

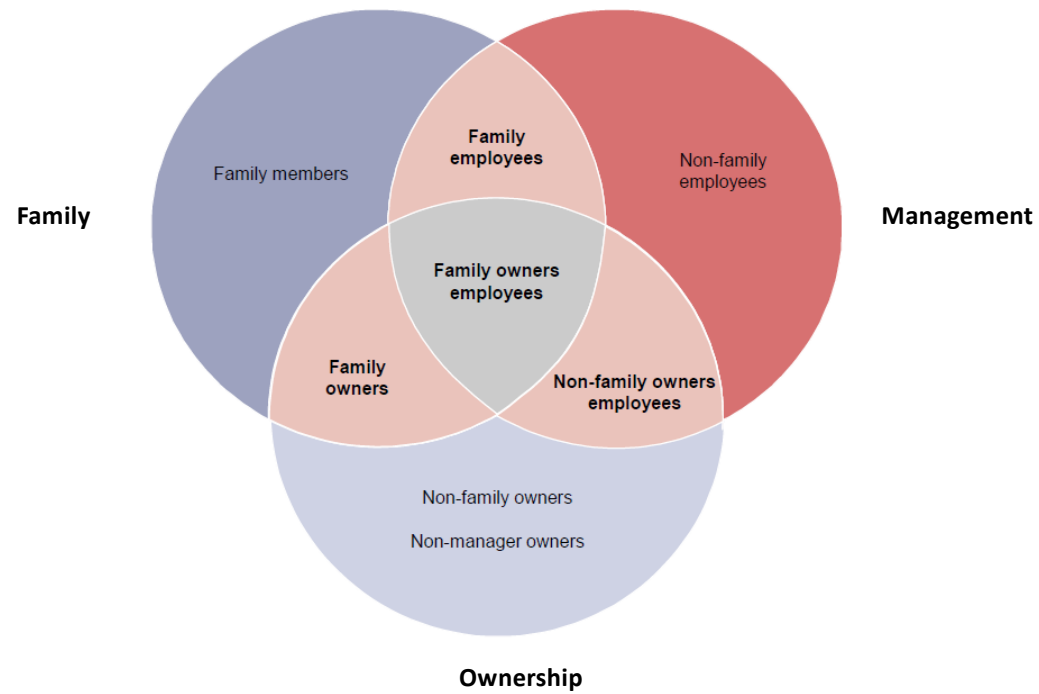
The family-related organizational ecosystem

