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Clarifying the strategic advantage of familiness: Unbundling its dimensions and highlighting its paradoxes

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ABSTRACT

Using a resource-based theoretical lens we clarify familiness by identifying the dimensions of this unique family business resource in multigenerational family firms. Using data from four in-depth case studies, we provide evidence that familiness is comprised of human resources (*reputation* and *experience*), organisational resources (*decision-making* and *learning*), and process resources (*relationships* and *networks*). Furthermore, we demonstrate how these resource dimensions are paradoxical in nature in that each influences the family firm in both positive and negative ways. These dimensions and their nature (positive/negative) thus not only help clarify a firm's familiness but also move the construct from a conceptual notion into a more operationalised form.

1. Introduction

Increased interest in family business research is partly influenced by their numerical dominance in most economies (Eddy, 1996; Morck & Yeung, 2004) and recent evidence that some of these firms have been found to financially outperform their non-family counterparts (Anderson & Reeb, 2003; Dyer, 2006; Villalonga & Amit, 2006). Given that it is the involvement of the family in the business (Gersick, Davis, Hampton, & Lansberg, 1997; Tagiuri & Davis, 1996) that differentiates the family business from other forms of business (Chrisman, Chua, & Sharma, 2003) it is not surprising that the search for the origins of the competitive advantages that drive these superior performances has focused on identifying the uniqueness that arises from the family involvement (Klein, Astrachan, & Smymios, 2005). This uniqueness is likely to be central to family business strategy.

It has been suggested that this uniqueness is largely a result of the idiosyncratic resources and capabilities that are generated when the family system and the business system interact and co-exist in unison (Basco & Pérez Rodríguez, 2009; Nordqvist & Melin, 2010; Pieper & Klein, 2007). This idiosyncrasy has been labelled *familiness*. Conceptualised from the Resource Based View of the Firm (hereafter RBV) (e.g. Peteraf, 1993; Wernerfelt, 1984), familiness refers to the idiosyncratic firm-level bundle of resources and capabilities a particular firm has because of the systemic interaction between the family, its individual members and the business (Habbershon & Williams, 1999; Habbershon, Williams, & MacMillan, 2003).

In a relatively short period of time familiness has become a widely acknowledged and popular construct with family business researchers (e.g. Chrisman, Chua, & Steier, 2005b; Craig & Moores, 2005; Habbershon & Williams, 1999; Nordqvist, 2005). However, *familiness* is yet to be clearly defined and measured (Chrisman, Chua, & Sharma, 2005a; Chrisman et al., 2005b). The construct itself – its dimensions, antecedents, and consequences – has largely been left unattended in the field (Sharma & Zahra, 2004) and familiness remains a somewhat fuzzy concept (Moores, 2009). To better understand *familiness* we need to identify and study the core dimensions that constitute the construct else it risks remaining an umbrella concept that lacks conceptual clarity (Lambrecht & Koiranen, 2009; Sharma, 2008) and which will have no role in future theory building endeavours (Moores, 2009). The purpose of this exploratory case-based paper is to complement recent contributions to clarifying familiness (particularly Pearson, Carr, & Shaw, 2008; Sharma, 2008; Zellweger, Eddleston, & Kellermans, 2010) by adding data-derived dimensions to the evolving definition of the familiness construct.

The contribution of our study is threefold. First, we utilise RBV to theoretically explain distinctive competitive advantages that result from resources arising out of family involvement in business. We thus explain the central role familiness plays in a family business. Secondly, we identify resource dimensions that constitute the familiness construct. In doing so, we extend familiness from a conceptual construct into more measurable and operational dimensions and offer greater clarity for understanding its resource constituents. Thirdly, we identify the nature of these resource dimensions to better understand and explain

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how familiness can influence the business in both positive and/or negative ways and position this conversation in terms of paradoxes that need to be managed to optimize strategic advantage.

The remainder of the paper is structured as follows. We proceed to review the RBV and familiness literature highlighting in particular the paradoxical nature of resources in which they can be either "a strength or weakness of a firm at any given time" (Wernerfelt, 1984, p. 172). We then outline the case methodology we adopted for our research design. We next report the results and present a discussion of their implications. We conclude with limitations and suggestions for future research.

2. RBV and familiness

RBV is arguably the most influential framework currently employed to understand firm strategy (Barney, 1991). With a focus on the internal endowments of the firm and how these can best be utilised for the firm's advantage, RBV has deepened the appreciation of how firm resources are applied and combined to enable sustainable competitive advantage (Peteraf, 1993). In particular, the framework has highlighted the uniqueness and complexities of intangible resources.

According to RBV, firms survive by attaining a sustainable competitive advantage through being able to combine heterogeneous and imperfectly mobile resources (Penrose, 1959; Wernerfelt, 1984). Specifically RBV distinguishes the nature, characteristics and potential of a firm's complex, idiosyncratic, and unique internal processes and intangible assets, including the values, beliefs, and symbols, and interpersonal relationships possessed by individuals or groups (Barney, 1991). These internal resources and capabilities are assumed to be not only heterogeneous, but also will ultimately deliver a competitive advantage to the firm (Barney, 1991).

The distinction between resources and capabilities is important and stems from the early work of Penrose (1959) who separates resources from the services they render. Amit and Schoemaker (1993) stress that the encompassing construct previously called resources can be split into resources and capabilities. They define resources as "stocks of available factors that are owned or controlled by the firm" and capabilities as "the firm's capacity to deploy these resources" (Amit & Schoemaker, 1993, p. 35). The distinction is important because while resource heterogeneity is a necessary condition of RBV, it is not a sufficient condition for sustainable advantage (Alvarez & Busenitz, 2001). These resources require the capabilities to identify and maximise the value potential of these resources (Sirmon & Hitt, 2003). In other words, while resources can be those (tangible and intangible) assets that are tied semi-permanently to the firm at any time (Wernerfelt, 1984), in order for them to contribute optimally to firm sustainability they must be valuable, rare, imperfect imitable, and non-substitutable (VRIN) (Barney, 1991).

Using the RBV framework, Sirmon and Hitt (2003) argue that family-owned businesses evaluate, acquire, shed, bundle, and leverage their resources in ways that are different from businesses that are not family-owned. In part, these unique resources can emerge from the fact that family often also act as owners and/or managers. In the family business context, the term *familiness* has been introduced to define the unique bundle of idiosyncratic resources and capabilities existing in family firms (Habbershon et al., 2003). As such, familiness is one of the intangible factors that make the family business different to their corporate equivalents, and can be a point of difference that contributes to competitive advantage. Conversely it can have a stifling effect and inhibit growth (Craig & Lindsay, 2002). Specifically, Habbershon et al. (2003) propose that familiness-related resources and capabilities can present both a source of advantage as well as a source of disadvantage to the firm.

In sum, a central tenet of RBV is that firm heterogeneity, both in resources and the manner in which they process those resources, is an antecedent for creating competitive advantage (Barney, 1991; Penrose, 1959). In family firms competitive advantage is often attributed to the presence of familiness resources which differentiate family firms and give them their uniqueness (Habbershon et al., 2003). RBV has provided a clearer conception of family firms from an internal perspective by focusing on the nature, characteristics, and potential of a firm's internal resources.

Familiness has been found to have positive (e.g. Tokarczyk, Hansen, Green, & Down, 2007; Zellweger, Naldi, & Nordqvist, 2008) and negative (e.g. Stewart, 2003; Leenders & Waarts, 2003) effects on firm performance. Habbershon et al. (2003) refer to these

Table 1
Familiness and its representation in previous research.

