European Journal of Family Business (2025) 15(1), 92-106

uma editorial

EUROPEAN JOURNAL OF FAMILY BUSINESS

http://www.revistas.uma.es/index.php/ejfb

Toward a Theoretical Model of Shared Leadership and Innovation in Family Business

Pamala J. Dillon[1], Leslie Blake-Davis[2], Eugene See[3], Mengjie Xu[4], Craig L. Pearce[5]*, Charles C. Manz[2]

[1] Duquesne University, USA
[2] University of Massachusetts Amherst, USA
[3] College of Business Administration, Coastal Carolina University, USA
[4] Department of Management, College of Business, Eastern kentucky University, USA
[5] Pennsylvania State University, USA

Research paper. Received: 08-09-2024; accepted: 08-06-2025

JEL CODE
M1

KEYWORDS
Shared leadership, Innovation, Social capital, Family business, Familiness

Abstract. We advocate shared leadership as a key mechanism for unlocking innovation in family businesses. Family businesses, however, typically emphasize hierarchical leadership, reflecting the family power structure, which can pose challenges for successful innovation by limiting resources and knowledge sharing between family and non-family members. Shared leadership, enabled by both empowering from formal hierarchical leaders, as well as self-leadership practices across the organization, can help to overcome this challenge by leveraging the familiness, and related social capital, present in family businesses. Exploring the impact of shared leadership on innovation, familiness and social capital are proposed to improve innovation in the family business. Shared leadership is proffered as a potentially powerful tool for tapping the potential of familiness, enhancing bridging ties, and building bonding ties, contributing to resources and knowledge sharing between familial and non-familial members. Theoretical implications, future research directions and implications for managerial practice are presented.

CÓDIGO JEL
M1

PALABRAS CLAVE
Liderazgo compartido, Innovación, Capital social, Empresa familiar, Familiness

Hacia un modelo teórico de liderazgo compartido e innovación en la empresa familiar

Resumen. Aunque las empresas familiares tienen a un liderazgo jerárquico, reflejo de la estructura de poder familiar, defendemos el liderazgo compartido como un mecanismo clave para fomentar la innovación en estas empresas, ya que el modelo jerárquico puede dificultar el éxito de los procesos de innovación al limitar el intercambio de recursos y conocimientos entre miembros familiares y no familiares. El liderazgo compartido surge tanto del empoderamiento de los líderes jerárquicos formales como de las prácticas de autoliderazgo en la organización. Nuestro estudio propone que la familiaridad (*familiness*) y el capital social, elementos característicos de las empresas familiares, pueden desempeñar un papel fundamental en la mejora de la capacidad innovadora de estas organizaciones. El liderazgo compartido se presenta como una herramienta potencialmente poderosa para aprovechar el valor de la familiaridad, fortalecer los lazos de unión y de conexión, promov-iendo así el intercambio de recursos y conocimientos entre miembros familiares y no famil-iares. Finalmente, se discuten las implicaciones teóricas, futuras líneas de investigación y consideraciones para la práctica directiva.

http://doi.org/10.24310/ejfb.15.1.2025.20484

**Corresponding author:*
E-mail: Craig.L.Pearce@gmail.com
Full postal address: Pennsylvania State University, 511 Keller Building, University Park, PA 16802, USA

1. Introduction

The primary purpose of this manuscript is to shed light on the role of shared leadership in the development of innovation in family businesses. Family businesses offer a unique setting to explore the relationship between shared leadership and innovation. The organizational structure and decision-making processes in family firms, for instance, often reflect the more traditional family structure, incorporating similar power dynamics (Sharma, 2004; Sharma et al., 1997; Zellweger et al., 2010). Everyday operations are influenced by long-standing family ties due to a tendency toward adhering to family dominated decision-making and governance, having both positive and negative impacts (Sharma, 2004). In addition to recreating family dynamics, family businesses are also faced with the opportunity or challenge of engaging both familial and non-familial members in successful business operations.

Scholars have long argued that effective leadership is a critical component of organizational life (Cohen & Ledford, 1994; Cordery et al., 1991), citing empowering leadership, shared leadership and self-leadership as necessary precursors to successful organizational performance (Pearce, 2004; Pearce & Manz, 2005; Stewart & Barrick, 2000; Stewart et al., 2011). Formal leaders in family businesses may engage in a variety of leadership strategies, with different implications. Shared leadership, being relational in nature (Wassenaar et al., 2025) and having been linked to supporting innovative behavior (Hoch, 2013), offers a pivotal theory to explore innovation by focusing on relational ties inherent to family businesses. Focusing on family businesses, we propose that shared leadership positively influences innovation by improving resource and knowledge sharing between familial and non-familial members.

