

# **Zeppelin University**

Department Corporate Management and Economics  
Strategy & Governance of Family Entrepreneurship  
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Master's thesis

## **A systematic literature review on the relationship of leadership and innovation in family businesses**

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## **Abstract**

**Objectives:** The current knowledge on the impact of family business leadership on innovation is limited and characterized by various theoretical and empirical inconsistencies and contradictions. Therefore, the objective of this thesis is to deliver a systematic review of the literature on factors of leadership, composed of management, ownership and generation, and their influence on innovation in family businesses.

**Methodology:** For this purpose, the author conducts an exhaustive systematic review process to analyze 66 relevant publications from 1997 to 2016. In order to organize and synthesize the results from the review, the author develops an integrative framework, which defines leadership in family firms as a theoretical meta-construct composed of management, ownership, and generation.

**Findings:** This review produces three major findings. First, a majority of studies in the review indicate that while high stakes of family ownership are in fact positively related to firm innovativeness, high levels of family involvement in management is not. Second, family businesses should critically evaluate diversity and composition of their management board and TMTs. Several studies provide empirical evidence that a high share of family members on the TMT and board is negatively associated with firm innovativeness. Third, scholarly research indicates that later-generation family firms are less innovative than first-generation founder firms.

**Contributions:** First and foremost, this study contributes to research by comprehensively collecting, analyzing, and synthesizing a large body of literature and knowledge on the relationship of leadership and innovation in family businesses. As such, more structure is given to the fragmented field of family business innovation and various promising research gaps are identified for future studies.