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Escola de Economia e Gestão

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Making sense of dynamic managerial capabilities to deal with resistance to change in family-owned businesses within the context of business model innovation

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DIREITOS DE AUTOR E CONDIÇÕES DE UTILIZAÇÃO DO TRABALHO POR TERCEIROS

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STATEMENT OF INTEGRITY

I hereby declare having conducted my Thesis with integrity. I confirm that I have not used plagiarism or any form of falsification of results in the process of the Thesis elaboration. I further declare that I have fully acknowledged the Code of Ethical Conduct of the University of Minho.

Making sense of dynamic managerial capabilities to deal with resistance to change in family-owned businesses within the context of business model innovation

ABSTRACT

Organizations are facing a turbulent market environment especially because of digitalization and the increase of competition and other external changes in the marketplace. The speed of change in competitive environments has prompted firms to develop processes directed at enabling organizational adaptation. Dynamic Capabilities can foster the competitiveness of the enterprises performing in these unstable business environments and help organizations implement Business Model Innovation. This requires valuable Dynamic Managerial Capabilities from leaders and especially from the top management who can help to develop and enhance these capabilities. Managers play a critical role in shaping the development and the reconfiguration of the firm's new business model and face foreseen problems such as resistance to change which is a well-known management problem that requires Dynamic Managerial Capabilities to deal with. Building on current research, we focus on a particular form of business organization, that is, the family-owned businesses. We argue that distinctive Dynamic Managerial Capabilities in family businesses are needed to deal with resistance to change while implementing Business Model Innovation.

In this qualitative research, semi-structured interviews were conducted with 16 managers of four family businesses from Egypt, in different manufacturing industries performing in dynamic market environments. Purposive judgmental sampling was used as a supportive method aiding the identification of the most informative cases to study important tasks and capabilities in each of the managerial actions. Content analysis and coding was utilized as analysis methods in the categorization of these actions.

Based on the findings, we proposed a practice-based model of Dynamic Managerial Capabilities to deal with resistance to change in family-owned businesses adopting business model innovation. The model derived in the current study includes various managerial actions to prevent and overcome resistance, as well as the role played by specific circumstances of these family businesses that were interrelated with the dynamic managerial capabilities of the top management team and either facilitated their actions or aggravated resistance to change.

Keywords: Business model innovation, dynamic capabilities, Dynamic managerial capabilities, Family business, resistance to change.

Compreendendo as capacidades dinâmicas gerenciais para lidar com a resistência à mudança em empresas familiares no contexto de inovação do modelo de negócio

RESUMO

As organizações enfrentam um ambiente de mercado turbulento, especialmente devido à digitalização, ao aumento da concorrência e a outras mudanças externas no mercado. A velocidade da mudança em mercados competitivos levou as empresas a desenvolverem processes que visam capacitar a adaptação organizacional. As Capacidades Dinâmicas podem fomentar a competitividade das empresas que atuam nestes de ambientes de negócio instáveis e ajudar as organizações a implementar Inovação do Modelo de Negócio. Isto requer valiosas Capacidades Dinâmicas Gerenciais por parte dos líderes e, em especial, por parte dos gestores de topo, que podem ajudar a desenvolver e melhorar essas capacidades. Os gestores desempenham um papel crítico no desenvolvimento e reconfiguração de um novo modelo de negócio da empresa, e enfrentam problemas previsíveis, como a resistência à mudança, que é um problema de gestão bem conhecido que requer Capacidades Dinâmicas Gerenciais para lidar com ele.

Construindo sobre a investigação atual, focamo-nos numa forma organizacional particular, a empresa familiar. Argumentamos que são necessárias Capacidades Dinâmicas Gerenciais distintas nas empresas familiares para lidar com a resistência à mudança durante a implementação de Inovação do Modelo de Negócio. Nesta investigação qualitativa, foram conduzidas 16 entrevistas semi-estruturadas em quatro negócios familiares no Egipto, em diferentes sectores industriais operando em ambientes de mercado dinâmicos. Foi utilizada uma técnica de amostragem teórica intencional para assistir na identificação dos casos mais informativos para estudar tarefas e capacidades importantes em cada ação gerencial. Análise de conteúdo e codificação foram utilizados como técnicas de análise de dados na categorização dessas ações. Com base nos resultados, propomos um modelo baseado na prática de Capacidades Dinâmicas Gerenciais para lidar com a resistência à mudança em empresas familiares que adotam inovação do modelo de negócio. O modelo derivado do presente estudo inclui várias ações gerenciais para prevenir ou ultrapassar a resistência, bem como o papel exercido por circunstâncias específicas destes negócios familiares que estavam interrelacionados com as Capacidades Dinâmicas Gerenciais da equipa de gestão de topo e que, ora facilitavam as suas ações, ora agravavam a resistência à mudança.

Palavras-chave: Capacidades Dinâmicas Gerenciais, capacidades dinâmicas, empresas familiares, Inovação do Modelo de Negócio, resistência à mudança.

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DEDICATION

This thesis is dedicated to my beloved husband (Bassem) and my precious son (Mourad).

CHAPTER ONE

1. INTRODUCTION AND OVERVIEW

1.1. Introduction

In today’s high-velocity environment, recognizing enablers of dynamic organizational adaptation is essential to sustainable competitive advantage. The business environment is in a constant change and these changes are driven even further by the digital revolution, global competition, together with the fragmentation of customer needs (Teece, 2007). Changes in the external environment usually require a re-evaluation of the strategy and adaptation to these changes on top of a proactive development of the business model in order to stay relevant in the market (Teece, 2010). This in turn requires different resources and capabilities from organizations that are difficult to imitate (Eisenhardt & Martin, 2000). The business environment has rapidly evolved with a growing number of different technologies and tools. This calls for the concept of Dynamic Capabilities that Teece et al. (1997) define as “the firm’s ability to integrate, build and reconfigure internal and external competencies to address rapidly changing environments” (Teece et al. 1997: p. 516). The dynamic capabilities perspective therefore aims to help understand the foundation of long-term firm success in progressively changing environments which relies on business efforts to detect, leverage, and reconfigure the firm’s capabilities that enable companies to adapt to environmental demands (Teece, 2007). Acknowledging this, the concept of Dynamic Managerial Capabilities (DMC), was introduced by Adner and Helfat (2003). Teece (2007) noted that top management leadership skills are essential for organizations to maintain their dynamic capabilities because, whereas some elements of dynamic capabilities are embedded in organizations, the ability to transform the resource base is the responsibility of top management (Teece, 2012). Dynamic Managerial Capabilities (DMC) refer managers' agency in developing dynamic capabilities. They are central capabilities through which managers build, integrate, and reconfigure organizational resources and competencies to adapt to changing environmental conditions (Adner & Helfat, 2003).

The accelerating pace of this constant change is creating a need for businesses to adapt to changes in the marketplace and to develop different capabilities helping them to keep up in this ongoing culture of change (Helfat et al., 2007). This is especially relevant in family firms, whose specific threats to transgenerational success and survival have long been discerned. The speed of change in competitive environments has driven family firms to develop processes directed at changing existing capabilities (Rashid & Ratten, 2020).

Achieving strategic competitiveness is difficult in today's turbulent and complex marketplace. Companies now face such a tremendous competitive pressure that they feel the need to actively develop new business models to ensure or attain sustainable competitive advantages (Achtenhagen et al., 2013). Business models can be simply described as how a firm does business (Chesbrough & Rosenbloom, 2002; Magretta, 2002). (Teece, 2010) describes business models as the logic of a firm on how to create, deliver and capture value. Scholars like Mitchell and Coles (2003) started to propose the idea of innovation to the firms' business model early in 2003. Hence, Business Model Innovation means novel changes of a firm's Business Model. Business model innovation cannot automatically be effective without the call for wise, passionate, and committed leaders who have the right dynamic managerial capabilities which can help them develop flexible organizational processes and decide when to embark on organizational or ecological transformations (Schoemaker et al., 2018) that allow firms, including family-owned firms, to be competitive over time.

Top management's primary role is to act as the central monitor in Business Model Innovation. Establishing and maintaining coherence among business elements requires constant conflict resolution among business units. Top management has to act as an active sponsor of the new initiatives, especially against internal pressures for capital re-allocations due to the undergoing change within the organization's Business Model (Foss & Stieglitz, 2014). Consequently, authors find that there is an increased likelihood of resistance to the adoption of the new business model (Dewald & Bowen, 2010; Reim et al., 2015).The importance of the top management role and their involvement was highlighted by King and co-authors (2022) stating that top managers can influence employee acceptance or resistance to restructuring efforts.

The Dynamic Managerial Capabilities (DMC) approach highlights managers' actions involved in building, integrating, and reconfiguring organizational resources and competencies to adapt to changing environmental conditions (Adner and Helfat 2003). Among the actions required to achieve this while implementing business model innovation is the ability to deal with resistance that may arise within the organization. In this thesis, we look at dynamic managerial capabilities as managerial actions needed specifically for family-owned businesses to deal with resistance to change.

1.2. Structure of the thesis

This thesis consists of five chapters covering a review of the relevant literature, a discussion of the onto-epistemological assumptions that guide the research, the methods employed, data analysis and findings, and finally discussions and conclusions. A summary of each chapter is presented below.

The present **chapter 1** gives an introduction and background to the research.

The literature review is presented in **chapter 2**. We review those theories that help explain how managers deal with resistance to change in family-owned businesses and how they organize their actions. This entails reviewing research on dynamic capabilities, dynamic managerial capabilities, business model, business model innovation, resistance to change and family businesses.

In **chapter (3)** we present the conceptual framework that informs the current research, providing linkage for the literature reviewed in the previous chapter.

In **chapter (4)** we discuss the research methodology and the data collection methods and analysis procedures employed in this thesis, which relies on a multiple case study design using narrative interviews as the primary device for data collection.

In **chapter (5)** we present the findings of the study, providing narratives of the four cases that show how managers act to deal with resistance. This narrative approach allows us to provide a detailed account of the progressive unfolding of actions and interactions in each case before we move on in the rest of the sections of the chapter to present the more abstract concepts and their interrelationships that emerged from the analysis.

In **chapter (6)** we discuss the findings in light of previous literature, noting the contributions of the study.

In **chapter (7)** we provide a conclusion of the study and present several theoretical and methodological implications to both dynamic managerial capabilities and resistance to change in the family business literature, as well as drawing practical implications. We then discuss the limitations of the study and provide several suggestions for future research.

CHAPTER TWO

2. LITERATURE REVIEW

2.1. Dynamic Managerial Capabilities

The theory of dynamic capabilities has originally taken an organizational level or a firm-level view on the dynamic capabilities and thus having neglected the role of management in utilizing these capabilities (Adner & Helfat, 2003). It is acknowledged that the development of dynamic capabilities can occur only when individuals in the organization utilize their knowledge and skills in acquiring, combining, and transforming the resources that are available in a manner in which it takes company closer to its strategic goals (Mahoney & Pandian, 1992; Teece et al., 1997).

That has made scholars look to the micro foundations of dynamic capabilities, which have always had a strong focus on the managerial level and emphasize the role of leadership (Teece, 2012). Adner and Helfat (2003, p. 1012) eventually introduced the concept of "Dynamic Managerial Capabilities" (DMC), i.e., “the managers' capabilities to build, integrate, and reconfigure the resource base of an organization”. The notion of dynamic managerial capabilities thus extends from the dynamic capabilities concept (Eisenhardt & Martin, 2000; Teece, 2007)justifying a brief review of that literature.

2.1.1 Dynamic Capabilities

One of the earliest contributions to the theoretical basis of dynamic capabilities was the work of Teece, Pisano and Shuen (1997), who defined dynamic capabilities as “the firm’s ability to integrate, build and reconfigure internal and external competencies to address rapidly changing environments” (Teece et al. 1997: p. 516). The authors' main assumption holds that firms need dynamic capabilities to modify their short-term strategic position in order to shape long-term advantages. The core underlying assumption of dynamic capabilities theory is the interaction between a company’s resource base and its capabilities to extend and modify existing re-sources or create new ones (Helfat et al., 2007).The dynamic capabilities perspective therefore aims to help understand the foundation of long-term firm success in progressively changing environments which relies on business efforts to detect, leverage, and reconfigure the firm’s capabilities that enable companies to adapt to environmental demands (Teece, 2007). Dynamic capabilities are linked to the organization’s ability to articulate, restructure, and create processes and routines to effectively adapt to the demands of the environments in which they operate in (Helfat et al., 2007). Dynamic capabilities are treated in the literature as “an offshoot of the resource-based view (RBV) theory” (Cavusgil et al., 2007; Priem & Butler, 2001; Teece et al., 1997).

The notion of dynamic capabilities relies heavily on the resource-based view of the firm (Makadok, 2001), which aspires to identify the internal sources of a firm’s sustained competitive advantage, that can only be maintained in the presence of valuable, rare, inimitable, and non-substitutable resources and capabilities, also known in this context as "strategic resources" (Barney, 1991; Kraaijenbrink et al., 2010). However, the resource-based view has not adequately explained how and why certain firms have competitive advantage in situations of rapidly, changing, and unpredictable environments (Eisenhardt & Martin, 2000). So, scholars have extended the resource-based view to dynamic markets (Teece, Pisano, & Shuen, 1997) explaining that in these markets, where the competitive landscapes are fluctuating, managers need to integrate, build, and reconfigure internal and external resources with competencies to address rapidly the changing environment. Hence, Pavlou and Sawy (2011) argue that, while the resource-based view highlights resource picking (selecting resource combinations), dynamic capabilities emphasis resource renewal (reconfiguring resources into new combinations of operational capabilities).

Dynamic capabilities fit into the concept of organizational capabilities, which have been extensively studied in the strategic management literature. Researchers such as Helfat and Peteraf (2015), Helfat and Winter (2011) and Winter (2003) provide in depth discussions of this subject. Organizational capabilities encompass two types of capabilities (Helfat & Winter, 2011): operational capabilities and dynamic capabilities. Operational capabilities enable firms to perform their everyday routine functions; or, in Winter’s (2003, p. 992) description, “those capabilities that enable a firm to make a living in the present”. Winter explains that such capabilities are ordinary in the sense of maintaining the firm’s status quo. Perfect examples of operational capabilities are the organizational routines and procedures that ensure the speed, quality, and efficiency of daily operations (Helfat & Winter, 2011). They also help maintain consistency, reliability, and continuity in producing organizational outputs (Kurtmollaiev et al., 2018).

In contrast, dynamic capabilities are dedicated to changing and creating new operational capabilities, which generate the innovations and modifications necessary for establishing new markets or adapting to environmental demands (Helfat & Winter, 2011). Dynamic capabilities as such consist of a broad range of activities, including new product development and alliance formation (Schoemaker et al., 2018).

Despite the fact that the dynamic capabilities perspective has become one of the most commonly used theoretical lenses in management research (Schilke et al., 2018), Schilke and colleagues stated that many critics have repeatedly expressed a dissatisfaction with the literature, particularly the lack of empirical knowledge and the under-specification of the dynamic capabilities construct.

2.1.2 Dynamic Managerial Capabilities concept and dimensions

From the earliest conceptualizations of dynamic capabilities, the role of top-level managers and the impact of their actions on strategic change has been noted (Ambrosini & Altintas, 2019; Rosenbloom, 2000; Teece et al., 1997). Teece (2007, p. 1325) reveals that "top management leadership skills are required to sustain dynamic capabilities" because, whereas some elements of dynamic capabilities are embedded in organizations, the ability to transform the resource base is the responsibility of top management (Teece, 2012).Therefore, any changes in the organizational environment can trigger and promote managerial capabilities (Teece, 2012). Acknowledging this, the concept of "Dynamic Managerial Capabilities" (DMC), was introduced by Adner and Helfat (2003, p. 1012), who defined it as "managers' capabilities to build, integrate, and reconfigure the resource base of an organization". Subsequently, Helfat et al. (2007) referred to the term as the ability of managers to create, expand, or change the resource base of an organization.

Helfat et al. (2007) also introduced the concept of "asset orchestration" as a central function of top managers, which is about the search for resources and capabilities (sensing); their selection, investment, and deployment (seizing) and their reconfiguration (transforming) (Helfat & Martin, 2014). As Helfat and colleagues explained, "asset orchestration" can create value through the development and bundling of assets that affects "firm's abilities to adapt to changing conditions in their industry environments" (p.1248). This goes in line with Teece's (2012) remark about "the role of individual executives" in the development of dynamic capabilities and the effect of creative managerial and entrepreneurial acts in strategic change. Ambrosini & Altintas (2019) consider managerial dynamic capabilities as the agency of dynamic capabilities. Hence, managers shall be considered the agents (the ones with acting power) over dynamic capabilities.

Empirical studies underline the role of top management in asset orchestration. For example, Martin (2011) found evidence of dynamic managerial capabilities in six large software firms in the United States: multi-business teams, composed of the senior executive leaders of business units, affected the reconfiguration of business unit resources, new product launches, establishment of new business units, and financial performance. Comparing the executive leadership groups in the six different firms, the study highlighted that dynamic managerial capabilities in executive leadership groups are not equally allocated across organizations. Hence, differences in dynamic managerial capabilities provide additional understanding of how differences in firm performance occur. Accordingly, Martin added that effective dynamic managerial capabilities improve the quality of information, reduce economic and political barriers inherent to conducting cross-unit activities, and enable top management to adopt innovations in their business units when formulating and deciding novel resource actions.

A few different authors further detail and employ the concept of dynamic managerial capabilities, exploring their underlying dimensions. Some follow Teece's (2007) categorization of dynamic capabilities into (i) sensing and shaping opportunities and threats, (ii) seizing opportunities, and (iii) managing threats and reconfiguration (or transforming; (Teece, 2014)), finding them to be also relevant for the dynamic capabilities of individual managers (Åberg & Shen, 2020; Helfat & Martin, 2014; Helfat & Peteraf, 2015; Kurtmollaiev et al., 2018). Åberg and Shen (2019) present a definition of these dimensions along these lines, proposing: (i) managerial sensing capability, which refers to a manager's regular action of recognizing opportunities and identifying customers' latent needs, often based on interpreting information from various sources; (ii) managerial seizing capability, as a manager's regular action of addressing and taking advantage of opportunities through, for example, innovation, investments, and business model design; lastly, (iii) managerial transforming capability, a manager's regular action of changing existing organizational resources and routines.

The work of Adner and Helfat (2003) on the dimensions of dynamic managerial capabilities is, however, the most influential, serving as the basis for other studies (Andersson & Evers, 2015; Helfat & Martin, 2014; Helfat & Peteraf, 2015). According to them, dynamic managerial capabilities are derived from three underlying factors: human capital, social capital, and managerial cognition (Adner & Helfat, 2003; Helfat & Martin, 2014). Helfat and Martin (2014) state that these factors, separately and in combination, have an influence on the strategic and operational decisions of managers. These capabilities stimulate the quality of strategic decisions and allow firms to be highly responsive to its environmental changes (Helfat & Martin, 2014). These three factors are further detailed next.

Managerial cognition is defined by Helfat and Peteraf (2015, p.835) as "the capacity of an individual manager to perform one or more of the mental activities that comprise cognition", i.e, a set of human mental processes that include perception, attention, patterns of recognition, learning, memory, language processing, problem-solving, reasoning, and thinking (Sternberg & Kaufman, 2006)

Managerial cognition influences mental models and beliefs. Helfat and Martin (2014) note that managers deal with a large amount and variety of information, they employ the concept of knowledge structures to symbolize their information worlds. And these knowledge structures, they argue, influence managers' reactions in anticipating market changes and understanding the implications of different choices. However, cognitive processes cannot be observed within the brain without recourse to sophisticated technology and expertise, which makes it very complex to study. After all, it is not possible to visualize human thoughts with the naked eye, only observe the result or the actions and behaviors resulting from that thought. Therefore, the study of cognition becomes possible through the study of human actions and behaviors (Taylor, 2005).

Scholars who have addressed the issue of cognition in the business world have concluded that different cognitive processes have led to strategic decisions and distinct outcomes within organizations (Adner & Helfat, 2003). In addition, Helfat and Peteraf (2015) pointed out that managers with prior experience in changing markets and organizations are more likely to have developed knowledge structures that they can apply in multiple contexts.

Managerial social capital, in turn, refers to the goodwill derived from formal and informal relationships that managers have with others and can use to obtain resources and information (Helfat & Martin, 2014). The source of this capital comes from the relationships between the individuals and are linked to the value obtained through belonging to a social group (Coleman, 1988). Corrêa et al. (2019) refer to social capital as relationship networks.

According to Burt (2005) managerial social capital clarifies how some managers perform their activities more efficiently and effectively than others by being well connected, facilitating the necessary conditions for the exchange of resources, and positively affecting business performance. This may be particularly helpful to managers in sensing new opportunities (Adner & Helfat, 2003).

Managerial human capital refers to "learned skills and knowledge that individuals develop through their prior experience, training, and education" (Becker, 1964, p. 11). According to (Becker, 1993), research on human capital has dealt with on-the-job training. Likewise, managers acquire knowledge, develop expertise, and enhance their abilities through previously attained work experience, as effective management involves learning-by-doing and needs practice (Mintzberg, 1973). The main features that human capital comprises are knowledge, education, experience, and skills (Wright et al., 2014). Human capital is associated with some indicators such as age and education. Scholars have suggested that differences between managers in their industry-specific human capital are associated with differences in firm performance (Adner & Helfat, 2003). Experience accumulation leads to human capital (Bendig et al., 2018). Some managerial human capital is specific to particular teams, units, functional areas, technologies, firms, and industries, and other knowledge is generic. Thus, managers draw on their knowledge and expertise to sense opportunities and threats, seize opportunities, and reconfigure organizational resources, capabilities, and structure.

Although some authors find dynamic managerial capabilities to be relevant regardless of their position in the organizational hierarchy (Åberg & Shen, 2020; Helfat & Martin, 2014; Helfat & Peteraf, 2015; Kurtmollaiev et al., 2018), top managers have attracted the greater attention. Ambrosini and Altintas (2019) discussed the role of top managers and they have stated that it is not merely about engaging in entrepreneurial activities but also about spotting and acting on relevant ideas that emerge from any level of the organization. The role of top managers is also concerned with the configuration of the dynamic managerial capabilities of the rest of the senior executive team (Teece, 2007). Ambrosini and Altintas (2019) also explained the role that CEOs play in the configuration of senior executive team dynamic managerial capabilities through the identification, recruitment, and gathering of managerial skills. Another critical role is the orchestration of the senior executive team dynamic managerial capabilities by establishing and promoting an environment where the team can share, discuss, and negotiate ideas, perspectives, and beliefs.

The importance of top executives is reinforced by empirical evidence. Following the resource-based view to better understand how capital investment decisions are made, Maritan (2001) studied a large pulp and paper company. He found that the direction provided from the top management in starting investments in new assets and capabilities, combined with extensive interaction with business unit managers, had critical impact on strategic change. He also found that new projects begin at the senior-division level rather than at the operating level, as senior managers conduct broader, less local information searches than operating-level managers and are more able to identify opportunities to invest in new capabilities that are outside their current experience.

As follows from the concept itself, Dynamic managerial capabilities (DMC) are especially useful in a changing organizational environment (Corrêa et al., 2019). Fainshmidt et al. (2017) mentioned that the more dynamic the sector in which an organization operates, the greater the chances of the organization developing stronger asset management capabilities. Buil-Fabregà et al. (2017) maintain that dynamic managerial capabilities can not only help managers adapt to unpredictable environmental changes, but they can also enable them to detect environmental changes more rapidly. As companies need to change their business models to cope with the dynamics imposed by the very competitive markets they operate in, this requires dynamic capabilities for quick experimentation and implementation of the required changes. Therefore, dynamic managerial capabilities will be needed in order to adopt business model innovation (BMI), a concept that which will be treated ahead.

However, dynamic (managerial) capabilities are not inherent nor equally distributed among firms. Teece (2014) explained that some top managers may be stuck in their old ways of doing things, and thus develop rigidities. Organizations need top managers who can bring organizational transformations by making new commitments and breaking old ones (Rosenbloom, 2000). This is one of the reasons behind the high turnaround of CEOs (Teece et al., 2016). This also shows that dynamic capabilities are unequally distributed among firms because of heterogeneous managers' abilities (Helfat & Martin, 2015).

As next explained, resistance to change is a well-known management problem that can come from a variety of sources, such as rigid cognitive frames of managers (Barr et al., 1992; Kaplan & Henderson, 2005) as well as resistance from the employees (Zwick, 2002). Coordinated adaptation of assets therefore often implies overcoming resistance to change, which benefit from dynamic managerial capabilities for reconfiguration (Helfat & Peteraf, 2015).

2.2. Business Model Innovation

Scholars like Mitchell and Coles (2003) started to propose the idea of innovation to the firms' business model early in 2003. Thus far, a mostly static approach to business models was considered (Casadesus-Masanell & Ricart, 2010), i.e., using the business model concept as a means to describe a status quo. But since then, the term Business Model Innovation (BMI) has spread widely. Scholars like Foss & Saebi (2018b) argued that the Business Model and Business Model Innovation constructs are fundamentally about the architecture of the firm's value creation, delivery, and capture mechanisms; theoretically the key aspect of BMs is complementarity between the activities underlying these mechanisms; Business Model Innovation means novel changes of a firm’s BM, justifying a brief review of literature presented below.

