

Family conflict and non-family managers in family business: A Pitch

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Abstract: From the research viewpoint, conflicts in family firms belong to very challenging research areas. At the same time, the literature is fragmented, and it is not easy to identify and articulate a clear research question in this research domain. Based on Faff's (2015, 2019) pitching research template, we develop a real pitch and describe our experience with its use from the student's and supervisor's viewpoints. The research question is: "What is the role of non-family managers in family conflicts in family firms?" This pitching research letter also presents personal reflections on the pitching template application.

Keywords: Non-family managers, family business, pitching research, pitching template.

JEL codes: M10, L22

1. Introduction

The application for Ph.D. studies requires a well-elaborated research plan which includes a literature review, the expected data, the methodology, and the contributions. As the doctoral student gradually learns more and more about the topic of interest, the focus of the dissertation may develop over time, and it frequently becomes narrow and more specific than the original research project. Faff's (2015, 2019) pitching research template is a useful tool which allows for addressing the need for presenting the research plan in a simple and understandable manner as well as for clarifying one's own thoughts. This pitching research letter

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(PRL) is prepared by a Ph.D. student and her supervisor and elaborates on the perceived advantages from both viewpoints. The supervisor of the Ph.D. thesis was first made familiar with the pitching research template in 2016 during prof. Faff's visit to his home institution. After prof. Faff's workshop, the template was subsequently adopted and used by multiple employees of our institution. Consequently, it is also sometimes recommended to Ph.D. students for presenting the research progress during regular colloquia. This PRL deals with a "real pitch" focusing on the field of family business research. Partly also thanks to the pitching research template, we managed to find a relatively narrow topic of interest. Having started with a vast topic ("conflicts in family firms"), we narrowed the research idea down. We found an unexplored, yet a very relevant topic of the role of non-family managers in family conflict and family firms.

The rest of this PRL is organized in the following manner. First, we present a brief commentary on the pitch and present the pitching template. Subsequently, we elaborate on our personal reflections on the pitching template application. Finally, we provide a conclusion.

2. Commentary on the Pitch

We aim to investigate the role which non-family managers play in family conflicts in family firms. Table 1 displays the completed pitching template. Following Faff's (2015, 2019) guidelines, the key papers do not include seminar papers, but are recent and relate to the main research question. We include the recent paper of Hiebl and Li (2018) as this is one of the studies which point out that non-family managers act as mediators in conflicts between family members. Family conflicts and tensions are not eliminated but partly transferred to conflicts between family and non-family managers. Second, the paper of Hiebl (2013) provides us with a qualitative study related to non-family chief-financial officers (CFOs). This paper analyses the role of multiple family tribes in a family business which may give conflicting instructions to non-family CFOs. They may, in turn, voluntarily leave the firm. In other words, family conflict can lead to non-family managers' turnover. Third, we include a review of literature presented by Tabor *et al.* (2017). The paper mainly focused on the role, effects and challenges related to non-family members in the family business. At the same time, the authors emphasize that non-family managers represent an underresearched area in family business literature and more studies about the recruitment process and outcomes resulting from their employment are needed.

Table 1. The pitch template on the role of non-family managers in family conflicts in family firms

Pitcher's Name	Nikola Rosecká, Ondřej Machek	For category	Family business	Date Completed	20/06/2020
(A) Working Title	Family Conflict and Non-family Managers in Family Business				
(B) Basic Research Question	What is the role of non-family managers in family conflicts in family firms?				
(C) Key paper(s)	<p>Hiebl, M.R.W. (2013) "Non-family CFOs in family businesses: do they fit?", <i>Journal of Business Strategy</i>, vol. 34, no. 2: 45-51.</p> <p>Hiebl, M.R.W. & Li, Z. (2018) "Non-family managers in family firms: Review, integrative framework and future research agenda", <i>Review of Managerial Science</i>, vol. 14: 763-807.</p> <p>Tabot, W., Chrisman, J.J., Madison, K. & Vardaman, J.M. (2017) "Nonfamily Members in Family Firms: A Review and Future Research Agenda", <i>Family Business Review</i>, vol. 31, no. 1: 54-79.</p>				
(D) Motivation/Puzzle	<p>As family firms grow, they may tend to employ non-family managers because of increasing need for managerial skills and additional social capital. At the same time, the intertwining of family and business presents a fertile field for conflicts among family members. In our literature review, we found that non-family managers can play a two-fold role in family conflicts. On the one hand, non-family managers can act as stabilizing factor, and the very presence of non-family managers in family firms can help resolve family conflicts. On the other hand, with an increasing percentage of non-family members, conflicts between family members may arise because the binding ties of family members weaken. The literature does not provide a clear answer to the question of whether the positive or negative effects of non-family manager involvement on family conflict prevail.</p>				
THREE	<p>Three core aspects of any empirical research project i.e. the "IDIOI's" guide</p>				
(E) Idea?	<p>To address the research gap, we plan to conduct a quantitative survey which should answer the following questions: (1) To what extent do non-family managers reduce family conflicts in family firms? (2) To what extent do non-family managers increase family conflicts in family firms? (3) What is the overall effect of employing non-family managers on family conflicts in family firms?</p>				
(F) Data?	<p>Our survey will be conducted in Czechia. As there is no official database of family firms, non-probabilistic sampling is the only option. There are three main potential sources of respondents: (1) A database of Czech family business from our past research projects (about 300 potential respondents). (2) Cooperation with the Association of Small and Medium-Sized Enterprises and Crafts (AMSP ČR) which has its own database of family businesses. (3) Approaching the family businesses, we are currently cooperating with within the scope of Center for Family Businesses at the University of Economics, Prague.</p>				

