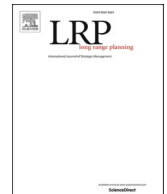




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Emotions in the strategic management of family business organizations: Opening up the black box

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ABSTRACT

Emotions play a crucial role in the strategic management of family business organizations (FBOs). Yet, they are commonly treated as a black box, and we have a limited understanding of their antecedents, and the processes and mechanisms through which they develop and unfold in FBOs, ultimately leading to strategic outcomes. This paper opens the black box and develops a framework for studying emotions in the strategic management of FBOs. In addition, it discusses how contemporary research contributes to moving the state of the field forward and proposes an agenda for future research by delineating some critical challenges and research directions.

1. Introduction

Scholars have long recognized that emotions play an essential role in the workplace (e.g., Ashforth and Humphrey, 1995; Hochschild, 1983; Muchinsky, 2000), influencing individual-level thinking and behavior (e.g., Damasio, 1994), that in turn, affect firm-level processes and performance (Barsade, 2002; George, 1995; van Zomeren et al., 2004). In particular, emotions are considered an important behavioral process in developing and implementing strategy (Brundin et al., 2022; Suddaby et al., 2013). Firm leaders often mention the importance of emotions in shaping their decisions and strategic actions (Huy, 2012). Surprisingly, however, the strategy literature continues to overlook how emotions are associated with strategic dynamics (e.g., repositioning, succession, corporate restructuring and divestiture, corporate social responsibility, internationalization, innovation strategy) and how the interplay of emotions at different levels (e.g., individuals, teams, business) shape firm strategy. Accordingly, some scholars have called for a comprehensive examination of emotions in strategic management (e.g., Brundin et al., 2022; Huy, 2012).

While linking emotions to strategy may provide a better understanding of firm actions and outcomes in general (Huy, 2012), studying emotions is especially relevant in family business organizations (hereafter FBOs) for several reasons. First, FBOs are particularly emotion-dense (Kellermanns and Eddleston, 2004; Humphrey et al., 2021). For example, the socio-emotional wealth (SEW) perspective is often utilized in family business research to explain why business-owning families prioritize their affective endowment in the firm over financial wealth (e.g., Gómez-Mejía et al., 2007; Kotlar et al., 2018). The SEW perspective also explains how a business-owning family's strong identification with the firm leads the family to perceive the firm's wealth as an extension of the family well-being (e.g., Davis et al., 1997; Miller and Le Breton-Miller, 2005). Second, the family and the business are so intertwined that emotions among family members in FBOs can be witnessed at their utmost intensity (Brundin and Sharma, 2012; Humphrey, 2013). For example, younger family generations, as compared to more senior ones, might be more emotionally oriented to future rather than past events (D'Argembeau and van der Linden, 2004), thereby placing a higher emphasis on the future (Caruso et al., 2008), and this has been shown to lead to intergenerational tensions where emotions develop strongly (Magrelli et al., 2022). The intertwining of the family and business domains also allows emotions from one domain to crossover to the other domain, thereby complicating the management of emotions and their effect on firm processes (Kellermanns and Eddleston, 2004; Powell and Eddleston, 2017). Moreover, the family and personal backgrounds, values, and memories that characterize organizational actors in FBOs have

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been argued to be the ideal context in which emotions are expected to develop (Picone et al., 2021). Third, FBOs have idiosyncratic characteristics that are closely attached to the emotions of family members, such as their long-term focus, the family's strong identification with the firm, preference for informal decision-making, and displays of family altruism (Cater and Schwab, 2008; Eddleston and Kellermanns, 2007; Gómez-Mejía et al., 2007; Schulze et al., 2003). These characteristics, in turn, have significant implications for strategic management (Brundin and Liu, 2015) and the strategic decision-making process of family firms (Kellermanns et al., 2014). As such, emotions are essential drivers of individual and collective strategic decisions and actions in FBOs (Shepherd, 2016), ultimately affecting firm outcomes.

