

Navigating tradition and innovation for sustainable evolution: Introducing participative-entrepreneurial leadership (PEL) for family businesses

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Abstract

Purpose: This study addresses the intricate challenge facing family businesses (FBs): harmonizing traditional legacies with modern entrepreneurial demands. It introduces the Participative-Entrepreneurial Leadership (PEL) model, envisioned as a sustainable leadership approach specifically crafted for the unique dynamics of FBs.

Design/methodology/approach: An in-depth exploratory framework is employed to investigate FB dynamics. The genesis of the PEL model is visualized as a harmonized integration, infusing elements of entrepreneurial leadership with the ethos of participatory governance.

Findings: The PEL model stands out as a critical development, seamlessly integrating academic theories with the complex realities of FBs. It underscores a dual emphasis: revering time-honored family values whilst simultaneously championing avant-garde entrepreneurial pursuits. This balance is reflected in the model's ability to enhance organizational performance and stakeholder satisfaction.

Research limitations/implications: While the PEL model is theoretically solid, its practical effectiveness awaits further empirical validation in diverse entrepreneurial landscapes.

Practical implications: The PEL model emerges as a guiding framework for FB leaders, advocating for flexibility and stakeholder inclusivity. It offers a strategic pathway for achieving sustainable growth in the fluctuating landscape of contemporary business.

Originality/value: This exposition marks the pioneering introduction of the PEL model within the leadership lexicon, meticulously curated for the FBs arena. Moving beyond traditional academic discourse, it extends a clarion call to academicians and industry veterans to further elucidate PEL's profundities, thereby enriching the ongoing conversation on family business leadership in a globally interconnected era.

Keywords: Family Businesses, Leadership, Participative-Entrepreneurial Leadership, Fresh Perspectives, Conceptual, Sustainable Evolution

Introduction

Across various economic epochs, family businesses (FBs) stand as testaments to resilience and influence. Their enduring legacies, spanning from Asia to the broader international market, have significantly impacted global commerce. The 2023 EY and University of St.Gallen Family Business Index reinforces this significance, revealing that the top 500 family businesses generated a staggering US\$8.02 trillion in revenue, a 10% increase from 2021 (EY, 2023). This leads to a pivotal question: Do these figures merely represent enduring legacies, or are they indicative of a progressive, innovative evolution in FBs? This dichotomy, explored further in studies by PwC (2023) and Davis (2023), highlights the nuanced tension between maintaining traditional family values and meeting modern global market demands, emphasizing the role of socioemotional wealth in the sustainable evolution of FBs (Magrelli et al., 2022; Björnberg & Nicholson, 2012; Zellweger, 2017).

A central challenge for FBs lies in integrating these traditional values with innovative entrepreneurial practices in a dynamic and complex global market. As Sorenson (2000) highlights, leadership dynamics remain integral to this equation. The entrepreneurial leadership ethos, emphasizing innovation-centric risk-taking, has traditionally offered entities a canvas for adaptability (Gupta et al., 2004). On the flip side, participative leadership heralds inclusivity, promoting a collective decision-making ethos, anchoring stakeholder allegiance (Lam et al., 2015). Yet, despite their inherent merits, neither archetype offers an all-encompassing solution for leadership quandaries (Fries et al., 2021). In this evolving context, FBs stand at a precipice. As technological revolutions (Ge et al., 2021; Jovic et al., 2021) intertwine with volatile global economic currents (Davis, 2023; Zahra, 2016), FBs are propelled to re-evaluate their leadership paradigms. Furthermore, the burgeoning emphasis on sustainable, ethically conscious business practices (Rovelli et al., 2021) adds layers to this intricate tapestry, compelling FBs to harmoniously meld their foundational values with modern-day entrepreneurial imperatives, especially innovation.

The analytical prowess of tools like Habbershon et al.'s (2003) 'Three-Circle Model' has illuminated the intricate dynamics converging family, ownership, and business realms. Pioneering research initiatives, notably those championed by Chrisman et al. (2015) and Fries et al. (2021), underscore the emergent demand for leadership models adeptly navigating these intertwined spheres. Such leadership aspires for an immersive understanding, transcending superficial engagements with these interlinked domains. As epitomized by Davis & Haverston (1998), it becomes imperative to champion leadership paradigms that seamlessly integrate ancestral reverence with innovative zeal, emphasizing agility and strategic foresight. This sets the stage for the current paper's aim to intricately introduce the PEL framework, examining its role in harmonizing stakeholder interests with evolving leadership dynamics, while simultaneously informing policy-making decisions in the realm of sustainable business practices.

This composition, rich with a tapestry of literary insights, crafts a narrative that delves into the nuances of the PEL framework, aligning it with the distinct dynamics of FB leadership. While still in its developmental stages, the theoretical underpinnings of PEL hint at its transformative capacity. The discourse pays homage to existing paradigms, yet boldly ventures into new realms, encouraging thought leaders and industry pioneers to examine the PEL model's capacity for metamorphosis. This exploration aims to unravel how the PEL framework can effectively engage stakeholders, addressing their diverse needs and perspectives, while also guiding policy makers towards strategies that support sustainable growth and ethical leadership

in family businesses. The paper's journey through these domains underscores the PEL model's potential to influence a broad spectrum of strategic decisions, shaping the future of leadership in FBs.