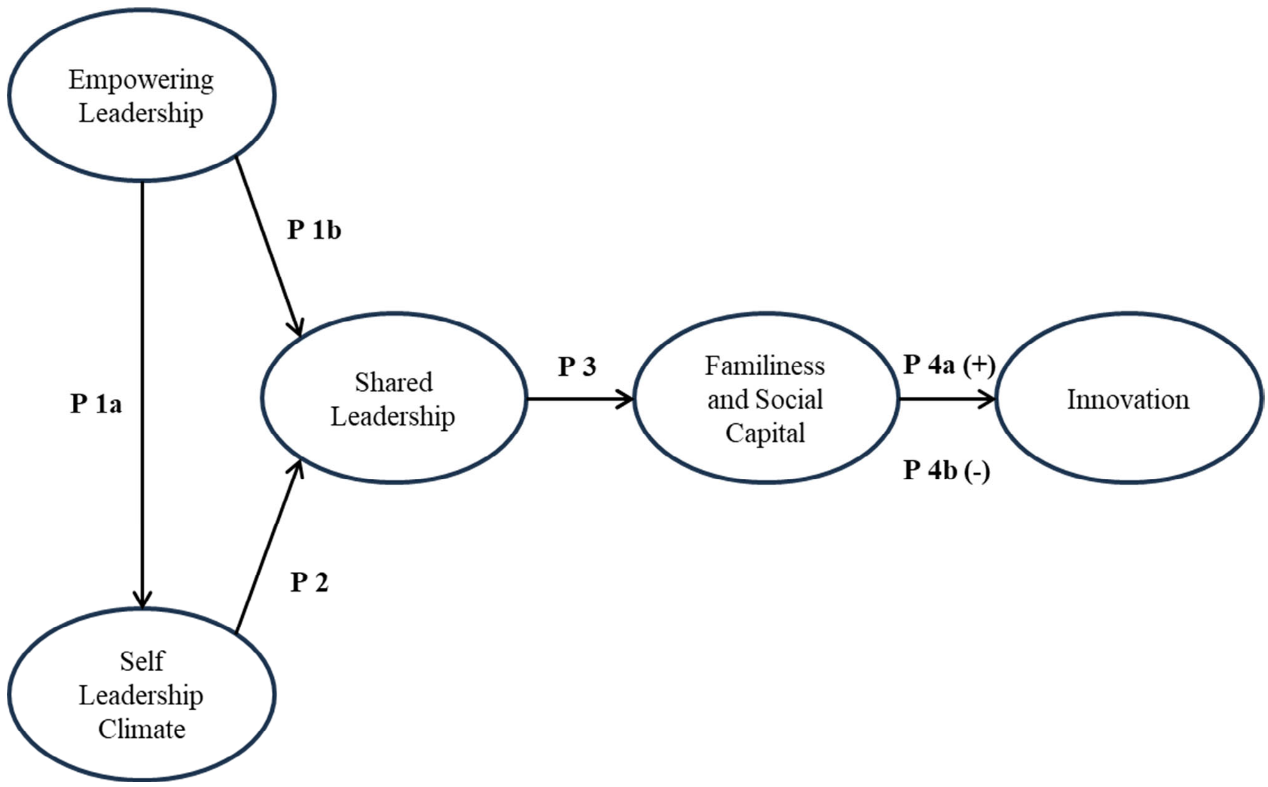
Innovation and innovative capacity within firms relies on the ability to combine and exchange resources, including knowledge, creating new sources of value, leading to strategic competitive advantages (Moran & Ghoshal, 1996). Family businesses present a specific challenge to effective innovation (Aparicio et al., 2019), due to a distinction between familial and non-familial organizational members. However, formal leadership plays an important role in innovation processes (Jung et al., 2003; Rosing et al., 2011) and shared leadership, more specifically, is positively associated with innovative behavior in teams (Hoch, 2013). Shared leadership, more precisely, involves the "dynamic interactive influence process among individuals in groups for which the objective is to lead one another to the achievement of group or organizational goals" (Pearce & Conger, 2003, p.1).

Relational dynamics of influence in family businesses offer a distinctive context to understand how shared leadership impacts innovation. Innovation relies on communication, exchanging knowledge, and combining resources in new ways, which poses challenges in the family business between family members and non-family members. The "familiness" reflected in the relational structures in family businesses (Habbershon & Williams, 1999; Pearson et al., 2008) influences the building of trust due to the nature of pre-established, long-standing relationships (De Massis et al., 2016), which in turn promotes sharing of knowledge and resources (Arregle et al., 2007). The feelings of closeness and trust inherent in familiness are not to be confused with blind acceptance of others—familiness and accountability can and do coexist. With that said, an over-reliance on knowledge and resources within the family network can prevent growth due to a lack of knowledge around product desirability and progressive practices. Due to both the strengths and weaknesses that family businesses must contend with based on the nature of familial structural relationships, family business is an important case to explore how elements of empowering, shared and self-leadership might materially alter an organization's innovative outcomes, specifically exploring the role of shared leadership and social capital. Below we articulate a theoretical model, building propositions (cf. Arvey & Ivancevich, 1980; Cornelissen, 2017, 2023), linking such dynamics to the development of innovation in family business.