2.2.1. Business Model Concept and Definitions

The term “business model” is a relatively new one (Osterwalder et al., 2005). The original definitions came from the e-business field associated with system modeling in the context of information technology (Wirtz et al., 2016) However, the term gained more popularity from the 1990s with the advent of the internet and internet-based businesses (Nenonen & Storbacka, 2010) Many entrepreneurship and strategy scholars applied the construct as a holistic description of a firm’s key business processes and how they are linked (Zott et al., 2011)

Business models (BM) can be simply described as how a firm does business (Chesbrough & Rosenbloom, 2002; Magretta, 2002). It also seen as a construct “that mediates between technology development and economic value creation” (Chesbrough & Rosenbloom, 2002, p. 532). Therefore, a business model explains how an actor is positioned within a value network or supply chain and how a business turns inputs into outputs while fulfilling its goals.

More definitions of a business model vary and are considered somehow affected by the author’s personal research area or preference. (Teece, 2010) describes business models as the logic of a firm on how to create, deliver and capture value. On the other hand, Zott and colleagues (2011) see business models as interdependent boundary spanning activities which change the content, structure and governance of an organization’s activity system. Casadesus-Masanell and Ricart (2010) explain the business model as a mirror of an organization’s strategy, categorizing it as a new unit of analysis which offers a systematic perspective on a firm’s DNA. Business models were also described as sets of structured and interdependent operational relationships between a firm and its customers, suppliers, complementors, partners and other stakeholders, and among its internal units and departments (functions, staff, operating units, etc.) (Doz & Kosonen, 2010)

Nenonen and Storbacka (2010, p. 2) mentioned in their research about business model that "Even though there is no commonly agreed definition of the business model, it is possible to find some categorizations of the existing business model literature" that are useful to clarify and operationalize the concept. Osterwalder et al. (2005) classified the research on the business model into three categories:

1. Studies that describe the business model concept as an abstract overarching concept that can describe all real-world businesses.

2. Studies that describe a number of different abstract types of business models or classification schemes.
3. Studies presenting aspects of a conceptualization of a particular real-world business model.

Although many scholars have contributed with abundant amounts of detailed literature, the understanding of business models is still fragmented (Foss & Saebi, 2018a). It has been noted that "there continues to be little agreement on an operating definition" (Casadesus-Masanell and Ricart, 2010, p. 196) and "the academic literature on this topic is fragmented and confounded by inconsistent definitions and construct boundaries" (George and Bock, 2011, p. 84).

However, there is convergence around the main components of a BM, namely value proposition, value creation and value capture (Gassmann et al., 2016). Value proposition is the company's offerings of product, services, brand, and trust, that is, value promised to customers. Value creation refers to the process of creating value through the company's resource arrangement, competency deployment and research and development. Lastly, value capture refers to creating profits out of value offerings, in other words, the balance of revenue generation and cost models of the company to get maximum profits by converting the transactions of value offerings into profit (Gassmann et al., 2016).

2.2.2. Business Model Innovation

Business Model Innovation is thus another fascinating subject of study, emerged initially from the efforts of Chesbrough (2007) with the aim of raising the awareness of the equal importance of softer (non-technological) types of innovation. Ritter & Lettl (2018) discuss that the different business-model streams are not only useful to describe a business model's current state but also serve as structures for describing and developing its future states. The focus awakened on the innovation dimension of the business model has been examined from a variety of angles. Accordingly, many studies have been conducted to start exploring this new phenomenon.

The development of the importance of business models and its innovation was especially promoted by the growth of information and communication processing (Rüb et al., 2017). Business model design represents the creation and validation of BMs for new ventures, whereas business model reconfiguration stands for the change of existing business models (Chesbrough & Rosenbloom, 2002). Both types can result in business model innovation; however, to do so they need to contain some kind of novelty (Rüb et al., 2017).

When it comes to trying to define Business Model Innovation, previous literature shows various definitions associated with business model dynamics or change, such as business model "learning", "evolution", "modification", "reconfiguration", "innovation", or "renewal" (Demil & Lecocq, 2010; Doz & Kosonen, 2010; Dunford et al., 2010; Teece, 2010). These terms could be used interchangeably, but some of these concepts seem to point to incremental changes occurring in existing business models (i.e., evolution, adaptation), while other definitions seem to refer to more fundamental forms of innovation. In sum, the variety of existing definitions of Business Model and Business Model Innovation suggest they are picking on different aspects of these complex concepts.

Foss & Saebi (2017) argue in favor of putting clear dimensions for Business Model Innovation. As they explain, progress in research often takes place when units of analysis are clearly dimensionalized, that is, "when scholars manage to capture the heterogeneity of a unit of analysis in terms of its key characteristics that have relevant implications for outcomes" (p.211). They state that the literature recognizes that Business Model Innovation may differ in terms of at least two dimensions. The first dimension is the degree of novelty of the BM. Some scholars highlight BMs that are new to a firm, while not necessarily new to an industry (Bock et al., 2012; Johnson et al., 2008; Osterwalder et al., 2005), whereas others stress BMs that are new to an industry (Santos et al., 2009). Another relevant dimension invoked in the literature is the scope of the Business Model Innovation — that is, how much of a business model is affected by a business model innovation. Thus, at one extreme, business model innovation may affect only a single component, such as the value proposition; at the other extreme, it may involve all components of the business model and the architecture that links those components. There are some debates and disagreements between scholars about the extent of change that must happen to the business model in order for us to call it 'innovated'. Some scholars (e.g., Amit and Zott, 2012; George and Bock, 2011; Santos et al., 2009; Schneider and Spieth, 2013) suggest that Business Model Innovation can be manifest in a change in a single component of the firm's BM, while others, like Lindgardt, Reeves, Stalk, and Deimler (2009), suggest that "two or more" components of the business model must change before we can meaningfully talk about a business model innovation occurring. However, because components are interdependent, changes in one component usually force change in the others (Moellers et al., 2019).

Kim & Min (2015) highlighted the importance of a firm's resources and managerial choices to organizational performance. Amit and Zott (2012) discussed that organizations need to be aware of the complementarity or substitutability between new and existing features of business models.

Complementary assets of existing and new business models enhance a company's potential to perform well. However, it is the "managerial choice" which is responsible for recognizing these assets and for taking advantage of them. (Rüb et al., 2018). Doz and Kosonen (2010) argue that creativity and inside information have an important part for managers to understand a business model and then to develop new ones. They point out the importance of managerial responsibility and capability to create an agile organization to support the capability of changing business models.

However, and despite the substantial amount of attention given to business models and business model innovation in the literature, very few researchers have dealt with the leadership aspects of business model innovation (Foss & Saebi, 2018b; Foss & Stieglitz, 2014; Guo et al., 2018; Zott et al., 2011). Such innovation can cause enormous changes to the organization which in turn puts huge pressure on top management, as different kinds of business model innovation are associated with different management challenges and require different leadership approaches to become successful, as argued by Foss and Saebi (2018). Geissdoerfer et al., (2017) discussed one these management challenges during business model innovation, which is the little guidance provided through implementation phase and focusing on single phases such as the design of the business model innovation process. Geissdoerfer and co-authors referred to it as 'the design-implementation gap', their study shows that there is a gap between conceptualization and implementation that leads to promising ideas not being further investigated, concepts not being implemented, and implemented business models failing in the market.

The importance of top management leadership in the context of innovation and business model innovation is recurrently highlighted. As top management oversees the organization's progress in their BM, trying to make sure that employees follow these changes and do not violate the core logic of the firm, they become architects who are actively involved in everyday experimentation and decision making (Foss & Stieglitz, 2014). And the literature on dynamic managerial capabilities (DMC) identifies outcomes that are very relevant to business model innovation or indeed fall into the concept of business model innovation. Schoemaker, Heaton and Teece (2018) stated that the dynamic capabilities of a firm's leadership enable it to recognize profitable configurations of competencies and assets, assemble and orchestrate them, and then exploit them with an innovative and agile organization. They add that the dynamic capabilities of a firm's leadership are about doing the right things at the right time, based on new product/process development, exceptional managerial orchestration processes, a strong and change-oriented organizational culture, and a prescient assessment of the business environment and technological opportunities (Schoemaker et al., 2018)

Business model innovation with a high chance of gaining competitive advantage will be achieved through the organizing of co-specialized assets and complementary assets, introduction and re-configuration of organizational structures, procedures, and external relationships in a dynamic manner (Bock et al., 2012; Teece, 2012). Santos et al. (2009, p. 7) mentioned that "The heart of the company's innovation lay in its c have concluded in their study that business model innovation does in fact lead to higher product innovation performance as they have proved a significant positive association between the configuration of business model innovation and product innovation performance. The firms who undertook business model innovation exhibited the strongest impact on product innovation performance in their study. Other authors also find that there is an increased likelihood of resistance to the adoption of the new business model (Dewald & Bowen, 2010; Reim et al., 2015).

The degree of integration of new activities, after undertaking innovation into the organization, must be well managed. Top managers must keep the business model coherent from an internal and an external perspective. The business model must have some alignment with the internal structure and the firm's overall management model (Birkinshaw & Ansari, 2015).

Additionally, successful leadership should focus more about emerging technologies and changing markets and adjust their current business model or even create a new one to cope with these external challenges. And major business model transformations within an existing business cannot succeed without a wise strategic leadership (Schoemaker et al., 2018). Teece (2010) considers the creation of competitive business models is a critical micro-foundation of a firm's top management "seizing" capabilities. Functions of the business model include identifying unmet customer needs, specifying the technology and organization that will address them, and capturing value (Teece, 2010).

In sum, the key role of top management actions in business model innovation is often acknowledged. Research on dynamic managerial capabilities has shown it has impact on business model innovation related issues. But, so far, the interconnection between the two has not received much attention. Specifically, the dynamic managerial capabilities involved in dealing with resistance to change that may arise when business model innovation is implemented have not been explored. A crucial question that therefore needs to be addressed is what top management's actions are when facing resistance to business model innovation implementation.

2.3. Resistance to change concepts and dimensions

Looking at the literature on resistance, organizational change management research has shown that resistance is the foremost challenge faced in transforming firms (J. P. Kotter & Schlesinger, 2008; Rafferty & Jimmieson, 2017).The literature identifies resistance on two main perspectives: an organizational context based on the work of Coch and French's (1948) (according to Burnes, 2015), and individuals as a source of resistance (Castro et al., 2020; Erwin & Garman, 2010; Oreg, 2003; Thomas & Hardy, 2011), which is the perspective followed in the current study.

Scholars conceptualize resistance to change to be any attitude or behavior indicating lack of willingness to support or make a desired change (Mullins, 2005; Schermerhorn et al., 2005). Resistance to change was described by Burke (2018) as a resistance to the loss of something that is valuable or loss of the known by moving to the unknown. Sometimes, people resist the imposition of change that is accepted as a universal truth. Nevertheless, resistance can range from passive resignation to deliberate sabotage (Kreitner et al., 2010). Another definition by Peiperl (2005, p.348) described resistance as: "... active or passive responses on the part of a person or group that militate against a particular change, a program of changes, or change in general." Dubrin and Ireland (1993) treat resistance to change somewhat differently. They first deal with managing change and models of the change process. In their book, they attribute resistance to change to three main factors: people's fear of poor outcomes (e.g., that they might earn less money, be personally inconvenienced, or be required to perform more work), people's fear of the unknown, and workers' realization of faults with change overlooked by management and their fear of resulting problems.

Boohene et al. (2012) discussed that, even though change is implemented for positive reasons – like adapting to volatile environment conditions and remaining competitive –, organization members often react to change efforts negatively and resist change. Yılmaz & Kılıçoğlu (2013) stated that the main reason behind this negative reaction, by individuals in firms is due to pressure, stress and uncertainty coming with change. Therefore, people may exhibit fear and anxiety over such matters like job security, employment levels, loss of job satisfaction, different wage rates, loss of individual control over work and changes to working conditions (Mullins, 2005). Other common reasons for resistance to change within organizations include interference with need fulfilment, selective perception, habit, inconvenience or loss of freedom, economic implications, security in the past, fear of the unknown, threats to power or influence, knowledge and skill obsolescence, organizational structure, and limited resources (Yilmaz & Kılıçoğlu, 2013). Resistance causes elaborated below, see Table 2-1.

Table 2-1: Resistance causses

Resistance causes	***Explanation***
Interference with need fulfilment	Changes preventing people from fulfilment of economic, social, esteem and other needs may encounter with resistance. Thus, people resist changes that lower their income, job status and social relationships.
Selective perception	People process the provided information selectively in order not to change their point of view. Indeed, people hear what they want to hear and disregard any information threatening their perspective. In other words, people interpret an image of the real world with their own perception of reality which gives birth to a biased view of a particular situation and resistance to change occurs.
Habit	When changes are faced with, individuals may tend to re-act these changes due to accustomed to their usual manner of behaving. People tend to respond situations in an accustomed manner. Since habits serve as means of security and comfort, proposed changes to habits may be resisted.
Inconvenience or loss of freedom	When change is seen as troublesome and reduce freedom of action with increased control, organization members may resist change implementations.
Economic implications	If change is perceived as reducing pay or other rewards, individuals are likely to resist change. People may want to maintain the status quo by establishing the patterns of working.
Security in the past	Individuals who have higher security needs resist change more than others because change threatens their sense of security. When people face with new and unfamiliar methods or difficult and frustrated occasions, they may reflect on past with a wish to retain old ways.

Table 2-1 (Continued)

Resistance causes	*Explanation*
Fear of the unknown	If innovative or radical changes introduced without giving information about the nature of change, the organization members become fearful and anxious about change implications. In fact, change takes place of doubt and uncertainty because people like stability.
Threats to power or influence	Administrative and technological changes threatening power bases in the organization may lead to trigger resistance due to being seen as a threat to power or influence of certain groups in controlling over decisions, resources, and information concepts. Specifically, intimidating changes may menace specialized groups in the organization. Reallocation of decision-making authority could threaten long term power relations.
Knowledge and skill obsolescence	Organization members resist organizational changes when their knowledge and skills are obsolete. It is essential to state that knowledge is related to management while skills can be applied to any member of the organization.
Organizational structure	In organizations which have ideal bureaucracy with hierarchy of authority; division of labor and specialization, regulations and rules, some degree of structure is given to groups for fulfilling the organization's goals. However, this need would be dysfunctional to the organization with serving as a main factor for resistance to change.
Limited resources	Organizations not having available resources prefer to maintain their status quo since change requires resources like capital and people having appropriate skills and time. Inadequate resources may lead to abandon the desired changes.

Source: Yilmaz D, Kilicoglu (2013)

Accordingly, Erwin and Garman (2010, p. 42) stated that there was widespread agreement with Peiperl's view, noting that "…resistance is viewed as multi-dimensional involving how individuals behave in response to change (behavioral dimension), what they think about the change (cognitive dimension), and how they feel about the change (affective dimension)". These components reflect three different manifestations of people's evaluation of an object or situation (Erwin & Garman, 2010). Capturing the complexity of resistance, Piderit (2000) suggested that individuals operate in all these dimensions simultaneously, and that they may even be ambivalent about the change in each of these dimensions. Furthermore, it is proposed that thoughts, feelings, and behaviors towards change are not necessarily good or bad, but rather positive or negative (Lines, 2005), or pro- versus anti-change (Giangreco & Peccei, 2005) These three dimensions are further described below.

The affective dimension regards how one feels about the change (Erwin and Garman, 2010). Oreg (2006, p. 76), in a study of an 800-employee defense industry organization involved in a merger of two key departments, described the affective reactions to the change to include "…experiencing emotions as elation, anxiety, anger, fear, enthusiasm, and apprehension".

The cognitive dimension involves what one thinks about the change (e.g., Is it necessary? Will it be beneficial?). Cognitive negative reactions or attitudes towards the change include a lack of commitment to the change and negative evaluations of the change (Oreg, 2006; Piderit, 2000).

The behavioral dimension involves actions or intention to act in response to the change (e.g., complaining about the change, trying to convince others that the change is bad). Giangreco and Peccei (2005, p. 1816), in their study of the privatization of an Italian electric company examining the behavioral dimension of resistance, defined resistance to change as a "form of dissent." They recommend thinking about both "pro- and anti-change behaviors." Using self-report survey data from 359 mid-level managers, they found that anti-change behaviors were frequently expressed in passive rather than overt ways – for example, not actively supporting change initiatives, or behaving in ways that more covertly impeded the effectiveness or rate of change. Examples of such behaviors included doing the minimum required, not actively cooperating, and promoting the change initiative, not making an effort to ensure subordinates understood the change effort, complaining about it, and and/or sabotaging it.

Erwin and Garman, (2010) argued that the three dimensions are not independent of one another, and what people feel about a change will often correspond with what they think about it and with their behavioral intentions in its regard. Nevertheless, the components are distinct of one another and each highlights a different aspect of the resistance phenomenon.

Theories and research on resistance to change have primarily addressed the context-specific antecedents of resistance. A large variety of contextual variables have been proposed as related to employees' resistance to change (e.g., Armenakis & Harris, 2002; Miller et al., 2003; Wanberg & Banas, 2000). Whereas some antecedents have to do with the outcomes of change (e.g., losing or gaining power), others focus on the way in which change is implemented (e.g., the amount of information about the change that is given to employees). The latter one is more relevant to the current study which brings the role of dynamic managerial capabilities and their role in overcoming resistance on the way in which reconfiguration is happening (Helfat & Peteraf, 2015). Oreg (2006) proposed a multifaceted view of resistance, highlighting also that the distinction between resistance to outcomes and resistance to process may become clearer.

Oreg (2006) identified three outcome of resistance and three process variables as follows: (i) power and prestige, (ii) job security, and (iii) intrinsic rewards were the three outcome factors, and (i) trust in management, (ii) social influence, and (iii) information about the change were the three process factors, as potential correlates of resistance.

Empirical studies of organizational justice suggest that, although both outcomes and process influence people's reactions, procedural aspects are most likely to influence employees' behavioral responses (e.g., Crino, 1994; Skarlicki & Folger, 1997). In other words, whereas both outcomes and processes influence how employees feel and think about organizational actions, the processes, but not the outcomes, are those which will most likely influence employees' behavioral intentions (Robbins et al., 2000). It is therefore expected that resistance due to the anticipated outcomes of the change will primarily involve the affective and cognitive components of resistance, whereas resistance due to the change process will also be associated with the behavioral component (Erwin and Garman, 2010).

So, one of the determinants of whether employees will accept or resist change is the extent to which the change is perceived as beneficial versus detrimental to them. These factors constitute the ''rational'' component of resistance to which Dent & Goldberg (1999) and Nord & Jermier (1994) refer as perhaps the most valid reason to resist change. Such outcome factors would therefore be expected to influence employees' cognitive evaluations of the change most strongly. Oreg (2006) suggests the types of outcomes that are likely to impact employees' evaluations (see Table 2-2).

Table 2-2: Anticipated change outcomes

Change outcome	***Authors***
Power and prestige	These have been suggested as potential determinants of employees' attitudes towards change (Buhl, 1974; Tichy, 1983; Zaltman & Duncan, 1977). Manz & Stewart (1997) also point the reluctance to relinquish power as one of the central factors for resistance.
Job security	Studies have emphasized the role of job security in its impact on employees' reactions to organizational change, perceived threat to job security is particularly expected to yield a significant correlation with employees' affective reactions to the change (Baruch & Hind, 1999; R. Burke & Greenglass, 2001; Probst, 2003)
Intrinsic rewards	The expectation of transferring to a less interesting, less autonomous, and less challenging job would create negative evaluations of the change in comparison with those who expect no change, or even improvement of these factors (Hackman, 1980; Tichy, 1983).

Source: Shaul Oreg (2006)

In addition to the outcomes of change, factors in the manner in which the change is implemented have also been found to influence employees' attitudes towards change. Oreg (2006) provides a review of this literature (see Table 2-3).

Table 2-3: Change process

Change process	*Authors*
Trust in management	Several works address the importance of a trusting relationship between managers and employees as the basis for organizational change initiatives (e.g., Gómez & Rosen, 2001; Simons, 1999). Supervisors who can inspire employees and instill in them a sense of trust; appear to be most effective in circumventing resistance to change (Oreg, 2006). Stanley et al. (2005) also found a relationship between trust in management and employees' intentions to resist change.
Information	Information provided to employees as part of management's efforts to increase employee involvement in organizational decision making has been argued to influence employees' resistance to change.
Social influence	Research on the influence of social networks on reactions to change suggests that when an employee's social environment (i.e., colleagues, supervisors, and subordinates) tends to resist a change, the employee is more likely to resist as well (Brown & Quarter, 1994)

Source: Shaul Oreg (2006)

The perceptions of individuals also play a fundamental role in the process of change and thus in the creation of resistance. When perceived as a threat to one's security or ingrained habits, or even as loss of status or as fear of the unknown, a change will generate resistance (Neck, 1996). The association of change with loss of one's control, one's routines, one's traditions and relationships, is cited among the main motives for resisting change (Kanter, 1995; Wolfram Cox, 1997). According to the cognitive perspective, organizational change is never solely sociological or exclusively psychological, but results from a combination of the dispositions of individuals and of their interactions within the social network (Neck, 1996). For Dent and Goldberg (1999), resistance to change relates back to a state of mind, a sort of self-fulfilling prophecy: actors who undertake or who are involved in change respectively expect or feel called upon to exercise forms of resistance, so that the outcomes of change are often compromised even before it is implemented. From this perspective, resistance arises from the inevitable clash between management, who decides on the change, and the actors tasked to carry it through. If the results of a process of change are linked to the perceptions of individuals, then the ability of management to communicate the goals of change and to provide motivation become important (Simons, 1999) It is essential that change itself seems to actors to be both desirable and necessary, so that they support it rather than engage in acts of sabotage. It is up to managers to formulate declarations of intent and explicitly to solicit the support of actors during the initial stages and then, subsequently, to proclaim the rules of change, and to negotiate one-off exchanges (Simoes & Esposito, 2014). Lenka et al., (2018) highlighted the role of senior managers in overcoming resistance to change by taking appropriate actions to align the expected individual actions with the goals of the organization.

The literature has identified varying degrees of resistance as common in manufacturing firms in different contexts of change, such as: becoming service providers (Gustafsson et al., 2010; Lightfoot et al., 2013), changing their business model and business model fit (Ferreira et al., 2013; Reim et al., 2015), improving financial performance (Reim et al., 2015) and designing and developing the firm’s services (Lenka, &Wincent, 2015). In addition, overcoming resistance to change has been recognized as a necessary result of reconfiguring dynamic managerial capabilities (Helfat & Peteraf, 2015). However, the study of dynamic managerial actions to overcome resistance is still incipient at best.

2.4. Family businesses

The family business research, as an academic field of inquiry, is relatively young. The emergence of this topic of research can be attributed largely to the proactive approach of family business practitioners whose early efforts focused on practice-based articles and case studies(Poutziouris et al., 2006).

There is little doubt that the global economic impact of family firms is highly significant. For example, family firms are estimated to account for over 70 percent of world-wide gross product (De Massis et al., 2018). While family firms play crucial roles in the creation of economic and social wealth, they face significant challenges to survive and prosper across generations. Some family firms, however, have a striking ability to achieve longevity and maintain a competitive edge for many generations (Chirico & Nordqvist, 2010).

Therefore, scholars highlighted that family businesses need to reconfigure and gain benefits from their resources and capabilities (Amiri et al., 2020; Barkema & Schijven, 2008; Berry, 2010) and renew their business models (Capron and Mitchell, 2009) to cope with change (Bertrand et al., 2014; King et al., 2022).

2.4.1. Definitions and Context

There are many definitions of the term "family business" found in the literature. Reviewing some of them, Anderson & Reeb (2003) defined the family-owned business as a business owned, managed, and controlled by family members. Often more than one generation is involved. According to Chua et al. (1999), a "family business is a business governed and/or managed with the intention to shape and pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families" (Chua et al., 1999, p. 25).

Miller et al. (2007) define a family business in simpler terms, as a company "in which multiple members of the same family are involved as major owners or managers, either contemporaneously or over time" (Miller et al., 2007, p. 836).

According to the structure-oriented approach of the European Family Businesses federation (European Family Businesses, 2012), a firm, of any size, is a family business if (i) the majority of decision-making rights is in the possession of the natural person(s) who established the firm, or in the possession of the natural person(s) who has/have acquired the share capital of the firm, or in the possession of their spouses, parents, child or children's direct heirs; (ii) the majority of decision-making rights are indirect or direct; (iii) at least one representative of the family is formally involved in the governance of the firm.

The definition of the concept of the family firm used in this study is based on that suggested by Anderson & Reeb, (2003) and Chua et al., (1999) but restricted to the dimension relating to family control of the share capital. Therefore, we consider a firm to be a family-owned business when members of a particular family own more than 50% of the share capital, there is a majority control of the board of directors by the owning family, and there is the participation of at least one family member in the management team.

Family business firms are generally characterized by: (i) intergenerational family control of share capital (Miller et al., 2007) and a substantial portion of the family's wealth committed to the business; (ii) a high degree of involvement in the management and corporate governance structures, and even the position of CEO (Schulze et al. 2001), by family members with potentially divergent objectives and preferences (Gomez-Mejia et al., 2010) and with differing managerial capabilities (Habbershon & Williams, 1999a); and (iii) the added complexity of the governance structures of the owning family itself (Nordqvist et al., 2013; Villalonga et al., 2015). These unique characteristics influence the processes of accumulating and renewing resources and capabilities (Chrisman, Chua, & Sharma, 2005), thereby shaping the firm's strategic management behaviors (e.g., Chrisman et al., 2012; Miller et al., 2007).

