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Crisis Management: A Necessary Evil or Useful Tool? The Role of Socioemotional Wealth in the Crisis Management of Family Firms**

Abstract

The purpose of this paper is to explore and understand how family firms manage a crisis by applying a processual perspective addressing the different phases of a crisis, including its origin, context and consequences. Drawing on a study of six family firms, we find that the leadership of the owning family signifies crisis management in family firms. Also, family firms rely on multiple crisis management practices and make use of their relationships and networks, which support crisis management at different stages. Socioemotional wealth can be both a trigger and a consequence of crisis management procedures. This study contributes to the literature by providing a more nuanced and developed crisis management model that accounts for the peculiarities of family firms. We argue that it is of the greatest importance to consider the consequences of a crisis whose origin stems from the owning family. In particular, such crises will trigger the owning family, as their socioemotional endowment would be at risk, which can free family resources for crisis management practices.

Keywords: crisis management process, family firms, family leadership, case study, Germany, Scotland, Sweden, SMEs
(JEL: L26, M10, M19)

Introduction

Very few studies have investigated how family firms manage and overcome crises (for exceptions, see Cater & Schwab, 2008; Faghfouri et al., 2015; Kraus et al., 2013; Miller & Le Breton-Miller, 2005). In this paper, we adopt Chua et al.'s (1999) definition of family firms: firms in which one family controls the ownership, is involved in the firm and has the intention to continue the firm in the next generation. A recent study of German SMEs found that formalised crisis procedures decrease as family ownership increases (Faghfouri et al., 2015). Nonetheless, crisis management is of great relevance for family firms because their socioemotional endowment (Gómez-Mejía et al., 2007, 2011) is at stake for owning families.

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Those endowments are nonfinancial benefits, e.g., identity, exercising influence over the business and keeping the business in the family.

In the family business context, Cater and Beal define a crisis as "a low-probability situation with significant consequences for the organisation, a high degree of uncertainty, and a sense of decision-making urgency" (2014, p. 65). Cater and Beal (2014) speak of externally induced crisis; however, due to the complexity of family firms with their overlapping systems of family and business, a crisis can also be family induced, e.g., a divorce (Haag & Sund, 2016). This adds to the complexity of family firms and makes crisis management an important but delicate issue. In order to account for this complexity, we draw on the socioemotional wealth (hereafter SEW) perspective, which argues that family owners seek to obtain nonfinancial wealth from owning their business, besides financial outcomes. Particularly, they want to be the controlling owner and influence it, identify with the organisation, establish binding social ties, develop an emotional attachment to the organisation and renew family ownership through generational succession (Gomez-Mejia et al., 2011; Gomez-Mejia et al., 2007).

Recent research has called for an investigation of the impact of SEW dimensions (Berrone et al., 2012) on crisis management in family firms (Faghfouri et al., 2015; Eggers, 2020). From a theoretical perspective, Roux-Dufort (2007) criticised the crisis management literature for focusing too much on exceptional situations; instead, the author suggests that crisis be viewed as a process. This process must include not only the particular crisis event but also its origins, the context and the consequences for the business and the family. In family firms, it is typically the owning family who has to respond to a crisis because "the value of socioemotional wealth to the family is more intrinsic, its preservation becomes an end in itself, and it is anchored at a deep psychological level among family owners whose identity is inextricably tied to the organization" (Berrone et al., 2010, p. 87; Segaro, 2010; Schlierer et al., 2012).

Moreover, in a crisis situation, the family's socioemotional endowment is at stake (Gomez-Mejia et al., 2007). Indeed, if the firm goes bankrupt, for example, the loss of socioemotional wealth for the owning family (Gómez-Mejía et al., 2007, 2011) can result in feelings of grief and trauma for them (Shepherd, 2009). Therefore, owning families benefit from having a proactive approach toward crisis management.

Summarising the prior arguments, an important question arises: how do family firms handle a crisis situation that places the existence and control of the family firm at stake?

The purpose of this paper is to explore and understand how family firms manage a crisis by applying a processual perspective, including its origins, the context and the consequences for the owning family and the business.

Specifically, this research paper seeks to answer the following research question:

How do SEW considerations affect the crisis management procedures in family firms?

The paper contributes to the literature with empirical illustrations of family firms that faced a crisis situation that threatened the existence of the business as a family business. We draw on case studies from three different countries: Germany, Scotland and Sweden. By selecting cases from three different countries, we account for the diversity and heterogeneity of family firms. The paper develops a theoretical crisis management model that accounts for the peculiarities of family firms by including SEW considerations. We present our theoretical framework and methods before providing the empirical illustrations and then provide a discussion and conclusions.

Theoretical Framework

Crisis and Crisis Management in Family Firms

Many definitions of crisis in family firms (e.g., Cater & Beal, 2014) have been rephrased and built upon an earlier definition by Pearson and Clair (1998). It can be argued that a crisis becomes urgent when a situation escalates, i.e., if no action is taken, the escalation will endanger the existence of the organisation. However, it is often difficult to determine which situations can become a crisis. In other words, it is easier to identify a crisis situation in retrospect.

Therefore, the literature focuses on process models of crisis management whereby detection or analysis is the initial step (Hong et al., 2012; Trahms et al., 2013). Pearson and Clair (1998) define organisational crisis management as

> "a systematic attempt by organisational members with external stakeholders to avert crises or to effectively manage those that do occur." (p. 60)

They go on to discuss different perspectives regarding both crisis and its management. In this work, the focus is on family firms; thus, the family dimension must be considered. Hence, the organisational context is too narrow; it needs to be extended to the owning family, which can be both the cause and solution to a crisis.

Alderson (2015) highlights the peculiarity of family firms and their implications for crisis and crisis management:

> "Beginning with the first sibling rivalry between Cain and Abel, dysfunction and conflict have been present within families, creating the age-old problems of jealousy, bitterness, lack of forgiveness, perceived unfairness, and battles for parental attention." (p. 141)

For instance, Hong et al. (2012, p. 540) introduced a process model for crisis management, which includes four sequential steps: detection, occurrence, recovery and resolution. In the first stage, early warning signals must be detected. When the crisis is present, immediate actions need to be taken to overcome the consequences.

In the recovery stage, efforts are undertaken to recover from the crisis and return to non-crisis mode. The resolution stage aims at returning to a pre-crisis state (Hong et al., 2012). This requires that owners learn from the crisis and identify the root cause of it, which is a critical factor if the crisis originates from the owning family.