2. Shared Leadership and Innovation in Family Business

Family businesses tend to rely on internal sources of innovation rather than searching outside of the organization (Nieto et al., 2015). At the same time, family firms also achieve higher levels of innovation with less input when compared to non-family firms (Duran et al., 2016) but results from Block et al. (2023) question these meta-analytic results. Nonetheless, these general findings present a paradoxical situation requiring deeper exploration – do family firms innovate more with less while relying on internal sources of innovation and, if so, how? Shared leadership, and the influence of shared leadership on social capital (and familiness), is proposed as an important factor shaping the dynamics of innovation in family business, which might provide the theoretical insight into innovation in family business. Contributing to the family business literature, the importance of bridging and bonding ties between familial and non-familial members in innovation is explored. Shared leadership is proffered as a key to unlocking the potential of familiness, contributing positively to innovation. As indicated by the conceptual model in Figure 1, shared leadership is supported by both empowering and self-leadership within the family business. In addition, we assert that shared leadership leads to innovation by leveraging familiness found in family firms by engaging bridging and bonding ties in social capital. Ultimately, as we describe more fully below, shared leadership is posited as a critical mechanism for creating a power-sharing relational dynamic supporting social capital between familial and non-familial members, resulting in increased innovation. Below, we describe each of the proposed relationships in greater detail.

Figure 1. Conceptual model of shared leadership and innovation in family business



3. Leadership in Family Business

Family businesses, generally defined by more traditional hierarchical leadership roles (Sharma et al., 1997), provide a specific context to explore the potential impacts of different leadership strategies on business performance. The complex nature of family relationships is transferred into the family business, including transgenerational dimensions (Breton-Miller et al., 2004; Daspit et al., 2016; Zellweger et al., 2010). This creates an organization impacted by long-standing ties influencing everyday operations and leads to decision-making reflective of family relationships (Sharma, 2004). The social hierarchy of the family can be replicated in the organizational structure, mirroring the family system within the business, creating both challenging weaknesses and potential strengths. The power dynamics and close ties within the family can influence communication and decision-making in the business, which can have negative consequences if poorly managed. However, close family ties can also prove beneficial for the family business, especially when the power dynamics are harnessed positively through various leadership strategies (Pearson et al., 2008).

Family businesses can uniquely benefit from family-based relational ties by leveraging their familiness, or the “resources and capabilities that are unique to the family’s involvement and interactions” (Pearson et al., 2008, p.

949). Leadership strategies play an important role in developing familiness and using close ties to effectively enhance organizational performance. Feelings of familiness extend beyond family members within a family business. An organizational member does not have to be a family member to have a sense of familiness, but rather as they are engaged in decision-making within the business, members associate themselves with the firms' family identity – thus leading to a sense of familiness (Zellweger et al., 2010). One of the leadership challenges in family businesses is to integrate organizational members into feeling this sense of familiness and contributing to the business's success. Empowering leadership is a distinct strategy, which is associated with Pygmalion effects (see Martínez-Sanchís et al., 2020), supporting organizational members' feelings of autonomy, creating an environment conducive for leveraging familiness in support of business success.

3.1. Empowering leadership

Empowering leadership is discussed in the literature in two typical ways that support knowledgeable and inclusive decision-making processes, either through encouraging information sharing or through the sharing of power. Empowering leaders holding positions of status and authority encourage their subordinates to express opinions and ideas. To that end, collaborative decision-making is promoted, as well as information sharing and teamwork (Arnold et al., 2000). Another view of empowering leadership is one of power-sharing processes by formal leaders. This motivational perspective of empowering leadership involves the enhancing of employee (both individual and team) autonomy, as well as investment in their work (Chen et al., 2007; Sun et al., 2012). Both perspectives indicate the impact empowering leadership can have on familiness by including all organizational members in decision-making and creating a sense of autonomy. In order to understand how empowering leadership strategies support familiness, it is important to discuss social structural empowerment in organizations.

Social structural empowerment focuses on how power is shared or distributed throughout an organization (Conger & Kanungo, 1988). The social structure of a family business, as indicated prior, tends to recreate the typically hierarchical social structure of the family and tends to create a division between familial and non-familial members (Sharma et al., 1997; Sharma, 2004; Zellweger et al., 2010). However, an empowering leadership perspective elucidates the importance of social structural empowerment facilitated by sharing power, which is distinctly different from a hierarchical family-oriented power structure that divides familial and non-familial members.