This paper is structured to first provide a thematic review of the existing literature on FB dynamics, leadership challenges, and evolving research in family businesses. It then introduces the Participative-Entrepreneurial Leadership (PEL) model, providing a detailed analysis along with its theoretical underpinnings. Following this, the paper presents a carefully crafted potential research framework and a proposed methodological pathway. This is followed by a discussion and conclusion that incorporate the theoretical and practical implications of the PEL model, highlighting its role in fostering sustainable and inclusive growth in FBs. Additionally, the paper acknowledges its limitations and suggests directions for future research. The paper concludes by reflecting on the transformative potential of the PEL model and calls for further exploration and empirical validation in diverse FB contexts.

Past Research and Current Exploration

The Dialectic of Tradition and Present-Days Innovation in Family Businesses

Family businesses (FBs) stand as a testament to the harmonious interplay between venerable traditions and modern entrepreneurial endeavors. Drawing from foundational insights by Tagiuri and Davis (1996) and Sharam et al. (1997), there remain a distinct dynamic characteristic of FBs, where tradition serves as an anchor while innovation propels forward momentum. Astrachan (2002, 2010) and Sharma (2004) delve deeper, emphasizing the socioemotional wealth intrinsic to these businesses, which often emerges from a bedrock of shared history and familial legacies. This portrayal of FBs as both guardians of tradition and champions of innovation is echoed by Magrelli et al. (2022) and Rovelli et al. (2021). The challenge and artistry lie in harmonizing these seemingly contrasting realms, a sentiment underscored by Astrachan et al. (2020) and Zellweger et al. (2017). As FBs traverse this intricate landscape, they draw inspiration from foundational wisdom, as highlighted by Sorenson (2000), while also adapting to evolving paradigms of leadership and market dynamics, a narrative enriched by contemporary voices such as Clauß et al. (2022).

Navigating Participative Leadership in Family Businesses

Participative leadership within FBs represents a sophisticated confluence of historical perspectives and contemporary exigencies. Grounded in the foundational theories of luminaries such as Ludwig Von Bertalanffy (1968) and Yukl (2012), it synthesizes the ethos of individual empowerment with a shared organizational vision, a sentiment reinforced by Wang et al. (2022). The contemporary perspectives of Lam et al. (2015) underscore the essence of cultivating a milieu that nurtures both innovation and consensus-driven endeavors. This perspective finds resonance in Chirico et al. (2011)'s discourse, which spotlights participative leadership as pivotal in orchestrating the future directions of FBs, further emphasizing its significance for fostering interpersonal harmony and coherence. However, the path of participative leadership in FBs is paved with intricate challenges. As Sharma (2004) and Elsetouhi et al. (2022) illustrate, achieving a harmonious alignment between cherished familial legacies and evolving business paradigms is paramount. This nuanced dance of balancing tradition with modernity echoes in the research of Rok (2009) and Schepers et al. (2020). The seamless transition and stewardship across different family generations are poignantly captured in the works of Davis & Haverston (1998) and further elaborated by Davis (2023).

Entrepreneurial Leadership in Family Businesses: Reimagining Participative Dynamics

Entrepreneurial leadership within FBs reflects a synthesis of forward-thinking dynamism and deep-rooted legacy. Drawing inspiration from Zahra (2016) and Zellweger (2017), the framework for FBs is envisioned as a delicate balance between the pioneering spirit of innovation and the sanctity of tradition. The intertwining of entrepreneurial endeavors with lineage-focused succession is highlighted by Aldrich and Cliff (2003) and Morris et al. (1997), emphasizing the imperative of strategic foresight. Scholars like Gupta et al. (2004) and Kansikas et al. (2012) conceptualize entrepreneurial leadership as a continuum, where innovative strategies harmoniously coexist with time-honored family values, an ideology that finds resonance in the work of Basco et al. (2020). Delving deeper, Chrisman et al. (2015) and Aldrich et al. (2021) underscore the synergy of embedding entrepreneurial pursuits within the tapestry of family legacy and values. In this intricate interplay, thought leaders like Le Breton-Miller and Miller (2013) along with Covin and Wales (2019) champion the alignment of these vibrant entrepreneurial endeavors with the foundational ethos of FBs. This ensures that innovation is nurtured without compromising the unique socioemotional fabric intrinsic to FBs, a perspective endorsed by Davis (2023) and Ramadani (2020). Collectively, these insights highlight a central tenet: to truly flourish in today's dynamic ecosystem, FBs' entrepreneurial ventures must be anchored in participative ideals, fostering a legacy of sustainable progression.