Hong et al. base their model on the earlier work of Pearson and Mitroff (1993), who also suggested a four-stage model, but they emphasise the processual character by highlighting learning as a mode that, in the end, connects recovery to signal detection in a cyclical fashion and makes it a closed process. They emphasise the importance of this learning process: "Learning, the last phase of crisis management, refers to adequate reflection and critical examination of the lessons learned from experiencing a crisis" (p. 54).

In family firms, there is the risk that learning is hindered by the dominant family culture and related family inertia (Chirico & Nordqvist, 2010).

Kraus et al. (2013), in their study of SMEs, also emphasise different stages. Although the family dimension appears less vivid in their study, we agree with their argument that more research is needed in this area, as SMEs and particularly family firms seem to be overlooked. Kraus et al. further found that SMEs are more open to exchanging with stakeholders when solving a crisis situation. They highlight that some of their findings illustrate differences between family firms and non-family firms, which should be investigated further. They mention learning effects from prior crises as an example.

A SEW Perspective On Crisis Management

The few prior studies on crisis management in family firms have either not considered the SEW at all or have only considered it in part (Faghfouri et al., 2015). The SEW perspective contains five elements (Berrone et al., 2012; Gomez-Mejia et al., 2011) that research has recently described via the FIBER acronym (Hauck et al., 2016; Naldi et al., 2013; Nordqvist et al., 2015, Chapter 5), where each letter represents one dimension.

The letter "F" represents *family control and influence*. This dimension distinguishes family firms from non-family firms because the owning family has direct or indirect control over the firm in focus and its strategic decision-making (Berrone et al., 2012; Chua et al., 1999). Being in control gives the owning family all the freedom it needs to execute the necessary measures to manage a crisis (Faghfouri et al., 2015).

The letter "I" refers to the *identification of family members with the firm*. Family members identify with the firm which carries the family name and thereby strengthen the identification further (Berghoff et al., 2013; Dyer & Whetten, 2006; Gomez-Mejia et al., 2011). The owning family members' identification with the firm offers both challenges and opportunities in a crisis. Apparently, the family did not foresee the crisis and depending on the type of crisis, it is unclear whether the family is capable of managing the crisis (Cater & Schwab, 2008), particularly if it originated from the owning family (Alderson, 2015).

The third letter, “B”, stands for *binding social ties*. This dimension refers to social relationships involving the family firm, which are partly based on kinship ties and are similar to close network ties. These links are reciprocal and can even include non-family members and actors (Berrone et al., 2012; Fitz-Koch & Nordqvist, 2017). In a crisis situation, these binding social ties can help overcome critical phases because, for example, stakeholders will be more willing to lend support (Decker, 2018). Also, other stakeholders, such as employees or suppliers, can play a supportive role (Kraus et al., 2013) due to these binding social ties.

The *emotional attachment of family members*, “E”, is the fourth dimension. It is well known that when family and business overlap, emotions influence decision-making in family firms (Tagiuri & Davis, 2016). The emotions of being a family owner can, however, bias decision-making in a negative way (Zellweger & Dehlen, 2012) with regard to a crisis situation (Alderson, 2015).

The *renewal of family bonds through dynastic succession*, “R”, is the final and fifth dimension. Family firms are often seen as legacies that will be passed on from one generation to another (Gomez-Mejia et al., 2011). During a crisis, however, this goal is endangered (Cater & Beal, 2014), which can place high demands on the owning family to resolve the crisis.

The SEW perspective offers an important perspective for understanding decision-making in family firms and providing guidance for managing a crisis. Unfortunately, however, knowledge about this topic and its resulting consequences are under-researched (Faghfouri et al., 2015; Kraus et al., 2013).

Studies (e.g., Boers, 2020; Cater & Beal, 2014; Cater & Schwab, 2008; Faghfouri et al., 2015) show explicitly that family firms are a distinct context. Family ownership (Brundin et al., 2014) and the co-existence of financial and nonfinancial goals (Gomez-Mejia et al., 2011; Gomez-Mejia et al., 2007) can lead to decisions that might appear risky because owning families are willing to give up their current risk profiles for potential socioemotional gains (Boers et al., 2017). Therefore, it is reasonable to investigate the peculiarities of family ownership by taking a SEW perspective on crisis management. Recently, Faghfouri et al. (2015) reported on a German study on SMEs. They found that family firms have fewer formalised crisis procedures ready than non-family SMEs. This result is, however, moderated by the role of supervisory boards and family ownership, i.e., those family firms that have a supervisory board also have formal crisis procedures, whereas those who do not have a supervisory board have significantly lower crisis readiness in regard to formalised crisis procedures.

In light of the five FIBER dimensions, Faghfouri et al. (2015) found that increased family ownership has negative consequences for formal crisis planning, which has a negative impact on the stages that benefit from planning, *detection, occurrence*, *recovery* and *resolution* (Faghfouri et al., 2015; Hong et al., 2012).

Method

We chose a qualitative method for its accuracy both in understanding the dynamics of the observed crisis management and in applying the theories to the analysed context (Miles et al., 2013). A qualitative research approach allows one to understand pertinent and critical factors (Dana & Dana, 2005) relating to observed crisis management. In particular, flexibility and interaction of the qualitative strategy in research permit a thorough study of the observed crisis management. Indeed, a comprehensive description and direct quotations from the individuals in terms of their thoughts, attitudes, abilities and experiences with crisis management will favour our analysis (Hong et al., 2012). We used additional archival data sources for triangulating our findings (Denzin, 2007).

Data Collection

The researchers were investigating risk management in German, Scottish and Swedish family firms and collaborating with Family Business Associations in the respective countries by providing seminars and attending the family firms' gatherings. Over the years, the researchers obtained a large pool of case firms that were interested in participating in further research projects and discussions. As crisis management involves situations in which family firms are unwilling to discuss the issue with external parties, the already close contact established with these case firms provided a good opportunity to research crisis management in more depth; however, it limited this research further to only the three countries. Working with these firms over a longer time-horizon allowed for a quasi-longitudinal insight into the firms' crisis management activities.

Germany, Scotland and Sweden represent economies that are characterised by different business practices rooted in their respective cultures. Scotland can be assigned to the group of market-pricing cultures, and Germany and Sweden to the collection of more egalitarian cultures (Gannon & Pillai, 2013). Moreover, the three economies share a high preponderance of family firms. Analysing the relationship between crisis management practices in family firms and the cultural context allows us to understand the effects of policy programs designed for family firms. Consequently, the cross-country perspective adopted in this article will hopefully alert researchers, policy makers and practitioners to cross-national differences in crisis management activities. More precisely, exploring the research question will provide a clearer understanding of the personal and organisational factors that have influenced the crisis management practices of family firms in the respective countries from a processual perspective.

