COGNITION, EMOTION, AND ACTION: PERSISTENT SOURCES OF PARENT-OFFSPRING PARADOXES IN THE FAMILY BUSINESS

Abstract

Purpose: To explore inductively the unique paradoxical tensions central to family business (FB) and to analyze how FB's members face these tensions and their implications in the personal and professional realms.

Design/methodology/approach: A multiple-case study with 11 parent-offspring dyads from Portuguese FBs was conducted putting the focus on the micro-level interactions.

Findings: The slopes of roles and relationality in FBs produce three persistent sets of tensions around cognition, emotion, and action. These tensions exist in a paradoxical state, containing potentiality for synergy or trade-off.

Originality: Our study is the first to empirically demonstrate that paradoxical tensions between parent and offspring are interrelated, by emphasizing the uniqueness of FB as a paradoxical setting and offering insights for negotiating these singular paradoxes.

Keywords: business families; micro-foundations; parental relationships; paradox; role conflict.

Paper type: Research paper

INTRODUCTION

Family businesses (FB) are *inherently* characterized by a strong interdependence between family, ownership, and business sub-systems (Gersick *et al.*, 1997). The overlaps of the three sub-systems and the intricacies of their interrelations can cause tensions that arise from protecting relations in one system (e.g., family) that create conflict with another system (e.g., ownership or business) (Tagiuri and Davis, 1992). These persisting tensions produce spaces in which paradoxes might flourish. Therefore, the FB is paradoxically Janus-faced, with one face oriented toward the logic of family and the other toward the logic of business (Miller *et al*., 2015). Facing two ways simultaneously gives rise to potential paradoxes (Neckebrouck *et al*., 2018), i.e., "persistent contradictions between interdependent elements" (Schad *et al*. 2016, p. 10). Indeed, research broadly emphasizes that FBs constitute a distinctive paradoxical context (e.g., Ingram *et al*., 2016; McAdam *et al.*, 2020; Moores and Barret, 2002; Osnes *et al.*, 2017) because problems in

one sub-system (e.g., a conflict between siblings) may jeopardize relations in the other sub-systems (e.g., the ownership and the management of the business may suffer from such a conflict). Thus, core organizational members, namely parents and their offspring, are confronted with unique challenges (Huang *et al*., 2020), such as the obligation to be a parent (or child) and a boss (or employee) simultaneously (Grote, 2003), which generates paradoxical tensions, derived, for example, from incongruent expectations from both roles (Sundaramurthy and Kreiner, 2008).

These paradoxical tensions, exclusive to the context of family business, may affect the health of both the family (i.e., relationships; Osnes et al., 2017) and that of the firm (i.e., sustainability and performance; Ingram *et al.*, 2016). Dyadic dynamics, under-researched in the family business literature as well as in management studies in general (Tse and Ashkanasy, 2015), should not be underestimated, as the effects of these dyadic behaviors potentially reverberate throughout the three systems (family, business, and ownership). Managing paradoxes is essential to the sustainability (Ingram *et al.*, 2016) and longevity of FBs (Zellweger *et al*., 2012) because ineptitude in addressing contradictions in values, motives, and emotions are one of FBs' main weaknesses (Schuman *et al*., 2010). Managing paradoxical tensions at the parent-offspring dyadic level is especially important to avoid conflicts that may even obstruct the succession process (De Massis *et al.*, 2008; Lansberg, 1988); a process that can determine the success or failure of the FB (Corrales-Villegas *et al.*, 2018). However, the understanding of "paradoxical tensions within a family business, their antecedents, consequences and dynamic processes, is still in its infancy" (McAdam *et al*., 2020, p. 140).

Therefore, this research explores inductively the unique paradoxical tensions central to family business, by answering the following research questions: *what tensions do parents and their offspring face in the family business and what are their implications*

in the personal and professional realms? To answer these questions, we examined a multiple-case study involving 11 parent-offspring dyads from small FBs in Portugal, a country where about 56% of small- and medium-size enterprises are described as being family firms (Hernández-Linares *et al.*, 2020).

Our study advances the theory of paradox management in FBs in three ways. First, it emphasizes the uniqueness of FB paradoxical settings (e.g., McAdam *et al*., 2020; Osnes *et al.*, 2017; Qiu and Freel, 2020; Sultan *et al*., 2017), in which the overlap of roles and inter-role interdependence generate three sources of paradoxical tensions around cognition, emotion, and action. Second, we address the calls for including the micro-level of analysis in FB research (e.g., Basco, 2017; De Massis and Foss, 2018) to provide a theoretically informed analysis of the paradoxical micro-foundations of the central relationship in the FB context. Third, we contribute to family business literature by providing evidence that paradoxical tensions between parent and offspring are nested/interrelated (no single paradox is independent of other paradoxes) and improving knowledge about the importance of managing such tensions to the individuals' wellbeing, the company's success, and the health of the family (Ingram *et al.*, 2016; *Osnes et al.*, 2017). Finally, this study has practical implications for advisors, family owners, and family business leaders, as it offers insights to negotiating these complex paradoxes that must be managed carefully so that family health is maintained (Osnes *et al.*, 2017) and business success is not jeopardized (Moores and Barrett, 2002), and the succession process is not put at risk (De Massis *et al.*, 2008).

THEORETICAL BACKGROUND

While all firms – family and nonfamily – "must learn to cope with conflicting situations" (McAdam *et al.*, 2020, p. 140), members of business families experience paradoxical tensions that are especially intense (McAdam *et al.*, 2020; Qiu and Freel,

2020). For instance, FB leaders often face the double challenge of having to lead both the family and the business (Craig and Moores, 2017). Paradoxically, the best way to protect the overall system in the long run (e.g., the business' sustainability) may entail acting in ways that disturb sub-systems in the short run (e.g., firing family members who have used a firm's resources to pursue only the family's private welfare).

