

# Preface

Leadership defines a way of acting of leaders that influence with their attitude and behavior on other people to motivate them to work enthusiastically for a common goal. Leaders define this trait to transform organizations to attain universal and share goals with the final objective of maximizing EBITDA (Earnings Before Interests, Taxes, Depreciation, and Amortization), attracting new clients and investment, improving corporate reputation, and achieving long-term stability in the organization. Without clear guidance set in the company, the organization cannot survive in the long term, if firms do not concentrate all efforts on achieving a shared objective.

While leadership is a must for a firm to compete successfully, being an entrepreneurial leadership is even more important in a “glocalized” (think globally, act locally) economic world. Leadership focused on entrepreneurship increases competitiveness and contributes to augment profits, what is especially important in family businesses. The relationship between these three factors (leadership, entrepreneurship, and family business) constitutes the core of the book. As a result, the target audience of this Handbook of Research is formed by professionals and researchers working in the field of entrepreneurship and family business in various disciplines, e.g., economics, business administration, administrative sciences and management, education, adult education, and sociology. Moreover, the Handbook of Research will provide insights and support executives concerned with the management of expertise, knowledge, information and organizational development related to entrepreneurship and family businesses in different types of work communities and environments.

Being a leader improves, among other factors, the competitive position of the company, increases the cohesion of the work team, enhances EBITDA, contributes to disseminating the mission and values of the company within the organization, and attracts the best human talent and investors. Leaders’ charisma as a gift, benefits stakeholders, mainly customers. The practical keys to becoming a leader are given throughout the 21 chapters of the Handbook of Research, as well as aspects related to human resources management, emotional intelligence, skills, emotional salary, empathy, happiness, teamwork, empowerment, feelings, strategic behavior, performance, family business, innovation, corporate social responsibility, among other topics. Recommendations and ideas mainly applied to the family business.

The family businesses represent more than 85% of the entrepreneurial network worldwide and are critical in the business structure of the countries. Quadruple helix schemes, formed by government, family firms, NGOs (Non-governmental organizations), and HEIs (Higher-education institutions), create socioeconomic wealth, as they permeate both civil societies and organizations to increase social support to avoid social exclusion by applying the 7-K (know-how, know-why, know-who, know-where, know-who, know-whose, and know-what) to increase social assistance to fight against social inequality and economic poverty. Business organizations create positive externalities regarding job creation and

wealth for a good part of society; and the public sector rooted in State intervention, mainly through fiscal policy, generate crowding-in effects also to benefit the disadvantaged population.

When a family business link to strategies based on corporate social responsibility, this lays the foundations to achieve long-term sustainable business leadership. Leadership in family businesses is an essential aspect to have in mind during their structural change headed to business success. Being a leader with social responsibility is, more than a fad, an obligation in the current world defined by globalization and the growing competition in regional blocks located in different regions of the planet.

Leaders are active when they can be honest with all of their stakeholders, and know when and how to delegate, communicate, and give confidence to their work teams. Entrepreneurial leaders commit to creating, being intuitive, and inspired teams. They have a positive attitude to inspire others and know how to approach stakeholders. While in developed nations individual entrepreneurship is predominant, in developing countries it would be more desirable to create a social enterprise that aims to integrate the most disadvantaged communities, as well as to achieve a process of sustainable social change. Thanks to social entrepreneurship, combined with corporate social responsibility-based business policies, the methods of social transformation lead to the achievement of more just and solidary societies defined by the creation of a broad middle class that sustains with the payment of taxes to the State. For this reason, public intervention in developing countries is more necessary due to the crowding-in effects it generates since the private sector is fragile. In this sense, first world countries' model must necessarily be different from that which arises in the developing world, if these countries desire real social and economic changes.

## **ORGANIZATION OF THE BOOK**

The book is divided into two sections. The first section (Chapters 1-5) is focused on different aspects related to entrepreneurial leadership and competitive strategy, while the second section (Chapters 6-21) is devoted to different managerial and conceptual aspects related to family firms.