With regard to the personal and organisational factors, the SEW perspective was not part of the initial questionnaire. However, during the interview process, we discovered that the SEW perspective played an instrumental role in the handling of a crisis in family firms. Therefore, we decided to analyse the responses from this perspective in more depth, as we believe this will provide a better understanding of the motives and barriers for crisis management in family firms.

The researchers conducted 12 semi-structured interviews with owners and senior managers operating in family firms based in Germany, Scotland and Sweden (see Tables 1 and 3). The interviews followed an interview plan, which allowed for follow-up issues to be raised during the course of the interviews. The interview questions were designed to elicit free-flowing conversational narratives (Silverman, 2014). The interviewees were encouraged to speak freely and elaborate on their comments in response to gentle probing. Thus, a conversation was facilitated, and the interviewee was given a good deal of leeway to talk on their own terms about their crisis experience (Ekanem, 2010). The interviews, on average, lasted for approximately an hour and a half.

Data Analysis

The data analysis (Table 2) utilised a set of techniques, including content analysis, pattern matching and an explanation-building technique (Yin, 2008). Content analysis involves listing the features associated with the crisis management process (Figure 1) by each family member or owner (Silverman, 2014). The actions taken in the detection were identified, as were the actions in the occurrence and recovery stage of a crisis and the learning effects in the aftermath of a crisis. A pattern-matching technique involved examining whether there were any interesting patterns and how the data related to what was expected in the previous theory (Ekanem, 2010; Yin, 2008). The analysis of the interviews started with a "within-case" format. From the original wording of the responses, categories were extracted describing the individual content by standard terms. These categories allowed for the data to be categorised for further analysis. When a pattern was established, the transcripts and interview notes were reread in order to make comparisons with different cases ("cross-case"-analysis) to identify stable features (Ekanem, 2010; Shaw, 1999). Both common features and differences have been studied in terms of factors such as the personality and leadership style of the owner, the socioemotional wealth perspective and networking and relationship building in order to obtain results (Guest et al., 2016). Finally, an explanation-building technique allowed a series of linkages to be made and interpreted in light of the explanations supplied by each interviewee (Yin, 2008).

Other archival data sources were adopted, such as financial statements, internal reports and documentation taken from databases and websites. We triangulated our interview data with the archival data to understand crisis management in its complexity (Culasso et al., 2018). Internal validity of our research was improved upon by identifying some plausible relationships between variables and findings; external validity required an analytical generalisation of the crisis management rather than a statistical generalisation of the phenomenon (Yin, 2008). We tried to avoid subjective judgements, preferring a well-considered, previously used set of crisis management measures for family firms (Faghfouri et al., 2015; Hong et al., 2012; Kraus et al., 2013; Trahms et al., 2013). We then compared our findings with the initial crisis management model by Hong et al. (2012), which resulted in an extended crisis management process model for family firms. We also sent the draft paper to some family business researchers who are familiar with the subject of crisis management with the purpose of having our interpretations verified (Culasso et al., 2018).

Table 1 shows our timeline pertaining to the data collection and use of data sources.

Table 1. Data Sources

Companies	Interviews	Archival sources	Time period covered
GER 1	2	5	2010–2017
GER 2	3	8	2010–2016
SCO1	3	15	2010–2014
SCO2	2	7	2010–2015
SWE1	0	18	2015–2017
SWE2	2	23	2010–2017

As Alderson (2015) underlines, owning families can be reluctant to discuss a crisis situation in public, which makes access an important criterion for conducting this research. Therefore, this study draws in part on earlier studies of the involved authors and on publicly available data sources. All selected family firms experienced a crisis situation, both externally and internally, i.e., family-induced crises. Table 2 summarises the case study design tactics used.

Table 2. Case Study Design and Tactics Used

Tests	Case study tactic	Phase of research
Construct validity	■ Sign-off of interview content protocol by participant ■ Multiple sources of evidence: – Semi-structured interviews – Financial report analysis and ratios – Document review ■ Review of draft by participant	■ Data collection ■ Data collection ■ Write-up phase
Internal validity	■ Pattern matching	■ Data analysis
External validity	■ Replication logic (literal and theoretical)	■ Research design
Reliability	■ Interview content protocol ■ Case study database/document folder	■ Data collection ■ Data collection

Source: Adapted from Yin (2008).

Basic Information About the Firms

Based on the family firm cases, irrespective of the different reasons for the crisis and final outcomes, we found that six sample firms applied several common activities to manage their crisis events. Table 3 provides the demographic characteristics of the participating family firms in this study.

Table 3. Firm Demographics

	GER1	GER2	SCO1	SCO2	SWE1	SWE2
Respondents	Owner- managers	Owner-manager	CEO, board and family members	Owner-managers	Archival sources	Owner-manager
Industry sector	Office equipment	Logistics	Construction	Architecture	Retailing home interior	Garage
Number of employees	10	50	400	10	150	7
Annual turnover 2015 (TEUROS)	1.166	5.787	112.907	1.253	31.310	763
Main products	Office equipment	Transports	Housing, electrical services and maintenance	Domestic building projects	Home interior products in own shops and online	Garage services and
Main customers	Business customers	Business customers	Business clients	Private clients	Consumers	Private and corporate customers
Crisis causes	Financial distress due to death of owner-manager (family)	Financial distress due to financial crisis and market changes (business)	Financial distress due to financial crisis and misjudgement of or markets (business)	Financial distress due to weaknesses in management control systems (business)	Financial distress due to market misjudgement (business)	Financial distress due to burnout of owner-manager (family)
Crisis results	Business rejuvenation	Innovation enhancement	Recovery	Innovation enhancement	Bankruptcy and family exit	Bankruptcy and taking in new minority shareholders

Empirical Illustrations

The case descriptions present basic information about the studied family firms, including *background and crisis origin*, *crisis context* and *crisis consequences.* Furthermore, the crisis firms are divided into those whose crisis originated with the owning family and those whose crisis originated outside of the owning family.

