

THE TRANSGENERATIONAL SUSTAINABILITY OF FAMILY FIRMS



IRMAK ERDOĞAN

BOĞAZIÇI UNIVERSITY

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Irmak Erdoğan

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The thesis of Irmak Erdođan

has been approved by:

Prof. Hayat Kabasakal
(Thesis Advisor)



Prof. Güler İslamođlu
(External Member)



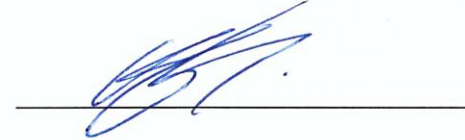
Prof. Özlem Öz



Prof. Ayşe Alev Torun
(External Member)



Assoc. Prof. Özlem Yıldırım Öktem



June 2016

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ABSTRACT

The Transgenerational Sustainability of Family Firms

Given the economic significance of family firms and their low rates of survival, understanding the factors that contribute to the transgenerational sustainability of family firms has been an important subject of research. In this dissertation, the topic of transgenerational sustainability of family firms is explored in light of three research studies conducted in Turkey. In Chapter 1, the significance of the topic is explained, and three research studies are introduced. In Chapter 2, the construct of commitment is explored in the context of next-generation members of the family firm. Based on in-depth interviews with 22 members of 17 long-lived family firms in Turkey, a model to explain the distinctive nature of commitment, as well as the roots of commitment in childhood and adolescence is developed. In Chapter 3, following an alternative approach to the study of transgenerational sustainability, the focus is on the entrepreneurial behavior of family firms. The purpose of this chapter is to explore the different ways in which long-lived family firms manage to be innovative while remaining firmly anchored to their traditions. In Chapter 4, through a survey among 252 owner-managers of family firms in Turkey, the effects of family social capital on owner manager's intention for transgenerational sustainability are investigated. In Chapter 5, findings of three research studies are integrated and conclusions are drawn. Through combining different research methods and alternative approaches to the research topic, this dissertation aims to enhance our understanding of the factors that contribute to the transgenerational sustainability of family firms.

ÖZET

Aile Şirketlerinin Kuşaklar Arası Sürdürülebilirliği

Aile şirketlerinin kuşaklar arası sürdürülebilirliğini etkileyen faktörlerin incelenmesi, bu şirketlerin ekonomik açıdan arz ettikleri önem ve hayatta kalma oranlarının düşük olması sebebiyle önemli bir araştırma konusu haline gelmiştir. Bu tezde, kuşaklar arası sürdürülebilirlik konusu Türkiye’de gerçekleştirilen üç araştırma ışığında işlenmektedir. Birinci bölümde, konunun önemi anlatılmakta ve üç araştırma takdim edilmektedir. İkinci bölümde, aile şirketlerinin sonraki kuşak temsilcilerinde şirkete bağlılık kavramı incelenmektedir. 17 uzun ömürlü aile şirketinde 22 aile üyesiyle gerçekleştirilen derinlemesine görüşmeler kapsamında, aile şirketine bağlılığın kendine has yapısının yanı sıra, çocukluk ve büyüme çağındaki köklerini açıklayan bir model geliştirilmektedir. Üçüncü bölümde, kuşaklar arası sürdürülebilirlik konusu aile şirketlerinin girişimcilik davranışlarının incelenmesine dayanan alternatif bir yaklaşımla ele alınmaktadır. Bu bölümün amacı, geleneklerine sıkı sıkıya bağlı olan uzun ömürlü aile şirketlerinin yenilikçilik yaparken izledikleri farklı yolları incelemektir. Dördüncü bölümde, 252 aile yöneticisiyle gerçekleştirilen anket çalışması yoluyla, ailenin sosyal sermayesinin aile yöneticilerinin şirketi sonraki kuşağa aktarma niyetleri üzerindeki etkileri incelenmektedir. Beşinci bölümde, üç araştırmanın bulguları sentezlenerek elde edilen sonuçlar aktarılmaktadır. Bu tez, farklı araştırma metodlarını ve araştırma konusuna yönelik farklı yaklaşımları birleştirerek, aile şirketlerinin kuşaklar arası sürdürülebilirliğine etki eden faktörlerin anlaşılmasına katkı sağlamayı amaçlamaktadır.

CURRICULUM VITAE

NAME: Irmak Erdoğan

DEGREES AWARDED

PhD in Management, 2016, Boğaziçi University

MA in Organizational Behavior, 2009, Marmara University

BA in Management, 2007, Boğaziçi University

AREAS OF SPECIAL INTEREST

Family businesses, organizational behavior, entrepreneurship, leadership, and innovation

PROFESSIONAL EXPERIENCE

Research Assistant, Department of Management, Boğaziçi University, 2011 -2014

AWARDS AND HONORS

Highest Honors List, Boğaziçi University, 2016

Highest Honors List, Boğaziçi University, 2007

SCHOLARSHIPS

TÜBİTAK PhD Scholarship, 2010-2016

PUBLICATIONS

Journal Articles

Asarkaya, C. & Erdogan, I. (2014). The effects of psychological empowerment and job involvement on work-life balance. *Research Journal of Business & Management*, 1(2), 130-138.

Erdogan, I. (2013). An empirical investigation of the links between job search behavior, career strategies, and perceived employability. *Journal of Business and Policy Research*, 8 (1), 90-99.

Erdogan, I. (2011). Development of a scale to measure impression management in job interviews. *World Journal of Social Sciences*, 1(5), 82-98.

Book Chapters

Kabasakal, H., Aycan, Z., Varnali, R., Baskurt, B., & Erdogan, I. (2016). Girişimcilikte Başarı Kriterleri ve Temel Başarı Faktörleri: Kadın-Erkek Karşılaştırması. In Ç. Kağıtçıbaşı, H. Şimşek, D. Barlas, M. Önoğ, and Z. Göker (Eds.) *Kadın Odaklı*. Istanbul, Turkey: Koç Üniversitesi Yayınları.

Conference Proceedings

Erdogan, I. & Kabasakal, H. (2016). Organizational identification in the family business. In *76th Annual Meeting of the Academy of Management (AOM 2016)*.

Erdogan, I. & Kabasakal, H. (2016). Who am I in relation to the family business? Exploring the nature and determinants of member's identification with the family business. In *Annual Conference of the European Academy of Management (EURAM 2016)*.

Erdogan, I. (2015). Innovation in family firms: A tool to protect and strengthen tradition? In *The International Family Enterprise Research Academy Annual Conference (IFERA 2015)*.

Erdogan, I. (2015). A dynamic process model of product innovation and socioemotional wealth creation in family firms. In *11th Workshop on Family Firm Management Research (EIASM 2015)*.

Ozcelik, H., Erdogan, I., & Bagger, J. (2014). A role identification approach to work-family conflict. In *29th Annual Conference of the Society for Industrial and Organizational Psychology (SIOP 2014)*.

Aygoren, O. & Erdogan, I. (2013). An experimental investigation of the effects of political leaders' impression management on voting intentions. In *7th International Political Marketing Conference (IPMC 2013)*.

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Erdogan, I. & Rofcanin, Y. (2013). Çalışan-yönetici uyumu ve lider-üye etkileşimi üzerine bütünsel bir analiz: Çalışan memnuniyeti ve çalışan bağlılığı üzerindeki etkiler. In *21. Ulusal Yönetim ve Organizasyon Kongresi Bildiriler Kitabı*, pp. 455-459.

Master Thesis

Erdogan, I. (2009). *The relationship between work-family conflict, life role salience and individual coping styles: A gender-sensitive study*. Marmara University, İstanbul, Turkey.

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CHAPTER 1

INTRODUCTION

The common belief that family firms are not sustainable is widespread throughout the world. Everyday expressions existing in many different cultures suggest that family firms are destined to die at some point, possibly in three generations. Some examples are the American phrase of “shirt-sleeves to shirt-sleeves in three generations” or the Italian phrase of “from the barn stalls to the stars and back to the barn stalls in three generations” (Ward, 2004). Statistics also provide support for this common belief. According to the oft-cited statistics, about 30 percent of family firms survive through the second generation, about 12 percent survive through the third, and only about 4 percent make it through the fourth (Poza, 2013). Despite the low rates of survival, the presence of family dynasties all over the world that have survived through generations, even through centuries, makes the study of family firm sustainability attractive. Before giving in to the argument that family firms are not sustainable, we should be able to explain the success of “Hoshi Ryokan”- a Japanese hotel that dates back 47 generations or “Marchesi Antinori” – Italian winemakers since 1385. Of the world’s 100 oldest family firms, the youngest is reported to be 225 years old, and four to have lasted in the same family for more than a millennium (O’Hara, 2004). Given the presence of a significant number of family firms that achieved long-term success and the generally low rates of survival, a number of questions arise: What makes some family firms so enduring despite low survival rates? How do some family firms manage to achieve longevity while others fail at early stages? What are the reasons for the failure of such great number of firms?

For sure, achieving longevity is challenging for all businesses -family or nonfamily- due to many business pitfalls created by the current dynamic business environment. In fact, it has been shown that the survival rates of publicly quoted nonfamily firms are similar to those of family firms (Aronoff, 2001). Moreover, research on organizational ecology demonstrates that a high proportion of newly founded organizations fails within a short period of time (e.g. Brüderl & Schüssler, 1990; Freeman, Carroll, & Hannan, 1983). However, the particular interest in family firm sustainability stems from the specific challenges family firms face. The uniqueness of family firms originates from the integration of the family and its business (Habbershon & Williams, 1999; Tagiuri & Davis, 1996). Consequently, the interaction between family and business units poses unique challenges to sustainability in the context of family firms. Interestingly, when Ward (2004) asked family firm audiences to cite their “favorite” reasons for failure, their choices mainly pointed to family-related reasons. Common reasons were linked to an ill-prepared successor generation, the fragmentation of the family as it grows larger, and the emotional environment created by the incumbent generation (Ward, 2004). This suggests that no matter how great their business potential may be, a huge proportion of businesses fail because they cannot handle family-based issues. When one thinks about the emotional investment of family members and the waste of economic resources that may have been utilized in efficient ways, the importance of understanding how family firms can overcome such barriers against sustainability becomes clear.

The significance of family firms worldwide makes the study of family firm sustainability even more worthwhile. Family firms constitute 80-98 percent of all businesses in the world’s free economies (Poza, 2013). These businesses signify a

substantial economic force worldwide generating 70-75 percent of the gross domestic product in most countries, and representing 50-75 percent of the working population around the world (Poza, 2013). The importance of family firms is particularly noticeable in Europe, where family firms establish nearly 85 percent of all businesses and play a pivotal role in the European economy (European Commission, 2008). The significance of family firms is also remarkable in Turkey. According to the report of European Commission (2008), family firms represent 90 percent of all enterprises in Turkey. The percentage is estimated to be around 94 percent when taking into consideration small and medium sized enterprises only (Ankara Sanayi Odası, 2005). Moreover, 75 percent of enterprises listed on the Istanbul Stock Exchange are reported to be family-owned and controlled (Yurtoglu, 2000). The extent of family control over enterprise is reported to be considerably high in Turkey regardless of the size and scope of business operations (Bugra, 1994). Recent research suggests that the family plays a pivotal role in the governance and management of Turkish family business groups (e.g. Colpan, 2010; Goksen & Usdiken, 2001; Usdiken, 2008; Yildirim-Oktem, 2010; Yildirim-Oktem & Usdiken, 2010). Bugra (1994) explains that this is partly due to the highly unstable Turkish business environment which increases the incentive to maintain family control, and also due to the social identity in which the family holds a central position. It has been reported that chairperson positions in the boards of ten largest Turkish family business groups are exclusively held by family members (Yildirim-Oktem & Usdiken, 2010). Moreover, Colpan (2010) has reported that families dominate the boards of Turkish family business groups, and unofficial family working groups are involved in strategic planning. With respect to generational differences, it has been found that old generation family members are generally involved in directorship

positions, whereas young generation family members hold executive positions at the affiliates of the family business groups (Yildirim-Oktem, 2010).

Given the economic impact of family firms worldwide, the low rates of survival point to a huge waste of economic resources. Moreover, if we approach the issue from the family unit of analysis, the amount of economic and emotional investments of families furthermore increases the importance of the issue. Given this context, studying the factors that contribute to our understanding of transgenerational sustainability of family firms has been an important subject of research in family firm literature. In this dissertation, I deal with the topic of transgenerational sustainability of family firms through three research studies which integrate different approaches to the topic as well as different methodologies, focus on different types of family firms, and investigate individual, family, and organizational factors that are related to transgenerational sustainability. In this introductory chapter, I will present an overview of how these three research studies are integrated under the topic of transgenerational sustainability. Yet, before introducing the research studies, there is a need to define the family firm.

1.1 Definition of the family firm

In 1989, it has been noted that “defining the family firm is the first and most obvious challenge facing family business researchers” (Handler, pp. 258). The challenge is still present to this date. There is unfortunately no agreed upon definition of the family firm. The definitional confusion is demonstrated by the report of the European Commission (2008) in which 90 different national definitions of the family firm used in 33 countries have been identified. The definition problem is one of the most discussed issues in family firm literature (e.g. Astrachan, Klein, & Smyrnios, 2002;

Chua, Chrisman, & Sharma, 1999; Litz, 1995; Sharma, 2004; Westhead & Cowling, 1998).

Efforts of defining the family firm have mainly focused on distinguishing family firms from nonfamily firms (Sharma, 2004). The classic approach has been defining the family firm based on family involvement since family involvement is argued to be what makes the family firm unique (Chua et al., 1999). Litz (1995) referred to this as the structure-based approach, in which a firm is considered a family firm based on the degree of concentration of ownership and management within the family. In a similar vein, Chua et al. (1999) referred to this group of definitions as operational definitions. The advantage of this approach is that components of family involvement are easy to measure (Chua et al., 1999). Consequently, the vast majority of empirical studies on family firms define family firms based on two core constructs, namely family ownership and family management (Litz, 1995).

However, defining family firms on the basis of family ownership and management poses some theoretical challenges. The first challenge concerns the question of how much involvement is necessary to be identified as a family firm. Some definitions in literature are reported to require solely family ownership or family management, whereas others demand that both conditions are satisfied (Chua et al., 1999). Moreover, some family involvement is argued to be present even in widely held corporations given that decision-making is sometimes influenced by the spouse or children (Chua et al., 1999). Consequently, it has been argued that instead of a bi-polar conceptualization of firms, the measurement of family involvement on a continuous scale is more appropriate (Astrachan et al., 2002). Several attempts in literature have been made to measure the extent of family involvement through

articulating multiple operational definitions, development of scales, and family firm typologies (Sharma, 2004).

The second challenge of using family involvement variables concerns whether family ownership and family management indeed predict the essence of being a family firm. Owner-managers of firms with similar ownership and management attributes are known to widely differ in their perceptions of being a family firm (Chua et al., 1999). While some may reject being a family firm despite full ownership and management, others may insist that they are family firms although they are not involved in management (Chua et al., 1999). In an attempt to address this challenge, scholars have proposed definitions based on less tangible intentions or behaviors of the business family. For instance, Litz (1995) suggested that an intention-based approach focusing on value preferences should complement the structural approach to achieve definitional clarity in family firm research. In a similar vein, Chua et al. (1999) proposed a theoretical definition based on capturing the essence of the family firm. Astrachan et al. (2002) developed a scale for measuring the degree of family influence based on power, experience, and culture variables. Habbershon and Williams (1999) suggested that it's the distinctive bundle of resources arising from family involvement that characterize family firms.

Despite recent attempts to provide definitions based on less tangible variables such as intentions, behavior, and culture; most empirical studies on family firms adopt operational definitions based on combining several variables assessing family involvement (Chrisman, Chua, & Sharma, 2005). In addition, some studies consider variables such as CEO's perception (e.g. Classen, Van Gils, Bammens, & Carree, 2012; Llach & Nordqvist, 2010; Westhead & Cowling 1998), and the participation of

relatives in the firm (e.g. Classen et al., 2012; Miller, Le Breton-Miller, & Scholnick 2008).

In this dissertation, I follow Chua et al.'s (1999) theoretical definition:

The family business is 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. (pp. 25)

This definition is coherent with the aim of this dissertation since it gives particular emphasis to transgenerational sustainability of family firms. Given that the focus of this dissertation is on family firms exclusively, I attempted to capture both high family involvement and essence in identifying family firms. In Chapter 2 and 3, I focus on long-lived firms in which the family owns the majority of shares and holds dominant positions in the management of the business. These businesses strongly fit to the theoretical definition as they have realized a vision of sustainability across generations. Moreover, they were characterized by substantial family involvement. In the sample of 17 family firms, all cases were characterized by 100 percent of family ownership except for one particular case in which the family owned the majority of shares. Also, all family firms in the sample were characterized with a concentration of management in the family with family CEOs/owner-managers and several top-level family managers from different generations. In Chapter 4, younger generation family firms are under investigation. In this chapter, family firms are operationalized with one criteria regarding family ownership, i.e. majority of ownership, and two criteria regarding family management, i.e. the general manager of the firm is a family member, and there are at least two family members actively working in the family firm. Moreover, this chapter focuses on owner-manager's

intentions for transgenerational sustainability in line with the adopted theoretical definition (Chua et al., 1999).

1.2 Introduction of three research studies

Three studies which will be introduced in following chapters integrate different approaches to the topic of transgenerational sustainability in family firms. Literature points to two approaches to the study of family firm sustainability. One approach is based on intrafirm succession which refers to the transfer of the family firm to subsequent generations. Since longevity of family firms is dependent on the successful transfer of the business to subsequent generations, the intrafirm succession approach has dominated the literature on the study of family firm sustainability (Le Breton Miller, Miller, & Steier, 2004). Succession is a central strategic issue which underlies the low rates of survival of family firms (Morris, Williams, Allen, & Avila, 1997). Consequently, this research stream has focused on identifying the factors which influence successful business transitions with an emphasis on succession planning (e.g. Kets de Vries, 1993; Williams, 1990), successor attributes such as abilities and motivation (e.g. Barach, Gantisky, Carson, & Doochin, 1988; Chrisman, Chua, & Sharma, 1998; Sharma, Chrisman, Pablo, & Chua, 2001), incumbent motivation, personality, and needs (e.g. Cabrera-Suárez, De Saá-Pérez, & García-Almeida, 2001; Handler, 1990), and the relationship between different generations (e.g. Cabrera-Suárez et al., 2001; Handler, 1990; Ward, 1987). In Chapter 2 and Chapter 4, I follow the intrafirm succession approach to the study of family firm sustainability. In Chapter 2, I specifically focus on next-generation's commitment to the family firm. I explore the nature of different forms of commitment that prevail in members of long-lived family firms, and the roots of commitment in childhood and

adolescence. While Chapter 2 has a focus on the past, i.e. roots of commitment in childhood and adolescence, Chapter 4 alternatively adopts a succession approach based on the future of the family firm. In this chapter, I turn attention to intentions of owner-managers for sustaining their family firm beyond their own generation. Adopting a social capital perspective, I explore how family relationships can create resources which can be leveraged in the business to ensure longevity.

Although the succession approach has dominated the literature on the sustainability of family firms, an alternative approach is based on the study of family firms' entrepreneurial behavior and innovation activities. It has been well-recognized that innovation is significant for the survival of every business (Audretsch, 1995; Cefis, E., & Marsili, O. 2005, 2006; Naidoo, 2010; Raisch, Birkinshaw, Probst, & Tushman, 2009). The importance of innovation for sustained performance is also emphasized in the specific context of family firms (Cassia, De Massis, & Pizzurno, 2012; Craig & Moores, 2006; Hausman, 2005). It has been suggested that renewal through tradition is especially important for long-term survival through multiple generations (Hoy, 2006). Literature shows that family firms rely on innovations to overcome economic downturns (Sciascia, Nordqvist, Mazzola, & De Massis, 2015). In Chapter 3, I adopt this alternative approach with a focus on innovation and entrepreneurial behavior of family firms. I specifically focus on the duality of tradition and innovation in the family firm as sustaining the family firm requires both renewal through innovation and perpetuation of family business tradition. In this chapter, I explore how long-lived family firms managed to be innovative while remaining firmly anchored to their traditions and achieved transgenerational sustainability through effectively managing the duality between innovation and tradition.

Studies reported in the three chapters of this dissertation not only integrate different approaches to the topic, but also different research methodologies. In Chapter 2 and Chapter 3, I follow a qualitative research methodology based on in-depth interviews, whereas Chapter 4 is based on a quantitative research methodology. The qualitative research is designed to explore in-depth the success factors of family firms who have achieved transgenerational sustainability. To this aim, I specifically focused on long-lived family firms. Alternatively, the quantitative research reported in Chapter 4 focuses on explaining intentions for transgenerational sustainability in younger generation family firms. As such, efforts are directed to provide a comprehensive investigation of the topic of transgenerational sustainability that encompasses family firms at different life stages.

Lastly, through integrating three research studies, the topic is approached from different levels of analysis with a focus on individual, family, as well as organizational factors that might influence transgenerational sustainability of family firms. Chapter 2 and Chapter 4 mainly focus on the individuals within the family firm while also paying attention to family factors that influence individuals. Chapter 3, on the other hand, focuses on the intersection of the family and business through investigating the interactions between family traditions and business innovations.

In sum, through integrating different approaches to the topic, focusing on different levels of analysis along with different types of family firms, and following alternative methodologies, this dissertation aims at providing a broad framework to explain transgenerational sustainability of family firms.

CHAPTER 2

NEXT-GENERATION'S COMMITMENT TO THE FAMILY FIRM

Transgenerational sustainability of family firms is naturally dependent on the successful transition of the business to subsequent generations. Consistently, intrafirm succession approach has dominated literature on the study of transgenerational sustainability of family firms (Zellweger, Nason, & Nordqvist, 2012). Next-generation members of the family firm play a key role in transgenerational sustainability as leading actors of the succession process. Studies confirm that commitment and willingness of next-generation members are indeed crucial for the successful transition of the business (e.g. Björnberg & Nicholson, 2012; Cabrera-Suarez & Martin-Santana, 2012; Chrisman et al., 1998; Handler, 1992; Sharma & Irving, 2005; Sharma & Rao, 2000; Venter, Boshoff, & Maas, 2005). Commitment is linked to greater succession success, satisfaction with the succession process, and continued profitability of the business (Cabrera-Suarez & Martin-Santana, 2012; Venter, Boshoff, & Maas, 2005), and considered to be one of the most desirable attributes of successors (Chrisman et al., 1998; Sharma & Rao, 2000).

Despite its recognized significance for succession and sustainability, extant literature provides limited insight into next-generation's commitment to the family business. First, there is a dearth of research exploring in-depth the nature of different forms of commitment of next-generation members. Commitment has traditionally been conceptualized as a unidimensional construct in family business research. This stream of research has treated commitment as a successor attribute, and established its significance for succession (Chrisman et al., 1998; Handler, 1992; Sharma & Rao,

2000). However, potential differences in the nature of commitment have been largely overlooked within this traditional approach. More recently, a limited number of studies have adopted a multidimensional treatment of the construct and aimed at identifying antecedents and outcomes of different forms of commitment (e.g. Cabrera-Suarez & Martin-Santana, 2012; Dawson, Irving, Sharma, Chirico, & Marcus, 2014; Dawson, Sharma, Irving, Marcus & Chirico, 2015). However, relying on conceptualizations and measures borrowed from organizational commitment literature, these studies provide little attention to the peculiarities of the specific context faced by next-generation members. Next-generation members are born into the family business, and undergo many experiences in family, business, and social settings due to the overlap of the family and business units (Deephouse & Jaskiewicz, 2013; Mahto, Davis, Pearce, John, & Robinson, 2010). These unique conditions faced by next-generation members provide us with strong reasons to expect that the nature of commitment might be different in this specific context. To the best of the author's knowledge, there are no empirical studies exploring the distinctive nature of different forms of commitment that prevail in next-generation members of family firms.

Second, literature is also silent about the process of how commitment develops in this context. As mentioned above, research that focused on identifying antecedents of commitment has mainly drawn on organizational commitment literature. Consequently, findings of this stream of research do not add much on top of our existing knowledge from organizational commitment literature. Next-generation members' commitment to the family business is likely to have roots in childhood and adolescence as these individuals start to develop a relationship with the business as early as in childhood. This situation leads us to expect that there may

be distinctive factors that lay ground for the development of commitment that are not covered by research on organizational commitment.

Following these gaps in research, in this chapter we explore the construct of commitment in the context of next-generation members of the family firm. Our research objectives are twofold. First, we aim to explore the nature of different forms of commitment that prevail in next-generation members of long-lived family firms. Our focus on long-lived family firms is rooted in the yet unanswered question of which forms of commitment are likely to be linked to transgenerational success of family firms. Second, we aim to identify the distinctive bases of next-generation's commitment to the family business, and their roots in childhood and adolescence. Our approach is rooted in research conceptualizing family business succession as a developmental process (e.g. Schröder, Schmitt-Rodermund, & Arnaud, 2011; Stavrou & Swiercz, 1998). In their intergenerational transition model, Stavrou and Swiercz (1998) explain that next-generation members are associated with the family firm even before they enter the firm as a full-time employee through activities such as family discussions and part-time employment. In a similar vein, Schröder et al. (2011) demonstrate the impact of individual and socialization influences on next-generations' succession intentions start as early as in adolescence. The significance of childhood experiences is also emphasized by general life-span approaches to vocational development (e.g. Hartung, Porfeli, & Vondracek, 2005). In the context of next-generation members of family firms, the effects of such early experiences might be especially strong because next-generation members are exposed to the business as soon as they are born and grow up with it (Deephouse & Jaskiewicz, 2013; Mahto et al., 2010). Following this approach, we aim at identifying next-generation members'

individual experiences along with particular family and social influences that start as early as in their childhood and shape their commitment to the family business.

To realize research objectives, we provide an in-depth empirical analysis of the construct of commitment in the context of next-generation family members in a sample of 22 informants from 17 long-lived family firms in Turkey. We thereby attempt to provide several contributions to family business and organizational commitment literatures. First, we attempt to contribute to the literature on organizational commitment by providing an in-depth empirical analysis of commitment in a specific context. Given the unique conditions faced by next-generation members of family firms, we expect that organizational commitment in this context will have unique determinants, as well as distinctive qualities that may not so far be covered by existing literature on organizational commitment. Second, we attempt to contribute to the literature on family firm succession by unraveling the roots of next-generation's commitment to the family business. Through a focus on early experiences, we attempt to illuminate the processes through which next-generation members get attached to the family business, and consequently provide a broader framework to understand the factors that lead to successful succession in the family firm.

Third, we aim to contribute to the literature on transgenerational sustainability of family firms. Next-generation members deserve special attention in this matter given their pivotal role in healthy long-term functioning of the business. Through identifying the forms of commitment which prevail in members of long-lived family firms, we attempt to illuminate which types of commitment are more likely to be linked to transgenerational success. Also, through identifying the factors that lay ground to next-generation's commitment, we aim to contribute to our

understanding of how family business owners can promote willingness in the next-generation, and thereby realize their transgenerational sustainability intentions.

The rest of this chapter is organized as follows. In the next section, we present our theoretical framework through reviewing the literature on organizational commitment in general and commitment in the context of next-generation members of the family business. We then explain our research methodology and present our findings in detail. In the last section, we provide a discussion of our findings, along with implications for research and practice.

2.1 Theoretical background

2.1.1 Organizational commitment

The construct of commitment has attracted much interest in organizational behavior research (e.g. Meyer & Allen, 1991; Meyer & Herscovitch, 2001; Meyer, Stanley, Herscovitch, & Topolnytsky, 2002; Mowday, Steers, & Porter, 1979). Commitment has been defined as a binding force that is experienced as a frame of mind or psychological state compelling an individual toward a course of action of relevance towards one or more targets (Meyer & Herscovitch, 2001). The targets (foci) of commitment refer to entities to which an individual is attached, whereas the mindsets (bases) of commitment are the underlying motives (Becker, 1992). In their three-component model of organizational commitment, Meyer and Allen (1991) distinguished between three forms of organizational commitment which they labeled affective, normative, and continuance commitment rooted in the mindsets of desire, obligation, and perceived costs, respectively (Meyer & Herscovitch, 2001). Accordingly, individuals with affective commitment want to continue employment with the organization (Meyer & Allen, 1991). This type of commitment is based on

involvement, shared values, and identification (Meyer & Herscovitch, 2001). The desire to maintain membership in the organization is thought to be largely the result of positive work experiences (Meyer & Allen, 1991). It is also possible that individuals remain in the organization out of a feeling of obligation than an intrinsic desire. Individuals with strong normative commitment feel that they ought to remain in the organization (Meyer & Allen, 1991). Such feelings of obligation may develop either by internalization of normative pressures through socialization processes, or by a need to reciprocate to benefits and experiences such as organizational investments and rewards in advance (Meyer & Allen, 1991; Meyer & Herscovitch, 2001). Lastly, individuals who experience continuance commitment remain in the organization because they need to do so (Meyer & Allen, 1991). Based on the perception of costs associated with leaving the organization, continuance commitment develops when individuals have made investments or side-bets that would be lost in case of leaving the organization, or when there is a lack of alternatives (Meyer & Allen, 1991; Meyer & Herscovitch, 2001).

With regard to the consequences of commitment, organizational behavior research has shown that all forms of organizational commitment are associated with lower withdrawal and turnover (Meyer et al., 2002). Meyer and Herscovitch (2001) distinguished between focal and discretionary target-relevant behaviors associated with organizational commitment. Accordingly, the focal behavior is explicitly specified in an agreement between parties, e.g. remaining a member of the organization, working towards the success of the organization. By definition, committed individuals feel bound to engage in focal behavior. However, engagement in discretionary behavior might depend on the mindset of commitment. Research has shown that different mindsets correlate differently with desirable outcomes; affective

commitment having the strongest positive correlation followed by normative commitment (Meyer et al., 2002).

2.1.2 Next-generation's commitment to the family business

Despite the significant research attention that commitment has received in organizational behavior literature, the construct has attracted considerably less research attention in the family business field. Traditionally, commitment has been studied in relation to succession in family firms. Within this research stream, commitment of next-generation members has generally been associated with greater success in succession because committed successors show willingness to take over the family business and experience a high level of satisfaction with the succession process (Cabrera-Suarez, 2005; Dyck, Mauws, Starke, & Mischke, 2002, Sharma, 1997; Venter et al., 2005). Research shows that commitment to family business perpetuation has a positive effect on the quality of next-generation's succession experience (Handler, 1992). Moreover, cross-cultural research on desirable successor attributes suggests that commitment is among the most important successor attributes, even considered more important than successors' technical skills (Chrisman et al., 1998; Sharma & Rao, 2000).

Traditionally, studies on family business succession have treated commitment as a unidimensional construct that is consistent with the affective dimension of organizational commitment. Sharma and Irving's (2005) conceptual study is the first example of systematic research on successor's commitment that goes beyond the unidimensional treatment of commitment. Authors proposed four bases of successor commitment and developed a conceptual model of antecedents and expected behavioral outcomes of these four bases of commitment. Drawing on the

organizational commitment literature, authors distinguished between different mind-sets that form the basis of successors' commitment to join their family firms.

Accordingly, successor affective commitment is based on perceived desire and successor normative commitment is based on perceived sense of obligation. Authors also distinguished between two types of successor continuance commitment.

Calculative commitment is based on perceived costs associated with leaving, and the resulting mind-set of "cost-avoidance", whereas imperative commitment is based on the mind-set of "perceived need" resulting from the recognition of a lack of alternative employment opportunities.

Following Sharma and Irving's (2005) conceptual study, a number of very recent empirical studies focused on identifying the antecedents and outcomes of specific forms of commitment in the family business. The affective component of commitment received most attention from scholars. Sharma and Irving (2005) proposed that career interest alignment may lead to a desire to pursue a career in the family business. Ownership attachment (Memili, Zellweger, & Fang, 2013), alignment of individual's identity and career interests with the family business (Dawson et al., 2015), satisfaction of personal and professional needs, and perception of autonomy about joining the family firm (Cabrera-Suarez & Martin-Santana, 2012) have been identified as predictors of next-generation's affective commitment to the family business. Dawson et al. (2015) moreover reported that normative commitment is associated with family expectations and continuance commitment is associated with concerns about losing inherited financial wealth and perception of lack of alternative career paths. With respect to outcomes of different forms of commitment, Cabrera-Suarez and Martin-Santana (2012) found that affective commitment is significantly related to perceived success in the succession process. Dawson et al.