A second source of tensions that is specific to FBs derives from the older generation's desire for control versus the younger generation's desire for autonomy (Radu-Lefebvre and Randerson, 2020). While in family relations generally, the autonomy-control tension tends to be resolved as offspring enter adulthood by exhibiting exit, voice, or loyalty (Hirschman, 1970) to the family unit, in enterprising families the tensions of voice and loyalty are prolonged when family members become involved in the business. "These parent-offspring conflicts become more evident around the timing of succession, with the older generation reluctantly giving way to the younger" (Nicholson, 2008, p. 111). Business founders typically consider the firm as an extension of their selves, an instrument of their creation, an expression of their personal power and a space for personal gratification (Duncan and Moores, 2014; Fahlenbrach, 2009; Levinson, 1971). Concomitantly, they may have a so-called dynastic motive or preference (Parker, 2016), in that they wish their offspring to carry on with the business legacy, without considering what these offspring might actually desire. Rather than remain subordinate dependents, offspring may seek increasing responsibility, autonomy, and independence, in line with their growing maturity (Keyt, 2015; Levinson, 1971) and their distinct worldview as members of a different generation (Hjorth and Dawson, 2016). A desire for autonomy on the part of offspring can lead to struggles around personal identity, premised on separating and differentiating the new generation's identity from that which went before (Hoy and Sharma, 2009), by striving to break free from the incumbent's

control (Radu-Lefebvre and Randerson, 2020). When these identity claims are not satisfied, a dynastic motive expressed by the predecessor may clash with the will of successors (Parker, 2016), which explains why role and identity dynamics can be both an advantage *and* a disadvantage in FBs.

Whereas researchers have tended to stress the unitary relations characterizing FBs (Sharma *et al*., 2014), little is known about the dyadic micro-interactional foundations of the family in business. The normative assumption is that most such organizations should be happy families, but internecine strife often confounds joyful symmetry (McKee *et al*., 2014). Indeed, this constitutes a significant gap in the FB literature (Randerson *et al*., 2015) that our research addresses. We take the interactions between parents and offspring as the constitutive core of the multi-generational FBs (Green, 2011; Kets de Vries, 1980).

Surprisingly, while research on this crucial social interaction has been valuable, it has been mostly focused on individuals (e.g., Radu-Lefebvre and Randerson, 2020). We contribute to the limited research on dyads (e.g., Huang *et al*., 2020), and focus on parent-offspring dual role (professional and family member) interactions in the FB (Cole, 2000). Such duality can be the fulcrum of potential structural problems (Hall, 2012) given that the obligations of being a parent (or child) potentially collide with those of being a boss (or employee) (Grote, 2003), creating inter-role and relational conflict, "a form of role conflict in which the sets of opposing pressures arise from participation in different roles" (Greenhaus and Beutel, 1985, p. 77). As Litz (2012) points out, dual roles can become double binds, resulting in intergenerational conflict. When these obligations are not matched appropriately, they can project ripples throughout the organization of both the business and the family.

Different and even contradictory expectations can simultaneously be attached to both family and business principles (von Schlippe and Frank, 2013). Family and business

have distinct values, norms, principles, and rules of conduct embedded in distinct existential realms. Families exist at best for the nurture, care, and development of their members, while businesses generate goods and services, profits, and cash-flow (Hall, 2012). While the ideology of the family values social relations, that of business favors economic relations (Hoy and Sharma, 2009). As well as in ideology, trust is unlimited in the family, while in a business it must be earned.

Nonetheless, the two worlds of family and business compose networks of overlapping relations and communication in FBs, in which the expectation of trust and commitment in the family domain has implications for the business domain (Eddleston and Morgan, 2014). In some instances, the family *lives* for the business or the business *exists* for the family (Cooper *et al.*, 2013). Such relational interdependence may be hugely problematic (Pieper *et al.*, 2013) and rife with tensions. These occur mainly when in order to survive (and continue to serve the family), the business has to achieve a *life* independent of the family. It is in these situations that family relations and organization relations must be differentiated and demarcated. Hence, the need to investigate the core relationship due to its impact on the unfolding or development of the FB.

The intense emotions that members of a family typically possess toward one another can swing in their nuances between extremes (Brundin and Härtel, 2014; Tagiuri and Davis, 1996). As Hall (2012) discussed, each family defines its own rules regarding the definition and management of mutual expectations, the role of authority, and the handling of conflicts and related issues. Families *are* complex, and enterprising families can be doubly complex, insofar that patrimonial domination is simultaneously vested in the authority of father *and* the boss, and the subaltern-child may well ask, "am I talking to my father or to my boss? Can I quit the company to avoid a bad boss who also happens to be my father?"

As these questions indicate, the dynamics of familial relations cannot but have an impact on the business (Olson *et al.*, 2003) as well as the converse: the business has an impact on family relations (Bettinelli *et al.*, 2014). Thus, when family considerations interfere with business decisions, roles and expectations can be difficult to balance (Martínez-Sanchis *et al.*, 2020). Many businesses remain family-managed despite the trend to separate ownership from control (Lee, 2006). Role overlaps and the family-business interdependences generate sensemaking ambiguities within the core dyad, constituting a critical source of paradoxes in the FB context (Cole, 2000; Grote, 2003; Huang *et al*., 2020; McAdam *et al.*, 2020; Tagiuri and Davis, 1992). The dynamics at the core of the family have important organizational consequences, which we now analyze empirically.

METHOD

Empirical context

The empirical study was carried out with 11 small FBs. We defined family firms as those in which ownership lies within the family and two or more family members are employed, counting the owner-manager as the first employee (Eddleston and Kellermanns, 2007; Riordan and Riordan, 1993). To minimize external variation beyond the phenomenon of interest (Eisenhardt, 1989), and in line with other studies (e.g., Salvato and Corbetta, 2013), our cases were selected to be homogeneous under relevant dimensions according to theory. First, we analyze only small firms in which management is still family-shaped, in order to render the role of interactions more transparent (Eisenhardt, 1989). In particular, we analyze the relational experiences of members of enterprising families in which all the interviewees were involved in the daily running of the business. Second, in all of our cases, firms were 100% owned, in order to guarantee that the FB was considered a main source of wealth for families. Third, all firms analyzed

were headquartered in Portugal due to the potential influence of cultural issues on the relationship between parent and offspring.