Case Descriptions

Crisis Origin in the Owning Family

GER1

Background and Crisis Origin

GER1 is a family business in the office equipment industry. The office equipment sector was undergoing major changes with the advent of online shopping, which allows customers to order office equipment via the Internet. The company was founded in 1950 by the grandfather and is currently operated by the third generation. After the father's sudden death, the daughter decided to quit her job and run the family business together with her mother to keep the business alive. This was a challenge for the daughter, as she had no management or leadership experience. This crisis situation led to the recognition that the firm lacked a sound business strategy and management expertise. The daughter pointed out that

> *"…my father has been responsible for many of the decisions and has been unwilling to delegate that responsibility to other employees; he was also unwilling or unable to take the advice of other colleagues or the tax advisor and had a distinct lack of understanding where the office equipment industry is developing…."*

Crisis Context

When the daughter took over the family firm, the business was in a very critical situation. The business strategy was outdated and no longer viable, and GER1 was facing serious liquidity problems. As the daughter stated,

> *"In taking over the firm, I faced two big problems. Due to my father's authoritative leadership, some of our employees didn't trust me and quit their job. So, I had to find suitable replacements for important job duties. And the other big issue was that I had no industry expertise and was in need to search for and develop a sound business strategy."*

Crisis Consequences

To handle the crisis, the daughter adopted a two-pronged approach. At first, she was developing a new business strategy to attract and retain customers and to improve the sustainability of the business model. This resulted in an expanded product portfolio and the digitalisation of the business processes, including a virtual show room where the customers can virtually design their office spaces with desks and other relevant interiors. To keep and expand the customer base, the daughter engaged in many discussions with customers in order to determine how to better adjust to their needs and wants and to convince them that the family firm would continue to be a trustworthy supplier even after the death of the father. The other direction regarded the formalisation of the management system and governance structure of the firm. Implementing a knowledge management system was the first step in stopping the knowledge drain. Then, concerning the governance structure of the firm, she completely remodelled the job descriptions and delegated the responsibilities to different employees to ensure that replacement and contingency regulations were in place. Short meetings are also held every week with the employees for a briefing about key factors, such as customer satisfaction, business processes and financial ratios, like the collection rate, product returns and credit notes. As a further lesson from the crisis (death of the father as the sole decision-maker in the firm), the daughter has implemented replacement regulations at the board level so that the firm can easily recover from a critical event. The next step will be the implementation of replacement regulations for other key employees.

SWE2

Background and Crisis Origin

SWE2 was founded in 1970 as a freestanding garage. In the 1970s, the second generation took over, and then the founder's grandson became managing director in 2003. In 2008, the company moved to a new location. The garage offers two main areas – car repair and service – as well as the sale and storage of tires. The garage serves both private and corporate customers.

The crisis started in 2013 when the third-generation owner-manager had a breakdown. He reported,

> "I collapsed. I was working 16 hours per day, seven days per week." (CEO and owner-manager)

Crisis Context

After the breakdown, the owner-manager was on sick leave for several months, and a management consultant, who had previously been hired to help reorganise the business, started to shoulder greater responsibility. In 2014, the owner-manager was still unable to return to work. Thus, the costs increased to the point that the company was close to filing for bankruptcy. The owner-manager returned at the end of 2014 and worked on reconstructing the company.

Crisis Consequences

The owner-manager recognised that he had to change his work-life balance, as well as his business model, in order to survive and stay healthy. After failing to renew his bank loans, he sold the property and rented it instead. He reduced the staff and introduced six-hour work days, which led to less costly overtime and a more motivated workforce. In 2016, the tax office filed for bankruptcy. Thereafter, the owner's family, together with local entrepreneurs, formed a new owner constellation and took over the business. The founding family were still the majority owner, and the third-generation owner remained as the managing director. The second-generation owner and father to the current managing director continued to work at the company and took a position on the board of directors.

Crisis Origin Outside the Owning Family

GER2

Background and Crisis Origin

GER2 was founded in 1969 as a family business and operates in the logistics sector. The father is the only managing director, and the mother and two sons work at the company. However, the older son will become more responsible for the new strategic direction of the firm, as the transport business is facing high competition. The older son has – internally – taken over the helm of the family firm in terms of developing their business model and transforming the firm through the Digitalisation Age and the Internet of Things.

Crisis Context

The family business was heavily hit by the Global Financial Crisis (2009–2011), which emerged following a high competition in this sector. To avoid layoffs and save the business, the workforce agreed to pay cuts and shorter working hours. Other critical issues also exist: the ageing workforce and the need for an interesting employer in the region to draw the right employees with good qualifications.

Crisis Consequences

To overcome the high competition, the family firm's older son recognised the need to switch the target market. Therefore, he set up a virtual logistic network to combine the strength of the small logistic firms in the region. GER2 devoted a great amount of time to developing the relationship and networking capabilities of the firm. The son explained, "When setting up a virtual logistic network, it is quite crucial to have good communication with your partners to reduce misunderstandings and to get their support."

With regard to business strategy, GER2 also expanded its service portfolio, as the older son explained:

> "To avoid the strong competitive pressure, we extended our service portfolio and offered a web-ordering system where customers can track online their service orders. We also offer additional services and logistic consulting."

The firm has recovered from the financial crisis, and due to its extension of the service portfolio, sales have increased. In line with the new business model, the son and his father established a contingency plan, covering replacement regulations for the board and key personnel in the firm. This can be seen as a first step for developing more formalised crisis management plans and processes in the firm.

SCO1

Background and Crisis Origin

The company was founded as a family business in 1925. It operates in the construction industry, providing work mostly for domestic clients. It is now managed by the third generation, and its shares are held by a small group of family members. The company operates in Scotland and England, and the head office is located in Scotland. There are three divisions (housing, fitout and maintenance), which are all managed by an individual managing director. The firm faced high competition, and margin pressure in the two major business lines, housing and fitout, as many smaller firms or self-employed individuals were entering the market.

Crisis Context

The family business was hit very hard by the last financial recession (2009–2011). The property market was down, and the company was facing a major drop in sales and profitability. Many of their clients faced severe cash flow problems, which resulted in huge debt and write-offs.

Crisis Consequences

The managing board of the company decided to do a comprehensive review of its current business strategy and to search for new business ideas, as the chairman of the board noted:

> "To cope with these challenges, we have taken the following actions:
>
> - clean-up of the client portfolio, especially dropping of unprofitable clients,
> - expand our business model; we will now be going into property management as well."

During this process, the firm executed massive layoffs; the workforce was cut by one-third. The profit situation is improving with the measures taken, and the new business line, "property management", is delivering promising results, but it will take some time for it to be fully fletched.

Our discussions with the chairman revealed that good risk management is crucial for the company as a whole and especially when entering a new market. The chairman stated,

> *"If general market conditions turn against you and interest rates go up... good risk management is being able to foresee these changes and to implement countermeasures accordingly. So, risk management has now a high priority in our firm."*

Regarding contingency planning, the company shows some blind spots. The replacement regulations for key personnel and the board are in place and well documented. There are also emergency guidelines for a breakdown of the IT system. However, according to the chairman, the succession regulations are unsolved and will become a high priority in the next few years.