In addition, emotions can have both positive and negative effects on FBO strategic decisions and outcomes. On the positive side, families may provide FBOs with emotional support, contributing to strategic decisions that foster organizational legitimacy, continuity, and success (Powell and Eddleston, 2013, 2017). Families that take pride in their business are more likely to build a strong organizational identity (Zellweger et al., 2012). Some research suggests that positive family emotions are essential resources for FBOs. For example, women are often described as the “chief emotional officers” (Aronoff, 1998) of FBOs, helping to keep family bonds strong and providing a sense of heritage that unites the family during difficult times.

On the negative side, families can be a source of conflict, selfish entitlement, and rivalry that can devastate FBOs (e.g., Bettinelli et al., 2022). These negative emotions can be contagious within the entire firm, cripple FBOs, and distress and alienate family members (Eddleston and Kidwell, 2012; Kellermanns et al., 2012; Rondi et al., 2023). The examples of sibling rivalry at Trader Joe's, Aldi, Adidas, and Puma are well-publicized. Although conflicts within business-owning families are often featured in the popular press, we know little about the role of negative emotions in FBOs and the consequences for firm strategy, behavior, performance, and even survival.

To date, most studies exploring the role of emotions in FBOs have focused on the concept of socioemotional wealth (SEW), i.e., the affective endowment of family members, their emotional attachment and shared identification with the firm, their social ties with stakeholders, and their desire to renew family bonds through dynastic succession (Gómez-Mejía et al., 2007). However, the influence of emotions in FBOs goes beyond the role of SEW – with some scholars questioning the relative importance of the only “emotional” aspect of SEW, namely emotional attachment (Chua et al., 2015), and seeking to understand how it includes specific positive (e.g., joy, gratitude, inspiration) and negative emotions (e.g., conflict, rivalry, jealousy) that are abundant in FBOs (Kellermanns et al., 2012). Further, the mechanism through which these emotions influence the strategic processes of FBOs remains a black box (Rovelli et al., 2022). The growing body of research on emotions in strategy (e.g., Ashton-James and Ashkanasy, 2008; Delgado-García and De La Fuente-Sabaté, 2010; Hodgkinson and Healey, 2011; Kim, 2012) has also largely ignored the FBO context and its unique concerns. This is problematic because, as mentioned above, FBOs have unique characteristics and represent the majority of firms across the globe. As such, the strategic management implications of emotions for non-family firms cannot be simply generalized to the FBO context. Rather, studying emotions in the FBO context is likely to challenge prior knowledge linking emotions to strategy development and implementation, leading to potentially counterintuitive theorizing and rethinking the role of emotions in strategic management.

To improve our understanding of emotions in FBOs from a strategic management perspective, in this Special Issue, we have gathered interdisciplinary research that examines the relationships among emotions, strategy, and family business behavior. Moreover, to encourage additional research in this promising arena, this introductory article proposes a framework that can serve as the