2.4.2. The dynamic role in family business

Dynamic capabilities have not been well documented in the family business field. However, the limited evidence that exists illustrates that dynamic capabilities can be idiosyncratic within family businesses (Barros et al., 2017; Chirico & Nordqvist, 2010; Daspit et al., 2019) and can be crucial to the continuation and growth of the firm (Chirico et al., 2012; Jones et al., 2013; Rashid & Ratten, 2020). Earlier work has mainly studied dynamic capabilities in relation to family business entrepreneurship (Chirico et al., 2012; Jones et al., 2013; Park et al., 2019), and specifically the ability of the family business to create new products and services and achieve strategic adaptation (Chirico & Nordqvist, 2010). Family businesses operate and compete, drawing on family and business dimensions to develop valuable, rare, inimitable, and non-substitutable (VRIN) resources (Barros et al., 2017), which are often referred to as 'familiness' in the literature (Glyptis et al., 2021). Familiness resources occupy a central role in allowing the family business to create competitive advantages and facilitate ongoing growth (Daspit et al., 2019). Habbershon & Williams (1999, p.11) define familiness as "the unique bundle of resources a particular firm has because of the systems interaction between the family, its individual members, and the business". Habbershon et al. (2003) used the term to characterize those interactions between individual family members, the family unit, and the business that lead to systemic synergies, known as distinctive familiness with the potential to create competitive advantages or disadvantages for the firm. Moreover, Habbershon et al. (2003) assume that familiness is the idiosyncratic, firm-level bundle of resources and capabilities resulting from a family factor. Chrisman et al. (2003) on the other hand, define familiness through the influence of the vision established by the dominant coalition of family stakeholders through political processes of value determination. These authors argued that a positive contribution by the family leads to distinctive familiness which can serve as a source of competitive advantage for the family firm. Accordingly, familiness is often used as a unique element that can differentiate family firms and encompass how the family form of business organization succeeds or fails (Chrisman et al., 2005). Glyptis et al., (2021) examined 'familiness' in reference to environmental dynamism, as family businesses facing a dynamic and rapidly changing external environment, are challenged to reconfigure and re-integrate their unique resources. Glyptis and co-authors conducted a longitudinal in-depth case study by a Greek-owned international shipping company over a twenty-five-year period and their findings highlight that dynamic familiness capabilities enables family business growth and the reconfiguration of familiness resources in the firm across the dimensions of product strategy, governance, networking and staffing, and financing.

Stafford et al. (1999) developed the Sustainable Family Business Model (SFB Model), a comprehensive and a flexible conceptual model (Poutziouris et al., 2006) which was tested empirically by Olson et al., 2003. This model fully encompasses the family perspective relative to the business enterprise and vice versa and enhances the understanding of the dynamic role in family business (Poutziouris et al., 2006). The model represents both the family and the business as a social system which are purposive and rational. These two social systems transform available resources and constraints via interpersonal and resource transactions into achievements (Olson et al., 2003). The model further recognizes that the family and the business are both affected by environmental and structural change, and that responses are different when changes occur. The SFB Model is a dynamic theory that incorporates change as a major principle.

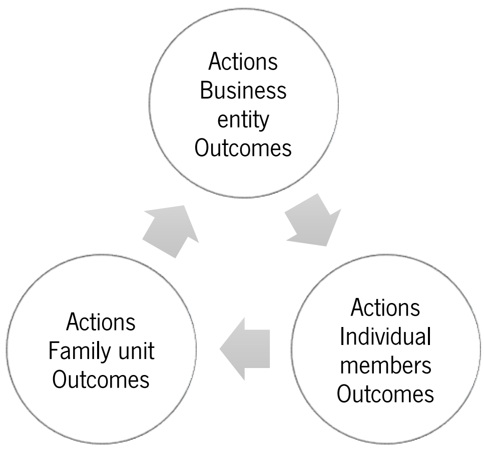
Following from the concept of the dynamic capabilities itself, research could benefit from exploring the capabilities needed to adopt family business transformation and restructuring (King et al., 2022). King and co-authors (2022) also highlighted the importance of the top management role and how their involvement could influence employee acceptance or resistance (King et al., 2020a; Sarala et al., 2016). The resources available to firms also provides an important context, and whether a firm is a family firm offers a primary distinction. For example, family firms may have distinct cultures and managers that may help with restructuring (e.g., Park et al., 2019)

Consequently, some authors related the consideration of drivers of firm's competitive actions to adopt restructuring (Keil et al., 2013). King et al. (2022) examines Chen et al.'s (2007) dimensions of awareness, motivation, and capability carried out by the managers to study competitive dynamics. Awareness involves perception or knowledge of opportunity and motivation involves managerial cognition associated with incentives to act (Livengood & Reger, 2010). Therefore, in order for firms to engage in any form of restructuring, they must have the (dynamic managerial) capability and resources (Chen et al., 2007).

2.4.3. The family business as a 'metasystem'

Poutziouris et al., (2006) presented in their review about family business research, a system model for the family business social system comprised of three broad subsystem components. Figure 2-1 shows how the subsystems have their own action and outcome interactions that continuously feed back into the metasystem. The model components represent (i) actions by the controlling family unit and outcomes; (ii) actions by the business entity – representing the strategies and structures utilized to generate wealth; and (iii) actions by the individual family member – representing the interests, skills, and life stage of the participating family owners/managers. These subsystem interaction loops represent the stakeholder interests of the subsystem – goals, life cycle stage and values that generate subsystem performance or success measures.

Figure 2-1: Family business a 'metasystem'.



Due to the systemic interaction of the family unit, business entity, and individual family members, family firms are unusually complex, dynamic, and rich in intangible resources and capabilities (Poutziouris et al., 2006). Many of the potential advantages associated with family firms are found in their path-dependent resources, idiosyncratic organizational processes, behavioral and social phenomena, or leadership and strategy making capabilities (Nordqvist et al., 2013; Villalonga et al., 2015). These systemic influences lead to the idiosyncratic resources and capabilities unique to the enterprising family and which we in turn can link to their performance outcomes (Brito-Ochoa et al., 2020; Camisón-Zornoza et al., 2020).

From the above, it becomes clear that: (i) family-owned businesses need to develop dynamic capabilities that allow them to implement the changes necessary to respond to the demands of the external environment; (ii) it is very relevant to look at family members' actions to assess managers' dynamic capabilities; and (iii) considering the idiosyncracies of family firms is also relevant because they may influence the outcomes of managers' actions.

CHAPTER THREE

3. CONCEPTUAL FRAMEWORK

(Making sense of dynamic managerial capabilities impact on resistance to change in family-owned businesses within the context of business model innovation).

From the previously presented literature we established that companies need to cope with the dynamics imposed by the very competitive markets they operate in, which requires changing their business models. This, in turn, requires dynamic capabilities for quick experimentation and implementation of the required changes. Fainshmidt et al. (2017) mentioned that the more dynamic the sector in which an organization operates, the greater the chances of the organization developing stronger asset management capabilities. An organization needs dynamic capabilities to make better use of its resources (Eisenhardt & Martin, 2000; Teece et al., 1997). Organizations need top managers who can bring on organizational transformations by making new commitments and breaking old ones (Rosenbloom, 2000). Dynamic capabilities are unequally distributed among firms because of managers' heterogeneous abilities (Helfat & Martin, 2015). Accordingly, Dynamic Managerial Capabilities (DMC) are especially useful in a changing organizational environment (Corrêa et al., 2019), and they will be needed in order to implement Business Model Innovation (BMI).

Resistance to change is a well-known management problem. The literature on organizational change management research has shown that it is the foremost challenge faced in transforming firms, often thwarting the effective implementation of changes, and compromising organizational success (J. P. Kotter & Schlesinger, 2008; Rafferty & Jimmieson, 2017). Resistance can come from a variety of sources, such as rigid cognitive frames of managers (Barr et al., 1992; Kaplan & Henderson, 2005) as well as resistance from the employees (Yılmaz & Kılıçoğlu, 2013). Coordinated adaptation of assets and capabilities therefore often implies overcoming resistance to change, which benefit from dynamic managerial capabilities for reconfiguration (Helfat & Peteraf, 2015). Hence the current study emphasizes dynamic managerial capabilities as managers' actions needed to deal with one of the problems faced by companies when exercising managerial transforming capabilities in the context of business model innovation, which is resistance to change.

Resistance to change is just as much a challenge in family firms (Camisón-Zornoza et al., 2020; Poutziouris et al., 2006; Sharma & Manikutty, 2005) and identifying resources and capabilities is just as crucial to maintain competitive advantage (Liaqat et al., 2021). Previous work highlights that family businesses can nurture distinctive dynamic capabilities due to family control (Chirico & Nordqvist, 2010) and the intergenerational transformational ways in which knowledge is managed within this type of firm (Barros et al., 2017). It also hints that 'familiness' resources play a role in the creation of dynamic capabilities (Glyptis et al., 2021). Familiness occupies a central role in enabling the family business to create competitive advantages and facilitate ongoing growth (Daspit et al., 2019). However, previous work has largely examined ‘familiness’ without sufficient reference to environmental dynamism (Chirico et al., 2012; Daspit et al., 2019). Facing a dynamic and rapidly changing external environment (Li et al., 2019), companies are often challenged to reconfigure and re-integrate their unique resources through dynamic capabilities (Eisenhardt & Martin, 2000; Schilke, 2014; Teece, 1997).

Glyptis et al. (2021) stated that search initiatives and new knowledge are needed to create dynamic capabilities that can reconfigure existing resources and change the ways of doing things in order to sustain or redefine the firm’s competitive advantage. The presence of dynamic capabilities can safeguard the sustainability and growth of family firms within turbulent and dynamic business environments (Jantunen et al., 2018; Randhawa et al., 2021). As such, scholars highlighted that family businesses need to reconfigure and gain benefits from their resources and capabilities (Amiri et al., 2020; Barkema & Schijven, 2008; Berry, 2010) and renew their business models (Capron and Mitchell, 2009) to cope with change in order to survive and prosper across generations (King et al., 2022; Bertrand et al., 2014). Indeed, Camisón-Zornoza et al. (2020) note that growing attention is being paid to innovation adoption in the family firm literature as it is a key factor in firms’ continual adaptation to a changing environment (Sirmon et al., 2007). Dynamic capabilities are key elements in ensuring superior and sustained innovation and long-term competitiveness (Teece, 2007).

Glyptis et al. (2021) pointed that dynamic capabilities remain largely a black box in the family business literature. At the same time, while family inertia is highlighted as a blocker to dynamic capabilities (Chirico & Nordqvist, 2010), the inhibitors to dynamic capabilities created by path dependencies of are not sufficiently conveyed in the literature. Current literature on the family business lacks a historical account that highlights the impact of ‘repertoires of prior routines’ (Glyptis et al., 2021) on the dynamic capabilities of the firm and accounts for firms that have successfully managed to endure and refine dominant logics in the firm in order to facilitate dynamic capabilities. Lastly, while prior work addresses dynamic capabilities in relation to family business outcomes such as value creation (Chirico & Nordqvist, 2010; Chirico et al., 2012), family business innovation has been overlooked, particularly concerning the variegated role of family business decision makers and the required dynamic managerial capabilities for its implementation (de Massis & Foss, 2018). Following from the concept of the dynamic capabilities itself, research could benefit from exploring the capabilities needed to pursue family business transformation and restructuring (King et al., 2022). King and co-authors (2022) also highlighted the importance of top management and how their involvement could influence employee acceptance or resistance to restructuring efforts (King et al., 2022; Sarala et al., 2016), which brings to the fore the role of dynamic managerial capabilities and managers' role in overcoming resistance in the course of reconfiguration (Helfat & Peteraf, 2015). Despite recognizing the role of dynamic capabilities and of top managers in family businesses, research has paid little attention to dynamic managerial capabilities. These are important gaps, which are addressed in the present study.

Recently, concern over the gap between the theory of what people intend to do and what people actually do has given rise to the ‘practice’ approach in the management literature (Jarzabkowski, 2004). Practice theory argues that everyday actions are consequential in producing the structural contours of social life (Feldman & Orlikowski, 2011a). Management scholars endorsing the notion of ‘strategy as practice’ have taken issue with a more traditional view of strategy as a property of organizations and have argued that it should be thought of as something that people do (Fenton & Langley, 2011). Jarzabkowski (2004) consequently states that the practice approach has entered the strategy literature, recommending that we focus upon strategists engaged in the real work of strategizing. The constitution of organization over time implies the emergence of ongoing patterns in organizational actions that others have associated with ‘strategy’ (e.g., Mintzberg & Waters, 1985). Theorizing resources as ontologically connected to the practices that create them through use opens new ways of understanding the processes that underlie organizational outcomes (Feldman & Orlikowski, 2011). The practice perspective enables researchers to understand more about the role of resources in context as changing sources of energy rather than as stable things that are independent of context, and to analyze the reciprocal relationship between actions and resources as they change (Feldman, 2004). Scholars have used the practice-based approach to study resource management. Feldman & Quick (2009), for example, examine managers’ actions to study how city managers use participatory practices to build community. Feldman (2004), in turn, studied the role of resources in the emergence of resistance to a change in organizational practices, examining employees’ – professionals who worked in university residence halls – practices and their reactions to change in routines within the organization.

Empirical studies underlined the role of top management in asset reconfiguration and orchestration, referring to dynamic managerial capabilities as actions by managers in the firm to adopt strategic change. In this regard, Martin, (2011) states that effective dynamic managerial capabilities improve the quality of information, reduce economic and political barriers inherent to conducting cross-unit activities, and enable top management to adopt innovations in their business units through their novel actions. In addition to that, scholars contributing at the earliest conceptualization of dynamic capabilities, highlight the role of top-level managers and the impact of their actions on strategic change (e.g., Teece et al., 1997; Rosenbloom, 2000; Ambrosini & Altintas, 2019). Åberg and Shen's (2019) specifically refer to 'manager's regular action' when defining the dimensions of dynamic managerial capabilities as (i) managerial sensing capability, (ii) managerial seizing capability, (iii) managerial transforming capability.

The current study aligns with the practice-based approach and aims to present a model of managers' actions to deal with resistance to change in family-owned business that are changing their business model. In order to make sense of the emergence of distinctive dynamic managerial capabilities in family businesses directed at dealing with resistance to change while implementing business model innovation, we propose the need to consider clear managerial actions to deal with resistance. This is a gap in the study of dynamic managerial capabilities to overcome resistance and the current study attempts to fill in this gap by proposing a practice-based model of managers' actions to deal with resistance to change in family-owned businesses adopting business model innovation. We further examine the specific context in which these actions take place that may influence their effectiveness in dealing with resistance to change.

Therefore, the current study addresses the following research question:

> 'What are the Dynamic Managerial Capabilities of managers in family-owned business to deal with resistance to Business Model Innovation implementation?'

This broad research question can be broken down into two questions that are more specific:

a) What are managers' actions to deal with resistance to change when implementing business model innovation?
b) What are the specific circumstances of family businesses that affect dynamic managerial capabilities to deal with resistance?

These research questions reflect the basic elements needed to understand dynamic managerial capabilities in family businesses within the context of business model innovation implementation and provide directions to explore a practice model to study this issue.

CHAPTER FOUR

4. RESEARCH METHODOLOGY

The purpose of this study is to explore the managerial actions needed to deal with resistance to change in family businesses in the context of the implementation phase of business model innovation. A review of the various theoretical perspectives was presented in a previous chapter.

Due to the nature of this research, qualitative research methods were adopted and were seen as the most suitable, as qualitative research methods provide a thorough understanding of the phenomenon at hand by analyzing participants' lived experiences and actions performed by them in their organizational context. Specifically, a multiple case study design with an in-depth interview approach was implemented and was considered as the main data collection method, in order to capture the hands-on-experiences of top management team members of Egyptian family businesses within the context of business model innovation.

This chapter discusses the different epistemological and ontological assumptions employed in this study, the study's approach to theory, the research design, the sampling technique, the sample adopted, the data collection methods and procedures which were applied to analyze the data. These practices relate to the onto-epistemological underpinnings of the research, the choice of cases, respondents, interview structure, language used, etc.

To avoid concerns about the reporting of methodological practices in qualitative studies – which often represent their methods as a well-thought, linear and objective process while often being reflective rationalizations of what were in fact messy processes (Johnson, Buehring, Cassell, & Symon, 2006) –, a thorough representation of the process of data collection and a clear rationale behind the choice of the specific methods and techniques in the current study are given. This will give readers the chance to read, understand and evaluate under what conditions the research findings have been shaped, which improves the trustworthiness of research (Bansal & Corley, 2011).

4.1. Research Philosophy

A fundamental issue that influences the way we study a certain phenomenon is our paradigmatic assumptions. A research paradigm constitutes of a set of (shared) beliefs and assumptions about how we envision reality, human nature, and the nature of organizations (Morgan & Smircich, 1980; Rynes &

Gephart Jr., 2004). Researchers need to adopt theories and methodologies that are consistent with their ontological and epistemological assumptions (Rynes & Gephart Jr., 2004), because:

> The way we think the world is (ontology) influences: what we think can be known about it (epistemology); how we think it can be investigated (methodology and research techniques); the kinds of theories we think can be constructed about it; and the political and policy stances we are prepared to take (Fleetwood, 2005, p. 197).

The philosophical stance proposed in this study is critical realism. This philosophical position is somewhat similar to positivism in that it espouses an objectivist ontology, and where the truth is what is shown and experienced by our senses as a form of reality. However, critical realism acknowledges that our senses might be misleading as our sensations and perceptions are filtered through mental processes that are socially conditioned (Saunders et al., 2016).

The critical realists argue that researchers will only be able to understand what is going on in the social world if we understand the social structures that have given rise to the phenomena that we are trying to understand. We can identify what we do not see through the practical and theoretical processes of the social sciences. Critical realist research therefore focuses on providing an explanation for observable organizational events by looking for the underlying causes and mechanisms through which deep social structures shape everyday organizational life. Due to this focus, much of critical realist research takes the form of in-depth historical analysis of social and organizational structures, and how they have changed over time (Saunders et al., 2016).

4.2. Research Approach

According to Easterby-Smith et al. (2008), it is important to establish whether the research takes a deductive or an inductive approach because: (i) it supports the researcher in making more refined resolutions regarding the research design; (ii) it also assists in anticipating on what will be the most suitable research strategies and decisions to take, concerning what is appropriate for the research and what is not; and finally (iii) understanding the different research approaches available helps the researcher adjust their research design to the limitations associated with each approach.

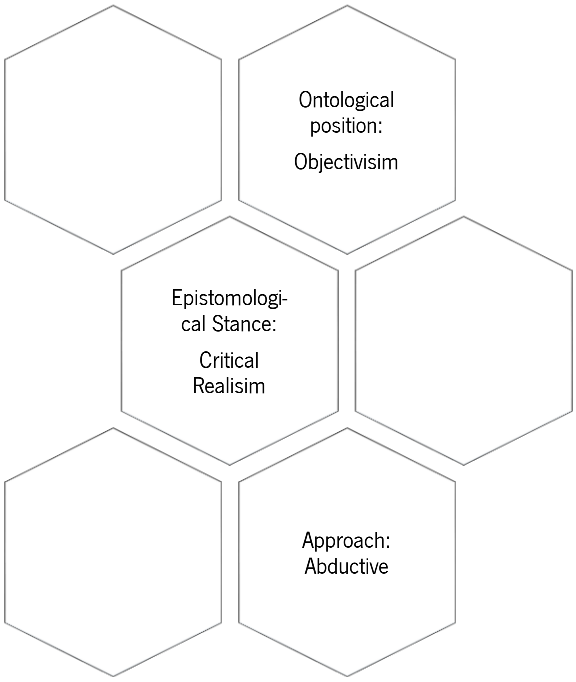
Deductive research is characterized by providing an explanation of the causal relationships between variables, developing hypotheses, collecting data (usually quantitatively) and employing controls to test the hypotheses. Another important characteristic of deductive research is the operationalization of different concepts sought in the study, where we need to give clear and specific definitions to such concepts being utilized (Saunders et al., 2016). Consequently, the methodology applied is highly structured when employing a deductive approach (Gill & Johnson, 2002) which enables replication. Hence generalization is another characteristic of the deductive approach (Gill & Johnson, 2002).

In inductive research, in turn, theory is developed from the data that has been analyzed, and/or the context wherein a phenomenon was taking place. It involves understanding 'why 'and 'how' something is taking place in addition to 'what' is taking place in research. Patterns of meaning, themes or developing a theory are usually inductively generated, which is also known as building theory (Creswell & Zhang, 2009). Unlike deductive research, which is useful to test theory, the inductive research process begins from empirical firsthand provisions and not from theory suggestions (Eriksson & Kovalainen, 2015). Consequently, the collection of the data is predictably qualitative from a small number of samples, unlike the deductive approach where data is typically collected from a larger, representative sample (Saunders et al., 2016).

A third approach, known as the abductive approach (Dubois & Gadde, 2002; Saunders et al., 2016), is one where we interchange between inductive and deductive approaches. Dubois and Gadde (2002) identified the abductive approach as a process of systematic combining. They argued that, by using such an approach, the researchers build on their knowledge of theory, known as 'preconceptions and first-hand interpretations', from analyzing new data. Interviews could then be used to recognize and explore undisclosed, yet related pragmatic observations. It is usually initiated by the researcher uncovering an unforeseen fact and clarifying how it has occurred through interpreting a possible theory (Saunders et al., 2016) which may in turn disclose more unforeseen facts (Van Maanen et al., 2007).

Hence, this research connects the abductive approach to the critical realism philosophical stance and the objective epistemology; based on the observations made (Ketokivi & Mantere, 2010) and the worldview that facts are social constructions. Prior knowledge about the dynamic managerial capabilities needed to overcome resistance to change in family-owned businesses is limited, showing the need for a deeper understanding of the phenomenon. The current research followed an iterative process: an understanding of the phenomenon and an initial reading in previous literature was done before data collection; and going back and forth between the data and the literature was done during and after data collection, in the analysis. Figure 4-1 shows the research's philosophical standpoint.

Figure 4-1: Philosophical Standpoint



4.3. Research Design

A study's research design concerns the overall idea of how the research questions will be addressed, which is influenced by the research philosophy and the approach to development of theory that have already been settled upon above. It also influences the rest of the research plan including the methodological choices, research strategy, data collection tools and ethical issues that need to be addressed (Kumar, 2018; Saunders et al., 2016).

4.3.1. Qualitative Case Study Approach

Qualitative methods are considered suitable to untangle organizational processes, and to deliver an understanding of how collective action takes place in organizations, while accounting for the interaction and temporality of the process (Doz, 2011). Qualitative case studies provide a complete representation of processual events, which cannot be sufficiently explained by a few variables (Rynes & Gephart Jr., 2004). They can be suitable to understand processes of meaning creation by relying on social actors' narratives to understand their organizational reality (Rynes & Gephart Jr., 2004). Contextual and situational elements are therefore emphasized in qualitative research and help in providing a rich explanation of events (Doz, 2011).

In the current study, a qualitative case study approach is used, as it is recommended by researchers and theorists who highlighted the worth of such an approach in providing a rich explanation of how processes unfold to a certain outcome (Langley, 1999). A case study approach is also suitable for the current study as it can be used "to illuminate a decision or set of decision: why they were taken, how they were implemented, and with what result" (Yin, 1994, p. 12).

Also, case study research can serve different purposes: it can be used to provide descriptions, to test a theory, and to generate or to extend a theory (Eisenhardt, 1989), as we seek in this current study.

This research relies on a multiple case study design using narrative interviews as the primary device for data collection. As referred by Eisenhardt (1989), those can be used to uncover objective generalities. Therefore, cases are chosen based on a certain established criteria to identify similarities and common traits among the observed patterns. Eisenhardt (1991) stated that studying the similarities within multiple setting research are vastly important, he explained that a good theory is fundamentally the result of rigorous methodology and comparative, multiple-case logic.

4.4. Sampling

The current study specifically employs purposive judgmental sampling. In purposive sampling, the researcher's judgement is used to select the participants who are best positioned to provide answers to the questions being researched according to their characteristics. Such sample fulfils the study's objectives, which might be harder to achieve using other sampling techniques (Rubin & Babbie, 2011)

Within purposive judgmental sampling, a homogeneous sample was selected, where all participants are similar in certain characteristics enabling the researcher to study the group in more depth and easily identify slight variances (Saunders et al., 2016). Furthermore, this qualitative study is undertaken for studying a particular phenomenon through focusing on a small number of cases or participants, having the advantage of being informative and producing rich data of their experiences (Creswell & Poth, 2018).

Given the research objectives of this study, the following criteria were defined to select the cases:

i. Family-owned business operating in Egypt.
ii. Adopted business model innovation.
iii. Encountered resistance to change from managers/employees.

Four case firms were therefore selected, all of which are family-owned manufacturing businesses which went through the implementation phase of business model innovation, yet they faced resistance to change from their employees and managers. The cases are four manufacturing firms representing different industries. This number of cases is considered sufficient considering Eisenhardt's reference, who stated that “while there is no ideal number of cases, a number between 4 and 10 cases usually works well” (Eisenhardt, 1989) and Our findings confirm this as we were able to establish redundancy with these four cases.