Familiness	Description	Author
Origin and definition	The combination of existing stocks of social, human, financial, and physical capital resources in a firm resulting from interactions between family and business systems	Habbershon (1999) and Habbershon et al. (2003)
Knowledge-based	The firms knowledge with regards to technology, manufacturing, marketing, distribution, and human	Naldi, Nordqvist, and Zellweger (2008)
Reputation	Brand recognition, company recognition, company's reputation, executive's reputation	
Social capital model of familiness	Family social capital—stability in membership, interactions and interdependence among members, and closure or interconnections within members	Arregle, Hitt, Sirmon, and Very (2007)
	Family social capital as consisting of three dimensions: structural, cognitive, and relational	Pearson et al. (2008)
FPEC scale	Three dimensions of familiness: (1) power, the influence the family has on governance and management of the firm; (2) experience, the information knowledge, judgment, and intuition that comes through successive generations; and (3) culture, the alignment of the family's goals and with the firm's	Rutherford, Kuratko, and Holt (2008)
Market Orientation (MO)	Familiness resources of *Strategic Orientation*, *Family Relation*, *Customer Orientation*, and *Operational Benefit* influenced the firm's MO	Tokarczyk et al. (2007)
Interorganisational familiness	Status in a community of family-controlled corporations provides a mechanism that, in addition to kinship ties, serves to extend and maintain family control and influence over their organisations and reduce the likelihood of firm failure	Lester and Cannella (2006)
Behavioural dynamics in TMTs	Familiness in TMTs results in higher cohesion, potency, task conflict, and shared strategic consensus	Ensley and Pearson (2005)
Balanced score card	Familiness perspectives include financial (incentives for retiring generation), customer (family brand and image), internal processes (family philanthropic activities), learning and growth (career paths for family members)	Moores and Craig (2005)
Resource management and competitive advantage	Unique resources in family firms are human capital, social capital, patient capital and survivability capital, along with the governance structure attribute	Sirmon and Hitt (2003)

positive and negative outcomes as a consequence of the distinctive (f+) and constrictive (f−) natures of *familiness*. However, the field has yet to determine the conditions and factors that cause f+ or f− outcomes (Chrisman et al., 2005a, 2005b). Furthermore, it is our contention that failure to clearly specify the resource dimensions comprising *familiness* also adds to the equivocality of the results. This lack of definitional precision has disadvantages at both theoretical and practical levels. From a theoretical perspective, the familiness construct is ambiguous and remains an umbrella concept that may represent a variety of things (Lambrecht & Koiranen, 2009; Sharma, 2008). From a practical viewpoint, family firms may not be able to clearly identify their familiness resources and consequently misinterpret the influence and effects the family has on the business.

There have been a limited number of studies that have focused on understanding familiness. While most quantitative studies have used family involvement in ownership and management as proxy measures for familiness, Chrisman et al. (2005a) note that there is more to ascertaining familiness than the mere components of involvement. Certainly a distinction is required between defining a family firm and defining familiness since being a family firm is not, in itself, sufficient grounds for the presence of familiness. Table 1 summarises some of the more recent studies and the assumptions and proxies these studies have used to explain or represent familiness. While the representation of familiness has varied from study to study, it has been generally agreed that familiness is largely composed of the resource endowment and capability of the family business together with the family's influence in the management and deployment of these resources. More recently scholars have begun adding to the nomological net of the familiness construct by going beyond the mere definitional components of family firms by exploring their essences and identities. Pearson et al. (2008) draw upon social capital theory to provide conceptual clarity of what resources and capabilities populate the familiness black box. In particular, they identify the components of familiness as arising from structural, cognitive and relational dimensions that lead to organisational processes or capabilities of information access and associability. In commenting on this work Sharma (2008) adds further clarity by emphasising both the stocks and flows of this capital in the creation of familiness. Zellweger et al. (2010) are more interested in which families are most likely to develop familiness (a "who" question). To this end they complement the components of involvement and essence perspectives by adding insights drawn from the organisational identity literature. This approach facilitates the categorization of family firms on the grounds of the conditions that are more or less conducive to developing familiness resources: firms that possess family involvement, reflect the essence of the family, and define themselves as family firms.

But, notwithstanding these commendable efforts, familiness still remains a somewhat 'fuzzy concept' (Moores, 2009) because of limited evidence of its observed dimensions in the field. The absence of empirical data continues to inhibit its development as a central and widely agreed construct in family business research. Defining what the resource bundle is, what makes such resources unique, and how resources contribute to the competitive advantage of family firms continues to evolve and change. Our objective in this paper is to more clearly identify what resources and resource categories compromise the bundle of resources that is familiness.

To delineate familiness resources, it is important to first identify the appropriate resource categorization to adopt. Several are presented in the literature. As noted above, Wernerfelt (1984, p. 172) defined resources as "anything which could be thought of as strength or weakness of a firm and at any given time can be defined as those assets which are tied semi-permanently to the firm". Barney (1991, p. 101) provided further detail when he observed that resources are "all assets, capabilities, organizational processes, firm attributes, information, knowledge, etc. controlled by a firm that enables the firm to conceive of and implement strategies that improve its efficiency and effectiveness". He then suggested that resources can be classified into three main categories: physical, human, and organisational resources, the categorization we employed in this study. Miller and Shamsie (1996) extended the definition by distinguishing intangible and tangible resources. They labelled intangible resources as those that were knowledge-based while the tangible resources were property-based. Intangible resources give sustained competitive advantage because they are often unknown, firm-specific, and/or difficult to identify thus making their replication complicated. The "strength or weakness" feature of resources generally highlights the paradoxical nature of all resources which can specifically manifest as distinctive (f+) and constrictive (f−) familiness in family firms.

The notion of paradoxes is not new and is widely discussed in organisation and management scholarship (Poole & Van de Ven, 1989; e.g. Lewis, 2000; Sundaramurthy & Lewis, 2003). Although there are several definitions of paradox (see Lado, Boyd, Wright, & Kroll, 2006), it is generally understood as contrary or even contradictory propositions which are driven by apparently sound arguments (van Heigenoort, 1972, as cited in Lado et al., 2006). The role and use of these logical contradictions (paradoxes) in academia has been to identify tensions and oppositions in order to develop more encompassing theories (Handy, 1994; Poole & Van de Ven, 1989). Lewis (2000) explores paradox further and develops a framework that clarifies the nature of paradoxical tensions, reinforcing cycles, and their management. She suggests that when actors seek to resolve perceptual tensions it often initially reduces discomfort and anxiety but reinforcing cycles and paralysing defences eventually intensify tensions. Ultimately she emphasises that managing paradox means capturing its enlightening potential in ways that shift the notion of 'managing' from the modern definitions based on planning and control to coping—its original meaning (Handy, 1994).

Some previous studies (e.g. Moores, 2009; Moores & Barrett, 2002) are suggestive of using paradoxical themes when ascertaining the nature of the family business resources. Moores and Barrett (2002) first highlighted this paradoxical nature when they studied the learning cycle in family firms. More recently Nordqvist, Habbershon, and Melin (2008) also allude to the paradoxes in family firms although in their research they labelled these as family firm 'dualities' that must be addressed if the firm is to attain long-term performance advantage. Likewise, identifying the nature of family business resources using the notion of paradox is likely to enhance the 'generative potency' (DiMaggio, 1995) of resource-based theory generally and specifically of familiness as a theoretical construct in the family business field.

A suggested response to dealing with paradoxes that cannot be resolved is to 'accept the paradox and learn to live with it' (Poole & Van de Ven, 1989, p. 566). Similarly, Handy (1994) suggests that paradoxes cannot be resolved and can only be managed. The ability to manage the paradoxical nature of familiness resources is linked to the capabilities of the firm. It is these capabilities that determine how firm resources are managed, integrated, and deployed effectively to achieve competitive advantage (Hitt, Ireland, & Hoskisson, 2001; Penrose, 1959; Sirmon & Hitt, 2003).

3. Methodology

3.1. Research design

To address the research issue and discuss the resource constituents of familiness in family firms, qualitative, case-based

Table 2
Description of cases.

	Case 1	Case 2	Case 3	Case 4
Company name[a]	Active Builders Corporation	Seasons Management Group	Builders Development Corporation	Parts and Motors Corporation
Family name[a]	Dalton	Barnett	Bocconi	Bolton
Industry(s)	Property development, real estate, communications	Management rights, accommodation, real estate, tourism	Property development, retail, IT	Automobile industry
Core business	Property development	Management Rights	Property development	Automobile retail
Founding era	1930s	1980s	1960s	1940s
Generation of family	5th	2nd	2nd	3rd
Shares owned by family	100%	100%	100%	100%
No. of family involved in business	4	4	4	3
Positions held by family	CEO, Managing Director, Director Sales, Director	Managing Director, Director × 3	Managing Director × 3, Director	Managing Director, Director × 2
Size of family (approx.)	10	8	10	20–25
No. of Employees (approx.)	120–150	80–100	15–25	600–800

[a] Both company and family names are fictitious to preserve anonymity.

data were collected for analysis. A qualitative approach is most suited for exploratory research encompassing theory building and is generally the recommendation when the phenomenon under study is related to a complex social context (Yin, 1994), as is the case with the family business. The nature of family businesses calls for a qualitative approach because it addresses the complexity, dynamics, integration, and invisible issues surrounding the family business (Goffee, 1996). The qualitative research approach was particularly relevant here for understanding meanings (familiness), contexts (family businesses), and processes in their natural settings (Denzin & Lincoln, 1994). A qualitative research design was also useful here because the notion of familiness is at an early formative stage and there is less prior knowledge of what the variables of interest are and how they will be measured.