(2014) investigated behavioral outcomes of different forms of commitment and found that affective commitment is associated with discretionary behaviors, whereas normative commitment is associated with transformational leadership behaviors.

2.2 Methodology

2.2.1 Research design and sample

Given our broader research focus on understanding how family firms create transgenerational sustainability, an empirical qualitative research based on multiple-case studies is designed following a theoretical sampling methodology (Yin, 2003; Eisenhardt, 1989). A qualitative research approach is particularly appropriate for our research purpose given the need for in-depth research on the topic and our focus on “how” question (Yin, 2003). Case studies have also been frequently used in family business research and recognized as “a valuable method for family business scholars to describe complex phenomena, develop new theory or refine and extend existing theories” (De Massis & Kotlar, 2014, pp.16).

Our aim in case selection was to capture both high levels of family involvement and essence. To this aim, we chose to include in our sample long-lived family firms in which the family owned the majority of shares. Given the criteria, we expected family firms in the sample to provide us with rich data to understand the factors that contribute to the transgenerational sustainability of family firms. Since the Turkish Republic was founded in 1923 and there is no reliable and up-to-date information about firms founded before this date, the first step was identifying oldest family firms in Turkey that could potentially be included in the study. To this aim, a list was developed integrating three different lists that were incomplete and contained contradicting, old, or invalid information (AGMER, ITO, and PWC). To gather the

most valid and up-to-date information, company web-sites were checked for two basic information: 1) the foundation date of the business and 2) whether family ownership and management condition is satisfied. Some of the foundation dates stated in the lists were contradicting with those stated on company websites. In those cases, company reports were taken into consideration. It was also evident that in some cases the family has started entrepreneurial activities before the establishment of the business that is still active today. In that case, the foundation date of the final business was taken into consideration. Another check was conducted to ensure that family ownership and management condition is satisfied. Although some uncertainty regarding these criteria remained in some of the cases, it was resolved through another round of check when family firms were contacted over the phone.

After identifying the family firms that could potentially be included in the study, family firm representatives were contacted and asked for their consent to conduct interviews with at least one family member who is involved in the management of the business. Following a “theoretical saturation” strategy (Eisenhardt, 1989); we stopped data collection when no more new themes were observed in the data. The final sample consists of 17 long-lived family firms that agreed to take part in the research in which ownership majority is held by members of a single family. Although we only looked for ownership majority as the ownership criteria, all family firms except one had 100 percent of shares owned by family members. There was also one family business that was closed recently, yet we decided to include it in the sample since we expected this special case to provide valuable insights to our research. The characteristics of the sampled firms are reported in Table 1.

Table 1. Family Firms in the Sample

Case #	Firms	Business area	Founded in	Family ownership	Generation active in management	Size		Field visit	Interviewees	
						# of empl.	# of outlets		Position	Gen.
1	Kanaat Lokantası	Restaurant	1933	100%	3rd & 4th	53	One restaurant	Yes	GM	3 rd
2	Muzaffer Kurutemizleme	Dry Cleaning	1935	100%	2nd & 3rd	7	Two stores, one franchise	Yes	GM	2 nd
3	Yanyalı Fehmi Lokantası	Restaurant	1919	100%	3rd	24	One restaurant	Yes	GM	3 rd
4	Tevfik Aydın Saatçilik	Watch sales and service	1889	100%	3rd & 4th	13	Two stores	Yes	GM Manager	3 rd 4 th
5	Rejans	Restaurant	1932	100%	2nd	10	One restaurant (closed)	No	GM	2 nd
6	Filibe Köftecisi	Restaurant	1893	100%	4th & 5th	9	One restaurant	Yes	GM	5 th
7	Beyaz Fırın	Bakery & restaurant	1836	100%	5th	315	Six stores	Yes	GM	5 th
8	Emgen Optik	Optician	1909	100%	3rd	4	One store	Yes	GM	3 rd
9	Ece Ajandası	Diary and notebook production	1892	100%	4th & 5th	6	One store	Yes	GM	5 th
10	Bebek Bademzemecisi	Confectionary	1904	100%	3rd	7	One store	Yes	GM	3 rd
11	Karaköy Güllüoğlu	<i>Baklava</i> production	1871	100%	5th & 6th	120	One store, One production facility	Yes	Manager Manager Manager	6 th 6 th 5 th
12	Petek Saraciye	Leather accessories production	1855	100%	5th	200	One production facility	Yes	Manager Manager	5 th 5 th
13	Splendid Palas	Hotel	1908	100%	3rd	25	One hotel	Yes	GM	3 rd
14	Uludağ İçecek	Beverage production	1930	100%	3rd & 4th	900	Two production facilities	Yes	Chairman Specialist	3 rd 4 th
15	Doluca	Wine production	1926	100%	2nd & 3rd	400	One production facility	Yes	Manager	3 rd
16	Ezacıbaşı Holding	Industrial group - core sectors: building products, health care and consumer products	1942	Majority of shares	2nd & 3rd	12450	41 different corporations	Yes	Vice Chairman	2 nd
17	Zorlu Holding	Industrial group – core sectors: textiles, white goods, energy, property, mining	1953	100% (shares of the Holding)	2nd & 3rd	25000+	60 different corporations	Yes	Board member	3 rd

2.2.2 Data collection

Main data collection method was semi-structured in-depth interviews. From May 2015 to December 2015, the researcher conducted interviews with 22 family members in the sample of 17 family firms. Interviews lasted between 40 minutes and 4 hours depending on informants' willingness to contribute. When multiple members from the same family firm were available for the interview, as it was the case for four family firms in our sample, some part of interviews were conducted with all participating members simultaneously. This led to fruitful conversations between family members which also allowed us to capture the interaction between them. All interviews were conducted in person by the researcher. All interviews, except for one (Case 5), were conducted in family headquarters. An interview protocol was developed prior to data collection that comprised of a set of open questions starting with questions on demographic information on the individual and the business. Informants were then asked to narrate the story of their family business. As the research study is designed based on the broad topic of sustainability of family firms, the interview protocol included questions focusing on a range of topics including member's commitment to and bonds with the family firm, as well as family firm tradition and innovation activities (see Chapter 3). The interview protocol was revised several times during the course of data collection. The revised interview protocols in English and in Turkish are presented in Appendix A and Appendix B, respectively. Interviewees were particularly encouraged to share their memories, experiences, and stories related to the topics under investigation. All interviews were recorded and transcribed verbatim by the researcher after the interview.

In addition to interviews, the researcher also made field visits, took photographs, and collected available company documents such as archival records

and catalogs. Since the sample consisted of oldest and well-known businesses in Turkey, a very large amount of secondary data was also available in forms of TV, newspaper, and magazine interviews with family members, including those who passed away. These secondary information sources were integrated with primary data gathered from interviews for triangulation purposes (Yin, 2003). Respondents were contacted through e-mail or phone in case of missing information.

2.2.3 Data analysis

Transcripts were jointly analyzed by two coders, and final codes to be used on each transcript were determined on the basis of “consensus building” which is referred to as an appropriate method given our switching back and forth between theory and data (Bryman & Burgess, 1994). After separate within-case analysis of each case, cross-case analysis was made for comparisons. Through an iterative explanation-building process, findings of each case were compared with each other and emerging themes were revised accordingly (Yin, 2003). In line with the research objectives of this chapter, questions such as “How do you describe the relationship between the firm and the family?”, “Can you describe your early relationship with the business?”, “Can you describe your emotional bonds with the business?” were posited during the interview. In order to explore in detail next-generation members’ commitment to their family firm, a thorough content analysis of informants’ answers to these specific questions was conducted. Additionally, individual’s narratives of their family business story and the whole interview were also subjected to content analysis. Several themes were identified with respect to different forms of commitment, their mindsets and roots. In the next section, findings of the content analysis will be presented along with relevant quotations from in-depth interviews.

Original quotations in Turkish and corresponding case numbers are presented in Appendix C.

2.3 Findings

Content analysis revealed two forms of next-generation's commitment to the family business: normative commitment and affective commitment. Analyses have shown that the mindset of obligation which underlies normative commitment is based on feelings of responsibility towards the family, feelings of responsibility towards the stakeholders, and feelings of obligation to conform to social norms; all of which are rooted in external influences that next-generation members are exposed to since their childhood. On the other hand, the mindset of desire which underlies affective commitment is found to develop stepwise based on personal experiences of next-generation members. Accordingly, next-generation members go through two stages as they get exposed to personal experiences. In the first stage, the individual develops emotional bonds with the family business as indicated in the phrase "I love the family business". In this stage, the family business is still referred to as an external entity. When the individual is exposed to intense personal experiences, he/she starts to identify with the family business. Individual identity and family business identity start to merge as the individual starts to develop feelings of belongingness to the family business as indicated in the phrase "I belong to the family business". In the last step of identification, when the individual fully identifies with the family business, an external family business identity as perceived by the individual is no longer present. The individual totally internalizes the family business as indicated in the phrase: "I am the family business". In the following section, research findings are discussed in detail.

2.3.1 Normative commitment

Three bases of normative commitment are identified through content analysis. These are feelings of responsibility towards family, feelings of responsibility towards stakeholders, and feelings of obligation to conform to social norms. Analysis has shown that these three bases of normative commitment are mainly rooted in external influences to which next-generation members are exposed to starting from as early as their childhood.

2.3.1.1 Normative commitment based on feelings of responsibility towards family

The major base of normative commitment was next-generations' feelings of responsibility towards their family. This was mainly rooted in their experiences of witnessing their family's emotional investment in the family business. Many informants talked about the immense efforts their parents and grandparents put to the family business, how they valued the family business, and how they dedicated themselves to it. Witnessing such emotional investments made to the family business resulted in next-generation's feelings of responsibility to pay back to the family. Informants expressed these feelings with words like responsibility, respect, and owe. The family business was referred to as *emanet* ("something that is entrusted to them to be kept and guarded") or a family keepsake. Informants associated the failure to perform their duties with expressions like betrayal, disrespect, and regret. This type of commitment was expressed with normative verbs like must, should and have to. Some excerpts corresponding to normative commitment based on feelings of responsibility towards the family are presented below.

My father started to work here when he was 10 or 12, think about it, you work at the same place for 60, 70 years. You come and leave each and every day, you put an effort. What they have been through, military coups, terror incidents... I know they were exhausted, yet if they maintained it, we should be continuing it with pleasure now. (Appendix C, 1)

Things that took so much effort should be protected. If it closes down, it would upset me, it would upset my father, it would be like not fulfilling your responsibility. (Appendix C, 2)

No, I would never agree to sell this business. Our family has valued this name for 120 years generation after generation. This would be a betrayal to the family keepsake passed down from grandfather and his grandfather. (Appendix C, 3)

I feel respect; they accomplished it at that time... We shall continue this business, this respect. (Appendix C, 4)

I owe so much to them. ... I would be very sad because I would think as if my grandfather would turn in his grave. He put so much effort, my father as well. I didn't do anything, they made it prosper, I just inherited it and developed it a little bit. I followed their path, I protected, but they are the ones who actually did it, they brought the system, I just continued it. (Appendix C, 5)

Of course, sometimes work can get overwhelming ... But I say to myself, I'm the 6th generation, this is grandfather's legacy. ... This is a huge responsibility, it's a mission. They put in so much effort, my grandfather has worked here until he was 86, until just before one week prior his death; I must continue this. (Appendix C, 6)

My grandfather, my father have made their contributions, we and our children must add on to it and carry it on. We shouldn't let people say 'children took over and failed the business'. (Appendix C, 7)

It would be disrespect to the past, people have preserved this until this day, this family hasn't been involved in any other business, our fathers didn't have another job, our grandfathers neither. (Appendix C, 8)

Since 1855, the family has never kept hands off this business. ... All the good and bad times throughout the history, how our fathers clawed their way to the top... We cannot think otherwise. ... We would be upset because of losing all those efforts and all that history. (Appendix C, 9)

My father gave me something to keep before he died and some part of it was damaged. Thinking about the regret I felt about that, I imagine it wouldn't be easy to write off this kind of history. (Appendix C, 10)

2.3.1.2 Normative commitment based on feelings of responsibility towards stakeholders

Another base of normative commitment was next-generations' feelings of responsibility towards various stakeholders. In this case, as in previous case, normative commitment results from feelings of responsibility; however, responsibility is directed towards stakeholders instead of family members. This base is rooted in next-generation's experiences of witnessing the social value of the family business. For instance, as the next-generation member witnesses the value their customers assign to the family business, he/she develops feelings of responsibility towards customers. Similarly, if the family business has a high value in the eye of the society, the individual develops feelings of responsibility towards the society as a whole. Especially in larger family businesses with great social influence, the value created by the family business leads to the development of feelings of responsibility towards a range of stakeholders such as employees, suppliers, and even the nation as a whole. As next-generation members witness the social value of their business, they develop a responsibility towards various stakeholders in order to protect and continue that value. Such responsibility, as in previous examples of normative commitment, led our informants to refer to the family business as *emanet*. They talked about their commitment using expressions such as responsibility and duty. Besides, they referred to the value of the family business in the eye of various stakeholders with phrases like "a value known to many people" and "a value for the country". Some excerpts regarding normative commitment based on responsibility towards stakeholders are presented below.

Responsibility towards customers:

We also have a responsibility towards people, not only towards the family. There are people who wish that dishes don't get lost, frequent customers, they always tell us, 'don't allow this place to close down, do your best to keep it alive'. (Appendix C, 11)

In 1999, I built a gorgeous store in order to make it larger. Just like the Grand Optic in Champs Elysees, upstairs it was the same as Apollo Optic in Zurich. ... It was perfect, but I received huge complaints from customers. An old lady came and told me, 'You don't have the right to do this, I'm this many years old, I used to come here as a child with short pants. Why did you close that store, you should have kept it'. (Appendix C, 12)

Responsibility towards society:

We saw it not only as a business of the family, but as a historical value that is entrusted to us. ... We perceived it not as a commercial business, but as a place that carries on the values of the Turkish Republic during the time of its foundation. ... It is a value that is known by many people. ... We saw it as something that is entrusted to us, as a cultural property that is entrusted to us, and we are going to carry it over. That's how we perceived it. (Appendix C, 13)

Responsibility towards employees/nation:

I think our responsibility is towards the future rather than the past. ... It's like a great duty, if you think about 25 thousand employees and their families etc. ... I think its survival is not only valuable for us, but also a value for those 25 thousand people and consequently a value for the country. (Appendix C, 14)

Responsibility towards employees/suppliers/customers:

Businesses do not belong to people after a certain point. ... This business doesn't belong to us anymore, we have 1000 employees here; suppliers, we are the biggest customer to some of them. If you calculate, we don't have the right to make suffer 20 thousand people. (Appendix C, 15)

2.3.1.3 Normative commitment based on feelings of obligation to conform to social norms

Lastly, another base of normative commitment was next-generations' feelings of obligation to conform to social norms. These feelings are rooted in the norms and expectations that next-generation members face in society due to being a member of

a family business. This situation, which can be evaluated as a consequence of national culture, results from the common expectation that prevails in society regarding one's working in the family business. Working in the family business is generally regarded as a something that is natural and socially acceptable. This might lead to the development of normative commitment as a result of individuals' feelings of obligation to conform to social norms. In some cases, these social norms might also hinder other job opportunities. Some informants talked about the negative reactions they received in job interviews due to being a member of a family business. Some excerpts regarding normative commitment based on feelings of obligation to conform to social norms are presented below.

But it's also socially constructed. Even when I just meet someone new, and I tell them my name is Emre Zorlu, my father is Ahmet Zorlu the chair of Zorlu Holding, and I don't work for these companies, they would say 'Oh why not?'. But when I tell them my father is Ahmet Zorlu the chair of Zorlu Holding and I do this and that at the board of directors, they would say 'How nice!', they wouldn't ask why. In general, in the social environment it works like "that's natural, that's the way it should be anyway. (Appendix C, 16)

I decided to take over to survive this great name. I thought about it for one month, I didn't apply anywhere, I didn't go to any job interview, only once, even there the general manager told me that I should continue the family business. (Appendix C, 17)

Actually, I really wanted to work in a professional company. I wasn't involved with the family business in the beginning. I went to many job interviews, at some point during the interviews; my last name has always been the reason why I wasn't hired. They regarded me as a temporary employee. (Appendix C, 18)

2.3.2 Affective commitment

Contrary to normative commitment which is rooted in external influences, analysis revealed that affective commitment has roots mainly in the personal experiences of members which are grouped under two categories: early work experiences and continuous exposure to the family business in everyday life. Moreover, the mindset

of desire that is associated with affective commitment is found to develop in two stages: formation of emotional bonds with the family business and identification with the family business. Analysis also revealed that when affective commitment is based on identification with the family business, it possesses distinctive qualities that are not covered by the conceptualization of affective commitment in organizational commitment literature. In the following sections, first we will review how the mindset of desire develops and discuss the distinctive qualities of affective commitment based on identification with the family business. Next, we will describe in detail the roots of affective commitment.

2.3.2.1 The mindset of desire: Emotional bonds and identification

Analysis revealed that the mindset of desire starts to develop through the formation of emotional bonds with the family business. In this stage, the family business is referred to as an external entity to which the individual is attached with bonds of love. Contrary to the expressions associated with responsibility and obligation in normative commitment, informants in our sample often used expressions involving willingness, love and emotional bonds to describe affective commitment to the family business. Obligation-based verbs such as must, should, and have to are replaced by desire-based verbs such as want, wish, and love. These expressions mainly correspond to the mindset of affective commitment as conceptualized in the organizational commitment literature. Below are some examples for next-generations' affective commitment based on emotional bonds with the family business.

We have a responsibility to them but this is not something that you can do unwillingly. You need to love it. I guess we're connected to it with our hearts. (Appendix C, 19)

I chose to do this business willingly. (Appendix C, 20)

I wanted to come here willingly and thinking that I will contribute, not just out of feelings of guilt. (Appendix C, 21)

We have an emotional bond, we have such a thing in hand. (Appendix C, 22)

I wish that someday someone would say that 'Our mother did this and that, she took it over and brought it to another level.' You want that it becomes a part of the past, and your name survives with it. ... It's like a family keepsake; you would want to wear the necklace you inherited from your mother, something like that. (Appendix C, 23)

Emotional bonds, that's why it survived until this day. (Appendix C, 24)

There is something more affective to it than responsibility. You can add on it. (Appendix C, 25)

We were not forced, this is something that you want from your heart. (Appendix C, 26)

Analysis revealed that on top of emotional bonds with the family business, next-generation members may also start to develop identification with the family business. In the first stage of identification, individuals develop feelings of belongingness to the family business. As feelings of belongingness are developed, identity of the family business and individual identity start to merge. Excerpts below are examples for next-generation members' feelings of belongingness to the family business.

There's a root there, you feel like you belong to somewhere, but seriously, you feel like you belong there. (Appendix C, 27)

When you think, what's left for me from my past, there is something that grows towards the past, being part of that and carrying it on makes me proud. (Appendix C, 28)

I'm continuing my family's pride, I am part of the family business, I don't lay down on people, I keep my promise, I am this and I am that; there are many things like that which are embedded in your head. (Appendix C, 29)

In the next stage of identification, feelings of belongingness are followed by a total internalization of the family business. In this stage, an external family business identity is no longer present. In the excerpts below, informants talk about

internalization of the family business and express how they see the family business as a part of themselves or something that they own intrinsically.

This is a very important part of my character, how to say, my memories, my life. (Appendix C, 30)

It's such a significant part of your identity. I am a woman, I am half Turkish, at some point, 'I am Doluca' will certainly follow. (Appendix C, 31)

I think that the organization and the family are integrated. I'm no longer a different entity. I am part of this organization, this organization is part of my family, it's all merged. I suppose I cannot imagine myself independent from it. (Appendix C, 32)

Emanet feels like something that comes to you and leaves you. I never thought about it as *emanet*. Rather, it's a part of me; I think that I own it. I mean, it's a part of my life. Not something that one can take away from me. That's the thing with *emanet*, they give it to you, then... It's more external. Not like that, that's something that I own... I feel it inside me actually. When you asked like that, the answer just came out of the blue actually. (Appendix C, 33)

In case of high identification, informants expressed their bonds with the family business with phrases like "something that flows in your blood" (Appendix C, 34) and "it's written in our genes" (Appendix C, 35) which point to a perception of the family business as a fundamental and invariable part of self. As the next-generation member comes to see the family business as a central part of self, commitment in this case develops naturally and unintended. As a result, affective commitment based on identification with the family business was found to possess some distinctive qualities that are not covered by the current conceptualization of affective commitment.

First, informants with high identification expressed that they have always known that they are going to end up in the family business. That points to a lack of rational decision-making regarding their employment in the family business. Rather, they refer to an unknown past where the decision has already been given. The situation is explained as a given or as a situation by default, as if the individual is

programmed to work in the family business. Below, some excerpts show examples for this situation.

We have always known that we are going to work here, it's instilled within us since childhood. ... I have never imagined doing something else. When we were young, people would ask: 'What are you going to do when you grow up?' I would say I'll do my father's job. ... As a child you can say that your dream is to be a doctor, we never had such a thing. (Appendix C, 36)

I think that it's a given, that you will be part of this company, that you will work in this company etc., it comes to you by default, it's not something that's told to you. (Appendix C, 37)

I have always known that this is the place I will end up, I never thought of doing any other business. (Appendix C, 38)

I worked abroad, I worked as a project engineer in Istanbul in another business of ours, then I came here. But psychologically, I have never left this business all along. (Appendix C, 39)

Second, when asked to imagine detachment from the family business, informants express confusion and experienced difficulty to imagine this situation. In the below excerpts, some examples for this confusion are presented.

I would need to build a new life, how can I do that? ... I don't know, what else can one do? ... Everything would fall apart, we would need to build another world that is completely different from what we have been living. That would be an utterly different feeling, I don't know, I need to go through it to know. (Appendix C, 40)

I don't know... It's difficult. Now I'm thinking, what would I do? I cannot even imagine! What would I do if we didn't have this, no nothing... Is that possible? Probably not, I cannot do it. (Appendix C, 41)

We never had anything else in our lives. Always this, we have always made a living out of this. You would feel like a fish out of water. Because you never thought of anything else, you never imagined anything else, you imagined everything based on this. (Appendix C, 42)

Third, when informants managed to imagine detachment from the family business, they associated detachment with huge losses like losing everything one has, resetting life, or losing one's child. Below are some examples for the losses associated with detachment from the family business.

Emotionally, it would be like losing everything I have. (Appendix C, 43)

I guess we would fall into a great feeling of emptiness. (Appendix C, 44)

I guess it would be like losing your child. (Appendix C, 45)

You would lose so many things, it would be like losing everything you have lived until that age and a new life is going to start. But if that happens, thanks God we have got a good education, we will somehow hold on to life. But it's a big blow... Suddenly you reset your life. (Appendix C, 46)

We would fall into a great emotional gap. (Appendix C, 47)

I am not a business woman; I am the owner of Doluca. Thus there will certainly be a feeling of emptiness. (Appendix C, 48)

2.3.2.2 Roots of affective commitment: Continuous exposure to the family business in everyday life and early work experiences

Contrary to normative commitment, analysis revealed that affective commitment is rooted in next-generation members' personal experiences rather than external influences. Informants often referred to their early experiences in their everyday family life when describing their affective commitment to the family business. In their childhood experiences, the family business often played a significant role. Many informants expressed that they see the family business like a family member, or like their home. They reported that they have grown up inside the family business or with the family business.

These expressions suggest that the family business has been a natural part of their everyday life while growing up. The family business was part of everyday conversations within the family and held a significant and positive place in their childhood memories. Continuous exposure to the family business and associated positive experiences led to the development of emotional bonds with the family business that resulted in a desire to work in the family business. This is different

from the mindset of obligation experienced in normative commitment, because in this case individuals are attracted to the family business on the basis of desire, rather than a sense of responsibility. Following excerpts demonstrate how individuals develop a mindset of desire based on continuous exposure to the family firm in everyday life.

I always say that, this is my home. I have grown up here, I was a little girl, I would go down those stairs and buy bread from that kiosk, then I would climb up here. ... Once there was an idea of selling it. That would hurt me deep inside, because this is my home. (Appendix C, 49)

There's a root there, you feel like you belong to somewhere, but seriously you feel like you belong there. Because all these photographs, other stuff, they attract you somehow. And when you go out, you see your water on one side, your mineral water on the other side, your *gazoz* there... (Appendix C, 50)

The business is like a family member you grow up with. Since our childhood... Although my father is not the type of guy to say things like "this is yours, you have to protect this", not at all. I studied dancing, my brother had the freedom to do anything he wanted. He never put any pressure on us. But while growing up, of course, we spent our childhood in vineyards and harvests. ... You get the feeling that you're the descendant to something valuable when you're very young. Our entire childhood... Whenever we went out to a restaurant, we would walk around the tables with my brother and count the bottles of wine. In the evening, there was wine on the table, vine harvest was a entertainment for us during our childhood, it's great entertainment for two children. When you grow up, you start to consume it yourself, when people know you, they think of you when they drink wine. We have grown up inside it, and we have grown up loving it, and now all three of us work in it. (Appendix C, 51)

Now I see that our children are the same, they know the names of our brands. They want to smell the wine. When you ask them to say a word starting with the letter 'W' they say wine. Because the product is something that enters everyday life very easily and usually in a pleasant way... Now as I look back to my past and I see its effect on my child, I understand how it attracts us positively. (Appendix C, 52)

The last excerpt that we are going to present about affective commitment based on identification with the family business belongs to an informant who talks about a dream that she had, and only then realized her strong bonds with the family business. Her interpretation of the dream was that there must be something really strong inside

her in relation to the family firm, as if she has not been consciously aware of that bond but only came to realize it following the dream. This excerpt shows how affective commitment develops naturally and unintended as a result of continuous exposure to the family business.

We had a brand that we used to sell for a very long time, maybe since before I was born. We stopped working with it, then I realized the emotional bonds I have. I had a dream in which I find out that our house doesn't actually belong to us. I thought to myself, 'That is to say that inside me there must be something emotional in relation with the firm, because I had a dream about it and I got upset. That is to say that I must have a very strong emotional bond.' Actually, you think like that is not the case, but it's very strong, because since my childhood, as both my mother and my father were involved in the business, also my grandfather, the topic has always been this, they have always been talking about the business, about watches... This is a very important part of my character, how to say, my memories, my life. (Appendix C, 53)

Besides continuous exposure to the family business, affective commitment was also rooted in members' early work experiences. In our sample, most of the informants reported that they started working in the family business from an early age on. Very commonly, they worked during summers when school was over, or during weekends. Below, some statements depicting informants' early work experiences are presented.

I'm coming here since the age of nine, I'm here since the age of nine. I was coming on Saturdays and Sundays, I was studying and working at the same time. During summers, I was here all the time. When everyone was going to the beach, we used to come here and work. (Appendix C, 54)

We used to come here as children. ... My son is also interested, I bring him here so he can get the smell of the starch, he is also talented. Children get used to it. (Appendix C, 55)

During summers, when school was over, they would bring us here. (Appendix C, 56)

I was 15-16 years old. In those days, during summer holidays, children used to work with their father. My father assigned me this job, I would do the delivery, card index, billing and bookkeeping. (Appendix C, 57).

It was also common that they took part in many different roles within the family business. For instance, an informant explains:

I started as doorkeeper at the age of 13, we came to help during Ramadan, on weekends. We worked as a waiter, as a clerk, We took part in every role. (Appendix C, 58)

Similarly, an informant from reports:

I did my first internship when I was 12 years old. That's when my father has sent me to the storehouse and let me work there. Then during my entire middle school and high school life, I did various jobs inside the company. During summers, if I'm not involved in academic activities, I would spend 5 to 8 weeks here in the company like an intern. Visiting textile warehouses, internship in marketing... I did everything. (Appendix C, 59)

Through these early work experiences, next-generation members get the opportunity to build a personal, intimate relationship with the business itself. As a result, they develop very strong emotional bonds with the family business. Some excerpts in which respondents link their affective commitment to their early work experiences are presented below.

I used to work in production during summers when I was studying. ... My father didn't force me to work here, he didn't do anything about it. It's a luck for me, for the firm, for my father, that I did this job willingly and I loved it. ... It means a lot to love the job intrinsically. I have a passion for the product. You may have the passion but people discover it years later after doing different stuff. This is my luck, I had such a love, such a passion, and I was actually born into it. (Appendix C, 60)

Since my childhood, I used to come home after school and blanch almonds, and then I did my homework. Because I had to help my mother... Then my mother got sick and I had to take over. I had the habit since childhood, blanching almonds, I still love it very much. ... My job has been my husband, my child, my everything. ... I devoted myself to my job to such a degree that I never got married thinking that I would lay down on my job if I get married and have children. No way... I married my job. You have to be in love with your job in order to be successful. If you're not in love, don't expect success. If you're seeing it as a job, no way... When you love your job, every day you focus on how to do it better, you work with that feeling. (Appendix C, 61)

I was familiar to the subject anyway, I've been involved with watches since childhood. It was a subject that I loved, so I started. ... What excites me most is being able to continue on the same subject. I love watches, it's my thing.

It's not only about making money. ... For me watch is not only business, it's my hobby, I'm genuinely interested. (Appendix C, 62)

When school was over, even when we were very young, our fathers would bring us to the factory. We would do stuff like cleaning threads, lining up leathers. Older ones would put them into the machine. Stuff like that, during different age periods they would make us work in different sections. We have benefited from all these in terms of continuing family tradition. Besides, everyone in the family loved it. We're seven cousins, only one of us didn't want to do it. We love this job. (Appendix C, 63)

2.3.3 Proposed model

Based on empirical findings, we developed a model to explain next-generation members' commitment to the family business that depicts different forms of commitment, different mindsets associated with them, and their roots. The proposed model is presented in Figure 1.

2.4 Discussion

In this section, findings of this chapter will be discussed in light of its contributions to relevant literatures.

First, we contribute to the literature on family firm succession by unraveling the roots of next-generation's commitment to the family business. Findings reveal that affective commitment is rooted in personal experiences which lead to the development of emotional bonds and identification with the family business. Work experiences have been previously recognized as a strong predictor of affective commitment in the organizational commitment literature (Meyer & Allen, 1991). Our results regarding affective commitment confirm these findings and add on to them by highlighting in particular the role of early work experiences in the family business for the development of the mindset of desire in next-generation members of the family business. In family businesses, these early experiences provide members

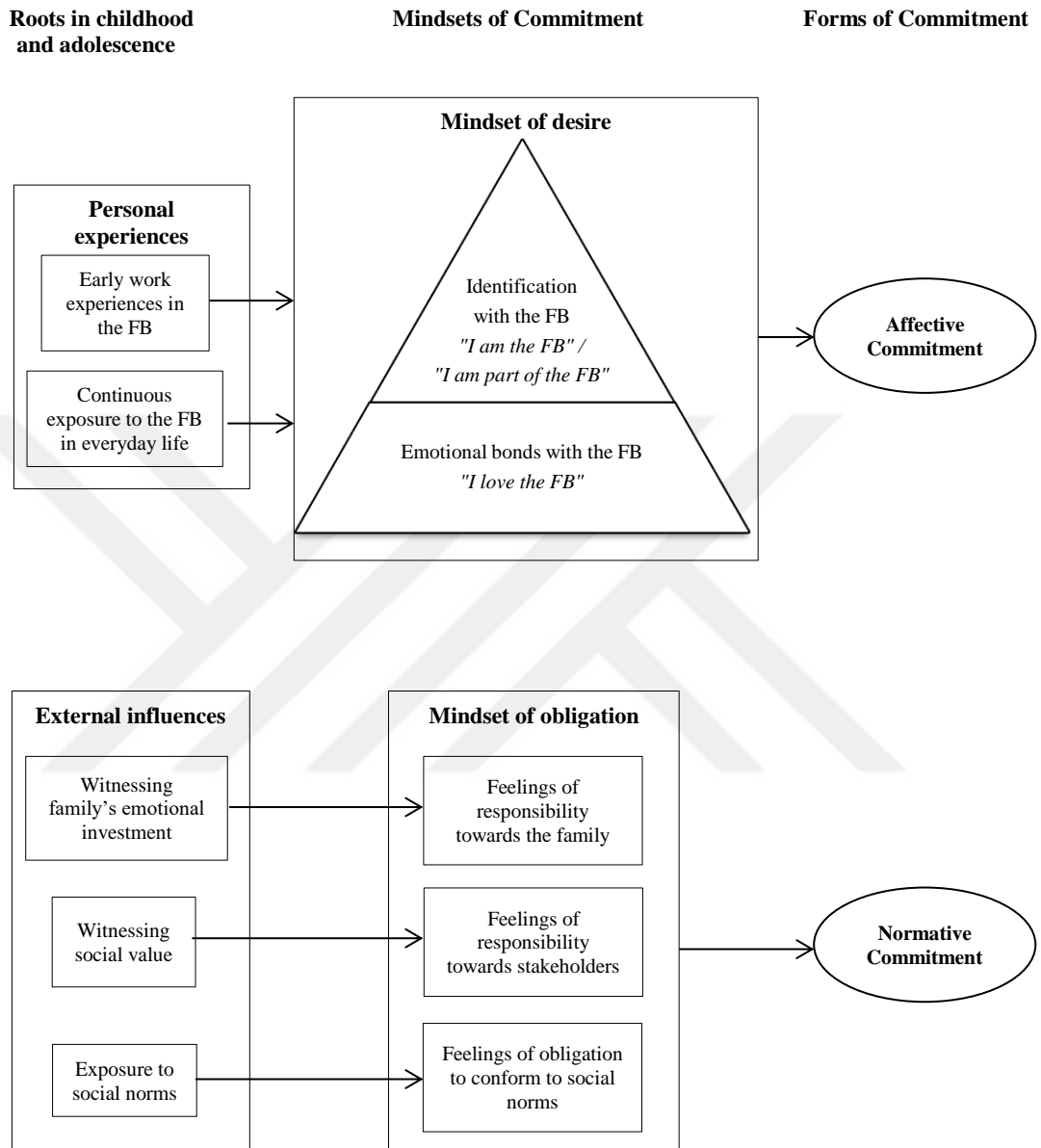


Fig. 1 Proposed model of next-generation's commitment to the family firm

the unique opportunity to discover their career interests at a very early age. Their job becomes part of their childhood and develops into a hobby or a passion.

