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Family Routines and Next-Generation Engagement in Family Firms

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Abstract:

By focusing on the impact of different types of family routines and how they change, this commentary builds on concepts developed by Garcia et al. (2018) regarding the influence of perceived parental support and psychological control on next-generation engagement in family firms. Drawing on the organizational routines literature and the family studies literature, I propose that attention to family routines, and how these routines change (or not) over time can reveal additional insights regarding next-generation engagement in the family business.

Garcia, Sharma, De Massis, Wright and Scholes (2018) provide an interesting and important focus on intra-family relationships as a key factor shaping next-generation engagement in family firms. Drawing on principles grounded particularly in social cognitive theory, they develop a conceptual model proposing that children's perceptions of parental support and psychological control indirectly influence their engagement in the family firm through the mediating effects of family business self-efficacy and commitment to the family business. This work is an important new conceptual framing for the field of family business because, as the authors note, there are currently very few ways to understand empirical findings that show relatively low interest of the current next-generation members of family firms in joining the business (Sieger, Fueglistaller & Zellweger, 2014). And, as De Massis, Sharma, Chua, Chrisman and Kotlar somewhat bluntly point out, "intra-family succession will not take place if all potential successors decline the appointment" (2012: 29).

In this commentary, I build on Garcia et al.'s (2018) model by focusing on family routines as mechanisms through which norms, values and beliefs are communicated between generations. Since routines are "repetitive, recognizable patterns of interdependent actions, involving multiple actors" (Feldman & Pentland, 2003: 96) that serve as carriers of institutionalized principles (Scott, 2014), they are fundamental to understanding the nature of

family dynamics. Routines exist wherever groups of people interact repeatedly, including social groups, business organizations and families. Earlier literature pointed to the stability of routines, however, more recent work from a process perspective shows how routines can emerge, persist or change over time (Howard-Grenville, Rerup, Langley & Tsoukas, 2016). In this article, I draw on the routines literature as a way to highlight Garcia et al.'s (2018) proposed relationships between the variables of 'perceived parental support' and 'perceived parental psychological control' with 'family business self-efficacy' and 'commitment to the family business.' (See Garcia et al. 2018, Figure 1.) I propose that different types of routines, and the extent to which they are maintained or changed over time, will tend to moderate the influence between these identified variables. In the remainder of this article I bring attention to the various types of routines identified by previous organizational and family science scholars, and show the potential importance in considering family routines. I also explain key aspects of a process approach to routines that focuses on change over time, showing how these concepts can be connected with Garcia et al.'s model of next-generation engagement in family firms.

Family and Organizational Routines

Although it is largely missing in the family business literature, there is a lengthy history of attention to routines in family studies. For example, family therapists and researchers, Wolin and Bennett (1984) drew on earlier studies examining the critical role of routines in maintaining family stability (e.g. Bossard & Boll, 1950). They identified three types of family routines or rituals -- family celebrations, family traditions, and family interactions -- showing how each of these types of repetitive, systematic sets of interactions within families could contribute to the development of a strong family identity that perpetuated supportive relationships, even when crises occurred. Further research showed that family routines provided resilience, at least partly

because parents and children tended to hold similar perceptions about the meaning and enactment of particular routines (Fiese, 1992), and that the constructive use of family routines could be associated with family health and children's ability to adjust to changes (Denham, 2003; Kiser, Bennett, Heston & Paavola, 2005). Collectively, these studies suggest that repeatedly consistent routines, such as eating dinner together, celebrating family events, and sustaining family traditions are important in developing strong, supportive connections between generations. In terms of family therapy, research suggests that the introduction and safeguarding of such family routines will improve family dynamics and support positive child development (Denham, 2003; Kiser et al., 2005).

Surprisingly, there has so far been little attention to routines within the family business literature. Drawing on the family science literature, Sorenson (2014) explained how dinner time routines (for example) could serve to maintain family values. From an organizational perspective, Reuber (2016) pointed to the importance of routines in understanding the processes of internationalization for family firms. In addition, Jaskiewicz et al. (2017) noted that family routines are part of family dynamics that can impact work life in multiple ways. However, aside from these articles where routines are considered as contributing to a broader construct, the role of routines within business families and family firms has largely been overlooked.

