</p> <p>“Our boss does a very good job. He asks us for personal opinions, he gives a lot of respect to the executives, and allows more people to express their ideas. It's very democratic, not authoritarian.”</p> <p>[Zhehui, CFO, Tools Co.]</p>	<p>that.”</p> <p>[Yunwen, Director, Bicycle Co.]</p>	<p>Family leaders' personality FLE impact on employees [Ex]</p> <p>“We follow the boss’ working style, the boss goes step by step, we do diligently. The boss is very good, he treats the employees very well. We cannot be bad, his personality is very good, the staff are practical and realistic.”</p> <p>[Yanyue, CFO, Casting Co.]</p>
--	--	--	--	---

How does Practicing Family Traditions influence value logics?

Practicing family traditions on developing the potential of family firm transformation shows the dynamics of the company's development. Within a family business, practicing traditions on *value proposition* illustrates how the firm enacts family customs and beliefs intergenerationally. It generally formulates their heritage on the basis of family and employees' value. Certainly, traditions practiced on the basis of family value logics identify the strengths of past experience and reveal the enculturation of the family firms' inherent heritage across different generations. It also indicates the potential for family firms to learn from the past and show they have the desire to reform.

Practicing Family Traditions influences value proposition. Family firms are employee-oriented and are seen to evolve value. Rather than having a customer value proposition, they make efforts to embed family traditions in their employees and some feel they are part of the family even though they are not family members. **Employees [Pr] and value evolving through PFT.** "It [the firm] means something to the family, the boss must want to pass it on to the next generation, because the firm is handed down from the older generation." [Zhanzhan, Branding Director, Molding Machine Co.] Additionally, family firms generally want to adhere to the family traditions and show their strong intention of passing the company to the next generation.

Practicing Family Traditions influences value creation. We can see the family traditions is are not only being internalized in the company, but at the

same time, there is potential for the process of a new management mode to germinate. **Process of new management mode [Cr] based on PFT.** “we learnt from our experience, it works well, however I think we also need to establish a new concept, a new management mode. I believe there is a great potential for the new ideas to develop.” [Ji, Accounting Manager, Flow Instrument Co.] Practicing family traditions is an integrated process combining both the previous value creation mode and motivating the new management change.

Practicing Family Traditions influences value capture. Practicing tradition on *value capture* integrates the traditional mission with the value chain. Family business development and management philosophy are internalized in the firms. **Family and business goals integration [Ca] by PFT.** For example, “Summarize from the history of development, our company has been growing up steadily. we pursue stable development rather than focusing on immediate interests.” [Lai, Financial Manager, Flow Instrument Co.]. This shows that protective growth and development has been part of the firm’s *value capture* when setting strategic goals.

Practicing Family Traditions influences value exchange. Practicing the benefits of stable family relationships explores how family firms develop and maintain a good relationship with stakeholders. **Taking good care of stakeholders [Ex] through PFT.** “Even though we have non-family members working in the company, we work well with each other, we feel we are being

taken good care of. His father did this and now he [son, the boss] is doing the same.” [Yumi, General Manager, Sea Shipping Co.]

How does Family Storytelling influence value logics?

Family storytelling on value logics in family business refers to creating, sharing, and reshaping narratives of family events. **Family storytelling** on *value proposition* refers to the spread of family stories to stakeholders during the development of the family business model. **Family storytelling** on *value capture* shows how family firms share both family-business and business-family values. **Family storytelling** on value exchange illustrates a way to maintain long-term relationships in the family business.

Family storytelling on *value creation* explores the association between the existing value mode and evolvement. It is also a common way of spreading family stories to a large number of stakeholders. In this way, family firms share their values and beliefs through both direct and indirect approaches. Positive image and social impact could help family firms maintain a long-term relationship with stakeholders and explore the association between the existing value mode and its evolvement. In our research we found the leading role of the founder and the founding family to play a significant part in inspiring and encouraging others via shared goals and achievements.

Family storytelling influences value proposition. FST reinforces the customer [Pr] through employees. “This has positively influenced me and my customers, it is good to have competitors.” [Lini, General Manager’s

Assistant, Steel Co.] “The most important thing is to share with employees and managers.” [Yuanbian, Sales Director, Molding Machine Co.] These quotes are attributed to *value proposition* because through storytelling the employees and the managers felt they were being treated as core members and they maintain a great desire to work in the company and be actively involved in its daily operations. **FST strengthens the employees [Pr]** “My father is old, and he often says that the cost of pressure is great.” [Guwei, General Manager, Sea Shipping Co.] This is also representing *value proposition* because the employees are not only the listeners of the stories, but they are eager to recreate and share them. In this way, family firms propose value to someone they value. For instance, “I always feel listening to others make sense, and I am so willing to share my stories.” [Huaqi, HR Director, Pump Co.]

Family storytelling influences value creation. Family storytelling acts as a mainstream mode when family firms make strategic decisions. It is in this way that ideas are transmitted which benefit the management style and daily operation of the firm. Along with the development of the family firms, we can see family storytelling is embedded into daily activities, the management mode is being optimized and the ideas are being exchanged and updated. Therefore, there appears to be the potential for a new *value creation* mode as well as the upgrading of the existing management mode. Recognition of the existing working style is exemplified in the following quotes. “My dad will give his opinion.” [Qianmai, Financial Manager, Household Electrical Co.] “The boss

will listen to your idea and we will talk about this, I think it is efficient.” [Jia, Account Manager, Casting Co.] **FST accelerates [Cr] by exploring the potential for a new value creation mode** for example, “The integration is that my ideas are influenced by you, then I will share my ideas to him, and finally the leader and us discuss the idea and until we reach to a point of agreement.” [Zhehui, CFO, Tools Co.]

Family storytelling influences value capture. Referring to *value capture*, throughout the whole process of the family firms’ development, storytelling acts as an approach for sharing ideas about how family firms have captured value since the firms’ establishment. **Family-Business value [Ca] through FST** For example, “I am also thinking about how to establish our own prestige.” [Qiaxing, Logistics Director, Flow Instrument Co.] “For me, I grew up witnessing my father and my parents.” [Jihei, CFO, Electrical & Mechanical Co.] **Business-Family value [Ca] through FST** For example, “Which came first, the chicken or the egg, is an unanswerable question.” [Dianbu, Director, Electrical & Mechanical Co.] Through family storytelling, employees, especially high-level managers, better understand how the goals are being set and the rationale for family firms’ achievements.

Family storytelling influences value exchange. Storytelling is like a communication tool which deepens the relationship between the company and the employees. The employees are strongly impacted by the founding family, especially the family leader. Thus, they establish a good relationship based on

trust and support. “I think the chairman is saying that this is really worthy of respect. He is more than 80 years old, last time when he gave us a two-hour speech, he stood the whole time.” [Tayuan, Financial Manager, Molding Machine Co.]

How does family leading by example influence value logics?

FLE on *value capture* is inspired by shared family goals and achievements. FLE on *value exchange* is prompted by model function and emotional connection. FLE represents a family member leading in a way that influences organizational members to emulate them.

Family leading by example influences value proposition. FLE on *value proposition* states how family firms influence others through their role model leading position. **Employees [Pr] positively influenced by the FLE.** For example, “Everyone knows the name of the boss is Zhang.” [Zhanzhan, Branding Director, Molding Machine Co.] **Role model value sharing FLE impact others [Pr]** For example, “Our boss treats the employees and the senior manager [who are not family members] very well.” [Yanyue, CFO, Casting Co.] This represents *value proposition* because the leaders of the family play a significant role in family firms. They care not only about their customers based on commercial goals, but more importantly they care about the *value proposition* to their employees, which is more family-orientated.

Family leading by example influences value creation. Ideas interaction [Cr] between employees and the boss FLE. For example, “We believe that the

company's decision makers, including the managers are great.” [Qianshu, CEO, Food Processing Co.] **Role model's personality FLE influence on strategic planning [Cr]** For example, “He is meticulous, working with him and learning with him, I am quite inspired by his professionalism and strategic intelligence.” [Juanli, HR Director, Machinery Company Co.] This is part of *value creation* as it demonstrates that how the family founders run the company can have a strong impact on management style and decision-making. The employees are somehow influenced by the leaders of the firm, including by their personalities and interests.

Family leading by example influences value capture. Co-development [Ca] under family leading role FLE. For example, “A good leader with a smart way of thinking can accelerate the enterprise’s rapid development, both the family and the company benefit.” [Zhuancao, R&D Manager, Electrical & Mechanical Co.] **Shared goals between family and business [Ca] through FLE.** For example, “The boss goes step by step, he pursues a steady development, compared with making a lot of money, he prefers stable growth.” [Hudian, Household Electrical Co. Marketing Director] We conclude these as *value capture* because most family firms are family dominated, therefore, when setting goals and achievements, the leaders’ ideas would definitely determine the directions of the firm’s development.

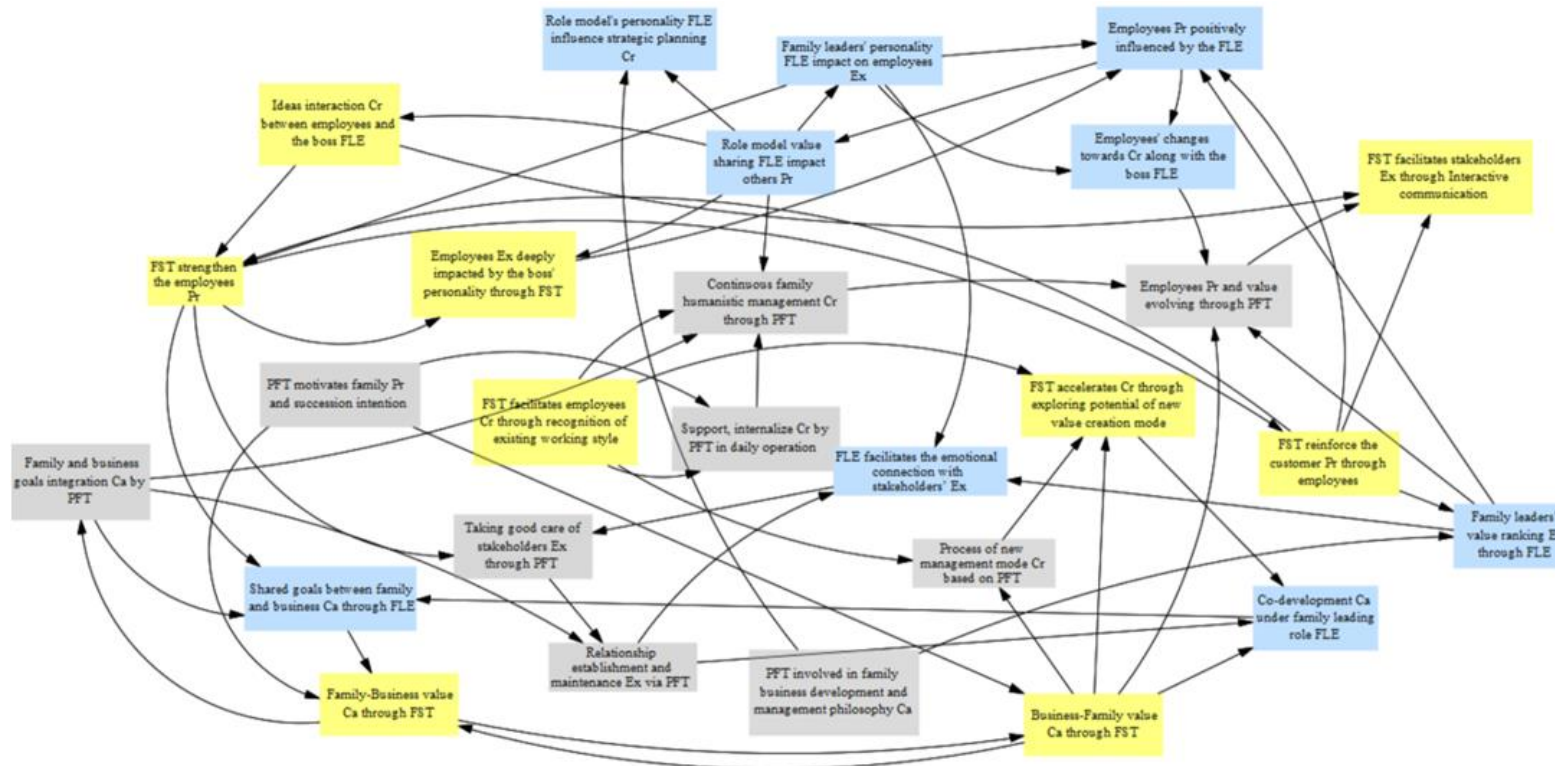
Family leading by example influences value exchange. Family leading by example on *value creation* Encouraging and recognizing the leading role of the