SCO2

Background and Crisis Origin

The enterprise was founded in 1999 and is operating as an architecture business. Currently, the family business is being managed by the second generation, and the founder is working as a consultant for the firm. All managing directors are from within the family. The business focuses on Scottish building projects, and its customers are mostly private clients. To escape the high margin pressure in the brick-and-mortar building projects, the firm concentrated on more sophisticated building projects, which resulted in major project failures and financial losses.

Crisis Context

As the focus is on growth and the family business will grow to 20 employees by 2020, the owner-managers decided to expand their customer and service portfolio. They now intend to concentrate on larger and more sophisticated building projects. As a result of this market switch, they hired new employees. The managing director explained further: "Some of the new projects we have taken in were really challenging in terms of work specification and budgets. In the end, we finished many projects with a delay and cost overruns, which resulted in a shortage of cash."

The owner-manager continued, explaining that poor (project-) management was a significant problem in family-run firms and suggested that owners were too close to the business. He stated, "Of the family-run business you become involved with, failure to see the wood for the trees is a major cause of the difficulties. They can't stand back and take an independent view because they are so involved in the business." As a lesson learned, the owner-manager asked his tax advisor for help to improve his project management, in particular, implementing project risk management.

Crisis Consequences

The managing director recognised that good project management is crucial for successful projects and will help a business to survive in the long run. He started with the implementation of sound project management for every single project. The idea was to develop early warning measures to recognise project overruns in time. With the support of his tax advisor, the company set up a control system, and by training his employees, they managed to get their commitment. The owner-manager also spent some time with his tax advisor, developing the financial reporting, making it easier to obtain a bridging loan if a future cash flow problem arises. As a lesson learned, SCO2 now makes a formal risk assessment for every project before accepting it. According to the managing director, this has significantly improved the profit situation. It is also interesting to note that SCO2 employed multiple crisis management practices, such as project management, risk management and management control systems. To further improve and formalise the management of the family firm, the managing director implemented a voluntary supervisory board to act as a sounding board for the managing director. The son and managing director explained, "The new supervisory board will consist of my father as a representative from the family, as well as an external expert from the construction industry. This will help us to better manage our firm in the long run."

At the moment, a sound recovery plan is still missing. There are no emergency guidelines that apply to a breakdown of the IT system or a major accident in the firm.

SWE1

Background and Crisis Origin

SWE1 was a family business in the retailing industry, selling home furnishing products. It was founded in 1991 as a physical retail store. By 2002, the business had expanded to different cities in Sweden and also had an online store. In 2015, the company had 23 stores all across Sweden. Two of the founder's sons have entered the business in management positions.

For SWE1, it is important to note that the family business went into insolvency and was acquired. Therefore, the former owner was no longer available for an interview. Nevertheless, we included the company, as it can be seen as an extreme case, illustrating the worst scenario for both an owning family, who would be losing their family business (along with the financial and socioemotional benefits), and for the employees, who would be losing their jobs.

Crisis Context

SWE1 reported negative results for three years in a row (2012–2014). However, the company continued to expand to new cities in Sweden and opened a webstore, irrespective of the results. The company tried to save costs, but as their stores were usually rented with long-term contracts and as other expenses related to the workforce began to arise, the potential for cost reduction was limited. The company suffered from losses due to the currency exchange for purchasing. An effort was made by outsourcing the warehouse:

> "We manage inventories for SWE1 at our warehouse in the port of Gothenburg, and when they could not pay the bills, we kept the goods. We always do so when customers can't pay." (supplier to SWE1)

After that, SWE1 had to file for bankruptcy.

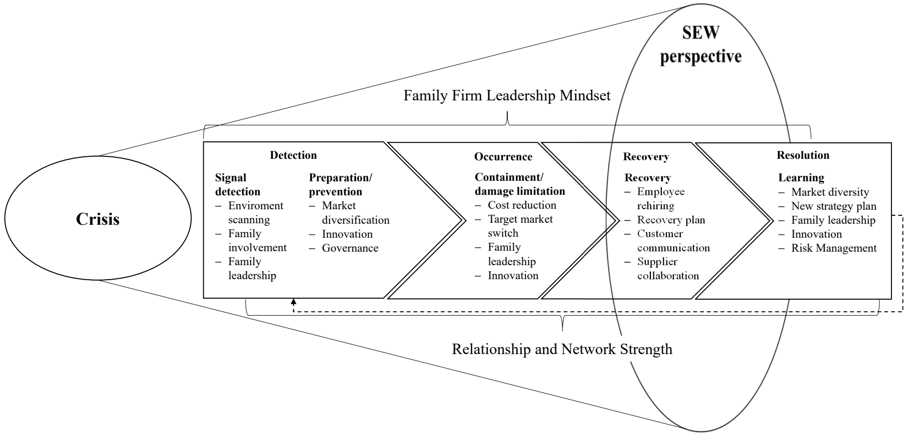
Crisis Consequences

After filing for bankruptcy, the owning family decided to sell the company to a competitor who took over the web store and a couple of physical stores. SWE1's brand is still in operation as a subsidiary of a former competitor through the web store and seven physical stores.

Discussion

The following discussion is guided by Figure 1, which represents our proposed crisis management model for family firms. The foundation of the crisis process model is built on the earlier work by Hong et al. (2012), which was originally developed for SMEs. Figure 1 shows that the different dimensions of crisis management need to be extended for family firms.

Figure 1. Crisis Management Process in Family Firms (adapted from Hong et al., 2012)



Being a family firm influences every mode of crisis management described in prior research (Hong et al., 2012), depending on the level of involvement of the owning family in each firm (Chrisman et al., 2012; Chua et al., 1999). In this section, we discuss, first, crisis management from a SEW perspective and, second, the emerging themes of crisis management in family firms.

Crisis Management From a SEW Perspective

As suggested in Figure 1, the SEW perspective offers a lens for explaining crisis management in family firms. This lens accounts for the socio-emotional considerations of owning families (Gomez-Mejia et al., 2007).

Detection

From a SEW perspective, it is important to determine the origin of the crisis. In our cases, we identified two companies whose crisis originated from within the owning family: GER1 and SWE2. In GER1, a family member died, and in SWE2, the owner-manager had a breakdown. This was a tremendous loss for the family and the continuity of the business, as in both cases, the family member was the main actor (managing director) in the firm. Although the crisis originated from the business dimension, in other cases, all firms are controlled and managed by the owning families. Consequently, the F dimension was high in all cases when the crisis was detected. Hence, problems within this dimension can be easily detected if the crisis is related to the disappearance of family members. However, this dimension can also contain much more complex issues, such as divorce (Haag & Sund, 2016) in the owning family or rivalry between siblings or different branches of an owning family (Tagiuri & Davis, 2016), which may not be detected as easily. In our cases, all owning families are directly involved in their businesses. This can be an advantage, enabling the owning family to detect signals that might indicate a crisis; however, it can also be a hindrance or burden if the crisis originates from the owning family or the owning family is concerned directly in terms of sibling rivalry or divorce.