Digital Era and Dualities: Tradition Versus Innovation in Family Business Leadership

FBs, with their deep-seated legacies, find themselves at a crucial juncture—endeavoring to preserve their invaluable socioemotional wealth while simultaneously embracing modern-day innovations (Davis, 2023). The power of tradition, anchored in familial values and systems, bestows a sense of identity and continuity, weaving trust and predictability through the enterprise's fabric (Astrachan et al., 2020). However, the compelling pull of innovation, fueled by rapid technological strides and shifting market terrains (Ge et al., 2021), heralds uncharted avenues and a promise of a brighter tomorrow (Magrelli et al., 2022; Chrisman et al., 2015). A precarious equilibrium, if left unchecked, can potentially derail the harmonious evolution of FBs, a sentiment reflected in studies by Kraus et al. (2011) and nuanced explorations by Chua et al. (2012) regarding business heterogeneity. Drawing upon insights from Cherchem (2017), it becomes clear that within this complex ecosystem, leadership must wear the dual hats of tradition custodian and innovation catalyst (Basco et al., 2020; Hillebrand, 2019). Informed by the foundational contributions of Tagiuri and Davis (1996) and further enriched by contemporary thinkers such as Magrelli et al. (2022) and Rovelli et al. (2021), the narrative underscores a leadership model adept at harmonizing these twin imperatives.

Summarizing Thematic Focus and Identifying Gaps

As revealed above, FBs currently face a pivotal moment, striving to balance their traditional socioemotional wealth with the necessity to adopt contemporary innovations. The strength of tradition, deeply rooted in familial values, offers a sense of identity and continuity as highlighted by Astrachan et al. (2020). Meanwhile, the impetus for innovation, driven by technological advancements and shifting market dynamics (Ge et al., 2021), is creating new pathways for growth and adaptability, as noted by Magrelli et al. (2022) and Chrisman et al. (2015). However, striking a balance between these elements presents a significant challenge. If not appropriately managed, it could hinder the evolutionary progress of FBs, a concern echoed in the works of Kraus et al. (2011) and Chua et al. (2012). Current research recognizes these dualities but often fails to offer a cohesive leadership model that effectively amalgamates these two critical aspects within FBs.

Entrepreneurial leadership, with its focus on innovation and strategic foresight, propels FBs towards new frontiers of market engagement and competitive advantage. However, this approach alone may not fully honor the traditional values and long-standing relationships that define many FBs. On the other hand, participative leadership emphasizes collective decision-making and inclusivity, aligning well with the family-centric ethos of these businesses. Yet, this model might lack the aggressive drive needed for cutting-edge innovation and rapid market adaptation. The prevailing question then becomes: How can FBs integrate these two leadership styles to harness both their traditional strengths and innovative capabilities? This inquiry underscores a gap in current research, highlighting the need for a leadership model that not only bridges this divide but also leverages the unique advantages of both approaches to foster sustainable growth and resilience in FBs.

Blending Epochs in the Face of Theoretical Framework: Pioneering Participative-Entrepreneurial Leadership

In light of the identified gaps, the current exploration paves the way for the 'Participative-Entrepreneurial Leadership (PEL)' framework, which emerges as a novel approach in the context of FBs. PEL, deriving its essence from the interplay of enduring traditions and modern entrepreneurial demands, offers a strategic alignment uniquely suited to FBs. Inspired by the insights of Fries et al. (2020) on the importance of leadership adaptability and De Massis et al. (2021) on the significance of stakeholder collaboration and entrepreneurial agility, PEL provides a holistic leadership blueprint. This model empowers FBs to remain anchored in their rich heritage while confidently navigating the challenges of the modern business landscape, thus fostering a legacy of sustainable progression amidst evolving market realities.

Conceptualizing Participative-Entrepreneurial Leadership (PEL): An Evolutionary Theoretical Trajectory

This discourse introduces PEL as a cutting-edge leadership model, intricately blending the democratic ethos of participative leadership (Yukl, 2012; Yukl et al., 2002) with the vigor intrinsic to entrepreneurial leadership (Kansikas et al., 2012). PEL is envisaged as a leadership style that cultivates an inclusive milieu, appreciating and amalgamating varied stakeholder perspectives (Chua et al., 2012), while simultaneously championing agility, foresight (Eddleston et al., 2010), and adaptability symbolic of entrepreneurial endeavors (De Massis & Rondi, 2020; Zahra, 2016 & 2005; Zellweger et al., 2011). At its nucleus, PEL empowers members to share their unique insights (Wang et al., 2022), shaped by individual values and expectations, thereby laying the foundation for both spotting and harnessing entrepreneurial opportunities, all while ensuring robust internal endorsement (Covin & Slevin, 1991; Jovic et al., 2021).

Below Figure 1 illustrated the emergence of PEL within the intricate fabric of FBs—where familial ties intricately weave with business imperatives. Indeed, as discussed in previous Section, FBs, characterized by the overlapping domains of family, ownership, and business, often find themselves at the crossroads of preserving time-honored traditions and navigating the imperatives of modern innovation. As these entities confront system dynamics, often marked by a balance between fiscal objectives and the cherished socioemotional wealth, the equilibrium between legacy preservation and forward-looking growth becomes paramount. Herein lies the prowess of PEL. It not only acknowledges these dualities but also equips FBs with strategies to harness them as synergistic forces. Embracing the PEL paradigm signifies a conscious effort to integrate the heterogeneity of familial resources, converging them towards a unified vision—a testament to the transformative potential of participative leadership in

reshaping the trajectories of modern FBs. The following discussion of PEL's theoretical proposition.