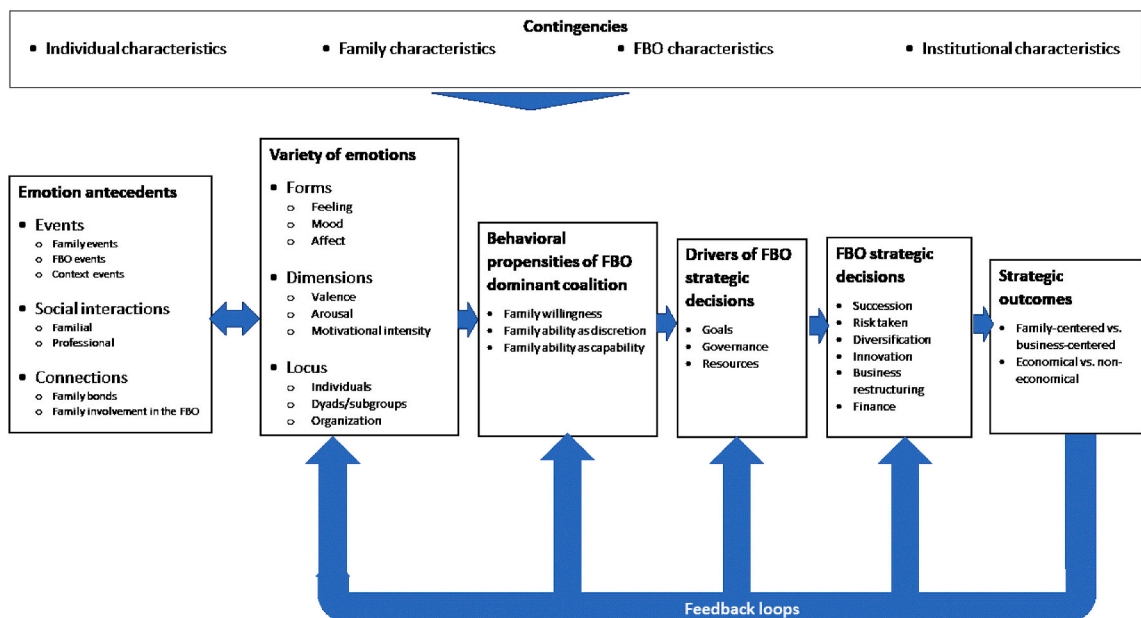


Fig. 1. A comprehensive framework for studying emotions in the strategic management of FBOs.

basis for formulating new, interesting, and relevant questions about emotions in the strategic management of FBOs that future studies will hopefully address.

2. Opening the black box: A framework for studying emotions in the strategic management of FBOs

In Fig. 1, we develop a comprehensive overview of the factors previously examined in research on either strategy or emotions in FBOs, or studies linking emotions to strategy, thus modeling the intersection of emotions, strategy, and family business. This overarching framework is structured in six building blocks: the antecedents of FBO emotions, emotions variety, the behavioral propensities of the dominant coalition (i.e., owners and managers), drivers of strategic decisions, strategic decisions, and strategic outcomes. In addition, the model emphasizes the role of contingencies and the feedback loops that link the various building blocks. For instance, outcomes and drivers of strategic decisions may influence emotions and emotional states.¹ In the following, we briefly describe each building block.

Variety of emotions. Studying emotions in FBOs requires examining not only what psychologists define as an emotion (i.e., an automatic, short-lived mental response to a stimulus; Cabanac, 2002), but also emotional states that strategy scholars have often analyzed together with emotions or as alternatives. These states include feelings (i.e., long-lasting reactions to emotions that occur when emotions are assigned meaning; Damasio, 2001), moods (i.e., short-lived emotional states, usually of low intensity), and affect (i.e., outward expressions of feelings and emotions).

Emotions and the aforementioned emotional states comprise several underlying dimensions associated with different cognitive processes that influence decision-making. Among these dimensions, psychological studies have mainly focused on valence, arousal, and motivational intensity. Valence is the level of pleasantness of a subjectively experienced state defined along a continuum from positive to negative (Harmon-Jones et al., 2011). Arousal is the level of autonomic activation that ranges from calm to excited (Bradley and Lang, 2007). Motivational intensity is the urge to move toward/away from a stimulus that can go from low to high (Harmon-Jones et al., 2013). However, studies on emotions in FBOs have yet to investigate the relations between these dimensions and strategizing. Nevertheless, since these three dimensions are dissociable, even if not entirely independent (e.g., emotions with extreme valences, either positive or negative, tend to score higher in arousal), examining the impact of different combinations of valence, arousal, and motivational intensity could add nuance to our understanding of the influence of emotions on FBO strategic decisions and outcomes.

Also relevant in examining emotions in FBOs is the locus of emotion. Most FBO studies, especially those relying on the SEW concept, have focused on the firm level of analysis (e.g., Cruz et al., 2010; Gómez-Mejía et al., 2007). However, within FBOs, emotions can be experienced by single individuals or dyads/larger subgroups composed of either FBO members or family members (Shepherd, 2016). In particular, when considering (groups of) FBO members, scholars might consider managers or employees who are family or non-family members. Conversely, when examining (groups of) family members, research might consider family members of the same or multiple generations. Attending to the locus of emotion is relevant because when different groups of FBO/family members experience similar emotions, the intensity of the emotional experiences may differ (Morris et al., 2010) and thus have different consequences on decision-making (Stanley, 2010).