Occurrence

In this phase, we noted high family leadership in all cases. This gives an indication of high *identification* of family members with the business. All cases have some joint leadership, where multiple generations are involved; this fact is both supported and developed by the high F and I dimensions. It also enables the owning families to more easily manage the crisis, even if it may have occurred within the owning family, as with GER1 and SWE2. The SEW perspective suggests that the owning families are more willing to accept higher risks when their socioemotional endowment is at risk (Gomez-Mejia et al., 2007), which GER1 and SWE2 show by their counterintuitive crisis management approaches. A switch in the target market, as illustrated by GER1 and SCO1, can also indicate a mixed gamble. By investing in new products and dropping old customers, it can be argued that the owning families are willing to relinquish some of their current socioemotional endowment in the hopes of receiving higher endowment in the future (Boers et al., 2017; Caballero-Morales, 2021).

Recovery

In this phase, some companies rehire their old employees, which can be seen as a way to draw on *binding social ties*, as well as *emotional attachment*. The owning families trust their former employees and are also willing to compensate them after they have overcome their hurdle, as with, e.g., GER2 or SWE2. These ties help the business to further connect to relevant networks and make use of established relationships (Cennamo et al., 2012).

Resolution

However, due to ownership control and identification of the owning families, the families could also contribute to a resolution of the crisis. This is very evident in family leadership involving several family members and generations. It also provides better prerequisites for a process and system view, as the owning family becomes the hub (Brundin et al., 2014; Cater & Beal, 2014). Further, their ambition for *renewal through generational* succession incentivises the owner families to proactively contribute toward a resolution of the crisis. Although the demands are rather high, they are willing to respond to them so as to not endanger their socioemotional endowment – and their reputation.

Learning

This is an important step, as illustrated in Figure 1 and in the literature. In this step, family ownership and control can become prerequisites for continued learning from crises. Crisis situations should trigger learning in order to avoid repetition (Hong et al., 2012). As family firms represent a specific context, a situated learning approach (Konopaski et al., 2015) is advisable if knowledge about the crisis is shared among and across the owning family. Such an approach will be supported by binding social ties, the identification of family members with the business, and continued family leadership. Nevertheless, there could also be obstacles to learning (Schilling & Kluge, 2009). Both can be relevant for family firms, in particular, when the crisis originates in the family. Further, due to the dynastic motive, an owning family may become split into different branches (Tagiuri & Davis, 2016) due to different ambitions and intentions, which can hinder their ability to learn from the crisis.

Summing up, it becomes apparent that the five SEW dimensions play different roles (Swab et al., 2020) in the different crisis management phases. In line with prior research (Faghfouri et al., 2015), we found that family control is a decisive dimension. Moreover, we found that it makes a difference if a crisis originates in the owning family. Indeed, these cases displayed a high identification of family members with the firm, resulting in the willingness of the family members to lend assistance when necessary or required (Kollitz et al., 2019). This is usually connected with a family member's higher degree of emotional attachment to the firm. When a crisis occurs outside the realm of the family, it still triggers an owner family's identification, but to a lesser extent. Also, emotional attachment is a factor, but more in terms of not wanting to lose the firm and the socioemotional endowment thereof. In other words, an owning family faces a dilemma (Firfiray et al., 2018; Kollitz et al., 2019) in a crisis situation, as they have to keep the business alive and survive the crisis in order to maintain the social-emotional endowment that they receive from owning the business. However, this requires investing in the problematic business, financially and personally, and risking the loss of both the financial and socioemotional endowment, leading to a mixed gamble (Boers et al., 2017; Firfiray et al., 2018; Gomez-Mejia et al., 2014). This is a high-risk gamble, as not only the family business and its endowment are at stake (Gomez-Mejia et al., 2007), but the personal, financial and psychological well-being of the owning family members are also at stake (Efrat, 2008).

Themes of Crisis Management in Family Firms

In this section, the essential characteristics of crisis management of the participating family firms are discussed as four sub-themes that emerged based on the analytical process (confer 3.2).

Family Firm Leadership Mind-Set

The crisis management literature acknowledges two leadership styles to deal with a crisis: the "reactive or fatalistic" approach and the "proactive or holistic" approach (Ash & Smallman, 2008; Smallman, 1996; Smallman & Weir, 1999). However, in our findings, we see a particular style, which we have labelled the *family firm leadership mindset*. This mindset notes that owning family members take an active role as a result of the crisis, irrespective of whether they had an active role previously (Berent-Braun & Uhlaner, 2012; Brundin et al., 2014; Durst & Henschel, 2021).

The reactive leadership style is concerned with an "event-driven" strategy; the firm lacks a coherent strategy for dealing with a crisis. The managing directors of the firm show strong reservations against external help and have less innovation potential (Miles & Snow, 2003; Smallman, 1996). The main focus of the crisis management process is the occurrence stage; the company fails to anticipate the crisis, and no plan or contingency plan is established (Hong et al., 2012). The firm did not consider risks very comprehensively (Kraus et al., 2013). As evidenced by our observations, SCO1, SCO2, and SWE1 show a more reactive leadership mindset. With regard to the target market switch and innovations, SCO1, SCO2 and SEW2 enacted only minor changes or improvements. To conclude, the firms did not have a sound and formalised strategy to deal with the potential crisis.

The proactive leadership style, on the other hand, is predominantly proactive, with sound contingency planning and an emphasis on innovation in terms of processes and products (Smallman & Weir, 1999). The managing board draws on external support (Miles & Snow, 2003; Brunninge et al., 2007). The crisis management process is mainly focused on the detection and preparation stage, especially scanning the environment, diversifying its product portfolio and involving management and employees (Hong et al., 2012).

