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BOOK REVIEW

Thomas Zellweger, Managing the Family Business: Theory and Practice, Edward Elgar Publishing, 2017, 544 pp., INR 6175.

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"Managing the Family Business" is a textbook specifically aimed at managers and owners of family businesses. It can, ideally, be used to help students develop a thorough and sophisticated understanding of what a family business is, the range and variation among family businesses, and issues faced by family businesses. To this end, it covers an exhaustive set of topics starting from a very thorough definition of family businesses, their spread across countries, and the governance, strategy and succession issues in family businesses. The textbook is particularly strong on issues of succession, a topic of especial concern to family business founders and heirs. There is a very detailed and thorough discussion of succession, conflict and relationship management, and intergenerational continuity.

Another strength of the book is the inclusion of small half-page caselets that can be used to illustrate key issues and concepts. The caselets do not come with teaching notes and cannot sustain a full-length class discussion, but rather, are meant to provide examples of the concepts discussed in the chapter. The chapters also come with reflection questions that could be used by the reader to revise and recall the concepts in the chapter.

The textbook engages well with current research on family businesses and provides relevant citations. As with any book that aims to cover such an exhaustive list of topics, this book too does not get into exhaustive detail about any topic. Sometimes this preference for breadth rather than depth leads to some level of superficiality. For example, the text devotes a page to the question of family business and size, and correctly notes that most research has shown a negative correlation between size and family ownership, and provides relevant citations. However, the discussion stops with these factual statements without grappling with the reasons for this negative correlation between size and family ownership. For example, the negative correlation between size and family business could be because family businesses are risk-averse, and prefer to forgo growth rather than take on debt (which carries the risk of bankruptcy) or equity (which carries the risk of loss of control), which are often required to finance growth. Or alternatively, the negative correlation could be because younger and smaller firms, which have fewer options in terms of raising capital, rely primarily on family for capital. The two above explanations suggest a negative correlation between family ownership and size, but have very different implications for policy and for family businesses themselves. However, the text simply states that most studies find a negative relationship, without attempting to discuss or analyse the reasons for the negative relationship. Some level of superficiality is, of course, inevitable in a project of this kind where a large number of issues are being summarised. And to its credit, the text does a marvellous job of communicating a whole range of issues in a clear and concise manner.

Overall, the textbook provides a nice introduction to topics pertinent to family businesses. Ideally, the textbook can act as background reading material, intended to support more in-depth in-class discussion and analysis. In addition, this textbook goes a long way to help create systematic, high-quality teaching material for courses on family businesses. The book is a worthy addition to the family business field.

Dalhia Mani
Indian Institute of Management Bangalore, Bangalore, India
E-mail address: dalhia.mani@iimb.ac.in

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