

Role of in-group collectivism in the longevity of family firms

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Abstract The cultural dimension of in-group collectivism is connected with the concept of social capital, which has been shown in prior research to be a key factor in resource access and longevity of firms. In this paper, we formulate a set of propositions on how the cultural dimension of in-group collectivism moderates the relationship between the characteristics of family businesses and longevity. We look at six characteristics of family businesses: boundary regulation, business reputation, bridging relationships, organizational professionalism, regulated family power, and competitive succession. We discuss some boundary conditions on the proposed set of relationships.

Keywords In-group collectivism · Family firms · Culture · Longevity

Introduction

Only 2–3 % of the family businesses survive beyond the fourth generation (Vallejo 2008). The longevity of family businesses is hindered by several factors. The most cited factors preventing survival are the complexity of family relations, and the conflicts that occur among the family members, and the challenges of managing these conflicts (Sharma et al. 2003). There are also succession challenges related to the conflicts among siblings, between parents and children, between the prospective

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