Consequently, members may develop strong emotional bonds and identification with the family business. Our results are also in line with Schröder et al.'s (2011) finding that parents' preference about and preparation for succession increase adolescents' intention to work in the family firm. In addition to early work experiences, we decipher the role of continuous exposure to the family business in everyday family life in the development of affective commitment to the family business.

The study also demonstrates that normative commitment is rooted in a variety of family and social influences which result in feelings of responsibility towards the family, feelings of responsibility towards stakeholders, and feelings of obligation to conform to social norms. Sharma and Irving (2005) underline the role of obligation toward the family in the development of successors' normative commitment to the family business. Our study provides empirical support for their proposition, in fact, responsibility toward family emerges from the analysis as the most frequently expressed base of commitment. However, contrary to their propositions, our findings suggest normative commitment has little to do with the familial norms related to gender and birth-order or the institutionalization of these norms. In a similar vein, the practice of primogeniture, where the parental estate is passed on to the eldest son, was not prevalent. Also, contrary to Dawson et al.'s (2015) findings, family expectations did not emerge from our analysis. Instead of feelings of obligation to conform to familial norms or expectations, our study reveals the importance of next-generation member's feelings of responsibility to pay back to the family. These findings are in similar vein with the argument that recognition of organizational investments such as job training or paying for college tuition may cause employees

to feel an obligation to reciprocate by committing themselves to the organization (Meyer & Allen 1991; Meyer & Herscovitch 2001). In the case of family businesses, however, it's the recognition of family's emotional investment to the business that creates feelings of obligation to reciprocate in next-generation members. Findings are also in accordance with the argument that although normative commitment is associated with feelings of obligation individuals may not perceive this negatively, e.g. they accept the push factor willingly (Meyer & Allen, 1991). Interviewees often expressed that they were not forced by their parents. Rather, they were pushed by their feelings of obligation to pay back to their family, and they did so willingly. The difference from affective commitment is that in normative commitment the mind-set is based on obligation rather than on an intrinsic desire as in affective commitment. Witnessing family's efforts and dedication plays an important role in the development of such mind-set. Results are in line with Schröder et al.'s (2011) finding regarding the role of adolescents' perceptions of their parents' experiences in the family firm in contributing to their intention to work in the family firm. In addition to the family, our study reveals two other sources from which feelings of responsibility and obligation may arise. First, findings suggest that next-generation members may develop normative commitment based on feelings of responsibility toward stakeholders. Second, findings show that normative commitment may also develop based on feelings of obligation to conform to social norms regarding one's working in their family business. This suggests that the internalization of norms is rather prevalent in the social setting, rather in the family setting. This is in accordance with Meyer and Herscovitch (2001) who suggest that normative mind-set is the result of the internalization of norms through socialization.

Second, we contribute to organizational commitment literature through identifying distinctive determinants and mindsets of organizational commitment in the specific context next-generation members of family firms. The study moreover reveals that affective commitment based on identification has distinctive qualities that are not previously identified by organizational commitment literature. Strong identification with the family business through which next-generation members recognize the family business as a fundamental and invariable part of themselves lays ground for affective commitment based on identification. Identity alignment has previously been considered an important variable in research on succession and commitment. For instance, Schröder et al. (2011) have shown that adolescents with high levels of identification with the family firm are more likely to intend to work in the family firm instead of creating their own business or work outside the family firm. Identity alignment has also been previously recognized as a predictor of affective commitment (Dawson et al., 2015; Sharma & Irving, 2005). However, no studies so far have empirically demonstrated the distinctive qualities and roots of such commitment. In our proposed model, the next-generation member gradually develops bonds of identification through intense personal experiences that start as early as in childhood. In the end, commitment to the family business follows naturally. Although commitment is conditioned through such experiences and influences, it seems to be innate to the individual (e.g. “flows in your blood”, “written in our genes”). This form of commitment may resemble calculative commitment as it entails high perceived costs associated with leaving the organization. However, the mind-set that forms the basis is essentially different. Continuance commitment is based on the cost-avoidance mind-set (Meyer & Allen, 1991), whereas members who are committed to the family business based on

identification do not calculate the costs when joining the family business, nor do they continue their membership based on perceived opportunity costs. In fact, there is no rational decision-making process involved in commitment based on identification. Individuals express that they have always known that they are going to be a member of the family business. When asked, they find it very difficult and strange to imagine their detachment from the family business. They start thinking about perceived costs only when asked about it, and express very high costs such as resetting life, losing everything one has lived so far, etc. Sharma and Irving (2005) distinguish between two types of continuance commitment; calculative commitment which is based on the “perception that remaining in the family business is the best of a number of attractive opportunities available”, and imperative commitment which involves a “perception that remaining in the family business is the only alternative, or the least bad of a number of unattractive alternatives” (pp.19). Affective commitment based on identification is also distinguished from these two types of continuance commitment as within this mindset alternatives are not considered at all.

Third, we contribute to the literature on the transgenerational sustainability of family firms. Our sample consisted of long-lived family firms in which members expressed exceptional levels of commitment to the family firm. This choice provided us with the opportunity to analyze in-depth the phenomenon under interest. Owing to our purposeful theoretical sampling, we observed the limits of next-generations’ commitment to the family business and identified a form of affective commitment which results from exceptionally high levels of identification with the family business. Consequently, our study sheds light to the question of which types of commitment are more likely to be linked to transgenerational success. This question is especially relevant in the family business context, as survival depends not only on

the commitment of single individuals, but on the sustainability of commitment over generations. As Sharma and Irving (2005) notes, it is possible that behaviors associated with different types of commitment and their implications for firm effectiveness will vary. Some forms of commitment may not necessarily result in pursuing long-term careers in the family business. The fact that continuance commitment did not emerge from our analysis suggests that commitment based on a calculation of costs and lack of alternatives may not be not sustainable. Similarly, the finding that familial norms such as primogeniture did not emerge as a base of normative commitment suggests that normative commitment based on these norms are not sustainable. Individuals who are committed to the family business on the basis of emotional bonds, feelings of responsibility, and identification are more likely to dedicate themselves to their organizations. Consequently, they will also provide their children with the conditions that will trigger the development of these forms of commitment; their children will witness their efforts and dedication, they will get exposed to the family business in everyday family life, they will be motivated by their parents to work in the family business from an early age on, etc. As the family business continues into consequent generations, emotional and social value of the business, as well as former generations investments are likely to accumulate. As a result, feelings of responsibility and emotional bonds in the following generations might also increase incrementally. This explains the exceptional levels of commitment that members of long-lived family businesses in our sample have demonstrated.

Our findings also provide support for the argument that affective and normative dimensions of commitment are not independent from each other (Meyer & Herscovitch 2001; Malhotra, Budhwar, & Prowse, 2007). Meyer and Allen (1991)

conceptualized affective, normative, and continuance commitment as components rather than types of commitment arguing that an individual may experience all three forms of commitment to varying degrees. Sharma and Irving (2005) also note that the mind-sets of desire and obligation can coexist, particularly in the family business context. In our sample, most of the interviewees expressed desire and obligation mindsets simultaneously. However, we observed that each individual has a dominant mind-set underlying their commitment to the business. For instance, individuals who have developed affective commitment based on identification to the family business also expressed emotional bonds and feelings of obligation; however their dominant mindset was identification. Further research is needed to expand upon our preliminary observation of dominant mindsets of commitment.

It needs to be recognized that our model may not generalize to next-generation members of younger family firms and other types of commitment (e.g. calculative or imperative commitment) may be also prevalent in case of next-generation members who are not that strongly committed to the family business. Nevertheless, our model outlines the forms of commitment that are most likely to result in long-term sustainability of the business and the factors that are likely to shape those bases of commitment. Consequently, our study provides directions for younger family firms with intentions for transgenerational control. First, although all interviewees underlined that their decisions to join and stay in the family business were not based on their parents' forcing; normative commitment based on feelings of responsibility to pay back to the family emerged as the most prevalent form of commitment among interviewees. This implies that next-generation-members need to observe their parents' commitment as children. When children witness the efforts and dedication of their parents and hear stories of their grandparents' sacrifices, they

develop a sense of responsibility to pay back to the family business. Second, our study highlights the important role of early personal experiences in the development of emotional bonds with the organization. To ensure their children's commitment, family business owners might involve their children in business activities from an early age on and make the family business visible in everyday family life. A great percentage of interviewees in our sample didn't have working experience outside the family business. This questions family firms' preference for requiring next-generation to gain outside experience before joining the family business. Although family firms might benefit from these experiences in terms of the development of job-related competencies and professionalism, our findings question the soundness of such preference in terms of ensuring next-generation's commitment to the family business. We need further research to into the effects of work experiences within the family firm versus work experiences outside the family firm on transgenerational success of family firms to understand which choice is more useful from a practical point of view.

It is also noteworthy to discuss the role of national culture in our study's contributions. Turkish culture is characterized with a high power distance (Hofstede, 1980) which would lead us to expect that familial norms related to gender and birth-order and practices such as primogeniture will be prevalent in issues of succession. However, normative commitment was not based on such norms but rather on a feeling of obligation to pay back to the family and to care for stakeholders. This might be explained by the fact that Turkish culture has been described as a culture of relatedness and Turkish family as an emotionally interdependent unit with individual and group loyalties (Kağıtçıbaşı, 1996). The cultural values of paying back and being loyal have played an important role in the development of the mindset associated

with normative commitment. In fact, many expressions concerning these mind-sets were lost in translation. Although the model is bounded by some cultural idiosyncrasies, this situation also enabled us to provide a broader perspective to the study of longevity of family firms.



CHAPTER 3

THE DUALITY OF TRADITION AND INNOVATION IN THE FAMILY FIRM

Innovation plays a remarkably important role for the transgenerational sustainability of family firms as survival through multiple generations requires renewal through innovation (Hoy, 2006). Consequently, family firm innovation has become a topic of increasing interest among both innovation and family business scholars. Research has so far mainly focused on comparing family and nonfamily firms with respect to innovation inputs and outputs (De Massis, Frattini, & Lichtenhalter, 2013). To understand how and why family firm innovation differs from innovation in nonfamily firms, innovation literature has considered several distinctive characteristics of family firms that might affect innovation such as their risk aversion (Munari, Oriani, & Sobrero, 2010), shared family values (Cassia et al., 2012), human, social and marketing capital (Llach & Nordqvist, 2010), and socioemotional wealth endowments (Chrisman & Patel, 2012). This stream of research has demonstrated that family firms have both advantages and disadvantages with respect to innovation. For instance, when compared to nonfamily firms, greater risk aversion of family firms is linked to a lower willingness to innovate; whereas their long-term orientation is likely to produce a higher ability to do so (Chrisman, Chua, De Massis, Frattini, & Wright, 2015). Due to such dual effects of family ownership and management, studies comparing family and nonfamily firms have reported contradictory results, and the debate on whether family firms are more or less innovative than nonfamily firms is still continuing. Given the inconsistent results produced by the dominant approach in literature, recent studies have focused on the innovation process in family firms which has been referred to as the “black box” of

innovation in family firms (De Massis, Frattini, Pizzurno, & Cassia, 2015). However, the question of how family firms manage innovation activities also remains largely unanswered due to the scarcity of research analyzing in-depth the dynamics within family firms that might affect their innovation activities.

This chapter moves beyond the basic question of whether or not family firms are more innovative than nonfamily firms since contradictory results in this regard have shown that a simple answer to this question is not possible. Instead, we recognize the complexity of the phenomenon, and attempt to contribute to opening up the “black box” of innovation by adopting an alternative approach to family firm innovation which involves exploring in-depth how family firms manage a specific duality concerning their innovation activities. Within the literature on family firm innovation, little attention has been given to the role of tradition. Tradition might be an important lens for conducting research on the “how” question regarding family firm innovation as it forms a duality with innovation and represents the family element in this duality. Tradition is about the past, commitment and stability (Hobsbawm, 2012; Linnekin, 1983), whereas innovation is all about change. Hobsbawm (2012) argues that the modern interest in tradition emerges from “the contrast between the constant change and innovation of the modern world and the attempt to structure at least some parts of social life within it as unchanging and invariant” (pp.2). The negligence of tradition in family firm innovation research is surprising since these two elements are closely intertwined in the family firm although their coexistence appears to be paradoxical. Very recently, De Massis, Kotlar, Frattini, Petruzelli, & Wright (2016) have investigated how family firms can create and nurture a competitive advantage by leveraging their tradition and conceptualized a new product innovation strategy called “innovation through

tradition”. This novel approach suggests that tradition might play an important role in family firm innovation; however our knowledge on how tradition and innovation interact and coexist in family firms is limited.

In this chapter, we provide an in-depth investigation of the interactions between family firms’ innovation activities throughout generations and their traditions pertaining to products and production methods in a sample of long-lived family firms in Turkey. Given the particular prominence of tradition in the family firm (Lumpkin, Martin, & Vaughn, 2008) and its overlooked significance for innovation research, we attempt to provide several contributions to the study of family firm innovation and transgenerational sustainability of family firms. First, instead of focusing on inputs and outputs of innovation, we focus on the under-researched area of innovation activities, and thereby attempt to contribute answering the “how” question of family firm innovation. Given that family firms have strong links with their past and the values and beliefs of the family are in many cases handed down across many generations (De Massis et al., 2016; Tapies & Ward, 2008), we argue that the desire to protect family tradition is likely to interfere with innovation activities in the family firm. Potential tensions between protection and change lead us to expect that tradition might be an important variable affecting innovation activities in family firms. Exploring how these two elements interact and coexist in the family firm is likely to contribute to opening up the black box of innovation in family firms. Second, by answering the “how” question, we also attempt to contribute to our understanding of what makes family firm innovation distinctive. Mainstream research on family firm innovation has attempted to answer this question by comparing family and nonfamily firms with respect to several characteristics. We move beyond simple comparisons between family and nonfamily

firms, and follow an alternative approach focusing particularly inside the family firm and exploring in-depth a family-firm specific duality. Through analyzing the dynamics and tensions of this key duality, we attempt to decipher the “familiness” in family firm innovation.

Third, we also attempt to contribute to the literature on sustainability of family firms by providing empirical evidence on how family firms manage the duality of tradition and innovation. Survival of family firms requires both renewal through innovation and perpetuation of family business tradition. Many long-lived family firms worldwide demonstrate that it is indeed possible to protect family tradition and innovate at the same time. In this chapter, we explore if tradition and innovation are indeed contradicting elements, or if their interaction creates a unique advantage for sustaining the family business. If the latter is true, we attempt to illuminate the different ways in which family businesses might leverage this interaction in order to ensure longevity.

The structure of this chapter is as follows. In the next section, theoretical background of the study is discussed. Then, research methodology is described and empirical findings are presented along with a typology of innovation activities in family firms. In the final section, a discussion of findings will be provided.

3.1 Theoretical background

It is widely recognized that the coexistence of family values and needs alongside business necessities may lead to various tensions in a family firm (Aronoff & Ward, 2011; Ward, 1987). Given that tensions are considered underlying sources of paradox (Lewis, 2000), it is not surprising that tensions in different areas such as goals, values, and practices give rise to many paradoxes in the family firm. Family business

values are based on both family orientation and entrepreneurial orientation. As a result, family firms are expected to embrace contrasting values such as stability and proactiveness or interdependency and autonomy (Lumpkin et al., 2008; Rauch, Wiklund, Lumpkin, & Frese, 2009; Zellweger, Mühlebach, & Sieger, 2010). They have to preserve family control over the business, simultaneously they face the challenge of professionalization (Chua, Chrisman, & Bergiel; 2009). In contrast to nonfamily businesses, they pursue nonfinancial goals together with financial goals (Berrone, Cruz, & Gomez-Mejia, 2012; Chua et al., 1999; Gomez-Mejia, Haynes, Núñez-Nickel, Jacobson, Moyano-Fuentes, 2007; Zellweger & Astrachan, 2008; Zellweger, Nason, Nordqvist, & Brush; 2013). The simultaneous existence of these contradicting elements in a family firm is paradoxical, yet at the same time it is what makes the study of family firms worthwhile. The duality between tradition and innovation is one among many other dualities in the family firm that stem from the special intersection between the family and the business. Family firms are exceptional cases with regards to the traditional elements incorporated in their business. Yet for their survival, they need to introduce innovations continuously just like any other business. In the following sections, we provide a discussion of tradition in the family firm, followed by a brief literature review on family firm innovation and the role of tradition in family firm innovation.

3.1.1 Tradition in the family firm

Although the terms ‘tradition’ and ‘traditional’ are very commonly used in everyday vocabulary, clarifying the concept of tradition has been challenging for social scientists. According to the commonsense definition, tradition refers to an inherited body of customs and beliefs (Handler & Linnekin, 1984). This commonsense

understanding of tradition has been challenged by many social scientists and tradition has also been defined as a concept that is invented rather than inherited (Linnekin, 1983, Hobsbawm, 2012). Accordingly, the selection of what constitutes tradition is made in the present according to modern significance (Eisenstadt, 1973). While the question of whether tradition is genuine or spurious remains (Handler & Linnekin, 1984), there is consensus around certain characteristics of tradition. First and foremost, tradition is about the past. Shils (1971) emphasizes that traditions have a temporal structure. Accordingly, traditions are defined as “beliefs with a sequential social structure” or “a consensus through time” (Shils, 1971, pp.126). In addition to its temporal nature, tradition also has an ideological character. Hobsbawm (2012) underlines this ideological character when distinguishing tradition from similar concepts such as custom, convention and routine. Accordingly, these concepts are distinguished from tradition as their functions are technical while tradition has an ideological function. In the same way, Shils (1971) refers to the ideological element of tradition explaining how ‘pastness’ becomes infused with sacredness. Hobsbawm (2012) furthermore underlines the element of invariability in tradition when distinguishing tradition from similar concepts. Unlike tradition, he argues that convention and routine may be easily modified or abandoned to meet changing practical needs. Custom also does not entirely preclude innovation and change as it has an element of flexibility in substance.

In line with these discussions on tradition, in this study we define tradition as “elements of the past that are infused with value and perceived to be invariable”. All long-lived organizations may obviously have traditional elements. Yet in a family business, the family component adds a whole new dimension to the discussion. We argue that this may happen in a number of different ways. First, the family may have

a direct influence on business tradition as family traditions can easily permeate the business. In this case, the business becomes an arena to carry on family traditions. Alternatively, the family component may transform business customs or routines that are simply technical by nature into traditions. As family and business are mostly not perceived as separate entities, these business customs or routines that originate from the past may easily be infused with value as they are perceived to be part of family history. As such, things such as products and methods of production that should normally be prone to change take on an ideological character and perceived as being invariable.

3.1.2 Innovation in the family firm

To this date, research on family firm innovation has produced strong theoretical arguments and empirical findings that support the argument that family involvement affects innovation (De Massis et al., 2013). Research is generally consistent in finding a negative relationship between family involvement and innovation inputs such as R&D intensity and R&D investments (e.g. Block, 2012; Chen and Hsu, 2009; Chrisman & Patel, 2012, Munari et al., 2010; Munoz-Bullon & Sanchez-Bueno, 2011). On the other hand, findings are mixed with respect to innovation outputs. Some studies find a negative influence of family involvement on innovation outputs (e.g. Chin, Chen, Kleinman, & Lee, 2009; Czarnitzki & Kraft, 2009), whereas others report a positive influence (e.g. Gudmundson, Tower, & Hartman, 2003; Llach & Nordqvist, 2010).

Innovation activities in family firms have received less attention compared to innovation inputs and outputs (De Massis et al., 2013). These studies focused on how family involvement affects the new product development process (Cassia et al.,

2012), technological innovation activities (Hsu & Chang, 2011), search breadth (Classen et al., 2012), and product innovation process (De Massis et al., 2015). Recently, the ability and willingness paradox has been suggested to explain the lower willingness and higher ability of family firms to innovate (Chrisman et al., 2015). Some scholars explained family firms' lower willingness to innovate by their loss aversion when it comes to their socioemotional wealth endowments (Chrisman & Patel, 2012; Classen et al., 2012; Gomez-Mejia et al., 2007).

The role of tradition in family firm innovation has been mostly overlooked in existing literature. To the best of our knowledge, De Massis et al.'s (2016) recent study has been the first attempt to incorporate tradition into family firm innovation research. These authors have conceptualized a new product innovation strategy called "innovation through tradition" which suggests that family firms can leverage a powerful and unique source of innovation advantage by using knowledge from the past. Their conceptualization of tradition mainly revolves around family firms' knowledge from the past. However, tradition has many other aspects that are relevant to the study of innovation. In this study, we focus particularly on tradition that pertains to family firms' products and methods of production. Technological innovation is defined as a change in the products or services which an organization offers or a change in the way in which they are created and delivered (Tidd, Pavitt, & Bessant, 2001). In many cases, however, products and methods of production may be an essential part of the family business tradition. The commitment to traditional products and traditional methods of production might interfere with family firms' ability and willingness to innovate. Products and production methods represent an area where tradition and innovation intersect and collide, yet how the interplay between tradition and innovation occurs in that area is unknown. In this study,

through an in-depth investigation of the interactions between long-lived family firms' innovation activities through generations and their traditional products and traditional production methods, we aim to 1) demonstrate the role tradition plays in family firm innovation activities, 2) understand what makes family firm innovation distinctive, and 3) illuminate the different ways in which family firms can manage the tensions between tradition and innovation in order to ensure sustainability.

3.2 Methodology

The two studies reported in Chapter 2 and Chapter 3 are conducted under a common research framework which is designed to analyze the broad research question of how long-lived family firms generate transgenerational sustainability from different perspectives. Thus, the research methodology of this chapter, e.g. research design and sample, data collection, and data analysis procedure, is identical to the methodology which is already explained in Chapter 2, and will not be repeated here. Long-lived family firms in our sample (see Table 1) provide a good context for studying the complex relationships between tradition and innovation, as they are potentially characterized by a strong tradition, yet have managed to survive over many generations. In line with the research objectives of this chapter, the interview protocol also included questions regarding changes in products and production methods over generations, family tradition that pertains to products and production methods, and the reasons behind protection and change over generations. A separate content analysis is conducted with respect to informants' answers to these specific questions to realize research objectives of this chapter. In the next section, findings of the content analysis will be presented.

3.3 Findings

Content analysis revealed two strategic dimensions in which innovation activities in family firms varied: approach to innovation (reactive approach and proactive approach) and goals of innovation (family goals, family-business goals, and entrepreneurial goals). Main findings of the study are summarized in a typology that outlines six different types of innovation activities in family firms based on these two strategic dimensions. Each different type of innovation activity portrayed in the typology represents a different nature of relationship between tradition and innovation. The upper part of the typology demonstrates innovation activities which are carried out to realize family goals, e.g. goals that serve the needs of the family. Here, family firms are motivated by their desire to protect or strengthen tradition, and innovation serves as a tool to achieve their objectives. Two different types of innovation activities are labeled “guardian innovation” and “servant innovation” based on whether innovation is carried out reactively or proactively. The middle part of the typology shows innovation activities which are carried out to achieve family-business goals, e.g. goals in which family firms seek to serve both the needs of the family and the business. Here, tradition plays the role of a boundary, in other words, family firms are restricted by the boundaries of tradition when innovating. Two different types of innovation activities belonging to this category are labeled “bounded adoption” and “bounded innovation” based on being either reactive or proactive. Finally, the lower part of the quadrant portrays innovation activities that are carried out to realize entrepreneurial goals, e.g. goals in which family firms attempt to realize purely entrepreneurial objectives. In this case, family firms have developed a tradition of innovation, e.g. their commitment to change and innovativeness has developed into a family tradition. Two different types of

innovation activities in this category are “technology surveillance” and “unbounded innovation”. Each type of innovation activity portrays a different type of relationship between tradition and innovation. The typology is presented in Figure 2. An in-depth discussion of the empirical evidence is provided in following sections by presenting relevant quotations from in-depth interviews. Original quotations in Turkish and corresponding case numbers are presented in Appendix D.

3.3.1 Innovation as a tool: Guardian innovations & Servant innovations

An interesting pattern emerged as informants elaborated on their motivations behind specific innovation activities. In many examples, innovation activities were not carried out to realize business-centered goals. In these cases, innovation rather served as a tool to protect or strengthen tradition. Two types of innovation activities which serve family-centered goals are depicted in the typology as ‘guardian’ and ‘servant’ innovations. The first type is labeled guardian innovations because these innovation activities are carried out in order to protect tradition against a threat. The family doesn’t have a desire to innovate to begin with but reacts to an external threat to tradition. Thus, guardian innovations are reactive. The second type is labeled servant innovations because these innovations have the function of serving tradition. In this case, there is no threat to tradition and the family proactively engages in innovation activities in order strengthen its tradition. Like guardian innovations, servant innovations are used as a tool to realize family goals, but in this case with a proactive approach.

	Reactive approach	Proactive approach
<p>Family goals (Innovation as a tool for tradition)</p>	<p><u>“Guardian Innovation”</u></p> <p>Reacts to a threat to tradition</p> <p>Goal: Protecting tradition through innovation</p> <p>Outcomes: Radical product innovation, Changes in existing product line</p>	<p><u>“Servant Innovation”</u></p> <p>Acts proactively</p> <p>Goal: Strengthening tradition through innovation</p> <p>Outcomes: Relaunch of classic products / production methods, Renovations</p>
<p>Family-business goals (Innovation within the boundary of tradition)</p>	<p><u>“Bounded Adoption”</u></p> <p>Reacts to environmental pressures</p> <p>Goal: Adapting to changes in the environment within the boundary of tradition</p> <p>Outcomes: Partial adoption of new technologies</p>	<p><u>“Bounded Innovation”</u></p> <p>Acts proactively</p> <p>Goal: Developing new products within the boundary of tradition</p> <p>Outcomes: Incremental product innovation</p>
<p>Entrepreneurial goals (Innovation as a family tradition)</p>	<p><u>“Technology Surveillance”</u></p> <p>Reacts to changes in technology</p> <p>Goal: Catching up with technology</p> <p>Outcomes: Continuous and full adoption of new technologies</p>	<p><u>“Unbounded Innovation”</u></p> <p>Acts proactively</p> <p>Goal: Leading the sector through innovations</p> <p>Outcomes: Continuous product innovation, New product lines, New sectors</p>

Fig. 2 A typology of family firm innovation activities

3.3.1.1 Guardian innovations

Guardian innovations are reactive given that families respond to changing conditions in the external environment that constitute a threat to their existence. In this context, survival doesn't mean economic survival of the business at any cost. Desired survival of the business also involves protecting the core of the business and assuring whatever the family conceptualizes as its tradition.

Two similar instances of new product development in Case 11 and Case 7 provide examples for guardian innovations. Case 11 is a 6th generation family business that dates back to 1871. The family was among the first families which specialized in *baklava* [a traditional Turkish dessert] production in Gaziantep, a city to the southeast of Turkey famous for its desserts. Since then the family has been producing *baklava*. The family was strongly attached to their core product which has become a great part of their tradition. The 6th generation informant notes: "We don't make dessert, we make *baklava*, we only make *baklava*. Our tradition is doing what we do" (Appendix D, 1). In 1980, there was a military coup in Turkey and new authorities set a fixed price for *baklava*. The family couldn't afford to sell it at that fixed price because their costs were too high as they were using high quality ingredients. They had the option of continuing *baklava* production by lowering costs and quality, but they refused to do so because modifying ingredients or lowering quality was perceived as a betrayal to their traditional product. The family stopped production for 1 year and 10 days, and in the meanwhile tried to find ways to solve the problem. They came up with an idea that led to the development of a new product. They replaced pistachios with walnuts which were half the price of pistachios. They added milk which increased the volume of the product, hence decreased the price per kilo. In the end, they developed a new product called *Sütlü*

Nuriye which was a great success, not only because it saved them from bankruptcy, but also because it allowed them to protect their traditional product. The 6th generation informant explains: “For two years, we only sold this [sütlü nuriye]. ... It’s a product that rescued us at that time” (Appendix D, 2). In this case, innovation served as a tool to protect family’s traditional product.

A remarkably similar example for guardian innovations comes from Case 7. Founded in 1836 as a small bakery shop, Case 7 is a bakery & brasserie chain owned and run by a single family. After the military coup in 1980, the family business faced a similar crisis as in Case 11. The fixed price policy also affected them since the costs and quality of their products were higher than competitors. Their traditional product was the savory bun. They faced the option of either modifying their traditional product or selling at a loss. As in Case 11, they found a third option. The 5th generation informant explains: “My father changes its shape and puts potato inside the dough. He names it potato roll, and he sells potato rolls instead of savory buns” (Appendix D, 3). After that period was over, the family firm started again producing their traditional products along with potato rolls. Again, innovation served as a tool to protect family’s traditional product. The informant explains their motivation behind this innovation: “The purpose is not innovation. ... Our costs don’t allow us to cope with it. But sacrificing quality is not desired either” (Appendix D, 4).

A different example comes from Case 4, a family business in the watch industry that was founded in 1889 when pocket watches were being replaced by wristwatches. For over 120 years, the family specialized on the sales and repair of mechanical watches. Family members were emotionally attached to the family occupation and put great value into continuing it: “What excites me most is being

able to continue on the same subject. I love watches, it's my thing. It's not only about making money" (Appendix D, 5). In this case, tradition manifested itself in their classical product line for which they had an outstanding recognition and expertise: mechanical watches. The family was determined to protect their traditional product line despite technological changes and financial considerations. In fact, new technologies were perceived as a threat: "There is a new threat, the smart watch. ... We don't know how much it will affect us, we are getting ready for it" (Appendix D, 6). With the introduction of the quartz watch in 1969, the family firm faced a crisis. Demand shifted from mechanical watches to quartz watches which were cheaper and more accurate. A shift to quartz watches was necessary to survive economically, yet undesired, as it would be against the 80-year-old tradition. If the family insisted on sticking to their traditional product line, they would not be able to survive economically which simultaneously meant that they had to abandon mechanical watches entirely. They needed to make a change in order to survive. However, totally switching to quartz watches would also result in the loss of family tradition although it made sense from an economic point of view. Unlike competitors who chose either one of these two options, the family applied a third option: "Some resisted saying that they wouldn't do anything else than the mechanical watch, some tried to switch to quartz watches. ... Our firm switched to 30% mechanical watches, 70% quartz watches" (Appendix D, 7). By introducing new products while keeping their classical products despite the radical change in the industry, the family was able to maintain their tradition. The informant expresses how he thinks keeping up with the times is necessary to protect their cultural heritage: "Everybody says that cultural heritage must be protected. If I don't belong to today, it means that I haven't protected the

cultural heritage. ... If I belong to today, it means that I have protected the cultural heritage” (Appendix D, 8).