The antecedents of emotions. This building block includes the stimuli and factors that generate mental responses. In any firm, emotions can be triggered by specific events or situations. Such events may be external to the workplace (e.g., the onset or end of a crisis or a natural disaster) or internal (e.g., the acquisition of new customers or the breakdown of critical equipment) (Basch and Fisher, 2000). However, in FBOs, emotions can also be engendered by events related to the family. While some of these events are part of the natural lifecycle and may be predictable (e.g., births and deaths), others are unexpected (e.g., illness) or intentional (e.g., marriage or divorce) (Labaki and D'Allura, 2021).

Emotions can also result from social interactions. Different emotions can be engendered in individuals depending on the types of social interactions within the FBO and whether these interactions are conflictual or supportive. Two types of social interactions occurring in FBOs are: professional and familial. These interactions differ according to the setting where they occur, the behavioral norms of the individuals involved, and the means of stabilization (Kotlar and De Massis, 2013). In addition to triggering emotions, social interactions are also affected by emotions (Marinetti et al., 2011). As such, we included a recursive loop between emotions and interactions in the framework in Fig. 1.

Family bonds and family involvement in the FBO influence the emotions that family members experience. Emotions only occur in response to information individuals appraise as personally relevant or important (Lazarus, 1991). Family bonds affect the extent to which family issues are relevant to individual family members and the types of emotions they experience. For example, while one parent in an FBO may experience pride in transferring managerial control of the business to an offspring, the other parent may experience concern or remorse for having to choose one sibling over another (Bee and Neubam, 2014). Similarly, the degree of family involvement in the FBO and the type of involvement (i.e., in ownership, management, and/or governance) is likely to influence the extent to which FBO issues are relevant and the emotions they generate.

The behavioral propensities of the dominant coalition. Drawing on De Massis et al. (2014, 2015, 2018), we distinguish three behavioral propensities that influence the dominant coalition's choice of strategic decision drivers: ability as discretion, ability as resources, and willingness. Ability as discretion is the family's discretion to direct, allocate, add to, or dispose of FBO resources, while ability as

¹ For instance, Frijda (2005) has shown that passion is activated by important goals that control and guide desires, thoughts, plan, and behaviors and persist over time, regardless of costs, external obstacles, and moral objections; Gielnik et al. (2015) have shown that, in entrepreneurship, effort drives passion.

Table 1

Overview of the papers published in the special issue.

Article	Research questions	Paper type	Framework components		Relations under scrutiny	Contingencies
			Emotions	Other components		
Barredy and Caspersz	Why does a family sell a business, and why does a family member repurchase it after selling it?	Qualitative (single longitudinal case study)	- Form: affect - Valence: both positive (attachment) and negative (conflict) - Locus: individuals and dyads/subgroups	- Behavioral propensity: ability and willingness to sell and repurchase business - Strategic decision: business ownership - Strategic outcome: FBO sale and repurchase	Emotions' impact on strategic decisions	Family events
Brundin and Languilaire	How do family business members develop emotion boundary management strategies between the two spheres of business and family? What are the implications of an individual's emotion boundary management for the quality of a strategic decision?	Qualitative (single longitudinal case study)	- Form: emotions and feelings - Valence: positive and negative - Locus: individuals and dyads/subgroups	- Emotion antecedents: family events and relations - Drivers of strategic decisions: (individual, family, FBO) goals - Strategic decision: succession - Strategic outcome: individual and collective satisfaction	Reciprocal impact of emotions on strategic decisions and outcomes	Individual characteristics (values)
Delgado-García, Blanco-Mazagatos, Romero-Merino, and Díaz-Portugal	What is the effect of positive and negative affect of family CEOs on the R&D investments of family firms?	Quantitative	- Form: affect - Valence: both positive and negative - Locus: individual (FBO CEO)	- Behavioral propensity: ability and willingness to invest in R&D - Variety of emotions: positive and negative affect - Strategic decision: innovation (R&D investments)	- Emotions' impact on strategic decisions via behavioral propensity - Moderating effect of the contingencies	Family ownership structure
Hu, Hughes, and Hughes	What is the effect of family owners' fear of losing specific dimensions of SEW on FBO innovativeness?	Quantitative	- Form: emotion (fear) - Valence: negative - Locus: subgroups (family owners)	- Drivers of FBO decisions: goals (SEW preservation) - Strategic decision: innovation	- Effect of SEW preservation on emotions (fear) - Effect of fear on innovation strategic decision	–
Kammerlander, Menges, Herhausen, Kipfelsberger, and Bruch	Compared to other CEOs, what is the effect of family CEOs on employees' positive emotions about their workplace and voluntary turnover?	Quantitative	- Form: moods - Valence: positive - Locus: individual (the CEO) and subgroups (employees)	- Emotion antecedents: family involvement in the FBO - Strategic outcome: business-centered outcome (employee turnover rate)	- Effect of an individual's emotions on group emotions - Effect of emotions on FBO outcomes - Moderating effect of the contingencies	FBO characteristics (size, centralization, formalization)