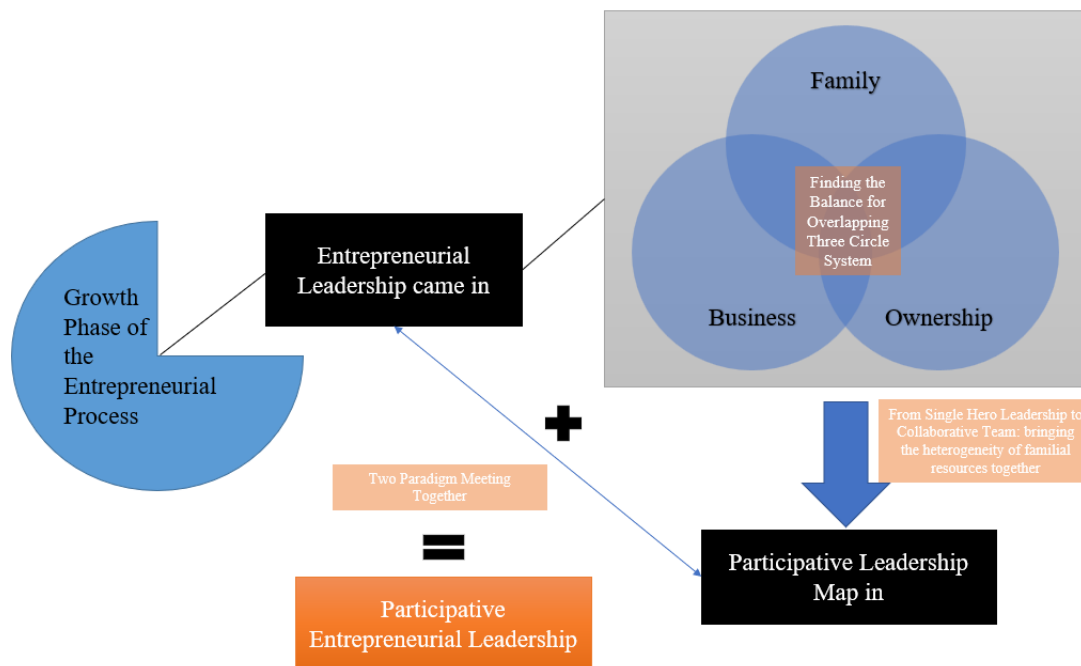


Figure 1: Mapping Out Participative-Entrepreneurial Leadership
Sources: Author Self Creation

System Theory

Derived from von Bertalanffy's (1968) foundational concept, System Theory underscores the importance of seeing entities as cohesive, interconnected systems rather than mere aggregations of parts. In the context of FBs, Habbershon et al. (2003) expanded on this by emphasizing the complex interplays between familial bonds, business strategies, and organizational structures. Astrachan et al. (2020) further contextualized this in the family business setting, illustrating how deeply entrenched family values can influence, and at times even dictate, strategic business choices. PEL, as introduced within this ecosystem, could be the linchpin that reconciles these complex dynamics. The insights from Davis (2023) accentuate this, suggesting that adept leadership can bridge the traditional values with modern business strategies, ensuring longevity and relevance.

Household Adjustment Theory

This theory, initially introduced by Morris and Winter (1975), was significantly expanded upon by Aldrich and Cliff (2003). They detailed the balancing act that FBs undertake in their dual roles—maintaining familial traditions while navigating the competitive business landscape. Sharma (2004) offers an insightful critique here, stating that the negotiations between these two roles can often lead to internal conflicts, impacting both familial relationships and business performance. Heidrich et al. (2016) further observed that these negotiations are more than just reconciliations; they are strategic adjustments that can dictate the very survival of the business. PEL, within this backdrop, offers a harmonizing approach. Its emphasis on entrepreneurial agility, as underscored by Ge et al. (2021), combined with its participative ethos, ensures that the family's legacy and the business's forward momentum are not at odds.

Resource-Based View (RBV)

Wernerfelt's (1984) Resource-Based View (RBV) underscores the intrinsic assets a company possesses as determinants of competitive advantage. In the context of FBs, these resources aren't confined to the tangible; they extend into the realm of the intangible. Habbershon & Williams (1999) articulate that familial trust, shared values, and a nuanced understanding of their business landscape emerge as core assets. This nuanced understanding is further enriched by the familial bonds, which, as Cunningham et al. (2016) suggest, foster an enhanced culture of knowledge sharing, consequently boosting innovation capacities. When juxtaposed with Basco et al. (2020), it becomes evident that the interplay of these resources gives FBs a distinctive entrepreneurial edge. This intricate tapestry of resources and their strategic orchestration is where PEL, as advocated by De Massis et al. (2021), plays a pivotal role. It aids FBs in not only harnessing but also optimizing their inherent resources, ensuring their stature as market leaders and trendsetters.