Portugal is a country characterized by family collectivism (Brewer and Venaik, 2011) expressed through "the degree to which individuals express pride, loyalty and interdependence in their families and close associates" (Jesuino, 2002, p. 87). High levels of femininity (Hofstede, 2003) and affiliation (Rego and Cunha, 2010) characterize the culture. As Le Breton-Miller and Miller (2006) pointed out, one of the priorities of FBs is the establishment of long lasting relationships, not only with employees but also with suppliers and customers in a community of work connected by a common culture. This is a feature that is more pronounced in high family-collectivistic, feminine, and affiliative cultures, such as the Portuguese.

Aside from these forced similarities, to ensure a variety of answers and perspectives (Strauss and Corbin, 1990), we selected FBs with diverse profiles in terms of industry, age, and gender of senior and junior generation members (see Table 1). The 11 FBs were active in seven different industries and had been so for between 2 and 41 years. The demography allowed us to analyze the parent-offspring paradoxical tensions in FBs that had not overcome any succession process and in FBs in which the leadership had been transferred from one generation on one or more occasions. Finally, the gender diversity of interviewees allowed analyses of the four possible combinations in a parent-offspring dyad: parent-son, father-daughter, mother-son, and mother-daughter.

Research design

We conducted a qualitative study, in particular a case study because it is one of the most impactful ways to develop theory inductively (Eisenhardt and Graebner, 2007; Payne, 2018) and its use is encouraged by family business scholars (e.g., Fletcher *et al.*, 2016; Payne, 2018). The use of multiple cases allowed us to develop a theory "situated

in and developed by recognizing patterns of relationships among constructs within and across cases and their underlying logical arguments" (Eisenhardt and Graebner, 2007, p. 25). Hence our findings are not "simply idiosyncratic to a single case", but "consistently replicated by several cases" (De Massis and Kotlar, 2014, p. 18).

We adopted an inductive approach (in line with Knapp *et al.*, 2013, among others) because it enabled us to better understand the micro-foundations of paradox management and to explore how organizational paradoxes arise from core relationships that are specific to the FBs. In addition, an inductive approach sheds light on the challenges raised by the experience of being a family member *and* a professional in the family business (Zahra, 2016). It is important to underscore that our interest lies in social and organizational relations, rather than the individual psychologies of family members in business (Coyne, 1987). Consequently, we study dyadic relationships, rather than individuals. In any dyad it is the relationship that matters, the *space between – interconnecting – the pair*, rather than participating individuals as separate entities (Gooty and Yammarino, 2011; Krasikova and LeBreton, 2012; Tse and Ashkanasy, 2015).

We composed dyads and explicitly mentioned that we were interested in relationalities, but we acknowledge that individuals are not "dissolved" in dyadic relationships, in line with a relational ontology (Cooper, 2005). Although other intra-generational relationships (e.g., wife-husband, brother-sister), may co-exist in the FB, our focus is on the different generations because they often have distinct world-views (Hjorth and Dawson, 2016), a source of potential paradoxical tensions.

Data collection

The interviews were conducted face to face between April and August 2015, following a semi-structured approach, as is common in multi-case studies (e.g., Osnes *et al.*, 2017; Sayem *et al.*, 2019). The interviews were conducted in Portuguese to increase

the validity of responses (Howorth and Ali, 2001) and individually to avoid unwanted mutual influences, with each informant being aware that it was the dyad that was under consideration. As our purpose was to study the parent-offspring relationships, normally at the dyadic level, when more than two people were involved and were willing to talk, we took advantage of the opportunity, since this did not violate our goal. Twenty-five interviews were finally conducted, exceeding the minimum number of 10 dyads suggested by methodologists (Guest *et al*., 2006). Although in two cases more than two members of the same family were interviewed (Table 1). We consistently refer below to the unit of analysis as the "dyad".

The interview process was concluded when data could be considered theoretically saturated, i.e., when new interviewees reinforced the previous themes without offering substantially new information. The interviews lasted between 7 minutes (in the case of an obviously reluctant informant who seemed not to want to participate – we retained this data for the purpose of illustrating the discomfort the process entailed for some of the participants) and 168 minutes. Interviews typically lasted between 30 and 45 minutes. The interviews were transcribed verbatim, as is common in research (e.g., Salvato and Corbetta, 2013), producing 249 pages of single-spaced text.

Table 1 about here

To enhance the external validity of the study in terms of theoretical generalization, we analyzed 11 cases, because "multiple-case studies typically provide a stronger base for theory building or explanation" (De Massis and Kotlar, 2014, p. 18). To strengthen reliability, we initially used a similar case study protocol (Radu-Lefvre and Randerson, 2020) for the 11 dyads, and to increase the research transparency, we used techniques for data preparation following De Massis and Kotlar's (2014) recommendations.

Analytical approach

We built theory from the empirical ground up via the interrogation of the qualitative data collected, the categorization of major themes, and their articulation with theory (Gioia *et al.*, 2013). Our data analysis proceeded in three steps. First, we coded the themes emerging from the data that resulted in the organization of the empirical facts narrated by participants about their direct experience within FBs. We identified 12 loosely articulated initial themes, comprising topics as diverse as the firm as an enlarged family that encompasses suppliers and employees, the happiness resulting from working with close relatives, and the emotional burden and stress it creates. We looked for prevailing themes across dyads rather than in specific motives within dyads, in an attempt to achieve analytical generalizability rather than idiosyncratic detail.

These initial categories were subsequently clustered into six meaningful "chunks" or second-order themes that emerged via the axial coding of the information (Goulding, 2009). Second-order themes were finally grouped into three aggregate dimensions connecting the themes, leading to a broader perspective that generated deep-level dimensions at a more conceptual level of analysis that underlie the phenomenon under investigation (Gioia *et al.*, 2013). These three aggregate dimensions were constructed around tensions related to different aspects of roles: *cognition*, or the substantive content of the tensions; *emotion*, the affective states involved in action, and *action* or the social dimension of behavior. The processes involved a constant comparison of data and theory (Murphy *et al.*, 2017), as well as discussion among the authors during data analysis (see Figure 1). Through this process of iteration we began to make sense of our data as composed of tensions whose facets were paradoxical. These opposites involved the potential for both synergy and trade-off, as Li (2016) suggested, and they were persistent rather than solvable or temporary (Cunha and Clegg, 2018). The previous choices, as well

as scrutiny of the emerging model by a pair of original informants, afforded warranty in terms of the verisimilitude of the interpretation.