family. Referring to value exchange, FLE plays a key role in the establishment and maintenance of sustainable development with the stakeholder. Family leaders' value ranking [Ex] through FLE. For example, "He has strong sense of responsibility." [Le, Marketing Director, Tools Co.] "Because as a boss, his values and beliefs must be ahead of ours." [Tianyu, Financial Manager, Food Processing Co.] **FLE facilitates the emotional connection with stakeholders'** [Ex] For example, "Referring to our personal life, the boss will also affect us. I am inspired by him so much." [Liannu, Project Manager, Machinery Company Co.] By learning from the role model, family business members establish a stronger emotional connection and a significant spiritual heritage.

In terms of the three-imprinting practice of family firms, we figured out that some of our sample companies are involved in either practicing family traditions, family storytelling or family leading by example, while some of the family firms cover all these family imprinting practices. For instance, within company #2,5,6,10,13,14, employees actively engaged in learning from the past, continuously practicing the experience, as well as emphasizing the significance of the companies' values and beliefs. Moreover, company #1,3,4,5,7,15 are the representatives of family storytelling within and outside the companies. They focus on family stories' creation, sharing, and reshaping, aiming to encourage the employees learn from the family stories and actively spread the stories. Within company #1,3,5,8,9,11, we found employees take their "boss: as a role model, trust and support the "boss", learn from them and

be strongly impacted by them. The employees highly appraise the significance of the boss as well as the boss's contribution to the company.

Figure 3. A Dynamic System of Family Business Model Imprinting Practices






	Practice family traditions
	Family storytelling
	Family leading by example
→ Pr	Imprinting practice influence on value proposition
→ Cr	Imprinting practice influence on value creation
→ Ca	Imprinting practice influence on value capture
→ Ex	Imprinting practice influence on value exchange

Figure 3. represents the conceptual framework showing how family imprinting plays a role on family business model shaping through the practice of family traditions, family storytelling, and family leading by example. We determine that family traditions act as a bridge, they are not only inherited but are used to play a role; more importantly, family firms can continue to practice traditions to emphasize the family features and their uniqueness. Therefore, this could have a significant influence on family *value proposition, creation, capture, and exchange*. Referring to family storytelling, by hearing stories from others and telling stories to others, family culture, the company culture, values, and beliefs, are shared and practiced. This does not only leave an impression on everyone who hears or shares the story, it also plays a role in the family firms' decision-making and strategy. In terms of the family leading by example, the personality, preferences, values, and beliefs of the founding family, or of the boss, represent the role model that influences the employees. The family business members' working style, habits, thinking models, and values are influenced by the leading model in a certain way.

According to Figure 3, the **Process of new management mode [Cr]** **based on PFT** would have a direct influence on *value creation* since working style is a way of showing how companies are being managed to achieve goals and objectives. At the same time, the employees recognize and support the company, its daily operation and management style, and this influences **FST facilitates employees [Cr] through recognition of existing working style,**

which is also part of *value creation*. Family firms might face challenges when exploring the possibilities of a new management style. Additionally, the “Process of a new management mode [Cr] based on PFT” would slow down because the employees mainly focus on operating in a consistent way. However, **FST facilitates employees [Cr] through recognition of existing working style** has a positive influence on **Continuous family humanistic management [Cr] through PFT**, which also resulted in **Employees [Pr] and value evolving through PFT** as *value capture*. Family firms pay attention to their employees and humanistic management style benefits both the company and the staff. **Shared goals between family and business [Ca] through FLE** is referred to as part of *value capture*. In family firms, goal setting can reflect the family’s features and identity. In this way, it also strengthens the **Family-Business value [Ca] through FST** as part of *value capture*. Some family firms aim to be a family-first business, they prioritize family stability and safe growth rather than business development and enlargement. However, “**Family-Business value [Ca] through FST**” and **Business-Family value [Ca] through FST**” exist in a mutually causal relationship. Some family firms aim to balance both family goals and business goals which helps to achieve **Co-development [Ca] under family leading role FLE**. Co-development happens not only between the company and the community, but also between family firms, and stakeholders.

In Table 3, we seek out the numbers of causal loops for each of the family

imprinting practices; the numbers show the relationships between one family imprinting practice and other practices. Based on this information, we can see some family imprinting practices have more causal loops than others, which may reflect their significant influence on business model shaping.

Table 3. Causal loops

Family imprinting practices	Themes	Number of loops
Practicing family traditions	PFT involved in family business development and management philosophy [Ca]	1274
	Employees [Pr] and value evolving through PFT	1230
	Taking good care of stakeholders [Ex] through PFT	881
	Continuous family humanistic management [Cr] through PFT	682
	Family and business goals integration [Ca] by PFT	673
	PFT motivates family [Pr] and succession intention	572
	Relationship establishment and maintenance [Ex] via PFT	360
	Process of new management mode [Cr] based on PFT	302
	Support, internalized [Cr] by PFT in daily operations	80
	FST facilitates stakeholders [Ex] through Interactive communication	1204
Family storytelling	Family-Business value [Ca] through FST	981
	FST reinforces the customer [Pr] through employees	899
	FST strengthens the employees Pr	851
	Business-Family value [Ca] through FST	621
	FST facilitates employees [Cr] through recognition of existing working styles	378
	FST accelerates [Cr] through the exploration potential of new value creation modes	203
Family leading by example	Employees [Ex] deeply impacted by the boss' personality through FST	186
	Employees [Pr] positively influenced by the FLE	1158
	Shared goals between family and business [Ca] through FLE	851
	Family leaders' value ranking [Ex] through FLE	811
	Co-development [Ca] under family leading role FLE	730

FLE facilitates the emotional connection with stakeholders' [Ex]	657
Role model value sharing FLE impact others [Pr]	467
Role model's personality FLE influence strategic planning [Cr]	189
Family leaders' personality FLE impact on employees [Ex]	186
Ideas interaction [Cr] between employees and the boss [FLE]	161
Employees' changes towards [Cr] along with the boss [FLE]	106

Using the numbers of causal loops, we identify the most influential family imprinting practices on the business model to be:

PFT involved in family business development and management philosophy [Ca] (1274);

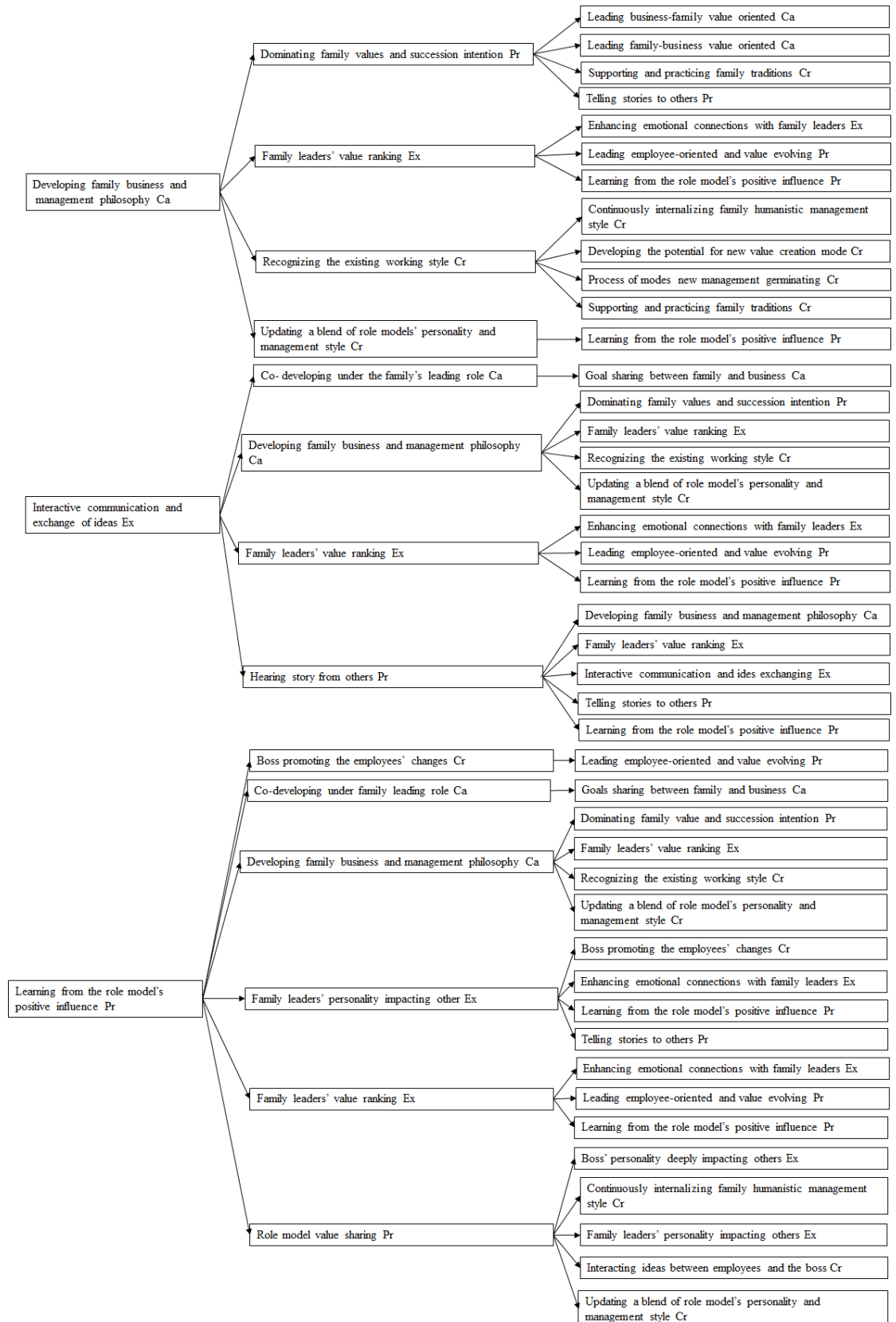
Employees [Pr] and value evolving through PFT (1230); FST facilitates stakeholders [Ex] through Interactive communication (1204); Employees [Pr] positively influenced by the FLE (1158); and Family-Business value [Ca] through FST (981).

