

# Driving innovation in family firms: a network view

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# SUMMARY

- I. Introduction
- II. Literature review and hypotheses
- III. Methodology and findings
- IV. Conclusion and future research

# I. Introduction

## Importance

Role of family firms for national growth and employment

Link between family firms and innovation

## GAP

Extent to which family characteristics influence networks

Trade-off in literature of innovation in family firms

## Objective

Analyze how networks determine R&D outcomes in family firms

Extend behavioral agency model through a network view

## II. Literature review and hypotheses

### Literature review

- Loss of socioemotional wealth (Gomez–Mejia, Haynes, Jacobson and Moyano–Fuentes 2007)
- Long–term orientation (Miller and Le Breton–Miller 2005)
- Family firm paradigm (Basly 2007)

### Network's depth

- Networks introduce bond ties between family firms and external agents
- Fear of losing socioemotional wealth is reduced
- Depth networks ease tacit–knowledge transfer

*H1: The depth of a network is positively related to product innovation in family firms*

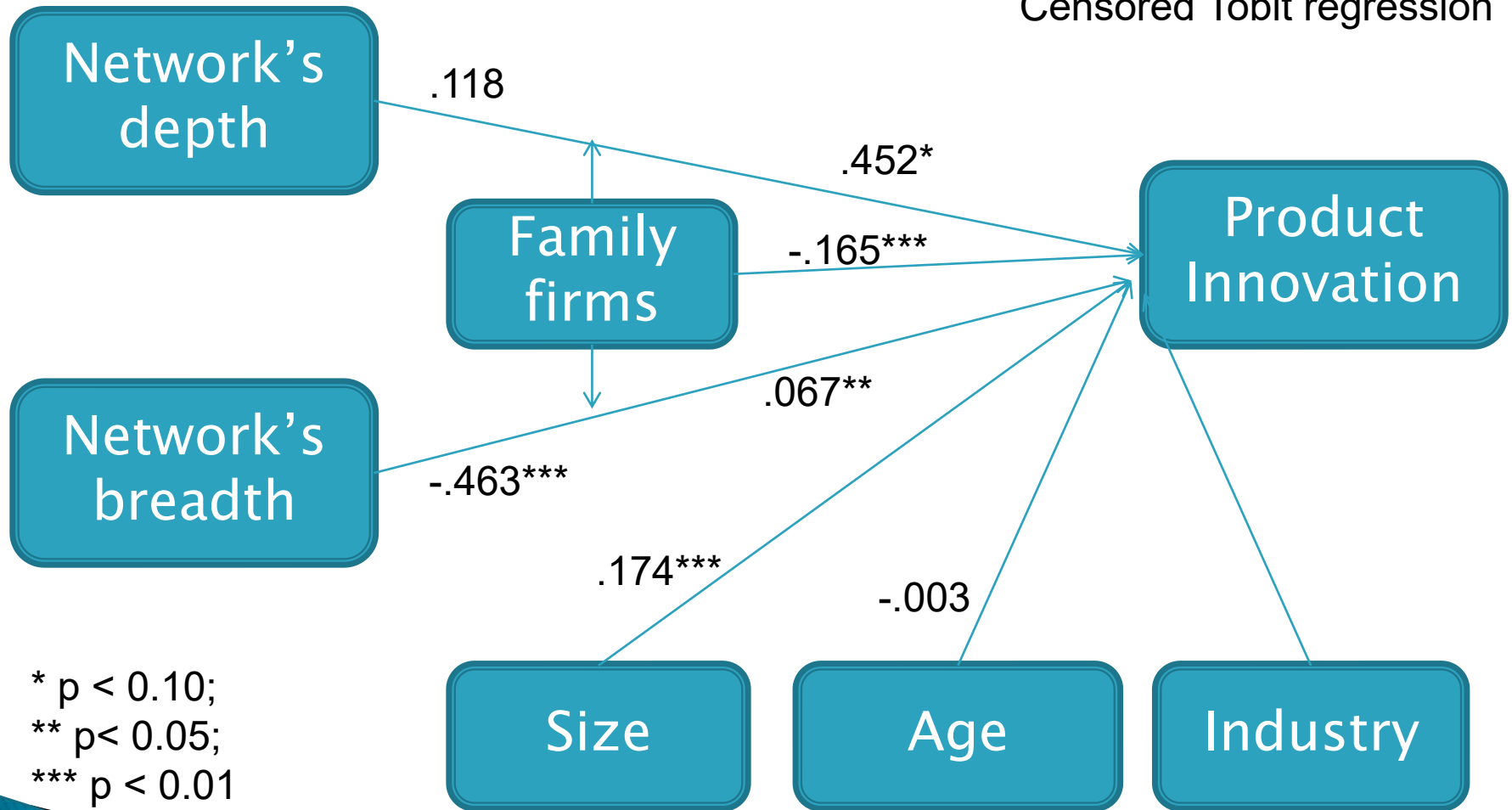
### Network's breadth

- Family firms will only be involved in networks when they perceive that their paradigms will be preserved
- Social capital of family firms completes the lack of innovative capacity

*H2: The breadth of a network is positively related to product innovation in family firms*

# III. Methodology and findings

Censored Tobit regression



## IV. Conclusion and future research

### Contributions

- Study of two traditionally separate disciplines, innovation and family firm
- Family firm innovation's trade-off: the network effect
- Extension of the behavioral agency model using a network framework
- Consideration of bond ties in firm strategies

- Large-scale database, but not direct observational methods
- Innovative performance measures and sample selection bias
- Sampling frames
- Managers' aspirations of performance

### Future research

Thank  
you