This study adopts a multiple case design because it permits us to strive towards understanding the phenomenon of interest (familiness) by using several independent instrumental case studies to get an insight in the studied area. Yin (1994, p. 46) advocates using multiple case studies because, "...the evidence from multiple cases is often considered more compelling and the overall study is therefore regarded as being more robust".

For the purposes of the study, four family-owned businesses ranging in size from 15 to more than 800 employees were selected from four industries for interviews (see Table 2 and Appendix A). The cases were theoretically sampled using a literal replication (Yin, 1994) since the objective was to provide greater illumination into the resource components of familiness. All four firms were of Australian heritage, multigenerational, private firms with 100% family ownership, and had shown significant growth since their establishment. Notably all four cases exhibit the components of family firms in terms of their ownership and management, have behaved distinctively through developing transgenerational visions that perpetuate values which are the essence of family firms, and identify themselves as family firms (Zellweger et al., 2010).

3.2. Data collection

Eisenhardt (1989) and Yin (1994) recommend combining multiple data collection methods when using case studies. Using such an approach in gathering empirical material added rigor, breadth, depth (Denzin & Lincoln, 1994) and enhanced our understanding thus creating a fuller picture of the phenomena under study. In this research, these methods included interviews, observations, correspondence, and various documents including newspaper articles and company published material.

Open-ended, semi-structured, in-depth interviews were the primary mode of data collection in this research. Open-ended questions proved valuable because of their flexibility and the ability to adapt from person to person, while still having a firm grip on issues being studied (Yin, 1994, p. 59). The open-ended interview questions[2] were conducted in a semi-structured manner to minimize researcher bias and allow respondents to reflect, elaborate and extend those experiences most meaningful to him/her. This approach helped generate, elaborate, and extend conversations that allowed a deeper probing of the interested phenomena. The primary goal of the in-depth interviews was to elicit the respondents' views and experiences in his/her own terms.

The length of interviews ranged from 1.5 to 3 h. Sixteen interviews were recorded and transcribed. The number of interviews was not pre-set, but determined in part by pragmatic considerations, such as time and financial constraints, and also by the attainment of theoretical saturation.[3] The interviewee profiles included owner/founder of the family business, CEO (family or non-family), Chairman of the board (family or non-family), family members actively involved in the business and ideally from different generational levels, and non-family members playing significant roles within the family business. The interviews were guided by a case study protocol to enable consistency and reliability of data across cases in the context (Yin, 1994). The case study protocol contained the interview instruments, and the procedures and general rules that were followed in using the instruments. As noted above, the in-depth interviews were supported with secondary empirical material. These included observations, archival data, and other documentation (e.g., annual reports, press articles, websites). Documents and observations were valuable sources of qualitative data and helped produce detailed descriptive accounts of what was happening.

[2] The main instrument in this research is the interview protocol guide. This instrument is an adapted version of the STEP project interview guide. STEP is the acronym for 'Successful Transgenerational Entrepreneurial Practices'. STEP is a global project in which Bond University is a partner. For more information on STEP, refer to www.stepproject.org. The instrument has been validated in pilot tests in North America and Europe. The protocol guide was not taken in its entirety and incorporates modifications to address issues pertinent to this research and to make it appropriate within an Australian context.

[3] Theoretical saturation is reached when themes and sub-themes related to data analysis begin to repeat themselves i.e. the researchers observe that no new themes are emerging from the data (Strauss & Corbin, 1998). While 16 interviews could be suggested as a low number to achieve saturation, it should be noted that the interviews lasted in total 30.6 hours and were complemented by the review of data from other sources such as websites, newspaper articles, company documents, and email correspondence. Saturation was attained here when adding cases (and interviews) had little effect on the number of nodes that were added in the NVivo analysis. Thus the addition of new nodes gradually decreased as data analysis moved from case 1 interviews to case 4 interviews.

Table 3
Familiness Resources per case.

Categories and dimensions	Outcome	Example quote
Case 1 (ABC)		
Human		
Reputation	f+	Certainly utilising the Dalton name and the company name has opened doors and this has being most positive. Within the business community and within the State, ABC is well respected. (Tom, Operations Manager)
	f−	I have done a few silly things that I have been sorry. I have demolished a house without permission about eight years ago. I got very bad publicity over that. Very sorry I did that and many people around town will never forget that. (Darrel, 4th generation, CEO)
Experience—insights and skills	f+	From an early age, we would be on construction sites. This was drilled into us from an early age. When I was 16, we would spend a part of our summer holidays on a large golf course development we were doing. We were labouring on different construction sites, sort of learning the trade a bit. (Josh, 5th generation, Sales Director)
	f−	It was frustrating. I was banging my head against the wall. Just did not know what to do with it. Therefore, I was reverting to work on their level and with the existing. And because I have less experience than them in the business, I did not have the power nor the credentials to say no let's do it like this. (Adam, 5th generation, Director)
Organisational		
Decision-making	f+	We will sit at lunch, we can make a decision quickly on something, and often the decision will be between Warren, dad, and I. (Josh, 5th generation, Sales Director)
	f−	Sometimes we make decisions too quickly; we do not think it all the way through. And I think that would be in terms of showing leadership it's very important to get those decisions made but you have to be sure that they are the right decisions the right time and the right framework. (Mark Turner, Operations Manager)
Learning	f+	He has dragged us to meetings and I have sat there not understanding. I would ask him what that person said, why did you respond that way or what did this mean. All I did was just watch. I would just follow along, not saying anything. That was the learning process for us. Always has been. (Adam, 5th generation family, Director)
	f−	There was very much the old school sort of street smart versus me coming with the academia, which did not hold much value to them. We are now encouraging our top three people to do executive education. I hope in the next 2–3 years we get to that level of strategic thinking and know how. Get that knowledge base up, rather than just go straight off street intuition and gut feel. (Adam, 5th generation family, Director)
Process		
Relationships	f+	Relationships are crucial because in the one office we are all working together. Dad does try to create one-on-one relationship with each of us. Family relationships have been most important to my father. (Josh, 5th generation, Sales Director)
	f−	With the 4th generation, it was only my grandfather and father. So there was only one obvious successor; everything was given to him. In the 5th generation, there are three and if each three have their wives, and families, and influences, there are a lot more constraints. There needs to be more active relationship building. (Adam, 5th generation)
Networks	f+	Using our name to build networks is extremely important. Certainly, having the name out there helps. What we have done in the last 10 years and having a perception that we are the leaders of this commercial strata market. You do get many people often coming down trying to have a chat, know what you are doing. They look at us as being in the forefront. It is a big help. (Josh, 5th generation, Director Sales)
	f−	I am dealing with these old lawyers and bankers that my grandfather used to deal with, old painters and others. How do I get in there as a twenty-year-old little smart-aleck and have a good yell at these folks who have been working with us forever. (Warren, 5th generation, Managing Director)
Case 2 (SMG)		
Human		
Reputation	f+	Dad pioneered strata title management. Through his work, he was part of high court decisions that really shaped legislation and lobbied ministers to develop the industry. That is a huge advantage. When you get the opportunity to learn off someone like James Barnett then why not grab the opportunity with two hands. (Donald, 2nd generation)
	f−	The senior staff had the attitude that Michael and I were the boss's pups and we were not given much respect. We had to prove we were worthy of respect, but it was difficult with dad around. (Donald, 2nd generation, State Business News—Volume 3.08 Sep 2006)
Experience—insights and skills	f+	It is just their understanding of all aspects of the business that enable them to make a proper decision. For several years, he worked within the body corporate, the main section of management rights, and the strata type industry. He was chairperson of the industry organisation for few years. He has a hands-on approach, understands, and knows the business back to front. (Michael, 2nd generation)
	f−	If someone like Joan tells you something is wrong, it is probably wrong. She has managed it so closely for so long. Then you have someone new, that is in it but does not see it and cannot understand it. I need to be able to go through the process to identify what is wrong. She may well be right. However, I cannot give a response to that until I have gone through the process. (Nick Miller, GM)
Organisational		
Decision-making	f+	We do a lot of talking before we make decisions. We never make instant decisions. Someone hears about a new building. We think we could be interested. We go and have a look and do 3 to 4 months of investigation. Put a little bit of time, check the costs, have a look at the agreements, go to the developers. Have a look at all the plans and usually it evolves or turns out that it is not what we wanted to do. (Joan, 1st generation)
	f−	I will send what I have to my CEO and my expectations are that he then negotiates with the Barnetts. If they need a directive, it needs to come through him to my desk. That has been cause for some pain and niggles over the last 6 months. You know they come in and tell junior staff that they want it done one way. I am very quick to advise them that they need to go and speak to the CEO. (Nick Miller, GM)
Learning	f+	People who have grown up in a family business tend to have a greater understanding of business because the issues are discussed at every single dinner table and they are discussed on a regular and systematic basis. People that haven't been exposed to that are often going through the same learning curve that people like me went through when I was 13–14 except that they are 26–27. I would say we have a greater understanding of business. (Donald, 2nd generation)
	f−	I would suggest that there be some orientation into learning about the family business. It is something that we have been reviewing, certainly in the last six months. It is in its infancy. We have now at least started an induction program so we know who these people are and what they do. However, there is no formal training about the company. (Nick Miller, GM)