Regarding Section 1, Chapter 1, titled "Gender and Entrepreneurship in Developing Economies: Exploring of the Drivers, Challenges, and Opportunities for Women Entrepreneurs and Stakeholders," and written by Rob Kim Marjerison from Wenzhou-Kean University (China), begins with a brief exploration of the importance of entrepreneurial activity as a driver of global economic growth. The authors examine the importance of entrepreneurship in developing economies as are the traits, motivations, and drivers of entrepreneurs and the economic, social, cultural, legislative and regulatory circumstances that encourage, and in some cases discourage, entrepreneurial activity. This chapter examines the impact of entrepreneurship training and education on encouraging women entrepreneurs, the relative importance of women entrepreneurs is examined, and emphasizing the relatively greater difficulties faced by women entrepreneurs, particularly about obtaining funding for starting new ventures. This chapter identifies opportunities that may be useful for policymakers, investors and those that may seek to promote social entrepreneurship and economic growth in developing economies.

The study on women enlarges in Chapter 2, called "Women on Boards Improving Women's Empowerment Through Entrepreneurship in Turkey" and developed by Meltem Ince Yenilmez, Yasar University (Turkey). This author affirms that it appears to be a collective acceptance that women must reason like men, act like women, look like girls and work like horses. Talking concerning women versus men leadership in a Turkish context, the author affirms that there are female aspects of leadership (delegation, pull leadership participation, encouragement, motivation, and inspiration), and male elements of leadership

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(enforced regulations, pushed people, set of rules, creation of obligations, corporate behavior, and set limitations). These ideas are reinforced with profiles of Turkish entrepreneurial women and problems of entrepreneurial women. This chapter concludes with some policy recommendations to aid female entrepreneurs in Turkey.

This gender-based chapters are complemented with Chapter 3, called “Skills Development Practices and Engineer Turnover: Insights Into Tunisian IT Services Companies” and developed by Rihab Kchaou, University of Sfax (Tunisia) and Susanne Durst, University of Skövde (Sweden), and who investigate the skills development practices and their relationship with engineer turnover in IT services companies from Tunisia. These authors present a qualitative analysis of data that derived from some interviews conducted with human resource managers of these companies. Based on these findings, four human resources management practices (recruitment, training, inter-project mobility, and inter-firm cooperation) are identified which seemingly contribute to skills development in the firm, and also to reduce engineer turnover rates. The chapter provides fresh insights into human resources management practices of Tunisian companies which has not already attracted much attention.

Strategic behavior is directly connected with management practices and performance, relationship studied in Chapter 4, titled “Management Practices and Their Impact on Performance: Evidence From the Furniture Sector in Colombia,” written by Jorge Alberto Gámez Gutiérrez and Carolina Aguirre Garzón, both from Agustiniiana University (Colombia). These authors affirm that business skills are based on the quality of management, which guarantees the ability of people to incorporate technology and manage the necessary changes to adapt to various forms of competition. Colombia is below the Latin American average in management practices, so large companies have access to the best managers, while SMEs (small and medium-sized enterprises) do not, so their performance is poor in relative terms. The birth of companies does not imply the automatic renewal of the business fabric, because there are problems of management capacity. In this sample of the furniture sector in Bogota made up of 98% of SMEs, these firms have a good performance in obtaining benefits but show a low performance in competitiveness, innovation, and sustainability. As a result, these authors propose some managerial practices based on participation, planning, innovation, and the use of external consultants and financial control.

As the social impact of firms is increasingly remarkable, corporate social responsibility is of increasing significance. This importance is analyzed in Chapter 5 called “Sustainable Balance Scorecard as a CSR Roadmap for SMEs: Strategies and Architecture Review,” and developed by María del Carmen Gutiérrez-Díez, José Luis Bordas Beltrán, and Ana María de Guadalupe Arras-Vota, all from Universidad Autónoma de Chihuahua (Mexico) to review and establish a theoretical framework to create a systematized method to help SMEs willing to adopt managerial strategies to foment sustainability. There is an increasing interest in SMEs to incorporate corporate social responsibility as a strategy, but they need a tool to reduce entry barriers by adopting the Sustainable Balance ScoreCard. This chapter aims to provide a supporting tool and guide for SMEs interested in developing a corporate social responsibility as a sustainable strategy. To develop it, these authors perform a literature review by following the approach proposed by Hansen and Schaltegger. As a result, a Sustainable Balance ScoreCard hierarchy is proposed for SMEs, but further evidence is necessary to validate the current proposal.