The least influential family imprinting practices on business model are:

Support, internalize [Cr] by PFT in daily operation (80); Employees' changes towards [Cr] along with the boss FLE (106); and, Role model's personality FLE influence strategic planning [Cr] (189).

Figure 4. shows the causal relationship between family imprinting practices and the business model. From the Figure, we can identify how family imprinting practices influence the value logics of a family business.

Figure 4. Causal relationship



We illustrate how to read the causal influence on business model

functions of each of these family imprinting practices. Using the example of the practice of **developing family business and management philosophy Ca**, we show how it directly influences value capture, as well as immediately influencing the value proposition, creation, and exchange, thus influencing the entire business model.

Practicing family traditions

From Figure 4, we can see that there are 1274 causal loops in terms of PFT involved in family business development and management philosophy *Ca*, we take this item as an example because it takes up the greatest number of loops. It influences all four value logics. For instance, it influences:

value proposition of PFT motivates family [Pr] and succession intention;

family leaders' value ranking Ve through FLE; and,

FLE facilitates the emotional connection with stakeholders' Ex.

From the causal tree, we identify that the development of a family business and management philosophy serves as an important effect when shaping value logics of a family business. During the development of a family business, management philosophy represents the dynamic changes along with the family leaders' value ranking. For instance, family firms care about people more broadly, not only employees, but also they pay close attention to their customers, suppliers, the government, and the whole of society. In this way, they make efforts to establish and maintain good relationships with their

stakeholders, which is *value exchange*. More specifically, if family firms value their employees, they would advocate for humanistic management via employee-oriented leadership, a so-called value proposition. For example, offering job opportunities, planning promotional channels, considering staff welfare and treatment, listening to employees and actively talking to them. Thus, within family firms, the communication and exchange of ideas may be more efficient. The interaction of ideas can prompt development in family firms. To conclude, along with the growth of the family business, practicing family traditions is not only a matter of following what tradition dictated in the past, but at the same time allowing exploration of the potential for the development of new traditions which might also influence the family business model.

Family storytelling

From Figure 4, we can see there are 1204 causal loops when reference is made to **FST facilitates stakeholders [Ex] through Interactive communication** (as an example) because it occupies the greatest number of loops in **Family storytelling**. We take this as an example because it directly influences the *value exchange* as well as immediately influencing:

Co-development [Ca] under family leading role FLE;

FST reinforces the customer [Pr] through employees; and,

Role model's personality FLE influences strategic planning [Cr].

Interactive communication and the exchange of ideas serves as a

significant influence which has an impact on value logics of a family business. In family firms, the role model plays a significant part. By sharing a role model's values within the companies, family firms can continue to internalize the family's humanistic management style as its dominant approach, taking good care of the employees, i.e., *value proposition*. Therefore, family firms encourage interactive communication and the exchange of ideas in their daily operations, it strengthens the emotional connections between the leaders and the employees. The way the role model thinks and puts ideas into practice has a deep influence on how the company is run, which determines the management style. It is not only about being commercially-oriented, but places greater emphasis on being employee-led. In this way, **family storytelling** acts as a role model both in maintaining the management style and seeking possibilities for family management reformation. Here we can see that through storytelling and hearing stories from others the influence of the firm and the leader may be strengthened.

Family leading by example

From Figure 4, we take **Employees [Pr] positively influenced by the FLE** (1158 loops) as an example to illustrate how **family leading by example** actually shapes the family value logics. We take this as an example as it influences all four value functions. For instance, this practice influences:

Employees [Pr] positively influenced by the FLE;

Employees' changes towards [Cr] along with the boss FLE;

Co-development [Ca] under family leading role FLE; and

FLE facilitates the emotional connection with stakeholders' [Ex].

Learning from the role model's positive influence serves as an important effect which influences the value logics of the family business. By learning from the role model's positive influence, the employees would be deepening their value system according to the model's value sharing. By telling stories, the boss's personality can positively influence others, the employees and the boss may draw more closely to each other based on shared values and beliefs, for instance doing good work among the local community, organizing regular activities—such as family days and customers days, and opening mailboxes to general managers. These expand the positive influence of the role model and to a certain degree stimulate the development of the family firms.

6.5 Discussion

We began our research with the question of how family imprinting plays a role in shaping a family business model under the value logics lens. We build on the recent literature in applying how family imprinting plays a role in value proposition, value creation, value capture, and value exchange. We found three family imprinting practices: **practicing family traditions; family storytelling;** and, **family leading by example.**

We explored how these family imprinting practices actually shape the family business *value proposition, value creation, value capture, and value exchange*, respectively. Our conceptual framework also revealed the causal

relationship from one imprinting practice to the other, as well as the influence of the practices on family value logics. We offer insights into how the concepts of imprinting are applied in the business model research, which is consistent with the imprinting concept (Stinchcombe, 1965)

Business model perspective

From the previous research, we can see different business model dynamics. The literature on business models has identified templates, or default solutions, to organize activities and exchanges, from which entrepreneurs can learn to design novel business models (Amit & Zott, 2015). Existing research on business models and imprinting discusses the critical role of founders for designing a specific, novel, and often continuous, activity system at the early stage. Yet, it does not cover how imprinting shapes the business model and to what extent (Simsek et al., 2015; Tilcsik & Marquis, 2013).

In our paper, we offer insights into how a business model is influenced by imprinting practices. According to previous research, there are three practices which help to explain how an organization's innovation is being shaped by the founders' thinking patterns and behaviors. For instance, industry-spanning search is a complex, powerful, efficient and systematic thinking style (Snihur & Zott, 2020). The sensitive period of early establishment stage is especially being shaped by the characteristics of business models (Chesbrough et al., 2002). These characteristics might last for a long period of time, even though the environment might change, such characteristics would continually exist,

i.e., the so-called quality of imprints (Tilcsik & Marquis, 2013). Indeed, the imprinting perspective (Stinchcombe, 1965) suggests that entrepreneurs' early choices, made at the founding stage, shape the structure of their ventures (Beckman & Burton, 2008).

Previous research indicates imprinting is a complicate systematic thinking style which occurs when the founders and other employees of the organization display exceptional awareness of their industry structure and how it functions, (Snihur & Zott, 2020). According to Snihur & Zott (2020), newcomers memorize deeply especially about what they learnt from the initial formal meetings, early mentoring, and through the founders' role modeling. Our findings suggest that the learning process happens between the family firms and the employees, which would frame and reframe the employees' thoughts, and therefore shape the business model. During the whole process, the role model plays a significant part in business model design and transformation.

Cognitive imprinting shows the significance of the role model in the company, the founders become the leading example and the employees learn from the founds, in turn, also strove for efficient operations. Key employees adopted an internal efficiency thinking style, internalize the systematic thinking style and propagate it to employees further down the line (Snihur & Zott, 2020). In family firms, we also found how family members are strongly involved in strategic management and daily operations, in this way, employees promote the development of the firms.

Previous research has applied the imprinting lens to the business model, which is seen as an activity system, such activity systems are normally performed by the company's stakeholders, such as customers, suppliers and so on. Additionally, the business model is also being conceived as a boundary-spanning organizational design (Zott & Amit, 2007). Accordingly, structural imprinting is an imprinting process that affects characteristics that suitable for not only a venture's internal organizational design but also its boundary-spanning design in the form of its business model. We found that within family firms there is a specific family business model which involves a unique family feature and identity which refers to the design of, changes to, and maintenance of the business model with both family members and non-family members involved in the activities. Additionally, the stakeholders who are related to the family business are actively engaged in the business model activities.

Family imprinting perspective

Previous research suggests an imprinted subject or entity can exist at different levels, including individual, collective, organization, or even at organizational network level (Christopher Marquis, 2003). Imprinting approaches have already been used in family business research for a number of goals and at various levels of study, including within and across families and businesses (Simsek et al., 2015). Imprinting is particularly useful for assessing the influence of family members on the firm. The imprinting technique has also been utilized in family business research to investigate how

the founder generation's organizational imprints impact the structures and operations of family businesses in succeeding generations (Pieper, Smith, Kudlats, & Astrachan, 2015), and to investigate the occurrence of sensitive times, as well as the nature and endurance of imprinted values in family businesses (Clinton et al., 2017). In our paper, we applied a family imprinting perspective as a cognitive lens to further investigate how the family business model is being shaped. The main reason for imprinting in family firms indicates the significance of family tradition on second-hand imprinting, meaning an indirect influence. We found that within family firms family imprinting plays a significant role in shaping the family business model. Family imprinting is the primary element for a family business (Hammond et al., 2016), which perpetuates the family's beliefs and practices.

In a family business, during the development of the business model, family members and the founding institutions also imprint how family members operate in a particular family business context. More recently, Erdogan et al., (2020) explored how imprints from the previous generation influence the current generation, affecting family firm behavior as regards innovation (Erdogan et al., 2020). For instance, we determined that family traditions act as a key item which enacts family customs, shared values and beliefs among different generations. We found the spiritual heritage in family firms is being formulated within both the family's and the employees' value systems. Moreover, due to the shared goals and achievements, past experience

and the traditional mission statement facilitates the family firm's development, it also acts as a driving force which emphasizes the family's features and identity. The main elements describing the imprinting situation are the imprinting entity and its source, the sensitive period, the imprinting mechanism, and the resulting imprinting content, especially that which comes from the previous generation (Erdogan et al., 2020).

In our paper, firstly, we determine that family imprinting happens not only in the early stage, but that it is a continuous process throughout the development of the company. Especially at different stages of the company's life, imprinting exists and functions in a specific way. Therefore, the time period is lengthened. Our findings suggest family traditions are an important perspective from which to explore family business models (Lumpkin, Martin, & Vaughn, 2008b). Relying on traditionalizing mechanisms (Simsek et al., 2015), imprinted tradition plays a continuing role (Marquis et al., 2007). It requires the protection of the environment, behaviors, practices, places, and specific objects from threat, the position of custodians is that of "individuals, or groups who are vested in the continuity of traditions and who carry, invent, guide, adapt and protect them" (Dacin et al., 2019, p. 351). Moreover, the inner core of the tradition shows that filiation belongs to a family's shared stories, values, beliefs, actions, and practices. In this way, family firms view traditions as a type of inheritance, passing from the older generation to the younger generations. Traditions are generated from the past and last for a long period

of time along with the development of the company. Practicing family traditions acts as a bridge to continue and practice the recognized traditions, present and future, accumulated from past experience. For instance, by supporting, internalizing, and practicing family traditions, the understanding of family business development and management philosophy may be deepened, and this may inspire the potential for development of a new management model.