Table 3 (*Continued*)

Categories and dimensions	Outcome	Example quote
Process		
Relationships	f+	Relationships are extremely important. With anything it is your relationship within the family, you have to get on; you have to trust each other to know that you are looking after the business future direction. I guess one of the values is its all family. (Donald Barnett, 2nd generation)
	f–	I have told the boys do not let your wives be involved in the company at all. I even told Tom (CEO) that, concerning his wife. Do not let any of your in-laws in your businesses. I have actually told their girlfriends that to their face. You will never be working for the company. (James, 1st generation)
Networks	f+	The business that exists today is built on the networks established by the Barnetts through suppliers. These networks give access to booking channels that have allowed the property to be successful. (Nick Miller, GM)
	f–	There is a lot of repeat business from the drive and networks that the Barnetts have built with the agents. However, even that dynamic is changing. Some of their suppliers are now owned by a competitor. Obviously, the competitor will be forcing them into their own properties. (Nick Miller, GM)
Case 3 (BDC)		
Human		
Reputation	f+	Dad's reputation was big. When Benito and I first started every time there was an important meeting, we always asked my father to attend. His presence and experience was enough. He did not need to say too much, but when he talked, everyone listened. That gave us credibility and a good opportunity to use that to our advantage. (Marco, 2nd generation)
	f–	Over the last 5–7 years, my father stepped down and did his own thing. Benito and I became the leaders. We had to do a lot of marketing to provide some substance to what we do. To prove that our projects were us, and not Dad. (Marco, 2nd generation)
Experience—insights and skills	f+	Silvio fell sick and I did not know anyone to help me. I took my son Benito with me everywhere. He was 13–14 years, but he was my right hand at that time. We used to go to meetings. The children worked hard in the business, although they were only 13–14. They did everything. Mila had to learn to be a receptionist until I found new staff. They learnt the business at a very young age. (Venetia, 1st generation)
	f–	This is my philosophy: in a family business, it is very important that blood be together but not the wives and the husbands, because I experienced very bad things in the past. (Venetia, 1st generation)
Organisational		
Decision-making	f+	Dad, I think we can do a backpackers resort here, the area is ready. There were negotiations with the family. The family approved and Benito and I formed up a project and we built the backpackers resort. (Marco, 2nd generation)
	f–	Sometimes our decisions are slow because of all these emotional issues, trust, or not enough information. (Marco, 2nd generation)
Learning	f+	If I did not learn and be under my father's wing and be the assistant for him and learn the basics, I would not be where I am today. Listening to him and asking his advice is very important. I was very fortunate to have that. The international experience that Benito and I had is also very important. I think we are very blessed to live all over the world and having that individual entrepreneurship within us gave us the confidence to say I am going to do this. I say it was family and individual development as well. (Marco, 2nd generation)
	f–	For us siblings it was difficult because we always had so much to live up to. We were never that up to his standard. Learning can be difficult. (Benito, 2nd generation)
Process		
Relationships	f+	Most times BDC was identified with Silvio. I think there were times when BDC identified with Benito and there were times when it identified with me. I believe now it is a Bocconi family business and I am the point of contact. It is always about the family and nothing but the family and every individual makes that family. (Marco, 2nd generation)
	f–	Unfortunately, his brothers got married and their wives destroyed the relationship. I have to be clear from the beginning of this conversation that, and this is my philosophy, in a family business it is very important that blood be together, but not the wives or the husbands. (Venetia, 1st generation)
Networks	f+	What he built through that was a brand. That brand was Silvio Bocconi. He had the networks and the contacts and this gave him the ability to form and leave partnerships because of his name. (Venetia, 1st generation)
	f–	Silvio was out of town and we were looking after the account. Mum had to fly in to Sydney to have a meeting with the bank guys. When we got there, the senior banker we were going to meet said he could not make it because he had to go with someone else for lunch. Therefore, we went to another bank. We moved half of our portfolio. It took them 2–3 yrs to build that trust back. (Benito, 2nd generation)
Case 4 (PMC)		
Human		
Reputation	f+	Sir Jake—everyone knew that name. That has been a big advantage for me. When I first arrived, I went to all the big manufacturers, all the banks and I just go straight to the top, straight to the CEO to talk. I walk into a room and they say where's your dad where's your mum? I was only 25 at that time. I say you are talking to me; I am here. Who are you? As soon as I say I am Sir Jake's grandson, instantly that barrier is gone and they say ok lets talk. That was a massive advantage for me and it has helped through the business. (Jake III, 3rd generation)
	f–	Dad was very proud of what he was doing. He was driven by wanting to provide that he was so proud that he could give us everything that we had. He had this idea that since he came from nothing and now he had everything, my sister and I should not work. So then I left school, and then dad thought after that I should go and be a lady of leisure. (Gwen, 2nd generation)
Experience—insights and skills	f+	After I finished from school, I got involved with a BMW dealer up here. That was where I got a taste for the car business. Then I started asking questions. Do you people do this? Do you do that? Mum and I had many arguments about the business because I did not think it was being run properly. Coming from outside and yet being part of the family put me in the perfect position to improve things. (Jake III, 3rd generation)
	f–	He is now 86 I think and he has a son Jake (II) who is Chairman and director of the company now. He had very limited experience as well. He was always there. Always at all of the board meetings but none of them, none of my family except my grandfather went to university. None of them did any additional study; none of them had any outside experience. They just moved into the family business and that was it. Just took over. So the business just went down. (Jake III, 3rd generation)

Table 3 (*Continued*)

Categories and dimensions	Outcome	Example quote
Organisational		
Decision-making	f+	I am very quick with making decisions and that's why I think also the staff ring me all the time and if I say yes you can do it, they got the authority and they can do it quick. I can make those decisions very quickly and that's where the whole change has been very easy because I had the authority to make those changes wherever I saw fit. Obviously the really big ones that was going to cost us money, they would obviously have to go through a process. (Jake III, 3rd generation)
	f−	We make decisions on everything. Everything to do with the day-to-day running of the business. But when it affects the shareholders, which are the family, then there is a political issue. It becomes very difficult. (Jake III, 3rd generation).
Learning	f+	Jake III was doing the company directors course as part of his MBA and he suggested I do it. So I did the company directors course at Uni. I started reading a lot and we started working together. I could now understand where Jake was coming from and we did not argue as much. We were in harmony. We both had the same dream; we both wanted this. (Gwen, 2nd generation)
	f−	Now mum does not think that I am some young cocky Uni student that knows how to save the world. Which is probably how it came across when I did it that time. Because prior to that, I had no experience at all working within the family business. (Jake III, 3rd generation)
Process		
Relationships	f+	Dad moved us all to the city where he built all our houses next to one another. He lived next door to us. He built me a house next to my sister and my uncle and his family lived in one house. We had a community tennis court, a swimming pool, and all that kind of stuff. We played together and we were always together. It was like living in a mafia commune. (Gwen, 2nd generation)
	f−	They all lived next door to each other nearly 20 years. They were very close. I did not have that closeness. Even though I saw them at parties and functions, I was a lot more objective. Mum was like no they are doing the right thing, our interests are at heart and so she had a lot more trust. But overtime she has realised that they were literally filling their own nests and ignoring the business and the other shareholders and that has taken her 5 to 6 years to get to that point. (Jake III, 3rd generation)
Networks	f+	I got in touch with a good mate of mine. He actually came to Uni as well with his wife. They both did an MBA together at Uni. We used to sit for hours talking about the business. They were 10 years older than I was and had a lot more experience. We spent a lot of time bouncing ideas off each other. He was really mentoring me through out that process. He then became an investor in securities, which was a little investment bank that did consulting work. They were the group we used to come in and actually make the change. (Jake III, 3rd generation)
	f−	You must remember that I was kept out of the business. I did not have any networks with anybody. When we took over I rang the manufacturers, went, and saw them. I introduced myself and told them who I was, they nearly freaked out. I rang the banks and Jake III and I really did the networking together. Because one I am a female and all of that so, we actually did it together. We have kind of moved in and done it together. The banks, the manufacturers and all of that we got that network about 4–5 years ago when we took over. We just had to go and see them and tell them what we were doing. (Gwen, 2nd generation)