(continued on next page)

Table 1 (continued)

Article	Research questions	Paper type	Framework components		Relations under scrutiny	Contingencies
			Emotions	Other components		
Mismetti, Rondi, and Bettinelli	How does the entry of an in-law in the family influence the family business system?	Conceptual	• Form: emotional attachment • Valence: both positive and negative • Locus: subgroup (family of orientation and family of procreation)	• Emotion antecedents: family events (child-in-law entry in the family) • Drivers of FBO strategic decisions: expectations, communication and governance conflicts • FBO strategic decisions: strategic change vs. continuity	• Effect of antecedents on emotions • Effect of emotions on strategic decision drivers • Effects of strategic decision drivers on strategic decisions • Effect of strategic decisions on emotions	• In-law in the family only • Nuclear family of orientation • Nuclear family of procreation
5 Schell, de Grootte, Richard, Hack, and Kellermanns	How does affect infusion influence the selection of nonfamily TMT members in family businesses?	Qualitative (multiple case study)	• Form: affect • Locus: subgroup (family owners)	• Drivers of FBO strategic decisions: job fit vs. family fit as selection criteria • FBO strategic decision: selection of nonfamily TMTs	• Effect of affect on the strategic decision • Moderating effect of FBO and family decision-makers characteristics	• FBO characteristics • Family decision-makers characteristics
Hsueh, Campopiano, Tetzlaff, and Jaskiewicz	What is the impact of different approaches for improving employees' evaluations of organizational identity on non-family employees' identification with FBOs?	Quantitative (experiments)	• Form: feeling (organizational identification) • Locus: individuals (non-family employees)	• Variety of emotions: nonfamily employees' emotional connection with FBO • FBO strategic decisions: CSR	• Effect of FBO strategic decisions on emotions • Moderating effect of individual characteristics	Individual characteristics (non-family employees' cognitive social capital)
Yu, Liu, He, and Li	Which cognitive processes are involved in FBOs' strategic decision-making? What are the sources of individual differences in decision-making?	Conceptual	• Form: dispositional affect, specific emotions, moods	• Drivers of FBO strategic decisions: governance and resources • FBO strategic decisions	• Effect of individual characteristics on emotions • Effect of emotions on FBO strategic decisions	Individual characteristics

resources refers to the capabilities that family members need or should use to lead the FBO in the preferred strategic direction. Additionally, willingness is the family's favorable disposition to engage in distinctive behavior. It encompasses the goals, intentions, and motivations that drive the family to influence the firm's behavior in directions different from those pursued by firms without family involvement.

Drivers of strategic decisions. Building on Chrisman et al. (2016), we identify three drivers of FBO strategic decisions: goals, governance, and resources. Regarding goals, studies have often highlighted the crucial role of emotion-related goals in the context of FBOs, i.e., SEW goals, such as maintaining family control and influence over the firm, the family's intra-family succession intention, and family members' emotional attachment to the business (Dou et al., 2020). Strategic decisions in FBOs are also influenced by their distinctive governance characterized by low agency costs (Dalton and Daily, 1992), the limited separation of ownership and management (Fama and Jensen, 1983; Jensen and Meckling, 1976), and the alignment of the agents' motives with the principals' objectives, making the agents stewards of the firm (Davis et al., 1997). However, these governance characteristics can be altered (i.e., strengthened or weakened) by emotions (Labaki and D'Allura, 2021), which have also been shown to manifest within FBO boards, for instance, when FBO directors hold multiple role identities with divergent meanings and expectations (Bettinelli et al., 2023). Finally, strategic decisions depend on firm resources, which in the case of FBOs, can be financial, social, and human, but also emotional (Habbershon and Williams, 1999). The latter are personal resources that allow individuals in FBOs to fulfill job roles while shielding them from the strain that such roles induce (Liu et al., 2008).