Empowering leadership supports social structural empowerment by sharing power throughout the organization using processes that allow information, resources, support and opportunities to reach all parts of the business (Kanter, 1977). This facilitates decision-making in areas relevant to the familial and non-familial members' roles to flow down the hierarchy so those individuals with responsibility for the implementation can make the decisions (Liden & Arad, 1996). This gives all members both the ability to make decisions relevant to their role, as well as the control over resources to implement the decision (Lawler, 1986). This sharing of power encompasses not only the authority to make decisions, but also ensures knowledge sharing critical to decision-making, as well as access to resources to ensure the successful implementation of those decisions. Familial and non-familial members of a family business experiencing empowering leadership will be more likely to develop a sense of familiness – identifying more closely with the family-oriented nature of the organization.

Empowering leadership supports both self- and shared leadership strategies. On the individual level, empowering leadership provides opportunities for organizational members to feel a sense of autonomy and engagement (Manz & Pearce, 2017). Conger and Pearce (2023) argue that when individuals fully experience empowerment, they will engage in self-leadership practices. For example, a formal leader structurally supporting familial and non-familial member autonomy may directly cause his/her subordinates to embrace strategies such as setting reminders, or self-imposed behavior-focused strategies such as self-goal setting and self-reward (Manz, 1986: Stewart et al., 2011). Similarly, the same formal leader encouraging familial and non-familial members in their expression of opinions and ideas may also directly encourage constructive thought-focused strategies, where employees internalize by identifying and replacing negative internal dialogues with positive ones (Srivastava et al., 2006). These strategies support the development of a sense of autonomy at the individual level, which is important for both familial and non-familial members.

On a team level, empowering leadership supports shared leadership, in that the power-sharing process of empowering leadership may also lend itself towards the synergizing of group dynamics, as individual team members lead one another to work cohesively, for achieving group and organizational goals (Hoch et al., 2010; Pearce & Manz, 2005; Pearce et al., 2009, 2014). For example, a formal leader embracing the concept of empowering leadership may be more likely to suppress over-emphasis of authority and status on his/her end and work together 'as one' with his/her subordinates. As articulated, shared leadership may thus contribute to developing both autonomy and participative decision making for familial and non-familial members in family businesses, thereby developing a sense of familiness (Cabrera-Suarez, 2005; Fausing et al., 2015).

Nonetheless, while empowering leadership has been linked to self-leadership and shared leadership, we expect such effects to be somewhat different in the context of family businesses than those generally identified in the literature for non-family businesses. For instance, in family businesses there is less of an expectation of empowering leadership from hierarchical leaders (e.g., Sharma et al., 1997). As such, in line with theoretical arguments surrounding leadership prototypicality (van Knippenberg & van Knippenberg, 2005), we expect the lack of empowering leadership from hierarchical leaders to have negligible effects on the enactment of self-leadership and shared leadership in family businesses relative to non-family business contexts. On the other hand, we expect the positive effects of empowering leadership on subsequent self-leadership and shared leadership to be particularly pronounced in family businesses, relative to such effects in non-family business contexts.

> ***Proposition 1a***: *Empowering leadership effects are more potent in family versus non-family businesses, such that low levels of empowering leadership have lesser effects and high levels of empowering leadership have greater effects in family businesses relative to such effects in non-family business contexts, on the development of self-leadership.*
>
> ***Proposition 1b***: *Empowering leadership effects are more potent in family versus non-family businesses, such that low levels of empowering leadership have lesser effects and high levels of empowering leadership have greater effects in family businesses relative to such effects in non-family business contexts, on the development of shared leadership.*

3.2. Self-leadership

Self-leadership is intimately linked with shared leadership as it involves the application of knowledge and resources to lead oneself. Self-leadership is a robust concept that "involves managing one's behavior to meet existing standards and objectives, it also includes evaluating the standards and setting or modifying them" (Pearce & Manz, 2005, p. 133). In other words, individuals manage their own behavior in working towards the goals of the organization. This manner of leadership is best utilized when organizational members and leaders consider the implications of their own actions through a shared design of organizational leadership (Pearce & Manz, 2005).