Sustainable Family Business Performance Theory (SFBT)

Diving into the Sustainable Family Business Performance Theory, Astrachan (2010) puts forth a holistic perspective, where FBs transcend profit-centric goals to encompass social, environmental, and economic considerations. Zellweger (2017) builds upon this, emphasizing that such integration is not just strategic but deeply ingrained in the ethos of family enterprises. These sentiments resonate with Astrachan et al. (2020), who highlight the intrinsic alignment of FBs with ethical and sustainable practices. Within this rich narrative, the essence of PEL seamlessly integrates. It embodies and amplifies the ethos of these businesses, where the participative aspect nurtures inclusivity, and its entrepreneurial facet drives innovation. Echoing the insights of Schepers et al. (2020), PEL ensures that FBs, powered by their heterogeneous resources, are not just sustainable in their pursuits but also evolve as trailblazers, crafting a future enriched by entrepreneurial vigor.

Therefore, weaving together the insights from RBV and SFBT, it becomes theoretically evident that FBs operate in a unique nexus of past legacies and future aspirations. Their success, in an ever-evolving global business landscape, hinges on leadership models like PEL that not only recognize but adeptly navigate this duality, ensuring traditions are upheld while new-age innovations and sustainable strategies are seamlessly integrated.

Crafting Research Framework

FBs, with their unique interplay between history and modernity, occupy a distinctive position in today's global economy. With the dynamic challenges of the modern business environment, it's unsettling that, as highlighted by Earnst & Young (EY, 2023), only a fraction of FBs can seamlessly transition to the subsequent generation. This challenge goes beyond mere operational hiccups; it's emblematic of a broader shift in business philosophy, pressing these entities to pivot from mere reaction to proactive innovation.

The PEL framework emerges as a resonant solution to this dilemma. Rather than being just an academic construct, PEL signifies a harmonious blend of entrepreneurial drive and participative leadership, designed meticulously for FBs. This duality, where preserving socio-emotional assets meets progressive strategic innovation, is underscored by findings from Davis (2023); Magrelli et al. (2022) and Björnberg & Nicholson (2012). The PEL approach, when adeptly deployed, promises not just survival but a path to sustainable success in this volatile marketplace. As championed by Astrachan et al. (2020) and Zellweger (2017), a comprehensive research trajectory is essential—one that integrates familial values with business pragmatism. The subsequent segments endeavor to outline this research framework.

Delineating the Core Constructs of PEL

PEL's foundational dimensions are:

1. **Participative Leadership Dimension:** Grounded in the essence of the Participative Leadership Behaviour Scale (PLBS), this facet promotes democratic decision-making, inclusivity, and collective responsibility, corroborated by Wang et al. (2022), Lam et al. (2015), Yukl (2012) and Yukl et al. (2002). For FBs, this results in a cohesive intra-familial milieu, with Sorenson (2000) emphasizing the consequential positive impact on performance.
2. **Entrepreneurial Leadership Dimension:** As epitomized by Gupta et al. (2004), Le Breton-Miller and Miller (2013) and Covin and Wales (2019), this dimension propels visionary foresight, adaptability, and informed risk-taking, laying the foundation for an innovative culture essential for contemporary business evolution (Fries et al., 2021).
3. **Vision for Future Communication Process' (VFCEP):** This component is introduced along two paradigms: one that centers on the immediate future projections and the other that focuses on long-term sustainable evolution. In fact, within the realm of the future domain, sustainable evolution becomes pivotal for organizations aiming to strike a balance between current profitability and long-term viability. Echoing the insights of Clauß, et al. (2022), the VFCEP underscores proactive leadership, underpinning the importance of foreseeing challenges and opportunities in the broader business ecosystem. Anchoring the organization in a sustainable and shared vision for the future isn't just a strategic endeavor but becomes the very ethos of businesses aiming for longevity and relevance in an evolving market, a sentiment further captured by Chrisman et al. (2015).

Envisioning Business Performance

To holistically appraise performance in FBs, one must use a lens wide enough to capture both tangible and intangible metrics. Based on the comprehensive perspectives provided by Astrachan et al. (2020), Chua et al. (2012), Zellweger et al. (2011), and Zahra (2005), performance should encompass stakeholder satisfaction, sustainable practices, socio-emotional wealth, and adaptability, aspects further refined by De Massis et al. (2021) and Morris et al. (1997).

Contextual Considerations

The intrinsic amalgamation of familial ties and business objectives in FBs demands a specialized analytical perspective. Drawing insights from Miller & Le Breton-Miller (2013), and enriched by Davis (2023), an intricate evaluation becomes non-negotiable. Astrachan's (2002) FPEC model emerges as a robust tool, emphasizing a multi-dimensional approach to family business research, as further championed by Astrachan et al. (2020). Recognizing the composite nature of the family business, it's crucial to adopt a bi-dimensional evaluation, intertwining both family and business dimensions. With the extensive narratives provided by Tagiuri & Davis (1996), Sharma (2004), and further insights from Magrelli et al. (2022), the family business dynamic emerges as a complex yet harmonious blend of tradition and innovation.