3.3. Data analysis

The procedures used in the analysis of the data in this research were drawn mainly from the work of Yin (1994), Eisenhardt (1989), and Miles and Huberman (1994). We followed their suggestions of firstly writing up case descriptions for each case. Secondly, we performed a within-case analysis. In the within-case analysis analytic techniques such as constructing information arrays, matrix of categories, creating flowcharts, and data displays suggested by Miles and Huberman (1994) were used to examine relationships and facilitate analysis. Lastly, we concluded with thematic analyses across cases to elicit conceptual insights. We had no a priori hypothesis, instead used the theory to guide our analysis and interpretation of the data. In comparing the emergent concepts with the literature, we enhanced internal validity and generalisability of theory building from case study research (Eisenhardt, 1989, p. 545).

All data collected (transcribed interviews and documents) were recorded into NVivo for coding. Coding in qualitative research involved segmenting the data into units and rearranging them into categories that facilitated insight, comparison, and the development of theory (Strauss & Corbin, 1998). Codes served as retrieval and organising devices that allowed the rapid retrieval and clustering of all the segments related to a particular question, concept or theme. The selection of more than two coders helped develop more accurate and robust codes. Inter-rater reliability using Cohen's Kappa coefficient measure of inter-rater was used to indicate the strength of agreement in coding among the raters (Fleiss, 1971).

Thematic codes were identified according to analytical categories derived from the literature. Using NVivo, patterns across cases were explored and investigated as to whether they could be attributed to the literature presented earlier. A systematic comparison of the emerging theory with the evidence from each case helped to assess how well or poorly theory fit with the data and when two or more cases were shown to support the same theory, replication was claimed (Yin, 1994). Cases that confirmed emergent relationships enhanced confidence in the validity of the relationships, while cases that disconfirmed the relationships provided opportunities to refine and/or extend theory (Eisenhardt, 1989). Recurring patterns found across cases attributed to predicted associations (propositions) that were posited in a theoretical framework. What emerged from our data were insights that clarified the resource dimensions of familiness. In the next sections, we elaborate on these insights and describe their grounding in the data.

4. Results

The results presented here were elucidated from our between-case analyses. That is, those recurring relationships between the cases that were first identified in the within-case analyses. It has been suggested that to understand familiness requires a deeper examination of the resources within family firms that are family influenced (Chrisman et al., 2005b). Heeding that suggestion we explored and observed what resources were distilled from the NVivo analysis of the interview transcripts of individuals in these successful family firms that appeared to be driven by the unique involvement of their families in the businesses. Eight prevalent

Table 4
Summary of resource category dimensions.

Resource categories	Familiness resource dimensions			
	ABC	SMG	BDC	PMC
Human	Reputation 4th generation, family name Experience—insights and skills Early involvement in the business, opportunity recognition, five generations of experience	Reputation Founder, SMG Experience—insights and skills First-mover into a new industry, opportunity recognition	Reputation Founder established, 2nd generation building Experience—insights & skills Determination to survive as a migrant immigrant, outside the firm experience, opportunity recognition, early involvement	Reputation Founder had strong influence Experience—insights & skills Outside the firm experience, opportunity recognition
Organisational	Learning Informal practices within business/family Decision-making Centralised, quick, informal	Learning Informal/formal education Decision-making Centralised and controlled, slow	Learning More informal Decision-making Centralised and controlled, slow	Learning Formal education Decision-making Quick, formal and informal
Process	Relationships Cohesive, closeness Networks Established over time, built on firm longevity and reputation	Relationships Cohesive, closeness Networks Established over time, founder influenced	Relationships Mother is the chief emotional officer Networks Built on founder's reputation and past experience working together	Relationships Closeness between mother and son Networks Built on founder's reputation and during formal learning

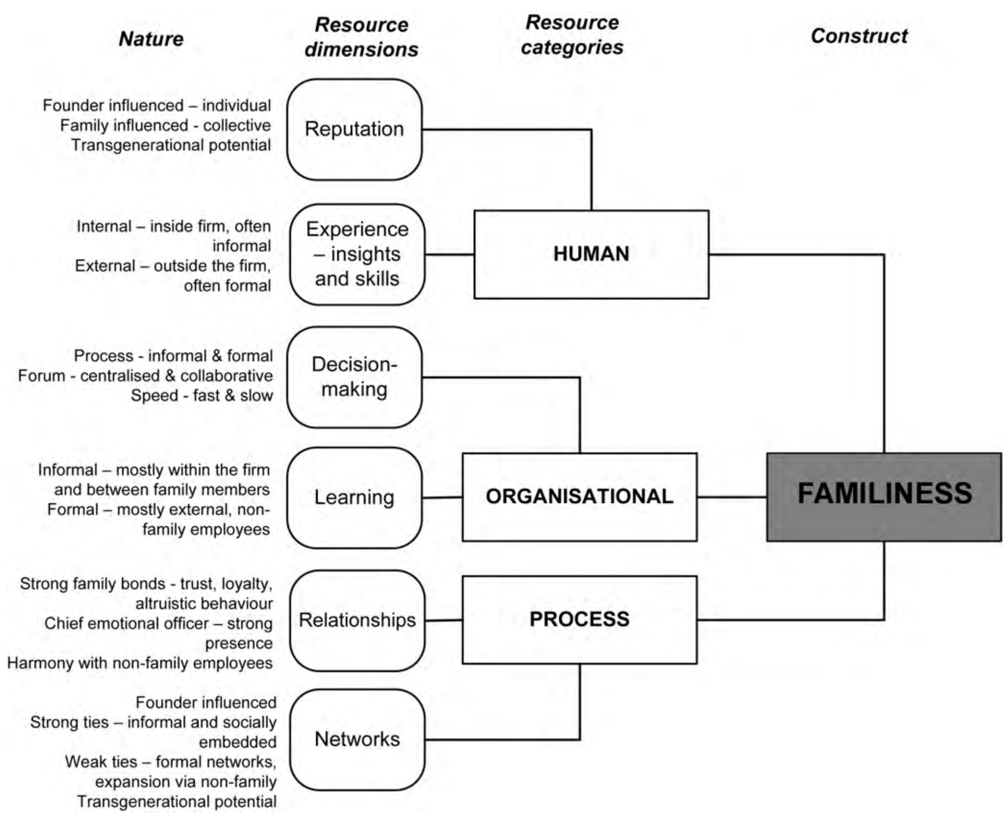

Fig. 1. The Familiness Resource Model.

resource dimensions emerged and these were deemed to constitute the potential familiness resource bundle. Notably six of these eight dimensions recurred across all four cases and accordingly are identified as constituting the familiness resource bundle. These are *experience—insights and skills*, *reputation*, *decision-making*, *learning*, *networks*, and *relationships*. Through these dimensions, familiness is most prominent and best expressed between the cases. Table 3 (Cases 1–4) presents details of the emergent resource dimensions distilled from this NVivo analysis of interview transcripts.