Table 4-1: Key Characteristics of Family-owned Businesses Interviewed

Case	*Fictitious Name*	*Number of interviews*	*Interviewees' Position*	*Industry*	*Number of employees*
(A)	Yarn.co	4	Chief Innovation Officer (CIO) Chief Operations Officer (COO) Chief Financial Officer (CFO) Accounting Manager	Textiles	350
(B)	EgySweets	4	Chief Executive Officer (CEO) Chief Operations Officer (COO) Research & Development executive Store Manager	Desserts-making and catering	900
(C)	Healthy & Earthy Foods	4	Chief Executive Officer (CEO) Export and sales Manager Total Quality Manager Human Resources Manager	Processed food	150
(D)	The Cheese Factory	4	Chief Executive Officer (CEO) Chief Operations Officer (COO) Sales Department Manager Accounting Manager	Cheesemaking	120

4.5. Data Collection

The choice of the study participants within each case is also a critical part of the research process, as the decision regarding whom to interview can shape the findings of the research (Dunford & Jones, 2000; Miles & Huberman, 1994). Although when we were defining a clear research question concerning a specific group of organizational actors – for example aiming to investigate top management teams' behavior –, deciding to focus exclusively on interviewing certain individuals or a group of individuals can result in neglecting important parts of the phenomenon given the relational and tangled nature of organizational life. This issue is quite challenging in practice-oriented studies where the focus is on studying a certain event. Deciding who to interview, in terms of their role and job position in the organization prior to entering the study can shape the outcome that emerges from the data (Creswell & Poth, 2018).

But scholars who are studying more specific processes question how useful it would be to interview someone who was not involved in the decision (Bhattacherjee, 2012). Given the purpose of this study, we focused on organizational actors who were directly involved in the process, trying in each case to interview the main actors in the process (Macdonald & Hellgren, 2004). This was not however always possible due to their busy schedules and because some have left the firm before data collection. However, adopting the narrative approach helped to collect rich information about the managerial actions to deal with resistance in each case. In some cases, we could have conducted more interviews but with organizational members who were not involved in the business model innovation implementation process nor have a managerial position in the firm, therefore these interviews would have added less value.

In all the case firms, we conducted 4 interviews per case. The decision concerning the number of interviews per case was shaped by theoretical, methodological, and practical concerns. There seems to be no agreement in the literature regarding how many interviews are sufficient in each case. Piekkari et al., (2009, p.581-582) stated that "the average number of interviews per case in a large case study was 2.8, in contrast to 40 in single case studies and up to 6 in studies with 4 to 10 cases". This variation can be recognized to different reasons, such as the purpose of research (Patton, 1990) and the case design. Macdonald & Hellgren (2004, p. 266) argue that "it cannot be the case that more information is always preferable to less." They argue that advocating many interviews seems to be influenced by survey-based methodology (Macdonald & Hellgren, 2004), where "the more interviews conducted the better the research" (2004, p. 266). Thus, to decide whether the interviews conducted were sufficient in each case, we have followed several criteria. First, ensuring that in each case interviewees were involved in the process. Second, that they all belonged to top management level other than the family business owners. Interviews were conducted with top management from the family members (CEOs, CIO, COO) and department managers. This allowed us to understand the activities performed by the different actors who played a role in the process and how they interacted with each other.

4.5.1. Pilot interview

The decision to rely on a narrative in depth interviewing method came after a pilot interview that we conducted with one of the participants from EgySweets in June 2020. The interview was conducted using a zoom meeting, keeping in mind the current state of the covid19 pandemic, and it was recorded. The purpose of the interview was to test out the interview protocol and to have some training before moving through the rest of the case study participants. Although the interview went well, the outcome showed that many of the interview questions must be modified, as the responses were very brief and not as detailed as hoped. Therefore, the questions that were too close ended, not giving the participant the space to recount his experiences, were ruled out or modified. The interview guiding questions somewhat changed into narrative-based questions.

4.5.2. Collecting the data

In total, we conducted 16 interviews from February 2021 to April 2022. An interview guide was created for the conducted interviews (see Appendix 1). Interviews lasted approximately between 40 and 60 minutes. The interviews were digitally recorded with the permission of interviewees and transcribed on the same or next day. Collecting the data involved a considerable amount of travel back and forth between Alexandria and Cairo, Egypt.

As highlighted by narrative scholars (Langley, 1999; Pentland, 1999), the physical presence of the narrator and the listener is important in co-constructing the story. However, due to the covid-19 pandemic situation, some interviewees were not comfortable with face-to-face interviews. In those cases, Zoom and other platforms were used. Although they were minimized because the ideal setting to entice respondents to engage in storytelling is face-to-face as the frame of social interaction accords better with qualitative interview (Warren, 2011), a total of 6 interviews were conducted online. Otherwise, interviews were conducted at the firms' premises, in respondents' offices or meeting rooms, apart from two interviews where it was more convenient for respondents to meet somewhere else. The first was an interview with the CIO of Yarn.co, for whom it was more convenient to meet at a café near the university on that day. The second was an interview with the CEO from The Cheese Factory, who, due to his busy schedule, suggested to meet after his working hours in the café of a social club in Alexandria. It is argued that the location of interviews can influence the dynamics of the interview process. For example, interviews conducted outside the firm's premises can be more informal and respondents can feel more at ease (Edwards & Holland, 2015). This was observed in the interview with one of the CEOs, where he was very open, and the discussion was informal.

4.5.3. Data analysis

The interviews conducted were audio-recorded, and successively transcribed into written form. Transcription, although a long and time-consuming process, was a good opportunity to become familiar with the generated data. Through the transcription process, we were better able to understand the data thoroughly by giving meaning to the data generated rather than just writing words on paper and having an initial idea of what might be interesting codes. As some of the interviews were conducted in Arabic, we translated the data during the transcription process, which added to the effort of the transcription. Translating from Arabic to English was also time-consuming and took a lot of effort to find the close enough words that would reflect the same meaning in English. Some of the interviews were also conducted in slang Arabic to reflect a more flexible and informal environment and to make it easier for the participants to answer, which added to the challenge of finding the right translations, reflecting the exact intended meanings.

Then we started by constructing a story for each case, describing the main events, actors and actions undertaken by managers. As highlighted previously, narratives are essential for understanding practices because, as argued by Fenton & Langley (2011), all narrative is seen as a way of giving meaning to the practice that emerges from sensemaking activities, of constituting an overall sense of direction or purpose, of refocusing organizational identity, and of enabling and constraining the ongoing activities of actors. Data in the form of narratives can be "loosely defined as a sequence of events, experiences, or actions with a plot that ties together different parts into a meaningful whole" (Feldman, et al., 2004, p.148). Langley (2011) argues that narrative is seen as a way of giving meaning to the practice that emerges from sensemaking activities, of constituting an overall sense of direction or purpose, of refocusing organizational identity, and of enabling and constraining the ongoing activities of actors.

Some scholars rely solely on narrative analysis, while others use it as initial stage of data preparation (Fenton & Langley, 2011). This narrative data is useful for subsequent stages of analysis, as narrative data offers deep insights about the practices as strategy (Fenton & Langley, 2011).

Throughout the analysis, we shifted back and forth between raw data, the emerging themes and extant theory. Thus, it was an abductive process as the analysis was iterative rather than linear (Gioia, et al., 2013). We started open coding by associating raw data into first order descriptive codes, which reflect the participants' language. During this stage, the coding process was focused on identifying managers' activities, such as interpreting, searching, seeking, meeting with employees, demonstrating and arranging etc. After inductively developing these first order codes, an abductive process was adopted while iterating between theory and data (Gioia et al., 2013). Through this process, the relations were identified between first order codes to develop second order concepts by grouping the activities under the sub-processes.

Subsequently, we started observing common dimensions across the cases, although these dimensions did not take place in the same order in all the cases. Two aggregate dimensions were identified regarding managers' actions to deal with resistance to change: ***Actions preventing resistance***, which consists of managerial actions done in family-owned businesses throughout the implementation of business model innovation to preempt the rise of resistance to change, and ***Actions to overcome resistance***, which consists of managerial actions done in family-owned businesses throughout the implementation of business model innovation to mitigate resistance to change after it surfaces.

Then we started comparing the relations between the identified dimensions in each pattern across the cases, first looking at cases that followed a similar pattern, and then comparing across cases. At this stage, the relations between the activities became clear and the way other factors were interrelated with the dynamic managerial capabilities of the family business top management team led to different patterns of activities and interactions between dimensions. These factors were categorized as two main aggregate dimensions: ***the facilitating factors***, that is, circumstances that make overcoming resistance easier; and ***the aggravating factors***, consisting of challenging circumstances faced by managers when trying to overcome resistance. The final data structure is depicted in Table 4-2, which is thoroughly explained in the Findings section.

4.6. Ethical Consideration

Ethical considerations have been taken in each research stage. In this research the ethical guidelines of the University of Minho have been followed prior and during the data collection process. At the beginning of each interview a consent form (see Appendix 2) was handed to participants and re-explained the purpose of the research and informed them that they can choose not to respond to any question, ask to turn off the recorder, decide to end the interview at any time, and choose to withdraw their data no later than a month after the interview. Also, they were re-assured that the information will not be exposed to any other person in the same organization, and that all names will be anonymized to ensure their confidentiality.

Throughout the data collection process, we did not face any ethical problems and none of the participants asked to turn off the recorder or refused to answer any questions.

CHAPTER FIVE

5. FINDINGS

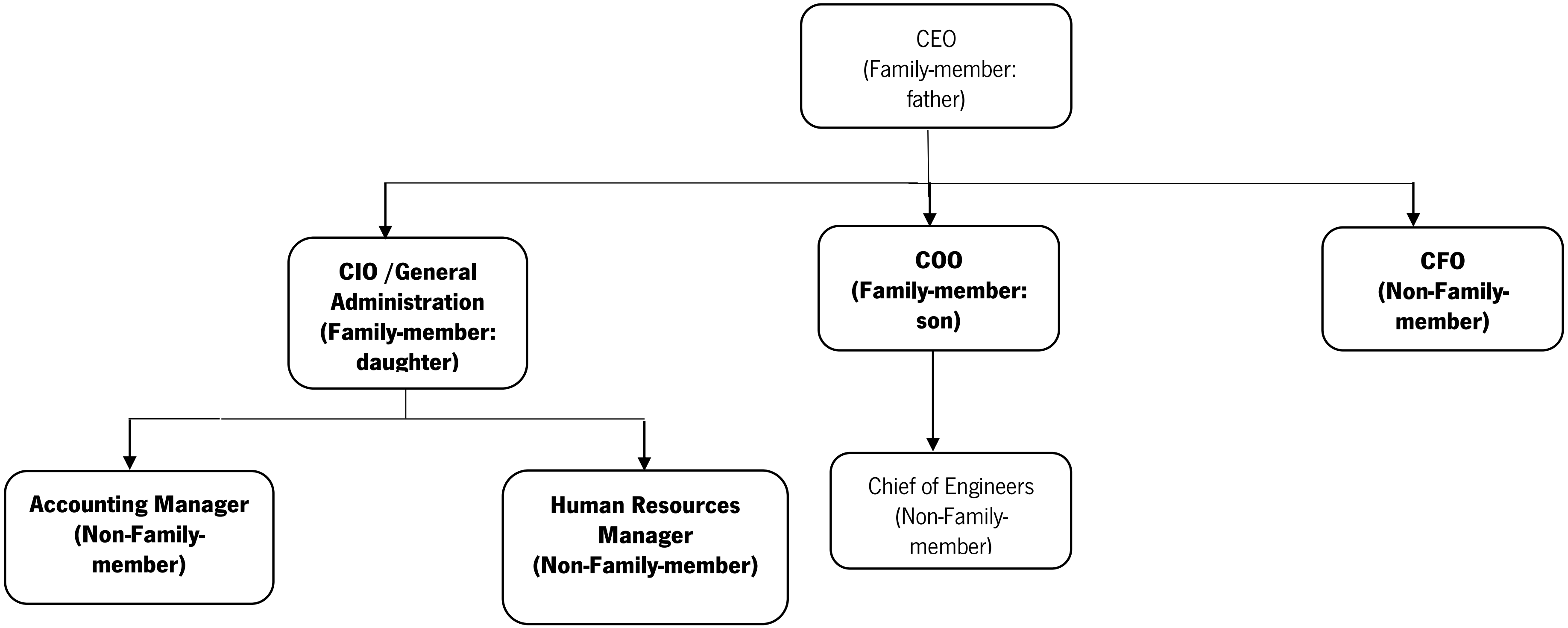
5.1. Cases Narratives

5.1.1. Case A: Yarn.co

Yarn.co is a family-owned business company which operates in Spinning and Weaving, specializing in quality virgin tow dyed acrylic yarns in relaxed and high-bulk counts. The total number of working employees in the company is 400. Besides their main production of 100% acrylic yarn, they spin other long staple fibers and their blends, with a focus on innovation, functionality, and cost-effectiveness. Some include viscose, wool, nylon, etc., all sourced from top European manufacturers.

Yarn.co have been spinning acrylic yarn for the Egyptian market for over 20 years. They have adopted an expansion, which took place in 2010, that allowed them to serve more than just the local Egyptian market and have since been exporting to over 8 countries worldwide. The owners consider it as a generation-sustained company. It started with the grandfather who has been in the textile industry since he was very young. He first started with just one machine he used to make clothes. From that, he eventually built a large company where his clothes sales grew considerably, which allowed him to buy more machinery. And then his son started working in the company, helping to build a huge textile company. In 1992, this second generation added to what the founder did by starting to vertically integrate backwards. So, in addition to clothes manufacturing, the company started getting into the previous stages, which is making the yarns that could then be used on his current machinery to make clothes. The company under study is the yarn production of this company group, that makes the yarns also sold to other companies who use them to manufacture clothing. Figure 5-1 shows the top management structure of Yarn.co The managers interviewed are indicated in bold.

Figure 5-1: Yarn.co, top management organizational chart



The changes relevant for this study started when the third generation came in, in 2010, which resulted in major changes to the company's business model, summarized in Table 5-1. The current Chief Innovation Officer (CIO), who is a daughter of the current owner (the father), started working in the company around 2009. At that time, the company only produced one type of yarn, the 40/1 (this is the metric count of the yarn) that is very popular in Egypt, especially in the Upper Egypt region. The company produced only this type of yarn, all the same color, strongly leveraging economies of scale as there was very little waste. This yarn was sold exclusively to those areas in the Egyptian local market.

Table 5-1: Business model innovation implementation at Yarn.co

Instances of Business Model Innovation	
Value proposition	• Introducing new products, new mixes, and new materials of yarn for the international market. • Exporting with certain quality measures to suit international standards.
Value creation	• Machinery enhancements and updating of production processes. • Hiring new engineers and experts. • Implementation of an ERP system.
Value capture	• Increase of client demands locally and internationally

From when the CIO joined the company, she had the ambition to start exporting worldwide. Because, from her point of view, she was seeking diversification to try mitigating potential risks, she thought they couldn't keep dealing with only the same clients, the same vendors and only one bank. Growth was her new strategy and, in order to achieve that, she thought they had to meet international client demand worldwide. They couldn't sell only that type of product that was manufactured at the time, in which the international market had no interest at all. So, when they desired to really grow worldwide, they had to change their value proposition by introducing new products, new mixes, and new materials in their yarn in order to be able to export worldwide.

Developing and manufacturing new product lines required the value creation processes in the company to change. A number of innovations were introduced that meant buying new machinery and developing the current ones, introducing new manufacturing processes, and new quality assurance processes. Innovations to the machinery was adopted by the COO (the brother), who indeed faced resistance to these changes from his father such as opposing considering other suppliers who would be more capable to provide for the newly adopted innovations, also the father thought of the changes to be a risk and unnecessary. In all the studied cases, resistance from the owner was particularly felt in Yarn.co, where the father was very skeptical about the changes proposed by his children, and they had to be especially well prepared before they were able to implement any innovation to their business model.

Concerning value creation, they have to ensure, not only that products were fit to export, but also that the machinery and the processes were flexible enough to continuously change as required and as desired so that the company can quickly adapt based on client demand and client orders, which make them face resistance from other managers and employees, especially from the old ones who have been working with the company for many years doing most of the work (see table 5-2; showing instances of resistance within Yarn.co) and which created a problem in the role definition to the rest of the staff. One employee in particular constituted a source of resistance as she was used to concentrate most of the administrative work. This gave her a perception of control and power that she was not prepared to let go of when the new generation tried to introduce clearer role definition and job descriptions. Her resistance to the new system caused a problem to the rest of the staff, who could not assume their new roles while this manager kept trying to do everything.

Table 5-2: Resistance to business model innovation at Yarn.co

Actors of resistance	***Manifestations of resistance***
From employees	• Ignoring the implementation of the alterations to the new system. • Negative attitude/behavior towards change. • Employees speak with a bad-mannered attitude about change with colleagues and influencing one another negatively.
From Managers	• Acts of sabotage (such as false claims about the failure of the new system through intentionally delaying reports) • Rejection to implementing new processes. • Negative attitude/behavior towards change. • Continue working on the old methods and ignoring the implementation of the new alterations.
From Family-members *(The father - CEO)*	• Opposition to production alterations/enhancements. • Lack of enthusiasm about business model innovation

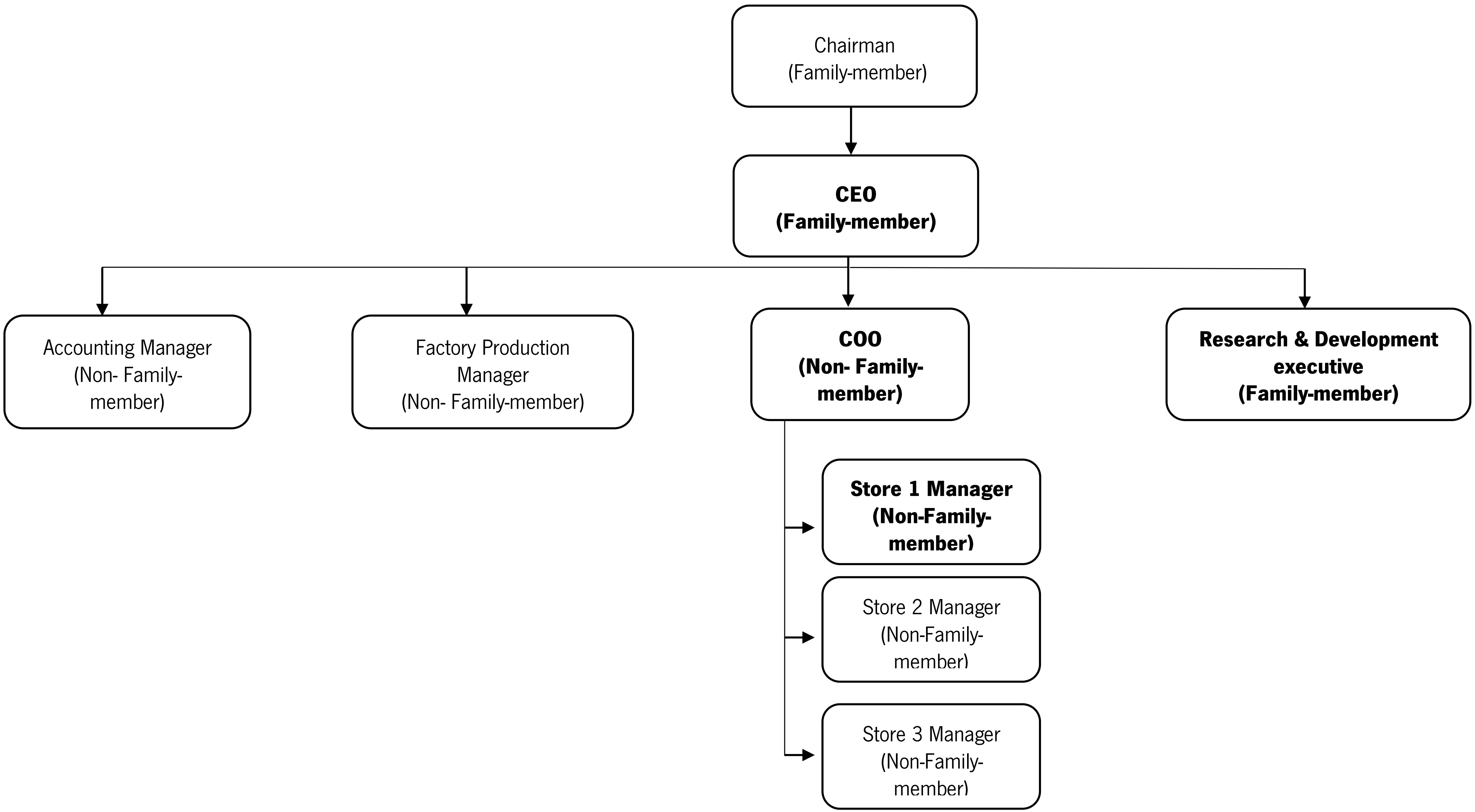
Yarn.co top management team has faced resistance from its managers and employees throughout the time when they have implemented business model innovation. This resistance has manifested in ways such as not showing support for the decisions taken about the new processes, acts of manipulation to try to show deficiencies in the new system, opposing the new ways, perceiving learning the latest methods as double the workload and complaining they can't do both. The ongoing implementation of business model innovation and all these acts of resistance make the company fall under the criteria of this study's sample. Accordingly, the family decided to act in order to handle their staff's resistance to change in their pursuit of the success of their new business model.

5.1.2. Case B: EgySweets

EgySweets is a family-owned business which has come to the fourth generation from what originally used to be one big family business in operation since 1928. The second-generation brothers broke the company up into three separately owned smaller companies in the 1980s, one of them only included in this study. The company operates in the sweets manufacturing industry, having their main factory in Cairo and distributes to its own shops all over the country. In this study, only the Cairo and Alexandria locations are studied. The current family-members in the company involved are the father who is the chairman, the son who is the CEO, and the daughter who acts as the research and development executive. Figure 5-2 shows the company's management structure

As the competition increased due to the entrance of foreign sweets shops from other eastern cuisine – like the Lebanese, Turkish and Syrian sweets –, for EgySweets to maintain their market share, the family decided to adopt a new approach by innovating their business model. They started travelling abroad to attend international conventions in the sweets industry on a yearly basis, going to Italy and Germany, where 3 of the most famous sweets conventions are held. Coming back, they started bringing in prestigious chefs every year to deliver training courses to their own chefs in the new recipes they decided to use. Last year, for example, they had four chefs coming from Turkey before Ramadan (the holy month, and one of the high seasons for eastern sweets), staying for 6 days to provide intensive training to EgySweets chefs. Other changes to value creation included enhancements to the existing machinery and updates to the production processes. An ERP system was also introduced in all shops. Moreover, the R&D executive (the sister), started preparing a lounge/café format for some shops instead of only selling sweets over the counter, in addition to also offering catering services for parties. Their value proposition was thus changed to serving coffee, desserts, and their famous ice cream flavors at the lounge/café and shops, while also opening their catering services. Furthermore, they started having their own application and website to receive orders, making them one of the pioneering sweets shops to sell their products online.

Figure 5-2: EgySweets. co, top management organizational chart



According to EgySweets' CEO and COO, both the online channel and the new lounge/café format, along with a more diversified product portfolio, increased their sales remarkably which impacted their value capture. The implementation of the ERP system also upscaled sales, saved time and decreased costs, further enhancing value capture. table 5-3 outlines these instances of business model innovation.

Table 5-3: Business model innovation implementation at EgySweets

	Instances of Business Model Innovation
Value proposition	• Introduction of new recipes and flavors. • Opening lounge/cafés selling their desserts along with their signature ice cream flavors. • Launching catering services. • Opening online channel through app and website.
Value creation	• Bringing new chefs to give training to current ones. • Attending international conventions. • Machinery enhancements and updating production processes. • Implementation of an ERP system in all their shops.
Value capture	• Increased sales from renewed product portfolio and new channels (lounge/café, online, catering) • Increased efficiency and cost savings through ERP

Throughout the adoption of all these new processes and in the implementation phase of their business model innovation, they started facing resistance from their own managers and employees (see table 5-4, showing instances of resistance within Egysweets.co). Some of them showed reluctance to work, giving as reasons having to do unnecessary extra work and some felt replaced by new advanced machines requiring less workers, but still requiring supervision. Managers have expressed their rejection to the new system fearing the loss of routine and reallocation of power and control. And the family had to deal with this resistance in order to maintain the success of their new business model and meanwhile trying to overcome it. This involved several different types of actions, which are the object of the main analysis in this study, presented ahead.

Table 5-4: Resistance to business model innovation at EgySweets

Actors of resistance	***Manifestations of resistance***
From employees	• Older employees rejecting new methods • Referring to the new methods as a waste of time and ignoring them. • Negative attitude/behavior towards change. • Employee speaks in a bad-mannered attitude towards change with colleagues.
From Managers	• Rejection to implement new processes. • Negative attitude/behavior towards change. • Directing their employees towards ignoring the new methods.

5.1.3. Case C: Healthy & Earthy Foods

Healthy & Earthy Foods is a family-owned business, producing preserved fruits and vegetables. Healthy & Earthy Foods was originally started when the founder came back to Egypt in 1987 after living in the United States for several years. He had a vision to produce high quality food products that would sell abroad and export globally. Healthy & Earthy Foods is located in the south of Alexandria close to their agricultural fields where it acquires its fruits and vegetables. The second generation took control of the business after the death of its founder in 2008. According to the current owner (the son), they face a lot of issues. One of the biggest challenges in this industry is climate change and the uncertainty weather conditions introduce in crops, as weather patterns are no longer as predictable as they used to be and crops are highly affected by extreme cold or extreme heat waves, which have become more frequent due to global warming. Second, is the rising inflation and the increased energy costs. This has always been a major issue, to which has been added the increased cost of freight and logistics, that have enormously increased since the COVID-19 pandemic.

Quality controls for export businesses have also become more stringent. Therefore, Healthy & Earthy Foods started focusing on total quality management (TQM). Their business model innovation has started when they recognized the need to upgrade their whole production system to be able to keep up with the quality restrictions imposed globally and keep their international presence along with the local market.