Figure 1 about here

FINDINGS

Our emergent model (summarized in Table 2; see also Figure 1) indicates the importance of three central paradoxical tensions revolving around roles, means-ends, and emotions that were ongoing and persistent between mutually dependent opposites (Schad *et al.*, 2016). A first tension refers to *role content*, i.e., expectations regarding the fulfillment of one's tasks in the FB. We observed that as people shifted between roles, identities were sometimes blurred. Being in the core family simultaneously projects a clear cultural orientation, with well-defined beliefs, rules, and norms of behavior but also a *chiaroscuro* effect (Jackson and Carter, 1995), an analogy that emphasizes spaces of light and shade in the sense made and the social construction of the roles. A second paradox refers to concordance about goals and discordance about means: some ultimate goals are highly shared (family identity, thinking for the long run) but the means for their accomplishment involve significant differences that stem partly from cross-generational issues. The third source of tension articulates the positive and negative emotional tensions associated with the two role sets. These three tensions appear as mutually established rather than independent and entangled in a process that is dynamic.

Table 2 about here

Paradoxes around roles

Most of participants expressed the sentiment that roles and expectations within the company were sometimes blurred; thus, a first aggregate dimension shaping the FB can be constituted as blurred roles. These roles tend to be subject to dynamic reconfiguration and to occasional negotiation, hence their blurring: offspring mature and

become professional, searching for responsibility, independence, and authority. Previous parent-offspring authority relationships evolve as the dynamics of change introduce challenges to identity and needs for adjustment from both sides (Hall, 2012). As young family members strive to gain independence from their parents, the struggle for personal affirmation can be transferred to the professional realm.

Role conflict

Founding roles are inscribed early in the process of creating a business and a family, conjointly. Over time, power struggles inherent to organizational life see changes in the identities of the players, requiring renegotiation of roles. A different power relationship prevails when a single member of the family starts the business and subsequently employs other members, compared to situations in which multiple family members start business together. Even though, at the outset the former implies more authority and the latter a partnership, over time the former often tends to evolve toward a partnership.

In the FB, personal and professional roles and identities involve complex negotiations across domains of family and business. Dynamics often ensue in which parents may be unwilling to give up their sources of power and prestige, finding that delegating authority is difficult, while offspring resent parental controls and intrusions, experiencing a subordinate role as restrictive in the face of their growing maturity and experience. Ambiguity concerning organizational roles affects the relational dynamic: parents demand and offspring need to demonstrate their worth. Offspring may develop feelings of ambivalence toward their status in the FB, ideas that we heard repeatedly throughout the interviews: “I like to work with my parents” vs. “I like to be independent”. For some interviewees, it is not always easy to distinguish differential roles in the two systems:

> Sometimes it is very complicated, because, there you go, our temper is similar and then it is hard. Then sometimes we mix everything at the same time. When we start an argument about one thing at some point, we are discussing something totally different and when we finish the argument it has nothing to do with where it all started. (D2)

Even when segmentation of family and business roles is favored, it may be difficult to achieve, as the two domains of firm and family are not independent. The demands of competing goals exist in tension, undermining each other, incorporating an element of irony typical of paradox. The more one fulfills an offspring's role expectations (obedience, respect, deference), the less one is aligned with the role of a good professional with managerial responsibilities: being inquisitive, challenging, and able to speak up. The obligation to enact both roles can sometimes trap offspring in a double bind both paralyzing and frustrating.

Role clarity

When a family runs a firm, the family's identity envelops the firm (Sundaramurthy and Kreiner, 2008). One competitive advantage of FB resides in having a consistent familial identity that drives the business, offering focus and clear ideas. Compared to non-FBs, in which identity is less salient as professional managers and board members come and go, there is continuity of identity. Maintaining "family gravity" implies that parents align identity with the family interest, vision, and priorities. To do so, however, they still need to attract the best talent and seek to motivate everyone alike. FBs are the prime source of long-term employment relations; as such, bonds with employees can become stronger and, unsurprisingly, relationships become more familiar (i.e., closer, protective, paternal/maternal) than in non-FBs. It is for this reason that there is a prevalence of family metaphors, with a clan component, used even in non-FBs (Deshpandé *et al.*, 1993). Being clannish is a metaphor that denotes a certain sense of solidarity and mutual protection:

> I have always been a little a 'mother hen', that's it, I very much respect their space and I like to see them when they go here and there, and I am OK. But I like to be with my kids, I like to work with them. (A1)

Other respondents also mentioned the separation of roles by mentioning a proverb: "it is important to keep each monkey on its branch" (F1). Another respondent spoke of maintaining the identity of the component roles, using the metaphor of water to do so:

> …because you do not separate the waters it is not easy. I have a client who works with his parents (…) and sometimes I see situations in which it seems that they do not separate the waters. (K2)

The paradox of role clarity led to two possible outcomes. To our informants, playing overlapping roles (or role integration, Ashforth *et al.*, 2000) involves ambivalence and elasticity. Clarity is not the absence of overlap but the capacity to use the tension between the two role sets elastically and dynamically. It sometimes implies stretching one role to the limit but then moving to the other role in a way that involves friction but also synergy. FBs may benefit from the development of a long-term orientation (FB thinks in terms of generations rather than quarters). The benefits of being an FB and having parents and offspring working side-by-side are noticeable not only inside the firm but also in relation to different stakeholders:

> The patients become happier by being served by one of our sons than by any other person, even if that other person is older, more... (…) They, if he is our son, they immediately get happy for being attended by him, which is a funny and interesting thing. (B2)

The paradox

Identity sustaining the FB involves elements of clarity as well as elements of shade, in which conflicts and disagreements are aired and discussed behind the scenes. Our informants mentioned that frictions need to be resolved in the family sphere, for instance, in weekend gatherings, when business relations and formality are relaxed. In other words, it is important to have clarity and elasticity (Ashforth *et al.*, 2000). To

preserve clarity with flexibility it is sometimes necessary to loosen the boundaries demarcating business and family spaces, allowing them to cross-over into each other, in appropriate moments and spaces, such as behind the scenes or over lunch, while striving to maintain their differentiation in front-stage performances in which, normatively, only professional identity should be performed.