Strategic decisions. Many FBO strategic decisions can be investigated in relation to emotions. Indeed, studies are increasingly considering the impact of emotions on decisions concerning succession (e.g., Minichilli et al., 2014; Umans et al., 2020), business diversification (e.g., Dou et al., 2020), family business restructuring as the business and the family evolve (King et al., 2022), and risk-taking (Stanley, 2010). However, it would be interesting also to examine the effects of emotions on other decisions, including internationalization, innovation, family restructuring, and finance.

Strategic outcomes. FBO outcomes in terms of economic and non-economic performance are a direct consequence of strategic decisions. While economic performance combines accounting and market performance (e.g., survival, profitability, value-added, sales), non-economic performance includes sustaining and nurturing the business, fostering talent, deploying employees effectively, and building stable relationships (Miller et al., 2008). In the context of FBOs, strategic decisions can also affect family outcomes, which may be economic (e.g., family control, total return for the family) or non-economic (e.g., family harmony, family cohesion, satisfaction of family members).

Contingencies. The emotions experienced in the FBO context and their effect on strategic decisions and outcomes depend on several contingencies. To integrate the role of these contingencies in the model, we grouped them into four sets of factors: individual, family, firm, and institutional characteristics. Individual characteristics include decision-maker traits, educational background, work experience, and values. While such contingencies have been considered in the strategic management literature, they have yet to be explored in studies on emotions in FBOs. Related work, such as research on entrepreneurial firm performance, demonstrates that traits such as emotional intelligence can have a powerful impact. For example, Allen et al. (2021) found in their meta-analysis that emotional intelligence was over twice as important as cognitive ability in predicting firm success. Firm characteristics that may influence the framework's building blocks in Fig. 1 and their relationships include firm size, firm stage, ownership structure, and proportion of nonfamily members in the firm, amongst others. At the same time, scholars might consider family contingencies, such as family size or presence and number of heirs. Finally, the institutional contingencies could be examined using Scott's (1995) typology of regulative/normative/cognitive pillars.

3. Contemporary examples of research on emotions in family business organizations

Table 1 provides an overview of the articles published in this Special Issue, highlighting the research questions they answer and the paper type. We also situate the articles within the overarching framework of Fig. 1 by identifying how each article reflects the framework's components and specifying the emotions examined and contingencies considered.

4. Future research avenues and conclusions

FBOs breed strong emotions because they constitute an extreme context in terms of the interrelatedness of the business and family spheres. Thus, compared to their nonfamily counterparts, FBOs are characterized by a greater range and depth of emotions because the fate and direction of the firm also have substantial consequences for one's family, and vice versa. Although there has been progress in understanding the emotions FBOs generate and how they are dealt with, especially from a strategic perspective, there is still much to learn. While the articles in this Special Issue make an important contribution to moving the state of the field forward, they also reveal new avenues for future research. Integrating the articles in the Special Issue with the framework presented in Fig. 1, we propose several future research opportunities.

The antecedents of emotions. Several articles in our Special Issue identify antecedents of emotions in FBOs, including Brundin and Languilaire's (2022) emphasis on emotion boundary management decisions, Kammerlander et al.'s (2022) investigation of the emotional contagion from family CEOs, and Mismetti et al.'s (2022) consideration of how in-law entry affects an FBO and its family's equilibrium. These articles offer insights into why emotions vary in FBOs and the important role of the business-owning family in shaping how family and nonfamily members react, such as whether the family allows emotions to affect the firm's decisions, why family CEOs can create pleasant work environments, and whether the entry of an in-law in the FBO provokes strategic change or rivalries. Future research should build on this work by investigating how antecedents of emotions influence FBOs' emotional business

climate, with an emphasis on the family's and employees' collective emotions. More research is also needed on cultural diversity, specifically focusing on identifying cross-cultural emotion antecedents and exploring how differences in the expression of emotion affect FBOs' strategic decision-making. Additionally, with changes in family structures and the definition of family, more attention should be placed on the associated emotion antecedents and their outcomes. For example, how do divorce and the blending of families affect family members' identification with their FBO? How can adoption upset a business-owning family's equilibrium and succession plans? How do new family types that have been recently emerging beyond the nuclear one (De Massis and Rondi, 2020), such as domestic partnerships, same-sex couples, single-parenthood, step-families, multiple marriages, influence the antecedents, variety, and outcomes of emotions in FBOs?

