Raya Strauss Center for Family Business Research
Coller School of Management
Tel Aviv University

The Second Tel Aviv Family Business Research Conference

June 26, 2017

The Raya Strauss Center for Family Business Research at Coller School of Management will host the Tel Aviv International Conference in Family Business Research on Monday, June 26, 2017.

Monday, June 26

08:30-09:00	Registration (**Room 304)**	
09:00	Moshe Zviran	Dean's greetings
Session I	Chair:	Yishay Yafeh - The Hebrew University of Jerusalem
09:10-09:50	Michael Hitt - *Texas Christian University*	The International Strategies of Family Firms Paper: Why is Family Firms' Internationalization Unique? A Meta-Analysis
09:50-10:30	Lloyd Steier - *University of Alberta*	Family Enterprises as Adaptive Systems: The Creation, Organization and Evolution of Homesteader Farm Families in Canada 1913-2017
10:30-11:00	Coffee break	
Session II	Chair:	Annalisa Prencipe - Bocconi University
11:00-11:40	Michael Carney - *Concordia University*	Who Cares about Socioemotional Wealth? SEW and Rentier Perspectives on the 1% Wealthiest Business Households
11:40-12:20	Daniel Wolfenzon- *Columbia Business School*	Drivers of Effort: Evidence from Employee Absenteeism
12:20-13:30	Lunch **(Rooms 401 - 402)**	
Session III	Chair:	Peter Bamberger - Coller School of Management
13:30-14:10	Itai Ater - *Coller School of Management*	The Impact of Founding Couples on Family Businesses
14:10-14:50	Morten Bennedsen - *Insead*	Who is the boss? Family Control without Ownership in Public Traded Japanese Corporations

Conference co-organizers:
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Conference website address: https://nihul-cms.tau.ac.il/strauss/events

The International Strategies of Family Firms Paper: Why is Family Firms' Internationalization Unique? A Meta-Analysis

Session I
09:10 - 09:50

Jean-Luc Arregle
Patricio Duran
Michael A. Hitt
Marc van Essen

ABSTRACT

Despite its importance, there is no clear understanding of the uniqueness of family firms' internationalization. This article sheds new light on this issue with a meta-analysis of 76 studies covering 41 countries. We show that the considerable study and cross-country differences in the relationship between family firm and internationalization are explained by the roles of family control, internationalization types, and home countries' institutional contexts (i.e., minority shareholders protection and generalized trust of people from other countries). Therefore, we examine the existing divergent results using theories that reconcile some of these mixed findings and shed light on family firms' specific internationalization challenges.

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Family Enterprises as Adaptive Systems: The Creation, Organization and Evolution of Homesteader Farm Families in Canada 1913-2017

Session I
09:50 - 10:30

Lloyd P. Steier

ABSTRACT

The organizing capacity and survivability of family firms is often questioned. This pessimism is illustrated by common phrases such as “shirtsleeves to shirtsleeves” or “clogs to clogs” in three generations. Yet, throughout the world there are many family businesses that defy this tenet—particularly in agriculture. This is a longitudinal study of family businesses that have survived into the fourth generation and beyond. The research setting was farm families who homesteaded on the Great Plains of North America in the early 1900’s. Institutional forces that imprinted values of property rights, hard work and stewardship engaged family members across generations. Family firms are usefully viewed as adaptive systems that creativity bundle familial resources in response to distinctly different environments. This adaptability enabled them to grow and flourish in varying conditions of marginal resources, technological change, and dramatically changed capital requirements.

Who Cares about Socioemotional Wealth? SEW and Rentier Perspectives on the 1% Wealthiest Business Households

Session II
11:00 - 11:40

Robert S. Nason
Michael Carney
Danny Miller
Isabelle Le- Berton Miller

ABSTRACT

The 1% have become a much debated segment of society. While recognized as economically powerful, there is little theoretical underpinning in management studies to explain how their strategic behaviors may differ from the other 99%. To increase our understanding of this elite and understudied strata of business owners, we draw on capitalist class literature to introduce the concept of the rentier which we contrast with the socioemotional wealth (SEW) perspective that we suggest is more likely to apply to the 99% business-owning households. Whereas SEW emphasizes the accumulation and preservation of non-economic utilities, the rentier perspective accentuates the accumulation and preservation of financial wealth. We unpack critical theoretical mechanisms that differentiate 1% private business owning households by theorizing that they are more likely than the other 99% business owning households to diversify wealth, derive income from capital, have high risk-taking propensity, use professional search for investments, and receive and pass on inheritances. We test our theory using the 1,335 American households which own and actively manage a private business in the Federal Reserve Board's 2013 Survey of Consumer Finance. We find mixed support for our predictions, exposing important limitations to both SEW and rentier perspectives. In doing so, our findings reveal an economically central entrepreneurial class of business owners who select and blend aspects of the contrasting SEW and rentier modes.

Drivers of Effort: Evidence from Employee Absenteeism

Session II
11:40 - 12:20

Morten Bennedsen
Margarita Tsoutsoura
Daniel Wolfenzon

ABSTRACT

We use detailed information on individual absent spells of all employees in 2,600 firms in Denmark to document large differences across firms in average absenteeism. Using employees who switch firms, we decompose absent days into an individual component (e.g., motivation, work ethic) and a firm component (e.g., incentives, corporate culture). We find that the firm component explains a large fraction of the difference in absenteeism across firms. We present suggestive evidence of the mechanisms behind the firm effect. After controlling for selection of employees into firms, family firm status and concentrated ownership are strongly correlated with decreases in absenteeism. Taken together the evidence supports the importance of firm level mechanisms in eliciting effort from existing employees.

Unchain my Chain: The Impact of Founding Couples on Family Businesses

Session III
13:30 - 14:10

Itay Ater
Oren Rigbi

ABSTRACT

A growing literature explores the importance of family businesses. In this paper, we use a unique data on the largest US restaurant chains to investigate how the familial relationship among the founders of these chains affects the propensity of the chain to be sold to external investors and to expand internationally. Our analysis indicates that compared to other forms of founders, couples (i.e., a husband and wife) who founded restaurant chains maintain their ownership for a longer time period and are less likely to sell the chain. We also provide evidence that chains that were founded by couples are less likely to expand internationally as long as the chain is owned by the founders, and are more likely to expand overseas after the chain is sold to external owners.

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Who is the Boss?
Family Control without Ownership in Public Traded Japanese Corporations

Session III
14:10 - 14:50

Morten Bennedsen
Vikas Mehrotra
Danny Miller
Jungwook Shim
Yupana Wiwattanakantang

ABSTRACT

It is widely thought that family control loosens as firms grow larger over time. Our analysis, based on the history of public traded firms in Japan, challenges this conventional view. We document three new results: First, 50 years after the IPO, the founding family retains either managerial or ownership control in 50 % of the firms in our sample. Second, we document that it is common that families keep control over board and management even when their ownership stake is largely diluted. Third, family and financial constraints determine the dynamic pattern of ownership dilution and family control. The family's intangible assets such as reputation, networks of financiers and competent human resources correlate with family longevity. These results show that family control over large public traded companies is time persistent and that it is important to look beyond the traditional ownership focus when categorizing family firms.