Self-leadership consists of the utilization of reward and behavior-focused strategies, all of which influence one's ability to act as a leader when necessary while simultaneously allowing others to do the same (Manz, 2015, 1986). These strategies include methods such as using reminders and attention focusers, which counter negative cues and increase positive cues. Self-imposed behavior-focused strategies encompass self-observation, self-goal setting, self-reinforcement, and self-criticism and are among the primary behavior-focused self-leadership strategies (Neck & Manz, 2010; Stewart et al., 2011). Natural reward-focused strategies are inherent, as opposed to being externally administered (such as pay raises, time off and promotions) and are associated with feelings of competence and self-control. Additionally, constructive thought-focused strategies highlight the importance of member's unique psychological worlds, in relation to influencing behaviors. For example, self-talk serves to help identify and replace negative internal dialogues with more positive ones. Working in tandem, these strategies function to promote a collaborative setting where members trade leadership roles to achieve a shared leadership setting (Neck et al., 2016).

In the family business, our model assumes a distinction between familial and non-familial members based on whether they are part of the family running the business or not. Engaging in shared leadership requires a reciprocal sharing of influence, indicating the importance of relationships between familial and non-familial members in family business (Pearce, 2004). Self-leadership by both familial and non-familial members influences the quality of the relationships between members of the two groups, improving trust, commitment and feelings of efficacy supporting shared leadership (Bligh et al., 2006; Neck & Houghton, 2006; Stewart et al., 2011), which translates into an organizational climate (Vandekerkhof et al., 2022) for self-leadership. Subsequently, such a self-leadership climate will facilitate sharing leadership among all members of the family business.

A second way self-leadership increases shared leadership is through the use of shared leadership as a self-leadership strategy. While specific self-leadership strategies might be applied as part of a shared leadership process, shared leadership itself may be employed as a self-leadership strategy to obtain expanded capacity and synergies for one's own performance (Manz, 2015). Two main reasons that self-leadership by familial and non-familial members will lead to increases in shared leadership include the increased feelings of trust, commitment, and efficacy (Bligh et al., 2006); and the use of shared leadership as a specific self-leadership practice (Manz, 2015). The potential link between self-leadership and shared leadership seems particularly sensitive to the combined effects of self-leadership of family members with the self-leadership of non-family members. In other words, in family businesses it is the combined effects familial self-leadership and non-familial self-leadership that augment the effects of each other in generating a self-leadership climate, which translates into the development of shared leadership—effects that go beyond such processes in non-family-owned firms. The self-leadership climate is an emergent and synergistic organizational environment shaped by both familial and non-familial members practicing self-leadership which supports and sustains shared leadership by fostering autonomy, mutual trust and collaborative influence,

Proposition 2*: Familial self-leadership and non-familial self-leadership synergistically interact to create a self-leadership climate, which facilitates the development of shared leadership in family businesses, beyond such effects in non-family businesses.*

4. Shared Leadership, Familiness and Innovation

4.1. Shared leadership

Shared leadership is possibly the most essential leadership strategy in family businesses because problem-solving and decision-making manifest as collective processes, not reliant on a single designated leader (Carson et al., 2007). Furthermore, as shared leadership practices rest on the premise that power is distributed among members, crucial decisions can be made in real time with less delay, as is often the case in a more hierarchical model (Pearce & Conger, 2003). Shared leadership can function on a foundation of already established relationships among familial members to engage collectively in key areas including having common organizational goals (Pearce, 2004), demonstrating collective influence (Sivasubramaniam et al., 2002), and empowering the team as a whole rather than on a designated individual (Ensley et al., 2006). This perspective views leadership as a process, where the team influences, inspires and motivates each other to work toward a common vision (Gupta et al., 2011).

Shared leadership can also involve the non-concurrent sharing of leadership responsibilities (Erez et al., 2002), which includes formally appointed and/or emergent leaders (Mehra et al., 2006). Viewed in this manner, shared leadership is a dynamic property flowing among multiple people and adapting to the characteristics of the situation (Mendez, 2010) and, as such, focuses not on the familial/non-familial distinction, but rather the circumstances. Shared leadership can be an emergent team property resulting from the distribution of leadership influence across multiple team members (Carson et al., 2007; Zhou, 2012) which may already be present among familial members due to some informal distribution of roles but also includes non-familial members.

As becomes evident from the distinctions relating to shared leadership made above, more interactive opportunities emerge as an essential component for empowering family businesses. Shared leadership practices contribute to investments in social relations, which directly affects familial and non-familial members' ability to influence each other and access resources (Borgatti et al., 2009) which in turn has been shown to influence innovation (Kanter, 2009). Additionally, as innovation involves some level of creativity, valued contributions from several familial and non-familial members will likely lead to creative solutions (Pearce, 2004; Sun et al., 2012) increasing innovation.

Shared leadership practices encourage familial and non-familial members to inspire and motivate each other, as well as generate new ideas. When shared leadership is effectively deployed members fully experience empowerment (Conger & Pearce, 2023) leading to a more responsive model for exchanging and synthesizing information, especially between familial and non-familial members. Developing a sense of autonomy and engaging in participative decision-making are two specific outcomes resulting from shared leadership practices. These all contribute to influencing innovation positively (Pearce & van Knippenberg, 2024).