The section corresponding to analyze different managerial, conceptual, and practical aspects on family business begins in Chapter 6, called “Competitive Advantage Development in Family Firms by Transforming Entrepreneurial Orientation Into CSR: Evidence From Spain,” and written by Unai Arzubiaga, University of the Basque Country (UPV/EHU) (Spain), Julen Castillo-Apraiz, University of the Basque Country (UPV/EHU) (Spain), and Jesús Manuel Palma-Ruiz, Universidad Autónoma de Chihuahua

(Mexico). The importance of family firms for industrialized and developing countries is vindicated due to their capacity to create employment, the considerable contribution to the gross domestic product, and their particular ability to create wealth. Entrepreneurial Orientation (EO) and Corporate Social Responsibility (CSR) are among the topics that have lately aroused the interest of family firms-related research. EO is considered a significant issue for firms' survival and growth as it may help businesses to develop competitive advantage and lead to better performance. This chapter aims to shed light on the relationship between the EO of family firms and their commitment to CSR as a source of competitive advantage. For this purpose, this study analyzes how the CSR concept has evolved and positioned in Spain. Thus, an overview of the EO construct is presented. Finally, an analysis of the EO-CSR interface is described with a particular focus on Spanish family firms. Even though the focus in this chapter is on family firms, the conclusions could be to some extent generalized to SMEs.

The study on family business continues in Chapter 7, denominated "Competitive Strategy Based on Flexibility: Implementation in Family Firms," and written by Marta Pérez-Pérez, María Concepción López-Fernández, and Ana María Serrano-Bedia, all from University of Cantabria (Spain), who affirm that their exploratory study intends to analyze the extent to which businesses in Spain have adopted several flexibility-manufacturing practices. Specifically, this study explores, firstly, sample-based differences in the results of comparative family firms versus nonfamily firms concerning practices for implementing manufacturing flexibility. Secondly, heterogeneity in this implementation process within different groups of family firms was explored. The gathered evidence suggests that the main differences concerning practices for implementing manufacturing flexibility appear when specific characteristics surrounding family firms and related to the role of the CEO and family involvement in the management of the firm are considered.

The study applied for Spain in Chapter 7 is enlarged in Chapter 8 for Mexico with the work entitled "CSR Initiatives of Family Firms: An Analysis of Mexican Business Groups," written by Salvador S. Guajardo, Universidad de Monterrey (Mexico), Aurora Correa-Flores, Tecnológico de Monterrey (Mexico), Barbara I. Mojarro-Durán, Tecnológico de Monterrey (Mexico), and Alfonso Ernesto Benito Fraile, Universidad de Monterrey (Mexico). These authors study Corporate Social Responsibility initiatives made by the main Mexican business groups and analyze how family firms organize their economic activity and structure business groups. As Mexican family firms conform to business groups within the same family, the purpose of this chapter is to inquiry the Corporate Social Initiatives emanating from the main Mexican business groups. Through quantitative and qualitative exploratory research, findings show that business groups in Mexico orient their corporate social initiatives into internal and external strategies and tend to distribute disproportionally the amount of initiatives and money invested among each of its affiliates. Also, firms affiliated to a business group have a higher probability than unaffiliated firms of being classified as "sustainable," according to the IPC Sustainable Index.

Chapter 9 entitled "Corporate Social Venturing: An Agenda for Researching the Social Dimension of Corporate Venturing by Family-Owned Businesses," written by Marcela Ramírez Pasillas, Center of Family Enterprise and Ownership (CeFEO), Jönköping International Business School (Sweden) and Hans Lundberg, School of Social Entrepreneurship and Innovation (EDES), Universidad Iberoamericana (Mexico), has three purposes. First, to briefly outline corporate venturing as a sub-field in corporate entrepreneurship that recently has gained prominence in research on family-owned businesses. Second, to highlight the missing social dimension in research on family-owned businesses that focus on corporate venturing, conceptualize this added social dimension as corporate social venturing and to empirically illustrate corporate social venturing with well-known Mexican family-owned businesses engaged in

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corporate social venturing. Third, to propose an agenda for researching corporate social venturing done by family-owned businesses.