In FBs there are typically two types of conflict: open conflict and more insidious conflict. Often the open conflict is relegated backstage to the family sphere, while insidious conflict through sniping in the organizational setting can emerge to the forestage, even while performing an appearance of harmony to onlookers. In the business forestage, family members often close ranks to avoid overt/open conflict. Even though members may attempt to restrict conflicts to the backstage zones of the family, the boundaries between these two zones overlap; thus, managing the boundary between these two physical and emotional spaces amounts to an important challenge to FB synergies (Ashforth *et al.*, 2000).

Other cases, however, are characterized by persistent segmented role conflict (Ashforth *et al.*, 2000). Our informants pointed out that organizationally prescribed roles were crystalized around a logic of dominance. Instead of involving some elasticity, roles were well defined and the borders between them were impermeable. A founding mother, referring to her husband's incapacity to switch between roles as father and boss, mentioned his autocratic incapacity to accept interference from his son as a source of problems (A1). Persistent inter-role conflict can make the relationship difficult to sustain as the two sides may mutually interfere in undesired ways that typically diminish the sense of worth of the offspring, limiting growth and independence.

Paradoxes around means-ends

Agreement about final goals often coexists with discord regarding the means to reach them. FBs thus need to combine two distinct finalities: a focus on the survival of the firm and keeping the firm in the family. Role finalities encompass a common goal that can perhaps be reached via potentially conflicting paths. There may well be agreement about the abstract final purpose that overlaps with a disagreement about the concrete steps required to operationalize and realize that purpose.

Common overarching goal

When an organizational system is created it tends to be imbued with purpose (Merton, 1936). In FBs this sense of purpose provides people with the understanding that even though there might be some conflict or friction when communicating, the overarching end is the same for both parents and offspring and their ambitions for the company. The desire, shared by parents and offspring, to see the FB passed to the next generation and beyond is well established.

> [C]ontinuity, I think that's it. I, I, at Christmas, I told them that this was my last year (…) When I told 'the troops' [the employees] I was preparing them, 'pay attention' the boss is changing. (H1)

Longevity is something to fight for and families have to put in twice the effort: they have to plan for the family (participation and ownership) and for the business (efficiency and profit).

Discord around means

Despite recognizing the unifying power of common purpose (e.g., A3, B1), participants also recognized that there are conflicts inside the firm regarding ends and means, considering them as "occasional", "little", "small", "some things", "bumps", and "shocks" (e.g., A3, G2) and insisting on their immediate resolution, since working in the family mostly entails the benefits of a positive experience. Some participants also noted "Yes, occasional problems… Sometimes very small things (…) that would not happen if it were not mother and daughter, right?" (Mother), or "My father maybe has a vision

slightly different from mine, and there are always bumps, but it is great to work with him" (F2). These conflicts mainly derived either from different ideas about how to conduct the business or simply from past experiences that shape current visions of the business. Dealing with the frictions inherent to the FB is challenging. However, if not prevented, substantive conflicts can become personal, with the potential of triggering anger, guilt, and hostility.

When the focus is on conflict resolution, open communication tends to be established to present each viewpoint, to develop further discussion around the subject so that an agreement is obtained. In idealized terms, the notion of a family implies reciprocity, cooperation, and a substantial level of trust – elements often claimed to constitute the basis of organizing but which are often taken for granted. In an FB offspring may discuss ideas and present their viewpoints more easily than in a non-FB, as parents may be more receptive to hearing suggestions proffered by their own children. In happy circumstances the family presents a psychologically safe environment in which people feel free to speak up and express disagreement (e.g., A3, F1). FBs are often characterized by high context communication (Hofstede, 2003): messages are implicit and obvious and require no detailed explanations. Individuals need not communicate extensively since, as a result of familial familiarity, they can understand each other through simple non- and para-verbal cues.

The paradox

Paradoxes around common goals and discordant means emerge in two expressions (synthesis in Table 2). The first is discordant concordance. In this case, parents struggle to align a long-term goal orientation with the inclination to pursue rapid diversification and internationalization. In such cases the desire to manage the FB with a long-term view (in order to assure that the business will remain in the family after their departure) can

result in organizational conservatism, a tension that can be a key to FB success (Kachaner *et al.*, 2012). Often this manifests itself in an inability to delegate roles and responsibilities that have accrued from the outset as the founder's preserve:

> My dad is somewhat, he is… The so-called 'old school' type of boss, right? If necessary, he will do things himself. It can't be like that. You need to delegate. (E2)

In other cases, the paradox around goals and means emerges as discomfort with disagreement concerning the definition and relation of these. Uniformity of opinion is often represented normatively as being good, with different visions seen as the result of intrinsic differences producing immobile perspectives: "But then there is always that family clash, she has her taste, I have another. We have a very similar temper; she is stubborn and I am too" (D1). Ensuing arguments, the same informant adds, result in clarification. When an FB transitions from one generation to another, parents may see that children come with a different set of ideas based on distinct educational, generational, and cultural backgrounds.

Paradoxes around emotions

Two themes emerged from the data expressing the importance of emotions: the coexistence of positive and negative emotions that tend to be intense in their emotional ambivalence (Bründin and Hartel, 2014). Positive emotions were associated with emotional support within the family whereas negative emotions stemmed from overdoses of emotional intensity. Relationships may be geared toward a sense of harmony, akin to groupthink. In the absence of effective emotional labor propelled by negative emotions, the intense emotional maintenance work required leads to emotional exhaustion, the feeling that one's emotional resources are being used up. The combination of emotional pressure and the demand for emotional harmony, not always articulated productively, is demanding. The domination of the emotional dimension can be destructive for the FB.

Paradoxical approaches to emotions call for framing positive and negative emotions in a state of fruitful tension. A cloying and suffocating façade of family bliss, as well as acting out the tensions associated with the life course and its progression, from adolescence to senility, are both threats, as either or both can spark clashes between the generations as each seeks to claim space or retain it.