and some research questions from the family
owners' perspectives

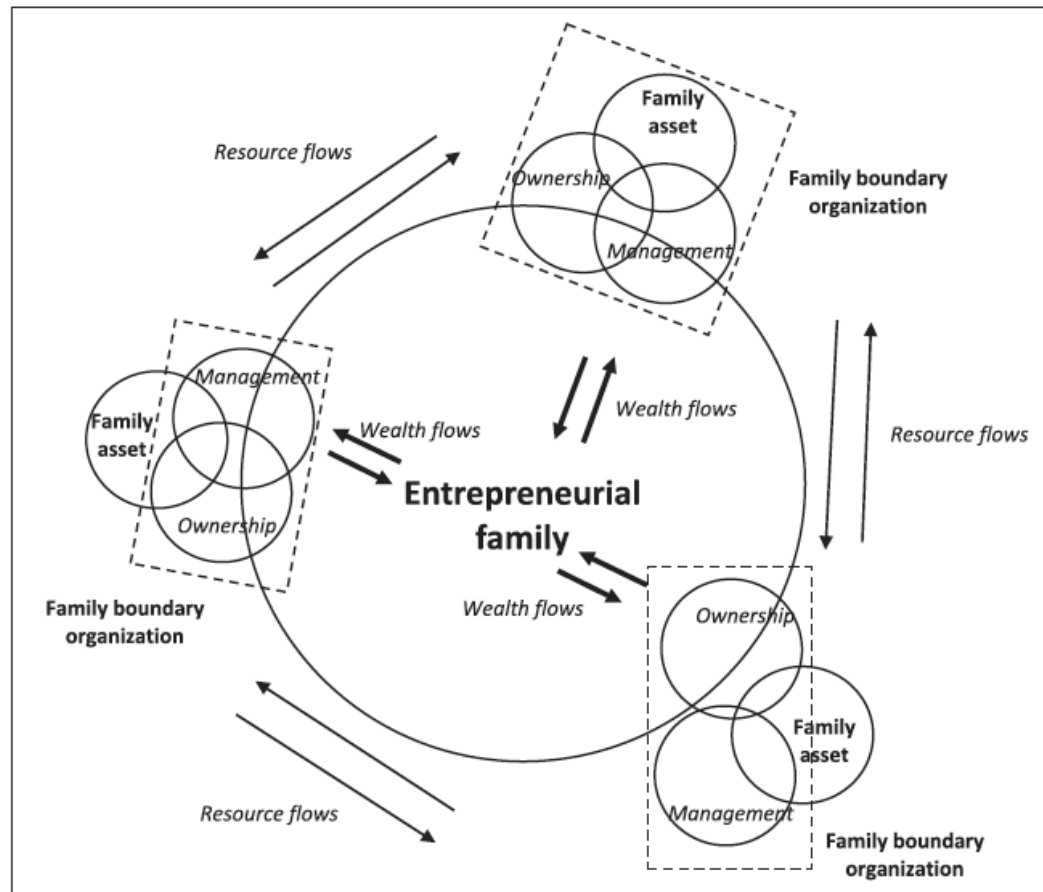
ALFREDO DE MASSIS



From the family business..



...To the family-related organizational ecosystem



De Massis A., Kotlar J., Manelli L. (2021). Family firms, family boundary organizations and the family-related organizational ecosystem, *Family Business Review*, 34(4), 350-364.

| Family boundary organization | Definition | References |
|-----------------------------------|---|--|
| Family business | A business governed and/or managed with the intention to shape and pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families | <i>Stewart and Hitt (2012); Schulze et al. (2003); Chua et al. (1999)</i> |
| Family office | An organization that is dedicated to providing tailored and holistic service to respond to the family needs, in order to maintain transgenerational control over the financial, human, and socioemotional wealth of the family. | <i>De Massis and Kotlar (2021); Zellweger and Kammerlander (2015); Schickinger et al. (2020); Welsh et al. (2013); Wessel et al. (2014); Jaffe and Lane (2004)</i> |
| Family foundation | A type of private foundation that operates with the hands-on involvement of an active donor and/or donor family. | <i>Lungeanu and Ward (2012); Lawrence (2000); Pharoah et al. (2009); Giacomini and Jones (2021)</i> |
| Family business foundation | A type of foundation where the donor is a family-owned corporation. | <i>Du (2015); Schillaci et al. (2013)</i> |
| Family holding | A family-owned or controlled company actively investing directly in and managing a portfolio of assets. | <i>Jaffe and Lane (2004); Ljungkvist and Boers (2017)</i> |
| Family museum | An organization that is dedicated to the preservation of historical texts or artifacts owned or managed by the family, often related to the family's history and interests. | <i>Dalpiatz et al. (2014)</i> |
| Family investment company | An organization with the function of investing family financial wealth into direct equity investments. | <i>Rottke and Thiele (2018)</i> |
| Family academy | A training and development organization established within a family that focuses on training family members and offering them an opportunity to develop their business, ownership, and/or family skills. | <i>n.a.</i> |

Some challenges with this change of perspectives

JOURNAL OF MANAGEMENT STUDIES

COMMENTARY | Open Access

COVID-19 and the future of family business research

Alfredo De Massis, Emanuela Rondi

First published: 15 September 2020 | <https://doi.org/10.1111/joms.12632>

This article has been accepted for publication and undergone full peer review but has not been through the copyediting, typesetting, pagination and proofreading process, which may lead to differences between this version and the Version of Record. Please cite this article as doi:10.1111/joms.12632