Corporate Social Venturing links with entrepreneurial leadership and innovation, as studied in Chapter 10 entitled “Entrepreneurial Leadership as a Driver of Innovation Success in Family SMEs in Colombia: The Difference Between Family and Non-Family CEOs,” written by Unai Arzubiaga, University of the Basque Country (UPV/EHU) (Spain), and Pablo Álamo, Sergio Arboleda University (Colombia). These authors aim to analyze if entrepreneurial leadership, regarded as a distinctive feature of entrepreneurial processes, represents an essential element for obtaining satisfactory innovation performance in an emerging context such as Colombia in Latin America. The relationship between entrepreneurial leadership and innovation management works differently in family firms compared with their non-family counterparts. Indeed, there is no consensus in the literature on the effects of entrepreneurial leadership on innovation success in family SMEs. Exploratory research has been conducted considering a survey held on family SMEs in Colombia. Results highlight the importance of supporting entrepreneurial leadership to achieve the innovation goals in these types of organizations and show how these factors change between family SMEs with family CEOs and non-family CEOs. In this sense, although the focus in this chapter is on family firms, the conclusions could be to some extent generalized to SMEs.

To dispose of a good and rewarding corporate climate is crucial for business success. Chapter 11 entitled “The Importance of Leadership, Corporate Climate, Use of Resources, and Strategic Planning in Family Business,” written by Danny C. Barbary, Universidad de Especialidades Espíritu Santo (Ecuador), and Carlos L. Torres, Universidad de Guayaquil (Ecuador), deals with the significance and interaction of four key elements for the development of the family business. On the one hand the leadership and the working environment as human elements, and on the other hand the resource management and strategic planning. After reviewing some literature, they concluded that family business, through their socioemotional wealth (SEW), emotional intelligence (EI), and social intelligence (SI), generate an interaction between these four variables which results in a model centered on the socioemotional intelligence (SEI). The SEI is the central pillar of family businesses, as these are classified in four types: the fearful, the curious, the careful and the focused.

Also, religion influences leadership. At this respect, Chapter 12 entitled “Leadership and Religion in Family Business: A Closer Look Through Christianity,” and developed by Allan Discua Cruz, Lancaster University Management School (United Kingdom) focuses on how and why Christianity may influence entrepreneurial leadership in family businesses. This chapter motivates the need to understand further the influence that entrepreneurial leadership entails in the context of the family business. This chapter offers a model to understand the nature of entrepreneurial leadership in family business influenced by the values and beliefs embedded in Christianity.

Achieving a good reputation level affects leadership positively. Chapter 13 entitled “Transparency of Information in Spanish Family Business and Its Role in Online Reputation Management: An Exploratory Study in Family Businesses in Castile and León,” and written by Marcelo Vallejo, Fernando Martínez Vallvey, and Alfonso José López Rivero, all from Pontifical University of Salamanca (Spain). This chapter studies the reputation-leadership relationship to affirm that corporate reputation is one of the main assets to compete successfully in the markets today, which requires its proper management. One of the main factors that determine the level of reputation of a company is transparency, due to its effects on the acquisition of the necessary information to maximize the effectiveness of stakeholders’ decisions. A study has been carried out to know the current situation of information transparency provided by the family businesses of Castile and León to analyze the degree of compliance with the requirements

established by Royal Decree-Law of 18/2017, of 24 November in 35 family businesses in the region. This law establishes the social and environmental information that companies with over 500 employees are legally obliged to provide.