Consequently, they introduced several innovations to their value creation, buying new machines, and bringing in renowned foreign experts in the food processing industry who started training the company's staff of engineers and workers to use the new machinery. According to their CEO, these more advanced equipment, including upgraded freezing equipment, significantly saved costs by using less electricity and less water to operate, less processing steps in mainly production lines. Moreover, they also introduced changes to their value proposition by changing the packaging material, packaging design, introducing new preserved crops and different pack sizes featuring their natural taste with no added flavors or colorants. Healthy & Earthy Foods has thus been able to capture more value: by increasing their production capacity and output, which made them always available at the retailers' shelves, they increased national and international sales; and through improved efficiency (from less manual labor input, more automation, and energy cost savings), they amplified profit margins. Table 5-6 summarizes business model innovation at Healthy & Earthy Foods.

Table 5-5: Business model innovation implementation at Healthy & Earthy Foods

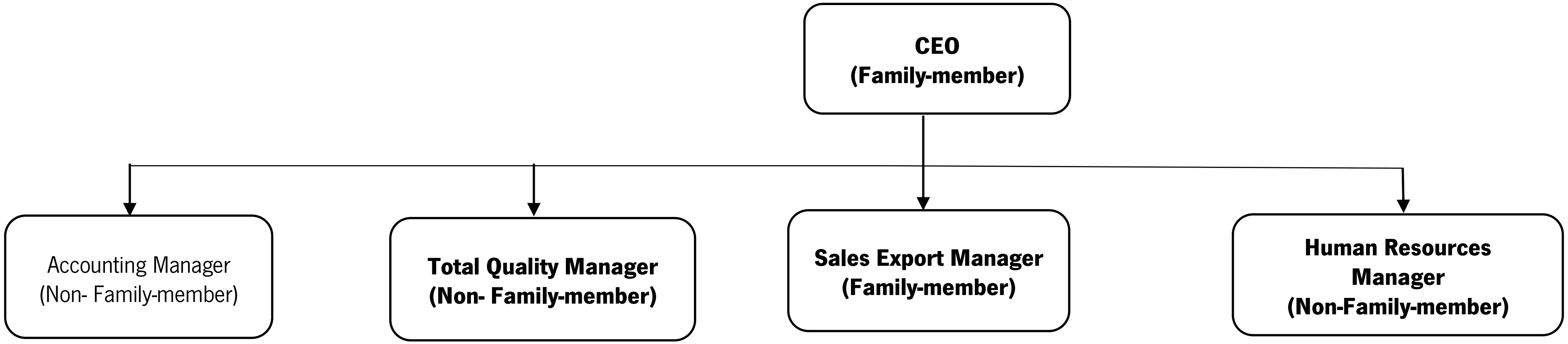
	Instances of Business Model Innovation
Value proposition	• Introduction of new processed crops. • Offering different pack sizes and more convenient packaging. • Emphasizing natural taste with no added flavors or colorants.
Value creation	• Hiring new engineers to train the workers on the new machinery • Machinery enhancements and updating production processes. • Creating new position like TQM department to try to meet the international standards.
Value capture	• Increase national and international sales revenue. • Increase of market share locally and internationally • Cost savings through increased efficiency (new machinery and processes)

At the time of these business model innovations, the company faced resistance to change from their staff, in the form of reluctance to use the new installed machinery while fearing to be replaced. Also, the old engineers who have been there since the business started feeling their role was changing and losing importance due to the appearance of new jobs like those in the TQM department. This made them resist (see table 5-6) and caused delays in the business model innovation implementation process.

Table 5-6: Resistance to business model innovation at Healthy & Earthy Foods

Actors of resistance	***Manifestations of resistance***
From employees	• Advocating among other workers that new activities like TQM are not necessary and are a waste of company's resources. • Older employees rejecting new methods. • Ignoring the new alterations passively and when asked they claim its failure. • Negative attitude/behavior towards change.
From Managers	• Refusal to implement new processes. • Negative attitude/behavior towards change. • Intentionally ignore the new alterations and along with their teams too.

Figure 5-3: Healthy & Earthy foods, top management organizational chart



5.1.4. Case D: The Cheese Factory

Back in 1987, the founder of The Cheese Factory started the family business, working in the cheesemaking industry and passing it on to the second generation. They produce dairy products such as ghee, cheese sticks and spreadable cheese, selling to retailers, wholesalers, and restaurants. In 2015, one of the brothers from the second generation came back from studying abroad and they started recognizing the need to change things around the business. Due to its nature as a family business, roles were not clearly defined, and they had managers working there for years doing multiple job descriptions which caused the business to lack structure. Moreover, the factory machines were outdated, making them lose money because of the delays in batch deliveries along with quality problems that started to appear. One of the issues the CEO spoke about was inventory management problems. He thought that, by changing their system, they would be able to prevent many of their yearly waste, along with keeping better track of their stock. Another issue faced was in their distribution channels and how the company depended only on a few clients. If they were to lose these clients, The Cheese Factory could go out of business.

In 2017, second-generation managers started business model innovation (see table 5-6), by hiring new positions that didn't exist before, traveled to buy new machinery, and prepared for upgrading their production lines along with changing their packaging. Their new value proposition was to provide new product mixes and enhance the quality of the existing ones. In order to do that they had to get their internal environment in order, redefine all the company structure and implement a computerized system. By the beginning of 2019, the business started to change: their supplier network was enlarged, and they started to get new clients and provide them with their new product varieties. Due to the enhancement of their inventory system, they became capable of tracking their stock units and increase their inventory turnover, and all that impacted as their value capture. According to their sales manager, because of their business model innovation, their sales increased along with their profit margins.

Table 5-7: Business model innovation implementation at The Cheese Factory

	Instances of Business Model Innovation
Value proposition	• Introduction of new cheese varieties. • Increased quality • Offering different pack sizes and new product mixes.
Value creation	• Hiring new engineers to train the workers on the new machinery • Machinery enhancements and updating production processes. • Enlarging supplier network • Enhancement in the inventory system.
Value capture	• Increase in customer demand. • Increase of market share locally and internationally • Cost savings due to better inventory control

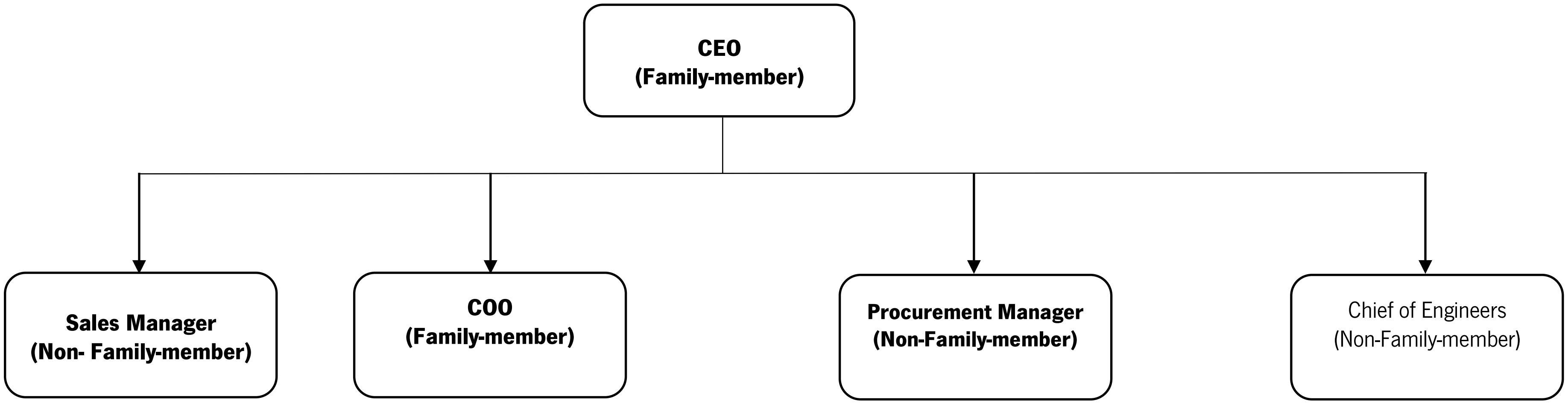
During the time of business model innovation implementation, the family owners faced resistance from their employees (see table 5-8), who would delay the work, and some would go back to use the old equipment claiming it produces a better quality. The family had to deal with this and try to overcome it without losing their staff and the managers who had been working with their father since he started the business.

This was particularly hard in The Cheese Factory, where the brothers had taken over the business more recently and were less well-aligned in their vision for the company. Their approach to change was somewhat based on trial and error, and they tended to introduce a change before the previous one is consolidated. This made it harder to demonstrate the benefits of change to employees who stuck to the old ways.

Table 5-8: Resistance to business model innovation at The Cheese Factory

Actors of resistance	***Manifestations of resistance***
From employees	• Older employees rejecting new methods. • Opposition to altered circumstances. • Negative attitude/behavior towards change.
From Managers	• Giving falsified feedback about the quality of the new processors. • Rejection to implement new processes. • Negative attitude/behavior towards change. • Opposition to altered circumstances.
From Family-members	• Opposition to production alterations/enhancements. • The chairman (the father) was not very enthusiastic about business model innovation.

Figure 5-4: Cheese Factory.co, top management organizational chart



5.2. Cross-case Analysis

The previous section presented the description of four case studies in the form of narratives to elucidate the context in which managers had to deal with resistance to their business model innovation endeavors. From these narratives it is apparent that they have a lot in common. In all four cases, the younger generation of family members are trying to innovate the company's business model by introducing changes to its value proposition and value creation, impacting value capture. In all cases, they face similar manifestations of resistance to these changes from the employees, from some fellow managers and even from other family members.

In this section, we focus specifically on the managerial actions to deal with resistance to change. The abductive exercised involved in the data analysis led us to organize the actions taken by managers into ten main which were commonly identified across the cases. These encompass aggregate dimensions related to preventing resistance and to overcome resistance. Some actions were relevant to both preventing and overcoming resistance. Two other aggregate dimensions emerged as relevant to shape the context in which managers dealt with resistance to change when they were trying to conduct business model innovation: facilitating factors and aggravating factors. These were circumstances that had been built over time as a result of past actions and decisions but were not actions contemporaneous with business model innovation that managers took directly to deal with resistance. Nevertheless, they were simultaneously present in all cases, exerting a positive (in the case of facilitators) or a negative influence (in the case of aggravating factors) on the outcomes of managerial actions designed to deal with resistance.

The final data structure is depicted below in Table (5-9). Together, the interplay among these dimensions allowed us to develop a model of dynamic managerial capabilities needed to deal with resistance to change in the context of business model innovation implementation in family-owned business. The model is illustrated in Figure 5-5 at the end of this chapter.

Table 5-9: Data Structure

First order concepts (descriptive codes)	Second order themes	Aggregate dimensions
Actively seeking feedback from managers	Deliberately seeking feedback	Managers' Actions to Deal with Resistance
Arranging regular meetings to hear feedbacks		
Communicating with other managers/ employees with openness	Communicating intensively	
Continuously illustrating and elucidating information		
Communicating information accurately and in details		
Arranging seminars and small-scale meetings		
Sharing company goals and reasons to increase awareness of innovation process importance		
Managers close involvement in the details of implementation	Providing support	
Demonstrating the benefits of change to the individual		
Fostering positive feelings about the new processes and change adopted		
Facilitating the learning and adaptation process		
Providing technical assistance and training		
Make all preliminary research and analyses in advance	Preparing ahead	
Using technical expertise and field experience to overcome other family owners' resistance		

Table 5-9: (Continued)

First order concepts (descriptive codes)	Second order themes	Aggregate dimensions
Making everyone feels valuable and important Understanding the other party's point of view Giving managers/employees credit for the company's success	Recognizing employees	Managers' Actions to Deal with Resistance
Hiring new staff to help in the transformation / innovation process Establishing an ongoing training process for the new system Hiring new staff to help in the transformation / innovation process	Reconfiguring Resources	
Assigning the right person to the right task Changing positions and redefining tasks	Reconfiguring Roles	
Explaining the consequences of negative behavior to the resisting party Following down the new adopted path and repeatedly reinforce the change Repeatedly explaining to resistant managers/employees the new approach to things	Being Persistent and Consistent	
Repeatedly explaining to resistant managers/employees the new approach to things	Borrowing authority	
Building an incentive-based system that reinforces the changes	Building an incentive system	

Table 5-9: (Continued)

First order concepts (descriptive codes)	Second order themes	Aggregate dimensions
Having individual informants on the ground to communicate progress about change and resistance	Established network of informants	Facilitating factors (In overcoming resistance)
Having positive relationships, based on trust, unity and belonging Relying on the support of top management	Advantages of a Familiness ideology	
Building on generational knowledge	Intergenerational Knowledge	
Entrepreneurial drive of Family business Ability to react quickly	Entrepreneurial nature of Family business	
Restricted options to deal with resistance	Drawbacks of Familiness ideology	Aggravating factors (Challenges in overcoming resistance)
The impact of peer influence	Peer influence to resist	
Employees who lack self-motivation and perception	Individual lack of motivation	

5.2.1. The Managers' Actions to deal with resistance

In what follows, we analyze the actions of managers to deal with resistance to change in the context of business model innovation implementation in family-owned business, describing each dimension.

5.2.1.1. Deliberately seeking feedback

The first second-order theme identified from the interviews was *deliberately seeking feedback* which can be perceived as more proactive and logical ways of asking managers and employees for their responses to the change adopted and being always attentive for their comments and reactions. Managers did this by 'actively seeking feedback from managers' and 'arranging regular meetings to hear feedback', as shown in Table 5-10

Among the interviewed managers, feedback was recognized as being important in the process of both preventing and overcoming resistance. First, many of the participants used somewhat softer and more socially oriented ways to collect feedback instead of only gathering robust data or doing traditional feedback forms. In fact, most of the informants in all four cases mentioned speaking with staff at different organizational levels along with arranging meetings specifically for collecting feedback. Thus, in the first-order theme of 'actively seeking feedback from managers' case Egysweet's CEO shared his actions in the matter, saying:

> "We like to involve our people in the development of our business, their perspective of the change matters. I try to help them learn how to cope with the change by being accessible to them to ask me anything anytime ... and if they don't come to me ... I go to them". (EgySweets, CEO)

Similar comments were provided by the CEO of The Cheese Factory:

> "And to actively seek feedback from others. I never wait until they come and say what they have to say, I go and ask myself". (The Cheese Factory, CEO)

'Arranging regular meetings to hear feedback' refers to the capability of managers to hold meetings consistently for gathering comments and responses from their staff. Quotations of participants from all cases reveal they have agreed on its importance. (See Table 5-10). For example, the Chief Innovation Officer of Yarn.co commented:

> "I encourage my people to come talk to me. I have a scheduled weekly meeting with my management team to hear them out and listen carefully to their feedbacks". (Yarn.co, CIO)

The interviews we had with all case informants showed that encouraging an active and deliberate feedback is vital both to prevent and overcome resistance.

Table 5-10: Deliberately seeking feedback

Second-order theme	***First-order descriptive codes***
Deliberately seeking feedback	Actively seeking feedback from managers
	Arranging regular meetings to hear feedbacks

5.2.1.2. Communicating intensively

Communicating intensely was reflected from the case participants' comments about their use of more informal ways of communication, such as open discussions, as well as more traditional ways, such as conducting workshops and holding meetings to brainstorm.

Table (5-11) shows the first-order codes that make up *communicating intensely*. This involved, among others, ' communicating with other managers/employees with openness'. For example, in Healthy & Earthy Foods, the Export Sales Manager has shared his activities concerning the establishment of open communication and how to benefit from it, when he said:

> "Forecasting and brainstorming together as a management team is very important which is a pure form of communication" (Healthy & Earthy Foods, Export Sales Manager)

He also highlighted the importance of 'continuously illustrating and elucidating information' and making sure the communicated information is explained correctly:

> "And to make sure they understand the whole picture. It took us a lot of meetings, a lot of sit downs and a lot of explanations to establish a clear communication channel" (Healthy & Earthy Foods, Export Sales Manager)

Similarly, in The Cheese Factory, the CEO and the Sales Manager supported the significance of 'communicating information accurately and in details', when he explained:

> "What I do is not only explaining but to explain in detail like it's the first time they're hearing it" (The Cheese Factory, Sales Manager)

> "I'm an engineer and I like to be exact and precise" (The Cheese Factory, CEO).

In 'arranging seminars and small-scale meetings', participants have showed its importance. For example, in Yarn.co, the Accounting Manager commented:

> "Our top management team is always talking and meeting with each other here in the office either with each other's or with us… which I think leaves no room for miscommunication, especially at the times of the installation of the new system, we had seminars held every now and then to help everyone understand and comprehend the new system and how to deal with it" (Yarn.co, Accounting Manager)

Indeed, 'sharing company goals and reasons to increase awareness of the innovation process' helps immensely in both preventing and overcoming resistance, as stated by Yarn.co's Chief Innovation Officer:

> "In my opinion, innovation is all about people and processes. I always had a goal in my mind. And that's essentially and I leveraged everyone to just see those same goals. So, this was I think, to me, the number one motivation is that I had a goal, and I had to get everyone's buy in to see that same goal so we can achieve it. But at the same time, I believe that innovation is very disruptive. But that's a good thing. And I think the change between what I did and what somehow some people view it is that they see disruption as a bad thing. But it's not, it's a good thing and I do everything I could for them to see that" (Yarn.co, CIO)

Similar comments were provided by the CEO in The Cheese Factory which supported the same perspective:

> "I have done an MBA and I used everything I learned about goal setting and sharing company goals with employees has proved to me its importance, when I empowered them and included

them in the change process from the beginning, it helped so much in their involvement, acceptation and comprehension" (The Cheese Factory, CEO)

Hence, this dimension expresses managers' continuous efforts to communicate intensely with their top management colleagues, middle managers, and employees throughout the business model innovation process to prevent and/or overcome their resistance to change. Informants from all cases agree on its role in both preventing and overcoming resistance. The first-order themes are presented in Table (5-11) and supporting quotations appear in in Appendix 3.

Table 5-11: Communicating Intensely

Second-order theme	***First-order descriptive codes***
Communicating intensively	Communicating with other managers/ employees with openness
	Continuously illustrating and elucidating information
	Communicating information accurately and in details
	Arranging seminars and small-scale meetings
	Sharing company goals and reasons to increase awareness of the innovation process importance

5.2.1.3. Providing support

According to the case informants, the capability of the manager to *provide support* showed a significant impact on the process change acceptance and preventing resistance. The CEO of The Cheese Factory explained the impact of his own 'close involvement in the details of implementation' of business model innovation adopted in his firm stating:

> "I spend lots of time in the production floors and there were times when I try the new machines add-ons myself and I stand there explaining to our workers and engineers over and over how this upgrade will impact the prosperity of our manufacturing capacity nevertheless the enhancement that will be done to the quality of our output". (The Cheese Factory, CEO)

Likewise, in Egysweets the COO explained:

> "Change and innovation is ongoing, and I never get bored from always going to shops myself to make sure we're implementing what was planned" (Egysweets, COO).

To continue with Egysweets, the same manager mentioned providing support through 'fostering positive feelings about the new processes and change adopted':

> "We always highlight the good things about change ...for example we tell them how easy it gets to do tasks effortlessly and error free in an acceptable time limit". (EgySweets, COO)

The CIO in Yarn.co also supported this by stating:

> "I keep on assuring them that change is good. You'll feel all the daily activities are more at ease and everyone will know what to do"

Providing support activities also included 'demonstrating benefits of change to the individual' which was mentioned in all cases involved in the study (see table 5-9). For example, in Egysweets and Healthy & Earthy Foods:

> "When trying to reinforce change I always highlight the benefits the individual gets out of this. So, I tell him: «If you're not involved in the success, you will not be involved in the profit ... compensation»" (Healthy & Earthy Foods, CEO)

> "Once you succeed in making them see the benefit of change and its impact on him personally, they start to respond positively and show cooperation" (Egysweets, Store manager)

> "When introducing any of the newly adopted techniques, I start by explaining what good they will get from using it, for example less efforts, less time spent on the machine, less errors and so on. Then I feel they started to pay attention" (Healthy & Earthy Foods, TQM Manager)

Managers also recognized their role in 'facilitating the learning and adaptation process', where the interviewees explained the help, they provide to ease the learning process and help the staff adopt the change:

> "We help them learn and then adapt ... the key is to replace one old routine with a new clear one for them to get use to" (Egysweets, R&D executive)

Another executive in Egysweets mentioned the actions taken to 'provide technical assistance and training', which was found in the rest of the cases as well.

> “We have outsourced the IT system and we ask the technicians to train our people” (Egysweets, CEO).

> “I have to be involved, I have to make sure that they're meeting the targets, that they're doing what is promised” (Yarn.co, COO)

> “We have provided technical support engineers to help assist them with all the newly installed systems” (The Cheese Factory, COO).

Providing support to their staff is another dynamic managerial action which has both effect on preventing and overcoming resistance to change. Supporting quotations from case informants are shown in Appendix 3.

Table 5-12: Providing support

Second-order theme	***First-order descriptive codes***
Providing support	Managers close involvement in the details of implementation
	Fostering positive feelings about the new processes and change adopted
	Demonstrating the benefits of change to the individual
	Facilitating the learning and adaptation process
	Providing technical assistance and training

5.2.1.4. Preparing ahead

Another dynamic managerial capability that emerged as relevant to deal with resistance was *preparing ahead*. This means doing all the required preparations before the adoption of the change process to try preventing the resistance accordingly. The activities undertaken by managers concerning this are, first, to 'make all preliminary research and analyses in advance' which both the COO and the CEO in The Cheese Factory discussed:

> "The decision we made about changing things had to be prepared for, to make sure it's feasible and to guarantee the process of implementation would happen smoothly without affecting the current production pace". (The Cheese Factory, CEO)

> "We spend months preparing for this". (The Cheese Factory, CEO)

Other forms of resistance emerging from family owners was also faced by preparing ahead, namely 'using technical expertise and field experience to overcome other family owners' resistance'. In Yarn.co, the COO faced resistance from his father concerning the first level machine upgrade. He elaborated on this as follows:

> ".... I also met resistance from my father... I need the machines because they're necessary for the business and we must buy them... it will make you more profitable, it will increase your profit margin, which in turn will pay back for the machines and it will be good for the business itself. I told him 'I stayed years in between the workers and in between the machines, you know, so I can say, on the ground, I had more technical knowledge, my field experience on the ground...' This is how he was convinced" (Yarn.co, COO)

The managers at Healthy & Earthy Foods were particularly good at preparing ahead. They had a scientific approach to management and were very systematic in planning any new intervention. This was important to prevent resistance from employees, who felt assured by the managers' preparation. The CEO explained:

> "Before we decided to start exporting, we had to do a bunch of adjustments to our manufacturing procedures (...) such as the natural artichoke for the Italian market, for example. This natural artichoke meaning that I have to add nothing to any of the preceding or processing steps... So, it took me and my family lots of research and preparations to be able to start production" (Healthy & Earthy Foods, CEO)

The export sales manager also stated the importance of preparing ahead to win over the previous generation:

“Before, it used to be hard to convince my parents with any changes. It is what it is but when we grew up and they have seen us become more experienced in the fields, they started listening” (Healthy & Earthy Foods, Sales Manager)

Table 5-13: Preparing ahead

Second-order theme	***First-order descriptive codes***
Preparing ahead	Make all preliminary research and analyses in advance Using technical expertise and field experience to overcome other family owners' resistance

5.2.1.5. Recognizing employees

All the interviewees agreed that one of their most important actions and strengths was being “human leaders”, meaning *recognizing employees*, including acknowledging their feelings and 'making everyone feels valuable and important'. In case The Cheese Factory, the CEO pinpointed that he realizes himself to have this capability, stating:

“I consider my most important capability is empathy, towards our company and employees as well as our clients… to be able to understand the perspective of others and modifying my own communication in accordance… In my opinion, it’s the capability of stepping into another person’s shoes.” (The Cheese Factory, CEO)

The Sales Manager at The Cheese Factory also supported this by stating:

“They need to feel involved and that their opinions matter, so I listen to them, and I tell them how valuable they are to this team”. (The Cheese Factory, Sales Manager)

Then he highlighted the importance of giving credit to managers and employees when he said:

“At the end of the day the owners (the family) always say that any success they reach is theirs and they act upon it by giving credit and appointing employee of the month and the best engineer. They show them acknowledgement.” (The Cheese Factory, Sales Manager)

Similarly, The Cheese Factory's COO explained about 'understanding the other party's point of view' that:

> "Listening to the staff's opinion is important; it might well be crucial to the businesses' success". (The Cheese Factory, COO)

Additionally, Yarn.co's COO and Egysweets' COO both supported this by saying:

> "I really appreciate our managers and staff, I always show them compassion because I understand where they're coming from" (Yarn.co, COO)
>
> "Listening to their opinion is important" (Egysweets, COO)

Accordingly, another prominent fact was discovered from all interviewees that the best way to deal with resistance is 'giving managers/employees credit for the company's success, as the open acknowledgment and expressed appreciation for employees' contributions to their organization makes the implementation of change process easier and reduces the resistance.