While shared leadership contributes directly to innovation in family businesses by distributing power, influence and decision-making among familial and non-familial members (Carson et al., 2007; Zhou, 2012), shared leadership, as a relational concept, also impacts social capital. Social capital includes "the linkages among individuals or groups within the collectivity and specifically, in those features that give the collectivity cohesiveness and thereby facilitate the pursuit of collective goals" (Adler & Kwon, 2002, p. 21). Not only will authority and power be less centralized due to shared leadership, collaborative decision-making and mutual influence are expected to alter social relationships within the business (Pearce & Conger, 2003; Pearce, 2004). Family businesses, which traditionally operate through power structures reflecting family ties, can benefit from improving social ties between familial and non-familial members. Family businesses rely on social capital embedded in social relationships among family members (Granovetter, 1985); however, they also have access to familiness: "the unique bundle of resources a particular firm has because of the systems interaction between the family, its individual members and the business" (Habbershon & Williams, 1999, p. 11). Familiness can be a special type of social capital found in relationships not only among family members, but also between familial and non-familial members of the family business. Shared leadership can create shared power structures in a family business, aiding in the development of familiness among familial and non-familial organizational members (Aronoff & Ward, 2011). Next, we look at the role of social capital in a family business, and how shared leadership supports familiness and facilitates social capital within the family business.

4.2. Shared leadership and familiness in the family business

Social capital is a critical component of innovation in family businesses and reflects the relational ties among organizational members. Shared and self-leadership are linked to social capital as they positively influence relational patterns which in turn embodies the idea that the way members of an organization connect matters and can alter group outcomes (Borgatti et al., 2009; Hoch et al., 2010; Pearce et al., 2009). Social capital indicates that there is a means for the transmission of information between individuals (Borgatti et al., 2009) and access to resources through member connections and that these resources are effectively used (Lin, 1999). Familiness is a specific resource resulting from the relational ties developed in family business that, while starting from the family aspect of the organization, can spread to non-familial organizational members through identifying as extended family members (Basco, 2015; Habbershon & Williams, 1999; Tokarczyk et al., 2007; Zellweger et al., 2010).

Due to the transgenerational nature of family businesses and the relational ties that are inherently part of family structures (e.g., Martínez-Sanchís et al., 2020; McMullen & Warnick, 2015), family businesses have a built-in capacity to influence social capital. Additionally, Zellweger et al. (2010) concluded that family businesses "...that nurture their family firm identity may be able to gain access to a unique type of community-level social capital that assists with their operations and performance" (p. 59). Social capital, in turn, contributes to the innovational capacity of the family business because it supports a conscious and collective effort to construct connections between familial and non-familial members creating an identified valuable resource; referred to by Bourdieu (1985) as the intentional planning for sociability.

Recently, and more relevant to the topic of promoting innovation in the family business, social capital has become the study of the architecture of relationships that exist among individuals within and outside of an organization (Carolan, 2013). From this perspective, it has become more about the complexity and types of ties that predict organizational successes because of social connections. Member relationship characteristics define the wellbeing of an organization for the purpose of future success. Of particular interest to innovation in family business (due to access to resources), are characteristics that include network closure (Coleman, 1988) and internal and external ties (Adler & Kwon, 2002).

Network density, along with internal and external ties, when intentionally managed, contribute to innovation. Bourdieu (1985) describes networks as not necessarily occurring naturally but strategically being developed in order to promote organizational assets (Bourdieu, 1985), which is why it is important to move beyond familial relationships, developing a family firm identity contributing to familiness (Zellweger et al., 2010) as well as making connections among familial and non-familial members. He categorizes the most important elements of social capital as (1) the availability of resources and the actors' ability to use them, and (2) the value of the resources as measured by their benefit to the organization (Bourdieu, 1985). Thus, the configuration of the network relationships can be a predictor of the attainment of resources. Shared leadership practices are a deliberate means to promote network characteristics such as closure and internal and external ties, leading to the accrual of social capital (Pearce & Conger, 2003; Conger & Pearce, 2023; Danes et al., 2009).

Closure is a key contributor to social capital, relevant to innovation in the family business because it theorizes that network density is a contributing factor to the growth of social capital. The number of connections that are present among a group of actors indicates network density and correlates to the trustworthiness of relationships as well as sharing information (Coleman, 1988). This, in turn, has been associated with positive performance outcomes

(Coleman, 1988). Shared leadership contributes to the number of connections within the family business, thus increasing network density and supporting closure. The internal characteristics of teams engaging in shared leadership include a sense of shared purpose, along with social support and voice (Carson et al., 2007). These characteristics support the development of multiple connections among members as well as a strong level of trust and information sharing, leading to closure.