The cases of GER1, GER2 and SWE2 are very good examples of the more proactive leadership mindset. The two German firms are members of the Small Business Association and attend regular seminars. They use this as a platform for discussions with other managing directors to get ideas on how to adopt procedures for their own businesses. In this way, the firms develop their own early warning systems to identify critical company developments in time and to develop strategies to deal with such events. As SWE2 highlighted, networking and engagement with customers can function as an early warning system as well. The focus in the preparation stage is on market diversification and governance issues. GER1, GER2 and SWE2 did expand their market with diversification and a complete makeover of their business strategy. In the context of crisis management, aspects of governance were mentioned in our discussions with the firm owners. As van Helvert and Nordqvist (2018) state, the objective of governance in family firms is to balance the interests of the various stakeholders involved in the business (owners, family members, employees, customers, suppliers, the bank, etc.). The management of these different interests via governance can also be seen as an important enabler in crisis management (Hong et al., 2012; Steier et al., 2015). In particular, GER1, GER2 and SWE2 were concerned with the implementation of regulations for the delegation of duties and responsibilities among employees in terms of representation regulations, which will clearly influence the success of the family firms (Steier et al., 2015). GER1, GER2 and SWE2 successfully overcame the crisis events and enhanced their business performance. Therefore, we label this a *family firm leadership mindset*. It includes a proactive approach towards crisis management by owning family members. Interactions with networks or customers function like a sounding board, providing additional help and support in a crisis situation. However, at times, this can even imply sharing or delegating leadership with or to non-family members when a family member is not available.

Multiple Crisis Management Practices

The detailed crisis management practices of the interviewed firms are summarised in Table 4.

Table 4. Crisis Management Practices

Practices	GER1	GER2	SCO1	SCO2	SWE1	SWE2
Environment scanning	✓	✓	✓	✓		
Family Management involvement	✓	✓	✓	✓	✓	✓
Market diversification	✓	✓	✓	✓	✓	✓
Cost reduction		✓	✓		✓	✓
Target market switch	✓	✓	✓	✓	✓	
Employee rehiring						✓
New strategic plan	✓	✓	✓			✓
Family leadership	✓	✓	✓	✓	✓ (until exit)	✓
Recovery plan	✓	✓	✓	✓		
Innovation	✓	✓	✓	✓		

Practices	GER1	GER2	SCO1	SCO2	SWE1	SWE2
Insurance						
Customer communication	✓				✓ (informing about the sale)	✓
Supplier collaboration		✓			✓	✓
Governance and risk management	✓	✓	✓	✓		✓

After analysing our interview material, we found that the family firms in our sample applied a total of 14 crisis management practices. Therefore, we labelled this sub-theme "multiple crisis management practices". The sub-theme is located at the centre of Figure 1, which means it covers the whole crisis management process, namely the steps of detection, occurrence, recovery and resolution. Accordingly, crisis management is composed of a blended mix of informal and formal approaches (Faghfouri et al., 2015). As Hong et al. (2012) state, the application of multiple crisis management practices is crucial for firms to deal effectively with crisis events. Furthermore, as Herbane (2013) has found, SMEs with sophisticated crisis management plans and the application of different crisis management practices were more positive about the ability of organisations to plan for a future crisis.

Turning to the detection stage, GER1, GER2, SCO1, and SWE2 used the environment scanning approach to develop early warning measures. For this approach, the management and key employees became involved, and the management reserved time for discussion at the board level as well. The respective firms have identified external and internal risks and threats which may jeopardise the achievement of company goals. In terms of formalisation, only GER2 and SCO1 established this in writing. We found low levels of business interruption insurance to cover the costs incurred by a crisis event, which is in line with the literature (Herbane, 2010, 2013). As a lesson learned from the prior crisis event, GER1, GER2, SCO1 and SWE2 conducted market diversification to be better prepared for the future.

According to the literature, the most common immediate measure in the occurrence stage is cost reduction (Hong et al., 2012; Kraus et al., 2013). The majority of our case firms did enact some cost-reduction measures. However, it is interesting to note that one firm, namely GER1, did operate in the opposite direction by investing heavily to overcome the current crisis and remodel its business model. This can be seen as very proactive behaviour, which contradicts the general view in the literature, that family firms show more conservative behaviour and more resistance to organisational change (Chirico & Nordqvist, 2010)

In the recovery stage, the establishment of recovery plans now has a high priority for the German and Scottish firms. For example, the interviewed firms have introduced measures to prevent successor problems due to the unexpected loss of important specialists and management. All interviewed firms also stressed the need for communication with business partners to explain the measures taken to resume normal business operations. Communication with business partners is thought to strengthen the business relationship and to assure them that the firms have taken further measures to prevent a similar crisis from materialising again (Bognini et al., 2020; Juergensen et al., 2020).

In the resolution stage, nearly all firms were engaged in innovating their technical infrastructure. The innovating activities include the implementation of a knowledge management system, improvements in the management and cost accounting system, the introduction of formal project management, and the implementation of new Enterprise Resource Planning systems. It was also interesting to note that SCO2, GER2 and SWE2 see a high need for developing and testing their crisis management plans based on the experienced crisis events and measures taken. This is a clear indication that learning from a prior crisis will play an important role in the further formalisation of crisis management in family firms (Pearson & Mitroff, 1993).

Faghfouri et al. (2015) found that small- and medium-sized family firms with higher levels of family ownership are less professionalised and formalised in terms of their crisis procedures. This finding is in contrast to our observations. GER1 and GER2, for example, are very small family-owned businesses, and they did a complete makeover of their management and control systems and implemented a sound crisis plan. Even firms with small personnel and financial resources, such as SCO2 or SWE2, show a high willingness for further improvements in crisis management.

Relationship and Network Strength

The analysis of our interview cases revealed interesting patterns. All firms face high competition in their markets; however, the competition has shifted from firm-oriented to supply-chain-oriented, which means firms need to interact and collaborate more with the members of the entire supply chain (Hong et al., 2012). To be successful in overcoming crisis events, our family firms see the need to also strengthen the relationship with their customers and suppliers in a crisis event (Pearson & Mitroff, 1993). Thus, we labelled this sub-theme “relationship and network strength”.

Relationship-building and networking are very proactive and long-term approaches to crisis management, which did not provide immediate results yet (Kraus et al., 2013; Meisenberg and Ehrmann, 2013). As Hong et al. (2012) point out, proactive communication with customers and suppliers to eliminate misunderstandings and acquire necessary support is a pre-condition for holistic crisis management. Overall, with the exception of GER1 and GER2, the other case firms were rather reluctant to embark on proactive communication with customers and suppliers. The communication should also encompass other external stakeholders in order to explain the situation to them and obtain their understanding (Hong et al., 2012). Here, in particular, lending banks can play an important role (Decker, 2018). As Decker (2018) points out, open communication between the board of directors and its stakeholders, as well as symbolic management actions, will increase the likelihood of stakeholder support and a successful turnaround. As evidenced by SCO2 during the financial crisis, proactive communication and an information policy with the lending bank proved to be helpful in obtaining support during the company's crisis; for instance, bridging loans allowed them to overcome severe cash flow problems.