Family imprinting is a process which shows how family involvement forges the long-term mindset which embrace the past, present, and future. In the process of the family firms' development, shared values and beliefs become important motivations which can accelerate the family business' sustainable development. At the same time, the shared practices and legacy might also be drawbacks for the business model, especially when there are close connections and deep communications with the past experience transformation (Lumpkin et al., 2008). Family firms, especially the ones with a strong inherent heritage, a unique bundle of resources, and a distinctive background and experience are quite different from non-family firms (Dacin et al., 2019). Generally, the company culture is generated by the shared values, beliefs, and recognition of family business members. The imprinting technique has also been utilized inside the family business system to investigate how the founder generation's organizational imprints impact the structures and processes of the family firm in succeeding generations (Pieper et al., 2015) to investigate the occurrence of sensitive times, as well as the nature and endurance of imprinted values in

family businesses (Clinton et al., 2017). Therefore, the imprinting plays a role among different generations (Hammond et al., 2016). From a cognitive perspective, within a family business, traditions are passed from a previous generation to the younger generations. For example, they would tell stories or share their experiences with their juniors (Kammerlander, Dessì, Bird, Floris, & Murru, 2015). In this way, the values and the rituals are embodied through a physical approach. This means that recognition of the ancestors is strong because during the value formation period the younger generations are significantly imprinted by the traditions of both the family and the firm, and the impact continues as they grow up (C. Marquis et al., 2007).

Secondly, in our research, we found family storytelling is an effective way of accelerating interactive communications and the exchange of ideas. Stories of heroic grandfathers or how family traditions were maintained during difficult times may contribute to second hand imprinting; as a result, shared values and beliefs are transmitted down and across generations (Kammerlander et al., 2015). However, when family imprinting becomes weaker under a specific situation, a family business may take action, going back to past stories and tracing the tradition and experience (Katila, 2002). By hearing stories from others and telling stories to others, a process is formed of family story creation, reconstruction, and sharing. When sharing the stories, the experience of so-called traditions includes both tangible assets, for instance genealogy and family property, and intangible assets such as the stories, past histories,

breakthrough events, ceremonies, and celebrations, and the accumulation and transmission of knowledge (Messeni Petruzzelli, 2012). Family storytelling not only reinforces the customers value proposition through employees, but also strengthens the employees value proposition. Especially when family institutions and the environment change at a specific stage, the role and impact of imprinting might accelerate the business model transformation. Additionally, family imprinting happens between family business members and family firms, as well as between the family firms and other stakeholders.

Thirdly, we found imprinting not only happens among entrepreneurs or founding institutions, other groups may also imprint in the firms, even community members imprint through the practice of business models. Current leaders are found to be highly influential, especially if they also happen to be founders. Other possible sources of branding are the family business itself and its other members, as well as other organizations and their members (Christopher Marquis, 2003). In our research, we determine that the founders of the family business have significant influence on both the development of the company and on the employees. When the leaders of the family business are both the founder and a family member, employees are positively influenced by the family leading by example, sometimes they even adjust their thoughts and actions. At the same time, the role model's personality, hobbies, interests, and value ranking actively influence the employees as well. The family leading by example also facilitates the emotional connection between the company and

the stakeholders value exchange. With a highly influential role model, team cohesion and cooperation is strengthened. The employees learn from the leaders and from each other, which promotes the development of the company.

6.6 Contribution and implication

Our contribution acts as a theoretical extension of imprinting as a mechanism of business model change, connecting the cognitive logic of family members with the logics of action within a family business. Additionally, we enrich the cognitive literature by offering a family imprinting perspective and discussing how family imprinting plays a pivotal role in shaping business practices and strategies. Within these settings, the unique characteristics of the family foster a strong sense of unity and connection among different generations, as they share common histories, experiences, and practices. Family imprinting occurs during a specific period of susceptibility, and often, the characteristics of the company mirror those of its environmental context. These characteristics tend to be resilient and can potentially lead to significant changes at the environmental level.

The research on family imprinting and its influence on shaping family business models under the value logics lens provides critical implications for family firms. First, it indicates the importance of practicing family traditions to instill values and beliefs across generations, ensuring a strong cultural foundation. Second, family storytelling acts as a vital communication tool, bridging the gap between family firms and their stakeholders, fostering trust

and collaboration. Finally, the role of family leaders in setting an example is paramount, as their actions and decisions significantly impact the shared goals and aspirations of the family business. By leveraging these insights, family firms can strengthen their cultural identity, enhance decision-making efficiency, and foster long-term sustainability.

6.7 Conclusion

This research was motivated by the desire to understand the key items of family imprinting and how it plays a role in shaping a family business model under the value logics lens. We found practicing family traditions on value logics emphasizes enacting value and beliefs intergenerationally; family storytelling acts as an information exchange channel between family firms and their stakeholders; and, family leading by example states the influences of the founding family by motivating the family business members to achieve the shared goals. Specifically, family imprinting is a crucial aspect of family businesses as it preserves and perpetuates the family's beliefs and practices across generations. The limitations of our research may be the limited sample number of family firms and interviewees. Future research may visit more companies and explore the possibilities of interviewing more people. We could also look at how a diverse cognitive lens may shape the family business model under value logics. Further, we could explore how the dominant group imprints on business model shaping and to what extent family imprinting practices may influence the business model transformation.

Chapter 7 Conclusion

7.1 Answering the overarching research question

Based on Chapters 4, 5, and 6, three cross-level perspectives are generated to help address the overarching research question, which is:

What is a specific family business model under the value logics lens?

In our first paper, we used four value functions of family firms to identify a specialized family business model, exploring how family firms work to propose, create, capture, and exchange value. Our findings indicate that in family firms, value proposition not only illustrates how family businesses care about their customers by offering high quality products and service, but they also pay attention to their family business members by providing them with job opportunities, prior to their promotion channel based on the kinship. Family firms show concern for the interests of both customers and employees. Referring to value creation, recently family firms have become open to accepting more options in their management mode and daily operations. Throughout the diverse development stages of family businesses, they went through stages of being a family-first business, a business-first family, and family-business balanced mode of a family business. Family dominant leadership is not the only way to run a company, certainly family firms are now open to more possibilities. They may involve a professional management team, have outsiders at a strategic level, or instigate inter-generational transition between the older and younger generations, among other solutions. The more

approaches taken towards family business management would drive diverse developmental directions in the future. In family firms, due to the initial funding supplied at the establishment stage by the founding family, this is how they start up the family business and so could be referred to as value capture. Along with the investment directions, family firms show a strong family identity by emphasizing the family's features, viewing family firms as an important component of the family or the extension of the family. Additionally, regarding the value exchange in family firms, family firms care about their stakeholders, they believe in benefits of the establishment and maintenance of good and sustainable development. Thus, they care about how they can contribute to the environment, the local community, and in which way family firms could maintain a sustainable development.

In our second paper, we applied an institutional work perspective, aiming to identify how institutional work takes place in family firms and how it accelerates the business model in terms of its shape and transformation. We found four different stages of dynamics of institutional work, establishment, maintenance, partial disruption, and deepening. Along with these four stages, family firms went through survival, development, transformation, and reformation steps, value functions of family firms show family features and business orientation during their development. In this way, we combine the value functions of the family business, the dynamics of institutional work, and different stages of the family firms' development. Especially at different stages

of institutional work, we found there are dominant value logics which show how the family business model is shaped and transformed.

In our third paper, we used a family imprinting perspective as the cognitive lens to study how family imprinting would play a role in the family business model under a value logics lens. We applied an inductive method, generating and theorizing three key items of family imprinting: practicing family traditions, family storytelling, and family leading by example. They play significant roles in maintaining the unique characteristics of the family in the firms as well emphasizing how family imprinting influences the value logics in family firms, respectively.

To conclude, four value logics of family business illustrate the family's identity and features when identifying a specialized family business model. Institutional work and family imprinting are two important perspectives working as a supplementary lens to deepen the research.

7.2 Theoretical contribution

Business model research

We contribute to business model research by bringing together “organizational value logics” and “family business model” in order to state how family logic would shape and influence the family business model in value proposition, creation, exchange, and capture. Thus, we identify a specialized family business model under four value functions and highlight the key elements of value logics, especially in Chinese family firms. Our research

contributes to the business model literature by offering a value logics perspective which establishes the importance of family characteristics and features. We extended the business model research by applying it to the family business context, as well as using an institutional work perspective and family imprinting lens to further indicate the value logics of family firms. From the state of the art, we can see different business model dynamics. The business model literature has established templates, or default solutions, for organizing activities and exchanges that entrepreneurs may use to develop innovative company models. Existing research on business models and imprinting discuss the critical role of founders for designing a specific, novel, and often continuous activity system at the early stage. Yet, it does not cover how imprinting shapes the business model and to what extent. In our paper, we also offer insights into how the business model is being influenced by imprinting practices.

Institutional work theory

Referring to institutional work research, Institutional work explores the intricate connection between actions and institutions, highlighting how specific actions can significantly influence institutions (Zietsma & Lawrence, 2010). It brings to light the profound impact that potential actions can have on institutions. Typically, institutions serve as both a source of guidance and indicators for actions and behaviors (Zietsma & Lawrence, 2010). Our contributions enrich both institutional work and family business studies. We

found that disruption of the family business may occur due to perceptions in the institutional environment that family firms are mostly traditional, non-professionally led, and lack advanced management and innovation. We also found family firms in this step have already experienced a disruption stage and would attempt to take a diversified direction for future development. We propose this as an additional step in the process of institutional work, namely a ‘deepening stage’.

Family business literature

Each family business exhibits heterogeneity (Sanchez-Ruiz et al., 2018) (Sanchez-Ruiz et al., 2018; Sharma, 2004). This heterogeneity is reflected in various factors, including ownership structure, the proportion of family members involved, multi-generational participation and succession, as well as the business's development and expansion strategies (Donckels & Fröhlich, 1991). We contribute to the family business literature by embedding the family imprinting perspective as an important driving force during family firms’ development. Our paper provides empirical qualitative evidence for the argument that shows a fundamental constituent of the nature of the family business model. We explore four clusters of family businesses at different stages and identify the features of the firms involved in each cluster. Thirdly, we contribute to the family business literature by embedding a value logics perspective to shed light on revealing the specific context.

Family imprinting research

Previous research suggests that the younger generation in family firms is deeply influenced by the older generations (Simsek et al., 2015), shaping the firm's practices and actions (Rau et al., 2018). This imprinting is primarily due to the significance of family traditions, exerting an indirect influence on second-generation family members. Family imprinting is a crucial element in family businesses (Hammond et al., 2016), as it preserves and perpetuates the family's beliefs and practices. In such settings, the family's unique characteristics foster a strong sense of unity and connection among different generations, as they share common histories, experiences, and practices (Dacin et al., 2010). Family imprinting occurs during a brief period of susceptibility, and the characteristics of the company often reflect those of its environmental context. These characteristics tend to persist and can potentially lead to significant changes at the environmental level (Tilcsik & Marquis, 2013). We contribute to imprinting research by offering the value logic lens as a conceptual bridge between the family members' cognitive logic and the logics of action of a family business. We also contribute to cognitive literature, offering a family imprinting perspective, and discuss how family imprinting plays a role in business shaping.

7.3 Practical implications

This research has significant practical implications for both family firms and policymakers.

Implications for managers

Firstly, our research helps the family firms' better position themselves as "family + business". By further understanding the family business model under the value logics lens—value proposition, value creation, value capture and value exchange—family firms could improve decision-making, develop strategies at different stages, and better overcome difficulties and challenges. Secondly, our research helps family businesses to better realize the dynamics of institutional work stages and more precisely position themselves at a specific stage. We provide a framework of solutions for managing limitations throughout the institutional work stage and effectively shaping the family business model. Additionally, adding a deepening stage points out optimization of a sustainability-oriented family business model where the importance of spiritual heritage is beyond that of wealth heritance. Family businesses are more open in terms of their potential future development. Thirdly, with a deep understanding of family imprinting, family firms may trace back to the origins of establishment of the company and get a better idea of how they could practice family traditions, in which way the family story could be shared, and how to emphasize the significant impact of the family leading by example, focusing on the role the leader.