1

**Patrimony administration
(estate ad wealth)**

2

Generational transitions

3

**Socioemotional wealth and
goals**

4

**Long-term orientation and
resilience**



1

Patrimony administration (estate and wealth)



Patrimony administration

Assumption

Management and governance perspectives dominate the field considering family capital as a form of patient capital while overlooking asset and liquidity issues

Challenging the assumption

Economic downturn, cash challenges, and new types of risk increase the salience of asset and liquidity issues for families in business

Questions for future research (1/2)

What changes when family business scholars embrace an ownership rather than a management/governance perspective?

How do theories currently used to predict family business behavior change when the administration of a family's estate and wealth is taken into account?

How can owning families best administer their assets in the 'new normal' characterized by higher risk and uncertainty? How can such assets be preserved for future generations?

Are the new challenges associated with the aftermath of Covid-19 and the other disruptions in this 'polycrisis' time changing the way families in business administer their wealth, e.g., through impact investing and/or firm philanthropy?

Why do families in business increasingly rely on family offices to manage their assets and deal with non-financial aspects such as philanthropy?

Questions for future research (2/2)

How should family offices be created and operated in the 'new normal' after the pandemic? What should change in their priorities and way of operating and interacting with families in business?

What differs between family offices and family foundations?

What changes in terms of the behavioral drivers, processes, and outcomes of business families compared to family businesses?

Is the long-term orientation of their business(es) still a priority for business families? Are the financial benefits associated with a portfolio of businesses and assets that change over time what really matter? Do family-centered noneconomic goals still play an important role?

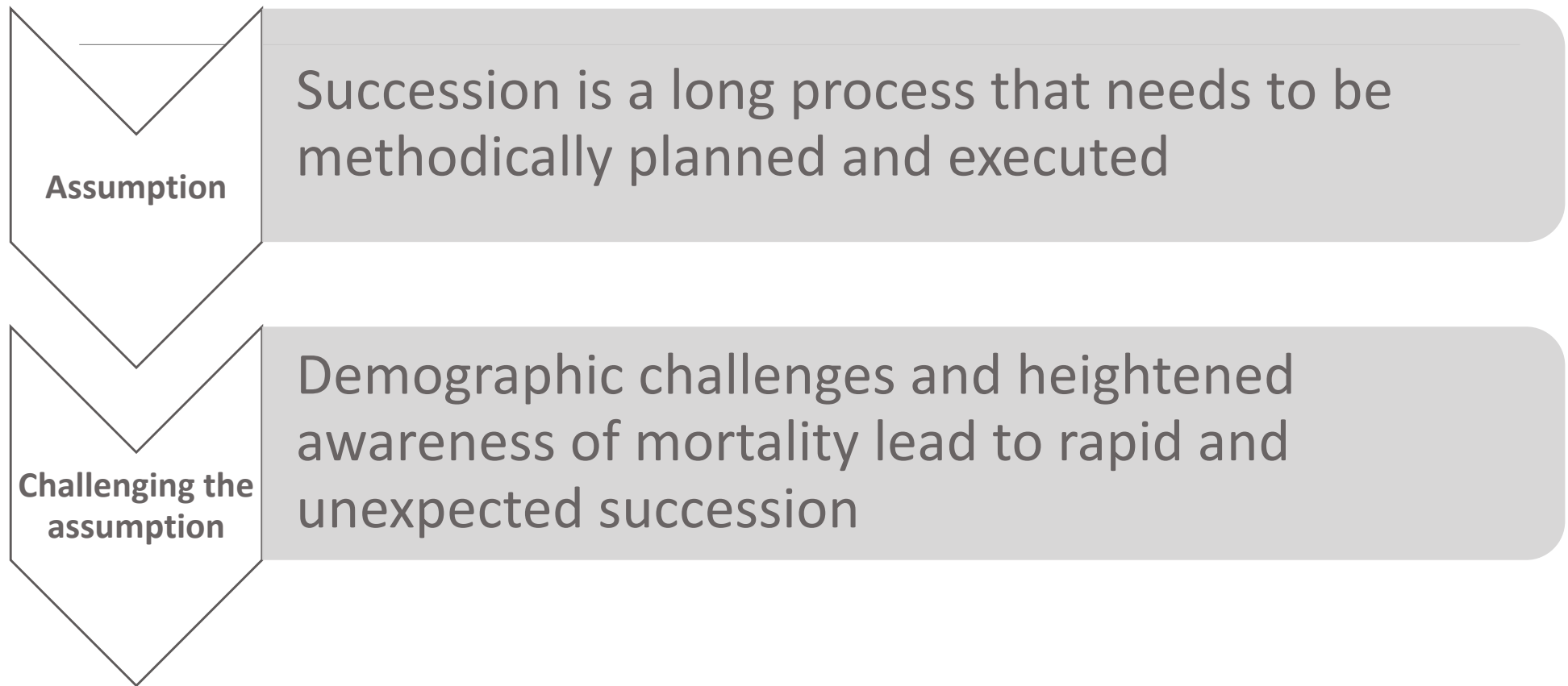
Will the aftermath of Covid-19 and the other disruptions in this 'polycrisis' time spur families in business to shift from entrepreneurs to rent-seekers?