Successful competition in today's market requires a combination of both internal bonding and external bridging ties within the family business social network. Within the context of the family business, for the purpose of the conceptual model presented in this manuscript, bonding ties are reflected by the pre-established family relationships and bridging ties refer to relationships with non-familial organizational members. Both types of ties have value for developing and maintaining a healthy family business and are most effective when they are present in tandem (Adler & Kwon, 2002). External ties are described as necessary for connecting actors to members outside of the network configuration whereas strong internal ties lead to closer relationships among, and more robust communication patterns between, group members within an organization (Adler & Kwon, 2002). These relationships, as they exist in various patterns, lead to "goodwill available to individuals or in groups..." assisting with the "... flow of information, influence, and solidarity... to the actor" (Adler & Kwon, 2002, p. 23). External relations provide a means to compensate for lack of internal resources (Adler & Kwon, 2002) and internal relations set the foundation for trust. Woolcock and Narayan (2000) discuss the value of bridging and bonding ties in combination toward better organizational performance because bridging ties promote access to information and resources from non-familial members of the family business. Further research conducted by Valente (2010) concluded that bridging ties are key to the dissemination of information while bonding ties are more influential around behavioral characteristics among members. Within family businesses, family members will have bonding ties with each other, setting the behavioral expectations within the organization, while family members will have bridging ties with non-family organizational members, facilitating information sharing.

While the specific characteristics of the social network within the family business are important, the structural relationships developed through shared leadership will improve the functioning of the network, contributing to an increase in social capital by facilitating bridging ties with non-familial members, as well as network density within the organization. Returning to the role of empowering leadership in influencing social relationships, it is evident that as shared leadership practices are followed, social ties are more likely to be characterized by open communication and shared decision-making. These ties allow family business members to problem-solve with access to numerous resources. Both bridging and bonding ties will strengthen organizational members' ability to share and access information, which in turn supports progressive practices and innovation. On a broader level, shared leadership facilitates familiness by improving network density and ties between familial and non-familial members, improving social capital within the family firm, which ultimately influences innovation (Arregle et al., 2007).

Proposition 3*: Shared leadership facilitates the potential for enhancing a sense of familiness, and affiliated levels of social capital in family businesses. We anticipate such effects on social capital to be more pronounced in family businesses, relative to such effects in non-family business contexts.*

4.3. Familiness, social capital, and innovation in family business

Innovation and social capital reflect the ability of the family business to thrive by effectively using a variety of resources. Innovation is identified as a process to solve problems through related solutions search and is positively influenced by social capital (Silverberg et al., 1988). Following the argument of Van de Ven (1986), innovation is a critical mechanism for organizations to secure a competitive place in a business world. Evidence suggests that innovation is related to competitive advantage (Porter, 1985) because it allows businesses to gain superior insights about and access to specific and important resources. More specifically, as a driving force of high-level firm performance, innovation helps renew the value of asset endowments (Schumpeter, 1934), contributing to the strategic development of both tangible and intangible assets.

In their study utilizing a typology of family and firm inputs in analyzing family capital effects on short-term achievements and longer-term sustainability, Danes et al. (2009) found that social capital in the context of family businesses made significant contributions to family business achievements. Complementing this point, Sharma (2004) found relational issues prominent in the family business to be central to their success, which may help family businesses overcome bad decisions.

Based on the organizational innovation literature, researchers have demonstrated that innovation requires not only diverse resource inputs (Kanter, 2009) but also firms' combinative capacities (Kogut & Zander, 1992). By taking a re-combinatory search perspective (Fleming, 2001), resource exchange and combination are likely to associate with innovation. Search processes, a key step to contribute to knowledge creation, have been proved to involve the novel recombination of various known elements (e.g. extant knowledge or solutions) (Fleming, 2001; Nelson & Winter, 1982) or the reconfiguration of ways that knowledge is linked (Henderson & Clark, 1990). Therefore, as supported by Moran and Ghoshal (1996), value creation comes from the combination and exchange of resources.

Notwithstanding some evidence to the contrary, family firms appear to be able to achieve higher levels of innovation with significantly less input as opposed to non-family firms (Duran et al, 2016) while also focusing on internal sources of innovation as opposed to external (Nieto et al., 2015). These two characteristics of family businesses point to the importance of social capital in the form of familiness to support innovation.

