

An Exploratory Study: The Introduction of a Non- Family Professional Accountant into a Family Firm and the Impact on Institutional Logics

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Agenda

- Background to the Research
- Motivation for the Study
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- Research Gap
- Research Objective and Research Questions
- Conceptual Framework
- Research Approach
- Contribution of the Research
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Background to the Research – Family Firms

- Oldest and most common form of business globally (Less, 2021).
- Subject of much academic research such as succession (Chua et al., 2003; Jaskiewicz et al., 2016), governance (Morck et al., 2005; Miller and Le Breton-Miller, 2006) and performance (Chrisman et al., 2005; Moller et al., 2011; Miller et al., 2017).
- Many definitions of family firms (Westhead and Cowling, 1998; Chua et al., 1999; Sharma, 2004) and this study will use the value-based definition by Chua et al., (1999), focusing on family essence and family vision.
- Concepts such as the socioemotional wealth (SEW) construct, familiness and altruism.
- Unique organisations with distinctive behaviours distinguishing them from non-family firms (Tagiuri and Davis, 1996; Eddleston and Kellermans, 2007; Stewart and Hitt, 2012).

Background to the Research – Family Firms

- Family values play a huge part in the uniqueness and distinctive behaviour of family firms (Le Breton-Miller and Miller, 2020).
- Values have been commonly linked to institutional logics as institutional logics are infused with values (Gumusay et al., 2020).
- Institutional Logics - cultural beliefs and values that shape and guide the behaviours of actors within an organisational field (Friedland and Alford, 1991).
- Co-existence of both family logics (aimed at family loyalty and remaining in control) and business logics (aimed at ensuring a viable profitable business) (Chua et al., 2018).
- Hybrid organisations are defined as endorsing multiple institutional logics (Powell, 1987).

Motivation for the Study

- When new people join an organisation this can disrupt existing logics as they introduce new logics and the compatibility of their logics vary with those of others within the organisation (Besharov and Smith, 2014).
- Non-family professional actor into the family firm has been defined as a disruption to the family firm (Ponroy et al., 2019).
- Improve knowledge of behaviour and actions within the family firm (Greenwood et al., 2011).

Motivation for the Study

- **Professional accountant** selected as the non-family professional.
- They hold the most prominent management position in a family firm (Mattias et al., 2021);
- They are the most commonly used advisor to small/medium family firms (Gordon and Nicholson, 2010; Strike, 2012) and
- They are vital advisors with significant influence and authority (Gordon and Nicholson, 2010) and trusted advisor role (Strike, 2013).

Literature Review: Logic Disruption

- Change in an organisation will alter or disrupt the existing institutional logic dynamic (Gumusay et al., 2020).
- It can lead to replacement of one institutional logic with another (Thornton, 2004), multiple logics within the organisation (Stark, 1996) or elements of one logic subsumed within those of another (Murray, 2010; Townlet, 1997).
- When an entity introduces a logic from outside the present organisation field, that logic can be viewed differently by actors from differing cultures and background (Lounsbury and Wang, 2020; Gumusay et al., 2020).

Literature Review: Logic Disruption

Gumusay et al., (2020) key dimensions of institutional logics can assist in understanding logic disruption.

- **Contextuality** – Logics exist across contexts and are shaped by their local conditions and cultures (Gumusay et al., 2020).
- **Temporality** – Logics are not static (Ocasio et al., 2015), they are malleable (Gumusay et al., 2020) and change over time (Ansari et al., 2013).
- **Value Plurality** – Logics not only provide meaning, they are created through meaning and understood and enacted differently because they are differently understood and believed in (Gumusay et al., 2020).

Literature Review: Logic Disruption

Besharov and Smith (2014) two-dimensional framework for understanding logic multiplicity:

Logic Compatibility

- Professional Standards
- Hiring and Socialisation Practices
- Characteristics of Organisational Members

Logic Centrality

- Fragmented Centralisation
- Mission, Strategy and Resource Dependence
- Power and Adherence to Logics

Jaskiewicz et al., (2016) identified family culture and leadership style as significant attributes for the successful management of multiple logics in family firms.

Research Gap

A review of the literature has identified three research gaps:

1. Paucity of research on non-family management in family firms.
2. Research needed on the role of non-family professional accountants within small to medium sized family firms and how they embed/entrench themselves into the family firm.
3. Few studies have looked at institutional logics in family firms, how they change over time and how they interact with non-family professional logics.

Research Objective and Research Questions

To investigate the introduction of a non-family professional accountant into a senior management position into the family firm and the impact on institutional logics.