The importance of reputation is deepened in Chapter 14 entitled “Reputational Transfer Between the Leader and His Corporation: Does the Family Matter?” written by María-Jesús Moreno-Domínguez, University of Huelva (Spain), María-Pilar Martín-Zamora, University of Huelva (Spain), and Lazaro Rodríguez-Ariza, University of Granada (Spain), affirms that the primary purpose of this chapter is the study of the reputational transfer between the leader and the company he or she leads, analyzing whether the mentioned process is conditioned by the presence of a family in the ownership and management of the company. Using the information published by the Spanish Monitor of Corporate Reputation (MERCO) for the period between 2001 and 2017, different econometric models have been formulated with panel data to show that the reputation of the leader of the family firm is transferred to the corporate reputation faster than when the company does not have the condition of a family business. Also, the reputation of the leader nourishes corporate reputation, and the results show a link in that sense, without being conditioned by the family nature of the company.

A crucial variable to have on the mind in family firms is the human resources management. At this regard, Chapter 15 entitled “The Role of Awareness in Designing Human Resources Management Practices in Family Firms: A Configurational Model,” and written by Giulia Flamini and Luca Gnan, both from the University of Rome Tor Vergata (Italy), aims to develop a theoretical configurational model of human resource management (HRM) practices for family firms based on the construct of awareness. The typology of ideal HRM practices configurations developed are a) two organizational factors: awareness of the internal and external environment and organizational awareness; b) two dimensions of organizational awareness: the need for explicit and implicit coordination mechanisms. The first dimension refers to the need for mechanisms explicitly adopted by a family firm to manage task or communication interdependencies. The second one relates to those requirements for mechanisms that are available to family firms from shared cognition, which enable them to explain and anticipate task statuses and individuals’ collaborative behaviors, thus helping them in managing task interdependencies. These results are then combined in four configurations of HRM practices (administrative, shared, professional, and integrated configurations), and seven propositions are developed.

Chapter 16 called “Kriselipsis and Inverted Complementarity Diversity (ICD): New Concepts Applied to Familiness in Ecuador,” and written by José Manuel Saiz-Alvarez, EGADE Business School-Tecnologico de Monterrey (Mexico), Uriel Hitamar Castillo-Nazareno, The Catholic University of Santiago de Guayaquil (Ecuador), and María Teresa Alcívar-Avilés, The Catholic University of Santiago de Guayaquil (Ecuador), affirms that the objective of this work is to introduce the concept of kriselipsis (crisis-scarcity relationship) and the ICD (Inverted Complementarity Diversity) within the literature related to the family business. To achieve this goal, the authors combine a conceptual and a descriptive study with the analysis of cacao and shrimp value chains with the use of data from the Ministry of Foreign Trade and Investment of Ecuador. Findings show that, as there is a constant crisis-scarcity relationship (kriselipsis) in microenterprises and SMEs located in developing countries, the combination of familiness with ICD will reinforce Ecuador to consolidate its raw materials market. This fact will allow Ecuadorian firms to have immediate access to this market to avoid kriselipsis, as well as to have better access to the financial credit-focused on improving their value chains.

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Human resources management is part of the strategic behavior of the firm, as shown in Chapter 17 denominated “Strategic Behavior in Family Firms: A Theoretical Insight Into Dynamic Familiness,” and written by Ismael Barros, Universidad Austral de Chile (Chile), Juan Hernangómez, Universidad de Valladolid (Spain), and Natalia Martín Cruz, Universidad de Valladolid (Spain). These authors state that previous research emphasizes that the participation of the family in the business operations is the source of resources and capabilities that conditions the strategic behavior of the family firm (‘familiness’). However, this definition is contextualized from static reasoning that ignores the effect of family dynamics on the behavior and value generation of the family-owned business. Prior literature has recognized that the family influence has a dynamic character based on the idiosyncratic process of knowledge management that manifests itself in the company, dynamic familiness. This family capability is shaped by family organizational routines through the family influence and aims to increase its knowledge portfolios for the strategic use of its resources. This chapter addresses the relationship between family influence and the process of learning and knowledge management. The analysis of this relationship allows assessing how family influence can promote the generation of family organizational routines based on knowledge management processes.