Implications for policy makers

Firstly, policy makers should realize the importance of the contribution of family firms, with their development the local economy could boom. In this way, the government could issue, or update, preferential policies, especially

for supporting the growth and development of family businesses. Secondly, policy makers should be aware of the sustainability among family firms, government, and society. Policy makers should advocate the reputation and positive image of family firms, encourage their healthy growth and development, and thus create a multi-win situation.

7.4 Limitations and future research

Our research has two limitations. The first limitation concerns samples. Sampling only in China impacts the generalizability of research findings, even though family firms are homogeneous, they still show regional characteristics. The second limitation is the sample size. In my PhD study, I applied a purely qualitative approach and, as a single researcher, I was limited to the number of interviews I could conduct. At 68 interviews in total, the number is relatively limited, however, applying a qualitative research approach allowed an in-depth view into how family firms propose, create, capture, and exchange value, in order to identify a specialized family business model. In future research, we could consider using both quantitative and qualitative methods to strength our arguments. Moreover, we would like to explore different patterns of family business models in depth, as well as developing other cognitive lens' for shaping the family business model under the value logics lens.

Acknowledgements

Undertaking a PhD is one of the best decisions I have ever made. It is like

an adventure, opening up a new world to me, getting to know scholars who work very well in academia, systematically learning research philosophy and skills, reconstructing my thinking model and fulfilling my life experience. The whole PhD journey is like a magic ride, it has given me so many surprises and unforgettable experiences.

As I come to the end of my thesis, I would like to give my special thanks to UNNC, my supervisors, my reviewers, and my family.

Firstly, I want to thank UNNC for offering me the opportunity to undertake my part-time PhD here. I appreciate UNNC as a high-level academic platform, gathering top scholars and academic resources. I have benefited a lot from what UNNC provides to us students, compassion and care, as well as inspiring the great potential of my academic career.

Secondly, I would like to thank my supervision team, without their support and encouragement, I could never have arrived here.

Professor Haibo Zhou, thanks so much for being my first two year's reviewer and last two year's supervisor. Having you in my supervision team is a great honor to me. I am inspired by your zest for life and your enthusiasm in your academic career. What impressed me the most is you are always energetic and willing to share your innovative ideas. Thanks so much for offering new elements on my research, your comments and suggestions are always very helpful, you always motivated me to think further about my future development. Additionally, your rich experience in writing and publishing

papers give me confidence to continuously work in academia. Thanks so much for your company.

Professor Peter Hofman, thanks so much for being part of my supervision team. I remember the first time we met in your office; I was so nervous. After two hours conversation, I am impressed by your rich experience in both the academic area and administration management. After that, every time we met, before our meeting, I felt uneasy and were not that confident with my work, but you always showed your patience and you acknowledged my progress. You encouraged me to work further on the papers, with your kind comments and suggestions. You mean so much to me. Additionally, I would like to give my special thanks to your understanding, as a part-time PhD student, you inspire me to balance my work and my study. You also gave me enough time and space to explore myself and to discover my research area. I benefitted and learned a lot from your personality, your experience, and your values and beliefs. Thanks so much for guiding me in my PhD journey, I am so lucky to be your student.

Professor Oliver Laasch, I still remember the moment I sent my first e-mail to you in April, 2018, I was so unsure. However, I received a very quick response for you. You gave me confidence by showing interest in my research topic as well as being willing to supervise my PhD after I submitted my research proposal. I appreciate this valuable opportunity—you represent the beginning of my PhD story. In the past few years, I have learned a lot from you. Your passion, expertise, preciseness in doing research had a great impact on

me. For the first year, we met every week to have a regular meeting discussion, talked about my progress on my research, and the project we worked on together. You are always supportive, every time I face a challenge or I get stuck in further developing my papers, you are with me, listening to my concerns, working to get the problems solved. Since the second year of my PhD, you started to work in University of Manchester, nothing has changed apart from the distance, we kept having our supervision meeting regularly. You are always very positive and productive. Thanks so much for setting yourself as an important example to me, not only your patience and tolerance of my silly ideas, but also more importantly your continuous support throughout the whole PhD journey. Working with well-experienced researchers like you remind me how fortunate and honored I am! Thanks so much for supervising me.

Professor Jin Chen, thanks so much for being my supervisor at the end of my PhD journey. You are always so kind to offer your ideas and share your research experience. I appreciate your efforts in helping me to finalize my thesis and thanks so much for supervising me.

Thirdly, I would like to thank my reviewers, Professor Pingping and Fei Zhu, your kind comments and useful advice helped my research a great deal. Your constructive feedback on my work inspired me a lot, and gave me much confidence to move forward.

Finally, I want to show my gratitude, respect, and love to my family, your trust, encouragement, selfless dedication, and strong support are so important

to me. You are the power station of mine!

Reference

- Abbott, A. (2004). *Methods of discovery: Heuristics for the social sciences* (Contemporary societies series).
- dynamics perspective. *Organization & Environment*, 29(1), 74-96.
- Adendorff, C., Venter, E., & Boshoff, C. (2008). The impact of family harmony on governance practices in South African Greek family businesses. *Management Dynamics*, 17(3), 28-44.
- Allen, M. R., George, B. A., & Davis, J. H. (2018). A model for the role of trust in firm level performance: The case of family businesses. *Journal of Business Research*, 84, 34-45.
- Amit, R., & Zott, C. (2015). Crafting business architecture: The antecedents of business model design. *Strategic Entrepreneurship Journal*, 9(4), 331-350.
- Anderson, R. C., & Reeb, D. M. (2004). Board Composition: Balancing Family Influence in S&P 500 Firms. *Administrative Science Quarterly*, 49(2), 209-237.
- Aparicio, G., Basco, R., Iturralde, T., & Maseda, A. (2017). An exploratory study of firm goals in the context of family firms: An institutional logics perspective. *Journal Of Family Business Strategy*, 8(3), 157-169.
- Apos, Brien, K. E., Minjock, R. M., Colarelli, S. M., & Yang, C. (2018). Kinship ties and employee theft perceptions in family-owned businesses. *European Management Journal*, 36(3), 421-430.

- Arend, R. (2013). The business model: Present and future - beyond a skeumorph. *Strategic Organization*, 11(4), 390.
- Arregle, J. L., Naldi, L., Nordqvist, M., & Hitt, M. A. (2012). Internationalization of family-controlled firms: A study of the effects of external involvement in governance. *Entrepreneurship Theory and Practice*, 36(6), 1115-1143.
- Astrachan, J. H., Klein, S. B., & Smyrnios, K. X. (2002). The F-PEC scale of family influence: A proposal for solving the family business definition problem. *Family Business Review*, 15(1), 45-58.
- Astrachan, J. H., & Shanker, M. C. (2003). Family businesses' contribution to the U.S. economy: A closer Look. *Family Business Review*, 16(3), 211-219.
- Baden-Fuller, C., & Mangematin, V. (2013). Business models: A challenging agenda. *Strategic Organization*, 11(4), 418-427.
- Baden-Fuller, C., & Morgan, M. S. (2010). Business Models as Models. *Long Range Planning*, 43(2), 156-171. doi:10.1016/j.lrp.2010.02.005
- Barney, J. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management*, 17(1), 99-120.
- Basco, R. (2015). Family business and regional development-A theoretical model of regional familiness. *Journal Of Family Business Strategy*, 6(4), 259-271.
- Battilana, J., D'aunno, T. J. I. w. A., & organizations, a. i. i. s. o. (2009).

Institutional work and the paradox of embedded agency. *31*, 58.

Beck, L., Janssens, W., Debruyne, M., & Lommelen, T. (2011). A Study of the Relationships Between Generation, Market Orientation, and Innovation in Family Firms. *Family Business Review*, *24*(3), 252-272.

Belk, R. W. (1988). Possessions and the Extended Self. *Journal of Consumer Research*, *15*(2), 139-168.

Ben-Menahem, S. M., Von Krogh, G., Erden, Z., & Schneider, A. (2016). Coordinating knowledge creation in multidisciplinary teams: Evidence from early-stage drug discovery. *Academy of Management Journal*, *59*(4), 1308-1338.

Berrone, P., Cruz, C., & Gomez-Mejia, L. R. (2012). Socioemotional Wealth in Family Firms: Theoretical Dimensions, Assessment Approaches, and Agenda for Future Research. *Family Business Review*, *25*(3), 258-279.

Berrone, P., Cruz, C., Gomez-Mejia, L. R., & Larraza-Kintana, M. (2010). Socioemotional Wealth and Corporate Responses to Institutional Pressures: Do Family-Controlled Firms Pollute Less? *Administrative Science Quarterly*, *55*(1), 82-113.

Bertrand, M., Mehta, P., & Mullainathan, S. (2002). Ferreting Out Tunneling: An Application to Indian Business Groups. *The Quarterly Journal of Economics*, *117*(1), 121-148.

Bhatt, R. R., & Bhattacharya, S. (2017). Family firms, board structure and firm performance: evidence from top Indian firms. *International Journal of*

Law and Management, 59(5), 699-717.

Bingham, J. B., Gibb Dyer, W., Smith, I., & Adams, G. L. (2011). A Stakeholder Identity Orientation Approach to Corporate Social Performance in Family Firms. *Journal of Business Ethics*, 99(4), 565-585.

Birkinshaw, J., & Goddard, J. (2009). What is your management model? *MIT Sloan management review*, 50(2), 81.

Birtch, T., Au, K., Chiang, F., & Hofman, P. (2018). How perceived risk and return interacts with familism to influence individuals' investment strategies: The case of capital seeking and capital providing behavior in new venture financing. *Asia Pacific Journal of Management*, 35(2), 471-500. doi:10.1007/s10490-017-9525-0

Block, J. (2010). Family Management, Family Ownership, and Downsizing: Evidence From S&P 500 Firms. *Family Business Review*, 23(2), 109-130.

Bradley, M., Schipani, C. A., Sundaram, A. K., & Walsh, J. P. (1999). The Purposes and Accountability of the Corporation in Contemporary Society: Corporate Governance at a Crossroads. *Law and Contemporary Problems*, 62(3), 9-86.

Broekaert, W., Henssen, B., Lambrecht, J., Debackere, K., & Andries, P. (2018). Limits to psychological ownership in the family business. *Journal of Family Business Management*, 8(2), 196-216.

- Brundin, E., Samuelsson, E., & Melin, L. (2014). Family ownership logic: Framing the core characteristics of family businesses. *Journal of Management and Organization*, 20(1), 6-37.
- Brunninge, O., Nordqvist, M., & Wiklund, J. (2007). Corporate Governance and Strategic Change in SMEs: The Effects of Ownership, Board Composition and Top Management Teams. *Small Business Economics*, 29(3), 295-308.
- Bryman, A. (2016). *Social research methods / Alan Bryman* (5th ed. ed.). Oxford: Oxford : Oxford University Press.
- Burgelman, R. A. (1983). Corporate Entrepreneurship and Strategic Management: Insights from a Process Study. *Management science*, 29(12), 1349-1364.
- Casadesus-Masanell, R., & Ricart, J. (2010). From Strategy to Business Models and onto Tactics. *Long Range Planning*, 195.
- Casadesus-Masanell, R., & Zhu, F. (2013). Business model innovation and competitive imitation: The case of sponsor-based business models. *Strategic Management Journal*, 34(4), 464-482.
- Cassell, C. (2004). *Essential Guide to Qualitative Methods in Organizational Research* (1st ed. ed.): London : SAGE Publications.
- Cheng, K., Zhu, Q., & Lin, Y. (2021). Family-Supportive Supervisor Behavior, Felt Obligation, and Unethical Pro-family Behavior: The Moderating Role of Positive Reciprocity Beliefs. *Journal of Business Ethics*.

