Summary

Doctoral Thesis

Knowledge dynamics in the family business innovation process: The case of Romania

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Abstract

Background: It is widely known that knowledge has a significant role in determining the level of sustained competitiveness that may be achieved by firms, even family enterprises. However, family businesses, due to their specific characteristics, tend to make use of their knowledge dynamics differently in their decision-making process leading to an inability to innovate on their own. However, because of the connection between family and business, innovation in family businesses is characterized by what is known as the "innovation paradox." This paradox states that family businesses often have a higher potential to innovate, but they lack the inclination to do so. In light of this, a significant amount of focus has been placed on the factors that influence the desire of family businesses to innovate in an effort to comprehend and, perhaps, find a solution to the innovation conundrum.

Purpose: The objective of the current research is to examine the organizational knowledge creation and transfer within family businesses and its effect on innovation activities and innovation processes. This doctoral thesis aims to contribute to a deeper understanding of the knowledge dynamics and the decision-making process regarding innovation activities associated with family businesses by exploring the link between the degree of family involvement in the company and the willingness in the context of collaborative innovation through the lenses of the three types of knowledge. As a result, it purposes to offer important insights to practitioners, both from the family and non-family perspective.

Method: The methodology was based on mixed-method research, and it utilized a Grounded Theory method and a multiple case-study technique using eleven family businesses as the subjects of study with more than 160 hours of interviews for the qualitative analysis. Through this it was able to acquire a better understanding of the impact that family influence and knowledge dynamics plays in family businesses and decision-making processes by

conducting semi-structured interviews with both family and non-family members of the companies. In order to reach the results, the instances were not only compared, but also a cross-case analysis has been conducted to point out the parallels and contrasts between the cases. In order to provide stronger evidences and reach the research aim, a quantitative analysis has been conducted. There were 102 questionnaires validated and utilized in this research section. The goal of this section of the thesis was to examine the forms of open innovation and their use by Romanian family firms, as well as the relationship between their use and overall innovation performance. Regarding the suggested model, only two of the six hypothesized relationships could be supported.

Conclusion: According to the findings of the study, the level of family engagement in the family businesses is a significant factor in determining whether or not such family businesses are likely to engage in collaborative innovation determined by the degree of influence over the decision-making process of each type of knowledge. This research, therefore, advances our understanding of the knowledge dynamics in the decision-making process regarding innovation actions of family companies by empirically analyzing the effect of contingencies on the ability of a family business to participate in innovation and its effects on the success of innovation. Based on the classification of family companies, three models have been proposed to portray the influence each factor possess.