Furthermore, the six recurrent dimensions were equally spread across the three resource categories (human, process, organisational), with each category having two recurring dimensions. This suggests that the family's influence over a firm's resources is

Table 5
Paradox examples in familiness dimensions.

Dimension	Paradox (within the characteristic patterns)
Reputation	The founder's strong reputation presents a source of advantage for the firm and subsequent generations but it also places immense pressure and can hinder the ability of subsequent generations to establish their own reputation.
Experience—insights and skills	Outside the firm experiences are important for generating new skills and knowledge into the family business yet at the same time they can be in conflict with the values and the culture of the firm that has been passed down over generations of the family.
Decision-making	Quick decision-making have allowed agility and responsiveness to opportunities and threats. It has also led to expensive losses for the firms.
Learning	Informal learning has allowed the passage of the firm's culture and values across generations. It has also been a channel for the passage of not so desirable habits.
Relationships	Strain in relationships that both enhance and impede organisational processes.
Networks	Weak ties expand a firm's access to networks, information, and opportunities. However, they are more distant, financially driven, less loyalty (in comparison to weak ties)

neither limited nor bounded to one particular resource category. It provides support as to how families have excelled in a myriad of businesses having varying resource requirements. The data in Table 3 (Cases 1–4) also highlights not only the between case consistency of these resource categories and their dimensions but also the paradoxical nature of each. That is, each resource has the capacity to be a positive or negative influence within the firm. Table 4 summarises the human, organisational and process resources according to their underlying natures.

Together the dimensions provide a suggested data-driven model[4] for the familiness resource bundle. The model offers a suggested clarification to the query 'what is familiness'? (Chrisman et al., 2003). The *Familiness Resource Model* shown in Fig. 1 illustrates the six resource dimensions that form the genetic makeup of familiness across the four cases. The resource dimensions in the model are of equal importance, with all six dimensions common to the four cases and distinguished by the family's influence.

As well as identifying the familiness resource dimensions in our cases, we also looked at their nature within the family firms. The characteristic nature for each resource dimension (see left column in Fig. 1) was common across all four cases. The commonalities of these characteristics underlie and structure the prominence and inclusion of these resources in the familiness model. A paradoxical theme appears strongly across these characteristics. Some findings are presented in Table 5. Furthermore, balancing/managing these paradoxes emerges as the most suitable approach for exploiting the firm's familiness advantages (f+) and simultaneously mitigating its disadvantages (f−). Thus, family firms may succeed or fail based on differences in their capabilities to manage the familiness paradox. The positive (f+) and negative (f−) effect of familiness can be seen as comprising its paradoxical nature.

5. Discussion

The findings presented in this paper contribute to the growing stream of research on the misunderstood, sometimes maligned, concept that is familiness (Pearson et al., 2008; Sharma, 2008; Zellweger, Muhlebach, & Seiger, 2008). We have demonstrated how RBV provides a unified approach in the conceptualisation of the idiosyncrasy of the familiness resource bundle. The data-driven Familiness Resource Model tendered is a simple and parsimonious way of identifying how familiness is composed of a unique bundle of six resources. This bundle comprises: *reputation* and *experience—insights* and *skills* (human resources), *learning* and *decision-making* (organisational resources), and *relationships* and *networks* (process resources). These six resource dimensions emerge based on their prevalence, strong family influence, and VRIN characteristics. The influence of the family through the six resource dimensions provides a clear theoretical frame for assessing the impact of familiness.

However, consistent with previous research (Penrose, 1959; Sirmon & Hitt, 2003) we acknowledge that the presence of the six familiness resources per se does not constitute a performance advantage because our findings highlight that each of the resources have the ability to bestow either an advantage (f+) or impose a disadvantage (f−) on the family firm. We have positioned this in the terms of the paradoxical nature of familiness and family influenced resources. As such our study both supports and confirms the f+ and f− conceptualisation proposed by Habbershon (2006) and Habbershon et al. (2003). This notion of the paradox in familiness resources makes a contribution by extending previous literature by linking f+ and f− to a new theoretical concept that can be used to understand the nature of familiness. This contribution shows how the use of paradox can increase the 'generative potency' (DiMaggio, 1995) when applied to the clarification of familiness. Furthermore, this contribution highlights how paradoxical thinking can enhance theorizing and open up new views for knowing and understanding familiness.

However, the effects (f+ or f−) of familiness are not so much predetermined by the nature of each resource in the familiness bundle but are instead achieved by the management of the paradoxical nature of each resource. It is then the capability to manage the paradoxical nature of these resources over time to achieve f+ effects greater than f− effects that complete the specification of the unique bundle of resources and capabilities that is familiness. Table 5 presents examples highlighting the paradoxical nature of the six familiness resources. A family firm that is able to understand and manage these paradoxes will have exceptional ability. For example, consider the resource dimension *decision-making* and the paradox of decision speed: fast and slow. There are conditions when the family as decision makers need to act quickly and there are times when decisions need careful consideration; both are important and have their use within the firm. The firm's ability to make both rapid and gradual decisions at the right time and in the appropriate situation is central to managing this paradox. In doing so the paradox of decision speed (fast and slow) is not seen as contradictory, but rather becomes mutually compatible. Identifying familiness resources and their paradoxical nature helps us gain insight into how they are to be

[4] *Culture* and *commitment* are two identified dimensions that are excluded from the model because of their lack of recurrence across the four cases; showing prominence in some cases while missing in others. Despite the exclusion, these two dimensions may still be present via their more broad encompassing nature. For example, it could be argued that the summation of the six dimensions of the model in terms of their content and processes, encapsulates the *culture* of the firm. Similarly, each of the six dimensions can also be explored in terms of the firm's *commitment* to engage in these dimensions. These two dimensions are not discussed further.

managed to provide the best advantage for the firm. It is in balancing the paradoxes that the greatest competitive advantage is generated for the firm with potential for long-term performance benefits.

The characteristics of the resources also helped clarify the conditions associated with familiness advantage. For *reputation*, it was being able to balance the reputation of the firm, the founder, and the family. It required commitment to building and protecting inherited reputation that benefited the firm rather than inhibit it. For *experience—insights* and *skills*, it was incorporating external experiences to complement the firm's internal experiences and thereby allowing for continuous adaptation of the firm to changes in both the internal and external environment. For *learning*, it was harmonizing the formal and informal processes to ensure that formality did not stifle the informal processes by which the values and culture of the firm are channeled. *Decision-making* required knowing when to act quickly and when to stop (speed), when to make the decision within the dominant coalition and when to collaborate (forum), and when to formalize the informality of decision-making (process). For *relationships*, familiness advantage required the presence of trust, loyalty, altruism, and a strong chief emotional officer. Also multiple generations working concurrently within the business allowed strong relationship building within the family and with non-family employees. For *networks*, advantage came from maximizing the benefits of the firm's strong and weak ties.

In summary, our study answers the 'what' question in establishing the content of familiness. We not only identify the dimensions of the higher order summative unit familiness, but also specify the six resources that comprise the unique bundle that is familiness and which can serve as dimensions in future theory building exercises. These resources provide a means of clarifying our thinking and understanding of the structural composition of familiness. Secondly, the findings suggest that familiness advantage (f+) or disadvantage (f−), concerning their influence on the firm, results from the capability of the firm to balance and manage the paradoxical nature of these resources. Understanding this nature and the conditions that give rise to it allows the firm to exploit the f+ and mitigate the f− for long-term performance benefits. That is, familiness advantage arises out of the presence of these resources together with the capability to manage their paradoxical nature.

Our work supports Pearson et al. (2008) in several ways. Firstly our relationships and network resource dimensions (process resources) parallel their relational and structural resources. Secondly our experience, learning, and decision-making dimensions (human and organisational resources) not only provide a basis for developing their cognitive resources but also are closely associated with their consequential emergent capabilities of information access and associability. On the positive (f+) side, the long tenure CEOs in family firms provide a unique environment in which learning and the development of insight and skills can be applied advantageously in decision-making by the development of capabilities that reflect efficient exchange and combination of information and cooperative action. Significantly, we add to their relational resources by emphasising reputation of the family as a key resource. Pearson et al. (2008) focus mainly on the internal bonding aspects of social capital when they stress trust, norms, obligations, and identification (as relational resources) whereas data from our family firms highlight also the significance of the external bridging aspects of social capital achieved through reputation.