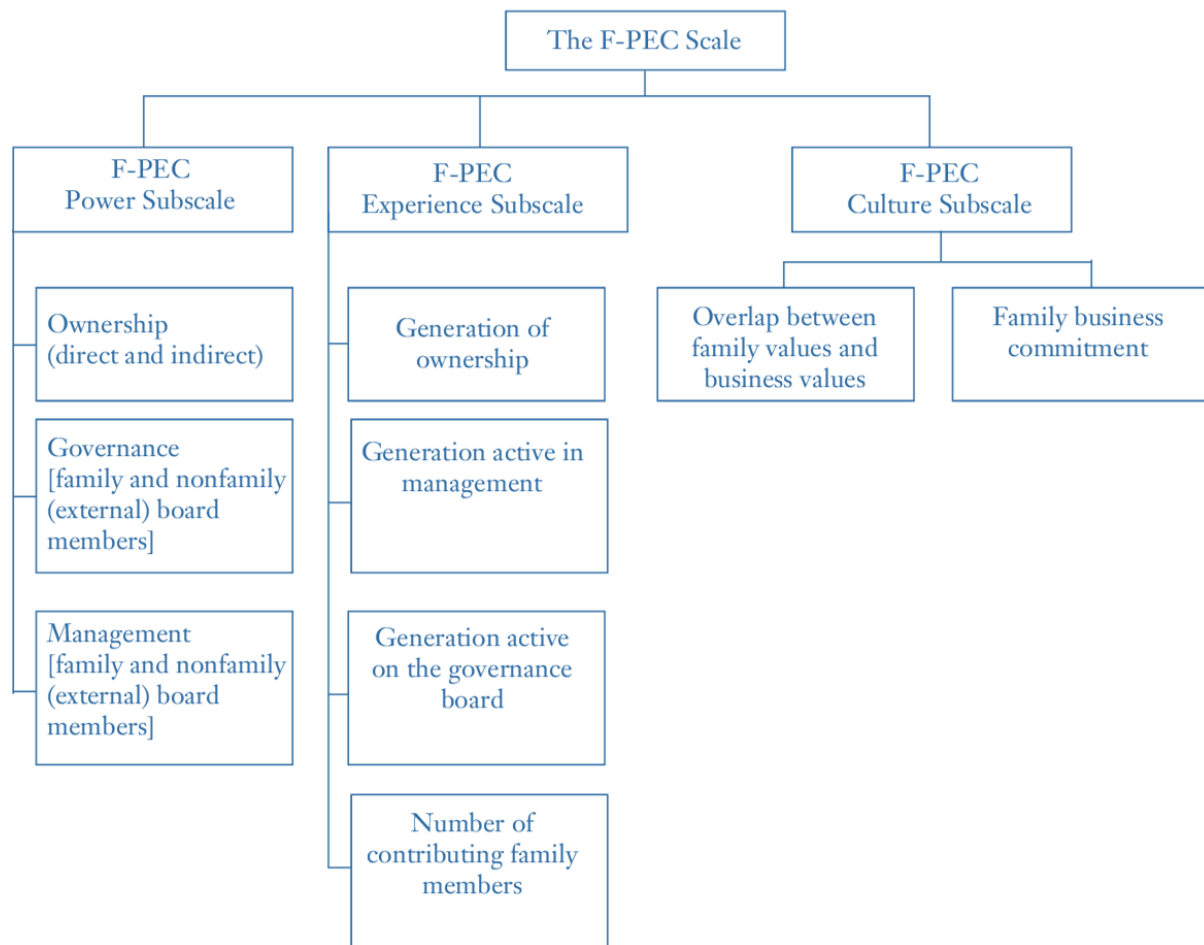


Figure 2: The F-PEC Scale
Sources: adapted from Astrachan et al. (2002)

The depicted research framework in Figure 3 strategically positions itself upon three foundational pillars: familial influences, commercial mandates, and overarching external environment dynamics. Within this construct, Participative-Entrepreneurial Leadership (PEL) is delineated as the Independent Variable (IV), forging a decisive link with the Dependent Variable (DV) - business performance. In its essence, PEL stands out as a transformative catalyst. It molds intra-familial interrelationship and nurtures a culture of innovation - two dimensions that, when traced back historically, have often been instrumental in sculpting the trajectory of business success (Magrelli et al., 2022; Björnberg & Nicholson, 2012; Zellweger, 2017).

As this research endeavor embarks upon its initial phases, a harmonious blend of age-old values and modern-day commercial demands becomes discernible. Anchored in the seminal insights of Sorenson (2000) and enriched by contemporary perspectives like Lam et al. (2015) and Fries et al. (2021), this academic journey endeavors to traverse the nexus where ancestral family ethos intersects with the pressing demands of today's volatile market arena.