Negative emotions

Negative emotions in FBs were mostly identified in the case of offspring (e.g., I2). Parents, as well as employees, expect and demand more from offspring than from regular employees, and working with family members can be emotionally taxing. These two situations combined are potentially a source of emotional pressure. In addition to saturation:

> …spending more time with the same people (A3) the family firm can put extra-pressure on the offspring: "I mean, we are the first to… if someone need to be criticized, the son is the first to take. Done! But he is the one who needs to set an example. But then there is another thing: the other employees cannot say the son's boss is the boss of the son for some things but not for others. Because when there is … it happens here and it probably happens everywhere. (K2)

By not favoring their offspring, parents gain the trust and respect of employees, but parents may feel the need to protect their offspring, leading to employee resentment of family favoritism. Furthermore, the need to do more to be recognized can sometimes be discouraging, since children assume that they always have to give more and work harder, compared to nonfamily employees (e.g., F2). In a family, individuals are loved and valued at best for themselves; their standing is determined by who they *are* and not by what they *do*, as opposed to the organization where employee value is determined by merit and by contribution, in which intense emotional love and affection rarely enter into the calculus. Co-workers or parents may not always be transparent regarding the true performance of the relative, blurring perceptions of competence (e.g., H2). Although transparency is often portrayed as a characteristic of any family and therefore of any FB,

how transparent can one be with the less bright, managerially incapable, or emotionally unstable family members, without inevitably hurting family dynamics?

Emotional support

Constructive feelings were experienced by parents and offspring, mainly expressing pride, joy, and happiness (e.g., B2). A mother working with her daughter assumed that "the base of everything is trust, right? When you breach trust, you breach everything. Like a building without its foundations." (D1). Constructive feelings that establish emotional harmony give people the freedom to express what they feel and how they interpret organizational issues. These constructive feelings lead to mutual consideration. In turn, this leads to a more informal environment that is important for the ability to communicate properly and to be happier in the two domains of personal and professional life. Harmonious relationships can foster the retention of relatives in the business, and relatives are potentially more inclined to invest in the business' success.

The paradox

Emotional tensions were interpreted as resulting in either ambivalence or confusion, as FB governance implies both support and challenge. Participants predominantly considered the experience of working together as positive, with constructive feelings overcoming dysfunctional emotional dynamics. Participants in FBs share concurrent and powerful positive and negative mutual emotions. Offspring have conflicting desires for parental approval and independence, whereas parents have conflicting desires for independence and dominance. A delicate and potentially paradoxical combination of authenticity and emotional labor is required.

Informants admit that in FBs, for instance, leaving the business is a less viable option than in other settings, given the potential recriminations of disloyalty and betrayal associated with such a move. Leaving an organization entails terminating a routine

contract; leaving a family is a far more complex step. Therefore, one has to take into consideration what and how things are said, since feelings are open to interpretation and can be misleading. Furthermore, some emotions may not be expressed openly, mainly in times of conflict. The need to speak up and to understand each other's feelings is key to preventing more strain in both professional and personal domains. Most participants saw more benefits than disadvantages in working with relatives. Siblings, however, saw the negatives in a more salient way than their parents (e.g., I2).

When tensions produced emotional confusion, a propensity to think in terms of trade-offs predominated. When tensions produced trade-offs, individuals caught in one emotional state find the appearance of the other confusing and debilitating rather than enriching. Some "inadequate" emotions need to be suppressed, leading to surface acting. In these cases, emotional pressure predominates. Emotional tension was mainly viewed as involving trade-offs when people interpreted their condition in terms of those metaphors that Morgan (1986) characterized as a psychic prison from which escape was difficult:

> We accumulate many more things, then you don't say what you have to say, and then … if it explodes in the moment, it explodes. (G2)

Being constantly under stress was viewed by other informants as an inescapable condition (e.g., F2, who referred to "that pressure, being always in stress"). In this case, the situation caused a form of double bind (Litz, 2012): parents protect but protection comes at a psychological cost. Protection is often accompanied by a state of doubt regarding one's worth. In this condition, a good thing can turn bad, as is habitual in paradox. Although emotions are said to make the difference in FBs, the dilemma is how one keeps on being professional *and* emotionally close.

DISCUSSION

Although work and family are supposed to reinforce one another in the sense that supporting the family strengthens the organization and vice-versa, in FBs, more than in other organizational types, work and family may clash in significant and sometimes paradoxical ways. The tensions we observed constitute paradoxes because they express the quality of persistence: more than temporary states, they endure in their opposition, which means that they can be balanced but not eliminated. They emanate from the overlap of the family and business systems and cannot simply be willed away (Großmann and Schlippe, 2015).

Table 2 reports the patterns identified. As suggested therein, when the tensions are engaged in a balanced way, the system tends toward synergy: roles are integrated, identities (as family member and employee) coexist elastically (Ashforth *et al.*, 2000), and there is a sense of psychological safety that supports speaking up and an appreciation of polyphony (Edmondson, 2018). When the dyad accepts the element of emotional ambivalence and uses it productively, making good use of positive and negative emotions, signs of an emotionally rich context are evident (Brundin and Hartel, 2014). In other cases, the relationship is marked by a prevalence of either-or types of trade-offs, which cause role segmentation (Ashforth *et al.*, 2000), understood as the split of personal and professional boundaries, in which identities (as family member or employee) become rigid and collide. It is because disagreement can be normatively difficult and uncomfortable that there is a tendency for family unanimity to become the rule, at least apparently. Beneath the surface, however, the tensions linger and remain unaddressed. Finally, emotional ambivalence is emotionally limiting and constraining.

As far as we have observed, the emphasis on synergy (role integration) or trade-off (role segmentation) is a result of the ongoing relational dynamics within the dyad, rather than an individual preference (Ashforth *et al.*, 2000). The FB appears to be formed

by small micro-interactions creating patterns. The way the core dyad negotiates meaning and navigates the tension over time is a powerful force in shaping FB dynamics (Hall, 2012). The process is path-dependent and involves past histories and future expectations. Nevertheless, in spite of its micro-level occurrence it seems to be foundational in that it is consequential for other layers of organizing.