This resource of reputation is closely associated with the family firm's identity (Zellweger et al., 2010). In our cases all family firms exemplified the components of involvement through ownership and management and as noted above our distilled resources highlight the essence of structural, cognitive, and relational resources to generate capabilities. But it is the addition of reputation that extends the resource bundle beyond components and essence to include identity features that capture what Zellweger et al. (2010) highlight as the overlap that creates "families who are most likely to develop familiness". Indeed findings from our data and these conceptual contributions suggest that identifying different proportions of these dimensions as distinct archetypes of the 'familiness' resource bundle could well prove to be a fruitful area for further research to identify who can achieve familiness outcomes.

In summary our findings indicate that familiness resource dimensions in family firms are human resources (reputation and experience), organisational resources (decision-making and learning), and process resources (relationships and network) and that it is most advantageous (f+) to family firms when the paradoxical nature of familiness is understood and managed according to prevailing conditions.

6. Limitations

Our work is not without limitations and we hope that recognising these limitations will spur additional theoretical and empirical studies. Some limitations are related directly to the nature of the study while others are method-specific.

In the case of study limitations, our reliance on self-reported performance measures may be problematic where interviewees are prone to report their business as performing well, rather than reveal the real performance status of the firm. Our inability to access the financial data of the case firms is a definite limitation notwithstanding the fact that some subjective financial data was obtained via the interviews. Furthermore, the small number of interviews conducted, especially for the case firms BDC and PMC also limits the reliability of our findings. Additional interviews with non-family employees and family members not actively involved in these businesses could have provided richer data. To address this limitation the interviews involving the main family participants in the business, were lengthy averaging 2 h per participant, and were supported with secondary sources such as websites, press material, and communication via emails.

The findings were based on data gathered from successful multigenerational firms. While the firms were selected for theoretical reasons (theoretical sampling) they limit the generalisation of these findings to these classes of firms. However, case selection is driven by the phenomenon of interest and the nature of the research. In case-method research, analytical generalisation (as opposed to statistical generalisation) is the objective (Yin, 1994, p. 36). Nevertheless, from the perspective of research design, a useful advance to strengthening robustness of theory and its generalisation would be to obtain information across a wider spectrum of family firms. This will enable cross validation of constructs and would permit modelling of differing perceptions of familiness and its influences in entrepreneurial activity across a wider variety of family firms. This would help extend the findings here beyond the boundaries set out within this study.

In particular, the geographic setting (Australia) and its related cultural contingencies also limits the generalisablity of our findings. According to the placement of Australia on Geert Hofstede's dimensions (http://www.geert-hofstede.com/hofstede_australia.shtml on 15) Australia is high on the dimension of *individuality*, or the extent to which people are expected to look after themselves and their own families as opposed to being integrated into groups. Accordingly, Australians expect to do things independently rather than seek much help from others, and they strongly value privacy. But notwithstanding this proclivity family firms favoured networking to build their unique resource base. Australia also scores high on *masculinity* from which individuals are assertive and competitive. These characteristics could affect the way they access experience, approach decision-making and build relationships. In contrast, Australians rank lower on *uncertainty avoidance* in that they are fairly tolerant of opinions different from what they are used to; they try to have as few rules as possible, and on the philosophical and religious level they are relativist and allow many currents to flow side by side. People in Australia are more phlegmatic and contemplative than in countries with more uncertainty avoidance, and tend not to express emotions. Australians see themselves as relaxed and 'laid-back'. These characteristics could influence the width and depth of their relationships and the manner in which they seek to learn from others and build their experience by developing insights and skills. The extent to which Australia also ranks low on *power distance* is reflected in the pride Australians take in their 'mateship' with others, their belief in equality and a 'fair go', whereby they think everyone should have a reasonable possibility of finding and exercising opportunities could also influence the importance Australian family firms attribute to relationships. Finally, Australians tend not to take a long-term perspective, as indicated by Australia's low score on the *long term orientation* dimension which would suggest that they are less focused on building reputations and that in emphasising this resource family firms might indeed be counter cultural in this regard. Examining the resource dimensionality of familiness in a different cultural context would indeed be the way to establish the robustness of the model tendered here.

Method-specific limitations include that theories generated from case-study-based research are influenced by prior observations and subjectivity of the researcher who in collating, analysing, and interpreting the data may unknowingly present a source of bias. In this study, prior observations were guided by the literature and the fieldwork guided by the research methods and protocols which were designed to ensure validity of the research process. Another argument is that the limited number of cases questions the traditional quantity-based generalisation of the results. The objective of the study to provide a deeper and richer description of the phenomenon suggested that reliability and construct validity were of greater prominence than external validity. The validity, meaningfulness, and insights generated from qualitative case study have more to do with the information-richness of the cases selected than with sample size. Each case is significant in its description and meaning of the familiness resources and their influence on entrepreneurial activity and can lead to improvements in theory and practice. Furthermore, it is no longer obvious that limited observations cannot be used to generalise, nor that studies on a large number of observations will result in meaningful generalisations (Guba & Lincoln, 1994; Yin, 1994). The objective of understanding the phenomenon was the key reason an exploratory case study was selected for this study.

7. Avenues for future research

Removing some of the previously mentioned limitations provides opportunities for extension of this research. Aside from those, the following suggestions provide other avenues worthy of exploration.

A primary next step for researchers would be to study whether patterns thematically akin to those presented here occur for successful multigenerational family firms in differing contexts and to determine how these patterns differ from those found here. Firms in a different cultural context may indeed give rise to different patterns, which are deemed of greater importance within their cultural context and environment. This could establish the overall performance implications of our *familiness* resource dimensions and their patterns.

The findings and conceptualised relationships presented from this qualitative exploratory case study are suggestive and they require significant follow-up work to establish their range, reliability, and validity. Positivist theory testing research based on surveys of large representative samples is needed to corroborate the findings, test the robustness of the theory and widen the generalisation of the findings. The suggested propositions presented in this study provide fruitful avenues where one can begin his or her research design.

8. Practical implications

The findings of this study have important implications for practitioners, although the focus has mainly been centered on theorizing (theory building/extension). A practical implication of the study is that if family firms intend to maintain ownership of their business and remain successful across generations, they need to recognise the bases of their familiness and understand how it influences their business. Firms can then capitalize on the advantages (f+) and simultaneously manage the disadvantages (f−) of six distinct resources (see Table 3). Because each family business is unique, familiness may differ according to the nature of the business, the family, and the environment around which the two integrate and operate. The suggested familiness model provides a structure via which firms can identify their resources. The discussed characteristics of these resources, which have provided sustainable competitive advantages in the four cases studied, provide a benchmark to be tested and adapted within different family firm settings.

9. Conclusion

The presence of the family in the affairs of the business gives rise to a bundle of idiosyncratic resources termed *familiness* (Habbershon & Williams, 1999) which is widely accepted and used within the field (e.g. Lester & Cannella, 2006; Pearson et al., 2008; Rutherford et al., 2008; Zellweger, Naldi, et al., 2008) and helps differentiate family businesses from other forms of business. However, as yet we do not fully understand the nature of familiness nor the conditions that give rise to it (Chrisman et al., 2005a, 2005b), partly because of the broad scope of the construct. Moores (2009, p. 174) highlights that at this stage of its development familiness is a summative unit that has limited utility in family business theory building. Accordingly clarifying the construct in terms of its dimensions will help to better understand this complex phenomenon such that it can feature in future theory building endeavours. This motivated our study which probes the *familiness* construct using Habbershon and Williams's (1999) definition of *familiness* and Barney's (1991) resource categories: human, organisational, and process.

We began by first asking what resources constitute familiness in family firms. Our study found six resource dimensions (reputation, experience—insights and skills, learning, decision-making, relationships, and networks) constitute familiness as a result of their prevalence and commonality across the cases. These dimensions were strongly family influenced. Their importance established their inclusion in the presented familiness model (Fig. 1). Further analysis of these dimensions identified patterns suggestive of a paradoxical nature. Example of paradoxical relationships within the characteristic patterns of the familiness dimensions, are provided in Table 5. These dimensions, via their identified paradoxical nature, underlie the advantages (f+) or disadvantages (f−) familiness poses for a firm. Balancing (or managing) these paradoxes give rise to advantages (f+) for the firm while the inability to do this resulted in disadvantages (f−). A firm's ability to manage these paradoxes to a familiness advantage leading to sustained competitive advantage and transgenerational potential. Our findings now demand future empirical analysis along with the question of familiness in non-family firms given that Arregle et al. (2007) contends that family social capital is not a unique attribute of family firms, but instead exists along a continuum.