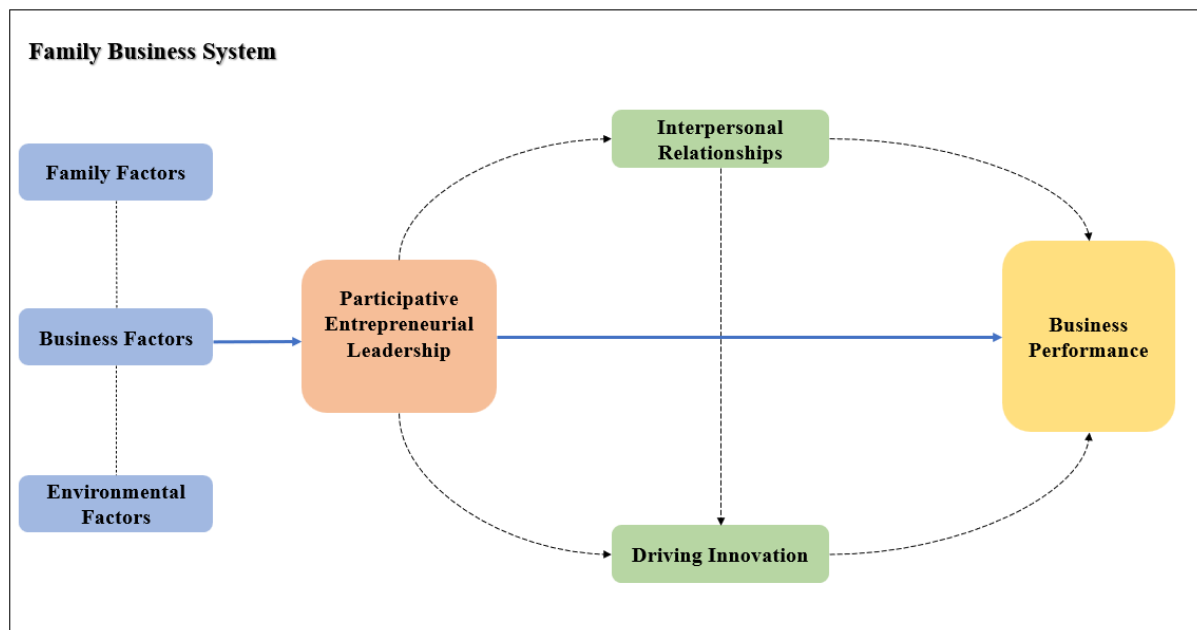


Figure 3: Research Framework
Sources: Author Self Creation

Proposed Methodology for Empirical Validation

In the pursuit of validating the Participative-Entrepreneurial Leadership (PEL) model, this paper outlines a methodology that bridges theoretical constructs with real-world outcomes in family businesses (FBs).

Initiation of Validation

The empirical journey begins with a pilot test, as underscored by Astrachan (2010) and Astrachan et al. (2020), to meticulously evaluate each variable of the PEL model. This initial step is vital for assessing the model's fit within the unique context of FBs and for shedding light on the innovative facets of PEL in alignment with established theoretical frameworks, as expounded by Aldrich and Cliff (2003) and De Massis et al. (2021). The outcomes from this phase will set the stage for broader research endeavors, expanding the understanding of PEL's applicability across diverse FB environments.

Analytical Approach

Following the completion of the pilot test, the next crucial phase in research methodology involves the meticulous incorporation of quantitative data, as emphasized by Ge et al. (2021). This step is indispensable for the empirical validation of the Participative-Entrepreneurial Leadership (PEL) model. The collected quantitative data will undergo an in-depth analysis using Structural Equation Modeling (SEM), a method particularly suited for probing into the core hypotheses of the PEL model. The choice of SEM, aligning with the advanced analytical strategies outlined by Astrachan et al. (2021), is due to its robustness in handling complex variable relationships and its capacity for revealing underlying causal links.

The SEM analysis will serve a dual purpose: firstly, it will test the direct relationships posited in the PEL model, scrutinizing how various elements of participative and entrepreneurial leadership influence FB performance metrics. Secondly, it will explore indirect effects and potential mediating variables, offering a comprehensive view of the leadership dynamics within FBs. This quantitative exploration is pivotal in validating the effectiveness of the PEL model, providing concrete, data-driven insights into its impact on FBs.

In tandem with the quantitative analysis, a thematic analysis of qualitative data will be conducted, following the methodology championed by Chrisman et al. (2015). This qualitative exploration will delve into the subjective experiences and perspectives of individuals within FBs, seeking to uncover the underlying behaviors, motivations, and attitudes that drive leadership practices. This step is essential for understanding the real-world application and implications of the PEL model. By engaging with qualitative data, as per the approach conducted by Wang et al. (2022), this phase is to capture the intricate and often subtle aspects of leadership dynamics that quantitative methods might overlook.

The thematic analysis will involve coding and categorizing data from interviews, open-ended survey responses, and possibly observational notes. Themes related to participative and entrepreneurial leadership practices, their perceived effectiveness, and their impact on organizational culture and performance will be identified and analyzed. This qualitative inquiry will add depth to the understanding of the PEL model, revealing the lived experiences and perceptions of those practicing and affected by these leadership styles in FBs.

Integration and Synthesis

Moving forward, mirroring the comprehensive analysis of Zellweger (2017), mixed method analytical approaches—quantitative SEM and qualitative thematic analysis—could be employed to provide an even robust, multidimensional exploration of the PEL model. This is essential for drawing well-rounded conclusions about PEL's impact on FBs. It will encapsulate the multi-dimensional influence of PEL on FB performance. This synthesis will not only reinforce the model's academic validity but also underscore its practical applicability in the dynamic world of family business management. Specifically, the insights gained could provide evidence-based guidelines for developing policies that support the growth and sustainability of FBs. By demonstrating the effectiveness of the PEL model, such research could inform policy decisions that encourage leadership practices fostering innovation, collaboration, and socio-economic growth within the FBs sector.

