The role of family involvement on behavioral strategic control

Abstract

Drawing on social capital theory, we examine how behavioral strategic controls affect family firm innovation. This study especially set out to address a key issue: how the use of behavioral strategic controls affects family firms’ innovation at different levels of family involvement. We use multiple regression analysis to test our hypotheses in a sample of 124 managers from Taiwanese family firms. The results show that behavioral strategic controls have a significantly positive effect on family firm innovation. Furthermore, family involvement is found to positively moderate the relationship between behavioral strategic controls and family firm innovation. Therefore, family managers can use behavioral strategic controls in high family involved firms as a means to promote innovation.

Keywords: Behavioral strategic controls, innovation, social capital theory, family involvement