Case 5 provides another example for guardian innovations. The company was founded in 1932 as a Russian restaurant in Istanbul. Well-known for its very important guests like Mustafa Kemal Ataturk, the founder of Turkish Republic, the restaurant has become a symbol of the new, western-oriented, modern Republic. The family was very strongly attached to the history of the business, seeing it part of national heritage: “We perceived it not as a commercial business, but as a place that carries on the values of the Turkish Republic during the time of its foundation” (Appendix D, 9). Russian cuisine and their classical products were part of this historical identity. Two books were published by the family, one about the history of the restaurant and one with original recipes. The family firm stayed loyal to its concept and traditional product line. However, the family firm faced a crisis as years went by. When the restaurant was founded in 1932 as a Russian restaurant, their target group was Russians living in Istanbul. Due to various social and political developments, the Russian population in Turkey diminished to a great extent. The informant explained: “When it was first founded, Russians were the target group. But then there were no Russians left, so it had to address new segments” (Appendix D, 10). As in the previous examples, the family firm had to respond to a threat in the external environment, in this case, it was the change in population characteristics. The family firm had two obvious choices. Sticking firmly to their tradition would result in a total loss of tradition as they would not be able to survive. Alternatively, they could change their Russian concept or open a new restaurant targeting Turkish customers but that would also result in the loss of their highly valued tradition. In spite of these two choices, the family firm put in a great effort developing new

products that would target Turkish customers and that were also compatible with their Russian roots. For example, roasted duck stuffed with apples is a characteristic Russian dish that is rather incompatible with Turkish cuisine. By replacing apples with eggplants and cooking the dish in a casserole, the family made this traditional dish appeal to Turkish taste. Here again, the family didn't have a desire to innovate to begin with, neither was the motivation behind product innovations economic. The informant explains that innovation has been their survival strategy: "For a long time, it has been one of the survival strategies of Rejans" (Appendix D, 11).

3.3.1.2 Servant innovations

Servant innovation is another type of innovation activity which is carried out to achieve family goals. Unlike guardian innovations, servant innovations are proactive as they are undertaken in the absence of threats, pressures or demands from the external environment. Thus, the motivation behind these innovations goes beyond protecting tradition against a threat. Strengthening or reviving what the family embraces as their tradition is the desired outcome of servant innovations. As in guardian innovations, these innovation activities do not relate to business-centered goals and entrepreneurial objectives. Instead, they are servants of family tradition.

Case 9, a diary and notebook producer that dates back to 1892, provides examples for servant innovations. The family introduced a new collection of products called "heritage collection" containing replicas of diaries produced in 1920 and 1934. The informant explains the objective behind this new product development: "This year we made a heritage collection to protect the traditional aspect" (Appendix D, 12). Comparing it to other new products they have recently introduced, the informant makes clear the goal they pursued with this specific

innovation activity: “Here you protect the tradition. ... Here you catch up with technology , fashion, innovation. This is about protecting tradition, the other is purely innovative. You shouldn’t have to make a choice between the two, I think both are required” (Appendix D, 13).

A similar example comes from Case 14, a family firm that produces non-alcoholic beverages since 1930. In fact, the family firm started business activities even before that; they have been in the food business for seven generations. In 1930, the grandfather entered the beverage industry as he opened a factory producing *gazoz* [a soft drink] for which an original formula was created that is still preserved to this date and kept secret. In 1932, he has established a partnership with the prominent mineral water producer that dates back to 1870. Throughout time, the family firm has gained an outstanding recognition in public for their mineral water and *gazoz*. As such, these two products have been a great part of this family firm’s tradition. In 2003, the family firm decided to bring back the original bottle of *gazoz* which was a radical innovation at the time it was first introduced in 1930. During that time, all producers were selling *gazoz* in standard, uniform bottles. The grandfather developed a special design and ordered it to Germany for production as its production was not possible in Turkey during that time. That bottle has become known as “the legendary bottle”. The informant explains: “We thought about how we can adapt this bottle to today’s technology, retouching it here and there, without deviating from the original concept... And we introduced the legendary bottle over again” (Appendix D, 14). This was an innovation that was carried out proactively with the purpose of strengthening their traditional aspect.

Similar examples are provided by Case 5, the Russian restaurant founded in 1932 in Istanbul. The family revived traditional products or methods of production

that have been abandoned throughout family firm history for various reasons. Specifically, the family started to reproduce certain recipes that were forgotten for decades and readopted traditional ways in which products were served. The informant notes: “We made a change, but it wasn’t about imposing a different character, maybe more than half of it was stuff that we used to do in the past. ... For the sake of reviving forgotten and abandoned values” (Appendix D, 15). The relaunch of *smetana*, *bilini*, the service of caviar and home-made vodka are examples of these activities. *Smetana* was supplied from a fish market until the end of 1970s. When the supplier went out of business, the family stopped serving *Smetana*. After some research in 1996, the family started to produce *Smetana* on their own and the home-made *Smetana* was better than before. Similarly, traditional products such as *bilini*, caviar, *pate*, and *karski* were brought back to the menu after 40 years. It required a lot of research to introduce these new products since written recipes were lacking and some special ingredients were very difficult to find. The informant explains: “Information was collected from old customers, all these little pieces of information were used to complete the puzzle. ... It was a lot of work, recipes were formalized” (Appendix D, 16). The family also introduced changes in the ways the products were served and in the methods of production with the purpose of reviving their traditions.

Case 13, a hotel founded in 1908, had not gone through change for almost 40 years until a 3rd generation family member took over management in the last couple of years. She started an extensive renovation process with the purpose of giving the hotel back its essence. The hotel obviously doesn’t have products or production methods that can be transformed into tradition like other cases in this study. In this case, tradition manifested itself in family artifacts and the historic ambiance of the

hotel. The informant noted: “The one thing I would never change is this ambiance, this feeling” (Appendix D, 17). Old armchairs that have been painted brown for many years were washed and original colors were revived. Old furniture such as tables, chests, lamps were repaired and placed back. Old paintings belonging to the family have been placed inside the hotel. The informant explained: “Nowadays there is a term called ‘heritage’, that’s what we try to be” (Appendix D, 18). In this case, change didn’t take place in products or services the organization offers, but it certainly served reviving family’s tradition.

3.3.2 Innovation within the boundary of tradition: Bounded adoption & Bounded innovation

In many examples, innovation activities were carried out to achieve business objectives. In these examples, family firms engaged in innovation activities out of a desire to adapt to technological changes in their sector, respond to changing customer demands, and deal with competition. However, even when they were driven by business objectives, many family firms in our sample still had a concern for tradition while innovating. In other words, they sought after accomplishing business goals and family goals at the same time. In this case, family firms’ typical solution was innovating within the boundaries of tradition. Two types of innovation activities which serve family business goals are labeled bounded adoption and bounded innovation. Bounded adoptions are on the agenda when family firms introduce a change in methods of production responding to environmental pressures. Bounded innovations, on the other hand, are new product developments that are implemented proactively. An informant describes the difference between the two: “Either you want to produce something new. ... You can produce demand in the market with

what you have created. Or the market demands a certain change and you decide to produce it” (Appendix D, 19). Both innovation activities have in common that they are implemented within the boundary of tradition. In case of bounded adoptions, new methods are adopted only if the family is convinced that the change is not going to affect what they view as their tradition. In some cases, change is only partially implemented for this reason. In case of bounded innovations, new products are developed only within the boundary of tradition. For example, when the family firm has a traditional product, new product development only revolves around introducing variations of the traditional product. If the family business is committed to a traditional product line, new product development is limited to products that are compatible with that traditional product line. In other words, in both types of innovation activities, tradition serves as a boundary and family firms engage in innovation only within that boundary.

3.3.2.1 Bounded adoptions

Bounded adoption is a reactive form of innovation activity by which the firm responds to external pressures to adopt new technologies, however does so only within the boundaries of tradition. In this type of innovation activity, the boundary of tradition is rooted mainly in the ‘essence’ of products. In other words, family firms adopt a new technology as long as it doesn't affect the essence of their traditional products or adopts the technology only partially in such a way so that the boundary of tradition is not violated. Informant from Case 5, the Russian restaurant founded in 1932, explains how the ‘essence’ of products forms a boundary when adopting new production methods: “We have always tried to benefit from modern opportunities. ... If you don’t change the philosophy, the essence of cooking, making use of them is

favorable, indeed necessary” (Appendix D, 20). Similarly, informant from Case 3, a restaurant founded in 1919 that is specialized on Ottoman Palace cuisine, refers to protecting the essence of products. The informant explains: “We try to protect the essence. That’s what’s important. For instance, *beğendi* [a traditional Turkish dish] is done the same way as it was done before” (Appendix D, 21).

In many cases, family firms stay committed to their traditional methods of production to protect the essence of their products. The decision to adopt a certain new technology is only given when the change doesn’t harm that essence. For instance, Case 1, a restaurant founded in 1933, is attached to traditional methods of production. The informant explains how they make the decision to replace traditional methods with modern methods: “Kitchen tools get changed. If the taste doesn’t get affected to a great extent, they get changed. But there are still old cauldrons used for making desserts. They add something special” (Appendix D, 22). New methods are adopted only if the family is convinced that the change falls outside the boundary of tradition. The informant explains: “We used to beat *revani* [a traditional Turkish dessert] with our hands, now the machine beats it, and it beats better. If we’re going to lose something with a change, we don’t do it” (Appendix D, 23). Case 11, *baklava* producers since 1871, provides a similar example. The decision to switch to a new method of production is related to how the family believes the change will affect their tradition. The informant explains how they decide to use certain machines: “Machines only do the monkey work. ... If you use machines, you will give up on some beauties. For instance, there are machines for slicing ... If you use it, it hinders the dough from rising. We still use a knife” (Appendix D, 24).

Case 7 also stays loyal to traditional production methods in order to preserve the essence of products. Production is still largely hand-made. The informant

explains: “We’re very conservative with respect to production system. We firmly believe in our traditional production system, thus we avoid using food additives, prolonging shelf life in unnatural ways, and freezing” (Appendix D, 25). The informant also notes that when a new technology doesn’t affect the essence of their product, they will be willing to adopt it: “I’m saying that freezing is something I would never do, but one day a technology may become available that doesn’t at all affect the product. I cannot argue against it” (Appendix D, 26).

Case 9, a diary and notebook producer that dates back to 1892, also provides examples for bounded adoption. The informant explains what they have been protecting in terms of methods of production: “Handcraft, the quality of the paper, the quality of sewing work, fabric, and leather. Covers are attached with handwork. ... It is done in the same way as it was done in the past” (Appendix D, 27). When a change crosses the boundary of tradition, it’s not implemented. An example is the commercial diary. There are three different lines with different colors on the pages of the commercial diary. In the old days, to make these three lines the commercial diary had to go through printing three separate times. Now the technology allows them to print these three different lines at once, however the family firm still prefers to print them three times. The reason is capturing the original effect of different colors which gets lost if all lines are printed at once. The informant adds: “If tomorrow a very different offset machine becomes available, you should be open to that as well” (Appendix D, 28). Similar to Case 7’s attitude towards freezing, this shows us again that when the boundary disappears, the family is willing to undertake the change. The informant refers to the boundary of tradition as a line that shouldn’t be crossed: “You shouldn’t cross the line. What is the line, actually it’s not easily definable.

When you take the product in your hands, and say yes, Ece would do that ... The customer doesn't know how it's produced, but feels it" (Appendix D, 29).

In a similar vein, Case 14 is committed to traditional production methods. The informant clarifies their commitment to production methods: "The way we produce *gazoz* is the same as it was the first day. ...The quality of filters have changed, technology changes, but the method, the process doesn't change. You cannot change it" (Appendix D, 30). The informant explains: "No watch rotates from the right to the left. ... Some things are classic, you cannot change the classic, if you force it to change it will backfire" (Appendix D, 31). The family argues that they still preserve their artisanal production techniques despite their massive production capacity: "We don't compromise from perfectionism, we don't compromise from traditionalism. We do a massive production with a revenue above 200 million dollars with a small production concept that we call artisanal. I guess we're the only ones who achieve that" (Appendix D, 32). When asked to elaborate on how they achieve this balance, the informant talks about a delicate system that was developed through decades of past knowledge and experience: "Don't ask me how, we did it, we are doing it. We have developed a system that is so delicate. Within that tremendous technology, we still achieve it" (Appendix D, 33).

In some examples of bounded adoptions, the change is implemented, but only partially. In these examples, families do not allow the full adoption of a change as they perceive it as harming to their tradition. Case 2, a dry cleaning company founded in 1935, is highly protective of their traditional methods. When old-school irons were being replaced automated irons, the family couldn't stay away from modern technology, however adopted it only partially. The informant explains: "We also use these new irons, everybody does, but we only use it for shirts and blouses.

Others even do the coats with these” (Appendix D, 34). Case 8, an optician founded in 1909, provides a similar example. Their handcraft is a strong part of their tradition. The informant explains how they partially adopted automated machines in order to protect their traditional handcraft: “We still use handcraft when making high concave glasses. The automated machine cuts the glass; then we use our manual machine. There is no one continuing handcraft in this way” (Appendix D, 35). Case 10, a confectionary that dates back to 1904, also puts a high value on their tradition of handcraft. The informant expresses her feelings regarding the use of machines instead of handcraft: “Everyone switches to machines, when you do that, the hallmark of your production vanishes” (Appendix D, 36). Similar to other examples, the family firm also adopted new technology partially. The informant explains: “In the past, we used to do the shelling solely with handcraft. Now, the machine partly does the shelling, the rest we still do with our hands” (Appendix D, 37). Similarly, Case 12, producer of leather accessories since 1855, provides an example for partial adoption: “There hasn’t been much change in production methods. They used their hands for cutting, we also use handcraft for cutting. There are some parts we cut with the machine, but only smaller parts, larger parts we cut with our hands” (Appendix D, 38).

3.3.2.2 Bounded innovations

Bounded innovation is another type of innovation activity which is carried out following family business goals. While bounded adoptions are mainly about adopting new technologies, bounded innovations refer to developing new products proactively. Yet the boundary is still evident in bounded innovations. In many examples, the traditional product or product line of the business forms the boundary

condition. Case 11, the 6th generation family business producing *baklava* since 1871, provides examples for such bounded innovations. As discussed before under the section of guardian innovations, *baklava* is a great part of this family firm's tradition. Consequently, new product development occurs within the boundaries of their traditional product. In other words, when they introduce new products, they stick to variations of their traditional product. Besides the classic types of *baklava* with pistachio and walnut, the family firm developed many variations of *baklava* including *baklava* with almond, chestnut, hazelnut, orange, chocolate, and different pastries made from *baklava* dough. Special *baklavas* for people with celiac disease, diabetic disease, and cardiovascular disease have also been developed. The informant explains their commitment to their traditional product: "Everything we think of revolves around *baklava*. It may be a cake, but it's always based on *baklava*. It's always the same dough that is cut in different ways and becomes a new product" (Appendix D, 39). They refuse to develop new products that are outside the range of their core product because they perceive it to be disrespect to their tradition. The informant explains: "Our tradition is doing what we do. Adding something else to this would be disrespect to what we do, also disrespect to whoever does that" (Appendix D, 40). Innovations are not implemented when they cross the boundary of tradition. The informant explains their boundaries when innovating: "There are certain boundaries; we try to protect the essence of *baklava*. We ask ourselves how we can do this without losing the essence of *baklava*" (Appendix D, 41). Informants noted that it took four years of research to launch *baklava* for people with diabetic disease because they were determined to preserve what they call the essence of *baklava*. The informant explains: "When producing low-glycemic dough for diabetic patients, I wouldn't agree to launch it if it's too stiff. That would be losing the

essence of *baklava*” (Appendix D, 42). Although Case 11 doesn’t cross the boundary of the traditional product, the family has been very innovative within that boundary.

Case 9 follows a similar product innovation strategy. Their traditional product, the diary, forms a boundary to new product development, yet the family firm is very innovative within that boundary. The family firm started to place greater emphasis on innovation activities with the latest generation. The classic black-covered diary has been their traditional product that hasn’t been changed for many decades. The informant explains: “The black covered book made us who we are. We don’t change anything with this one” (Appendix D, 43). They developed products with many different colors besides the classic black, products with different fabrics such as leather. The informant notes: “The number 1 [their traditional product] hasn’t been changed, but we make it appeal to different people. The number 1 is still the number 1” (Appendix D, 44). New products are developed and changes in products are introduced as long as the ‘line’ is not crossed. An interesting example of bounded innovation is when the family decided to use QR codes with the diaries. In order not to harm their traditional product, they decided to place it on an additional cover. The informant explains: “That is about catching up with modern times, but we use a detachable cover, we don’t print the QR code on the classical diary” (Appendix D, 45). They also developed a new product, a notebook that works with a mobile application that scans the pages and sends it to different online accounts such as dropbox or evernote. The informant explains: “Here you protect the tradition. ... Here you catch up with technology , fashion, innovation. This is about protecting tradition, the other is purely innovotive. You shouldn’t have to make a choice between the two, I think both are required” (Appendix D, 46).

Both Case 11's and Case 9's product innovation strategy mainly revolves around developing variations of their traditional product. Case 15 also provides an example where traditional products restrict new product development; however this family firm follows a different strategy. In this case, traditional products are not changed at all. New products are developed freely while protecting traditional products. The family firm was founded in 1926 as Turkey's first wine production facility. Their founder was the first to bring different grape varieties from Germany and France to Turkey and pioneered the way to disseminate these varieties in Turkey. Although the family firm is very innovative in terms of new product development, the informant explains that she has a different attitude towards their classic wines: "I have a different attitude towards the products that I launched myself, and a different attitude towards the ones that were produced before me" (Appendix D, 47). She explains that she feels reluctant to introduce changes in their traditional wines: "For instance, I created Sarafin [a wine brand] from scratch. I feel much more comfortable about it. ... But Doluca [a wine brand] and Villa Doluca [a wine brand] have been produced since 40s, 60s; it feels like they're my older brothers. Although I manage them, that's something different" (Appendix D, 48). She explains that once they decided to introduce changes in their traditional products, yet revised their decision: "Once we introduced radical changes, we changed to modern labels. ... Then we changed back to the same nostalgic form" (Appendix D, 49). While protecting their traditional products, the family firm has been very actively engaging in developing new products. In 1970, they produced the first varietal wine in Turkey which was produced from a single grape variety. During 1990s, they produced specialty wines by growing the most renowned grape varieties in the world in Turkey. During 2000s, they introduced Turkey's first natural sweet wine and new series using native grape

varieties in combination with universal grape varieties for the first time in Turkey. In sum, the innovation strategy of Case 15 involves protecting their traditional products while innovating freely outside that boundary.

Case 11, Case 9, and Case 15 provided examples in which particular traditional products form a boundary to new product development. In some other cases, it's not a particular product, but the traditional product line as a whole that forms the boundary. Case 14 provides an example for such boundary. The beverage production company has been very innovative since its inception. Following the creation of the legendary bottle in 1930 and the original formula for *gazoz* in 1932, the family firm introduced many new products for the first time in Turkey, such as the first family-size one liter glass bottle in Turkey, the first light beverages in Turkey, and the first fruit-flavored sparkling mineral water. In 1981, they introduced mineral water in a plastic bottle for the first time in the world. Although the family is very innovative in terms of developing new products, there is one boundary of tradition regarding new product development. The family firm's traditional product line is composed of non-alcoholic beverages exclusively. Producing alcoholic beverages falls outside the boundary of their tradition. The informant explains: "We don't produce alcoholic beverages. ... Years ago, I wanted to produce beer, my father said: Are you nuts? Your ancestors are all pilgrims. ... I pass it on to my children, don't sell alcohol. That's tradition" (Appendix D, 50). The traditional product line also imposes a boundary to innovation in Case 5. The Russian restaurant engages in new product developments only within the boundary of their traditional product line. The informant explains: "When launching new products, we chose products that are compatible with our past, we didn't go for a marginal concept" (Appendix D, 51).

Lastly, two cases represent examples for how commitment to traditional production methods may restrict new product development activities. Case 12 started to place greater emphasis on new product developments with the latest generation. The informant explains the changes they have introduced in their products: “They were too classic, now we’re working on design. Colors used to be mainly black and brown in the past, now we have products with many different styles” (Appendix D, 52). The family firm introduces new products every six months and develops four collections each year based on two different brands. Yet despite their openness to new product development, their commitment to traditional production methods restricts their product innovation activities. The informant explains that they wouldn’t produce leather shoes or clothing because these products require different production methods: “For instance, shoe is not our business. Production techniques are very different, machines are very different. Clothing as well, again that’s something that we won’t do” (Appendix D, 53). The informant sums up their approach to innovation: “We’re innovative in terms of products, but traditional in terms of methods of production” (Appendix D, 54). A similar example is provided by Case 7. In a similar vein, informant from Case 7 notes: “We’re very conservative with respect to some issues, very innovative with respect to other issues” (Appendix D, 55). As discussed before under the section of bounded adoption, Case 7 is very much committed to traditional production methods. Yet, they have been very innovative in terms of developing new products. They have been the leader of their sector in terms of introducing many new products for the first time in Turkey. Some examples for these are whole-wheat products, cakes for one, tarts with flavors unknown to Turkish taste such as mango and coconut, macarons, and boutique cakes. The products they introduced for the first time in Turkey have been

later on imitated by competitors and widely adopted in the sector. However, when they develop new products, they always stick to their traditional production methods which form a boundary to their innovation activities. They develop new products only within the boundary of traditional production methods in which freezing is firmly avoided and hand-made production is preferred. The informant explains: “The product is at the core of the business. We go around it without causing any harm to it, thus that’s our conservative side. But we’re very innovative in all other ways” (Appendix D, 56). The following quotation from the informant of Case 7 sums up our discussion regarding bounded innovation: “One should stick to two things, pursuing innovations on the one hand, and being cautious on the other hand” (Appendix D, 57).

3.3.3 Innovation as a family tradition: Technology surveillance & Unbounded innovation

In previous sections, family firms in our sample provided examples for different ways in which traditional products, product lines, or traditional methods of production interact with family firms’ innovation activities. Two cases in our sample, Case 16 and Case 17, provide examples for an entirely different relationship between tradition and innovation. These two cases have two things in common through which they differentiate from other cases in our sample. First, they are both large industrial groups engaging in business activities in several sectors, and second, tradition is neither visible in their products nor in their production methods. In these two large family firms, families’ commitment to change and innovation has transformed into a tradition of its own. Consequently, unlike other cases in our sample, innovation activities in these family firms are not bounded by tradition. In fact, their

commitment to change stimulates their innovation activities: these family firms seize the opportunity to continuously innovate with purely entrepreneurial goals and preserve their tradition at the same time. Two types of innovation activities in which family firms pursue purely entrepreneurial goals are labeled technology surveillance and unbounded innovation, which are based on a reactive versus proactive approach, respectively. Before providing examples for these two types of innovation activities, there is a need to portray the relationship between tradition and innovation in these two large family firms.

Case 16 is an industrial group with 41 companies, 12,450 employees and a combined net turnover of TL 7.4 billion in 2014. Founded in 1942 as a small pharmaceutical laboratory in Istanbul, the family firm has become the largest pharmaceutical company in Turkey and maintained its position for decades. Over time, the group has expanded its main activities to building products, healthcare and consumer products. Additionally, the group is active in finance, information technology, welding technology, mining, and property development. Around 1980, the family has decided to make a smooth transition to professional management. In 1981, the industrial group has employed a nonfamily CEO and today each division is run by professionals. Unlike other cases, products and production methods are not considered as part of the family firm's tradition. Instead, tradition manifests itself in family's commitment to innovation and change. In their corporate website, the family firm underlines the role innovativeness plays in their corporate tradition: "The search to innovate in every area of activity is a fundamental aspect of our corporate tradition" (Appendix D, 58). The informant, a 2nd generation family member who serves as the Vice Chairman, explains their commitment to innovation: "It's not like we're open to innovation, I believe we're obliged to innovate" (Appendix D, 59). He

expresses that tradition that pertains to products or production methods is an obstacle for the long-term survival of the business: “I don’t believe in traditionalism at all. ... If you stick to traditionalism, you have no chance to survive for a long time. I firmly believe in that” (Appendix D, 60).

A similar case in which innovativeness has developed into family tradition is Case 17. Founded in 1953 as a home-based textile atelier, the family business engaged in rapid growth manufacturing Turkey’s first patterned bed sheets, followed by Turkey’s first king-size bed sheets. After becoming one of the region’s biggest players in textiles, the family business started to invest in diverse sectors. Currently, Case 17 is an industrial group with 60 different corporations and over 25000 employees active in wide-ranging sectors of textiles, white goods, energy, property, and mining. In their corporate website, the family business emphasizes their commitment to transgenerational entrepreneurship with statements like “We have been weaving dreams for the society we are part of and turning them into reality with an innovative approach ever since the day our company was founded” (Appendix D, 61) and “Innovation and entrepreneurship are in our DNA” (Appendix D, 62). The informant, who is a 3rd generation board member, expresses their hunger for entrepreneurship: “We can say that it’s a business that has a great appetite for entrepreneurship” (Appendix D, 63).

3.3.3.1 Technology surveillance

Having established a tradition of innovation, these two family firms have been committed to lead their sectors through continuous innovations. However, they have also recognized the need to watch closely the external environment for changes in technology. Technology surveillance refers to activities that are carried out reactively

as family firms take on the follower role when adopting changes in technology. Unlike bounded adoptions in which family firms mainly respond to the pressures in the external environment to adopt certain new technologies more or less out of necessity, technology surveillance is driven by a pure entrepreneurial desire to chase technological developments in a dynamic and continuous manner. The informant from Case 17 explains: “There is a constant question in our minds: ‘Are we doing something new?’ ... ‘There is something there, can we get into that?’” (Appendix D, 64). As family firms are not bounded by traditional products or production methods, the end result of technology surveillance is continuous and full adoption of new technologies.

The venture capital initiative of Case 17 provides a good example for how technology surveillance is carried out. The informant explains that the primary objective of this initiative is to incorporate potential innovations that develop outside the company to the inside of the company. The informant explains: “We invest in firms that create a difference in our sector and think innovatively, and thereby keep a close watch on the changes they are likely to induce in the sector” (Appendix D, 65). He talks about disadvantages of being a large business in terms of acting fast in an era where technology and information are easily accessed, and how keeping a close eye on their external environment helps them overcome these disadvantages: “We’re the big fish as a holding company. Nowadays you see that it’s the fast fish that succeeds, not the big fish. It’s important to keep pace. At least we’re aware of that and what we can do about it” (Appendix D, 66). He notes that their venture capital initiative is a way to foresee effects of disruptive innovations created in the external environment: “It’s based on detecting waves of disruptive innovation, and being able to get inside those waves” (Appendix D, 67).

The informant from Case 16 also points to the need to be constantly alert for changes in the external environment: “Methods of production change, raw materials change, everything changes. ... Every moment the circle surrounding you is narrowing and you have to get over these predicaments” (Appendix D, 68). He explains: “Tomorrow you may be confronted with such a raw material, all of a sudden with a 3d technology, that will cost one tenth of your costs” (Appendix D, 69). These examples suggest that even when these family firms take on the follower role with respect to innovation activities; they are always on the watch and chase waves in the sector closely. Their approach is absolutely different than bounded adoption in which new technologies are adopted with a bounded mindset.

In addition to these two large family businesses, one other case in particular was found to engage in technology surveillance. Case 15 differs from other cases in our sample which mainly engage in bounded adoption activities. Unlike those other cases, Case 15 is not committed to traditional production methods. In parallel to the developments in wine technology, the family firm has always adopted new technologies throughout its history. The informant explains: “Changes until 1960s and 1970s are all adopted in parallel to Turkey’s socioeconomic development. ... For instance, as soon as electricity becomes available, we switch to half-automatic filling instead of manual filling” (Appendix D, 70). Being Turkey’s first wine production facility, the family firm had to closely monitor new technologies in the wine industry at the world-level. The informant notes: “Everything during my grandfather’s period was innovation in the context of Turkey” (Appendix D, 71). Starting with the second generation, the family firm has been realizing large scale investments in terms of enhancing capacity, technology, and quality. They have been the first company in its

sector to realize such large-scale investments. Today as well, the family firm puts a great emphasis on catching up with technological developments in their sector.

In Case 15, the absence of tradition pertaining to production methods has resulted in full adoption of new technologies. Yet, given their tradition of winemaking and traditional products, the family firm is unlikely to introduce changes that fall outside the boundary of their tradition. In the following section, we will discuss how family firms may engage in unbounded innovation activities that extend to new product lines, and even new sectors.

3.3.3.2 Unbounded innovation

Unlike other cases in our sample, Case 16 and Case 17 have been entrepreneurially oriented from the inception of the business until the present day. As a result of their continuous commitment to change and innovation, neither their products nor their methods of production developed into a tradition. This has opened up the way to unbounded innovation activities.

Case 16's tradition regarding innovations is traceable in their corporate history. The family has been entrepreneurially oriented and innovative from its inception on. They led the way in Turkish industry opening up the first modern pharmaceutical plant in 1952, first production plant for ceramic sanitary ware in 1958, first modern tissue paper plant in 1970. In 1973, they launched Turkey's first publicly traded investment partnership. A recent example provides evidence for family's openness to change. The name of the industrial group translates to "chief pharmacist" in English, a surname that was given to the father of the Group's founder. The father of the founder was a well-known pharmacist in the Ottoman period. His son was an entrepreneurially oriented, a well-educated pharmacist who

founded a pharmaceutical company that has been the leader of the sector for many decades. The family and the family business are well-known for their tradition in pharmaceuticals; family's surname and company name also contribute to this recognition. Despite this tradition, in 2007 the family decided to quit pharmaceutical production entirely and focus on other business areas. Their decision to quit pharmaceuticals was surprising for outside people. The informant explains: "We received harsh reactions, 'Your surname is Eczacıbaşı [chief pharmacist], how is that possible?'" (Appendix D, 72). He continues: "With this line of reasoning, everyone in the world with the surnames Baker and Miller should be baking breads. This is not the way; you are not defined by your profession" (Appendix D, 73). This example demonstrates that the family is open to change anything. As such, unbounded innovation not only results in continuous product innovation, but also in new product lines and even new sectors.

Similarly, the continuous commitment to change and entrepreneurial orientation has been a family business tradition for Case 17. The informant explains how their tradition of transgenerational entrepreneurship has contributed to their enthusiasm for entrepreneurial activities: "The Holding has an entrepreneurial nature. Our founder and next-generations have always been entrepreneurially oriented. Switching from commerce to production, jumping from textile to a completely different sector like electronics, then jumping into the energy sector in an irrelevant way" (Appendix D, 74). The informant explains how their approach to innovation recognizes no boundaries: "Innovations can be implemented in any area. Let it be in organizational structure, or in the product itself. You have to be thinking about innovations everywhere. ... Thus, I don't think there are any boundaries to it"

(Appendix D, 75). As in Case 16, unbounded innovation activities have resulted in continuous product innovation, as well as entry to new product lines and new sectors.

3.3.4 Outcomes of innovation activities

Table 2 shows a summary of each innovation activity including the outcomes of innovation. Examples for guardian innovations led to changes in existing product lines and radical product innovations. Servant innovations generally led to the relaunch of classic products or production methods, and renovations in one particular case. Bounded adoptions resulted in the partial adoption new technologies, whereas bounded innovations resulted in incremental product innovations. Lastly, technology surveillance led to continuous and full adoption of new technologies, whereas unbounded innovation resulted in continuous product innovation, new product lines, and new sectors.