Chapter 18 entitled “Innovation and Family Firms: Past and Future Research Perspectives,” and written by Ana María Serrano-Bedia, University of Cantabria (Spain), Jesús Manuel Palma-Ruiz, Universidad Autónoma de Chihuahua (Mexico), and Cinthya Flores-Rivera, Tecnológico de Monterrey (Mexico), aims to perform a systematic review of the most recent publications in innovation within the field of family business. A comprehensive systematic search in Clarivate Analytics Web of Science through December 2017 allowed the authors to retrieve 389 peer-reviewed articles. After careful screening, the authors reduce the final sample up to 152 documents from 72 journals. The characteristics of the scientific journals, the diverse topics currently addressed, and the main lines of research were identified. The results revealed the existence of a highly diversified field of research with a wide variety of topics, receiving a growing interest and not limited to specialized journals nor a reduced number of researchers. All of this is indicative of an advance in the field to consolidate innovation as a high potential area of study. This fact allows researchers to reflect on the current status and research opportunities to contribute to the development of this field.

When family businesses grow, it can be interested to think about applying family offices, as studied in Chapter 19 entitled “Family Offices: How Can They Help to Promote Entrepreneurship and Social Responsibility,” and written by Elena Rivo-López and Mónica Villanueva-Villar, both from University of Vigo (Spain). The objective of this chapter is to deepen the knowledge of family offices as an instrument that business families have to help promote entrepreneurship and social responsibility activities. With this purpose, the concept and evolution of family offices will be developed. When faced with this purpose, there is a difficulty of accessing information about the family office at a global level, since confidentiality is one of the main characteristics by which families choose this type of structure. Because of this situation, publications on this subject are scarce, and typically researchers are forced to resort to international examples from the USA, Europe, Asia, and Latin America to facilitate greater knowledge of the family office.

The last two chapters deal with two key issues affecting family businesses (business creation and succession). Regarding business creation, Chapter 20 entitled “A Sustainable Business Incubation Model Focused on Family Firms: The Case of Mexico,” and written by Irma Leticia Chávez-Márquez, Carmen Romelia Flores-Morales, Ana Isabel Ordóñez Parada, and Luis Raúl Sánchez-Acosta, all from

Universidad Autónoma de Chihuahua (Mexico), affirms that entrepreneurship is a trigger for growth and development in the global economy. Nowadays, business incubators centers have grown in importance to promote start-up programs and different services aimed to consolidate and grow new business initiatives. The objective of this research was to define an entrepreneurial model based on the best practices of the Business Incubator Center of the Accounting and Administration School at the Autonomous University of Chihuahua in Mexico. A survey of registered companies in incubation between May 2015 and July 2018 was conducted. The main results were divided into two stages, considering 101 and 318 companies respectively. Correlations and regression analyses in this study indicate no differences in gender regarding entrepreneurial activity and business operations. A confirmed model for business incubation is then outlined.

Finally, Chapter 21 denominated “Succession in Family Business Through Authentic Leadership,” and written by Elif Baykal, İstanbul Medipol University (Turkey), states that family businesses are the kind of organizations that are characterized by overlapping systems of ownership, management, governance, and family values. In family firms, the family is the main asset of the business, and family members are strictly bound to the firm. Due to the dominance of a specific family, the success of the company is linked closely to the proper administration of the duality in the industry, the existence of family and business simultaneously. This fact distinguishes family firms from other companies. Furthermore, managerial and ownership priorities of the owner family are maintained through intergenerational succession. Moreover, the existence of multiple stakeholders and their conflicting demands necessitate a transparent and authentic leadership approach in this delicate process. In this study, it is proposed that in family firms, intergenerational succession is more convenient and less painful, incase an authentic leader who gives importance to high levels of awareness, transparency, and morality is in power.

In short, this Handbook of Research constitutes an outstanding compilation of works done by specialists living and working in different nations and continents in the field of entrepreneurship, family business, and leadership. The combination of the practical and theoretical issues written by practitioners and specialists working in these areas of interests constitutes an asset to build new knowledge in this field. As a result, we hope that this Handbook of Research will be of your interest, and you find it enjoyable, useful and applicable to your professional and personal life.

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