Table 5-14: Recognizing employees

Second-order theme	***First-order descriptive codes***
Recognizing employees	Making everyone feels valuable and important
	Understanding the other party's point of view
	Giving managers/employees credit for the company's success

5.2.1.6. Reconfiguring Resources

As many of the interviewees mentioned, they had to change things all around, either by challenging and inspiring existing employees and managers or changing the skills set available to induce the change through either hiring new staff or training existing ones. In other words, they had to *reconfigure resources*. This was done, for instance, by 'hiring new staff to help in the transformation/innovation process'. Yarn.co's COO explained his action in this respect:

> "Recently I hired two new engineers" ... and the impact of it on the resistant individuals "... and the Chief of engineer felt threated by them because they're suggesting new methods and we're implementing it, so he started coming up with his own ideas to be on board too" (Yarn.co, COO)

Likewise, the CEO at Healthy & Earthy Foods commented:

> "I can offer for them to hire some new people who have the new tech skills to be the assistant. I'm always okay to do so" (Healthy & Earthy Foods, CEO)

And in The Cheese Factory, the CEO said:

> "We had to hire many people, we didn't have logistics manager or marketing/digital marketing executives and many more positions have been created for the implementation of our transformation process" (The Cheese Factory, CEO)

Another way in which companies reconfigured resources is 'establishing an ongoing training process for the new system'. The case informants assured the importance of having training processes done continually. The interviewees mentioned:

> "Educating them and training ... extensive training which never stops at one activity... to improve their skills and stay up to date with compliance or industry standards. We must be ensuring that training is ongoing," (Yarn.co, COO)

> "There are many times where I go myself for sales meeting along with our sales rep to introduce the product method used to demonstrate how to make the introduction to our customers... We adopt on the job training method" (The Cheese Factory, Sales Manager)

The process of reconfiguration of company's resources walks hand in hand with the change adopted in all the cases in the current study and it is assured that it helps in dealing with resistance and overcoming it thoroughly.

Table 5-15: Reconfiguring resources

Second-order theme	***First-order descriptive codes***
Reconfiguring resources	Hiring new staff to help in the transformation / innovation process
	Establishing an ongoing training process for the new system

5.2.1.7. Reconfiguring Roles

The *reconfiguration of roles* has been emphasized throughout the data generated from this study's case interviews showing the importance of both (i) 'assigning the right person to the right task' and (ii) 'changing positions and redefining tasks'. This capability was used by several of the interviewees as part of the changes needed to achieve the desired business model innovation:

> "...this innovation process actually encouraged me to find the right mix of employees and the right team to get me to where I needed to go." (Yarn.co, CIO)

> "My father has the ability to choose the right person for the job (...) He always thought that if this employee failed to do this task, then it's our mistake because we put him there" (EgySweets, R&D executive)

> "So that was one of the biggest changes that I made. Right off the bat, I started defining roles and then filling in these roles by people." (Yarn.co, CIO)

Reconfiguration of staff roles can be more fundamental in nature, affecting profoundly the organization and its business model, as it requires the capabilities of managers in integrating, building, and reconfiguring employees' competencies to reposition and choose the right person for the newly defined task. All the case informants emphasized its importance in the activities to deal with resistance as it prevents resistance by ensuring people are comfortable in their new roles and feel empowered, therefore, they have no reason to resist.

Interestingly, changing employees' positions was also sometimes used to overcome resistance. Both Yarn.co's COO and The Cheese Factory's COO supported this by stating:

> "Job rotation, this is how we deal with resistance from out shop managers (...) we have different techniques to do rotation but generally it works out" (Egysweets, COO)

> "If they don't perform well in this job, I give him another. He must excel at something." (The Cheese Factory, COO)

Likewise, Yarn. Co.'s CIO and The Cheese Factory's COO both supported this by stating:

> "So that was one of the biggest changes that I made. Right off the bat, I started defining roles and then filling in these roles by people." (Yarn. Co., CIO)

> "If they don't perform well in this job, I give him another. he must excel at something" (The Cheese Factory, COO)

Accordingly, the process of reconfiguring roles demonstrates a commonly agreed importance from all case interviewees in its role to overcome resistance by developing new job definitions and redesigning jobs which is connected to the tasks of implementing strategies and thus aligning the company to be the reflection of those strategies and training staff upon the change adopted.

Table 5-16: Reconfiguring roles

Second-order theme	***First-order descriptive codes***
Reconfiguring roles	Assigning the right person to the right task
	Changing positions and redefining tasks

5.2.1.8. Being Persistent and Consistent

Another manager action needed to prevent and overcome resistance to change highlighted by interviewees in all the cases is being persistent and consistent. The data gathered has shown three managerial actions within this category (see Table 5-17).

In Yarn.co, the COO discussed how he acts, 'explaining the consequences of negative behavior to the resisting party' when it lingers, making things hard for the change process to continue:

> "Finally, if the resistance insists, I reinforce ... This is how it is ... if you can't keep up with our new path then you're going to have to leave, and they usually come around ... Whether they like it or not, this is what's going to happen. And I would say this is probably one of the most

important conversations that I've had. Because this is when I felt they really started paying attention". (Yarn.co, COO)

Also, in EgySweets, their CEO stated:

"I held many meetings before just to explain the fact that change is inevitable and explained that people who are on board will most certainly benefit, but it's inevitable" (EgySweets, CEO)

And the CEO at The Cheese Factory agreed when he commented on this by saying:

"If they don't come around, I have to explain the downside of their resistance which unfortunately may come to letting them go... but we start at lower levels... at first, we move them around and then we downgrade their responsibilities, and it goes down until finally we might let them go". (The Cheese Factory, CEO)

He also stated that 'repeatedly reinforcing and explaining the new approach to things' helps in decreasing resistance:

"I explain over and over and I repeatedly make it clear that the new system is the way now to do things until it becomes a habit" (The Cheese Factory, CEO)

The Cheese Factory's COO also commented "of course consistency is everything when it comes to applying change". Furthermore, in EgySweets the COO argued for the need to 'follow down the new adopted path and repeatedly reinforce the change':

"The transformation requires a change in the leadership style. To empower as well as to give more responsibility. But always be persistent. Change creates a sort of panic about the uncertainty of things and fear towards the unknown and the changes made. People react in different ways to changes and for some it's frightening. My own approach is to address these fears with patience and not to downplay them. It is about facing the challenges with understanding, and to repeatedly try to reinforce them and if they don't get it from the first time, we do it over and over again until we make sure that they get the whole thing". (EgySweets, COO)

Accordingly, the informants highlighted that these actions have shown effect on the implementation of change and new processes across the companies and helped them to reinforce the new rules of the implemented business model, especially while overcoming employees' and managers' resistance as shown in the illustration in Appendix 3.

Table 5-17: Being Persistent and Consistent

Second-order theme	***First-order descriptive codes***
Being Persistent and Consistent	Explaining the consequences of negative behavior to the resisting party.
	Following down the new adopted path and repeatedly reinforce the change.
	Repeatedly explaining to resistant managers/employees the new approach to things.

5.2.1.9. Borrowing authority

Some interviewees also report requesting for help from the top managers/founders in the family to resolve a complex situation. This happened in the case of the younger generation, or more junior managers, when they could not themselves get employees to take them seriously or accept their authority. They then resorted to *borrowing authority* from the top managers/founders of the family business. This action was reported by many informants, like in The Cheese Factory, when the Sales Manager commented:

> "There are some situations where I must get one of the owners' (the family) intervention to solve the issue''. (The Cheese Factory, Sales Manager)

Similarly, in EgySweets, the COO mentioned:

> "Having support from the top management (the owners) of the decisions I make to deal with resistant staff and their involvement in every step of the way in any adopted changes is very helpful." (EgySweets, COO)

And Yarn.Co., the CIO talked about asking for her father's intervention in some situations:

> "I was facing a situation with one of our managers (a resisting one), she intentionally asked her team to neglect the new system entry chart using the computerized program without any justification, and I discovered it after a couple of weeks, and we couldn't trace the errors due to the loss of some documents... I had to go to the chairman, who was my father, and I told him I will need his intervention" (Yarn.Co., CIO)

Table 5-18: Borrowing authority

Second-order theme	***First-order descriptive codes***
Borrowing authority	Explaining Seeking help from the top managers/founders to resolve complex situations

5.2.1.10. Building an incentive system

One of activities adopted by managers trying to deal with resistance was *building an incentive system* to try to encourage employees' cooperation with the transformation process. In Yarn, co., the COO mentioned this when he said:

> "Sometimes you have to negotiate with them, if you do this, I will give you that (...) and it works many times" (Yarn, co., COO)

And in The Cheese Factory, the CEO commented:

> "Compensation motivates staff to work and when they get an incentive from doing extra work or going through more procedures until the system is fully working, [this] eases their resistance". (The Cheese Factory, CEO)

All cases' managers have emphasized the use of incentive systems, ensuring the establishment of reward mechanisms in which good performance is rewarded through various financial and non-financial incentives. Developing a strong performance management system holds managers and employees accountable for the behavior they bring to the workplace, sets the focus on top-performing employees, which prevents their resistance and helps persuade others, and maintains or increases the effectiveness of business model innovation implementation.

Table 5-19: Building an incentive system

Second-order theme	***First-order descriptive codes***
Building an incentive system	Building an incentive-based system that reinforces the changes

5.2.2. Facilitating factors (in overcoming resistance)

In addition to managers' actions that reflect their dynamic managerial capabilities to deal with resistance to change, the findings of this study also identified factors that facilitated the effectiveness of those actions. It helped people's acceptance of change and helped with the implementation of business model innovation. These were circumstances that had been built over time as a result of past actions and decisions but were not actions contemporaneous with business model innovation that managers took directly to deal with resistance and did not therefore fall under the dynamic managerial capabilities categories. The facilitating factors found were *having an established network of informants, advantages of a familiness ideology, intergenerational knowledge, and the entrepreneurial nature of Family business.*

5.2.2.1. Having an established network of informants

Having informants in the family business is a common practice in the Egyptian culture. Family business owners tend to establish such a network among trusted employees to have what they call 'their eyes on the business', informing them on how work procedures are being executed. Yarn.co's CIO mentioned the existence of such role in one of the old employees who reported everything to her father, and she said it's a common role who they had in the business even in the older generations.

> "My dad is really in tune with what's going on. My dad knows everything about our business. He knows, like what me and my brother know combined. (...) He doesn't come to the offices and the factories like we do, but they call him and get his approval about everything first" (Yarn.co, CIO)

Also, in The Cheese Factory the CEO mentioned that he approves the effectiveness of such a role in their business to track business activities and it helped his dad and him to follow up workflow.

> "My dad used to know everything about the factory even if he's not there and I have learned from him to keep my eyes and ears everywhere and I think in family businesses it's the best way to always stay in the loop" (The Cheese Factory, CEO)

The CEOs in the cases agreed that this role is given to employees who they trust and have been in the business for a long time and are capable to take it as an opportunity to be a leader. For example, when they see a colleague doing something that they think should be done differently, talk to them first, and try to fix the problem before involving the owners; but in some circumstances, it is a must to keep the management in the loop.

All cases' managers have emphasized that having an established network of old-faithful employees as internal informants helps managers deal with resisting staff by alerting them to occurrences that indicates manifestations of resistance. This phenomenon turns out to be a common successful tool method used by family business owners to keep abreast of what goes on in their companies.

Table 5-20: Established network of informants

Second-order theme	***First-order descriptive codes***
Established network of informants	Having individual informants on the ground to communicate progress about change and resistance.

5.2.2.2. Advantages of a Familiness ideology

All informants have agreed on the emphasis of elements of what research refers to as *familiness ideology*. In this study, it consists of two factors (presented in table 5-22 below). First, 'having positive relationships, based on trust, unity and belonging' is a family business advantage. In this matter, the CFO of Yarn.co, who is not a family member, said:

> "I have been working here for many years and I always felt that this is my family's business too and our founder is the reason for that" (Yarn.co, CFO)

This was especially strong in EgySweets. Having developed the business over four generations meant that they had established relationships based on trust and a strong sense of belonging to the family business from employees that made dealing with resistance easier and even less prevalent. The COO of EgySweets supported this by stating:

> "I believe that what helped us face resistance is mainly the relationship we have within, between our top management and the lower-level managers and in turn the first line managers and their employees" (EgySweets, COO)

Secondly, 'relying on the support of top management family business owners' was also reported by all interviewees to facilitate the managers' actions in reconfiguring resources due to building on a trust-based relationship. The CEO at Healthy & Earthy Foods supported this by saying:

> "...a lot of support was given to everyone... Because we have built mutual trust over the past 30 years with our people" (Healthy & Earthy Foods, CEO)

The advantage of a *familiness ideology* in this type of organizations falls upon its relationship culture. The case informants have a consensus on the fundamental part of their family business ideology which is the system of shared values, norms, and beliefs. And it is proven by the findings if this study that this advantageous nature helps in preventing and overcoming resistance.

Table 5-21: Advantages of a Familiness ideology

Second-order theme	***First-order descriptive codes***
Advantages of a Familiness ideology	Having positive relationships, based on trust, unity and belonging
	Relying on the support of top management

5.2.2.3. Intergenerational Knowledge

The case informants involved in the study come as a second generation, like in The Cheese Factory, or fourth generation, like in EgySweets. Therefore, they have been raised in a way that complies with the norms of their own business so that they can take hold of it when required. They stated that this familiarity with the business gives them an edge over having a new startup. The case informants elaborated on this saying:

"I have learned everything from my dad, and my sister did too" (Yarn.co, COO)

"The three of us – my dad, my sister and me – are really different... but we're all on the same page... our knowledge originally comes from my dad's own experience and inherited experience from his dad. But me and my sister each has developed this knowledge differently" (EgySweets, CEO)

"We have been working with our parents since we were in college and we have learned everything from them" (Healthy & Earthy Foods, Sales Exports Manager)

"Me and my brother learned everything from our dad and that helped a lot in facing many of the resistance we received, especially after I became the CEO and handled everything" (The Cheese Factory, CEO)

Being a successor of a family-owned business gives them a competitive advantage as it means being part of a value-driven organization that has its own identity, established trust, and a sense of belongingness, in which they have gained experience from the transmission of knowledge from one generation to another. Accordingly, family members need to integrate their individual specialized knowledge in order to pursue change. Consequently, this intergenerational knowledge helps with the implementation process and facilitates overcoming resistance in turn.

Table 5-22: Intergenerational Knowledge

Second-order theme	***First-order descriptive codes***
Intergenerational Knowledge	Building on generational knowledge

5.2.2.4. Entrepreneurial nature of Family business

The findings of this study highlight the entrepreneurial nature of family businesses, characterized by an 'entrepreneurial drive', a tendency of the business to reinvest profits into the business and experiment to expand, taking risks in making bold changes to its business model. The intergenerational and the succession which happens when another generation takes over enhances this entrepreneurial concept. In this substance, the informants stated:

“We’re a family-owned business, it is easier to be involved in everything, to try new things and, if it doesn’t work, try the next thing to expand” (Yarn.co, COO)

“The great secret of family-owned businesses that they achieve tremendous wealth and hold onto it for generations is that they persistently promote the entrepreneurial spirit that led to their initial success. It is just inherited in the family. The eagerness to take risks and grow the family business” (Healthy & Earthy Foods, Export Sales Manager)

Moreover, the informants mentioned the 'ability of the family-owned business to react quickly' and adjust themselves as per the variations in the environment. Managers at Yarn.co and EgySweets supported this by saying:

“Given the size and the way a family structure works, we can easily react and adapt to market changes and still it’s a small/medium enterprise” (Yarn.co, COO)

“I think it’s easier for us to change because we’re a family business; it enables us to react quicker” (Egysweets, R&D executive)

Such entrepreneurial nature advances the dynamic capability of its managers through increasing their ability to react fast to market changes. The knowledge and experiences offered by increased generational involvement of family business could help and benefit them in overcoming the resistance they face during the phase of implementation of innovation and aids their adoption of change.

Table 5-23: The Entrepreneurial Nature of Family Businesses

Second-order theme	***First-order descriptive codes***
The Entrepreneurial Nature of Family Businesses	Entrepreneurial drive of Family business
	Ability to react quickly

5.2.3. Aggravating factors (challenges in overcoming resistance)

The current study also found that there are other factors that pose a challenge to the managers in their attempts to deal with resistance and may frustrate their intentions to overcome it. This includes: the drawbacks of familiness ideology, peer influence to resist, and individuals' lack of motivation.

5.2.3.1. Drawbacks of Familiness ideology

It is stated by the family business owners participating in the study that the ideology of family businesses has some drawbacks that tend to aggravate resistance and restrict their intentions to overcome it and hence change their business model. They have explained that they face 'restricted options' when it comes to dealing with extremely resistant staff members, as the longer the staff members have worked in the firm, they more they are considered part of the family. So, letting them go, or firing any staff member, becomes harder, especially for the founders and the older generations of the business owners, as stated below by various interviewees:

> "It's always hard to let someone go and part of the lack of employees' response and motivation to change is that they know it… My father considers them part of the family, especially the old ones who built the whole place with him" (Yarn.co, CIO)

> "In some situations, we have to let go of someone due to his high resistance levels to all advancements the owners adopted and because it's a family run business and this manager has been there forever, it's hard" (Healthy & Earthy Foods, Human Resources Manager)

> "Some of these resisting staff have built the business with us and it's hard to deal with such type of mangers/employees when trying to communicate change in the business they have worked in for years" (EgySweets, CEO)

Therefore, while the ideology of familiness of the business generally facilitates implementing change, it may also pose a challenge as shown above for the family business managers to deal with when trying to overcome resistance to change.

Table 5-24: Drawbacks of Familiness Ideology

Second-order theme	***First-order descriptive codes***
Drawbacks of Familiness Ideology	Restricted options to deal with resistance

5.2.3.2. Peer influence to resist

Another aggravating factor facing managers in family businesses that hinders their intentions and affects their actions to overcome resistance is the influence some employees have on other colleagues. Informants of all cases involved in the study have agreed upon the impact of peer influence and its effect on undertaken actions towards overcoming/preventing change. They have highlighted that, in family businesses, employees tend to have closer relationships not only with family members but also with each other. Therefore, they form a collective behavior toward change and attitudes towards any newly implemented procedures. One of EgySweets' managers said:

> "If one worker resists using the new computerized entry program, the ones like him in other shifts do the same" (EgySweets, Store Manager)

Also, the CEO of Healthy & Earthy Foods added:

> "They influence each other's opinions and to convince one with something you have to convince them all" (Healthy & Earthy Foods, CEO)

Consequently, this factor forms a negative influence on the family business managers while trying to deal with resistance shown from their staff about their new business model.

Table 5-25: Peer Influence to Resist

Second-order theme	***First-order descriptive codes***
Peer Influence to Resist	The impact of peer influence.

5.2.3.3. Individual lack of motivation

Lastly, the individual's lack of motivation forms a challenge to managers while they try to deal with their staff resistance. The informants have discussed that, even though change is implemented for positive reasons (either to adapt to changing environmental conditions or trying to remain competitive), employees often respond negatively toward change and resist change efforts. This negative reaction is to a large extent because change brings pressure, stress and uncertainty and some of them just lack the motivation to go through such a process. Yarn.co's Accounting Manager commented in support of this by saying:

"Many of our employees don't want the change. It's not that they can't; they don't want to." (Yarn.co, Accounting Manager)

And the CEO of Healthy & Earthy Foods added:

"Some were really unable to adapt and mitigate, they couldn't, didn't have in them to adapt to any change" (Healthy & Earthy Foods, CEO)

The lack of motivation of the workforce is a complex issue and it hinders the innovation process and is found by this study to be an aggravating factor facing managers having to overcoming resistance.

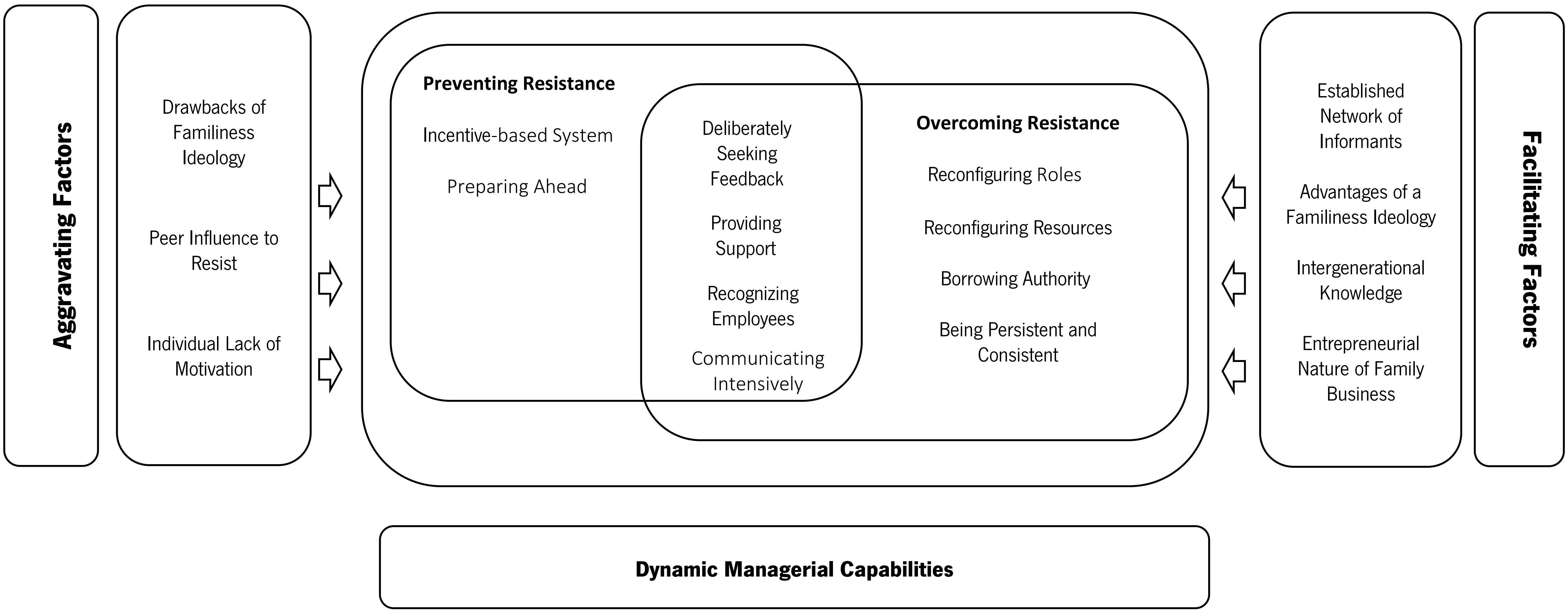
Table 5-26: Individual lack of motivation

Second-order theme	***First-order descriptive codes***
Individual lack of motivation	Employees who lack self-motivation and perception

In summary, taking into account the extant literature, and based on the findings of the study, we are able to develop a general model of the dynamic managerial capabilities required to deal with resistance to change in family businesses implementing business model innovation. The findings suggest that there are common elements and managerial actions present across the cases. The aim of the model therefore is to build on these common elements and theorize their interrelations based on the findings, which necessarily requires abstracting from the specificities of each case. The interactions between actors took different forms across the cases but similar actions. These resemblances in which the basic elements of the framework were configured and related give form and shape to the dynamic managerial capabilities practice model to deal with resistance. The proposed model therefore is abstracted to accommodate the basic influence between the elements, which can take similar forms in different family-owned businesses. Figure 5-5 depicts the model, showing the different types of dynamic managerial capabilities family business managers use to prevent resistance, overcome resistance, or both. The model also shows a number of factors that aggravate the resistance faced by managers and hamper their effectiveness in dealing with resistance; as well as factors that facilitate those actions.

It is worth noting that, despite our specific focus on the similarities across cases, there were also some differences that helped explain the varying impact of managers' actions on preventing or overcoming resistance to change. As reported above, resistance from the previous generation was especially felt in Yarn.co, with the consequence that managers faced more resistance also from employees and took longer to implement changes to their business model. EgySweets benefitted from a particularly strong entrepreneurial drive and trusting relationships with lower-level managers and employees, which made managers' actions to deal with resistance more effective. Healthy & Earthy Foods also found it easier to deal with resistance due to the current generation's scientific approach to management that made them thoroughly prepared ahead for any change implementation. Finally, in The Cheese Factory, resistance was more prevalent, and it was harder for managers' actions to be effective in dealing with change, which was more recent, more irregular, and less consolidated.

Figure 5-5: Dynamic Managerial Capabilities to Deal with Resistance in family-owned businesses



CHAPTER SIX

6. DISCUSSION

In this section, we provide a brief discussion on how the findings of the study relate to the dynamic managerial capabilities' literature and specifically to the managers' actions needed to deal with resistance to change. We also give a brief discussion on how the findings of the study relate to the family-owned businesses research. This leads up to our proposed model, abstracted from the findings, that depicts dynamic managerial capabilities to deal with resistance in family businesses in the context of business model innovation.

Most literature on family business innovation has overlooked the variegated role of family business decision makers and the required dynamics for its implementation, and recent studies have made calls for documenting such behaviors (de Massis & Foss, 2018; Zahra, 2018), "relating actors and context in ways that clarify their genesis, evolution, manifestations, and consequences across organizational levels and time" (Zahra, 2018, p.225). Thus, we were left with a gap in understanding of the micro practices through which family-owned businesses manage the tensions between tradition and innovation (de Massis & Foss, 2018).

The present study built on the dynamic managerial capabilities' perspective to arrive at a practice model of managers' actions required to deal with resistance to change when family businesses implement business model innovation. This contributes to close this research gap by theorizing that managers facilitate innovation through their individual-level dynamic capabilities that can help avoid and overcome resistance to change. Accordingly, as firms' key decision-makers, managers directly influence their capacity to innovate (Adner & Helfat, 2003; Helfat et al., 2007).

The current study provides novel empirical evidence that dynamic managerial capabilities shaped as actions performed by managers are significant drivers of innovation by overcoming resistance to change when family firms change. The theoretical argumentation fundamentally proposed that the ability of firms to reconfigure their business model is contingent on managers' dynamic capabilities. Hence, overcoming/preventing resistance to change can be partly attributed to heterogeneities in the individual-level capabilities of managers.