3.3.5 Resistance towards innovation

An interesting finding of the study was that a significant number of firms in our sample showed a strong resistance towards innovation. In this last section of findings, we attempt to illuminate the reasons behind family firms' unwillingness to innovate through an additional analysis of cases which showed a strong resistance towards innovation. A number of firms have only implemented bounded adoptions during the current generation (Case 1, Case 2, Case 3, Case 8, and Case 10). In one particular case, Case 6, there has been absolutely no change in products or production methods. Case 6 is a restaurant founded in 1893 that is famous for its meatballs. The menu has been the same for over 122 years, and consisted of three items only: meatballs, salad, and dessert. The informant notes: "We never thought of

Table 2. Outcomes of Innovation Activities

Case#	Tradition	Guardian Innovation	Servant Innovation	Bounded Adoption	Bounded Innovation	Technology surveillance	Unbounded Innovation
1	Traditional production methods			Partial adoption of new technologies			
2	Traditional production methods			Partial adoption of new technologies			
3	Traditional product line: Ottoman cuisine Traditional production methods			Partial adoption of new technologies			
4	Traditional product line: Mechanical watches	Change in existing product line					
5	Traditional product line: Russian cuisine Traditional production methods	Change in product line	Relaunch of classic products / production methods	Partial adoption of new technologies	Incremental product innovations		
6	Traditional product: Meatball Traditional production methods						
7	Traditional product: Savory bun Traditional production methods	Radical product innovation		Partial adoption of new technologies	Incremental product innovations		
8	Traditional production methods			Partial adoption of new technologies			
9	Traditional product: Diary Traditional production methods		Relaunch of classic products	Partial adoption of new technologies	Incremental product innovations		
10	Traditional production methods			Partial adoption of new technologies			
11	Traditional product: <i>Baklava</i> Traditional production methods	Radical product innovation		Partial adoption of new technologies	Incremental product innovations		
12	Traditional production methods			Partial adoption of new technologies	Incremental product innovations		
13	Traditional ambiance of the hotel		Renovations				
14	Traditional product: <i>Gazoz</i> Traditional production methods Traditional product line: Non-alcoholic beverages		Relaunch of classic products	Partial adoption of new technologies	Incremental product innovations		
15	Traditional products: Classic wines				Incremental product innovations	Continuous and full adoption of new technologies	
16	Tradition: Innovativeness					Continuous and full adoption of new technologies	Continuous product innovation, New product lines, New sectors
17	Tradition: Innovativeness					Continuous and full adoption of new technologies	Continuous product innovation, New product lines, New sectors

adding a new product to the menu, not even soup. We wanted to protect the original concept that hasn't been changed over hundred years. We wanted to maintain the nostalgia". In addition to their traditional product, the family is also committed to traditional methods of production. Meatballs are handmade and produced in the same way as in 122 years ago. The family strongly refuses to switch to machine production, which is the custom in meatball restaurants, as they think that switching to machine production will ruin the taste. The two chefs of the restaurant have been working with the family for 50 and 40 years. Even the oven was more than 60 years old, and protected carefully.

The finding that a significant number of firms in our sample showed a strong resistance towards innovation was surprising given that these firms have succeeded at surviving for many generations. In an effort to understand the reasons behind this unwillingness, an additional content analysis has been conducted in cases that were strongly protective of their products and production methods. Within-case analysis followed by a cross-case analysis yielded patterns that might provide explanations to family firms' unwillingness to innovate. Findings provide examples for certain values, emotions, attitudes, and beliefs as reasons of family firms' unwillingness to innovate, and encourage future research into this area. Identified patterns underlying family firms' resistance towards innovation are presented in Table 3.

Another interesting observation about these cases was that their attitude towards innovation had been completely different during their entrepreneurial stage. All these long-lived family firms were once entrepreneurial firms and their innovation activities were business-centered and unbounded when tradition was not yet visible. This finding provides indirect support for the argument that tradition shapes family firms' innovation activities. Cases show that as the family firm

Table 3. Patterns Underlying Resistance Towards Innovation

Theme	Example quotations	Case #
Getting carried away with nostalgia	“We used to pack clothes, such beautiful days...” (Appendix D, 76)	Case 2
	“Do you know how our business was in the past? ... In 50s and 60s people would queue here.” (Appendix D, 77)	Case 2
	“Customers say that ‘dolma’ is the same as they have eaten 20 years ago. ... The taste may get better, but the important thing is protecting the same thing.” (Appendix D, 78)	Case 3
	“It’s better that it’s nostalgic. There are many memories here.” (Appendix D, 79)	Case 3
	“We didn’t want to ruin it, we always wanted to protect the nostalgia.” (Appendix D, 80)	Case 6
	“I would be very sad because I would think as if my grandfather would turn in his grave. He put so much effort, my father as well.” (Appendix D, 81)	Case 8
	“The pain I feel for losing our traditions in Turkey...” (Appendix D, 82)	Case 10
	“I wanted to continue this in the same way as it was during my father’s and grandfather’s time.” (Appendix D, 83)	Case 10
Despair about the future	“Everything is meant to come to an end, also organizations like this ... This is not a museum, in the end it will come to an end.” (Appendix D, 84)	Case 1
	“I’m most excited about when I’m going to go bankrupt. There is no way I can resist.” (Appendix D, 85)	Case 2
	“My father’s name is involved, I wish it continues for another 10 years.” (Appendix D, 86)	Case 2
	“I don’t care if I fail. One fails with dignity, I will fail with dignity.” (Appendix D, 87)	Case 2
	“I guess it will come to an end after me. ... I don’t know for how long I can make this continue, I’m 64.” (Appendix D, 88)	Case 8
	“I guess I will hand it over to someone someday, there is a certain lifetime. If I had children maybe they would continue, but even in this case you can never be sure.” (Appendix D, 89)	Case 10
Being content with what one has	“But when you reach a certain age, you say alas!” (Appendix D, 90)	Case 10
	“I don’t find it enjoyable, maybe you’ll get rich that’s nice, but that’s how we’ve been educated. We haven’t been aggressive. ... We said it’s more important to protect this place.” (Appendix D, 91)	Case 1
	“I prefer 3 customers to 10 customers, the ones who appreciate this work should come.” (Appendix D, 92)	Case 2
	“We’re not McDonalds, we’re a diner.” (Appendix D, 93)	Case 2
	“Staying local and maintaining what we have... It doesn’t bring big profits but thanks God we’re content with what we have.” (Appendix D, 94)	Case 3
	“Our purpose is not to make profits, we want people to stay satisfied, to keep coming for a long time.” (Appendix D, 95)	Case 3
	“Money isn’t everything in life, Thanks God I’ve been emotionally very satisfied with my job.” (Appendix D, 96)	Case 10
	“People only care about money, they don’t understand that less is more.” (Appendix D, 97)	Case 10
Seeing tradition as the reason of survival	“Do you know why we still survive? Because of 1935, nothing else.” (Appendix D, 98)	Case 2
	“The reason why it continues is that the product never got changed.” (Appendix D, 99)	Case 6
	“Emotional bonds... That’s why it survived until this day.” (Appendix D, 100)	Case 10
Resentment towards past innovations	“We used to mix the ice cream with our hands. ... When mixed with hands it was so much more beautiful.” (Appendix D, 101)	Case 1
	“He brought the computer (his nephew), both he and I regret it.” (Appendix D, 102)	Case 2
	“This is more modern with a computer and everything, but if you ask me this is the real machine.” (Appendix D, 103)	Case 2
Inertia	“We don’t feel the need to introduce a new product. I’ve never seen that all this time.” (Appendix D, 104)	Case 1
	“It wouldn’t be a bad thing to do, but we’re hanging back. No one carries money anymore, it’s our loss. We’re waiting for the state to impose it on us so that we can finally accept credit cards.” (Appendix D, 105)	Case 1
	“We have never thought of adding a new product, not even soup. We haven’t done it in all these years, that’s why.” (Appendix D, 106)	Case 6

completes its entrepreneurial stage -usually after the first generation-and a sense of tradition begins to develop, innovation activities start to take a different character as outlined in the typology. Case 1 currently shows a strong resistance to innovation, but their founder was an innovator. About a hundred years ago, he started business with a three-wheeled handcart that he built himself for selling ice-cream and got famous as the first mobile ice-cream vendor in Istanbul. The founder of Case 2 brought the first modern dry cleaning machine to Turkey in 1959. He also started the practice of delivering clothes in a plastic dry-cleaning bag with a hanger for the first time in Turkey. The founder of Case 6 developed the secret formula of the famous meatballs in 1893. The founder of Case 8 was a real innovator. In the beginning of the 20th century, he produced branded pharmaceutical products such as Aspirin's counterpart "Necati Aspirol", very popular "Turan cologne", first commercial baby food in Turkey "Fosfotin Necati", and other products such as "Necati cough syrup", "Necati mouthwash", etc.

3.4 Discussion

In this chapter, we provided an in-depth investigation of the interactions between long-lived family firms' innovation activities throughout generations and their traditions pertaining to products and production methods. Our findings contribute to the family business literature in several ways. First, we contribute to our understanding of how family firms innovate by focusing on the under-researched area of innovation activities with a specific focus on the duality of tradition and innovation. Our research demonstrates that tradition, as manifested in products and methods of production that are passed down from generation to generation, has an essential role in family firms' innovation activities. We found that the interplay

between tradition and innovation happens through the pursuit of a combination of different innovation strategies based on two strategic dimensions: goals of innovation (family goals, family business goals, and entrepreneurial goals) and approach to innovation (reactive vs. proactive). Different types of innovation activities in family firms are identified based on how they relate to tradition. Results point to a complex set of interactions between tradition and innovation through which innovation may be used as a tool to protect and strengthen tradition, tradition may set boundaries to innovation, or innovation may develop into a tradition of its own. An interesting finding of the study is that family firms can use innovation as a tool to protect or strengthen their tradition. This implies that as opposed to the understanding that nonfinancial goals restrict innovativeness, innovation may also help family firms realize their nonfinancial goals. Findings also show that when both family and business goals are pursued, innovation activities are bounded by tradition. This suggests that family firms can still be innovative with concern for tradition.

Moreover, we demonstrate how the development of a family business tradition based on change and innovation can shape family firms' innovation activities. Overall, findings provide support for the argument that tradition inevitably shapes family firms' innovation activities in one way or another.

Second, through demonstrating that tradition is a key element in family firm innovation, we contribute our understanding of what makes family firm innovation distinctive. All family firms in our sample had traditional elements incorporated in their business which affect their innovation activities. For many of these family firms, the commitment to traditional products or production methods interfered with their innovation activities in several ways. For some of them (Case 16 and Case 17), the commitment to change and innovation has developed into a tradition of its own.

The incorporation of these traditional elements into the family business happened through decades of knowledge and experience that were handed down across many generations. Products and production methods that would normally be prone to change were infused with value as they were perceived to be part of family history, and even part of family identity. As such, products and production methods that originate from the past took on an ideological character, and developed into traditions which interfered with their innovation activities in later generations. Our findings suggest that the development of such traditions is a significant element of the distinctive nature of family firm innovation.

Third, our findings are firmly linked to the study of transgenerational sustainability of family firms. Results as a whole suggest that tradition and innovation are not necessarily contradicting elements, and if managed properly, their interaction can be a unique source of strength for achieving sustainability in the family business. In this sense, how to innovate within the presence of tradition is an important concern of family firms with transgenerational sustainability intentions. In this chapter, we provide a framework for how family firms can leverage this duality through illuminating the different ways in which tradition and innovation interact and coexist in long-lived family firms. Overall, our findings provide support for the argument that what seems as a paradox is actually a product of our conceptualization of tradition and innovation as contradicting elements. Long-lived family firms in our sample have developed distinctive capabilities in order to innovate and maintain their traditions at the same time. These family firms show us that innovation doesn't always challenge tradition. Likewise, a concern for tradition doesn't always hinder innovation. Family firms are great examples in which tradition and innovation can survive together without harming each other. In this sense, non-family firms may

also learn from family firms that successfully incorporate tradition into their innovation activities and create a competitive advantage through leveraging this duality.

Lastly, we recognize the need to note some limitations of the study, along with directions for further research. First, cases in this study provide examples of a single facet of tradition that emerges in the products and methods of production. We believe that our focus on products and production methods is justified as it represents a special area in which tradition and innovation naturally intersect. Undoubtedly, tradition can take many forms. For a more comprehensive understanding of the duality between tradition and innovation in family firms, we need further research on other forms of tradition and how they interact with innovation. Second, given our theoretical sampling strategy, study findings are based on data from long-lived family firms only. Tradition in these family firms was a very significant element interfering with their business operations. Although this sampling strategy helped us gather rich data on the interaction between tradition and innovation, it hinders us from generalizing our results to younger family firms. Younger family firms may not be exposed to the effects of tradition to the same extent as long-lived family firms, or other aspects of tradition may be prevalent in these firms. We need research focusing on younger family firms to extend findings of this study. Third, our study is based on in-depth interviews with the latest generations involved in family firms. Consequently, our insight into former generations was bounded by current generation informants' knowledge of family business history. Longitudinal research on how family firms' tradition and innovation activities develop simultaneously across generations might further extend this study's findings and provide valuable contributions to our understanding of family firm innovation.

CHAPTER 4

TRANSGENERATIONAL SUSTAINABILITY INTENTIONS IN FAMILY FIRMS: THE ROLE OF FAMILY SOCIAL CAPITAL

Unlike nonfamily firms, family firms are governed with the intention to transfer the business to subsequent generations. In fact, the intention for transgenerational sustainability is proposed to be the most important feature distinguishing family and nonfamily firms (e.g. Chua et al., 1999, Churchill & Hatten 1987). Consequently, many definitions of family firms require that firms need to be governed with transgenerational intentions in order to be classified as family firms (e.g. Chrisman, Chua, & Litz, 2004; Chua et al., 1999; Litz, 1995). For instance, according to Chua et al.'s (1999) widespread definition, family firms are businesses “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” (pp.25). Consequently, such intentions are argued to constitute the essence of the family firm (e.g. Chrisman, Chua, & Litz, 2003; Chrisman, Chua, Pearson, & Barnett, 2012; Litz, 1995).

In addition to its significance for family essence, the intention for transgenerational sustainability also plays an important role in explaining the heterogeneous behaviors of family firms. Family firms are known to vary significantly in the strength of this intention, i.e. while transferring the firm to the future may not be a particularly desirable goal for some families, it may be the “raison d’être” for others (Zellweger et al., 2013). Consequently, behavior of family firms is argued to differ based on whether the family has strong or weak intentions

for sustaining the family firm since such intentions point to a long-term orientation and value derived from family control (James, 1999). Empirical research has shown that the intention for transgenerational sustainability is linked to the adoption of several nonfinancial goals in family firms (Chrisman et al., 2012; Zellweger et al., 2013), and family firm valuation (Zellweger, Kellermanns, Chrisman, & Chua, 2012). The difference in intentions might also be an important factor for understanding how some family firms achieve longevity while many others fail since intentions are closely linked to strategy formulation in family firms and create transgenerational value beyond profitability (Zellweger et al., 2013).

Despite the recognition of its centrality for family essence, heterogeneity of family firm behavior, and longevity of family firms, we know little about what shapes family firm owners' transgenerational considerations. In family firm literature, the variables which are often linked to transgenerational sustainability intentions are the level of family ownership and family management. It has been empirically shown that variables such as percentage of ownership by family members, number of family managers, and number of generations involved in the business are positively associated with transgenerational sustainability intentions (Chrisman et al., 2012). Yet there could be many other possible determinants of such intentions. One possible determinant that has not been considered in previous research is the nature of relationships inside the family. This is surprising given that family firms differ significantly in terms of their family relationships, e.g. their interpersonal interaction, social climate, intergenerational style etc. (Björnberg & Nicholson, 2007). In fact, different characteristics of families are considered to be one of the main sources of family firm heterogeneity (Zellweger, Eddleston, & Kellermanns, 2010). We argue that a closer look inside the family might move us

beyond simple figures such as percentage of family shares, and enhance our understanding of what drives family firm owners towards transferring the firm to the future. Previous research has already demonstrated that trust-based and affable relationships within the family have a great impact on successful transition of the business (Morris et al., 1997). Differences in the nature of relationships among family members may also influence whether owner-managers consider perpetuating their business beyond their own generation. Consequently, our focus in this chapter is on exploring if, and how, relationships within the business family influence owner managers' intentions for transgenerational sustainability.

Following Cabrera-Suárez, Déniz-Déniz, and Martín-Santana (2015), we approach family relationships from a social capital perspective. Social capital is defined as “the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit” (Nahapiet & Ghoshal, 1998, pp. 243). Families are said to have a distinctive ability to develop social capital through long-developed relationships which create resources such as strong cohesion, shared vision and purpose, and trust (Cabrera-Suárez et al., 2015; Carr, Cole, Ring, & Blettner, 2011). On this basis, the first objective of this chapter is to investigate how social capital resources derived from family relationships affect owner managers' transgenerational sustainability intentions. In addition, this chapter seeks to analyze the mechanism through which family social capital resources are transferred to the business. Since family social capital is described as a family-level phenomenon (e.g. Arregle, Hitt, Sirmon, & Very, 2007; Carr et al., 2011; Pearson, Carr, & Shaw, 2008), the question of how these social capital resources at the family level are utilized to create firm-level outcomes is yet unanswered. In an attempt to address this theoretical problem, we

propose that socioemotional wealth, which refers to the nonfinancial aspects of family firms that meet the family's affective needs (Gomez-Mejia et al., 2007), may operate as a mechanism through which social capital resources at the family level can be mobilized to create firm-level outcomes, specifically the intention for transgenerational sustainability. Consequently, the second objective of this chapter is to analyze how family social capital indirectly affects owner manager's transgenerational sustainability intentions through its influence on socioemotional wealth.

In line with our research objectives, we develop hypotheses using social capital theory and test these hypotheses in a sample of 252 owner-managers of small and medium-sized family firms based in Turkey. We thereby attempt to contribute to the literatures on family firm sustainability and family social capital. First, we attempt to contribute to the literature on family firm sustainability by explaining owner-manager's transgenerational sustainability intentions from a social capital perspective. By specifically focusing inside the family, we examine how family ties and interaction patterns could be key resources that provide the family a rationale for perpetuating the business over generations. We also aim to contribute to the literature on family social capital by exploring the role of socioemotional wealth as a mechanism through which family's social capital resources are mobilized in the family firm.

In the following section, we review social capital theory, and research on family social capital and socioemotional wealth. We then explore the relationships between family social capital, socioemotional wealth, and the intention for transgenerational sustainability, and develop hypotheses for these relationships based on our theoretical framework. Then, methods and findings of the study are

described. Lastly, we provide a discussion of study findings, implications for research and practice, and limitations.

4.1 Literature review

4.1.1 Social capital

Social capital is defined as “the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit” (Nahapiet & Ghoshal, 1998, pp. 243). The goodwill embedded in the network of relationships, e.g. the sympathy, trust, and forgiveness offered in the social structure, forms the substance of social capital (Adler & Kwon, 2002). The central proposition of the social capital theory is that such goodwill can be a valuable resource for actors to facilitate action (Adler & Kwon, 2002; Nahapiet & Ghoshal, 1998). Social capital theory has been useful to explain a wide range of phenomena including career success (Podolny & Baron, 1997), team effectiveness (Rosenthal, 1996), innovation (Gabbay & Zuckerman, 1999) and corporate entrepreneurship (Chong & Gibbons, 1997).

There are two approaches to the study of social capital; one focusing on external relations of a focal actor (e.g. Burt, 1992), and the other on the internal relations among collective actors (e.g. Coleman, 1990). Adler and Kwon (2002) differentiated between these two approaches by using the terms bridging social capital and bonding social capital, respectively. Accordingly, bridging social capital ties a focal actor to other actors and explains differential success of individuals and firms based on network analysis (Adler & Kwon, 2002). In contrast, bonding social capital refers to the social capital of a collectivity as studied in the linkages among individuals or groups within the collectivity (Adler & Kwon, 2002). In this study, we

adopt the internal or bonding social capital approach given our focus on the relationships within the specific collectivity of business families. Whereas the external approach adopts an individualist and opportunistic perspective, the internal approach focuses on the collective good (Pearson et al., 2008). Consequently, social capital in family firms has been generally studied with a focus on internal social capital (e.g. Cabrera-Suárez et al., 2015; Carr et al., 2011; Pearson et al., 2008). Within this perspective, social capital refers to a variety of entities possessing two common characteristics: “They all consist of some aspects of social structure, and they facilitate certain actions of individuals who are within the structure” (Coleman, 1990, pp. 302). Consistent with this definition, social capital covers a broad range of resources which facilitate the pursuit of collective goals (Brehm & Rahn, 1997), the ability to work together (Fukuyama, 1995), shared values or norms (Fukuyama 1997), a culture of trust and tolerance (Inglehart, 1997), expectations within a collectivity (Portes & Sensenbrenner, 1993), and social trust (Putnam, 1995).

4.1.2 Social capital in family firms

Social capital is a relatively recent theoretical development in the family business field. Scholars’ attempts so far have mostly focused on conceptually developing the argument that family firms have an advantage over nonfamily firms in that they are able to develop distinctive and complex social capital resources. For instance, Carr et al. (2011) argues that, being a particularly powerful collectivity, the family has the ability to develop internal social capital through long-developed relationships which create resources such as strong family ties, shared vision and purpose, and trust. These resources cannot be easily developed by nonfamily firms and provide family firms with unique and valuable capabilities (Carr et al., 2011). Pearson et al. (2008)

developed a social capital perspective to familiness proposing that social capital resources constitute the specific elements of familiness. Authors argued that the presence of established internal network ties that are transferrable to the business offers an advantage to family firms over nonfamily firms in which individuals bring relatively few preexisting network ties (Pearson et al., 2008). Moreover, authors suggested that social capital has unique attributes in the family firm setting due to being deeply embedded in the family history (Pearson et al., 2008). Authors also argued that family firms have advantages over nonfamily firms regarding social capital given the significant role of trust, ties, obligations, and identification in family relationships (Pearson et al., 2008).

Pearson et al. (2008) and Carr et al. (2011) focus mainly on the content of social capital. Alternatively, Arregle et al. (2007) adopt a process perspective instead of a content perspective to analyze the ability of family firms to develop social capital. According to the process perspective, social capital is developed through four dynamic factors: stability, interaction, interdependence, and closure (Nahapiet & Ghoshal, 1998). Arregle et al. (2007) argue that the nature of relationships within families allows for the presence of these dynamic factors, and thus provides an ideal environment for the development of social capital. For instance, stability is important given the role of time in the development social capital. Socialization that begins from early childhood is likely to bring about stability in terms of time spent under family influence (Arregle et al., 2007). High level of interactions and mutual interdependence which are required to develop and protect social capital are also present in family relationships. Increased levels of interactions and interdependence in families are likely to create trust, reciprocity, and exchange (Arregle et al., 2007). Lastly, closure which refers to the extent to which actors' contacts are interconnected

and members are distinguished from non-members is also present in the family (Arregle et al., 2007). In sum, both content (e.g. Carr et al., 2011; Pearson et al., 2008) and process perspectives (e.g. Arregle et al., 2007) suggest that families have a distinctive ability to create, develop, and protect social capital resources which can be used for realizing collective goals in the family firm.

4.1.3 Socioemotional wealth

It has been well-recognized that family firms derive noneconomic benefits through their businesses in addition to economic returns (Chrisman, Chua, & Litz, 2003; Chrisman et al., 2012, Gomez-Mejia et al., 2007; Zellweger & Astrachan, 2008, Zellweger, Kellermanns, et al., 2012, Zellweger et al., 2013). In an attempt to synthesize these affective endowments tied to the family firm, socioemotional wealth has been introduced as an umbrella concept that encompasses the “nonfinancial aspects of the firm that meet the family’s affective needs” (Gomez-Mejia et al., 2007, pp. 106). Given the broad definition, many forms of socioemotional wealth have been identified in literature such as family control and influence, identification of the family with the firm, binding social ties, emotional attachment of family members, and renewal of family bonds (Berrone et al., 2012). Given the broad definition, any aspect of the family firm that provides owners with affective endowments can be conceptualized under the framework of socioemotional wealth. Consequently, it has been proposed that research should be directed on studying specific dimensions of socioemotional wealth (Berrone et al., 2012).

Given the link it provides between the family and its business, it has been proposed that socioemotional wealth is a key attribute of family firms that differentiates them from nonfamily firms (Berrone et al., 2012). The underlying

rationale of this proposition is that, unlike nonfamily firms, family firms are motivated by and committed to the preservation of their socioemotional wealth. Consequently, they make strategic decisions using socioemotional wealth as a fundamental frame of reference (Berrone, Cruz, Gomez-Mejia, & Larraza-Kintana, 2010; Berrone et al., 2012; Gomez-Mejia et al., 2007). Empirical studies have proven that the socioemotional wealth framework is useful for explaining many aspects of family firm behavior. Many studies have shown that family firm owners make business decisions based on a socioemotional wealth reference point (e.g. Berrone et al., 2010; Chrisman & Patel, 2012; Classen et al., 2012; Gomez-Mejia et al., 2007, 2014; Gomez-Mejia, Makri, & Kintana, 2010; Jones, Makri & Gomez-Mejia, 2008). For instance, Gomez-Mejia et al. (2007) have shown that family-owned olive oil mills rejected to join cooperatives and chose to remain independent at the cost of losing many financial benefits in order to preserve family's socioemotional wealth. Berrone et al. (2010) have reported that family firms in polluting industries contaminated less than their nonfamily counterparts in order to protect their socioemotional wealth. Gomez-Mejia et al. (2010) have reported that family firms diversify less than nonfamily firms because diversification implies having to appoint nonfamily members to various business units, a situation that is associated with a decrease in family's socioemotional wealth. Zellweger et al. (2011) have shown that the total perceived value of the family firm can be calculated by adding the value of socioemotional wealth to the financial value of the firm. Authors have demonstrated that family owners consider selling the firm only if compensated for the loss in socioemotional wealth (Zellweger et al., 2011). In sum, empirical evidence demonstrates that family firm owners may disregard financial benefits and business

risks when making decisions based on a socioemotional wealth reference point (Berrone et al., 2010; Gomez-Mejia et al., 2007, 2010).

4.2 Theoretical framework and hypotheses

The following section draws on social capital theory to explore the relationship between family social capital and the intention for transgenerational sustainability. Next, we will draw on the literature on socioemotional wealth and behavioral agency theory to explore the role of socioemotional wealth in this relationship.

4.2.1 Family social capital and the intention for transgenerational sustainability

According to social capital theory, internal social capital resources embedded within relationships drive members towards the “collective good” (Pearson et al., 2008). Such resources are said to facilitate collective action, coordination, and cooperation for mutual benefit (Brehm & Rahn, 1997; Putnam, 1995), and promote development for the collective whole (Thomas, 1996). In the family firm, such resources derived from family relationships should drive family firm owners to pursue long-term benefits for the “collective good” of the family. In this study, we focus on the structural and cognitive dimensions of internal social capital as they might provide owner-managers with resources which foster intentions for transgenerational sustainability. The cognitive dimension of social capital refers to resources that provide shared representations, interpretations, and systems of meaning (Cicourel, 1973, Nahapiet & Ghoshal, 1998). Such resources reflect the shared purpose and meaning created through shared language and collective narratives (Nahapiet & Ghoshal, 1998). Cognitive social capital resources such as shared values, norms, and beliefs may be utilized to create a shared vision of the future of the family firm. It

has been suggested that a vision that is greater than the business itself, and an intergenerational sense of mission is necessary to long-term survival (Aronoff & Ward, 2011). Lansberg (1999) emphasized the role of shared, collective dreams and a vision of the future in transferring the business to next generation. Values are said to act as the glue that keeps the family together, through which members can envision a shared future (Aronoff & Ward, 2011). Shared values support a long-term view, inspire people to make commitments, and encourage the family to work towards assuring a shared legacy (Aronoff & Ward, 2011). James (1999) also suggests that a shared vision among family members ties the family together over succeeding generations through time. Consequently, cognitive social capital resources embedded in relationships such as shared values, norms and beliefs are likely to drive owner-managers towards building a future for the family firm.

The structural dimension of social capital represents the nature of social interaction among members (Tsai & Ghoshal, 1998). It refers to the general pattern and strength of linkages among individuals, and involves facets such as network size, network configuration, and appropriable organization which describe the pattern and strength of ties (Coleman, 1988; Nahapiet & Ghoshal, 1998). Strength of ties, as well as established patterns of social interaction are said to facilitate communication and sharing of information (Carr et al., 2011). Strong internal ties enable individuals to function as of a coherent unit (Pearson et al., 2008). Through strong ties, individuals access emotional support and identify with the group (Pearson et al., 2008).

Structural social capital is also associated with trust among members, as well as the formation and sharing of common goals and values (Tsai & Ghoshal, 1998). Families characterized with strong internal ties, and a pattern of interaction that facilitates the formation of a shared vision of the family firm are likely to be able to function as a

whole towards building a common future. Moreover, when family's social capital resources permeate the business, they may provide additional value to the owner manager which may increase their intentions to transfer the business to the future. Research on social capital in family firms demonstrated that social capital provides family firms with resources that can be used to create nonfinancial outcomes such as work satisfaction and family satisfaction (Carr et al., 2011). Through these resources, an affective relation between the owner and the firm is likely to develop which is said to create emotional value tied to the business (Zellweger & Astrachan, 2008). Resources created through cognitive and structural capital is likely to bind the family together towards a shared vision of the future. James (1999) argued that resources created through relationships among family members extend the horizons of family firm owners through linking actions to the welfare of family members. He argued that the shared norms and feelings of loyalty driven from family relationships will drive owner-managers towards emphasizing long-run benefits for the family as a whole, and lengthen their perspectives (James, 1999). On the basis of these arguments, we argue that family's social capital resources may raise owner-managers' intentions for transgenerational sustainability. Thus, we propose the following hypotheses:

Hypothesis 1: The components of family social capital are positively related to owner-manager's intention for transgenerational sustainability.

Hypothesis 1a: Family's cognitive social capital is positively related to owner-manager's intention for transgenerational sustainability.

Hypothesis 1b: Family's structural social capital is positively related to owner-manager's intention for transgenerational sustainability.

4.2.2 The role of socioemotional wealth

Studies on social capital in family firms describe the phenomenon at the family level. However, a rationale explaining how family-level social capital is transferred to the firm level is missing. From a theoretical point of view, it is important to identify the mechanism through which family social capital resources are utilized to create firm-related outcomes. In other words, in order to be able to mobilize the resources created through family social capital, the family firm needs a mechanism that binds its social capital to its business. We argue that the concept of socioemotional wealth may be the binding mechanism between family social capital and firm-related outcomes, specifically the intention for transgenerational sustainability.

Although social capital and socioemotional wealth are closely related conceptually, the link between two constructs has not been clearly established. Zellweger, Kellermanns, et al. (2012) referred to social capital as a source of socioemotional wealth, and encouraged research on analyzing how the varying levels of social capital across families may affect firm behaviors and outcomes. In fact, many dimensions of socioemotional wealth such as harmony, fulfilment of needs for belonging, identification, intimacy, being part of a tight social group or clan (Gomez-Mejia et al., 2010) are dependent on relationships inside business families. For instance, cognitive social capital resources of the family such as shared norms, attitudes, beliefs, and values are likely to create harmony within the family firm. Aronoff and Ward (2011) note that when the family perceives the business to exemplify its value system, two basic needs are fulfilled: “to belong to something larger than one’s self and to commit to a meaningful purpose” (pp. 22, 23). Thus, when family’s cognitive social capital resources permeate the business, the family is more likely to get attached to, and identify with the family firm. Structural social

capital is also significant to the development of socioemotional wealth since the both the strength and pattern of relationships formulate the basis for the formation of ties and affective relationships (Nahapiet & Ghoshal, 1998). That is, frequent and close social interactions are necessary in the first place to develop trust, norms, and identity (Pearson et al., 2008). Intense and frequent interactions within the family, as well as established patterns of interaction can foster belongingness to the family firm. Moreover, established intergenerational patterns should provide stability in business relationships and foster harmony between family members in the business environment. Consequently, we argue that cognitive and structural social capital resources are likely to generate noneconomic utilities tied to the business in the form of socioemotional wealth.