- Chesbrough, H. (2007). Business model innovation: it's not just about technology anymore. *Strategy & Leadership*, 35(6), 12-17.
- Chesbrough, H., Rosenbloom, R. S. J. I., & change, c. (2002). The role of the business model in capturing value from innovation: evidence from Xerox Corporation's technology spin-off companies. *11*(3), 529-555.
- Chesbrough, H. W. (2007). Why Companies Should Have Open Business Models. *MIT Sloan management review*, 48(2), 22-28.
- Chrisman, J. J., Chua, J. H., Pearson, A. W., & Barnett, T. (2012). Family Involvement, Family Influence, and Family-Centered Non-Economic Goals in Small Firms. *Entrepreneurship Theory and Practice*, 36(2), 267-293.
- Chrisman, J. J., & Holt, D. T. (2016). Beyond socioemotional wealth: taking another step toward a theory of the family firm. *Management Research: Journal of the Iberoamerican Academy of Management*, 14(3), 279-287.
- Chua, J. H., Chrisman, J. J., Steier, L. P., & Rau, S. B. (2012). Sources of Heterogeneity in Family Firms: An Introduction. *Entrepreneurship Theory and Practice*, 36(6), 1103-1113.
- Chung, C.-N., & Luo, X. (2008). Institutional Logics or Agency Costs: The Influence of Corporate Governance Models on Business Group Restructuring in Emerging Economies. *Organization Science*, 19(5), 766-784.
- Churchill, N., & Hatten, K. (1987). Non-Market-Based Transfers of Wealth

- and Power: A Research Framework for Family Businesses. *American Journal of Small Business*, 11(3), 51.
- Clegg, S. R. (2006). *The SAGE Handbook of Organization Studies* (2nd ed. ed.): London : SAGE Publications.
- Corbin, J. M. (2015). *Basics of qualitative research : techniques and procedures for developing grounded theory / Juliet Corbin, International Institute for Qualitative Methodology, Anselm Strauss* (4th ed. ed.). Los Angeles: Los Angeles : SAGE.
- Corley, K. G., & Gioia, D. A. (2011). BUILDING THEORY ABOUT THEORY BUILDING: WHAT CONSTITUTES A THEORETICAL CONTRIBUTION? *The Academy of Management Review*, 36(1), 12-32.
- Craig, J. B., & Salvato, C. (2012). The Distinctiveness, Design, and Direction of Family Business Research: Insights From Management Luminaries. *Family Business Review*, 25(1), 109-116.
- Creswell, J. W. (2009). *Research design : qualitative, quantitative, and mixed methods approaches / John W. Creswell* (3rd ed. ed.). Thousand Oaks, Calif.: Thousand Oaks, Calif. : Sage Publications.
- Cruz, C., Larraza-Kintana, M., Garcés-Galdeano, L., & Berrone, P. (2014). Are Family Firms Really More Socially Responsible? *Entrepreneurship Theory and Practice*, 38(6), 1295-1316.
doi:10.1111/etap.12125

- Dacin, M. T., Munir, K., & Tracey, P. (2010). FORMAL DINING AT CAMBRIDGE COLLEGES: LINKING RITUAL PERFORMANCE AND INSTITUTIONAL MAINTENANCE. *Academy of Management Journal*, 53(6), 1393-1418.
- Davis, J. H., Allen, M. R., & Hayes, H. D. (2010). Is Blood Thicker Than Water? A Study of Stewardship Perceptions in Family Business. *Entrepreneurship Theory and Practice*, 34(6), 1093-1116.
- Davis, P., & Stern, D. J. F. B. R. (1988). Adaptation, survival, and growth of the family business: An integrated systems perspective. *I*(1), 69-84.
- Dayan, M., Ng, P. Y., & Ndubisi, N. O. (2019). Mindfulness, socioemotional wealth, and environmental strategy of family businesses. *Business Strategy and the Environment*, 28(3), 466-481.
- De Vries, M. F. K. (1996). *Family business: human dilemmas in the family firm: text and cases*: Arden Shakespeare.
- Dekker, J. C., Lybaert, N., Steijvers, T., Depaire, B., & Mercken, R. (2013). Family Firm Types Based on the Professionalization Construct: Exploratory Research. *Family Business Review*, 26(1), 81-99.
- Dembek, K., York, J., & Singh, P. J. (2018). Creating value for multiple stakeholders: Sustainable business models at the Base of the Pyramid. *Journal of Cleaner Production*, 196, 1600-1612.
- Demil, B., & Lecocq, X. J. L. r. p. (2010). Business model evolution: in search of dynamic consistency. 43(2-3), 227-246.

- Demirtaş, Ö., Arslan, A., & Karaca, M. (2017). Why perceived organizational and supervisory family support is important for organizations? Evidence from the field. *Review of managerial science*, 13(4), 841-869.
- Déniz, M., & Suárez, M. (2005). Corporate Social Responsibility and Family Business in Spain. *Journal of Business Ethics*, 56(1), 27-41.
- Denzin, N. K., & Lincoln, Y. S. (1994). *Handbook of qualitative research*: Sage publications, inc.
- DiMaggio, P. (1997). Culture and Cognition. *Annual Review of Sociology*, 23(1), 263-287.
- Dinh, T., & Calabrò, A. (2019). Asian Family Firms through Corporate Governance and Institutions: A Systematic Review of the Literature and Agenda for Future Research. *International Journal of Management Reviews*, 21(1), 50-75.
- Dodgson, M., Gann, D. M., & Phillips, N. (2013). *The Oxford handbook of innovation management*: OUP Oxford.
- Donckels, R., & Fröhlich, E. J. F. b. r. (1991). Are family businesses really different? European experiences from STRATOS. 4(2), 149-160.
- Doz, Y. L., & Kosonen, M. J. L. r. p. (2010). Embedding strategic agility: A leadership agenda for accelerating business model renewal. 43(2-3), 370-382.
- Duh, M., Belak, J., & Milfelner, B. (2010). Core Values, Culture and Ethical Climate as Constitutional Elements of Ethical Behaviour: Exploring

- Differences Between Family and Non-Family Enterprises. *Journal of Business Ethics*, 97(3), 473-489.
- Dyer, W. G., & Whetten, D. A. (2006). Family Firms and Social Responsibility: Preliminary Evidence from the S&P 500. *Entrepreneurship Theory and Practice*, 30(6), 785-802.
- Eisenhardt, K. M. (1989). Building Theories from Case Study Research. *The Academy of Management Review*, 14(4), 532-550.
- Eisenhardt, K. M., & Graebner, M. E. (2007). Theory Building from Cases: Opportunities and Challenges. *Academy of Management Journal*, 50(1), 25-32.
- Emerson, J., Bonini, S., & Brehm, K. (2003). *The blended value map: Tracking the intersects and opportunities of economic, social and environmental value creation*.
- Erdogan, I., Rondi, E., & De Massis, A. (2020). Managing the Tradition and Innovation Paradox in Family Firms: A Family Imprinting Perspective. *Entrepreneurship theory and practice*, 44(1), 20-54.
- Evans, S., Vladimirova, D., Holgado, M., Van Fossen, K., Yang, M., Silva, E. A., & Barlow, C. Y. (2017). Business Model Innovation for Sustainability: Towards a Unified Perspective for Creation of Sustainable Business Models. *Business Strategy and the Environment*, 26(5), 597-608.
- Fan, J. P. H., & Wong, T. J. (2005). Do External Auditors Perform a Corporate

- Governance Role in Emerging Markets? Evidence from East Asia. *Journal of Accounting Research*, 43(1), 35-72.
- Firfiray, S., Cruz, C., Neacsu, I., & Gomez-Mejia, L. R. (2018). Is nepotism so bad for family firms? A socioemotional wealth approach. *Human Resource Management Review*, 28(1), 83-97.
- Fligstein, N. (1996). Markets as Politics: A Political-Cultural Approach to Market Institutions. *American Sociological Review*, 61(4), 656-673.
- Florin, J., & Schmidt, E. J. J. o. S. E. (2011). Creating shared value in the hybrid venture arena: A business model innovation perspective. 2(2), 165-197.
- Frankenberger, K., & Sauer, R. (2019). Cognitive antecedents of business models: Exploring the link between attention and business model design over time. *Long Range Planning*, 52(3), 283-304.
- Friedland, R., & Alford, R. R. (1991). Bringing society back in: Symbols, practices and institutional contradictions.
- Frow, P., & Payne, A. J. E. j. o. m. (2011). A stakeholder perspective of the value proposition concept. 45(1/2), 223-240.
- Gagné, M., Marwick, C., Brun de Pontet, S., & Wrosch, C. (2021). Family Business Succession: What's Motivation Got to Do With It? *Family Business Review*, 34(2), 154-167.
- Gallo, M. Á., Tàpies, J., & Cappuyns, K. J. F. B. R. (2004). Comparison of family and nonfamily business: Financial logic and personal

preferences. *17*(4), 303-318.

Gambardella, A., & McGahan, A. M. (2010). Business-Model Innovation: General Purpose Technologies and their Implications for Industry Structure. *Long Range Planning*, *43*(2), 262-271.

Gersick, K., Lansberg, I., Desjardins, M., & Dunn, B. (1999). Staging and transitions: Managing change in the family business. *Family Business Review*, *12*(4), 287-297.

Ghaziani, A., & Ventresca, M. (2005). Keywords and Cultural Change: Frame Analysis of Business Model Public Talk, 1975–2000. *Sociological Forum*, *20*(4), 523-559.

Gioia, D. A., Corley, K. G., & Hamilton, A. L. (2013). Seeking Qualitative Rigor in Inductive Research: Notes on the Gioia Methodology. *Organizational Research Methods*, *16*(1), 15-31.

Glaser, B. G., Strauss, A. L., & Strutzel, E. J. N. r. (1968). The discovery of grounded theory; strategies for qualitative research. *17*(4), 364.

Gomez-Mejia, L. R., Cruz, C., Berrone, P., & De Castro, J. J. A. o. M. A. (2011). The bind that ties: Socioemotional wealth preservation in family firms. *5*(1), 653-707.

Gómez-Mejía, L. R., Haynes, K. T., Núñez-Nickel, M., Jacobson, K. J., & Moyano-Fuentes, J. J. A. s. q. (2007). Socioemotional wealth and business risks in family-controlled firms: Evidence from Spanish olive oil mills. *52*(1), 106-137.

Gomez-Mejia, L. R., Patel, P. C., & Zellweger, T. M. (2018). In the Horns of the Dilemma: Socioemotional Wealth, Financial Wealth, and Acquisitions in Family Firms. *Journal of Management*, 44(4), 1369-1397.

