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ACADEMIC WEEKLY DIGEST

YOUR WEEKLY DIGEST OF KEY RESEARCH FINDINGS



CONCEPTUALISING THE POWER OF FAMILY FIRMS

This research done by [Dr Sumeetra Ramakrishnan](#) and colleagues seeks to recognise and conceptualise the unique and powerful contribution of families in achieving business success in family firms.

The distinct nature of family firms and the inherent dynamic capabilities underpinned the development of a new Family Business Efficacy (FBE) construct to measure collective efficacy.

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DEFINING FAMILY BUSINESS EFFICACY: AN EXPLORATORY STUDY

Dr Sumeetra Ramakrishnan

Family firms have a powerful global presence, making significant economic and socio-cultural contributions. The increasing uncertainties of the macroeconomic labour markets and global politics reinforce the value of family firms that go beyond professional networks towards unified efforts to achieve business success. Their unique dynamic capabilities which evolve through time, challenged by family norms, succession planning, power dynamics and other idiosyncrasies create effective organisational capabilities and typical cultures to respond to environmental and competitor challenges.

This study aims to conceptualise a new construct: Family Business Efficacy, a distinct form of efficacy at the collective level in family firms.

It aims to identify the different dimensions of family business efficacy beliefs that constitute members' belief in the collective ability of family members to achieve desired business outcomes and goals. The study takes a qualitative approach, through inductive design to reflect on the FBE of family businesses in Saudi Arabia and the UK. Findings identify clear and unique dimensions, reflecting family members' strong beliefs on collective abilities, and extending their individual efficacies to beliefs about joint efforts and results within family firms. The findings support the development of FBE as the basis for scale measurement and empirical assessment on firm performance.

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Kayid, W. A., Jin, Z., Priporas, C. V., & Ramakrishnan, S. (2022). Defining family business efficacy: An exploratory study. *Journal of Business Research*.

Link: bit.ly/3FHSt31