In line with the behavioral agency model which incorporates elements such as loss aversion and problem framing to traditional agency research (Wiseman & Gomez-Mejia, 1998), it has been proposed that noneconomic forms of utility represented by socioemotional wealth affect family firm behavior (Berrone et al., 2010, Gomez-Mejia et al., 2007, 2010). Family firm owners are said to frame their decisions adopting a socioemotional wealth reference point, which means that they will be more risk-averse when decisions entail risk of losing their socioemotional wealth endowments. Giving up socioemotional wealth is framed as a crucial loss by family firm owners as it implies a lost ability to exercise authority, reduced status, failure to meet the family's expectations, and the loss of belonging, affect, and intimacy (Gomez-Mejia et al., 2007, 2010). Behavioral agency model suggests that when owner-managers frame their decisions based on a socioemotional wealth reference point, their loss aversion with respect to socioemotional wealth endowments will make them more risk-averse (Berrone et al., 2012, Gomez-Mejia et

al., 2007, 2010). Accordingly, once these family social capital resources permeate the business in the form of socioemotional wealth endowments, owner managers will be inclined to preserve such endowments which will push them to sustain family ownership and management. Indeed, while family ownership and control are necessary conditions for the creation of socioemotional wealth endowments in the first place, the preservation of such endowments also depend on the continuation of family ownership and control (Zellweger, Kellermanns, et al., 2012). Thus, with a socioemotional wealth reference point, family firm owners will be more likely to perpetuate the business when their socioemotional wealth is at stake. Hence, the greater the level of socioemotional wealth endowments created through family's social capital resources, the greater will be owner managers' intentions for transgenerational sustainability. In case of absence of such emotional value, family firms' behavior will be similar to that of nonfamily firms. In that case, the family's reference point can be purely economic when considering selling the firm or planning for succession. However, the presence of socioemotional wealth will push them towards framing their decisions based on preserving such endowments.

On the basis of these arguments, we propose that socioemotional wealth will mediate the relationship between components of family social capital and owner-manager's intention for transgenerational sustainability. Thus, the following hypothesis is developed:

Hypothesis 2: Socioemotional wealth mediates the relationship between components of family social capital and owner-manager's intention for transgenerational sustainability.

Hypothesis 2a: Socioemotional wealth mediates the relationship between family's cognitive social capital and owner-manager's intention for transgenerational sustainability.

Hypothesis 2b: Socioemotional wealth mediates the relationship between family's structural social capital and owner-manager's intention for transgenerational sustainability.

Figure 3 depicts the hypothesized relationships between family social capital, socioemotional wealth, and owner-manager's intention for transgenerational sustainability.

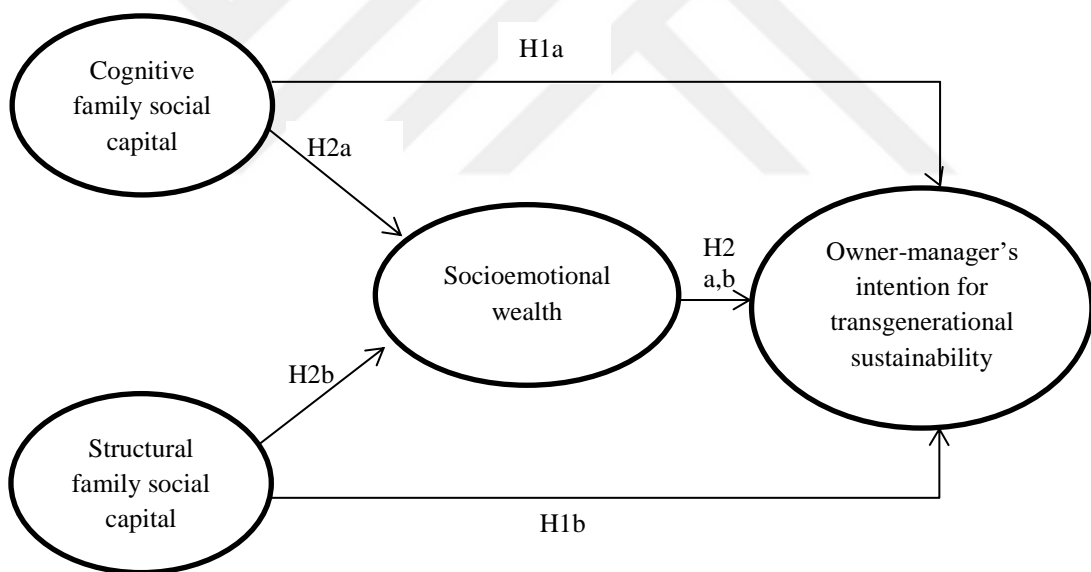


Fig. 3 Proposed model of the relationship between family social capital, socioemotional wealth, and owner-manager's intention for transgenerational sustainability

4.3 Methodology

4.3.1 Sample

To test the hypotheses, data were collected from 252 owner-managers of small and medium-sized family firms in Turkey operating in a wide range of sectors. The focus was specifically on small and medium-sized family firms because the influence of the family and relationships within the family on firm outcomes is likely to be greater in small firms than in larger firms with complex organizational structures where the concentration of ownership and management is not as pronounced (Chrisman et al., 2012). Moreover, 94 percent of small and medium sized enterprises in Turkey are reported to be family firms (Ankara Sanayi Odası, 2005). Small and medium-sized firms were defined using the criteria stated in the Official Gazette of the Turkish Republic. Accordingly, firms employing less than 50 employees and either yearly net sales revenue or balance sheet is not exceeding one million Turkish Liras are defined as micro firms; firms employing less than 100 employees and either yearly net sales revenue or balance sheet is not exceeding eight million Turkish Liras are defined as small sized firms, and firms employing less than 250 employees and either yearly net sales revenue or balance sheet is not exceeding 40 million Turkish Liras are defined as medium sized firms (Official Gazette of the Turkish Republic, 2012). Family firms were defined using one criteria regarding family ownership and two criteria regarding family management: (1) the family holds majority of ownership, (2) the general manager of the firm is a family member, and (3) there are at least two family members actively working in the family firm. A professional research company was contacted to identify family firms fulfilling the criteria, ask for their consent to be included in the study, and conduct a face-to-face survey with owner-managers. Face-to-face survey method was preferred to avoid drawbacks of

self-administered or online surveys. Istanbul was chosen as the population framework since employing a representative sample from Turkey was not feasible due to time and financial constraints. Being the major city in Turkey and getting a lot of migration from all around Turkey, Istanbul reflects the characteristics of Turkey to a large extent. Given that there is no national database of family firms, a random sampling design has not been possible, and contacts were chosen using a convenience sampling methodology. The use of convenience samples is very common in small and medium sized firm and family firm research (Kraiczky, Hack, & Kellermanns, 2015). Contacts were asked over the phone if they fulfilled the family firm criteria and agreed to take part in the survey. Surveys were administered face-to-face by professional pollsters. In the first step, a pilot study with 50 family business owners fulfilling the criteria was conducted to refine the questionnaire and validate the measures used before continuing to the final survey. Analysis following the pilot study showed that all measures demonstrated acceptable reliability, and we proceeded with data collection. Data was collected during the period between February and April 2016. The final sample consisted of 252 owner-managers of small-and medium sized family firms.

4.3.2 Variables and measures

The questionnaire included validated and reliable measurement scales used in relevant literature. All the scales included in the questionnaire were 5-point Likert-type scales. Scales were translated and adapted into Turkish by the researcher, and were administered in Turkish. Questionnaire items in English are presented in Appendix E, and questionnaire items in Turkish are presented in Appendix F.

4.3.2.1 Dependent variable

Owner-manager's intention for transgenerational sustainability was measured using a scale developed by Zellweger, Kellermanns, et al. (2012). The scale consists of two items measuring opportunity and desire, which are the primary drivers of intentions (Zellweger, Kellermanns, et al., 2012). Items represent the opportunity of passing on the family firm to future generations, and the desire to continue family legacy and traditions. Slight changes in the wording of one item were made to adapt the scale to individual level in order to measure owner manager's intentions (e.g. "Continuing the family legacy and traditions is important to us" was adapted to "Continuing the family legacy and traditions is important to me") The measure demonstrated acceptable reliability, with a Cronbach's alpha of 0.831. Exploratory factor analysis revealed a single factor.

4.3.2.2 Independent variables:

Family social capital was measured through a scale developed by Björnberg and Nicholson (2007). This scale measures several aspects of family relationships such as the degree of cognitive and emotional cohesion within the family, open communication among family members, and intergenerational attention and authority patterns. The scale has been previously validated by Cabrera-Suarez et al. (2015) for operationalizing cognitive and structural dimensions of family social capital. The measurement model developed by authors showed an excellent fit demonstrating that cognitive family social capital is a one-dimensional construct represented by cognitive cohesion, and structural family social capital is a construct formed by three dimensions: open communication, emotional cohesion and intergenerational attention (Cabrera-Suarez et al., 2015).

Following Cabrera-Suarez et al. (2015), we measured cognitive social capital with the cognitive cohesion subscale. Cognitive social capital resources provide “shared representations, interpretations, and systems of meaning among parties” (Nahapiet & Ghoshal, 1998, pp. 244). In the family firm, cognitive social capital represents shared meaning, vision, and purpose among family members (Carr et al., 2011). In parallel, cognitive cohesion items measure the degree of similarity between family members views, interests, tastes, beliefs, perspectives, and values. Some sample items are: “We have similar views on things”, “Our values are very similar”. Consistent with Cabrera-Suarez et al. (2015), structural social capital is measured with open communication, emotional cohesion, and intergenerational attention subscales. In the family firm, structural social capital represents the patterns and strength of interactions among members (Carr et al., 2011). Consequently, open communication items measure the general frequency of interaction and patterns of open communication among family members. Sample items are: “We regularly talk about things that concern us”, “We bring issues out in the open, good or bad”. Emotional cohesion measures the strength of emotional ties within the family. Sample items are: “The emotional bond between us all is very strong”, “We are emotionally close”. Finally, intergenerational attention items assess the intergenerational interaction patterns and strength of ties among members from different generations. Sample items are: “The older generation takes a close interest in the activities of the younger generation” “Older members have a protective attitude toward the younger members”.

Each of the utilized subscales included eight items. Some of the reverse items included in the FCS were transformed into positive statements during translation to overcome the effects of negative wordings in Turkish. Responses on remaining

reverse items were recoded so that high scores on the item indicate high levels of the attribute being measured. Following reliability and exploratory factor analyses, some reverse items still needed to be deleted to ensure acceptable reliability and factor loadings. Final exploratory factor analysis revealed four factors representing cognitive cohesion, open communication, emotional cohesion, and intergenerational attention items. Cronbach's alpha values of each subscale are 0.830 for cognitive cohesion, 0.696 for open communication, 0.850 for emotional cohesion, and 0.783 for intergenerational attention.

4.3.2.3 Mediator variable

Socioemotional wealth was measured with a three item scale developed by Chrisman et al. (2012). Berrone et al. (2012) suggest that two important challenges of the socioemotional wealth approach lie in its measurement and its dimensions. Empirical studies have generally relied on socioemotional wealth as a latent explanatory construct without directly measuring it, or used proxies such as percentage of family ownership. Moreover, despite its broad definition that encompasses many different forms of affective endowments, socioemotional wealth has generally been treated as a unidimensional construct. In an attempt to address these challenges, we avoided treating socioemotional wealth as a latent explanatory construct, and focused on specific dimensions of socioemotional wealth as suggested by Berrone et al (2012). Given our purpose of investigating the effects of relationships among family members, we focused on three specific family-centered affective endowments tied to the business; mainly family harmony, family social status, and identity alignment between the firm and the family. Items in the scale measure the extent to which family members are driven towards preserving these three affective endowments

(Chrisman et al., 2012). The measure demonstrated acceptable reliability with a Cronbach's alpha of 0.777. Exploratory factor analysis revealed a single factor.

4.3.2.3 Control variables

To lessen the limitations of our convenience sampling, we included in our analyses some control variables that could potentially affect the dependent variable. We controlled for family ownership and family management since these variables have been shown to affect transgenerational sustainability intentions (Chrisman et al., 2012). Zellweger and Astrachan (2008) suggest that increased ownership raises the emotional value of the firm by creating psychological attachment to the firm. Increased family involvement in management is also linked to transgenerational intentions given the higher residual stakes of family managers compared to nonfamily managers (Chrisman et al., 2012; Schulze, Lubatkin, Dino, & Buchholtz, 2001). Family ownership was assessed by the percentage of shares owned by the family, and family management was assessed by the number of family managers in the organization. We also controlled for firm age by measuring the number of years passed since the firm's founding and the beginning of the focal year since. Firm age also implicitly controls for family tenure in family firms (Gomez-Mejia et al., 2007). Family firm owners might be more inclined to protect what they have inherited as the firm ages and family tenure increases. We also controlled for organizational size based on number of employees, since larger businesses may provide family firm owners with economic benefits that might affect their transgenerational sustainability intentions. Finally, we also controlled for potential effects of sector by including a dummy variable for production sector.

4.4 Analyses and findings

The means, standard deviations, and zero-order correlations are reported in Table 4. The observed correlations between variables were generally as expected. On average, the firms were about 24 years old and had approximately 11 employees. There was considerable variation in each of these control variables. The average percentage of shares owned by family was 98.8%. The firms had an average of 2.5 family managers, and 86% of the sample had two or more family managers. Many family firms in the sample were reported to operate in more than one sector simultaneously (production, construction, wholesale, retail, service) of which approximately 21 percent engaged in production.

We conducted multicollinearity and common method bias tests. To test for multicollinearity, we assessed variance inflation factors (VIF). The highest observed VIF equaled 1.560, which suggests that multicollinearity is not an important concern (Pedhazur, 1997). Because self-report data was collected through the same questionnaire with a cross-sectional research design, we tested the presence of a common method bias through the Harmon one-factor test (Podsakoff & Organ, 1986). All variables were entered into principal component factor analysis with varimax rotation. This resulted in seven factors explaining 61.42 percent of the total variance. The first and largest factor accounted for 12.85 percent of the variance. Since no single factor accounted for a majority of the variance, no general factor was apparent suggesting that common method bias is not a major concern (Podsakoff & Organ, 1986).

Table 4. Means, Standard Deviations, and Correlations

Variables	Mean	SD	1	2	3	4	5	6	7	8	9	10	11
1 Family ownership (% of shares)	98.83	7.00	1.00										
2 Family management (# of family managers)	2.50	1.42	0.06	1.00									
3 Firm Age	24.29	17.97	0.02	0.16 **	1.00								
4 Firm size (# of employees)	10.77	19.36	-0.05	0.44 **	0.13 *	1.00							
5 Sector (production)	0.21	0.41	-0.12	0.12	0.13 *	0.24 **	1.00						
6 Cognitive social capital: Cognitive cohesion	3.63	0.52	0.07	0.01	-0.15 *	0.00	-0.15 *	1.00					
7 Structural social capital: Open communication	4.25	0.36	0.11	0.14 *	-0.05	0.09	0.03	0.26 **	1.00				
8 Structural social capital: Emotional cohesion	4.40	0.42	0.18 **	0.03	-0.07	0.00	0.05	0.37 **	0.46 **	1.00			
9 Structural social capital: Intergenerational attention	4.11	0.45	0.17 **	-0.01	0.02	-0.12 *	0.09	-0.10	0.05	0.23 **	1.00		
10 Socioemotional wealth	4.13	0.51	0.09	0.09	0.03	0.06	0.05	0.38 **	0.39 **	0.38 **	0.04	1.00	
11 Intention for transgenerational sustainability	4.27	0.60	0.10	0.14 *	-0.07	0.17 **	-0.07	0.41 **	0.26 **	0.20 **	0.04	0.42 **	1.00

N = 252

* p < 0.05

** p < 0.01

We tested the hypotheses via several regression analyses. In Model 1, intention for transgenerational sustainability was regressed against the control variables of family ownership, family management, firm age, firm size, and sector. Control variables did not affect the intention for transgenerational sustainability at this stage. In Model 2, we tested Hypothesis 1 by adding cognitive cohesion, open communication, emotional cohesion, and intergenerational attention into the regression model. Cognitive cohesion showed a significant relationship with the intention for transgenerational sustainability ($\beta = 0.403$, $p < 0.001$), thus Hypothesis 1a was confirmed. Hypothesis 1b received partial support. Among three indicators of structural social capital, open communication had a significant impact on the intention for transgenerational sustainability ($\beta = 0.146$, $p < 0.05$), however emotional cohesion and intergenerational attention did not show a significant relationship.

In order to test the mediation effect in Hypothesis 2, we needed to verify three more sets of relationships (Baron & Kenny, 1986). In Model 3, we moved on with regression analysis by entering socioemotional wealth into the regression model. Socioemotional wealth showed a significant relationship with the intention for transgenerational sustainability ($\beta = 0.282$, $p < 0.001$). Moreover, when socioemotional wealth is added into the regression model, open communication lost its significance providing support for a full mediation effect ($\beta = 0.079$, ns). As for cognitive cohesion, although there was a decrease in the β -value, the variable maintained its significance providing evidence for a partial mediation effect ($\beta = 0.327$, $p < 0.001$). In Model 4, socioemotional wealth was regressed against family social capital variables. Cognitive cohesion ($\beta = 0.272$, $p < 0.001$), open communication ($\beta = 0.236$, $p < 0.001$), and emotional cohesion ($\beta = 0.166$, $p < 0.05$)

showed a significant relationship with socioemotional wealth, while the effects of intergenerational attention were not significant ($\beta = 0.015$, ns). Finally, in Model 5, intention for transgenerational sustainability was regressed onto socioemotional wealth to assess whether socioemotional wealth alone was significantly associated with the intention for transgenerational sustainability. Model 5 demonstrated that socioemotional wealth showed a significant relationship with the intention for transgenerational sustainability ($\beta = 0.403$, $p < 0.001$). Taken together, the results of the mediation tests provide partial support for Hypothesis 2. The relationship between cognitive social capital and the intention for transgenerational sustainability was partially mediated by socioemotional wealth providing support for Hypothesis 2a. Hypothesis 2b was partially supported. Socioemotional wealth fully mediated the relationship between open communication and the intention for transgenerational sustainability, whereas emotional cohesion and intergenerational attention had no direct or indirect effect on the intention for transgenerational sustainability.

Results of regression analyses are shown in Table 5. Detailed outputs of conducted regression analyses are presented in Appendix G, H, and I. Results demonstrate that family's cognitive social capital which provides members with a shared meaning, vision, and purpose strongly affects to owner manager's intention for sustaining the family firm. This effect is partially due to the socioemotional wealth created through family's cognitive social capital. Findings are mixed regarding the effect of structural social capital components on owner manager's intention for transgenerational sustainability. Open communication which reflects the general frequency of interaction and patterns of open communication among family members significantly increases this intention through creating socioemotional wealth tied to the family firm. However, the effects emotional cohesion and

Table 5. Results of Regression Analysis†

	Intention for transgenerational sustainability	Intention for transgenerational sustainability	Intention for transgenerational sustainability	Socioemotional wealth	Intention for transgenerational sustainability
	Model 1	Model 2	Model 3	Model 4	Model 5
<i>Control</i>					
Family ownership (% of shares)	0.114	0.071	0.068	0.010	0.081
Family management (# of family managers)	0.079	0.048	0.039	0.031	0.050
Firm Age	-0.112	-0.049	-0.074	0.087	-0.119 *
Firm size (# of employees)	0.137	0.126	0.120	0.018	0.120
Sector (production)	0.060	0.124 *	0.125 *	-0.006	0.083
<i>Independent variables</i>					
Cognitive social capital: Cognitive cohesion		0.403 ***	0.327 ***	0.272 ***	
Structural social capital: Open communication		0.146 *	0.079	0.236 ***	
Structural social capital: Emotional cohesion		-0.048	-0.095	0.166 *	
Structural social capital: Intergenerational attention		0.100	0.096	0.015	
<i>Mediator variable</i>					
Socioemotional wealth			0.282 ***		0.403 ***
R ²	0.058	0.244	0.302	0.265	0.217
Adjusted R ²	0.038	0.215	0.273	0.238	0.198
F	3.010 *	8.659 ***	10.437 ***	9.709 ***	11.315 ***

N = 252

† Standardized Beta Coefficients

* p < 0.05

** p < 0.01

*** p < 0.001

and intergenerational attention are not significant, suggesting that the emotional strength of ties among members do not affect owner-manager's intention for transgenerational sustainability.

4.5 Discussion

The primary objective of this chapter was to investigate how relationships inside the business family may influence owner manager's transgenerational sustainability intentions. To this aim, we developed and tested a model based on the social capital perspective and examined how family ties and interaction patterns could be resources for perpetuating the family firm over generations, and thereby contributed to the literature on transgenerational sustainability of family firms in several ways.

First, our study provided the first empirical test of the link of relationships inside business families and transgenerational sustainability of family firms. Overall, our findings demonstrate that such relationships are indeed related to owner managers' intentions to perpetuate the firm beyond their own generation. Specifically, cognitive social capital had the strongest effect on owner-manager's intention for transgenerational sustainability. This suggests that the degree of similarity between family members' views, interests, and tastes is of paramount importance for the intentions to transfer the family firm to the future. Moreover, findings demonstrate that family firms which are characterized with frequent interactions and a pattern of open communication among members have a greater chance to survive over generations since such structural social capital resources provide family firm owners with stronger intentions to perpetuate the business. This suggests that the strength and pattern of interactions among family members is another important indicator of the intention for transgenerational sustainability.

Contrary to hypotheses, emotional cohesion and intergenerational attention which measure the emotional strength of family ties did not show significant relations to the intention for transgenerational sustainability. Although strong emotional bonds within the family as well as supportive interaction patterns between members from different generations may contribute to satisfying family's needs for affect and intimacy, such emotional benefits are most likely to be preserved within the family even in the absence or loss of the family firm. This may explain why such resources do not drive owner-managers towards perpetuating their business. The precedence of cognitive cohesion over emotional cohesion in our analyses indicates that it's not the emotional bonds and feelings of love between family members, but the shared worldviews, norms and values that foster longevity in family firms. Murray (2002) describes that a unique attribute of family firms is the "uneasy marriage of emotionality and rationality" (pp.75). Our findings suggest that when it comes to the decision to perpetuate the family firm to next generations, the rational overweighs the emotional. Even when family members are strongly attached to each other emotionally, a lack of shared views, interests, tastes, attitudes, beliefs, and values may retain members from envisioning a shared future of the family firm and bring down owner-manager's confidence concerning the fate of the family firm. Likewise, when family members fail to communicate in a frequent, open, and frank manner, they might be more likely to relinquish family control.

The second objective of this chapter was to analyze the role of socioemotional wealth as a mechanism through which family social capital resources are transferred to the business. Findings provided support for our argument suggesting that family social capital affects owner manager's transgenerational sustainability intentions partly through its influence on socioemotional wealth.

Through this finding, we provide some contributions to the literatures on family social capital and socioemotional wealth. We contribute to family social capital literature by offering an explanation to the theoretical question of how social capital resources at the family-level can be transferred to, and mobilized in the business to create firm-level outcomes. Representing the aspects of the business that satisfy family's affective needs, socioemotional wealth has the potential to bind family's social capital to its business. Our findings add to those of Salvato and Melin (2008) who found that processes of social interaction and social capital are central in creating financial value over generations by demonstrating that such interactions are also central in generating nonfinancial value, e.g. socioemotional wealth.

Consequently, we also contribute to the literature on socioemotional wealth by empirically demonstrating the role of family relations in generating socioemotional wealth, and the role of socioemotional wealth in fostering intentions to sustain the family firm. Extant research has so far mainly treated socioemotional wealth as a latent explanatory construct without directly measuring it (Berrone et al., 2012). As such, antecedents of socioemotional wealth have been mainly overlooked. By demonstrating that family social capital can be an origin of socioemotional wealth in family firms, we add to our knowledge on how socioemotional wealth is created. Although family ownership and control have generally been used as proxies for socioemotional wealth, it has been shown that the influence of socioemotional wealth varies among family firms with similar ownership and control characteristics (e.g., Berrone et al., 2010, Gomez-Mejia et al., 2007). Our results suggest that the observed variation in socioemotional wealth may stem from differences among family firms with respect to relationships inside families. Findings suggest that, even when family ownership and management criteria are satisfied, family firms

characterized with poor family social capital might resemble nonfamily firms in their behaviors, as they lack the socioemotional wealth developed through social capital resources.

We further contribute to the socioemotional wealth literature by empirically demonstrating the effects of socioemotional wealth on transgenerational sustainability intentions. These two constructs have generally been treated as separate factors that differentiate family firms from nonfamily firms (Zellweger, Kellermanns, et al., 2012). Our analysis adds to our knowledge on how these two variables are theoretically related.

In sum, our study contributes to our understanding of how family firms can achieve sustainability through a focus on the inside of the family. The study reveals the significance of family relationships and family social capital for the longevity of family firms by providing empirical evidence for how social capital resources embedded in family relationships extend the horizons of family firm owners. Gomez-Mejia et al. (2007) suggested that a higher social capital should have a positive impact on family's commitment to the firm and reluctance to relinquish control. Our findings provide empirical support for their proposition by demonstrating the impact of cognitive and structural social capital on transgenerational sustainability intentions. As such, the significance of social elements for family firm research is once more highlighted. On the basis of our findings, we suggest that greater attention in theory and practice should be given to the complex relationships within the family to understand how resources of each unique family affect family firm behavior.

The study also provides some managerial implications for family firm owners who are interested in achieving sustainability. Findings imply that the development of shared family values and a shared vision of the future have great significance for

achieving sustainability. Family firms might consider incorporating these elements to their family constitutions. As such, their values and vision of the future could also be communicated and spread to nonfamily employees within the family firm. The study also implies that emotional bonds within the family are not much relevant in the context of transgenerational sustainability. Such strong emotional bonds might also be related to certain negative consequences in the family firm such as nepotism. Thus, instead of transferring such resources to the business domain, family firm owners should rather emphasize developing and leveraging the resources which enable them to operate effectively as a whole on a cognitive level.

Lastly, some limitations of the study should be noted. First, the use of convenience sampling may question the generalizability of results. In order to lessen the limitations of the convenience sampling to some extent, we used many control variables in our research model. Our focus on Turkish family firms may also question generalizability of study findings. However, given that most research on family firms are conducted in the United States and Western Europe, we believe that this study extends our understanding of family firm sustainability by providing evidence from a different culture and economic climate. A further limitation of the study is the use of cross-sectional data. Since our study relies on a cross-sectional design, causality cannot be inferred. However, given our focus on family relationships and the development of family social capital, a longitudinal research design would not have been feasible. The study relies on single source data collected from owner-managers. Although this may raise common method bias concerns, owner-managers represent a reliable source of information given the concentration of power and decision-making in small businesses and the central role of owner-managers in determining firm strategy and outcomes (Donckels & Frohlich, 1991,

Hausman, 2005; Kotey & Meredith, 1997). Furthermore, the concern for common method bias is mitigated by the performed common method bias test (Podsakoff & Organ, 1986).



CHAPTER 5

CONCLUSION

The aim of this dissertation was to contribute to our understanding of how family firms can achieve transgenerational sustainability. To this aim, three research studies which combine different approaches to the topic as well as different research methodologies were designed and conducted. Since findings and implications of each research study are discussed in respective chapters, this concluding chapter aims to integrate these findings and draw conclusions about the topic under investigation. In the following section, I summarize key conclusions drawn from three research studies, and attempt to synthesize these conclusions in a framework for transgenerational sustainability of family firms.

To begin with, it is important to note that conclusions drawn from the case studies reported in this dissertation rely on analytic generalizations instead of statistical generalizations (Yin, 2003). Through an integration of the findings of three research studies, two major conclusions can be drawn on how family firms can achieve sustainability. First, three research studies together suggest that both individual resources and firm-level capabilities are significant for achieving transgenerational sustainability. Chapter 3 has focused on the organizational capability of family firms for renewing themselves in the presence of tradition. Carrying the family firm to the future requires family firms to remain competitive and renew themselves through innovations. In this sense, the capability to manage the interaction between tradition and innovation can provide a unique source of strength for achieving sustainability. On the individual level, Chapter 2 and Chapter 4 focus on next-generation members' commitment, and owner-managers' intention

for transgenerational sustainability as factors that might contribute to the transgenerational sustainability of family firms. Survival of family firms is majorly dependent on the commitment of individuals, and our research shows that next generation members of long-lived family firms are characterized with a strong commitment to the family firm through bonds of identification and obligation. Such commitment and intentions for transferring the firm to the future are important individual-level resources for family firm sustainability. This suggests that a framework for explaining transgenerational sustainability of family firms should integrate firm-level capabilities, as well as individual-level resources.

Second, findings suggest that the factors that drive these individual-level resources and firm-level capabilities are mainly to be found inside the family. Perhaps the most important conclusion to be drawn from three research studies is that family-related variables stay at the core of transgenerational sustainability of family firms. Research studies as a whole demonstrate that the family and elements that are unique to each family such as their common past, traditions, and relationships influence individual members' commitment and intentions, as well as organizational abilities in a direction towards sustaining the family firm. Chapter 2 has shown that commitment to the family firm at the individual level is strongly affected by shared experiences within the family, socialization of family members from an early age on, as well as the unique history of the family firm that is passed on to following generations. In a similar vein, Chapter 4 has demonstrated that owner-managers' intention for transferring the family firm to the future is greatly influenced by the nature of relationships within the family. In other words, shared norms, values, attitudes, and beliefs among family members, as well as strong interactions and established communication patterns within the family are found to influence owner-

manager's vision for carrying the family firm to the future. On the organizational level, we focused on family firm innovation activities through which family firms remain competitive in the long-run. Chapter 3 has revealed that family's unique resources not only influence individual-level resources, but also firm-level capabilities through demonstrating that unique traditions of each family play a significant role in shaping family firms' innovation activities. An integration of findings suggests that both individual and organizational factors that are related to transgenerational sustainability are strongly influenced by family-related variables. Based on three research studies, we suggest that what happens inside the family inevitably shapes the individual resources and organizational capabilities that can be leveraged to achieve transgenerational sustainability. This suggests that the family and its unique resources such as tradition, shared experiences, history, norms, values, and relationships should be at the core of our framework for transgenerational sustainability.

Each family has unique resources based on a common past. Some of these resources are rooted in the distant past such as family history and traditions inherited from previous generations through discussions, stories, and anecdotes. Some other resources are rooted in the recent past, such as family members' shared experiences, their socialization in the family, and relationships through which shared values and norms are generated. This dissertation highlights the element of past as an important factor in the study of transgenerational sustainability of family firms. The term transgenerational sustainability in itself implies a link between the past and the future. In other words, it involves transferring elements from the past to the future. Through their long-standing shared and passed on experiences, families are characterized with strong links to the past. Studies have demonstrated that elements

of the recent as well as distant past permeate the family firm and play a key role in transferring the firm to the future. For instance, Chapter 2 has shown that family history as manifested in the experiences of earlier generations, i.e. their efforts, sacrifices and dedication to the family firm, results in strong normative commitment in following generation. Moreover, past experiences of members in childhood and adolescents are found to be the key to affective commitment to the family firm. This suggests that families can leverage their unique resources which are created through their shared past in order to ensure commitment of next-generation members who are going to perpetuate the business. The significance of the past for transgenerational sustainability of family firms is also highlighted in Chapter 3 in an alternative way. Chapter 3 has demonstrated that families' long-standing traditions that are passed down through multiple generations permeate the business, and lead to the development of firm-level capabilities related to innovation. These findings suggest that family's unique traditions can be a source of strength for achieving sustainability. As in Chapter 2, this suggests that family firms can leverage such resources embedded in their past in order to achieve transgenerational sustainability. Chapter 4 complements the discussion on the role of time in transgenerational sustainability by turning attention to the future of the family firm. This chapter has demonstrated how the unique resources of the family embedded in long-standing relationships may promote a shared vision of the future of the family firm and strong intentions for transferring the family firm to the future. This suggests that the past can be leveraged to create shared aspirations, collective dreams, and a shared vision of the future of the family firm which contribute to individuals' intentions for transgenerational sustainability.

Based on these conclusions, a framework for explaining transgenerational sustainability of family firms is presented in Figure 4. Findings together suggest that the roots of transgenerational sustainability of family firms can be traced back to family's unique resources. Consequently, the framework depicts family's unique resources such as tradition, history, relationships, values, norms, and shared experiences as determinants individual-level resources and firm-level capabilities which can be leveraged to achieve transgenerational sustainability. These resources can be discussed within the framework of "familiness" which refers to "the bundle of resources that are distinctive to a firm as a result of family involvement" (Habbershon & Williams, 1999, pp.1). Based on the resource-based view of the firm (e.g., Barney, 1991), familiness has been argued to provide valuable, rare, inimitable, and nonsubstitutable resources to the family firm, and thus provide them with a unique competitive advantage (Habbershon & Williams, 1999). Family's unique resources identified in the framework possess such qualities. Each family has a unique past and traditions that are impossible to imitate by others. The shared experiences, relationship patterns, as well as the values and norms that prevail in each family represent a unique bundle of resources which can be utilized in the business domain to create individual-level resources, as well as firm-level capabilities that influence the transgenerational sustainability of family firms.