Greenwood, R. (2008). *The SAGE handbook of organizational institutionalism / edited by Royston Greenwood ... [et al.]*. Los Angeles

London: Los Angeles

London : SAGE.

Greenwood, R., & Hinings, C. R. (1996). Understanding Radical Organizational Change: Bringing together the Old and the New Institutionalism. *The Academy of Management Review*, 21(4), 1022-1054.

Habbershon, T. G., Williams, M., & MacMillan, I. C. J. J. o. b. v. (2003). A unified systems perspective of family firm performance. 18(4), 451-465.

Hacklin, F., Marxt, C., & Fahrni, F. (2009). Coevolutionary cycles of convergence: An extrapolation from the ICT industry. *Technological Forecasting & Social Change*, 76(6), 723-736.
doi:10.1016/j.techfore.2009.03.003

Hahn, R., Spieth, P., & Ince, I. (2018). Business model design in sustainable entrepreneurship: Illuminating the commercial logic of hybrid businesses. *Journal of Cleaner Production*, 176, 439-451.

- Hall, A. (2003). *Strategising in the context of genuine relations: An interpretative study of strategic renewal through family interactions*. Internationella Handelshögskolan,
- Hamel. (2010). Leading the revolution: How to thrive in turbulent times by making innovation a way of life (2nd edition). *Australian CPA*, 73(5), 20.
- Hammond, N. L., Pearson, A. W., & Holt, D. T. (2016). The Quagmire of Legacy in Family Firms: Definition and Implications of Family and Family Firm Legacy Orientations. *Entrepreneurship Theory and Practice*, 40(6), 1209-1231.
- Heck, R. K. Z., & Trent, E. S. (1999). The Prevalence of Family Business from a Household Sample. *Family Business Review*, 12(3), 209-219.
- Hillman, A. J., & Keim, G. D. (2001). Shareholder value, stakeholder management, and social issues: what's the bottom line? *Strategic Management Journal*, 22(2), 125-139.
- Hirsh, P. (1997). Sociology without social structure: Neoinstitutional theory meets brave new world. *The American Journal of Sociology*, 102(6), 1702-1723.
- Hoffman, J., Hoelscher, M., & Sorenson, R. (2006). Achieving Sustained Competitive Advantage: A Family Capital Theory. *Family Business Review*, 19(2), 135-145. doi:10.1111/j.1741-6248.2006.00065.x
- Hughes, E. C. (1936). The Ecological Aspect of Institutions. *American*

Sociological Review, 1(2), 180-189.

Itami, H., & Nishino, K. J. L. R. P. (2010). Killing two birds with one stone: profit for now and learning for the future. *43*(2-3), 364-369.

Jaskiewicz, P., Combs, J. G., Shanine, K. K., & Kacmar, K. M. J. A. o. M. A. (2017). Introducing the family: A review of family science with implications for management research. *11*(1), 309-341.

Jenkins, B., Ishikawa, E., Geaneotes, A., Baptista, P., & Masuoka, T. J. W., DC: IFC. (2011). Accelerating inclusive business opportunities: Business models that make a difference. 1-50.

Jones, G. R. (1983). Transaction Costs, Property Rights, and Organizational Culture: An Exchange Perspective. *Administrative Science Quarterly*, *28*(3), 454-467.

Kalm, M., & Gomez-Mejia, L. R. (2016). Socioemotional wealth preservation in family firms. *Revista de Administração*, *51*(4), 409-411.

Kammerlander, N., Dessì, C., Bird, M., Floris, M., & Murru, A. (2015). The Impact of Shared Stories on Family Firm Innovation: A Multicase Study. *Family Business Review*, *28*(4), 332-354.

Kellermanns, F. W., Eddleston, K. A., & Zellweger, T. M. (2012). Extending the Socioemotional Wealth Perspective: A Look at the Dark Side. *Entrepreneurship Theory and Practice*, *36*(6), 1175-1182.
doi:10.1111/j.1540-6520.2012.00544.x

Kepner, E. J. O. D. (1983). The family and the firm: A coevolutionary

perspective. *12*(1), 57-70.

Klang, D., Walln fer, M., & Hacklin, F. (2014). The Business Model Paradox: A Systematic Review and Exploration of Antecedents. *International Journal of Management Reviews*, *16*(4), 454-478.

Laasch, O. (2018a). An actor-network perspective on business models: How ‘Being Responsible’ led to incremental but pervasive change. *Long Range Planning*.

Laasch, O. (2018b). Beyond the purely commercial business model: Organizational value logics and the heterogeneity of sustainability business models. *Long Range Planning*, *51*(1), 158-183.

Lansberg, I. J. F. b. r. (1988). The succession conspiracy. *1*(2), 119-143.

Lawrence, Suddaby, R., & Leca, B. (2009). *Institutional work : actors and agency in institutional studies of organizations / edited by Thomas B. Lawrence, Roy Suddaby and Bernard Leca*. Cambridge, UK

New York: Cambridge, UK

New York : Cambridge University Press.

Lawrence, Suddaby, R., & Leca, B. (2011). Institutional Work: Refocusing Institutional Studies of Organization. *Journal of Management Inquiry*, *20*(1), 52-58.

Leaptrott, J. (2005). An Institutional Theory View of the Family Business. *Family Business Review*, *18*(3), 215-228.

Leonard-Barton, D. (1990). A Dual Methodology for Case Studies: Synergistic

- Use of a Longitudinal Single Site with Replicated Multiple Sites.
Organization science (Providence, R.I.), 1(3), 248-266.
- Letza, S., Sun, X., & Kirkbride, J. (2004). Shareholding Versus Stakeholding: a critical review of corporate governance. *Corporate Governance: An International Review*, 12(3), 242-262.
- Liebovitch, L. S., Coleman, P. T., & Fisher, J. (2020). Approaches to Understanding Sustainable Peace: Qualitative Causal Loop Diagrams and Quantitative Mathematical Models. *The American behavioral scientist (Beverly Hills)*, 64(2), 123-144.
doi:10.1177/0002764219859618
- Linder, J. C., & Cantrell, S. (2001). Five business-model myths that hold companies back. *Strategy & Leadership*, 29(6), 13-18.
- Lingo, E. L., & Elmes, M. B. (2019). Institutional Preservation Work at a Family Business in Crisis: Micro-processes, Emotions, and Nonfamily Members. *Organization Studies*, 40(6), 887-916.
- Lounsbury, M., & Crumley, E. T. (2007). New practice creation: An institutional perspective on innovation: Michael Lounsbury and Ellen T. Crumley. *Organization Studies*, 28(7), 993-1012.
- Lüdeke-Freund, F., Massa, L., Bocken, N., Brent, A., & Musango, J. J. N. f. B. S. S. A. (2016). Business models for shared value.
- Luis, R. G.-M., Katalin Takács, H., Manuel, N.-N., Kathryn, J. L. J., & José, M.-F. (2007). Socioemotional Wealth and Business Risks in Family-

- Controlled Firms: Evidence from Spanish Olive Oil Mills. *Administrative Science Quarterly*, 52(1), 106-137.
- Luis, R. G.-M., Martin, L.-K., & Marianna, M. (2003). The Determinants of Executive Compensation in Family-Controlled Public Corporations. *Academy of Management Journal*, 46(2), 226-237.
doi:10.2307/30040616
- Lumpkin, G. T., Martin, W., & Vaughn, M. (2008). Family Orientation: Individual-Level Influences on Family Firm Outcomes. *Family Business Review*, 21(2), 127-138.
- Madison, K., Holt, D. T., Kellermanns, F. W., & Ranft, A. L. (2016). Viewing Family Firm Behavior and Governance Through the Lens of Agency and Stewardship Theories. *Family Business Review*, 29(1), 65-93.
- Magretta, J. (2002). Why business models matter. *Harvard Business Review*, 80(5), 86-92.
- Marques, P., Bikfalvi, A., & Busquet, F. (2022). A Family Imprinting Approach to Nurturing Willing Successors: Evidence From Centennial Family Firms. *Family Business Review*, 35(3), 246-274.
- Marquis, C. (2003). The pressure of the past: Network Imprinting in Intercorporate Communities. *Administrative Science Quarterly*, 48(4), 655-689.
- Marquis, C., Glynn, M. A., & Davis, G. F. (2007). Community isomorphism and corporate social action. *Academy Of Management Review*, 32(3),

925-945.

Marshall, M. N. (1996). Sampling for qualitative research. *Family practice*, 13(6), 522-526.

Martin, G., Campbell, J., & Gomez-Mejia, L. (2016). Family Control, Socioemotional Wealth and Earnings Management in Publicly Traded Firms. *Journal of Business Ethics*, 133(3), 453-469.

Martins, L. L., Rindova, V. P., & Greenbaum, B. E. (2015). Unlocking the Hidden Value of Concepts: A Cognitive Approach to Business Model Innovation. *Strategic Entrepreneurship Journal*, 9(1), 99-117.

Massa, L., Tucci, C. L., & Afuah, A. J. A. o. M. A. (2017). A critical assessment of business model research. 11(1), 73-104.

Maykut, P. S. (1994). *Beginning qualitative research [electronic resource] : a philosophic and practical guide / Pamela Maykut and Richard Morehouse*. London: London : Falmer Press.

Melin, L., & Nordqvist, M. J. S. O. (2007). The reflexive dynamics of institutionalization: The case of the family business. 5(3), 321-333.

Messen Petruzzelli, A. (2012). *When tradition turns into innovation : how firms can create and appropriate value through tradition / Antonio Messeni Petruzzelli and Vito Albino*. Oxford, UK: Oxford, UK : Chandos Pub.

Meyer, A. D., Gaba, V., & Colwell, K. A. J. O. S. (2005). Organizing far from equilibrium: Nonlinear change in organizational fields. 16(5), 456-473.

- Miller, D., Amore, M. D., Le Breton-Miller, I., Minichilli, A., & Quarato, F. (2018). Strategic distinctiveness in family firms: Firm institutional heterogeneity and configurational multidimensionality. *Journal Of Family Business Strategy*, 9(1), 16-26.
- Miller, D., & Le Breton-Miller, I. (2005). *Managing for the long run: Lessons in competitive advantage from great family businesses*: Harvard Business Press.
- Miller, D., Le Breton-Miller, I., & Lester, R. H. (2011). Family and Lone Founder Ownership and Strategic Behaviour: Social Context, Identity, and Institutional Logics. *Journal of Management Studies*, 48(1), 1-25.
- Miller, D., Steier, L., & Le Breton-Miller, I. (2003). Lost in time: intergenerational succession, change, and failure in family business. *Journal of Business Venturing*, 18(4), 513-531.
- Mohammed, O., Fauzia, J., & Christopher, D. (2018). Determinants Linked to Family Business Sustainability in the UAE: An AHP Approach. *Sustainability*, 10(1), 246.
- Moore, M. H. J. N., & quarterly, v. s. (2000). Managing for value: Organizational strategy in for-profit, nonprofit, and governmental organizations. 29(1_suppl), 183-204.
- Morck, R., Yeung, B. J. E. t., & practice. (2003). Agency problems in large family business groups. 27(4), 367-382.
- Nicholls, A. (2008). *Social entrepreneurship: New models of sustainable social*

change: OUP Oxford.

Nielsen, C., & Lund, M. J. A. a. S. (2014). An introduction to business models.