In contrast, attention to routines in the broader organizational literature is growing by leaps and bounds. Although much earlier work proposed that organizational routines were sources of stability and predictability (Cyert & March, 1963), studies by Nelson and Winter (1982) and Feldman (2000) revealed that routines could be strongly connected to change (see Parmigiani & Howard-Grenville, 2011 for an in-depth review of the literature). This newer approach to routines is focused on flexibility, showing evidence of significant change in routines

over time. However, some routines are meant to maintain stability and can be called rigid; for example, standard operating procedures or safety routines (e.g. to evacuate an aircraft) are meant to be stable. In contrast, flexible routines can facilitate evolutionary change or innovation while still providing overall consistency for organizational interactions, such as routines to manage incoming university students each year, as shown by Feldmann (2000).

A further important aspect of routines is the distinction between their ostensive and performative components (Feldman & Pentland, 2003). The ostensive (general idea or principle of the routine) and the performative (actions of people as they perform the routine) aspects go hand-in-hand; each informs, and is potentially modified by the other (Feldman & Pentland, 2003; Parmigiani & Howard-Grenville, 2011). Thus, routines can change through gradual adaptations in people's actions (performative) that result in eventual changes to meaning or principles (ostensive) of the routine; alternatively, change can occur through the efforts of powerful people who determine the need for new principles (ostensive) and develop new practices (performative) to be enacted (Feldman & Rafaeli, 2002). Because the performative and ostensive aspects of routines are created and re-created through action, people can act purposefully to make changes (Dittrich & Seidl, 2018; Howard-Grenville, 2005).

As part of this research trend focusing on how routines can change, or be changed over time, scholars have begun to take a process approach to the study of routines (Howard-Grenville & Rerup, 2017). By employing a process lens, researchers give particular attention to changes over time, investigating how routines are performed by specific people in specific settings. This currently evolving area of research provides an interesting foundation for understanding the role of family routines in family firms and how they are established, maintained or modified. While many family routines may be appropriately rigid and enforced by parents when children are

young – such as safety routines, dinner time scheduling, and participation in household chores – as children grow older and begin to engage with the family firm, parents have choices regarding the degree to which they allow or encourage the next generation to be part of altering family routines. As powerful actors in the family, parents can maintain rigid routines that children must follow, or they can find ways to make routines more flexible by focusing on the ostensive aspects of routines (family principles) and encouraging children (as they become older) to increasingly engage in modifying the performative aspects of routines over time.

In the next section I draw on the above concepts about routines and changes in routines to explain how the next-generation's perceptions of parental support and psychological control may be influenced by the nature of family routines and whether routines change over time as children turn into young adults. In relationship to the model set out by Garcia et al. (2018), I suggest that when parents encourage children to engage in altering family routines (moving from rigid to flexible routines as children grow older), children's perception of parental support and the positive influence on family business self-efficacy and commitment to the family business will be strengthened. Similarly, I suggest that the negative influence of children's perceptions of parental psychological control on family business self-efficacy and commitment to the family business will be diminished.

Agency in Changing Family Routines

A process approach to routines highlights the potential for, and importance of change over time (Howard-Grenville & Rerup, 2017). Such changes may be evolutionary with little apparent purposeful intervention; however, routines may also be changed through active agency -- such as that identified by family therapists who point to the value of developing and maintaining rigid family routines especially for young children (Kiser, 2005). Alternatively,

parents could purposefully engage children in modifying family routines over time in response to changing family situations or changing needs of children as they grow older. This focus on family routines fits into Garcia et al.'s (2018) model because it connects to social cognitive theory through its attention to individual or collective agency in shaping perceptions and associated action (Bandura, 2001). Purposeful changes in family routines, particularly when enacted by parents and children together, can alter perceptions of parental support or psychological control. As a result, and consistent with Bandura (2001), such individual and collective agency can be important in influencing the next generation's intention to enter the family business by further increasing family business self-efficacy and commitment.