Process and System View

The patterns identified in our cases suggest that family firms' attitude in relation to crisis management planning mainly covers a contingency plan due to the priority placed on the protection of IT resources, given their experience of IT-related and production-related crises, coupled with a strong belief in their ability to plan for such events. This single contingency focus is in line with the literature on SME crisis management (Herbane, 2010, 2013). As evidenced by our cases, the family firms do recognise the need for a proactive family firm leadership mindset, well-established crisis management processes, and network support. All these themes need to be complementarily interwoven to facilitate firms' crisis management activities (Hong et al., 2012). Thus, we coined this sub-theme, "process and system view," to emphasise the need for more holistic crisis management in family firms.

According to Hong et al. (2012), well-functioning crisis management relies on accounting for different crisis types, including external, natural, personal, physical, economic, reputation and IT-threat types as well.

One important step in this direction is proactively scanning the company's environment to identify crisis signals early. As some of our case firms show (GER1, GER2 and SWE2), this can be done in a rather informal way by considering the resource constraints in family firms. Those firms have established their individual environmental scanning and monitoring systems, which consist of networking with other suppliers and partners in the value chain, as well as attending seminars and trade fairs to constantly gain information about relevant company data, which will be discussed and evaluated with key employees in the firm. It is important to keep this process running to avoid random actions and to make this information accessible through a knowledge management system (Blanc Alquier & Lagasse Tignol, 2006; Hong et al., 2012). This will also help to optimise their operational business processes, thereby improving business effectiveness. Eventually, after gaining experience in crisis management planning, the family firms will have a more explicit understanding of the impact of specific crisis types and will therefore appreciate the broader impact that a crisis can have on its firm, family and resources (Herbane, 2013). This will also initiate a learning process in family firms whereby they constantly adjust their strategic and operational configurations to master the challenges of future crises (Hong et al., 2012).

Conclusions

This paper aims to explore and understand crisis management practices in family firms. Our study does not support earlier findings, which emphasise that formalisation goes hand-in-hand in with the size of the firm and that family firms are less professional (Faghfouri et al., 2015). In fact, we found that owning family members have taken an active role in crisis management and rely on multiple crisis management practices. Moreover, family firms make use of their relationships and networks, which support crisis management at different stages. Eventually, there is a need for a more holistic approach which we summarised in the need for a process and system view; such an approach could develop as owners learn from earlier crises.

The SEW considerations can be both a trigger and a consequence of crisis management procedures. The owning family controls the firm, and if a crisis originates within the realm of the owning family, they are willing to lend support due to the factors of identification and emotional attachment. The owning family is furthermore incentivised by the ambition of generational transition, which is facilitated through binding social ties between family, the firm and other stakeholders, such as employees. Taken together, these form the prerequisites for learning from and about a crisis within an owning family and across generations. This learning is key, as it enables the development of a process and system view of crisis management, which allows owners to be prepared for a future crisis,

Consequences of Crisis Management Implementation in Family Firms: Challenges and Obstacles

Our research has revealed that the investigated family firms show a low level of formalised management control systems and governance structure, which are well in line with other results (Calabro and Mussolino, 2011), which showed that family firms are often less professionalised compared to non-family firms (e.g., Faghfouri et al., 2015; Sharma, 2011; Smith, 2007). The case firms led by an older family CEO, in particular, have less detailed knowledge of crisis management and are very slow in setting up sound crisis management. We identified two important obstacles that can hinder the successful implementation of crisis management in that type of firm. First, we noted the willingness of the family CEO to see the need for the implementation of more formalised crisis management procedures prior to the occurrence and materialising of the crisis (Kraus et al., 2020; Solange and Perelli, 2013). Our case firms acted very late and only started with respective measures when the crisis was in full swing. Furthermore, better integration of and consultation with the employees in crisis management is of paramount importance for crisis management functioning.

Practical Implications

This study shows that the owning family possesses a pool of resources that can be activated in a crisis situation. Owning family members have an attachment to and familiarity with the business, even though they may not have any formal connection or role to play in the business. Hence, it will be easier for family members to offer to assist and support the management of the firm. Further, this study shows that a certain preparedness for crisis situations helps owners to tackle crises when they occur. Therefore, it is advisable to have crisis planning not only in the business but also in the owning family. In particular, for the continuity of the family firm, it is important to have clear replacement and succession regulations in place.

Theoretical Implications, Limitations and Further Research

This study offers a more nuanced and developed crisis management model that accounts for the peculiarities of family firms (Faghfouri et al., 2015; Hong et al., 2012; Kraus et al., 2013). We argue that it is of the greatest importance to consider the consequences of a crisis that originates with the owning family, as such crises will trigger the owning family since their socioemotional endowment is at risk, thereby allowing them to free family resources for crisis management practices. We also showed that, in a crisis situation, the owning family probably is going to encounter a high-risk gamble; in order to maintain the financial and socioemotional endowment, the owning family has to personally and financially invest in the crisis-business, endangering the business and the endowment received from it, and even being personally liable for it.

This study is limited, as it has drawn on only six cases from three countries. As a non-probabilistic sample based on semi-structured interviews, the results are strictly valid for sampled companies only. Furthermore, the empirical analysis builds on a relatively modest evidence base. Future research could extend this research by evaluating whether conclusions are robust in studies that involve increased sample sizes, as well as variation in countries and industries. The analytical process was also biased, as the authors had a pre-understanding of the studied cases and were familiar with the company's history and development; thus, they could have interpreted some statements or quotes from the interviewees in light of this prior knowledge. The findings, however, do offer an in-depth view of the most important factors for family firms' crisis management. Thus, further replication with unknown family firms to provide additional support or contrasting ideas would be useful, as it would enhance our findings. Crisis management in family firms can differ regarding, e.g., the type of crisis, family involvement and context (countries, regions (cf.Welter, 2011)) or size of the studied firms, which offer opportunities for future research.

Further research should consider different types of family firms. In all our cases, the family members were operationally involved in the firms. Therefore, it is necessary to study how owning families manage crises where they are not operationally involved in the firm. Furthermore, we suggest that future studies consider other types of family firms, e.g., hybrids, such as publicly listed family firms (Billis & Rochester, 2020; Boers & Nordqvist, 2020; Carsrud & Brännback, 2012).

Learning has been identified as an important step for the continued development of crisis management practices. Therefore, future research could examine this step in more detail in terms of how this learning is achieved, codified and transferred between family and business, as well as across generations.

Finally, we suggest crisis communication as an important avenue for further research (Claeys et al., 2010; Johnen & Schnittka, 2019; Gourinchas et al., 2021).

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