A black and white photograph of a man and a child walking away on a path. The man is on the left, holding the child's hand. They are walking towards the horizon under a cloudy sky. On the left side of the image, there is a decorative graphic consisting of several overlapping orange circles and a curved line. The number '2' is inside a solid magenta circle.


2

Generational transitions

Generational transitions



Questions for future research

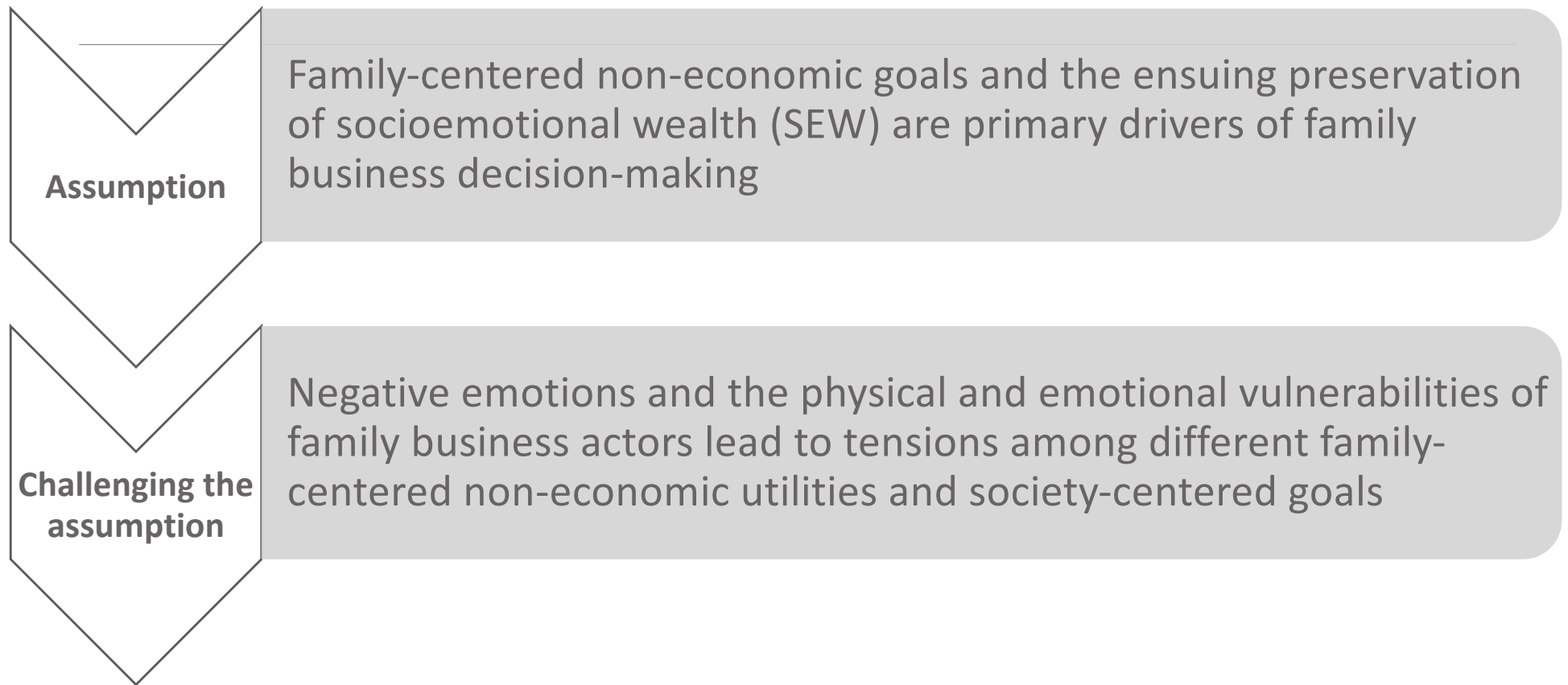
- ✓ How does an unplanned succession unfold in families at the ecosystem level?
 - ✓ How can the ecosystem perspective be an opportunity for succession of senior-, now- and next-generation owners?
 - ✓ Under what circumstances is succession planning beneficial?
 - ✓ How can family business owners accelerate succession in times of disruption?
 - ✓ What capabilities are needed to manage rapid and unexpected succession in a family-related organizational ecosystem?
 - ✓ What is the effect of increased awareness of mortality on the motivations and goals of unexpected family business succession?
 - ✓ What differs between a planned and unplanned succession in terms of the process, actors involved, and key outcomes at the ecosystem level?
 - ✓ What constitutes successful succession during in the aftermath of Covid-19 and other disruptions in this 'polycrisis' time in terms of outcomes for the family and the business system?
- 



3

Socioemotional wealth and goals

Socioemotional wealth and goals



Questions for future research (1/2)

What changes when SEW is considered at the family-related organizational ecosystem level? How does ecosystem SEW shape the decisions of the entrepreneurial family?

Are the five SEW dimensions of equal value in the 'polycrisis' time?

What are the distinctive trade-offs that guide family business decision-making in the aftermath of the pandemic and other 'polycrisis' disruptions and related response (e.g., health vs. wealth, life vs. livelihood, family utility vs. business utility)?

How can family business owners transform the negative emotions experienced during the pandemic and in the aftermath into positive momentum?

What are the effects of emotional reactions to negative events, such as death and business failures, on different family business owners' goals and behaviors?

Questions for future research (2/2)

How do the SEW dimensions interact with each other? How can family business owners resolve or manage possible trade-offs between the different dimensions? What are the factors that shape such trade-offs?

When and under what conditions do society-centered goals prevail over family-centered ones in driving family owners' behavior in the 'new normal'?

How do family business owners define society vs. family as reference points? How do they frame decisions when new utilities at the society level are taken into account? What affects the framing?