To date, there is also limited research that considers the role of external events as emotion antecedents, except for some attempts to study the role of emotions as reactions to catastrophic events such as the Covid pandemic, loss of the family business, and CEO sudden death (e.g., Heinonen and Ljunggren, 2022; Salvato et al., 2020; Shepherd, 2009; Smith et al., 2023). Thus, more attention could be paid to studying "positive events," such as the diffusion of knowledge about the launch of a new technology that opens new business opportunities for firms, or the end of a war that may usher in a period of economic stability.

Variety of emotions. Research has long recognized the variety of emotions that exist within FBOs, ranging from psychological attachment, pride, and identity to feelings of resentment, conflict, and despair (Shepherd, 2009, 2016; Labaki and D'Allura, 2021; Zellweger et al., 2010). Articles in this Special Issue extend such research by highlighting how positive and negative emotions profoundly impact FBOs, thus demonstrating the need for additional research on emotion variety. For example, Hsueh et al.'s (2022) study brings to light why FBOs need to manage their emotional connection with both family and nonfamily employees and why fostering organizational identity among nonfamily employees tends to be quite difficult. Future research should extend their study by identifying strategies and practices that could undermine family and nonfamily employees' emotional connection with an FBO. It would also be interesting to explore how FBOs can build a stronger emotional connection with customers. For example, how can FBOs use CSR to build customer identification and loyalty?

Delgado-Garcia et al.'s (2022) study also reflects the importance of studying a variety of emotions. Their study shows how positive family CEO affect (e.g., enthusiastic, proud, inspired) decreases R&D investment, whereas negative family CEO affect (e.g., distressed, nervous, afraid) increases R&D investment, thus demonstrating the role of emotions in explaining how CEOs perceive potential gains and losses of R&D. Extending this research, future studies should aim to identify factors that can alter CEO affect, thus recognizing that emotions may not be stable and offering insight into why the emotions of FBO leaders vary. For instance, when would a family CEO with positive affect feel less nervous about potential losses and when would a family CEO with negative affect focus less on the utility of a potential success? Additionally, although studies have recognized that emotions vary in strength, they have not considered the effects of extreme values of emotions. Is there a tipping point where the expected effect of positive and negative emotions on a strategic outcome changes direction?

The behavioral propensities of the dominant coalition. As research on FBOs increasingly recognizes that a firm's ability and willingness to pursue a strategy can vary, more emphasis is being placed on the family's emotions that can explain this variance (Chrisman et al., 2015; Debellis et al., 2021; DeMassis et al., 2014, 2018). In other words, despite having the ability to pursue a strategy, what emotions lead an FBO to choose a different strategic path? Delgado-Garcia et al.'s article examining the connection between positive and negative CEO affect and R&D investment demonstrates emotions' critical role in explaining the ability-willingness paradox. Inspired by their research design, additional research should explore how the behavioral propensities of CEOs, managers, board members, and owners influence a range of strategic decisions, considering differences between family and nonfamily members in each of these roles.

The article by Barredy and Caspersz (2022) about the sale and repurchase of a family business also offers several avenues for future research on the behavioral propensity of the dominant coalition. Their case study provides an in-depth look at how emotions can cut across multiple levels of constituents of a family, which, in turn, can activate strategic change. It also highlights how events can become a part of storytelling that shapes emotions and, specifically, an FBO's emotional value. Researchers should extend their work by investigating how conflict can drastically alter the trajectory of an FBO as some family members reject the family business while others see their identity as entwined with it. Additionally, future research should explore how the behavioral propensities of the preceding generation influence those of the next generation, and the outcomes that ensue when the next generation rejects the decisions of their predecessors. How do these emotions affect the decisions, both family- and business-related, of the preceding and next generation?