Ocasio, W., & Radoynovska, N. (2016). Strategy and commitments to institutional logics: Organizational heterogeneity in business models and governance. *Strategic Organization*, 14(4), 287-309.

Olson, P. D., Zuiker, V. S., Danes, S. M., Stafford, K., Heck, R. K., & Duncan, K. A. J. J. o. b. v. (2003). The impact of the family and the business on family business sustainability. 18(5), 639-666.

Osterwalder, A., & Pigneur, Y. (2010). *Business model generation: a handbook for visionaries, game changers, and challengers*: John Wiley & Sons.

Penrose, E. T. (1960). The Growth of the Firm—A Case Study: The Hercules Powder Company. *Business history review*, 34(1), 1-23.

Perkmann, M., & Spicer, A. (2008). How are management fashions institutionalized? The role of institutional work. *Human Relations*, 61(6), 811-844.

Perren, L., Berry, A., & Partridge, M. (1998). The evolution of managerial information, control and decision-making processes in small growth-oriented service sector businesses: exploratory lessons from four cases of success. *Journal of Small Business and Enterprise Development*, 5(4), 351-361.

Pieper, T. M., Smith, A. D., Kudlats, J., & Astrachan, J. H. (2015). The Persistence of Multifamily Firms: Founder Imprinting, Simple Rules,

- and Monitoring Processes. *Entrepreneurship Theory and Practice*, 39(6), 1313-1337.
- Pierce, J. L., Kostova, T., & Dirks, K. T. (2001). Toward a Theory of Psychological Ownership in Organizations. *The Academy of Management Review*, 26(2), 298-310.
- Powell, W. W., & DiMaggio, P. J. (2012). *The new institutionalism in organizational analysis*: University of Chicago press.
- Priem, R. L., Butler, J. E., & Li, S. (2013). TOWARD REIMAGINING STRATEGY RESEARCH: RETROSPECTION AND PROSPECTION ON THE 2011 AMR DECADE AWARD ARTICLE. *The Academy of Management Review*, 38(4), 471-489.
- Randles, S., & Laasch, O. (2016). Theorising the Normative Business Model. *Organization & Environment*, 29(1), 53-73.
- Rau, S. B., Astrachan, J. H., & Smyrnios, K. X. (2018). The F-PEC Revisited: From the Family Business Definition Dilemma to Foundation of Theory. *Family Business Review*, 31(2), 200-213.
- Reay, T. (2019). Family Routines and Next-Generation Engagement in Family Firms. *Entrepreneurship Theory and Practice*, 43(2), 244-250.
- Reay, T., Jaskiewicz, P., & Hinings, C. R. (2015). How Family, Business, and Community Logics Shape Family Firm Behavior and “Rules of the Game” in an Organizational Field. *Family Business Review*, 28(4), 292-311.

- Richards, L., & Morse, J. M. (2012). *Readme first for a user's guide to qualitative methods*: Sage.
- Richter, I. (1998). Individual and organizational learning at the executive level. *Management Learning*, 29(3), 299-316.
- Robson, C. (2002). *Real world research : a resource for social scientists and practitioner-researchers / Colin Robson* (2nd ed. ed.). Oxford: Oxford : Blackwell.
- Romano, C. A., Tanewski, G. A., & Smyrnios, K. X. J. J. o. b. v. (2001). Capital structure decision making: A model for family business. *16*(3), 285-310.
- Roome, N., & Louche, C. (2016). Journeying Toward Business Models for Sustainability: A Conceptual Model Found Inside the Black Box of Organisational Transformation. *Organization & Environment*, 29(1), 11-35.
- Rubach, M. J., & Sehora, T. C. (1998). Comparative corporate governance: Competitive implications of an emerging convergence. *Journal of World Business*, 33(2), 167-184.
- Rubin, H. J. (2005). *Qualitative interviewing : the art of hearing data / Herbert J. Rubin, Irene S. Rubin* (2nd ed. ed.). Thousand Oaks, Calif.: Thousand Oaks, Calif. : Sage Publications.
- Saldaña, J. (2009). *The coding manual for qualitative researchers / Johnny Saldaña*. London: London : SAGE.
- Salvato, C., Chirico, F., Melin, L., & Seidl, D. J. O. S. (2019). Coupling family

business research with organization studies: Interpretations, issues, and insights.

Salvato, C., Chirico, F., & Sharma, P. (2010). A farewell to the business: Championing exit and continuity in entrepreneurial family firms. *Entrepreneurship & Regional Development*, 22(3-4), 321-348.

San Román, T. G., Momber, I., Abbad, M. R., & Sánchez Miralles, Á. (2011). Regulatory framework and business models for charging plug-in electric vehicles: Infrastructure, agents, and commercial relationships. *Energy policy*, 39(10), 6360-6375.

Sanchez-Ruiz, P., Maldonado-Bautista, I., & Rutherford, M. (2018). Business stressors, family-business identity, and divorce in family business: A vulnerability-stress-adaptation (VSA) model. *Journal Of Family Business Strategy*, 9(3), 167-179.

Schlepphorst, S., & Moog, P. (2014). Left in the dark: Family successors' requirement profiles in the family business succession process. *Journal Of Family Business Strategy*, 5(4), 358-371.

Schulze, W. (2016). Socio-emotional wealth and family: revisiting the connection. *Management Research*, 14(3), 288-297.

Scott, W. R. (2001). *Institutions and organizations / W. Richard Scott* (2nd ed. ed.). London: Sage.

Sharma, P. J. F. b. r. (2004). An overview of the field of family business studies: Current status and directions for the future. 17(1), 1-36.

- Siebels, J.-F., & zu Knyphausen-Aufseß, D. (2012). A Review of Theory in Family Business Research: The Implications for Corporate Governance. *International journal of management reviews : IJMR*, 14(3), 280-304.
- Simsek, Z., Fox, B. C., & Heavey, C. (2015). What's Past Is Prologue: A Framework, Review, and Future Directions for Organizational Research on Imprinting. *Journal of Management*, 41(1), 288-317.
- Sinfield, J. V., Calder, E., McConnell, B., & Colson, S. (2012). How to identify new business models. *MIT Sloan management review*, 53(2), 85.
- Slager, R., Gond, J.-P., & Moon, J. (2012). Standardization as Institutional Work: The Regulatory Power of a Responsible Investment Standard. *Organization Studies*, 33(5-6), 763-790.
- Snihur, Y., & Zott, C. (2020). The Genesis and Metamorphosis of Novelty Imprints: How Business Model Innovation Emerges in Young Ventures. *Academy of Management Journal*, 63(2), 554-583.
- Sorenson, R. (2013). *The landscape of family business / edited by Ritch L. Sorenson ... [et al.]*. Cheltenham: Cheltenham : Edward Elgar.
- Sreih, J. F., Lussier, R. N., & Sonfield, M. C. (2019). Differences in management styles, levels of profitability, and performance across generations, and the development of the Family Business Success Model. *Journal of Organizational Change Management*, 32(1), 32-50.
- Steier, L. (2003). Variants of agency contracts in family-financed ventures as a continuum of familial altruistic and market rationalities. *Journal of*

- Business Venturing*, 18(5), 597-618.
- Steier, L., & Greenwood, R. (2000). Entrepreneurship and the Evolution of Angel Financial Networks. *Organization Studies*, 21(1), 163-192.
- Stewart, A., & Hitt, M. A. (2012). Why Can't a Family Business Be More Like a Nonfamily Business?: Modes of Professionalization in Family Firms. *Family Business Review*, 25(1), 58-86.
- Stinchcombe, A. L. (1965). Organizations and social structure. *Handbook of organizations*, 44(42), 142-193.
- Suddaby, R., Viale, T., & Gendron, Y. J. M. U., Japan, October. (2012). Institutional reflexivity: The role of the individual in institutional work.
- Tagiuri, R., & Davis, J. J. F. b. r. (1996). Bivalent attributes of the family firm. 9(2), 199-208.
- Teece, D. J. (2007). Explicating dynamic capabilities: the nature and microfoundations of (sustainable) enterprise performance. *Strategic Management Journal*, 28(13), 1319-1350.
- Teece, D. J. (2010). Business Models, Business Strategy and Innovation. *Long Range Planning*, 43(2), 172-194.
- Thornton, P. H. (2012). *The institutional logics perspective [electronic resource] : a new approach to culture, structure, and process / Patricia H. Thornton, William Ocasio, Michael Lounsbury*. Oxford: Oxford : Oxford University Press.
- Thornton, P. H., & Ocasio, W. (1999). Institutional Logics and the Historical

- Contingency of Power in Organizations: Executive Succession in the Higher Education Publishing Industry, 1958– 1990 1. *American Journal of Sociology*, 105(3), 801-843.
- Tilcsik, A., & Marquis, C. (2013). Punctuated Generosity: How Mega-events and Natural Disasters Affect Corporate Philanthropy in U.S. Communities. *Administrative Science Quarterly*, 58(1), 111-148.
- Tsai, F.-S., Lin, C.-H., Lin, J. L., Lu, I. P., & Nugroho, A. (2018). Generational diversity, overconfidence and decision-making in family business: A knowledge heterogeneity perspective. *Asia Pacific Management Review*, 23(1), 53-59.
- Vardaman, J. M., & Gondo, M. B. (2014). Socioemotional Wealth Conflict in Family Firms. *Entrepreneurship Theory and Practice*, 38(6), 1317-1322.
- Warnaby, G., Finney, J. J. I. J. o. N., & Marketing, V. S. (2005). Creating customer value in the not-for-profit sector: a case study of the British Library. *10*(3), 183-195.
- Weber, M. (2009). *The theory of social and economic organization*: Simon and Schuster.
- West, M. A., & Anderson, N. R. (1996). Innovation in Top Management Teams. *Journal of applied psychology*, 81(6), 680-693. doi:10.1037/0021-9010.81.6.680
- Wirtz, B. W., Schilke, O., & Ullrich, S. (2010). Strategic Development of

- Business Models: Implications of the Web 2.0 for Creating Value on the Internet. *Long Range Planning*, 43(2), 272-290.
- Yearworth, M., & White, L. (2013). The uses of qualitative data in multimethodology: Developing causal loop diagrams during the coding process. *European journal of operational research*, 231(1), 151-161.
- Yin, X.-M., Oltvai, Z. N., & Korsmeyer, S. J. (1994). BH1 and BH2 domains of Bcl-2 are required for inhibition of apoptosis and heterodimerization with Bax. *Nature (London)*, 369(6478), 321-323.
- Zellweger, T. M., Nason, R. S., Nordqvist, M., & Brush, C. G. (2013). Why Do Family Firms Strive for Nonfinancial Goals? An Organizational Identity Perspective. *Entrepreneurship Theory and Practice*, 37(2), 229-248.
- Zietsma, C., & Lawrence, T. B. J. A. s. q. (2010). Institutional work in the transformation of an organizational field: The interplay of boundary work and practice work. 55(2), 189-221.
- Zott, C., & Amit, R. (2007). Business Model Design and the Performance of Entrepreneurial Firms. *Organization science (Providence, R.I.)*, 18(2), 181-199.
- Zott, C., & Amit, R. (2013). The business model: A theoretically anchored robust construct for strategic analysis. *Strategic Organization*, 11(4), 403-411.
- Zott, C., Amit, R., & Massa, L. (2010). The business model: Theoretical roots,

recent developments, and future research. *IDEAS Working Paper Series*
from RePEc.