Discussion and Conclusion

This research has intricately woven through the complex tapestry of family businesses (FBs), spotlighting the delicate balance between deeply-rooted traditions and the imperative of modern entrepreneurial innovation. The Participative-Entrepreneurial Leadership (PEL) paradigm, introduced herein, emerges as a key facilitator in this delicate balancing act. PEL serves as a dynamic fulcrum, adept at aligning the rich ancestral wisdom inherent in FBs with the vibrant and ever-evolving demands of contemporary commerce and innovation. This strategic alignment under PEL ensures that FBs maintain their adaptability and evolutionary trajectory in a fiercely competitive global marketplace.

Throughout this study, an extensive exploration of thematic narratives and past research has led to the identification of critical gaps in the existing knowledge base. This paper has systematically developed a comprehensive research framework, integrating PEL within a solid theoretical and methodological structure. The juxtaposition of PEL against traditional leadership models in FBs has provided a fresh perspective, offering both conceptual clarity and practical applicability.

Theoretical Implications

The integration of PEL into academic discourse extends beyond a mere additive approach; it represents a redefinition of existing paradigms. This innovative framework, which synergizes participative leadership with entrepreneurial vigor, marks a new territory within the realm of FBs. It prompts a reevaluation of established leadership models, paving the way for

groundbreaking theoretical developments in the field. Specifically, PEL stands as a transformative construct that not only aligns with but also expands upon the conventional understanding of leadership in FBs. It challenges traditional norms and introduces a multifaceted approach that encapsulates the dynamic nature of modern business environments. This model encourages a deeper exploration of leadership dynamics, taking into account the complex interplay between family legacy, market demands, and innovative strategies.

Redefining Leadership Models

In moving forward, PEL's infusion into academic scholarship transcends mere augmentation—it redefines it. The PEL framework opens up avenues for a more nuanced exploration of leadership within the diverse contexts of FBs. It encourages a reconceptualization of entrenched leadership paradigms, proffering innovative trajectories for scholarly pursuit. It provides a cornerstone for future theoretical work to delve into the applicability of PEL across various cultural and economic landscapes, examining its efficacy in different types of family business structures and industries. Such investigations will contribute to a more comprehensive understanding of how participative and entrepreneurial leadership can coexist and flourish within the unique ecosystem of FBs. Additionally, the adaptability of PEL in response to evolving market conditions, technological advancements, and generational shifts within FBs warrants further exploration, offering insightful perspectives on the future of leadership in these crucial economic entities.

Practical and Social Implications

For practitioners and stakeholders embedded within FBs, PEL evolves from a mere theoretical construct to a pivotal strategic blueprint. It underscores the quintessence of collaborative decision-making, strategic foresight, and nimble adaptability. Extending its tenets to a macroscopic perspective, if FBs relevant stakeholders implement the PEL approach, they not only fortify their internal dynamics but also position themselves as trailblazers in the business world. The significance of PEL extends beyond the confines of individual FBs, suggesting a transformative impact on broader economic and societal levels. By integrating the ethos of PEL, diverse organizational sectors could cultivate an economic landscape marked by inclusivity and equitable growth. This holistic adoption of PEL principles could elevate FBs from traditional commercial players to pivotal agents of societal advancement, influencing broader economic policies and fostering a business culture enriched with family values and entrepreneurial spirit.

Moreover, the ripple effects of the PEL model are profound, potentially leading to what can be described as a 'butterfly effect' in organizational dynamics and policy-making. The adoption of PEL principles in FBs can inspire widespread changes in leadership and management approaches across various sectors. As more organizations begin to balance participative governance with entrepreneurial agility, the collective impact could significantly alter the business landscape, emphasizing transparency, accountability, and stakeholder engagement. This paradigm shift, rooted in the principles of PEL, holds the promise of reshaping not only the way businesses operate but also their role in society, paving the way for a future where businesses contribute meaningfully to the well-being of communities and the global economy.

Limitations and Suggestions for Future Research

While this paper carves out seminal insights, the expansive horizon of academic inquiry beckons with uncharted topographies. As luminous as PEL appears in the theoretical firmament, rigorous empirical scrutiny awaits its full validation. Pertinent inquiries surface: Is the universality of PEL's tenets feasible across multifarious cultural and socio-economic

spectrums? While this narrative primarily accentuated established FB paradigms, does it offer comprehensive insights into emergent hybrid entrepreneurial frameworks? An exhilarating avenue for impending scholarship might be the intersectionality of PEL with disruptive technological vanguards, deciphering potential synergies or discordances.

A philosophical musing persists: Within the arena of FBs, is it tenable to seamlessly uphold the sanctity of bygone legacies while fervently championing avant-garde innovations? Or might this endeavor oscillate between reverence and evolution, capturing an ever-elusive equilibrium?

Future research should explore the expressed balance, investigating whether FBs can achieve a sustainable equilibrium between reverence for their heritage and the adoption of innovative practices. Looking ahead, future research should delve into the application of PEL in varied contexts, examining its effectiveness and adaptability in different cultural, economic, and technological landscapes. Investigating the interplay between PEL and disruptive technologies, as well as its implementation in non-traditional FB models, will provide deeper insights into the model's versatility and relevance. This continued exploration will contribute to a more nuanced understanding of leadership in FBs, potentially reshaping theories and practices in the field.

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