Drivers of strategic decisions. The majority of articles in our Special Issue consider drivers of strategic decisions. Brundin and Langilaire (2022) focus on the individual, family, and firm in creating boundaries between the family and business, while Hu et al. (2022) focus on the fear of losing SEW in predicting innovativeness. Mismetti et al. (2022) emphasize expectations, communication, and conflict following the entry of an in-law in an FBO. Schell et al. (2022) explore how job fit versus family fit serves as selection criteria of nonfamily managers. Yu et al. focus on cognitive processes related to governance and resources in explaining strategic decisions. Taken together, these articles demonstrate the importance of emotions in driving FBOs' strategic decisions and understanding why the strategies of FBOs vary. Future studies should build on this work by extending their frameworks to other strategic outcomes, such as diversification, internationalization, M&A, CSR initiatives, and divestiture of business interests. Their frameworks can also be extended to explore decisions within FBOs, such as human resource practices (e.g., hiring, promotion, compensation), diversity, equity, and inclusion (DEI) policies, and practices aimed to improve formalization. It is also necessary to apply a longitudinal perspective to future work to uncover how changes in emotions can alter FBOs' strategic direction.

Strategic decisions and outcomes. The articles in this Special Issue consider various strategic decisions and outcomes, including sale and repurchase of a family business, succession, R&D investment, innovation, strategic change versus continuity, selection of nonfamily managers, employee turnover, and CSR. As such, the importance of emotions in the strategic management of FBOs is evident. These articles should inspire scholars looking to understand the micro-foundations and psychological foundations of strategic

management in FBOs (Picone et al., 2021). They should also help challenge some paradigms. For example, negative emotions are typically related to adverse outcomes, whereas positive emotions are related to beneficial outcomes, yet the papers by Hu et al. (2022) and Delgado-Garcia et al. (2022) demonstrate the benefit of negative emotions in promoting innovation. As such, in focusing on the intersection of emotions and FBOs, it is important to ask which emotions are beneficial for strategic outcomes in FBOs, and at what levels they may become dysfunctional. Considering the results from their studies, can too much fear of losing SEW and negative affect lead to overly risky and poor strategic decisions? Extending Kammerlander et al.'s (2022) study, it would also be interesting to explore when emotional contagion from an enthusiastic family CEO leads to stagnation or group-think. Several of the articles in our Special Issue also emphasize the importance of emotions in the family domain and the spillover to the family business, such as those by Mismetti et al. (2022), Barredy and Caspersz (2022), and Brundin and Languilaire (2022). Building on this work, researchers should explore how emotions reflect the interface of the family and business, and, therefore, help to explain why the family serves as a resource in some FBOs but an impediment in others.

Research at the intersection of emotions, strategy, and family business literatures could also make significant progress by adopting different research methodologies. In particular, future studies may complement traditional data collection methods, like case studies and surveys, with new methods based on novel technologies, such as mobile, social, and wearable devices. Yu et al. (2022) outline several new research approaches that would contribute to research on FBOs' emotions and strategic management based on biological, physiological, and neuroscientific techniques. The rich data generated through these data collection methods could provide a richer understanding of the role of emotions in FBOs' strategy development process.

Contingencies. Finally, contingent factors greatly affect how emotions affect FBO decision processes and outcomes. More research is required to explore how, why, and when particular emotional processes yield beneficial and/or detrimental outcomes in FBOs. Advancing this line of inquiry necessitates a deeper exploration of the underlying emotional mechanisms that link the judgments and decisions of FBO leaders to the contingency factors (intrapersonal, intra-organizational, and extra-organizational) that shape them.

5. Conclusions

Emotions in FBOs are commonly treated as a black box, and we have a limited understanding of their antecedents, outcomes, and the processes through which they develop and unfold. In this paper, we have enlightened the need to open this black box and developed a framework for studying emotions in the strategic management of FBOs. We have also proposed an agenda for future research by delineating some critical challenges and research directions. Given the conceptual, methodological, and empirical challenges associated with studying emotions in FBOs, we have only started to scratch the surface of the issues that need to be investigated. Nevertheless, we will consider our efforts successful if we encourage scholars to tackle some of the research directions suggested by our proposed agenda.

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