Our findings suggest that a family's core micro-relationships are balanced through paradox work. In the practice of striking a balance between opposite demands over time, daily micro-interactions are undertaken in order to maintain a balance between tensions operating in the multiple areas (see Figure 2).

Figure 2 about here

The three domains of tension seem to exist in interplay. No single paradox is independent of other paradoxes. The way one is tackled affects the dynamics of the system, and the system's equilibrium is precarious and unstable. Such a balancing seems to involve deliberate effort regarding the thinking, feelings, and acting from those involved, in order to maintain relationship equilibrium over time, namely by giving participants the opportunity to question the system (Berti and Simpson, 2020).

Our results suggest that working around paradox is a shared task, meaning that paradoxes emerge from interactions as socially co-constructed and are tackled in different ways, depending on how they are relationally created. The FB may be especially suited as a research setting because the way dyads approach tensions and contradictions frames paradoxes as sources of mutual growth or co-created frustration. Expressed communicatively, tension is seen as non-antagonistic, as located in the relational space between the two sides of the dyad, rather than at the poles (Cunha *et al.*, 2002). Seen thus, there are possibilities for those "aesthetic moments" in which individuals treat each other as "whole beings", as people who are simultaneously family members, individuals, and

co-workers (Pitts *et al.*, 2009). In the small but viable companies we studied, dualities have been tackled as constitutive and therefore as inevitable. The model expresses the process dimension of the relationship by showing that the tackling of opposites takes place over time, emphasizing the search for synergy rather than a trade-off mentality.

Our results may be subject to cultural influences. Portugal's culture is seen as a family collectivist, feminine (Hofstede, 2003; Jesuino, 2002), and affiliative (Rego and Cunha, 2010) culture. In such a context, individuals might see the family as a "personal enclave" in which they develop feelings of "warmth, strength, and security" (McClelland, 1975). Considering the challenges involved in managing both "fortresses" (i.e., the family and the business), paradoxical tensions are more likely in those cultures than in more masculine and less affiliative ones. Protecting a sphere (e.g., the family), may sometimes imply relaxing the protection of the other (the firm). From a paradox perspective, the challenge lies in striking a balance between the spheres, which may be demanding in terms of leadership, implying paradoxical leadership skills. The findings suggest that the search for balance implies the articulation of three mutually defining sources of tension containing paradoxical features: cognition, action, and emotion.

Limitations and avenues for future research

The study has several limitations. First, we put the focus on small firms, and it is possible that in larger firms more sophisticated approaches to family governance practices are adopted. In addition, the dyad studied is not the only dyad in the FB. There are other inter- and intra-generational dyads that were not considered. Interactions with other family members in the business influence the interaction in the focal dyad but these were left out of the analysis.

Future research may focus on composing a more nuanced analysis of the parent/offspring nucleus of the FB. First, we assumed that "family" is a relatively

monolithic concept despite the fact that different families constitute different contexts (Jaskiewicz and Dyer, 2017; Randerson *et al.*, 2015). Different declinations of the idea of family may trigger distinct processes. Second, we have not explored gender specificities. It is possible that differently gendered dyads (father-son, father-daughter, mother-son, and mother-daughter) involve specific nuances and power expressions (Jaskiewicz *et al.*, 2017).

Contributions and practical implications

Despite its limitations our study makes several contributions to FB literature. First, it emphasizes the distinctiveness of this type of business organization and provides qualitative evidence that "family business organization is built on paradox" (McAdam *et al.*, 2020, p. 142) by showing that the overlap of roles and inter-roles interrelationships produce three unique persistent sets of paradoxical tensions around cognition, emotion, and action. Second, our work addresses calls for collecting dyadic data (Wolff *et al.*, 2020) to research how individuals from different generations perceive and respond to paradoxical tensions (Ingram *et al.*, 2016). Third, it addresses the FB scholars' calls for focusing on the micro-level of scrutiny (e.g., Basco, 2017; De Massis and Foss, 2018) by empirically analyzing the paradoxical micro-foundations of the central relationship in FBs. In this way our study reinforces the importance of dyadic relationships when examining FB phenomena at the micro-level (Campopiano and Rondi, 2019) and understanding better the roles played by parents and their offspring and how professional and personal issues are managed within the singular context of FB. This is important because such a relationship takes place at a micro-level, and is thus often invisible to outsiders, but the interactions among family members are essential to the understanding of FB processes (Jaskiewicz and Dyer, 2017). Finally, we contribute to the theory of paradox in FB by showing that paradoxical tensions between parent and offspring are

interrelated (no single paradox is independent of other paradoxes), providing a grounded model of how the core micro-family relationships are balanced through paradox work.

In addition, our work has practical implications for family business advisers, owners, and leaders. By advancing a paradox lens we offer insights on how to negotiate the complex and unique tensions of family firms, and to search for synergies between opposite tensions to preserve the family health (Osnes *et al.,* 2017), and to avoid, in this way, that family business success is jeopardized (Moores and Barrett, 2002). As our work puts the focus on the paradoxical tensions between parent and offspring, which are emphasized during the succession process, our findings also offer insights on how to strike a balance between opposite demands and improve the quality of the relationship between predecessor and the potential successor, thereby avoiding risk in the succession process (De Massis *et al.,* 2008).

CONCLUSION

Deep, close relations belong to the nucleus of the family organization. We asked what tensions parents are faced with in the family business and discovered that the dual roles prompted by the family business (parent-offspring) create tensions marked by paradoxical features in terms of roles, finalities, and emotions that may be especially important for small businesses. Research has often emphasized entity-based views, focusing on the individuals involved. We approached the process from a relational angle, pointing out that it is relationships that trigger tensions with paradoxical features of persistent interrelated opposites around cognitions, emotions, and actions. At first sight, while these tensions may be represented as simple opposites, they are in fact tackled as part of persistent paradoxes (Clegg *et al*., 2002) that establish the dynamic of the core of the FB as synergy or trade-off. When tensions are approached as dualities rather than dualisms, which is critical for synergy to be achieved (Smith *et al.,* 2016), FBs can have

an advantage. When the generative quality of the paradox is not sustained, relationships can become toxic for both the family and the business, as they allow the trade-off component of paradox to gain dominance. Therefore, an FB is only as good as its capacity to handle those paradoxes that are all inherent to such a unique context.