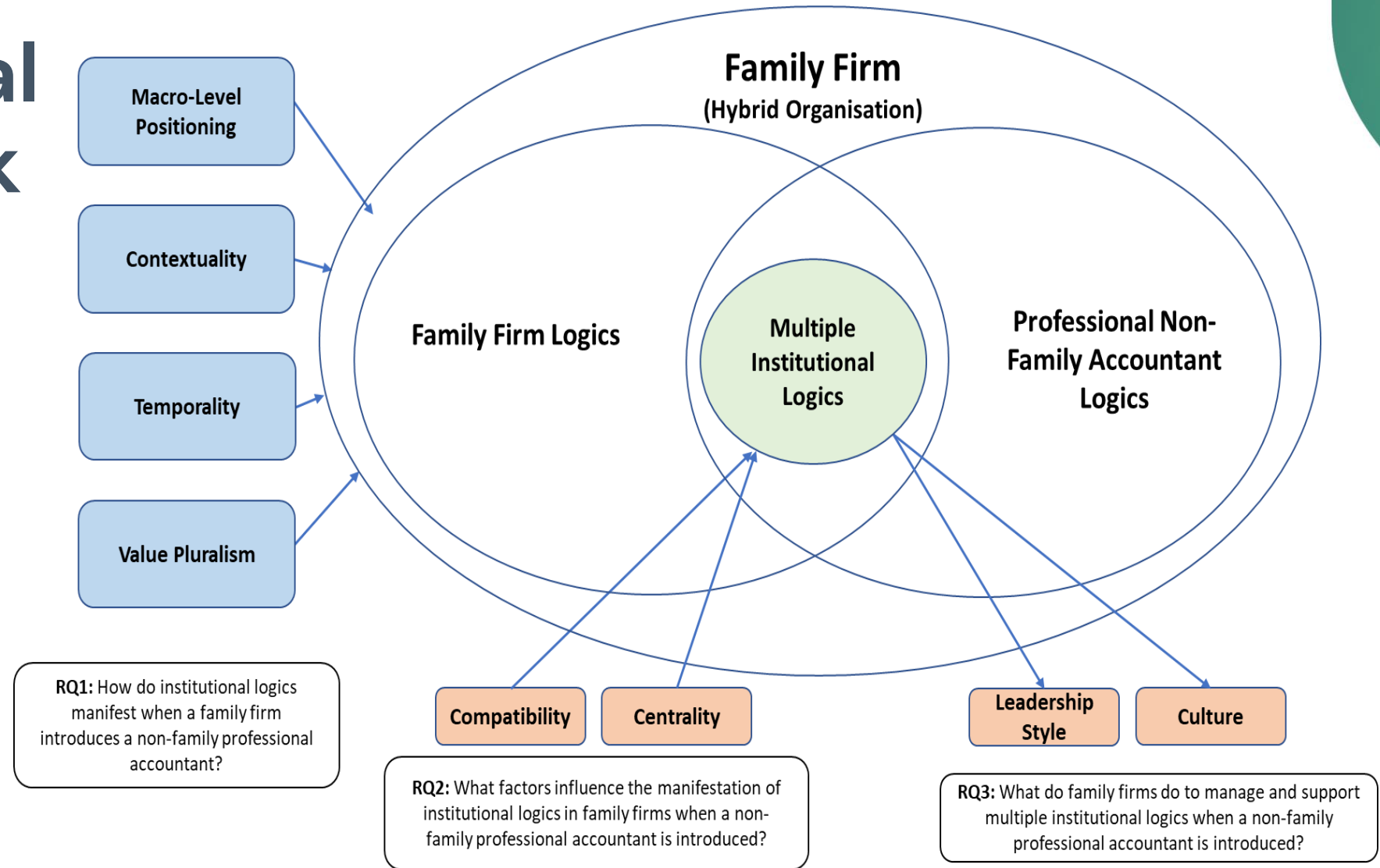
The study will address three research questions (RQs):

RQ1: To identify how institutional logics manifest when a family firm introduces a non-family professional accountant?

RQ2: To understand what factors influence the manifestation of institutional logics in family firms when a non-family professional accountant is introduced.

RQ3: To understand what family firms do to manage and support institutional logics when a non-family professional accountant is introduced.

Conceptual Framework



Research Approach

- Inductive interpretative approach – qualitative approach.
- Semi-structured Interviews with Small to Medium Irish Family Firms (SME's).
- FAME database will identify eligible family firms.
- Interviews with professional non-family accountants and active family members.
- NVivo software.
- Detailed thematic analysis.

Contribution of the Research

The study will contribute to the academic literature in four ways:

1. Provide a more comprehensive understanding of the challenge of introducing a non-family professional into the family firm.
2. Insight into the disruption of institutional logics in the family firm.
3. Deeper understanding of the malleability of institutional logics within family firms.
4. Insight into family actors in the family firms and non-family actors entering the family firm and how they react to the emergence and integration of multiple logics.

Thank You.

Any Questions?

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