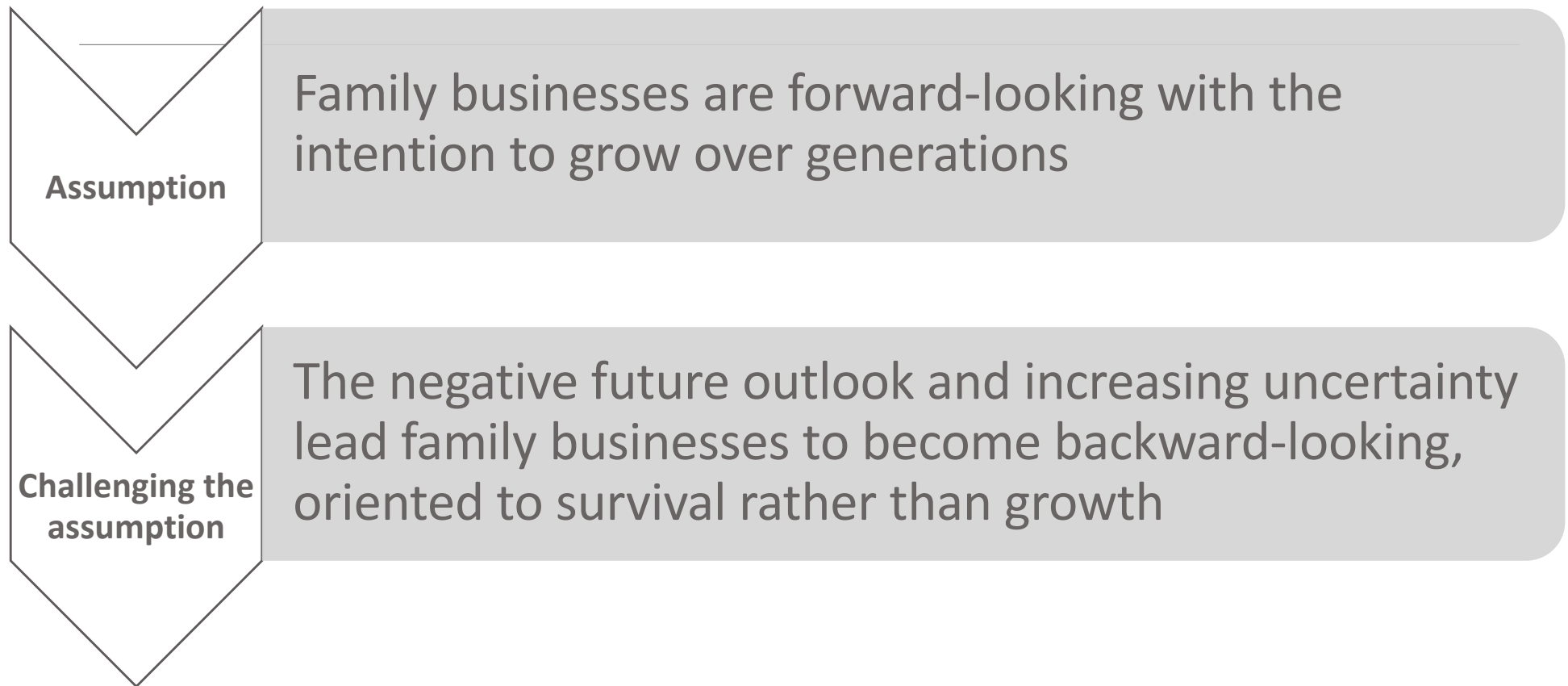





4

Long-term orientation and resilience

Long-term orientation and resilience



Questions for future research

- ✓ What role does tradition play for family owners in times of crisis?
 - ✓ How does the individual temporality of family business owners affect strategic decision-making?
 - ✓ Do family values become more important in the future development of the entrepreneurial family when an ecosystem perspective is embraced?
 - ✓ How do family values and prior crises in the history of the family and/or the business affect the entrepreneurial family's capacity to absorb and react to a crisis (i.e., resilience)?
 - ✓ What is the role of the owning family's and/or the business' past history in driving the entrepreneurial family's behavior in 'polycrisis' time?
 - ✓ Under what circumstances are family owners unwilling to grow? Will survival have higher priority than growth in the current 'polycrisis' time?
 - ✓ How do the social and economic shocks caused by Covid-19 and other disruptions affect the purpose of family businesses? Do such shocks have a different effect on the owning family purpose vs. the family business purpose?
- 



Thanks for your attention!



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