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(G) Tools?	The survey will use well-established scales from the family business literature (e.g., socioemotional wealth, performance, non-family team size) as well as the intragroup conflict literature (relationship, task, and process conflict). The main analytical method will be structural equation modeling (SEM): a model will be tested, which links the antecedents of conflicts (socioemotional wealth), through the employment of non-family managers to family conflict. We also aim at evaluating the firm-level outcomes (performance), as they could be affected by family conflict but also the involvement of non-family managers. The analysis needs to control for firm size, age, industry affiliation, and family/generational involvement.				
TWO	Two key questions				
(H) What's New?	To our knowledge, there is no thorough empirical study focusing on the role of non-family managers in family conflicts in family firms. We found only papers which mentioned non-family managers (mainly literature reviews) but did not analyze their roles in conflicts. The existing empirical studies pertain mostly to conflict of interest (while adopting the agency-theoretical view). The novelty lies at the intersection of family business, conflict, and non-family managers (Mickey Mouse diagram).				
(I) So What?	The results are potentially relevant for family firms regarding to what extent can non-family managers help in the reduction of conflicts among family members, versus to what extent they can escalate these conflicts.				
ONE	One bottom line				
(J) Contribution?	The study will be the first of its type in the family business literature. The managerial implications may help reduce the failure rate of family firms, which often happens during the succession process. During succession, many emotionally charged disputes may occur, and non-family managers may serve as catalysts of these conflicts. On the other hand, employing a non-family manager under unfortunate circumstances can escalate the conflicts.				
(K) Other Considerations	We should consider these factors: (1) Sensitivity of questions related to conflicts, suggesting that (2) the respondents must be guaranteed anonymity. Moreover, (3) surveying multiple people per firm is inevitable because conflict may be perceived asymmetrically by both conflict parties. At the same time, the above factors inflate the survey complexity and may reduce the response rate and the number of useful observations, which is the main research uncertainty.				

Because of the nature of our research question, the research will be quantitative, and we will try to survey multiple people per firm. There are two main areas to analyze. First, we need to analyze if the presence of non-family managers reduces or increases family conflict. Second, we need to identify the overall effect which non-family managers have on family business while considering other variables, such as firm size, family ownership, the generation in charge, etc. The core theoretical approaches will be the intragroup conflict theory and the theoretical foundations of family business, especially the socioemotional wealth approach. The above-mentioned theories allow us to outline the Mickey Mouse diagram characterizing the novelty of our research idea (Fig. 1). The diagram is composed of three circles: “family business” as the core type of business that we investigate, and two circles representing two key research areas which still lack empirical evidence in the family business literature: “non-family managers” (meaning the role which they play in the family business and what effects they have on the business as a whole, see, e.g. Tabor *et al.* (2017)), “conflict” (a traditional topic of the family business literature, which is however insufficiently explored in terms of empirical evidence, see, e.g. Kubíček and Machek, 2020). Our research question is located at the intersection of these three circles.

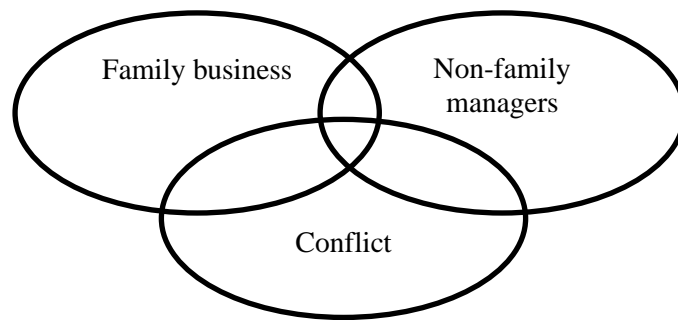


Figure 1. Mickey Mouse diagram characterizing novelty of research idea

3. Personal reflections on the pitching template application

The pitch was completed by two authors within a few days. However, prior to completing it, we performed a literature review related to the role of non-family managers in family firms. At our home institution, the pitching template has been used by several students and supervisors (e.g., Dvouletý, 2017; Jurek, 2018). It is clear that the template has added value for both parties. For students, the pitching template helps identify important categories of the dissertation thesis but also helps outline a preliminary idea about survey questions. More specifically, the pitch helped the doctoral student clarify the research question and identify the subsections which should be included in the research. Moreover, the identification of variables, potential sources of data and tools which will measure these variables are essential for the research success and should be done in advance. Even before a

thorough review of literature is made, the awareness of “what is new” and “why is that useful” is critical. With the help of the pitching template, we are more confident that the most relevant variables are included in the survey. Second, the pitching template is very suitable for presenting the research progress during a doctoral colloquium. The template is clear, brief and summarizes all important categories which should be taken into consideration. Thus, the pitch can also be seen as a useful tool for presenting the research to other colleagues. Those, in turn, may point out new ideas and suggestions which can be very relevant for the improvement of the research. The supervisor agrees that the pitch helped both parties clarify the scope of the dissertation.

4. Conclusion

In this pitching research letter, we develop and present the personal experience with the pitching template of professor Faff (2015; 2019). Overall, our experience with the template is very positive, and we may suggest it to Ph.D. candidates but also their supervisors. We believe that the template is useful not only to people who learn how to conduct research but also to more experienced researchers.

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