In the framework, two distinct individual-level resources are identified: commitment to the family firm, and intention for transgenerational sustainability. Family members who are strongly attached to the past and have an outlook for the future may be the most important resources for sustaining the family firm. These individual-level resources may also influence the development of firm-level capabilities as family members' intentions and commitment will determine the goals

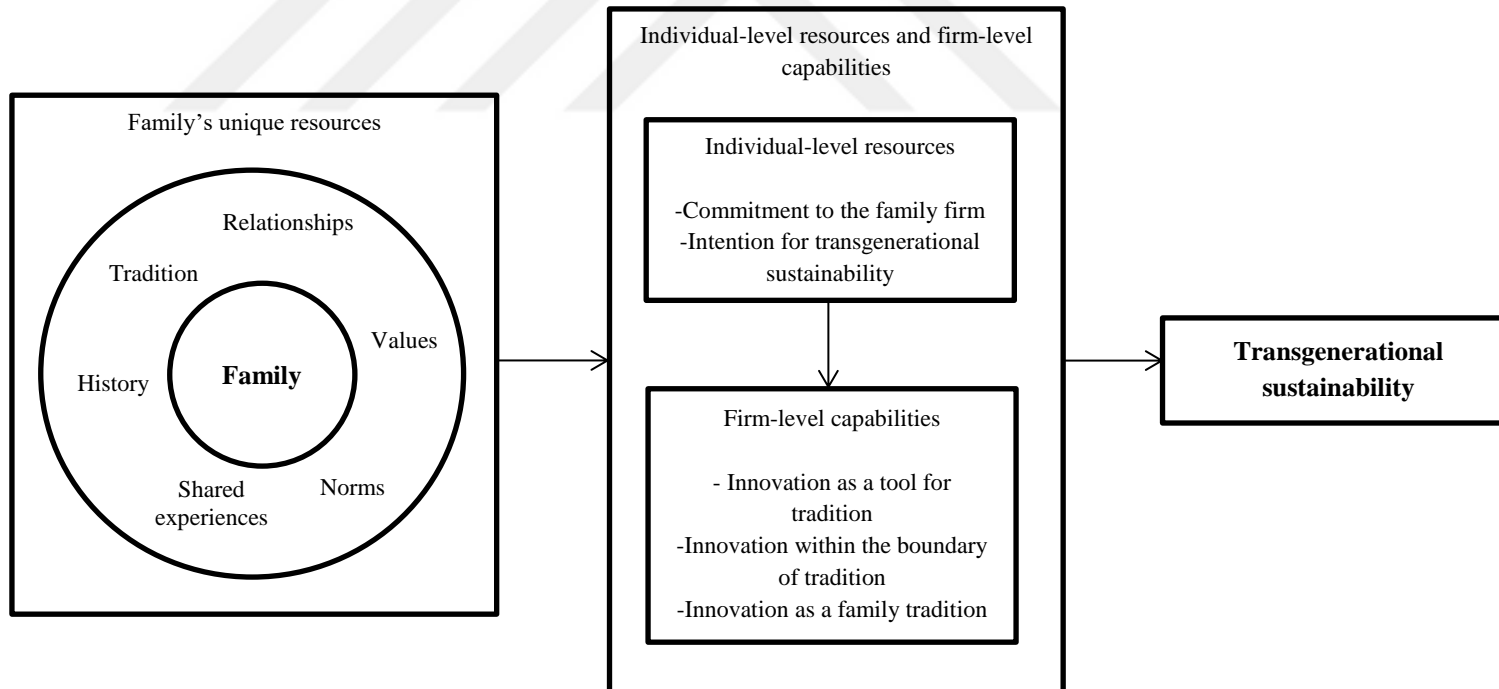


Fig. 4 A framework for transgenerational sustainability of family firms

and objectives of the family firm, as well as strategy formulation. Additionally, three distinctive firm-level capabilities are identified in the framework. Since family firms face the challenge of innovating and preserving tradition at the same time, transgenerational sustainability requires both an outlook for the future, and a commitment to the past. Our research shows that family firms may develop distinctive capabilities in order to deal with this duality. Based on the findings of Chapter 3, three firm-level capabilities related to innovation management are included in the model; the capability to engage in innovations as a tool for protecting and strengthening tradition, to innovate within the boundary of tradition, and to develop a family tradition based on innovation. Although this framework only identifies these particular individual-level resources and firm-level capabilities based on three research studies, further research might focus on identifying other resources and capabilities that might be attainable through the unique bundle of resources embedded in the family.

Previous research has demonstrated that the low rates of survival of family firms mainly originate from family-related factors (Ward, 2004). This dissertation highlights that family related factors, specifically the unique resources embedded in each family, also stay at the core of achieving longevity. This implies that whether a family firm will be perpetuated into the future or end up in failure in early stages depends largely on family's unique bundle of resources. This dissertation sets forth that transgenerational sustainability requires leveraging the past in order to create resources for building a shared future. Families who fail to generate or utilize such resources will lack a commitment to the past and a shared vision of the future, and thus fail to perpetuate their businesses. Families who achieve to create, protect,

nurture, and leverage these resources possess a key strength for perpetuating their businesses to the future.

In sum, this dissertation contributes to the family business literature by offering a comprehensive investigation of multiple-level factors that influence transgenerational sustainability of family firms, and highlighting in particular the role of the family in shaping the future of the family firm. Consequently, this dissertation can be a useful source for owner-managers who face the challenge of transferring their business to future generations. Given the economic significance of family firms in Turkey, and the multitude of families who are involved in business activities, the contributions of this dissertation are expected to be practically useful in both economic and social terms.

APPENDIX A

REVISED INTERVIEW PROTOCOL IN ENGLISH

PERSONAL INFORMATION

- Can you tell me a little about yourself?
- How old are you?
- What is your educational background?
- When and how did you start working in the family firm?
- Do you have prior work experience elsewhere?

FIRM INFORMATION

Management structure

- Who is/are responsible of the management of the family firm?
- How much is the family involved in the management of the family firm?
- Which generations are currently actively involved in the management of the family firm?
- Do you have any nonfamily managers?
- What is your position in the family firm?
- For how long have you been working in this position?

Ownership structure

- What is the percentage of shares owned by the family?
- Are there any nonfamily shareholders?
- How many shareholders do you have?

Firm size

- How many employees does your family firm have?
- Do you have other branches / production facilities?
- If yes, how many? For how long?

Sector and competition

- How do you define your sector?
- How did your sector evolve throughout time?
- How did competition evolve throughout time?
- Which are your characteristics that competitors cannot easily imitate?

STORY OF THE FAMILY FIRM

- Can you tell me the story of how your family firm was founded?
- Who is the founder, and who gets involved in following years?
- When and how does each generation get involved in the business?
- Can you tell me a little about your founder?
- Which traits are characteristic of him/her? How do you reminisce about him/her in the family?
- Can you tell me shortly about following generations? How do you reminisce about each generation?

INNOVATION AND TRADITION

We are working on tradition and innovation in long-lived family firms. I want to talk to you a little bit about this topic.

- How is your attitude towards innovativeness?

- What kind of changes have been introduced in products since the foundation of the family firm?
 - What kind of changes have been introduced in the methods of production since the foundation of the family firm?
 - Which generations have emphasized innovation activities?
 - Can you describe the objectives of these innovation activities?
 - What would have happened if you didn't engage in innovation? What kind of business risks would that bring about?
 - Has there been any period of time in which you didn't introduce new products or change methods of production?
- If yes:
- Why do you think there was a reluctance to introduce changes during that period of time?
 - What kind of risks do you think introducing changes in products or production methods would bring about during that period of time?
 - What do you desire to protect? What do you desire to change?
 - How does preserving a traditional product make you feel like?
 - Is there anything you pay attention to when introducing a new product, or introducing a change in existing products?
 - When you think about your family firm and your products, what does innovativeness mean to you?
 - Do you think innovativeness refers to an unbounded area of activity, or are there any boundaries to it? Why?
 - Do you have any traditional products?
 - Do you have any traditional production methods?

- Is there anything related to products and production methods that you would never consider changing?

SOCIOEMOTIONAL WEALTH

Let's suppose that you get an offer to sell your family firm for a price that is much more than what you think the financial value of the family firm is –let's say 2 or 3 times the financial value.

- How would you evaluate such an offer? Would you accept it?
- Why would you evaluate it like that?
- Let's suppose that you accepted the offer and sold the family firm. If you set aside financial losses, what else would you feel like losing?

RELATIONSHIP AND BONDS WITH THE FAMILY FIRM

- What excites you most when you think about the future of the family firm?
- What scares you most when you think about the future of the family firm?
- What is your biggest dream for the future of the family firm?
- What are the emotional benefits that you and your family get from the family firm?
- How do you describe the relationship between the firm and the family?
- How does it feel like when you think about your bonds with the past?
- Are you more concerned with the past or the future of the family firm?
- What is more important to you: Protecting the past of the family firm, or transferring it to the future?
- How do you describe your relationship with the family firm?
- Can you describe your emotional bonds with the business?
- Did you used to work as a child in the family firm?
- Can you describe your early relationship with the business?

- What is the role of the family firm in your childhood memories?
- To what extent was the family firm part of everyday family discussions?
- Can you tell me any childhood memories in which the family firm plays a significant role?
- To what extent did you get exposed to the family firm in everyday family life or social life?
- What does being a part of this family firm mean to you?



APPENDIX B

REVISED INTERVIEW PROTOCOL IN TURKISH

KİŞİSEL BİLGİLER

- Öncelikle biraz kendinizden bahseder misiniz?
- Yaşınız?
- Eğitiminiz ne üzerine?
- Ne zaman ve nasıl aile şirketinde çalışmaya başladınız?
- Daha önce farklı iş tecrübeleriniz oldu mu?

ŞİRKET BİLGİLERİ

Şirket yönetim yapısı

- Şirketin yönetimini kim ya da kimler üstleniyor?
- Aile yönetimin ne kadarını üstleniyor?
- Şu an şirketin yönetiminde hangi kuşaklar aktif olarak görev alıyor?
- Aile dışı yöneticiler var mı?
- Sizin şirketteki göreviniz nedir?
- Kaç senedir bu görevde çalışıyorsunuz?

Şirket ortaklık yapısı

- Şirketin yüzde kaç aileye ait?
- Aile dışı hissedarlar var mı?
- Şirketin kaç ortağı var?

Şirket büyüklüğü

- Toplam kaç çalışmanız var?

- Başka şubeniz / üretim tesisiniz var mı?
- Varsa, kaç tane? Ne zamandan beri var?

Sektör ve rekabet

- İçinde bulunduğunuz sektörü nasıl tanımlarsınız?
- Sektör seneler içinde nasıl gelişti?
- Rekabet kuşaklar içinde nasıl gelişti?
- Rakiplerinizin kolay taklit edemediği özellikleriniz nelerdir?

AİLE ŞİRKETİNİN HİKAYESİ

- Kuruluş hikayenizi anlatır mısınız?
- Kim kuruyor şirketi, ve sonraki yıllarda kimler dahil oluyor?
- Sonraki kuşaklar ne zaman ve nasıl işe dahil oluyor?
- Kurucunuzdan biraz bahseder misiniz?
- Kurucunuzun karakteristik özellikleri nelerdi? Onu aile içinde nasıl hatırlıyorsunuz?
- Sonraki kuşaktan kısaca bahseder misiniz? Her bir kuşağı nasıl hatırlıyorsunuz?

YENİLİKÇİLİK VE GELENEKLER

Biz eski aile şirketlerinde gelenek ve yenilikçilik üzerine çalışıyoruz. Biraz bu konuyla ilgili sohbet etmek istiyorum.

- Yenilikçiliğe ya da inovasyona karşı nasıl bir duruşunuz var?
- Şirketin kuruluşundan bu yana ürünlerde nasıl değişiklikler yapıldı?
- Şirketin kuruluşundan bu yana üretim yöntemlerinde nasıl değişiklikler yapıldı?
- Hangi kuşaklarda inovasyon aktiviteleri ön plana çıktı?
- Bu yenilikleri hangi amaçla yaptığınızı anlatır mısınız?

- Bu yenilikleri yapmasaydınız ne olurdu? İşinizle ilgili ne gibi riskler oluşurdu?
- Yeni ürün çıkarmadığınız ya da üretim yöntemlerini değiştirmediniz dönemler oldu mu?

Evet ise:

- Sizce bu dönemlerde yenilik yapılmak istenmemesinin sebebi neydi?
- Sizce bu dönemlerde üründe ya da üretim yöntemlerinde değişikliğe gitmek nasıl risklere yol açardı?
- Neleri korumaya çalışıyorsunuz? Neleri değiştirmek istiyorsunuz?
- Geleneksel bir ürünü korumak size nasıl hissettiriyor?
- Yeni bir ürün çıkarırken, ya da var olan ürününüzde değişiklik yaparken dikkat ettiğiniz şeyler var mı?
- Kendi aile şirketinizi ve ürünlerinizi düşündüğünüzde, yenilikçilik size ne ifade ediyor?
- Sizce yenilikçilik sınırsız bir hareket alanı mı, yoksa sınırları var mı? Neden?
- Geleneksel diyebileceğiniz ürünleriniz var mı?
- Geleneksel diyebileceğiniz üretim yöntemleriniz var mı?
- Ürünler ve üretim yöntemleriyle ilgili asla değiştirmeyi düşünmeyeceğiniz bir şey var mı?

SOSYAL DUYGUSAL SERVET

Diyelim ki, aile şirketinizin maddi değeri sizce her ne ise bunun çok üstünde bir teklifle -mesela maddi değerinin 2 ya da 3 katı- aile şirketinizi satın almak istiyorlar.

- Böyle bir teklifi nasıl değerlendirirdiniz? Kabul eder miydiniz?
- Neden bu şekilde değerlendirirdiniz?
- Varsayalım ki, bu teklifi kabul edip şirketi sattınız. Maddi kayıpları bir kenara koyarsak, başka neleri kaybettiğinizi hissederdiniz?

ŞİRKETLE KURULAN İLİŞKİ VE BAĞLAR

- Aile şirketinizin geleceğini düşündüğünüzde, sizi en çok heyecanlandıran şey nedir?
- Aile şirketinizin geleceğini düşündüğünüzde, sizi en çok korkutan şey nedir?
- Aile şirketinizin geleceğiyle ilgili en büyük hayaliniz nedir?
- Aile şirketiniz size ve ailenize manevi olarak ne katıyor?
- Ailenin şirketle olan ilişkisini nasıl anlatırsınız?
- Geçmişle olan bağınızı düşündüğünüzde ne hissediyorsunuz?
- Aile şirketinin geçmişi mi geleceği mi sizin için daha ön planda?
- Hangisi sizin için daha önemli: Aile şirketinin geçmişini korumak mı, şirketi geleceğe taşımak mı?
- Şirketle olan ilişkinizi nasıl ifade edersiniz?
- Şirketle olan duygusal bağlarınızı anlatır mısınız?
- Çocukken aile şirketinde çalışır mıydınız?
- Çocukluk döneminizde aile şirketiyle olan ilişkinizi anlatır mısınız?
- Aile şirketinin çocukluk anılarınızda nasıl bir rolü var?
- Gündelik aile sohbetlerinde aile şirketi ne ölçüde yer alırdı?
- Aile şirketinin önemli rol oynadığı bir çocukluk anınızı anlatabilir misiniz?
- Gündelik aile hayatınızda ya da sosyal hayatınızda aile şirketine ne ölçüde maruz kalırdınız?
- Bu aile şirketinin bir parçası olmak size ne ifade ediyor?

APPENDIX C

QUOTATIONS IN TURKISH USED IN CHAPTER 2

(sorted in order of appearance in text)

1. “Babam buraya 10 12 yaşında başlamış, düşünsenize, 60 70 sene aynı yerde çalışıyorsunuz. Her gün gidip geliyorsunuz, bir emek sarfediyorsunuz. Onların yaşadıkları olaylar, ihtilaller, terör olayları olsun...Bunaldıklarını biliyorum, ona rağmen o şartlarda sürdürdüklerine göre bizim şimdi zevkle sürdürmemiz lazım.” (Case 3)
2. “O kadar emek verilen şeylerin korunması gerekir. Kapanması beni, babamı çok üzer, sanki sorumluluğu yerine getirememiş gibi olursunuz.” (Case 3)
3. “Satmayı hayır asla kabul etmem. Bu isme ailemiz 120 sene boyunca kuşaktan kuşağa değer vermişler. Bu dedemin bıraktığı, onun dedesinin bıraktığı yadigara ihanet olur .” (Case 6)
4. “Saygı duyuyorum, o zamanda yapmışlar... Bu işi, saygıyı devam ettirmek lazım.” (Case 6)
5. “Onlara çok şey borçluyum ... Ben en çok şeye üzülürüm, dedemin ruhu sizler diye düşünürüm. Çok emek vermiş, babam da öyle. Ben bir şey yapmadım ki, onlar parlattılar, ben üzerine oturdum, onu birazcık daha geliştirdim. Onların çizdiği yolda yürüdüm , yok etmedim bazı şeyleri, ama asıl şeyi yapan onlar, sistemi getiren, ben sistemi devam ettirdim.” (Case 8)
6. “Olmuyor mu bazen insanın bunaldığı ... Ama hep diyorum ki ben 6.kuşağım, burası dedelerden kalan bir miras ... Çok büyük bir sorumluluk, böyle bir misyonumuz var. Onlar o kadar emek vermişler, dedem 86 yaşına kadar

- vefatına bir haftaya kadar burada çalışıyordu, bunu devam ettirmek zorundayım.” (Case 11 - Informant 2)
7. “Dedem, babam üzerine koymuş, biz koymalıyız çocuklarla birlikte, biz üzerine koyup devam ettirmeliyiz. Demesinler ki çocuklar geldi batırdı.” (Case 11 - Informant 2)
8. “Geçmişe saygısızlık, insanlar bunu tutmuşlar gelmiş, bu aile başka bir iş yapmamış, babamların ek bir işi olmamış, dedemlerin de olmamış.” (Case 12- Informant 1)
9. “1855’ten beri aile elini bu işten hiçbir zaman kaldırmamış ... Tarihten gelen varlık yokluk, babalar tarafından tırnaklarla kazınarak buralara kadar gelmesi... Daha aksini düşündürtemiyor. Bizi üzen kısmı bu kadar emeğin bu kadar tarihin kaybolması olur.”(Case 12 – Informant 2)
10. “Babam vefat etmeden önce bana bir şeyini emanet etti, o emanetin bir bölümüne bir zarar geldi. Onun bile vicdan azabı biraz şeyken böyle bir tarihçeyi silip atmak hiç de kolay olmazdı.” (Case 12 – Informant 2)
11. “Ama insanlara karşı da bir sorumluluğumuz var, sadece kendi aile içi değil. Yemeğin kaybolmasını istemeyen insanlar, devamlı gelen müşteriler, onlar da size hep aman burası kapanmasın yaşasın elinizden geleni yapın diyorlar.” (Case 3)
12. “1999da biraz büyüteyim diye mükellef bir dükkan yaptım. Champs Elysees’deki Grand Optik gibi, üstü de Zürih’teki Apollo Optik’in aynısı ... Mükemmeldi, fakat müşterilerden çok büyük tepki geldi. Bir hanım geldi, senin buna hakkın yok dedi, ben bilmamkaç yaşındayım kısa pantolonla geldim o dükkanı niye kapattın dedi, orayı tutacaktın.” (Case 8)

13. “Sadece ailenin bir işi değil, bize emanet olunmuş tarihi bir kıymet olarak gördük. ... Bir ticarethanedeki çok Türkiye Cumhuriyeti’nin kuruluşteki değerlerini yaşatan bir mekan olarak algıladık. ... Bir çok insan tarafından bilinen bir değer. ... Biz bir emanet olarak gördük, bize bir kültür varlığı emanet edilmiş, biz de bunu aktaracağız taşıyacağız. Bizim algımızda hep bu vardı.” (Case 5)
14. “Geçmişten daha çok aslına bakarsanız geleceğe bir sorumluluk olduğunu düşünüyorum. ... Aslına bakarsanız biraz da boynumuzun borcu gibi, 25bin çalışan diye baktığımız zaman aileleriyle vesaireleriyle ... Bunun ayakta kalması sırf bizim için değil bu 25bin insan için ve dolayısıyla ülke için bir değer olduğunu düşünüyorum.” (Case 17)
15. “Şirketler bir yerden sonra insanların değildir. ... Bu şirket artık bizim değil, bizim burda 1000 tane çalışanımız var, tedarikçiler, bazı insanların en büyük müşterisiyiz. Hesap yaptığın zaman 20bin kişiyi mağdur etmenin anlamı yok.” (Case 14 – Informant 2)
16. “Ama sosyal olarak da o oluşan bir şey. Yani sizi ilk defa tanıyan birisi bile ben Emre Zorlu, işte babam Ahmet Zorlu, Zorlu Holding’in eşbaşkanı desem ve bu şirketlerde çalışmıyorum ben desem ‘aa niye’ diye cevap verir. Ama söylediğiniz zaman, babam Ahmet Zorlu, Zorlu Holding’in eşbaşkanı, ben de yönetim kurulunda şöyle işler yapıyorum desen, ‘aa ne güzel’ der, ‘aa neden’ diye sormaz. Genel olarak hani sosyal çevre olarak da, doğal, evet zaten o şekilde olması gerekir şeklinde çalışan bir şey.” (Case 17)
17. “Böyle bir ismi yaşatmak için buranın başına geçmeye karar verdim. 1 ay düşündüm ne yapayım diye. Hiçbir yere başvurmadım, hiçbir yere görüşmeye

- gitmedim, bir yere gittim sadece ordaki genel müdür bile sen aile işine devam et dedi.” (Case 6)
18. “Aslında ben daha profesyonel bir yerde çalışmayı çok istemiştim. Ben hiç buraya bulaşmadım ilk başta. Çok iş görüşmelerine gittim, görüşmenin bir yerinde soyadım tercih edilmeme sebebi oluyordu. Geçici görünüyordu.”
(Case 11 – Informant 2)
19. “Bizim onlara karşı sorumluluğumuz ama tabii bu istemeseniz yapabileceğiniz bir iş değil. Severek yapmak zorundasınız. Herhalde gönül bağımız var. (Case 3)
20. “Ben de zevkle bu işi yapmayı seçtim.” (Case 3)
21. “Ben gerçekten isteyerek ve buraya bir şeyler katacağımı düşünerek gelmeyi düşündüm, yoksa sadece vicdan azabından dolayı buraya gelmek istemedim.”
(Case 4 - Informant 2)
22. “Duygusal bağ var bizim açımızdan, bizim elimizde böyle bir şey var.” (Case 7)
23. “Biri de bir gün kalkıp desin ki bizim de anamız böyle yapmış, bunu burdan buraya getirmiş desin istiyorum. Geçmişin bir parçası olsun, isminiz onla beraber kalsın istiyorsunuz. ... Sanki aile yadigarı gibi, annenizden kalan kolyeyi takmak istersiniz ya, onun gibi bir şey.” (Case 9)
24. “Manevi bağlar, zaten onun için yaşadığı bugüne kadar.” (Case 10)
25. “Sorumluluktan da daha hissiyatlı birşey. Daha da üstüne koyabileceğiniz.”
(Case 12 – Informant 2)
26. “Bu zorlama değil ama içinizden gelen bir şey olmuş.” (Case 12 – Informant 3)

27. “Bir kök var, bir yere ait hissediyosun kendini, ama yalandan değil gerçekten ait hissediyorsun.” (Case 14 – Informant 2)
28. “Geçmişimden bana kalan ne var gibi düşündüğünüzde, oraya doğru genişleyen bişey var, bunun bir parçası olup sürdürüyor olmak bir gurur veriyor.” (Case 11 - Informant 1)
29. “Ben ailemin gururuyla devam ediyorum, ben aile şirketinin parçasıyım, ben kazık atmam, ben sözüm arkasında dururum, ben şuyum ben buyum gibi bilimum kafanıza konmuş şeyler var.” (Case 13)
30. “Bu benim artık benim karakterimin, nasıl desem, anılarımın çok önemli bir parçası, yaşamımın...” (Case 4 - Informant 2)
31. “O kadar kimliğinizin bir parçası ki. İşte sayın, kadını, yarı türküm, bir noktada Doluca’yım gelir.” (Case 15)
32. “Zaten ben kurumla ailenin bütünleştiğini düşünüyorum. Ben artık başka bir şey değilim. Ben bu kurumun bir parçasıyım, bu kurum da benim ailemin bir parçası, birbirine kaynaşmış bir şey. Bundan bağımsız, yok düşünemiyorum galiba.” (Case 16)
33. “Emanet de biraz şeymiş gibi geliyor, gelecek de gidecekmiş gibi bir şeymiş gibi geliyor. Emanet gibi hiç düşünmedim hiçbir zaman. Emanetten daha çok kendimin bir parçası, yani onu ‘own’ ettiğimi düşünüyorum. Yani hayatımın bir parçası bu. Benden alıp benden bir yere gidecek bir şey değil. Emanetin öyle bir hissi vardır ya, emanet edilir sonra siz... Daha dışta bir şeydir. Öyle değil, o benim de sahip olduğum... Daha içsel olarak hissediyorum aslına bakarsanız. Öyle sorunca böyle bir anda cevap geldi aslına bakarsanız.” (Case 17)
34. “Kanında dolaşıyor gibi.” (Case 15)

35. “Genlere yazılmış.” (Case 12 – Informant 1)
36. “Burda çalışacağımızı biliyorduk, küçüklükten beri işlendi. ... Ben başka bir şey yapmayı hiçbir zaman hayal etmedim. Küçükken sorarlardı ne iş yapacaksın, babamın işini yapacağım diyordum. ... Küçükken insanlar şey diyebilir, benim hayalim doktor olmak diyebilir, bizde öyle bir şey yoktu. (Case 12 – Informant 3)
37. “Bu çok standart bir şey bence, şey kabulü var yani, bu şirketin bir parçası olacaksın, bu şirketin içinde çalışacaksın vs. standart olarak gelen bir şey, size söylenen bir şey değil.” (Case 17)
38. “Her zaman biliyordum ki benim döneceğim yer burası, başka bir iş düşünmedim.” (Case 11 – Informant 1)
39. “Yurtdışında çalıştım, ‘project engineer’ olarak İstanbul’da başka bir işimiz vardı oraya geçtim, ordan sonra buraya geldim. Ama psikolojik olarak hiç ayrılmadım başından beri.” (Case 14 – Informant 2)
40. “Yeni bir yaşam kurmam lazım, n’aparım? ... Bilmem başka ne yapılır? ... Her şey altüst olur, değişik bir dünya kurmamız gerekir tamamen yaşadıklarımızdan farklı. Bambaşka bir duygu o, bilemiyorum, yaşamam lazım.” (Case 1)
41. “Bilmiyorum... Çok zor ya. Şimdi ben düşünüyorum mesela, ya ne yaparım başka? Hayalini bile kuramıyorum ya! Valla burası olmasa ne yaparım falan, yok, yani hani... Olur mu? Olamaz heralde yapamam.” (Case 12 – Informant 1)
42. “Ya başka bir şey olmamış ki hayatımızda. Burası var, hep burayla geçinmişiz. Sudan çıkmış balığa dönersin. Çünkü başka bir şey

düşünmemişsin, hayal etmemişsin, her şeyi buraya göre hayal etmişsin.”

(Case 12 – Informant 1)

43. “Manevi olarak her şeyimi kaybetmiş gibi olurum.” (Case 1)

44. “Çok büyük bir boşluğa düşersiniz heralde.” (Case 3)

45. “Çocuğunuzu kaybetmiş gibi olur herhalde.” (Case 3)

46. “Çok şey kaybetmiş olursunuz, o yaşa kadar yaşadığınız her şeyi

kaybetmişsiniz de yeni bir hayat başlıyor gibi. Ama olacaksa olur, çok şükür iyi eğitimler de aldık, bir şekilde yine hayata tutunuruz. Ama büyük bir darbedir. Bir anda hayatınızı sıfırlıyorsunuz.” (Case 11 – Informant 1)

47. “Çok büyük manevi eksikliğe düşeriz.” (Case 11 – Informant 2)

48. “İş kadınıyım değil, Doluca’nın sahibiyim. Dolayısıyla onun bir boşluğu mutlaka olur.” (Case 15)

49. “Hep bunu söylüyorum ben, burası benim evim. Ben burada büyüdüm, ben küçüktüm ekmek almaya o merdivenlerden inip şuradaki büfeden alıp yukarı çıkıyordum ... Bir ara satma fikri vardı. Benim içimi acıtır benim evim çünkü burası.” (Case 13)

50. “Bir kök var, bir yere ait hissediyosun kendini, ama yalandan değil gerçekten ait hissediyorsun. Çünkü bu fotoğraflar, onlar bunlar bilmemne, insanı kendine çekiyor bir şekilde. E dışarı çıkıyorsun, sağda suyun, solda maden suyun, orda gazozun...” (Case 14 – Informant 2)

51. “Aile bireyi gibi bir şey şirket bizde içinde büyüdüğümüz. Çocukluğumuzdan beri... Ki babam şey bir profil de değil de bakın çocuklar bu sizin buna sahip çıkacaksınız falan alakası yok. Ben dans okudum, abim istese istediği şeyi yapabilme özgürlüğüne sahipti. Bize hiç baskı kurmadı. Ama içinde büyürken tabii çocukluk hep bağ bozumunda bağlarda geçiyor ... Önemli bir şeyin

evladıymış hissi size çok ufakken bir kere geliyor. Bütün çocukluğumuz... Bir restorana gittiğimizde biz abimle masaları gezer şarap sayardık. Akşam masada şarap var, bağbozumu çocukluğumuzun eğlenceli bir kısmı, büyük eğlence iki çocuk için. Büyüyünce kendin tüketmeye başlıyorsun, şarap dendi mi seni tanıyorlarsa insanların aklına sen geliyorsun. Zaten çok içinde ve çok severek büyüdük ve şimdi üçümüz de içinde çalışıyoruz.” (Case 15)

52. “Çocuklar aynı görüyorum, bizim gibi markaların isimlerini biliyorlar. Koklayayım mı diyorlar. Ş harfiyle bir kelime söyle desen şarap diyor mesela. Ürün de çok rahat gündelik hayatın içine girebilen ve genelde keyifle giren bir şey olduğu için... Şimdi geri dönüp bakınca kendi çocuğumdaki etkisini görünce anlıyorum ki o bizi pozitif çekiyor.” (Case 15)

53. “Çok eskiden beri sattığımız bir marka vardı, belki de ben doğmamışken. Onunla çalışmayı bıraktık, ben orada anladım ne kadar duygusal şeyleri olduğunu. Rüyamda evimizin aslında bizim olmadığını gördüm. Demek ki dedim o kadar o markayla, firmayla içimde duygusal bir şey var ki rüyamda gördüm üzüldüm. Demek ki bayağı duygusal bağım varmış. Aslında öyle değilmiş gibi düşünüyorsunuz ama bayağı yoğun, çünkü çocukluğumdan beri hep annem de babam da işin içinde olduğu için, dedem de öyle, hep konu, hep firmayla ilgili konuşuluyor, saatler... Bu benim artık karakterimin, nasıl desem anılarımın çok önemli bir parçası, yaşamımın...” (Case 4 – Informant 2)

54. “Ben mesela 9 yaşından beri geliyorum, 9 yaşından beri burdayım. Cumartesi pazarları geliyordum, hem okuyordum hem çalışıyordum. Yazları hep buradaydım. Herkes denize plaja giderken biz buraya gelip çalışıyorduk.” (Case 1)