Building on the importance of agency, some researchers have focused on pragmatic action or intervention in routines (Dittrich & Seidl, 2018; Howard-Grenville, 2005). These studies suggest that the way routines are purposefully maintained or altered can impact next generation engagement. This is somewhat similar to suggestions by Kammerlander et al. (2015) that by changing the nature of stories family leaders routinely tell, from those focused on the founder to stories focused on the family, they may be able to increase the firm's innovativeness. By allowing or encouraging flexibility in family routines as children become older, parents are similarly communicating important messages about the possibility of meaningful participation by the next generation. Routines can change through thoughtful input of those involved (Feldman, 2000) and as a result, participants (in this case children and parents) can co-create improved ways of accomplishing their mutual goals (Fiese, 1992; Parmigiani & Howard-Grenville, 2011).

Although I have focused on intra-family routines above, it is likely that similar relationships hold with respect to routines that connect family with the business. Some family firms have developed and maintain rigid routines -- strict procedures for young adults who wish

to engage with the business. For example, there may be specific age or educational requirements that the next generation must meet before employment is possible. While these criteria serve an important purpose in creating equitable opportunities across different branches of the family, they may also serve to deter potentially valuable members of the next generation. Allowing members of the next generation agency in such processes by involving them in discussions about the ostensive and performative aspects of routines about entering the family business could improve their willingness to enter the firm. Of course size of the firm and the type of work involved may not permit the early and flexible involvement of next generation members, but their active involvement in modifying established routines may be important for successful ownership transitions.

Conclusions

In this commentary I have developed an extension of Garcia et al.'s (2018) model of next generation engagement in the family business by focusing on the impact of different types of family routines and how they can be changed over time. More specifically, I suggest that the relationship between perceived parental behaviors (parental support and parental psychological control) and the next generation's family business self-efficacy and commitment to the family business may be influenced by the nature of family routines. In families with more flexible routines – especially those where children are encouraged to engage in modifications of family routines over time as they become older – the positive relationship between perceived parental support and family business self-efficacy, and commitment to the family business, is likely to be stronger than in families where routines are rigidly maintained. This is because when children's views are incorporated into modifying family routines, they are more likely to see themselves as valuable and valued members of the family and family business, thus increasing family business

self-efficacy, and their commitment to the family business. In addition, the negative relationship between parental psychological control and both family business self-efficacy and commitment to the family business is likely to be diminished when children are encouraged to participate in the process of modifying family routines. This moderated effect can be explained by attention to the ostensive aspects of family routines (principles or values) in contrast to the performative (activities) aspects. As children grow older they can be engaged in discussions about the underlying meaning of family routines (e.g. the importance of regular interactions among family members) while being allowed to alter the activities or performative aspects. This may reduce the negative perceptions of parental control if children can appreciate the underlying purpose. Thus, although perceived psychological control may still negatively impact family business efficacy and commitment to the family business, the effect may be reduced, thus improving next-generation engagement in family firms overall.

Further research is needed to investigate the nature, dynamics and impact of family routines. One promising approach is to follow that of Kammerlander et al. (2015) by engaging in in-depth interviews with family members as a way to improve our understanding of the processes involved. Expanding on Kammerlander et al.'s findings, it might be that particular types of stories associated with family routines serve a critical role in communicating the ostensive aspects of routines, allowing variability in performativity; in contrast, perhaps different stories convey a message of rigidity in both the performative and ostensive components. Ethnographic research or longitudinal studies designed to gather multiple interviews with family members could provide interesting and important data that helps to explain how changes in routines can occur over time, and the impact of such changes. In addition, further quantitative research would be helpful. Surveys of potential next generation members could be designed to capture their

perceptions of existing family routines, and whether perceptions of such routines change over time. Data from such surveys could be analyzed in connection with surveys suggested by Garcia et al. (2008) to provide more comprehensive views of the next generation's perspectives.

In closing I reiterate the suggestion that attention to family routines (and their adaptability, or not) may reveal relationships between perceived parental support and psychological control and family business self-efficacy and commitment to the family business that otherwise remain relatively hidden from view. This commentary sets out some beginning ideas about the importance of routines in families and family firms with the hope that future researchers can build on these concepts.

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