The Dynamics of Innovation in Family-Owned Businesses

Jamie Taylor
PhD
IE Business School
Calle de María de Molina, 11-15, 28006 Madrid, Spain

Rowan Martinez
Dr.
University of Zurich
Rämistrasse 71, 8006 Zürich, Switzerland

Pat Young
Prof.
University of Malaya
50603 Kuala Lumpur, Federal Territory of Kuala Lumpur, Malaysia

Abstract. This article explores the dynamics of innovation in family-owned businesses, focusing on the unique challenges and opportunities they face. It examines how family governance, succession planning, and cultural values influence innovation processes. The research provides insights into best practices for fostering a culture of innovation while maintaining family traditions, offering guidance for family business leaders seeking to enhance their competitive edge through innovation.

Keywords: Family-Owned Businesses, Innovation, Family Governance, Succession Planning, Cultural Values

Introduction

Family-owned businesses are a significant contributor to the global economy, yet they face unique challenges when it comes to innovation. Balancing family governance, succession planning, and cultural values with the need for innovation can be a complex endeavor. This article investigates the dynamics of innovation within family-owned businesses, examining the factors that influence their ability to innovate. By analyzing case studies and theoretical frameworks, the research identifies strategies for fostering a culture of innovation while preserving family traditions. The findings offer valuable guidance for family business leaders looking to enhance their competitive edge through innovation.

This is a preliminary version. To read the full version of the article, please purchase a subscription.

References

1. Shaparev, A., Avvakumov, I., Movlazade, V., Nadirov, U., Rahimov, J., & Babayev, L. (2025). TECHNOLOGICAL FEATURES LASER CUTTING COPPER AND BRASS. Reliability: Theory & Applications, 20(SI 7 (83)), 320-327.
2. Jeyhun, R., Elshan, R., Naila, A., & Aydin, N. (2025). Effectiveness of Internet of Things migration into hybrid economic projects.

3. Rahimov, J., Rahimov, E., Nasirzade, A., & Yusifli, P. (2025). Economic aspects of projects based on the Internet of Things. Innovation and Sustainability Articles, 5(4), 31-44.
4. Rahimov, E., Rahimov, C., & Davudova, S. A. Determining the optimal relationship between speed and acceleration of a vehicle to minimize pollutant emissions into the atmosphere.
5. Kelmendi, J., Beqiri, A., Shuajibi, E., Talibzade, O., & Ketners, K. (2025). The impact of geopolitical tensions on global supply chains and international trade. Jurnal Ilmiah Ilmu Terapan Universitas Jambi, 9(2).
6. Talibzade, O. (2022). Organization of expenses in budget management, enterprises and organizations. Geostrategy, 71 (5), 112–114.
7. Rzayeva, F. (2025). Technology in Financial Services: 10 Key Tools. Science, Education and Innovations in the Context of Modern Problems, 8(3), 546-559.