The presented findings extend the notion of dynamic managerial capabilities as facilitators of innovation, highlighting the significance of managerial capabilities for organizational adaptation by overcoming resistance to change. The study's findings bear a number of actions of family-owned business managers (see figure 5-5). The first cluster of actions are especially relevant in helping to prevent resistance. This includes building incentive-based systems and preparing ahead. When Zwick (2002) discussed employee resistance against innovation he suggested that internal resistance can be reduced by offering employment guarantees and bonus payments before the innovation is implemented, or reducing the adoption costs of innovations to employees, for example, by keeping the flexibility required and the skills rendered obsolete to a minimum and offering training during working hours or reducing the workload during training times. In our cases, building incentive-bases systems not only helped reduce resistance, but it also actually helped managers prevent resistance ahead by providing staff with an enticement for their cooperation in the implementation of business model innovation. Additionally, preparing ahead encompassed managerial actions involved in making all preliminary research and analyses in advance and using technical expertise and field experience to overcome other family owners' reluctance to business model innovation, thereby preempting resistance. This preparation harnesses all the underlying factors (Adner & Helfat, 2003) of dynamic managerial capabilities. Bailey & Helfat (2003) explained that manager's human capital comprises managers' knowledge, expertise, and competencies, which family business managers use to prepare ahead. Human capital develops through informal training, such as work experience and trial-and-error learning, and formal training, such as education. To prepare ahead, managers also use their cognition, which is the ability to perform one or more of the mental activities that comprise a set of human mental processes that include perception, attention, patterns of recognition, learning, memory, language processing, problem-solving, reasoning, and thinking (Sternberg & Kaufman, 2006). Moreover, the informal relationships that managers have with others, inside and outside of the company, and can be used to obtain resources and information – referred to as managerial social capital – much enhances the manager's capability to prepare ahead. In this respect, we can see that preparing ahead is strongly connected to dynamic managerial capabilities and is considered a managerial action which allows managers to convincingly support their proposals and gain trust from potentially resisting family members (Liaqat et al., 2021).

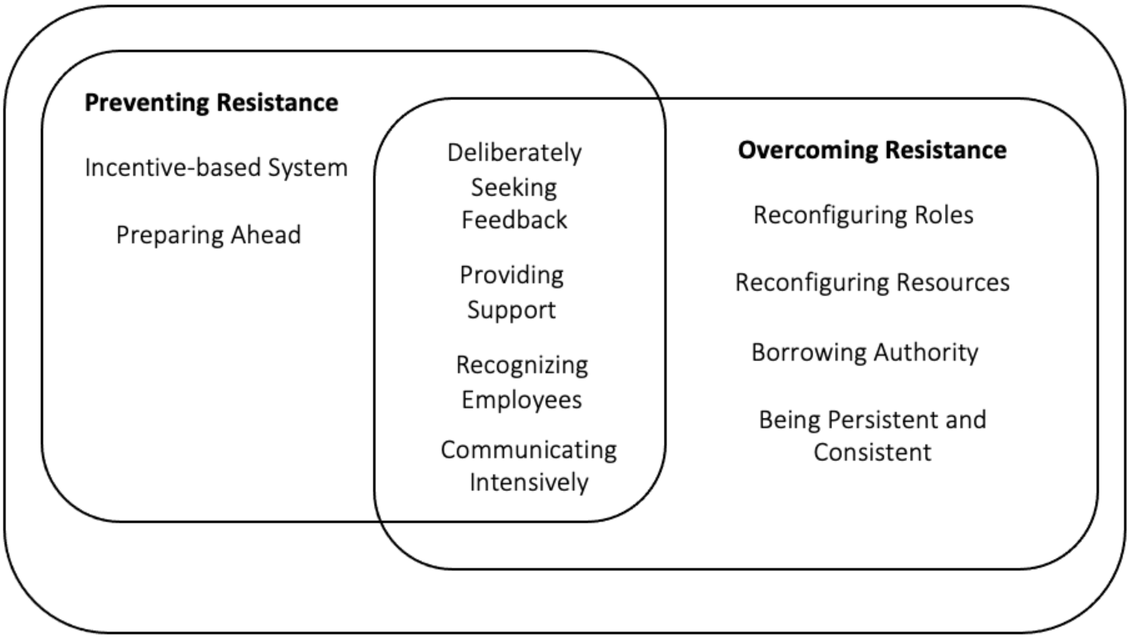
The second cluster of managers' actions help overcome resistance after it has manifested. This includes reconfiguring roles, reconfiguring resources, borrowing authority, and being persistent and consistent. Evidence from the current study highlights the effect of managers reconfiguring roles and resources of the family firms, supporting what previous research by Lawrence (1994) pointed about the impact of developing new job definitions and redesigning roles in overcoming resistance and in reconfiguring resources by challenging and inspiring existing employees and managers or changing skills set available to induce the change through either hiring new staff or training existing ones. Teece et al. (1997) said reconfiguration is concerned with the physical transformation of a company that can be connected to the tasks of implementing strategies and thus aligning the company to be the reflection of those strategies and training staff upon the new innovations adopted. Thus, reconfiguring the company's resources is connected to the core of strategic change since many actors are involved in the organization and it enables the organization to leverage new opportunities and manage challenges (Teece 2007). Our cases show that, in addition to embodying change, reconfiguring roles and resources can also be a way to overcome resistance to change, thereby allowing it to be effective.

The findings further proposed being persistent and consistent as an action to overcome resistance, which goes in line with Andersén's (2011) argument that it takes hard work, a certain degree of stubbornness and persistence from the top-level managers to succeed in renewing and innovating their business. Obviously, all the previous explanations have much in common, in that they all rest on an assumption that success goes to those who have persistence to develop, refine, and enhance key competencies that lead to sustainable competitive advantage, highlighting that in dynamic environments, managers need to be persistent to ensure alignment with the new environmental context, strategic decision makers must anticipate or detect such changes to initiate strategic transformations (Audia et al., 2000). Borrowing authority is another managerial action proposed by this study which helps overcome resistance, in terms of a family or a non-family member seeking the family business founder or eldest family business owner to help in a situation where they face resistance from the staff to the adopted changes. Schumpeter (1987) credits the decisive role in family firms to the founder in the process of the firm's creative and innovative practices. The current study sees this role of the founder as a source of legitimate authority that employees will heed and that other managers can "borrow", supporting Poutziouris et al. (2006) research highlighting the family business' founder's authority and expertise to influence the business and its staff.

Some of the managers' actions found in the current study help in both preventing and overcoming resistance: deliberately seeking feedback, providing support, recognizing employees, and communicating intensively. When implementing changes, besides the existing knowledge gained through training and experience, manager's ability to share specific knowledge within the company and to absorb new knowledge is very important (Wang et al., 2009). Since managing a family business is a very people-centered affair, most of the reasons for failure are also people-related (Schwass, 2013).

According to Williams and Preisser (2003), more than half of the failures (about 60%) are grounded in a lack of communication and trust, and another quarter are attributable to the manager's wrong or missing preparation. Only 15% of the failures have less people-related reasons, such as a lack of capital or poor financial planning (Williams & Preisser, 2003). Often, the nature of family businesses leads to a closer relationship between the family owners and the non-family managers and employees, which leads to a higher degree of communication and knowledge transfer and subsequentially increases the ability to innovate (Olson, et al., 2003). This is in line with what Burnes (2015) stated about Zander's (1950) primary advice for practicing managers, not to leave the change open to a wide variety of interpretations; managers must be precise and persistent but not pressure their staff. All findings from the interviews confirmed that the knowledge exchange through proactively seeking feedback and the intense communication among the employees as well as between the employees and the company owner triggers improvement ideas, fosters the implementation of change, and helps overcome resistance (Flower, 1962). As for providing support, this addressed the very core causes of employee resistance as identified by research: fear, pressure, stress, and uncertainty coming with change (Hon et al., 2014; Yılmaz & Kılıçoğlu, 2013). Any feelings of loss or grief resulting from the transition must be resolved if the individual is to move beyond the transition and establish an understanding of self (Handler & Kram, 1988), therefore providing support helps prevent/overcome the staff's resistance to changes when they're being supported throughout the whole implementation process by manager's initiatives of explaining the change process constantly, demonstrating the benefits which will impact them as much as it does for the business and continually assuring them. Lastly, recognizing employees is about understanding their point of view and making them feel important to the change implementation success. Scholars such as (Lumpkin et al., 2011) discussed participation and stated that it allows the interplay among a variety of perspectives and leads to a rich internal network of heterogenous knowledge that supports the effective use of resources. It is found by this study that successful family business owners/managers understand the key role employees play in implementing change and the importance of letting them know that.

Figure 6-1: Dynamic managerial capabilities to overcome resistance



Building on the above discussion, the current study perceives dynamic managerial capabilities (DMCs) as managers' actions needed in order to help them reconfigure existing resources and change ways of doing things through dealing with resistance, which are especially important in family firms facing a dynamic and a rapidly changing external environment. Current knowledge illustrates that the presence of dynamic capabilities can safeguard family firm sustainability and growth within turbulent and dynamic business environments (Randhawa et al., 2021). Although dynamic managerial capabilities extend from the dynamic capabilities (Eisenhardt & Martin, 2000; Teece et al., 1997), the existing literature on family businesses lacks the connection to dynamic managerial capabilities. Therefore, in the present study we draw on the concept of a practice-based approach to conceptualize our findings in family business and dynamic managerial capabilities literature to contribute to fill this gap, as well as providing much needed detail about dynamic managerial capabilities specifically directed at overcoming resistance to business model innovation.

Our study also uncovers a number of factors which either facilitate or hinder managers' actions to deal with resistance in family-owned businesses (illustrated in Figure 6-2). The facilitating factors are circumstances built over time as a result of past actions and decisions that preempt resistance or advance managers' efforts to deal with resistance. They comprise an established network of informants, the advantages of a familiness ideology, intergenerational knowledge, and the entrepreneurial nature of family business. The present study finds that having an established network of old-faithful employees as internal informants helps managers deal with resisting staff by alerting them to occurrences that signal manifestations of resistance. This phenomenon, which is not often addressed in the literature, turns out to be a common successful tool method used by family business owners to keep abreast of what goes on in their companies; and it could be especially pervasive in the Egyptian culture.

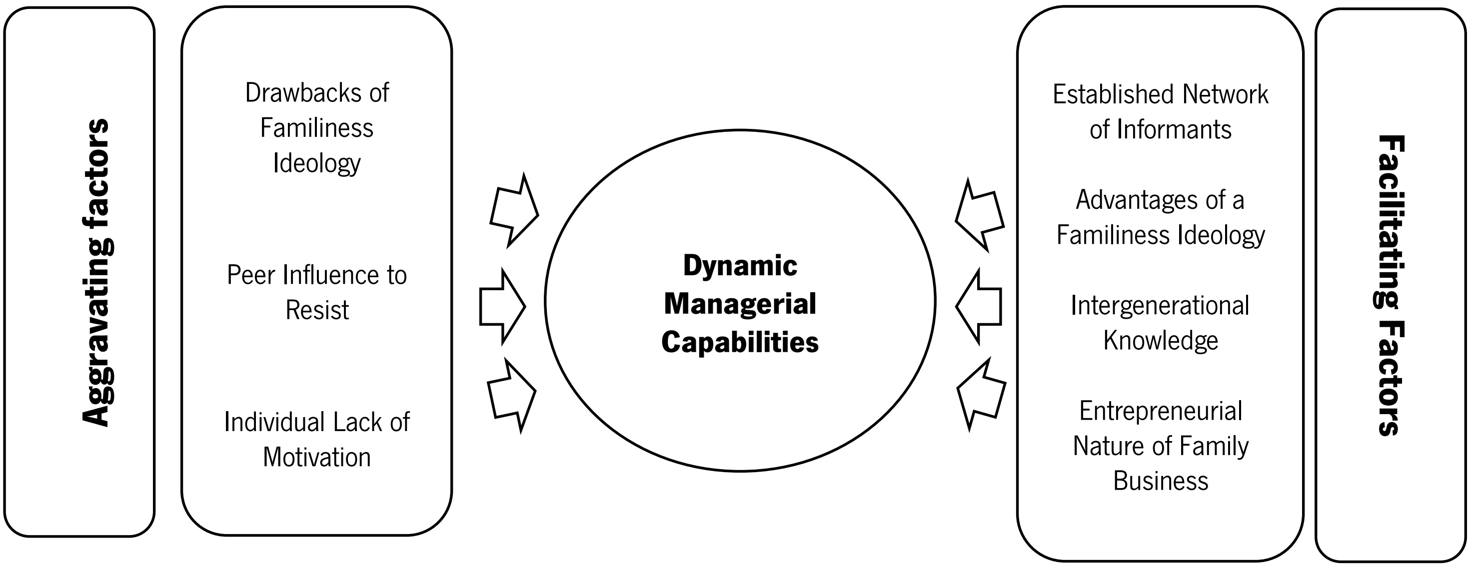
Another facilitating factor contributed from this study are the advantages of a familiness ideology. Previous work hints that familiness resources can be facilitators of dynamic capabilities in family business (Glyptis et al., 2021). Consequently, the key processes of dynamic managerial capabilities can make use of familiness resources in a family business context. The current study proposes that the advantages of familiness ideology in family business can help overcome resistance by relying on the support of the top management role which we believe is related to the influence of the founders' and the relationship-based trust developed in the family business, which is part of its nature (Gómez & Rosen, 2001; Stanley et al., 2005). This ideology facilitates the interaction between family business managers and non-family business staff members, reinforcing the relationships of trust among them (Camisón-Zornoza et al., 2020) and thereby allaying resistance to change. Under a familiness resource-based reasoning, the family infuses with its embraced values and norms the organizational resources that underpin the core competencies of the family firm, thereby differentiating it from other firms, and offering thus the scope for competitive advantage (Habbershon et al., 2003).

Regarding intergenerational knowledge, our findings show that living within the family and working within the business from an early age allows family members to develop deep levels of firm-specific accumulated knowledge (in our case, based on father-son and father-daughter relationships). Since knowledge emerges from repeated interactions between individuals and can be better developed by close-knit groups who identify themselves with a larger collective, family firms are an interesting organizational form to study intergenerational knowledge (Chirico & Salvato, 2008). We believe that the interaction of two social systems — the family and the business — enables family members to act simultaneously within the family and the business. Strategy theorists identify knowledge integration as the cornerstone of dynamic capabilities (Alavi & Tiwana, 2002; Eisenhardt & Martin, 2000). We argue that the evolution of capabilities in family businesses is guided by the integration of family members' specialized knowledge that is transgenerational among family members active in the firm, rather than by knowledge itself. From our cases findings, there are many situations in which organizational members need to integrate their knowledge with each other to realize its value. Examples include product development undertaken in one of our cases which included groups working to develop areas of product improvements which showed success due to the knowledge integration through the interaction of all family members. A family firm may have specific capabilities in product development, but these capabilities may not be sufficient to be successful in dynamic markets where the environment changes continually. Accordingly, family members need to integrate their individual specialized knowledge in order to pursue change. Consequently, this intergenerational knowledge helps with the implementation process. Intergenerational knowledge also means family members have extensive knowledge of the organizational dynamics and of employees, which allows them to spot and avoid or deal with resistance early on.

The last facilitating factor proposed in our model is the entrepreneurial nature of family business. We posit that the entrepreneurial orientation provided by their ability to react fast to market changes, the mobilizing vision to use the heterogeneous, yet complementary knowledge and experiences offered by increased generational involvement of family business, could help managers deal with resistance and cope with the implementation of change. Scholars such as Aldrich and Cliff (2003) and Chirico et al. (2011) claim that family firms in whose operations multiple family members are involved possess a unique and favorable setting for entrepreneurship in its nature. The entrepreneurship nature – i.e., the tendency toward product innovation, proactiveness, and risk-taking behaviors (Miller, 1983) – of family firms, with its unique knowledge resources offered by generational involvement (Lumpkin et al., 2011), helps the firm in the reconfiguration of their business model innovation through resource orchestration (Lumpkin et al., 2011) and aids the managers to deal with staff who resist to change. Because changing often is how the family business operates, employees are more used to it and are less likely to resist. Moreover, managers accumulate experience in change processes and potentially emerging resistance, making them more able to implement change and deal with resistance, if and when it arises. The current study also uncovered a number of aggravating factors which frustrate the actions' done by managers to overcome or prevent resistance. These include the drawbacks of familiness ideology, peer influence to resist, and individual lack of motivation. We tackle in our study the other side of the familiness ideology of family businesses which imposes restricted options to deal with resistance. As our findings highlight, family businesses are built upon relationship-orientation and firing uncooperative staff members and the termination of employment is not a common action in family businesses. This makes it harder when companies maintain an unqualified employee who resists change and seeks to maintain the status quo and, due to their age or educational background, they oppose learning new methods or the reconfiguration procedures adopted by the top management. This negative side of familiness illustrates the constrictive familiness referred to by Habbershon et al.

(2003), calling attention to the disadvantages that familiness may carry. We also find peer influence to resist to be an aggravating factor to manager's efforts to overcome resistance. Supportive coworkers are important because they help other employees to perceive that change, risk taking, and creativity are valued, and beneficial (Hon et al., 2014). Conversely, unsupportive coworkers influence the change process negatively by influencing their peers to resist. Social networks have an influence on employees' reactions to change and when an employee's social environment (i.e., colleagues, supervisors, and subordinates) tends to resist a change, the employee is more likely to resist as well (Oreg, 2006), thereby thwarting managers' actions to deal with resistance. Another aggravating factor is individuals' lack of motivation. Resistance to change can occur in professional settings where an individual is unwillingly or demotivated to adopt any new changes (Yılmaz & Kılıçoğlu, 2013). We propose this factor to be one of the obstacles facing managers in their actions to deal with resistance.

Figure 6-2: Factors affecting dynamic managerial capabilities to deal with resistance to change



CHAPTER SEVEN

7. CONCLUSION

7.1. Conclusions

The aim of this research was to provide an understanding of the emergence of distinctive dynamic managerial capabilities in family businesses directed at dealing with resistance to change while implementing business model innovation, acknowledging the need to consider clear managerial actions to deal with resistance. We further examine the specific context in which these actions take place that may influence their effectiveness in dealing with resistance to change. Specifically, the thesis addressed the following research questions:

What are the Dynamic Managerial Capabilities of managers in family-owned business to deal with resistance to business model innovation implementation?'

a) What are managers' actions to deal with resistance to change when implementing business model innovation?
b) What are the specific circumstances of family businesses that affect dynamic managerial capabilities to deal with resistance?

The theoretical background of the research explored the previously presented literature and we recognized that companies need to cope with the dynamics imposed by the very competitive markets they operate in, which requires changing their business models. The current study emphasized the role of top management in asset reconfiguration and orchestration, referring to dynamic managerial capabilities as actions by managers in the firm to adopt strategic change, since dynamic managerial capabilities (DMC) are especially useful in a changing organizational environment (Corrêa et al., 2019), and they will be needed in order to implement business model innovation (BMI). We set out to develop a practice-based model of the dynamic managerial capabilities needed to deal with resistance to change.

In the present study, qualitative research methods were adopted and were seen as the most suitable, as qualitative research methods provide a thorough understanding of the phenomenon at hand by analyzing participants' lived experiences and actions performed by them in their organizational context. This is particularly appropriate to the practice-based approach followed in this research. Specifically, a multiple case study approach was implemented based on in-depth interviews, that were considered as the main data collection method, to grasp the hands-on-experiences of top management team members of Egyptian family businesses within the context of business model innovation implementation.

Subsequently, data analysis allowed us to observe common dimensions across the cases, although these dimensions did not take place in the same order in all the cases. Two aggregate themes were identified regarding managers' actions to deal with resistance to change: Actions to prevent resistance, which consists of managerial actions done in family-owned businesses throughout the implementation of business model innovation to preempt the rise of resistance to change; and Actions to overcome resistance, which consists of managerial actions done in family-owned businesses throughout the implementation of business model innovation to mitigate resistance to change after it surfaces.

Based on the findings, a practice-based model was derived, not only depicting patterns of activities and interactions in managers' actions that comprise the dynamic managerial capabilities of family business top management team to deal with resistance, but also the influence of other factors that were categorized as two main aggregate themes: the facilitating factors, that is, circumstances that make overcoming resistance easier; and the aggravating factors, consisting of challenging circumstances faced by managers when trying to overcome resistance.

By integrating insights from our presented literature review, we tried to provide the scientific community with a consolidative conceptual framework that leads to a discussion of a focused set of dynamic managerial capabilities and opportunities for future research. We hope that the integration of the knowledge generated benefits the understanding of the role of top management to face resistance in family-owned business as dynamic managerial capabilities, while implementing business model innovation. to that end, the results of this study contribute to the literature in several ways. Starting with Dynamic Managerial Capabilities (DMC), we look at what managers actually do to create, extend, and modify the organizations' capabilities. This is in line with the practice-based approach (Jarzabkowski, 2004; Feldman & Orlikowski, 2011) and the notion that managers' actions reflect the agency of dynamic managerial capabilities (Ambrosini & Altintas, 2019). The practice-based approach with its focus on dynamics, relations, and enactment, is particularly well positioned to offer powerful analytical tools to help researchers theorize and understand novel and emergent phenomena in organizational and strategic management literature. It also focuses on understanding the actions people take and the structures of organizational life (Feldman & Orlikowski, 2011). The study provides also novel empirical evidence of dynamic managerial capabilities in terms of a specific bundle of managers' actions that have a significant influence in dealing with resistance to change. Moreover, we show how these actions constitute dynamic managerial capabilities as they are essential in the course of creating, extending, and modifying the organizations' resource base in the context of business model innovation implementation. Hence, differences in the reconfiguration of business model innovation between family-owned businesses can be attributed to heterogeneities in the individual-level capabilities of managers (Heubeck & Meckl, 2022). Thus, the current study sheds light on managers' fundamental role in dealing with resistance to change through their specific actions. Managers and the dynamic capabilities they possess consequently represent valuable resources for their organizations, decisively shaping family firms' current and future competitive advantages. The evidence provided by this study shows that dynamic managerial capabilities have a direct impact in dealing with resistance to change in family-owned businesses. The study advances the literature by re-emphasizing the importance of individual managers' actions in overcoming and preventing resistance in the context of business model innovation.

The evidence extends the fundamental notion of dynamic managerial capabilities to family firms. As such, the study also contributes to research on family business by filling the existing gap in this literature regarding the role of dynamic managerial capabilities of top management to overcoming resistance to change. Prior work has largely addressed resistance to change in family businesses in terms of resistance to succession (Handler & Kram, 1988), attributing intergenerational succession failure to resistance (Miller et al., 2003), and resistance to external management succession (Bailey & Helfat, 2003). This study addresses resistance to change originating in employees, managers and even family members (including the owners). In addition, the study also uncovers a wide range of conditions that are specific to family businesses and that either aggravate instances of resistance or facilitate managers' actions to deal with resistance.

Regarding resistance to change, this has predominantly been studied from the perspective of the resisting parties, analyzing their motivations to resist and the contextual circumstances that influence their attitudes towards change, including resistance. Research addressing how management tackles resistance has focused mainly macro-level organizational aspects, such as structure (Baines et al., 2017) and leadership style (Hon et al., 2014), or on the results they should achieve in terms of improving change management (Simoes & Esposito, 2014). In this study, we contribute by looking at the micro-level actions of managers in dealing with resistance, and the effects of those actions in overcoming or even preventing resistance.

In terms of Business Model Innovation (BMI), this area has lacked empirical backing to the mainly conceptual papers that constitutes this literature, which is considered insufficient in studying the complex strategic phenomenon (De Massis & Foss, 2018). In addition, business model innovation has seldom been examined in the family business context (Heubeck & Meckl, 2022), specifically the implementation phase of business model innovation which constitutes a potential challenge for managers, referred by Geissdoerfer et al. (2017) as design-implementation gap. We therefore contribute with empirical evidence that portrays some of the constraints faced by managers in family-owned businesses at the implementations stage of business model innovation, in the form of resistance from employees, managers and even sometimes family owners.

Finally, this research has managerial implications, hence some value for practitioners as well. When considering the competitiveness of family businesses and the success of their business model transformations, this study offers insight into the possible potential dynamic capabilities of managers, which could help firms to notice what kind of capabilities are required in overcoming/preventing resistance. This research could give suggestions on how the actions of these managers can be defined in a certain way in order to improve the implementation of business model innovation. We also highlight the circumstances that facilitate and challenge the effectiveness of those actions, because managers can try to build those circumstances over time. Furthermore, this research provides propositions of the valuable capabilities of family business owners/managers that can help the companies to maintain or improve their competitiveness and the success of their strategic changes.

7.2. Limitations and future research

Despite the contributions enumerated above, there are limitations of this study that must be addressed. In terms of theory, this study examines only a specific kind of dynamic managerial capability, those employed to deal with resistance to change. Neither do we detail the role of dynamic managerial capabilities' underlying factors of human capital, social capital, and managerial cognition (Adner & Helfat, 2003). Also, top managers' actions vary depending on different contextual and personal factors, as some managers might be given a specific role in certain tasks or roles based on their past experience or educational background (Jaworski, 2011), which were not specifically considered in this study. Future studies may explore this further, paying particular attention to the different nature of dynamic managerial capabilities such as the rational, human-centric, and creative capabilities (Ambrosini & Altintas, 2019). More in-depth methods based on direct observation may be appropriate for this purpose.