Acknowledgement

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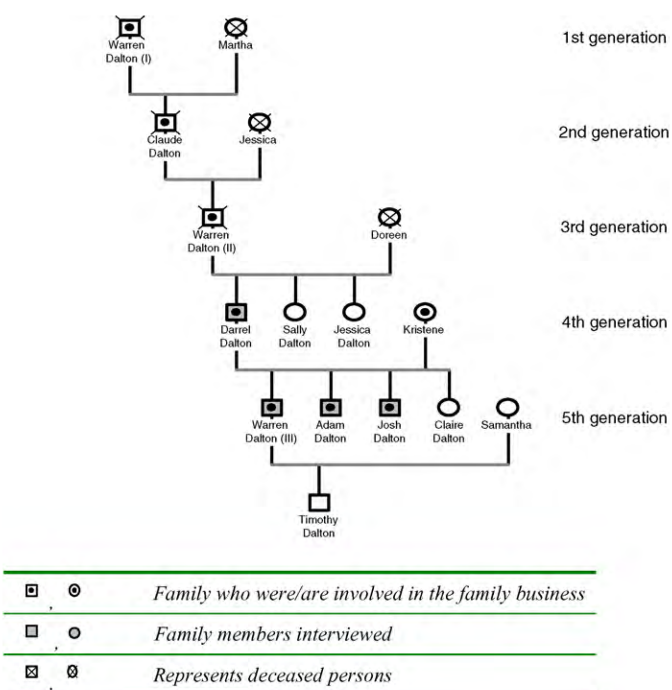
Appendix A. Case profiles

A.1. Case 1: Active Builders Corporation (ABC)

Active Builders Corporation (ABC) is a family business in the construction industry that is owned and operated by members of the Dalton family. Although ABC was officially established in 1992, the company's roots can be traced to the late 1800s when the Dalton family's ancestors started building dwellings in a burgeoning metropolis of Australia. Since then, the Dalton family has weathered the vagaries of a cyclical industry in a developing country plagued by a plethora of challenges to be today a prominent player well positioned for strong growth across multiple industries. The size of the business today situates ABC between the small property developers and the large, publicly listed construction companies. ABC employs approximately 150 permanent staff, of which 100 are involved in the company's core business. Today the 5th generation of the Dalton family continues the tradition of '*Master Builders*' through a stated commitment to creativity and innovation. The business remains 100% family owned.

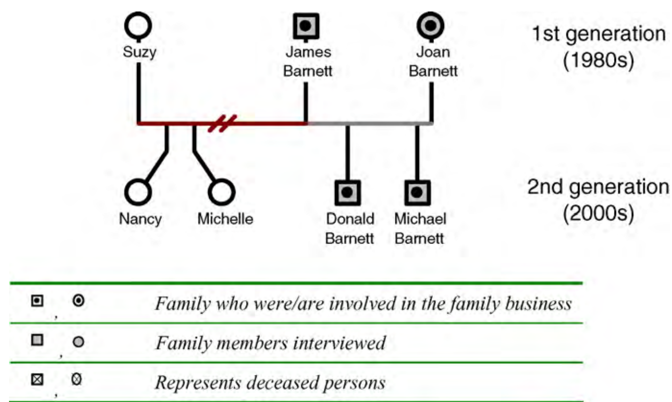
ABC family genogram



A.2. Case 2: Seasons Management Group (SMG)

Seasons Management Group (SMG) is a second generation family business. The business's core operations are in the management rights industry, although SMG's growth over the years has seen its operations crossover into the resort and tourism, and real estate industries. The business was founded by the Barnett's in the early 1980s at a time when management rights was in its infancy and surrounded by uncertainty. SMG which originally started as a "mum and dad" operation with four employees is today a successful mid-sized business. SMG owns the management rights to 707 apartments and employs more than seventy staff. SMG offers integrated management solutions specifically targeted to the needs of corporate and strata-title owners of resort leisure, long-stay and conferencing facilities. The company is 100% owned by the Barnett family and their intention to keep the business within the family remains strong.

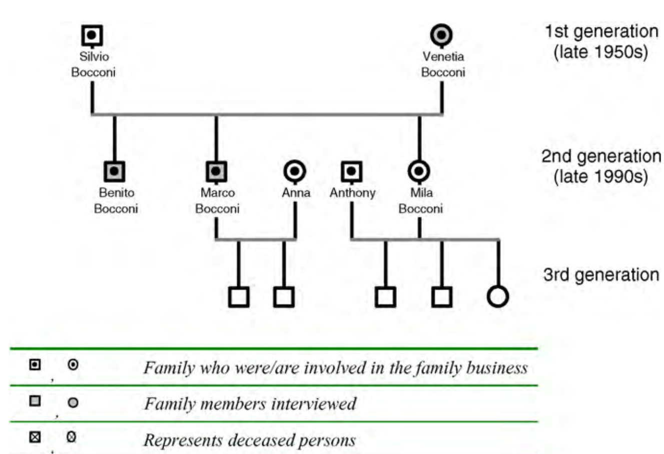
SMG family genogram



A.3. Case 3: Builders Development Corporation (BDC)

Builders Development Corporation (BDC) is a medium-sized, second generation family business in the property development industry. The core focus of the business is in residential and commercial property development. BDC originally started as a subsidiary of a parent company called Silvio's Constructions which over the years gradually ceased operations and evolved into BDC. To date BDC has built several residential developments and luxury mansions. In 2008, the firm employs approximately 15–25 people and also has business investments in Argentina. One of BDC's diversified businesses has most recently set up operations in China. The owner family retains 100% ownership and dominates management of the firm. There is intention to keep the business within the control of the family. Two of the founder's three children currently head operations and management in BDC. Ownership control remains with the founder and his wife, who are also board directors for BDC.

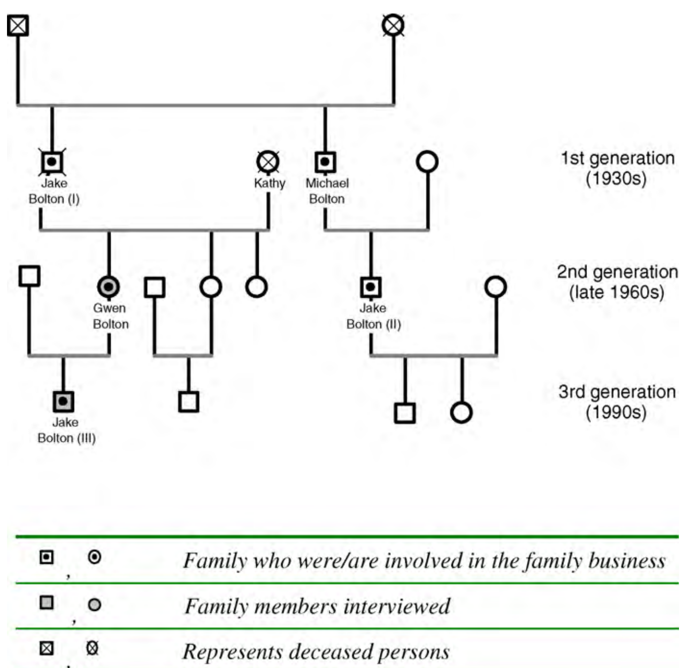
BDC family genogram



A.4. Case 4: Parts and Motors Corporation (PMC)

Parts and Motors Corporation (PMC) is a third generation family business operating within the automobile industry. Owned by the Bolton family, PMC's core operations are in the retail and service of automobiles. The founder, a taxation specialist and known for his ability to strike deals, negotiated successful contracts both with government and with a national car manufacturer. This led to the establishment of the family business in the early 1940s and was pivotal to creating what today is a large private company. With over 600 employees, PMC is one of Australia's longest established, family owned, motor vehicle retailers. Today PMC has six car dealerships and eight spares and service centers spread out across three Australian states. Ownership within PMC is held by a cousin consortium. There are two branches of the Bolton family with one-half holding 53% shares and the other 47%. The 53% is held by the founder's children and their families while the 47% are held by the founder's brother and his family. Three members of the family sit on the company's Board of Directors, with one of the family directors actively involved in the operations of the company.

PMC family genogram



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