55. “Çocukluktan beri gelip gidiyorduk. Benim oğlum meraklı, getiriyorum o da nişansta kokusunu alsın diye, eli de yatkın. Alışıyorlar onlar da.” (Case 11 – Informant 2)
56. “Yazları okul bitti mesela getiriyorlardı.” (Case 12 – Informant 1)
57. “15-16 yaşındaydım. Yaz tatillerinde eskiden çocuklar babasının yanında çalışırdı. Babam da bu işi bana vermişti, bunun sevkiyatını, kartoteksini, faturasını kesmesini, ön muhasebesini ben yapardım.” (Case 14 – Informant 1)
58. “13 yaşında kapıda durmayla başladı, ramazanlarda, haftasonları yardıma geldik. Komilik yaptık, tezgahda durduk. Her kısımda rol aldık.” (Case 3)
59. “Benim ilk stajım 12 yaşlarında olmuştur. O da babam beni bildiğiniz depoya gönderip git bakalım depoda çalış şekline başlamıştır. Ondan sonra herhalde bütün ortaokul ve lise hayatım boyunca şirketin içerisinde bir şeyler yaptım. Yazları staj mantığında eğer akademik bir şey yapmıyorsam 5 ila 8 hafta arası burada vakit geçiriyordum. Tekstil deposu gezmekten pazarlamada staj yapmaya kadar... Her şeyi yapmış durumdayım.” (Case 17)
60. “Okurken yazları hep çalışıyordum üretimde. ... Babam da beni zorlamadı ve ona istinaden hareket etmedi. Benim de şansım, şirketin de şansı, babamın da şansı, ben bunu gönüllü olarak yaptım ve sevdim. ... İşsel olarak bu işi seviyor olmak çok şey. Benim ürünle ilgili bir tutkum var. Çünkü böyle bir tutkum olabilir ama insanlar bunu yıllar sonra keşfediyorlar bambaşka şeylerle uğraşıyorlar. Bu da benim şansım, böyle bir sevgim varmış, tutkum varmış, ve onun içine doğmuşum aslında.” (Case 7)
61. “Çocukluğumdan beri, okuldan gelirdim evde badem ayıklardım, derslerimi sonra yapardım. Çünkü anneme yardım etmek zorundaydım. ... Sonra da

rahmetli annem sakatlandı ben mecburen işe girmek zorunda kaldım. Benim de bir alışkanlığım vardı çocukluktan, badem ayıklama, hala çok severim. ... Benim işim, eşim, çocuğum, her şeyim oldu. ... Ben işime o kadar vakfettim kendimi ki hiç evlenmedim, evlenirsem çocuğum olur ona bakayım diye işimi boşlarım. Katiyen... Ben işimle evlendim. Her işte başarılı olmak için işinize aşık olacaksınız. Eğer aşık değilseniz o işten başarı beklemeyin. İş olarak yapıyorsanız mümkün değil. Eğer onu aşkla severek yapıyorsanız her gün daha iyisini nasıl yaparım o duyguyla çalışıyorsunuz.” (Case 10)

62. “Zaten yabancı olduğum bir konu değildi, saatin içindeydim çocukluktan beri. Sevdiğim bir konu ve başladım. ... En çok heyecanlandıran herhalde aynı konuda devam edebilmek. Ben saati çok seviyorum, bana özel bir şey. Sadece para kazanmak değil. ... Saat sadece ticari şeyim değil, hobim de, merakım var.” (Case 4 – Informant 1)

63. “Biz okullarımız bittiği zaman, çok ufakken bile, babamlar atölyenin içersine bizi sokup mesela... Makinede iplik temizlerdik, makineye derileri dizerdik. Bizden büyükler onu makineye verirlerdi. Böyle böyle, belli dönemlerde farklı farklı bölümlerde bizi çalıştırdılar. Bunların da bize aile geleneğini sürdürebilmek için çok faydası oldu. Bir de ailenin bütün fertleri sevdi. Yedi kuzeniz sadece biri yapmak istemedi. Seviyoruz yani bu işi.” (Case 12 – Informant 2)

APPENDIX D

QUOTATIONS IN TURKISH USED IN CHAPTER 3

(sorted in order of appearance in text)

1. “Biz tatlıcı değil baklavacıyız, sadece baklava yapıyoruz. Yaptığımız işi yapıyor olmak geleneğimiz.” (Case 11)
2. “2 sene sırf bu [sütlü nuriye] satılıyor. ... O dönem bizi kurtaran bir tatlı.” (Case 11)
3. “Babam şeklini değiştirip burgu şekline getirip açma hamurunun içine patates sürüyor. Patatesli sarma koyuyor adını ve açma satmıyor patatesli sarma satıyor.” (Case 7)
4. “Amaç yenilik değil ... Bizim maliyetlerimiz bunu hiçbir şekilde kurtaracak noktada değil. Ama kaliteden de ödün vermek istenilmiyor.” (Case 7)
5. “En çok heyecanlandıran herhalde aynı konuda devam edebilmek. Ben saati çok seviyorum, bana özel bir şey. Sadece para kazanmak değil.” (Case 4)
6. “Yeni bir tehlike çıktı, smart watch. ... Bu ne kadar etki yapacak onu bilmiyoruz, hazırlanıyoruz.” (Case 4)
7. “Direnenler oldu ben mekanik saatten başka bir şey yapmayacağım diyenler, bazıları pilli saate dönmeye çalıştılar. ... Firmamız %30 mekanik saat, %70 pilli saate dönüştü.” (Case 4)
8. “Herkes diyor ki kültürel mirasa sahip çıkmak lazım. Bugüne ait değilsem kültürel mirasa zaten sahip çıkmamışım demektir. ... Eğer bugüne aitsem zaten kültürel mirasa sahip çıkmışım.” (Case 4)
9. “Bir ticarethaneden çok Türkiye Cumhuriyeti’nin kuruluşdaki değerlerini yaşatan bir mekan olarak algıladık.” (Case 5)

10. “İlk kurulduğunda Ruslara hitap ediyor. Daha sonra Rus kalmamış zaten başka kesimlere hitap etmek zorunda kalmış.” (Case 5)
11. “Rejans’ın uzun süre ayakta kalma politikalarından biri olmuş.” (Case 5)
12. “Bu sene ‘heritage’ diye bir koleksiyon yaptık geleneksel tarafını korumak için.” (Case 9)
13. “Burada siz geleneği koruyorsunuz. ... Burada da teknolojiyi, modayı, yeniliği yakalıyorsunuz. Bu daha geleneği korumaya yönelik, diğeri tamamen yenilikçi. Birinden birini seçmek zorunda olmamalısınız, bence ikisi de olmalı.” (Case 9)
14. “Bu şişeyi sağından solundan orasından burasından rötuşlayarak bugünkü teknolojiye nasıl uydurabiliriz, ana konseptten ayrılmadan ne yapabiliriz diye düşündük... Ve efsane şişeyi yeni baştan ortaya koyduk.” (Case 14)
15. “Biz bir değişim yaptık, ama değişim apayrı bir karakter getirme şeklinde değil, belki yarıdan çoğu eskiden yapıp da yapılmayan şeylerdi. ... Unutulmuş bir kenarda kalmış değerleri canlandırmak adına...” (Case 5)
16. “Eski müşterilerden bazı bilgiler alındı, o ufak tefek verilerden legoyu tamamladık. ... Çok büyük çalışma yapıldı, yemekler reçetelendirildi.” (Case 5)
17. “Kesinlikle ellemem dediğim; bu havasını, bu hissi değiştirmem.” (Case 13)
18. “Şimdi ‘heritage’ diye bi kavram var, biz de onu olmaya çalışıyoruz.” (Case 13)
19. “Bir siz yeni bir şey üretmek istersiniz. ... Sizin yarattığınız bir şeyle pazarda talep oluşturabiliyorsunuz. Ya da pazar sizden talep ediyor ve onu üretmeye karar veriyorsun.” (Case 15)

20. “Çağdaş imkanlardan olabildiğince faydalanmaya gayret ettik. ... Yemeğin yapılış felsefesini, özünü değiştirmiyorsanız bunları kullanmak faydalı, hatta bunları yapmak da lazım.” (Case 5)
21. “Özünü korumaya çalışıyoruz, önemli olan o. Yani mesela beğendi nasıl yapılıyorsa aynı şekilde yapılıyor.” (Case 3)
22. “Mutfak gereçleri değişiyor. Tadına lezzetine çok etki etmeyecek şekilde değişiyor. Ama yine eski bakır kazanlar var onlarda tatlılar yapılıyor hala. Onlar özel bir şey katıyor.” (Case 1)
23. “Revaniyi elde çırpıyorduk, şimdi makina çırpıyor daha iyi de çırpıyor. Pişirirken bir kaybın oluyorsa onu yapmıyoruz.” (Case1)
24. “Makine sadece işin angarya kısmını yapar. ... Makinaya girdiğiniz zaman bazı güzelliklerden fedakarlık etmek durumunda kalıyorsunuz. Mesela dilimleme makinaları var ... Onu yaptığınız takdirde baklavanın kabarmasını engelliyor. Bizde bıçakla yapılır hala.” (Case 11)
25. “Üretim sistemi noktasında çok tutucuyuz. Geleneksel üretim sistemine çok inanıyoruz, dolayısıyla katkı kullanmamaya, doğal olmayan yollarla ürünün raf ömrünü uzatma gibi, dondurmak gibi işlemlere karşıyız.” (Case 7)
26. “Bir gün bir teknoloji çıkar, dondurmam diyorum ama, ürüne hiçbir şey yapmaz. Ona bir şey diyemem.” (Case 7)
27. “El işçiliği, kağıt kalitesi, dikiş kalitesi, kumaş, deri kalitesi. Kapaklar elle yapıştırılıyor. ... Eskiden nasılsa öyle yapılıyor.” (Case 9)
28. “Yarın bir gün çok farklı bir fihrist açma makinesi çıkarsa, ona da açık olmak zorundasınız.” (Case 9)
29. “Çizginizden çıkmıyor olmanız lazım. Çizgi dediğiniz nedir, aslında çok tanımlayamadığımız bir şey. Elinize aldığımız zaman evet Ece bunu yapabilir

- diyeceğiniz. ... Müşteri nasıl imal edildiğini bilmiyor ama hissediyor.” (Case 9)
30. “Gazozun üretim şekli şemali ilk gün nasılsa. ... Filtrelerin kalitesi değişti, teknoloji değişiyor ama yöntem, süreç değişmez. Değiştiremezsin.” (Case 14)
31. “Hiç bir saat sağdan sola dönmez. ... Bazı olaylar klasiktir, klasiği değiştiremezsin, değiştirmeye zorlarsan teper.” (Case 14)
32. “Mükemmeliyetçilikten ödün vermeyiz, geleneksellikten ödün vermeyiz. Biz burada koca bir üretimi, 200 milyon doların üzerinde ciroluk bu üretimi, hala artisanal dediğimiz eski küçük üretim konseptiyle yapıyoruz. Bunu da herhalde başaran bir tek biz varızdır.” (Case 14)
33. “Sorma, yaptık, yapıyoruz. Bir sistem kurmuşuz burada o sistemle biz bunu o kadar hassas yapıyoruz ki. O muazzam teknolojinin içinde biz bunu hala başarıyoruz.” (Case 14)
34. “Şimdi biz de bu yeni ütülerini kullanıyoruz, herkes kullanıyor, ama biz gömlekte bluzda kullanıyoruz. Adam bununla palto ütülüyor.” (Case 2)
35. “Yüksek konkav camları hala el işçiliği yaparız. Otomatik makine keser onu, sonra manuel makinamız var elimizle yaparız. Bu şekilde el işçiliğini devam ettiren yok.” (Case 8)
36. “Herkes makineleşiyor, bunu yaptığımız anda da üretiminizin o özelliği kalmıyor.” (Case 10)
37. “Eskiden tamamen elle ayıklardık. Şimdi makine bir kısmını ayıklıyor kalanı yine elle yapıyoruz.” (Case 10)
38. “Üretim yöntemlerinde çok fazla bir değişiklik yok. Eskiden elle kesiliyormuş, biz de elle kesiyoruz. Makineyle kestiklerimiz de var, ama daha ufak parçaları kesiyoruz, büyük parçaları elde kesiyoruz.” (Case 12)

39. “Her şeyi baklava etrafında düşünüyoruz. Pasta gibi olacaksa da hep baklava üzerinden. Hep aynı hamur açılır, farklı şekilde kesilir ve farklı ürün olur.”
(Case 11)
40. “Yaptığımız işi yapıyor olmak geleneğimiz. Buna başka bir iş eklemek hem bizim işimize saygısızlık olur, hem de onu yapana saygısızlık olur.” (Case 11)
41. “Belli sınırlar var; baklavanın özünü korumaya çalışıyoruz. Baklavanın özünden çıkmadan biz bunu nasıl yaparız.” (Case 11)
42. “Diyabetikler için glisemik indeksi düşük hamur yaparken hamur kayış gibi olursa ona evet demem. Baklavanın özelliğini yitirmiş olursunuz. (Case 11)
43. “Ece’yi Ece yapan kara kaplı defter. Biz bunun hiçbir şeyini değiştirmiyoruz.” (Case 9)
44. “1 numara değişmedi ama 1 numarayı farklı insanlara da hitap eder şekilde getiriyoruz. 1 numara yine 1 numara.” (Case 9)
45. “O da yeni çağa ayak uydurmak aslında, ama arkasına bant koyuyoruz QR kodunu klasik ajandanın üzerine basmıyoruz.” (Case 9)
46. “Burada siz geleneği koruyorsunuz. ... Burada da teknolojiyi, modayı, yeniliği yakalıyorsunuz. Bu daha geleneği korumaya yönelik, diğeri tamamen yenilikçi. Birinden birini seçmek zorunda olmamalısınız, bence ikisi de olmalı.” (Case 9)
47. “Ben geldikten sonra çıkardığım ürünlere bakışım başkadır, benden önce üretilmiş olan ürünlere bakışım başkadır.” (Case 15)
48. “Mesela Sarafin’i başından beri ben yarattım. O konuda kendimi çok daha rahat hissederim. ... Ama bir Doluca ve Villa Doluca 40lardan 60lardan beri üretilen, onların karşında sanki onlar benim abimmiş gibi bir his var. Ben yönetiyorum ama o başka bir şey.” (Case 15)

49. “Bir ara bir radikal gittik, etiketleri çok daha modern yaptık. ... Sonra klasiği aynı eski nostaljik yapımıza çevirdik.” (Case 15)
50. “Biz alkollü içki üretmeyiz. ... Bira yapacaktım yıllar önce, babam sen deli misin, senin 7 ceddin hacı dedi. ... Ben de çocuklarıma vasiyet ediyorum, içki satmayacaksın. Gelenek.” (Case 14)
51. “Yeni ürünler seçerken eskisiyle uyumlu olabilecek tarzda kalemler seçildi, çok aykırı bambaşka bir konsepte gidilmedi.” (Case 5)
52. “Çok klasikti, şimdi tasarımlara girdik. Renkler eskiden siyah kahverengiydi, şimdi değişik tarzda ürünler.” (Case 12)
53. “Mesela ayakkabı bizim işimiz değil. Yapım teknikleri çok farklı, makineleri çok farklı. Giyim de daha farklı, yine yapmayacağımız bir iş.” (Case 12)
54. “Ürün konusunda yenilikçi, üretim yöntemlerinde gelenekseliz.” (Case 12)
55. “Bazı konularda çok tutucuyuz, bazı konularda çok yenilikçiyiz.” (Case 7)
56. “Ürün için odağında. Ona zarar gelmeyecek şekilde etraftan dolaşyoruz, dolayısıyla bu noktada tutucuyuz. Ama oraya gelene kadarki tüm yollarda yenilikçiyiz.” (Case 7)
57. “İki şeyi bırakmamak lazım, bir yandan yenilikleri takip etmek, öbür taraftan tedbirli olmak.” (Case 7)
58. “Tüm uğraş alanlarımızda yenilikler getirmek köklü geleneğimizdir.” (Case 16)
59. “Yeniliğe açık olmaktan ziyade zorunlu olduğumuzu düşünüyorum.” (Case 16)
60. “Ben gelenekçiliğe hiç inanmam ... Gelenekçiliğe takılıp kaldığınız zaman uzun süre yaşama şansınız yok. Buna çok ciddi olarak inanıyorum.” (Case 16)

61. “Kurulduğumuz günden bu yana, içinde bulunduğumuz toplum için hayal kurmaya ve bu hayalleri yenilikçi bakış açısıyla gerçeğe dönüştürmeye devam ediyoruz.” (Case 17)
62. “Genlerimizde yenilikçilik ve girişimcilik taşıyoruz.” (Case 17)
63. “Girişimcilik iştahı yüksek bir şirket diyebiliriz.” (Case 17)
64. “Yeni ne yapıyoruz hep kafamızın içinde bir soru işareti olarak gidiyor. ... Burada da şöyle bir yerde şöyle bir şey var, buna girebilir miyiz acaba.” (Case 17)
65. “Sektörümüzde bir şekilde farklılık yaratan inovatif şekilde düşünen firmalara yatırım yapıp, onların sektörde ne gibi değişiklikler yaratabileceğini yakından izlemeye çalışıyoruz.” (Case 17)
66. “Biz büyük balığz holding olarak. Günümüzde her geçen gün biraz daha büyük balığın değil hızlı balığın başarılı olduğunu görüyorsunuz. Buna ayak uydurmaya çalışmak önemli bir şey. Farkındayız en azından, bunu nasıl yapabilirsiniz farkındayız.” (Case 17)
67. “‘Disruptive’ inovasyondan dolayı oluşabilecek dalgaları önceden sezip bunların içerisine girebilmenin bir oluşumu.” (Case 17)
68. “Üretim yöntemleri değişir, hammadde değişir, her şey değişir. ... Her an gittikçe daha fazla etraftaki çemberler daralıyor ve siz bütün bu badireleri atlatmak durumundasınız.” (Case 16)
69. “Yarın sizin karşınıza öyle bir hammadde çıkar ki, birdenbire 3d teknoloji ile, sizin yaptığınız üretim maliyetinin 10da biri maliyetine.” (Case 16)
70. “1960lara 70lere kadar yapılan bütün yenilikler Türkiye’nin sosyoekonomik gelişimiyle paralel. ... Mesela ne zaman elektrik geliyor, elle doldurmak yerine yarı-otomatik doldurma işlemine geçiliyor.” (Case 15)

71. “Dedemin dönemindeki her şey Türkiye’de bir ilk.” (Case 15)
72. “Millet hop oturup hop kalktı, ‘Soyadın Eczacıbaşı, nasıl olur yani?’.” (Case 16)
73. “Bu hesaba göre dünya üzerindeki bütün Miller, Baker’lar ekmek üretimi yapmak zorunda. Böyle bir şey yok; sen mesleğinle tanımlanmadın.” (Case 16)
74. “Holdingin yapısı aslında girişimci bir yapı. Kurucu ve sonraki jenerasyonlara baktığınız zaman hep girişimcilik üzerine. Ticaret yapan bir yapıdan üreticiliğe geçilmesi, tekstilden çok alakasız bir şekilde elektronik sektörüne atlanıyor, oradan çok alakasız bir şekilde enerji sektörüne atlanıyor...” (Case 17)
75. “Bence inovasyonun olmayacak bir yeri yoktur. Şirketin organizasyonundan tutun da ürünün kendisine kadar. Her yerde inovasyonu düşünmeniz gerekir. ... O anlamda ben bir sınırı olduğunu düşünmüyorum.” (Case 17)
76. “Eskiden paket yapılırdı, ne güzel günlermiş ya...” (Case 2)
77. “Nasıl bir işimiz vardı eskiden biliyor musun? ... 50lerde 60larda insanlar kuyruğa girerdi.” (Case 2)
78. “Gelen müşteri 20 sene önce yediğim dolma diyor. ... Lezzet belki daha güzel olabilir ama önemli olan aynı şeyi korumak.” (Case 3)
79. “Nostaljik olması daha iyi. Yaşanmışlık var.” (Case 3)
80. “Bozmak istemedik, nostaljiyi korumak istedik her zaman.” (Case 6)
81. “Ben en çok şeye üzülürüm, dedemin ruhu sızlar diye düşünürüm. Çok emek vermiş, babam da öyle.” (Case 8)
82. “Türkiye’deki geleneklerin bitmesine karşı duyduğum acı...” (Case 10)

83. “Ben istedim ki dedemin ve babamın zamanındaki gibi devam etmesini istedim.” (Case 10)
84. “Hiçbir şey kalıcı değil, böyle müesseseler de kalıcı değil. ... Burası bir müze değil nihayetinde bir gün bitecek.” (Case 1)
85. “En çok heyecanlandıran şey ne zaman batacağım. Buna dayanmanın imkanı yok.” (Case 2)
86. “Babamın adı var, bir 10 sene gitsin bu iş ya.” (Case 2)
87. “Elenirsem eleneyim ne yapayım. Onurunla elenirsin, ben onurumla elenirim.” (Case 2)
88. “Benle heralde bitecek. ... Ne kadar götürürüm bilmiyorum ki, ben 64 yaşındayım.” (Case 8)
89. “Herhalde bir gün birine devredeceğim, belli bi ömür var. Hani evladınız olurdu da devam ettirirdi ama ona da kesin bir şey söyleyemezsiniz.” (Case 10)
90. Ama yaş kemale erince eyvah diyorsunuz.” (Case 10)
91. “Keyifsiz geliyor, olabilir zengin olursun iyi olur hoş olur, ama bu bir eğitim meselesi biz böyle gördük. Saldırmadık. ... Burayı korumak önemli dedik.” (Case 1)
92. “10 kişi geleceğine 3 kişi gelsin, bu işten anlayan gelsin.” (Case 2)
93. “Biz McDonald’s değiliz, lokantayız.” (Case 2)
94. “Lokal olup aynı şeyi sürdürmek... Anormal karlar getirmiyor ama biz memnunuz halimizden çok şükür.” (Case 3)
95. “Bizde amaç kar edelim değil, insanlar burdan memnun kalsın uzun süre gelsinler.” (Case 3).

96. “Her şey hayatta para değil, ben çok şükür işimde manen çok mutlu oldum.”

(Case 10)

97. “Amaç sadece para kazanayım, az kazanayım ama öz kazanayım yok.” (Case

10)

98. “Biz niye ayaktayız biliyor musunuz? 1935, başka bir şeyden değil.” (Case 2)

99. “Devam etmesinin sebebi ürünün hiçbir zaman bozulmaması.” (Case 6)

100. “Manevi bağlar... Zaten onun için yaşadığı bugüne kadar.” (Case 10)

101. “Mesela dondurmayı biz elde çeviriyoduk. ... Elde çevrilen daha güzel.”

(Case 1)

102. “Bilgisayarı o getirdi, o da pişman ben de.” (Case 2)

103. “Bu daha modern daha bilgisayarlı, ama bana sorarsanız esas makina bu.”

(Case 2)

104. “Bir ihtiyaç duymuyoruz değişik bir ürün çıkaralım. Ben görmedim bunca zaman.” (Case 1)

105. “Kötü bir şey yapmış olmayız ama ayağımız gitmiyor. Kimse de artık para taşıyor, bu da bizim zararımıza. Biz de bekliyoruz devlet zorlasın da kredi kartı koyalım.” (Case 1)

106. “Hiçbir zaman yeni ürün eklemeyi düşünmedik, çorba bile eklemedik.

Seneler boyunca eklenmemiş o yüzden.” (Case 6)

APPENDIX E

QUESTIONNAIRE ITEMS IN ENGLISH

Variable	Items
Intention for transgenerational sustainability	<p>The family faces the opportunity to pass on the business to future generations</p> <p>Continuing the family legacy and traditions is important to me.</p>
Cognitive cohesion	<p>In this family...</p> <p>we have similar views on things</p> <p>we tend to have widely differing views on most social issues</p> <p>we have shared interests and tastes</p> <p>our attitudes and beliefs are pretty similar</p> <p>we have much in common</p> <p>we think alike</p> <p>we have radically different perspectives on things</p> <p>our values are very similar</p>
Open communication	<p>In this family...</p> <p>people don't openly express their opinions</p> <p>we keep our views pretty much to ourselves</p> <p>we are polite rather than honest in how we communicate with each other</p>

we regularly talk about things that concern us
people are interested in each others' opinions
we take time to listen to each other
we bring issues out in the open, good or bad
we are frank with each other

Emotional cohesion

In this family...

for many of us our strongest emotional ties are
outside the family
the emotional bond between us all is very strong
we usually feel happy to be with each other
we miss each other when we're apart for a while
family members make each other feel secure
family members feel warmth for each other
we are emotionally close
we feel a lot of love for each other

Intergenerational attention

In this family...

the older generation takes a close interest in the
activities of the younger generation
the older generation shows an active concern for
the welfare of the younger generation
the younger generation are expected to look after
their own interests
older members have a protective attitude toward the

younger members

the young adults are left to their own devices

the older generation is highly supportive to the

goals of the younger generation

the older generation is very responsive to the needs

of the younger generation

older family members are attentive to the concerns

of younger family members

Socioemotional wealth

Family harmony is an important goal in making my business decisions

The social status of my family is an important factor in making my business decisions

My business is closely linked to the identity of my family

Family ownership

What is the percentage of shares owned by the family: ____

Family management

Please indicate the number of family managers working in the family firm: ____

Firm age

Please indicate the date of foundation of the family firm: ____

Number of employees

How many employees are currently working in the family firm? ____

Sector

In which sectors does your family firm operate?

___ Production

___ Construction

___ Wholesale

___ Retail

___ Service



APPENDIX F

QUESTIONNAIRE ITEMS IN TURKISH

Değişken	Maddeler
Kuşaklararası sürdürülebilirlik niyeti	Aile şirketini sonraki kuşaklara taşıma ihtimalimiz vardır. Aile mirasını ve geleneklerini devam ettirmek benim için önemli bir hedeftir.
Zihinsel birlik	Bu ailede... genelde birbirimizle aynı görüşte oluruz sosyal meselelerle ilgili fikirlerimiz çoğunlukla farklılık gösterir ortak ilgi alanlarımız ve zevklerimiz vardır tutum ve inançlarımız oldukça benzerdir ortak noktamız çoktur benzer düşünürüz çok farklı bakış açılarına sahibiz değerlerimiz birbirine çok benzer
Duygusal birlik	Bu ailede ... aile dışından kişilerle kurduğumuz duygusal bağlar daha kuvvetlidir aramızdaki duygusal bağ çok kuvvetlidir genellikle bir arada olmaktan mutluluk duyarız

uzak kaldığımızda birbirimizi özleriz
aile bireyleri birbirini güvende hissettirir
birbirimize karşı sıcak duygular besleriz
duygusal olarak yakınız
birbirimizi çok severiz

Açık iletişim

Bu ailede ...
kişiler düşüncelerini açıkça ifade eder
düşüncelerimizi kendimize saklarız
iletişim kurarken birbirimizi kırmak pahasına da
olsa açıksözlü olmayı tercih ederiz
bizi ilgilendiren konular hakkında düzenli olarak
konuşuruz
kişiler birbirlerinin düşünceleriyle ilgilenirler
birbirimizi dinlemek için vakit ayırırız
iyi ya da kötü tüm konuları açıkça gündeme taşırız
birbirimize karşı açık sözlüüz

Kuşaklararası ilgi

Bu ailede ...
aile büyükleri genç kuşağın yaptıklarıyla yakından
ilgilenir
aile büyükleri genç kuşağın iyiliğini düşünür
genç kuşağın kendi başının çaresine bakması
beklenir
aile büyükleri genç kuşakları koruyup gözetir

genç yetişkinler kendi hallerine bırakılır
aile büyükleri genç kuşağın hedeflerini destekler
aile büyükleri genç kuşağın ihtiyaçlarını gözetir
aile büyükleri genç kuşağın sıkıntılarıyla ilgilenir

Sosyal duygusal servet

İşle ilgili bir karar verirken, ailenin uyum ve ahenk içinde olmasını gözetirim

İşle ilgili bir karar verirken, ailemin sosyal statüsünü korumak dikkate aldığım bir faktördür
Şirketin kimliği, ailemin kimliğiyle örtüşmüş durumdadır.

Aile mülkiyeti

Şirket hisselerinin yüzde kaçını ailede toplanmıştır?
Şirkette yönetici pozisyonunda çalışan aile

Aile yönetimi

bireylerinin sayısını belirtiniz: ____

Şirketin yaşı

Aile şirketinin kuruluş tarihini belirtiniz: ____

Çalışan sayısı

Şu anda aile şirketinde kaç çalışanınız var? ____

Sektör

Aile şirketiniz hangi sektörlerde faaliyet gösteriyor?

____ Üretim

____ İnşaat

____ Toptancılık

____ Perakende

____ Servis

APPENDIX G

OUTPUTS OF REGRESSION ANALYSIS 1

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.240	.058	.038	.58391
2	.494	.244	.215	.52745
3	.550	.302	.273	.50765

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.131	5	1.026	3.010	.012
	Residual	83.874	246	.341		
	Total	89.005	251			
2	Regression	21.680	9	2.409	8.659	.000
	Residual	67.325	242	.278		
	Total	89.005	251			
3	Regression	26.896	10	2.690	10.437	.000
	Residual	62.108	241	.258		
	Total	89.005	251			

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	3.252	.530		6.139	.000		
Family_Ownership	.010	.005	.114	1.826	.069	.975	1.025
Family_Management	.033	.029	.079	1.135	.258	.791	1.264
Firm_Age	-.004	.002	-.112	-1.771	.078	.958	1.044
Firm_Size	.004	.002	.137	1.941	.053	.769	1.301
Production_Sector	.087	.094	.060	.928	.354	.917	1.090
2 (Constant)	.664	.652		1.019	.309		
Family_Ownership	.006	.005	.071	1.218	.224	.931	1.074
Family_Management	.020	.026	.048	.753	.452	.780	1.282
Firm_Age	-.002	.002	-.049	-.855	.394	.936	1.069
Firm_Size	.004	.002	.126	1.954	.052	.757	1.322
Production_Sector	.179	.086	.124	2.093	.037	.896	1.116
Cognitive_Cohesion	.459	.072	.403	6.399	.000	.786	1.272
Open_Communication	.239	.105	.146	2.283	.023	.764	1.310
Emotional_Cohesion	-.067	.098	-.048	-.690	.491	.657	1.522
Intergenerational_Attention	.131	.079	.100	1.666	.097	.870	1.150
3 (Constant)	.442	.629		.702	.483		
Family_Ownership	.006	.005	.068	1.214	.226	.931	1.074
Family_Management	.016	.025	.039	.641	.522	.779	1.283
Firm_Age	-.002	.002	-.074	-1.325	.187	.927	1.079
Firm_Size	.004	.002	.120	1.945	.053	.756	1.322
Production_Sector	.181	.082	.125	2.202	.029	.896	1.116
Cognitive_Cohesion	.372	.072	.327	5.183	.000	.729	1.373
Open_Communication	.130	.103	.079	1.254	.211	.722	1.385
Emotional_Cohesion	-.134	.095	-.095	-1.407	.161	.641	1.560
Intergenerational_Attention	.125	.076	.096	1.656	.099	.869	1.150
Socioemotional_Wealth	.333	.074	.282	4.499	.000	.735	1.361

Dependent Variable: Intention_Transgen

APPENDIX H

OUTPUTS OF REGRESSION ANALYSIS 2

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.515	.265	.238	.44152

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.035	9	1.893	9.709	.000
	Residual	47.175	242	.195		
	Total	64.210	251			

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.669	.545		1.227	.221		
	Family_Ownership	.001	.004	.010	.179	.858	.931	1.074
	Family_Management	.011	.022	.031	.490	.625	.780	1.282
	Firm_Age	.002	.002	.087	1.532	.127	.936	1.069
	Firm_Size	.000	.002	.018	.292	.771	.757	1.322
	Production_Sector	-.007	.072	-.006	-.095	.924	.896	1.116
	Cognitive_Cohesion	.263	.060	.272	4.373	.000	.786	1.272
	Open_Communication	.327	.087	.236	3.743	.000	.764	1.310
	Emotional_Cohesion	.200	.082	.166	2.447	.015	.657	1.522
	Intergenerational_Attention	.017	.066	.015	.260	.795	.870	1.150

Dependent Variable: Socioemotional_Wealth

APPENDIX I

OUTPUTS OF REGRESSION ANALYSIS 3

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.466	.217	.198	.53335

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19.312	6	3.219	11.315	.000
	Residual	69.693	245	.284		
	Total	89.005	251			

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.606	.537		2.990	.003		
	Family_Ownership	.007	.005	.081	1.416	.158	.969	1.032
	Family_Management	.021	.027	.050	.787	.432	.788	1.269
	Firm_Age	-.004	.002	-.119	-2.066	.040	.958	1.044
	Firm_Size	.004	.002	.120	1.856	.065	.768	1.303
	Production_Sector	.120	.086	.083	1.400	.163	.915	1.093
	Socioemotional_Wealth	.475	.067	.403	7.061	.000	.980	1.020

Dependent Variable: Intention_Transgen

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