Regarding business model innovation, this was not thoroughly explored in this study, where changes to firm's value proposition, value creation and value capture serve solely as the context of change in which managers faced resistance. For example, it was not possible to ascertain if different kinds and varying degrees of change to the business model (Foss & Saebi, 2018) required different kinds of dynamic managerial capabilities from top managers. Subsequent research might address this issue more specifically.

Nor was it possible to establish clear links between specific dynamic managerial capabilities with resistance coming from different sources, i.e., from employees, from managers and from family members. Future studies might examine more closely the reasons underlying resistance from each of these parties and analyze if managers' actions vary according to the source of resistance. Additionally, research could also check if managers' actions are in anyway related to the cognitive, affective, or behavioral dimensions of resistance to change (Erwin & Garman, 2010). Another interesting avenue for future research would be to look into managers' actions that elicit or aggravate resistance to change, rather than mitigate it. Knowing which actions should be avoided is just as important as which ones to pursue.

Furthermore, elements of the context emerged as very significant in influencing the success of managers' action in dealing with resistance. However, the facilitating and aggravating factors found in this study are particular to the specific context studied, some even peculiar to family-owned businesses. So, future studies may extend this range of factors by focusing on different contexts.

In terms of the methodology adopted, and despite the cases being chosen for their potential to inform the issue studied following rigorous criteria, the fact that only four companies were studied, based on only 16 interviews, must be recognized as a limitation. Even though our findings were very consistent across cases and the resulting practice-based model fairly depicts managers' actions to deal with resistance to business model innovation implementation in family businesses, our conclusions are limited to the specific setting where the study took place. Moreover, we are aware that our findings are grounded in a specific national and cultural setting. And, furthermore, the strategic changes were explained from the specific manager’s personal point of view and based on their own perception and memory. Therefore, other members at different organizational levels could have a different perception on the strategic changes discussed and how to deal with resistance to it. It would be interesting, therefore, for future studies to examine the dynamic managerial capabilities to deal with resistance to change in other organizational settings – such as non-family business firms, larger firms, multinational firms, etc. –, in other national and cultural settings, and through the eyes of other actors – for example, from the perspective of those resisting the change involved in business model innovation. Considering that strategic decision making is becoming more collective due to the decentralization of organizations, taking into account the dynamic managerial capabilities of other parties, such as employees and lower-level managers, presents a promising research avenue.

The fact that the interviewees had previous personal relationships with each other may also be a limitation that must be acknowledged. Working in family businesses, case participants were often related to each other as members of the same family. Some were non-family members, but still very close to the family, having worked in the company for a long time. This personal contact could have an influence on the findings in two ways. On the one hand, this previous personal contact generated a basis for a more trustful and confidential interview. It could lead to more information on the extremely sensitive topic of this research such as forms of resistance from their parents or other family members, which would be beneficial for the course of the research. On the other hand, the personal relationships among the interviewees could have led them to be more guarded and unwilling to reveal more sensitive or negative information, for fear of compromising the personal relationships and even the image of their companies.

Finally, a practical limitation of this research is represented by the limited amount of time we spent in the field. Although 12 months were dedicated to conducting interviews and visiting the case companies, a longer observation period would have given us a deeper insight into these organizations, and it would allow us to follow a process approach, detailing the sequence of events and establishing clearer causality links. In addition, another limitation was dictated by the COVID19 pandemic. As explained in the Methodology section, some interviews had to be conducted online, which is not as ideal as face-to-face interviews (Warren, 2011). The pandemic also kept us from doing more direct observation in the companies and talk to other employees. The findings reflect first and foremost the perspective of the top management team. It would have been interesting to observe and interview other key actors not belonging to the top hierarchical levels, for example salespeople and the assistants of some managers.

And managers' actions were derived mainly from their own accounts of their practice. The ability to shadow top managers to actually observe them in action would much enrich the study.

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APPENDICES

APPENDIX 1. INTERVIEW GUIDELINE

Opening questions

1. What is your role at the (company)?
2. How long have you been working at (your company)?
3. How would you describe your industry and its challenges? how did you deal with these challenges?
4. Companies find it difficult to implement changes to their business models." Why?

Take notes of significant events that require further clarifications. Follow up with probing questions when the interviewee seems to be pausing. Ask probing questions such as what happened next? Can you tell me more about this? And who did what, when and where?

After the interviewee finish telling the story, use the notes to ask about issues that need clarifications. Ask the following questions to enrich the narrative, if they were not already covered by the interviewee:

1. Do you talk about innovation and if so, in what terms?
2. Is innovation a relevant concept to you at your business and do you talk about innovation and/or ability to innovate?
3. Have you been facing resistance to change to your business model innovation implementation from employees/managers/other family members?
4. In times of business and technological turbulence, what would the top managers do to spread the new strategic change within the organization to implement the new strategy effectively
5. During the change your company has experienced, did you re- defined and adjusted the employees' roles and responsibilities. Accordingly, the challenge of building dynamic change capabilities relates to changing the individual and collective behavior of employees together with their associated routines and work patterns.

APPENDIX 2. INTERVIEW CONSENT FORM

Consent form (Manager)

Universidade do Minho
Escola de Economia e Gestão

Name of the study: Making sense of dynamic managerial capabilities to deal with resistance to change in family-owned businesses within the context of business model innovation

Subject Name: _______________ (Family member)

1. I agree upon the participation of my family business in this research study.
2. I, the undersigned, agree with the participation in the study. I am over 21 years.
3. I was informed about the study objectives, the procedure and about what am I expected to do. I acknowledge that the study is a research study dedicated to be used for PhD doctoral thesis.
4. I understand that I can discontinue or withdraw the participation anytime during the study. Participation in the study is voluntary.
5. Once enrolled in the study the personal data will be stored with full protection. During the study the personal data without identity (anonymous data only with code number) might be provided to other than researcher. Also, the data might be provided for experimental or scientific purpose, but only anonymous or with my permission.
6. I understand that my name will never appear in the papers about this study. I will have no objections against the use of anonymous results from this study.

I have read the invitation letter I received, as well as the consent form, and I am familiar with and fully understood the purpose and procedures of the study, the methods, and the use of the data. I am aware that my participation is voluntary and that I may discontinue it either during the study or later if I so decide. The condition for my consent is that the information thus gathered will be handled with the confidentiality required. By signing this statement, I give my consent that the information I provide during the survey and the results of the measurements taken from me may be used for the purpose of the study.

Signature of Subject (interviewee) ___________________________

Signature of Researcher (interviewer) ___________________________

Date (00/00/0000)

APPENDIX 3. ILLUSTRATIVE EVIDENCE FOR THE MANAGERS' ACTIONS TO DEAL WITH RESISTANCE

Aggregate themes	Aggregate dimension	Supporting data for second order themes
Managers' Actions to deal with Resistance	Deliberately seeking feedback	***Actively seeking feedback from managers*** "I ask them, even if they don't come to me" (Case A, COO) "Help them learn how to cope with the change. by being accessible to them to ask me anything anytime … and if they don't come to me … I go to them" (Case B, CEO) ""Listening … it's very important to listen always and encourage them to talk and seek their feedback" (Case C, CEO) "I wouldn't wait until they come and say what they have to say, I go and ask myself" (Case D, CEO) ***Arranging regular meetings to hear feedbacks*** "I have weekly meetings with my management team". (Case A, COO) "I held so many meetings before just to explain the new processes and the upcoming changes" (Case B, CEO) "It took a lot of meetings, a lot of sit downs, a lot of explanations." (Case C, Export Sales Manager) "At the beginning of the change process, we made lots of meetings" (Case D, CEO)
	Communicating intensively	***Communicating with other managers/ employees with openness*** "They're always talking and meeting with each other here in the office either with each other's or with us" (Case A, Accounting Dep manager) "Every time we decide on doing something new, we make sure that we explain it over and over to everyone

		and show its impact on the business" (Case B, R&D executive) "Forecasting and brainstorming together as a management team is very important" (Case C, Export Sales manager) "Me, my brother, and my dad before us ... we listen, communicate and we know everything about our people" (Case D, CEO) ***Continuously illustrating and elucidating information*** "I learned to never get bored from explaining to my staff, they have to have all the info in order to perform correctly" (Case A, Accounting Dep manager) "They need to see things clearly to stop resisting" (Case B, CEO) "It took a lot of meetings, a lot of sit downs, a lot of explanations." (Case C, Export Sales manager) "I spend lots of time in the production floors and there were times when I try the new machines addons myself and I stand there explaining to our workers and engineers over and over" (Case D, CEO) ***Communicating information accurately and in details*** "I guess probably I tried many things, the most important thing is just communication" (Case A, CIO) "I always like to be precise with my employees ... specifying who does what "(Case B, Store manager) "I think it's all about the accuracy of the information given, every time I try as much as I can to be detailed and precise" (Case C, Human Resources Manager) "Not only explain but explain in detail like it's the first time they're hearing it" (Case D, Sales Manager) "I'm an engineer and I like to be exact and precise" (Case D, CEO) ***Arranging seminars and small-scale meetings***

		“They’re always talking and meeting with each other here in the office either with each other’s or with us” (Case A, Accounting Dep Manager) “I held many meetings before just to explain the fact that change is inevitable and explained that people who are on board will most certainly benefit but it’s inevitable” (Case B, CEO) “Lots of seminars, committees, small scale meetings or for the managers and then for the employees and for the technicians” (Case C, Export Sales Manager) “When we started installing the new system, we held seminars with techs to help them learn how to deal with it” (Case D, CEO) ***Sharing company goals and reasons to increase awareness of innovation process importance*** “I leveraged everyone to just see those same goals” “I had to get everyone's buy in to see that same goal” (Case A, CIO) “Explaining to them why it’s important to develop makes everyone feel accountable for the company’s success” (Case B, COO) “Part of our change process is trying to have everyone on board to motivate them to work and adopt the new system without resisting or at least with passion” (Case C, CEO) “I have done an MBA and I used everything I learned about goal setting and sharing company goals with employees has proved to me its importance” (Case D, CEO)
	Providing support	***Managers close involvement in the details of implementation*** “I have to be involved, I have to make sure that they're meeting the targets, that they're doing what is

		promised" (Case A, COO) "Change and innovation is an ongoing and I never get bored from always going to shops myself to make sure we're implementing what was planned" (Case B, COO) "Consistency and determination to follow down the new plan ... Thanks a lot, mainly to our CEO's leadership" (Case C, Export Sales Manager) "I spend lots of time in the production floors and there were times when I try the new machines addons myself and I stand there explaining to our workers and engineers over and over" (Case D, CEO) ***Demonstrating the benefits of change to the individual*** "Sitting him -the resisting staff- down and telling him the advantages and being kind of patient with him" (Case A, COO) "Once you succeed in making them see the benefit of change and its impact on him personally, they start to respond positively" (Case B, Store Manager) "When introducing any of the newly adopted techniques, I start by explaining what good they will get from using it, for example less efforts, less time spent on the machine, less errors and so on. Then I feel they started to pay attention" (Case C, TQM Manager) "They must know that if we grow, they grow... we grow together" (Case D, CEO) ***Fostering positive feelings about the new processes and change adopted*** "I keep on assuring them that change is good. You'll feel all the daily activities are more at ease and everyone will know what to do" (Case A, CIO)

		“We always highlight the good things about change …for example we tell them how easy it gets to do tasks effortlessly and error free in an acceptable time limit” (Case B, COO) “Usually, they don’t feel the same as we are about change, but me and my mum try to stress upon the goods in change and motivate them to start trying the new system” (Case C, CEO) “Our sales team understands units and number of sales, so I demonstrate change for them in higher number of sales and show them forecasts to support the new process” (Case D, Sales Manager) ***Facilitating the learning and adaptation process*** “Those meeting we have helped me understand and get used to this system” Case A, Accounting Manager) “Help them learn and then adapt … the key is to replace one old routine with a new clear one for them to get use to “(Case B, R&D executive) “We enroll many of our employees to different technical courses to help them get the hand of the new system” (Case C, CEO) “I help them comprehend the changes and adopt to the new system by training them to use it and be able to see outcomes … I even help educating them if needed to new techs which they aren’t aware of” (Case D, COO) ***Providing technical assistance and training*** “Technicians came and gave sessions “Case A, CFO-Case A, Accounting Manager) “We have outsourced the IT system and we ask the technicians to train our people” (Case B, CEO) “Provide training courses about the latest quality certificates” (Case C, TQM Manager)

		"We have provided technical support engineers to help assist them with all the newly installed systems" (Case D, COO)
	Preparing ahead	***Make all preliminary research and analyses in advance*** "You have to forecast and do everything in advance" (Case A, COO) "I like to be ready and before I intend to change anything in our business, I do my homework" (Case B, CEO) "Before we decided to start exporting, we had to do a bunch of adjustments to our manufacturing procedures ... such as the natural artichoke for the Italian market, for example, this natural artichoke meaning that I have to add nothing to any of the preceding or processing steps ... so me and my family have done lots of research and preparations to be able to start production" (Case C, CEO) "The decision we made about changing things had to be prepared for, to make sure its feasible and to guarantee the process of implementation would happen smoothly without affecting the current production base" (Case D, CEO) "We spend month preparing for this" (Case D, COO) ***Using technical expertise and field experience to overcome other family owners' resistance*** "I need the machines because they're necessary for the business and we have to buy them"," I stayed years in between the workers and in between the machines, you know, so I can say on the ground, I had more technical knowledge, my field experience on the ground ...this how he was convinced" (Case A, COO) "Every idea I introduced to my dad was studied very well, I used my experience in the catering field to convince him... K lounge was ready on paper with location suggestions, menu, recipes and even new suppliers' portfolios and a complete market research for him to see the whole picture and decide and he

		was on board after he saw all the details" (Case B, R&D executive) "Before, it used to be hard to convince my parents with any changes, it is what it is but when we grew up and they have seen us become more experienced in the fields they started listening" (Case C, export sales manager) "I'm a production engineer and first time I intended to upgrade our production process I convinced my dad using my degree as a credentials plus my knowledge of working in the factory with him for years" (Case D, CEO)
	Recognizing employees	***Making everyone feels valuable and important*** "I like people to understand the role to understand their value" (Case A, CIO) "Everyone's job is important … I always tell them that" (Case B, CEO) "After all they're our assets, the owners remind everyone of that all the time and in all their meetings" (Case C, Human Resources Manager) "They need to feel involved and that their opinions matter, so I listen to them, and I tell them how valuable they are to this team "(Case D, Sales Manager) ***Understanding the other party's point of view*** "I really appreciate our managers and staff, I always show them compassion because I understand where they're coming from" (Case A, COO) "Listening to their opinion is important" (Case B, COO) "They have been doing this for many years, we owe them this … listening to their opinion and hearing out their perspective even if it became obsolete and they need to keep up with the new technologies" (Case C,

		TQM Manager) “We usually discuss their point of view, especially when our engineers didn’t agree on the new method used in the production after the new machine … so we had to discuss things and convince them with the technicality and understand their point to be able to persuade them” (Case D, COO) ***Giving managers/employees credit for the company’s success*** “Our success and development are theirs, they must be always reminded of that” (Case A, COO) “All family members appreciated their employees, they make sure to make everyone feels important to them and to the success they achieve and in turn we -managers- do the same with others” (Case B, Store Manager) “I have been working with this family for years now and their moto was always about making everyone feel that this is their own business too, their success falls down to the whole firms’ success” (Case C, Human Resources Mnaager) “At the end of the day we the owner (the family) always say that the any success they reach is theirs and they act upon it by giving credit and appointing employee of the month and the best engineer, they show them acknowledgement “(Case D, Sales Manager)
	Reconfiguring Resources	***Hiring new staff to help in the transformation / innovation process*** “Recently I hired 2 new engineers and the Chief of engineer felt threated by them because they’re suggesting new methods and we’re implementing it, so he started coming up with his own ideas to be on board too “(Case A, COO) “We have outsourced the IT system and we ask the technicians to train our people” (Case B, CEO)

		"I can offer for them to hire some new people who have the new tech skills to be the assistant I'm always okay to do so" (Case C, CEO) "We had to hire many people, we didn't have logistics manager or marketing/digital marketing executives and many more positions have created" (Case D, CEO) ***Establishing an ongoing training process for the new system*** "Educating them and training … excessive training which never stops at one activity" (Case A, COO) "Currently we're implementing computerized system, so I always ask for technical support when we face any problem and when any new feature is added the IT consultant comes and meets up with our staff to train "(Case B, Store Manager) "We had to restructure … and we had to technically train everyone to this new system" (Case C, Export Sales Manager) "There are many times where I go myself for sales meeting along with our sales rep to introduce the product method used to demonstrate how to make the introduction to our customers … We adopt on the job training method" (Case D, Sales Manager)
	Reconfiguring Roles	***Assigning the right person to the right task*** "Find the right mix of employees and the right team" (Case A, CIO) "My father has the ability to choose the right person for the job", "He always thought that if this employee failed to do this task, then it's our mistake because we put him there" (Case B, R&D executive) "We've had to do rotations, where we move people from one position to another thinking that it would be more suited and fit to fill this position" (Case C, CEO)

		"Once I decided to change things … I changed everything including the tasks assigned I even made new roles that haven't been there" (Case D, CEO) ***Changing positions and redefining tasks*** "So that was one of the biggest changes that I made. Right off the bat. I started defining roles and then filling in these roles by people." (Case A, CIO) "Job rotation, this is how we deal with resistance from out shop managers"," we have different techniques to do rotation but generally it works out" Case B, COO) "We had to restructure everything "(Case C, CEO) "If they don't perform well in this job, I give him another. he must excel at something" (Case D, COO)
	Being Persistent and Consistent	***Explaining the consequences of negative behavior to the resisting party*** "Finally, If the resistance insists, I reinforce … This is how it is … if you can't keep up with our new path then you're going to have to leave and they usually come around" (Case A, COO) "At first we rotate them into different jobs and in different branches but when they don't cooperate, we give a notice before letting go" (Case B, COO) "Consistency and determination to follow down the new plan … Thanks a lot, mainly to our CEO's leadership" (Case C, Export Sales Manager) "If they don't come around, I have to explain the downside of their resistance which unfortunately may come to letting them go … but we start at lower levels … at first, we move them around and then we down grade their responsibilities and it goes down until finally we might let them go" (Case D, CEO) ***Following down the new adopted path and repeatedly reinforce the change***

		"One of the keys in the manufacturing industry is consistency, it helps you overcome resistance" (Case A, COO) "I held many meetings before just to explain the fact that change is inevitable and explained that people who are on board will most certainly benefit but it's inevitable" (Case B, CEO) "The owners' determination to follow down the new plan and their persistence to keep on reinforcing the plan were a huge drive to the firms saucerful new BM" (Case C, TQM Manager) "I explain over and over and I repeatedly make it clear that the new system is the way now to do thing until it becomes a habit" (Case D, CEO)" of course consistency is everything when it comes to applying change" (Case D, COO) ***Repeatedly explaining to resistant managers/employees the new approach to things*** "Trying to be very patient and just keep reinforcing what I'm telling her reinforcing her value" (Case A, CIO) "If they don't get it from the first time, we do it over and over again until we make sure that they get the whole thing", "I have to be very patient on my training" (Case B, COO) "Business owners transfer the message that new rules are to be respected and change its obligatory" (Case C, TQM Manager) "I explain over and over and I never get bored" (Case D, CEO)
	Borrowing authority	***Seeking help from the top managers/founders to resolve complex situations*** "I had to go to the chairman who was my father, and I told him" I'm getting the C levels on board, the Chief Operating Officer and the CEO and I told him" (Case A, CIO) Having support from the top management (the owners) of the decisions I make to deal with resistant staff

		and their involvement in every step of the way in any adopted changes is very helpful "(Case B, COO) "My mum -the managing director- has her way, so I go to her sometimes" (Case C, Export Sales Manager) "There are some situations where I must get one of the owners' (the family) intervention to solve the issue "(Case D, Sales Manager)
	Building an incentive system	***Building an incentive-based system that reinforces the changes*** "Sometimes you have to negotiate with them, if you do this, I will give you that ... and it works many times" (Case A, COO) "The upper management applies sales incentive-based system, and this one really works when we complete the sale using the new app and respond fast to the third-party platform" (Case B, Store Manager) "So, if you're not involved in the success, you will not be involved in the profit ... compensation" (Case C, CEO) "Compensation motivates staff to work and when they get an incentive from doing extra work or going through more procedures until the system is fully working, eases their resistance" (Case D, COO)
Facilitating factors (in overcoming resistance)	Established network of informants	***Having individual informants on the ground to communicate progress about change and resistance*** "My dad is really in tune with what's going on, my dad knows everything about our business. he knows, like what me and my brother know combined." "He doesn't come to the offices and the factories like we do but they call him and get his approval about everything first" (Case A, CIO) "My dad knows everything about all our shops all over Egypt ... he doesn't need to go there to know what's going on"," He has his network his people from inside and outside" (Case B, CEO)

		"Me and my mum are always updated with everything happening in the factory, it gives us time to think ahead and sit together to discuss the decision" (Case C, CEO) "My dad used to know everything about the factory even if he's not there and I have learned from him to keep my eyes and ears everywhere and I think in family businesses it's the best way to always stay in the loop" (Case D, CEO)
	Advantages of a Familiness ideology	***Having positive relationships, based on trust, unity and belonging*** "I have been working here for many years and I always felt that this is my family's business too and our founder is the reason for that" (Case A, CFO) "I believe that what helped us face resistance is mainly the relationship we have within, between our top management and the lower-level managers and in turn the first line managers and their employees" (Case B, COO) "a lot of support, and they were able to overcome it. Because we have built mutual trust over the past 30 years with our people" (Case C, CEO) "In family businesses, owners get closer to their staff and that's the best way to build a relation with them ... to treat them like family and trust them so they would trust you back" (Case D, CEO) ***Relying on the support of top management*** "I always knew I have their support (owners) and commitment "(Case A, Accounting Dep Manager) Having support from the top management (the owners) of the decisions I make to deal with resistant staff and their involvement in every step of the way in any adopted changes is very helpful "(Case B, COO) "Everyone has to see the top management commitment as well" (Case C, TQM Manager)

		"I know I could rely on the owners support to refer to in any point of time" (Case D, Head of Percurrent Department)
	Intergenerational Knowledge	***Building on generational knowledge*** "I have learned everything from my dad and my sister did too" (Case A, COO) "The three of us My dad, my sister and me are really different ... but we're all on the same page ... our knowledge originally comes from my dad's own experience and inherited experience from his dad but me and my sister each has developed this knowledge differently" (Case B, CEO) "We have been working with our parents since we were in college and we have learned everything from them" (Case C, Sales Exports Manager) "Me and my brother learned everything from our dad and that helped a lot in facing many of the resistance we received especially after I became the CEO and handled everything" (Case D, CEO)
	Entrepreneurial nature of Family business	***Entrepreneurial drive of Family business*** "We're a family-owned business, it easier to be involved in everything, to try new things and if it doesn't work try the next thing to expand" (Case A, COO) "Because we're a family business so we always want to develop and take risks to grow" (Case B, R&D executive) "The great secret of family-owned businesses that they achieve tremendous wealth and hold onto it for generations is that they persistently promote the entrepreneurial spirit that led to their initial success. It is just inherited in the family. The eagerness to take risks and grow the family business" (Case C, Export Sales Manager)

		"In family businesses, owners get closer to their staff and that's the best way to build a relation with them ... to treat them like family and trust them so they would trust you back" (Case D, CEO) ***Ability to react quickly*** "Given the size and the way a family structure works, we can easily react and adopt to market changes and still it's a small medium enterprise" (Case A, COO) "I think it's easier for us to change because we're a family business, it enables us to react quicker" (Case B, R&D executive) "It's the structure of the business, it's more flexible to react in changing times for us a family-owned business than others" (Case C, CEO" "My proof is the history of our business; we have faced many big-time issues and we came out quicker than we thought because it's a medium sized firm and all the owners are from one family who take all the decisions together"

Aggravating factors (Challenges in overcoming resistance)	Drawbacks of Familiness ideology	***Restricted options to deal with resistance*** "It's always hard to let someone go and part of the lack of employees' response and motivation to change is that they know it … my father considers them part of the family especially the old ones who built the whole place with him" (Case A, CIO) "Some of these resisting staff have built the business with us and it's hard to deal with such type of mangers/employees when trying to communicate change in the business they have worked in for years" (Case B, CEO) "In some situations, we have to let go of someone due to his high resistance levels to all advancements the owners adopted and because it's a family runed business and this manager has been there forever, its hard" (Case C, Human Resources Manager) "For my dad it's hard to fire someone, he always used to say this is not how we do business … invest in him teach him but we can't fire them because they're not good enough …they're part of the family but I think this is a drawback that holds the business from dealing with resistance because in some situations it's a waste of resources" (Case D, COO)
	Peer influence to resist	***The impact of peer influence*** "In certain circumstances an engineer backs down or, or another colleague talks him out of it" (Case A, COO) "If one worker resists using the new computerized entry program, the ones like him in other shifts do the same" (Case B, Store Manager) "They influence each other's opinions and to convince one with something you have to convince them all" (Case C, CEO)

		"They listen to each other, so sometimes resistance multiplies because they influence each other, so it's very important to break this influence by talking to each one separately and make them understand" (Case D, COO)
	Individual lack of motivation	***Employees who lack self-motivation and perception*** "Many of our employee don't want the change it's not that they can't they don't want to" (Case A, Accounting Manager) "Most of the ones who resist find it hard to respond to change easily, they say they say it's hard for them to adapt" (Case B, COO) "Some were really unable to adopt and mitigate, they couldn't didn't have in them to adopt to any change "(Case C, CEO) "It's in their head and how they see the things ... so one has to understand the mindset and communicate things differently" (Case D, CEO)