Table 1. Sample characteristics

Company	Interviewees	Description of company
A	Mother (A1), son (A2), and daughter (A3)	Sector: Pharmacy Founded: 1982 Size: <10 employees
B	Father (B1), Mother (B2), son (B3), and daughter (B4)	Sector: Dentist Founded: 1987 Size: 10-24 employees
C	Mother (C1) and daughter (C2)	Sector: Services Founded: 2001 Size: 10-24 employees
D	Mother (D1) and daughter (D2)	Sector: Retail Founded: 2013 Size: <10 employees
E	Father (E1) and son (E2)	Sector: Retail Founded: 1979 Size: <10 employees
F	Father (F1) and son (F2)	Sector: Construction Founded: 1980 Size: 10-24 employees
G	Mother (F1) and son (G2)	Sector: Wine making Founded: 1999 Size: 5 to 20 employees
H	Father (H1) and daughter (H2)	Sector: Retail Founded: 1974 Size: 10-24 employees
I	Mother (I1) and son (I2)	Sector: Restaurant Founded: 1980 Size: 25-49 employees
J	Father (J1) and daughter (J2)	Sector: Retail Founded: 1983 Size: <10 employees
K	Father (K1) and son (K2)	Sector: Construction Founded: 1980 Size: <10 employees

Table 2. The interpretive model

Paradox	Synergy prevails	Trade-off prevails
Cognitive	**Role elasticity**	**Role conflict**
	Identities (as family member and employee) coexist elastically.	Identities (as family member and employee) are in collision.
Action	**Discordant concordance**	**Discordant discordance**
	There is a sense of psychological safety that supports speaking up. Family members appreciate polyphony.	There is discomfort with disagreement. Uniformity is the rule.
Emotional	**Emotional ambivalence**	**Emotional suppression**
	Emotions related to family mingle with and enrich emotions related to firm: emotional harmony predominates.	Emotions related to family collide with and deplete emotions related to firm: emotional tension predominates; some emotions are expected to be suppressed.

Figure 1. Data structure

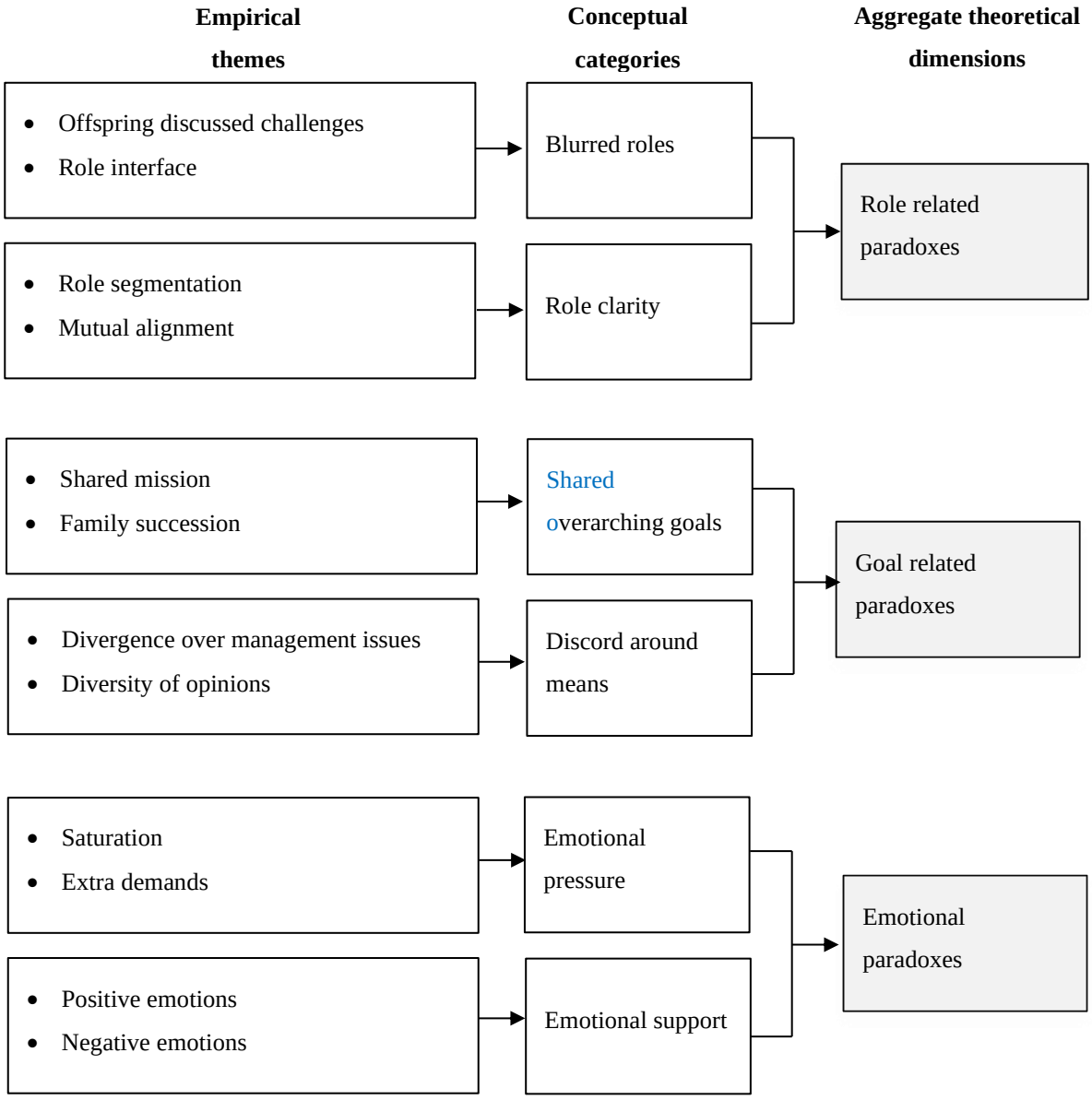

Figure 2. Micro-family relationships balancing through paradox work