The foundation of innovation is related to creative ideas and individuals or groups, who generate, promote, modify, and ultimately realize the ideas (Scott & Bruce, 1994). To implement innovation effectively, cooperation and interaction among team members are critical (Tjosvold et al., 2003). Network research has shown that network ties help individuals to access information about innovation (Burt, 1987; Rogers, 1995). Drawing upon the social capital perspective, actors have greater opportunities to exchange information through establishing ties. Building bridging ties between familial and non-familial members in creating social capital also supports innovation efforts in family businesses. Building networks or relationships reduces the time and effort in information collection by providing relevant information channels (Chang & Chuang, 2011).

The extent to which group members practice shared leadership within a network is key toward determining levels of innovation (Hoch, 2013). Studies focusing on social capital have important implications for innovation outcomes indicating the benefit of shared leadership practices toward resource exchange and recombination. Tsai and Ghoshal (1998) provide evidence that social capital contributes to resource exchange and combination, which leads to product innovation outcomes. Nahapiet and Ghoshal (1998) also pointed out that established connections, such as those that may be in place due to existing family relationships, may positively affect individuals' abilities to combine knowledge in the creation of new intellectual capital.

Shared leadership not only fosters these structural influences but also lays the foundation for psychological empowerment of others, supporting individual level creative processes (Maynard et al., 2012; Zhang & Bartol, 2010). Employee creativity is directly influenced by both intrinsic motivation and creative process engagement (Maynard et al., 2012). Importantly, the creative process includes group influence around problem identification, information searching, as well as idea generation, establishing a link between shared leadership, creativity and innovation.

On the other hand, it is possible to consider the situation where a sense of familiness could result in over-reliance on tight family business networks, to the exclusions of other loose social network ties (Nieto et al., 2015). This could result in lack of identification of opportunities for innovation. In fact, we expect family businesses to suffer from a liability of closeness, in this regard, relative to non-family businesses, when it comes to identification of environmental opportunities for innovation. As such, we formally frame our proposition regarding the link between familiness and innovation in two parts:

Proposition 4a*: Familiness and social capital creates conditions enhance innovation potential in family businesses, beyond such social capital processes in non-family business contexts.*

Proposition 4b*: Familiness and social capital can result in over-reliance on tight family business networks, to the exclusion of loose coupling external ties, which we expect to be more detrimental in family businesses relative to non-family business contexts, when it comes to innovation.*

5. Discussion

5.1. Theoretical implications

Shared leadership significantly enhances innovation in family businesses by reshaping traditional hierarchical dynamics into collaborative, participative structures that engage both familial and non-familial members. Through the intentional distribution of influence and decision-making, shared leadership supports the development of social capital—particularly the unique form known as familiness. This relational resource emerges from trust, cohesion, and a sense of inclusion among organizational members. By creating bridging ties between familial and non-familial actors, shared leadership facilitates greater knowledge and resource sharing, which are crucial for innovation. In this model, empowering and self-leadership practices serve as foundational antecedents, helping all members, regardless of family status, to feel autonomy and responsibility in contributing to the firm's goals.

The theoretical model presented highlights how shared leadership acts as a catalyst for building dense internal networks and strong external ties, both of which are essential for the recombination of knowledge that fuels innovation. Shared leadership not only fosters psychological empowerment and collective creativity but also mitigates the "liability of closeness" often associated with insular family networks by encouraging more inclusive and diverse input. Ultimately, shared leadership leverages the strengths of familiness—such as trust and identity—while broadening its scope to include diverse voices and perspectives, thus positioning family firms to innovate more effectively, even with fewer inputs than their non-family counterparts. Two primary implications of this model are considered as essential.

First, empowering leadership is an important antecedent of shared leadership used to leverage familiness for innovation. This specific leadership approach influences familiness by sharing power, overcoming potential limitations of hierarchical power structures and supporting both shared and self-leadership. Shared leadership may not develop in a family business characterized by the traditional hierarchical power structures, however, if the business leader embraces empowering practices, shared leadership practices will emerge. Empowering leadership supports self-leadership which is crucial for building ties between familial and non-familial members. Non-familial members are empowered to lead themselves which places them structurally equal to family members, which also supports shared leadership within the business.

Second, we consider how shared leadership influences innovation through intra-organizational social capital. Breaking from prior work, which tends to examine direct relationships between leadership and organizational-level outcomes (Geier, 2016), we examine how shared leadership practices might improve interpersonal trust within a family business, trust necessary to build social capital and bring about innovation. The family business is a special context to explore social capital, specifically looking at bridging and bonding ties. Bonding ties characterize relationships within the family, while bridging ties characterize relationships between familial and non-familial members. Both bridging and bonding ties are important to building social capital, but without the proper foundation of shared leadership, the knowledge sharing and trust critical to social capital might be difficult to develop. Theories of innovation would be bolstered by considering how certain leadership practices, such as shared leadership, precede and potentially alter the innovative capacity of the family business.

While prior theorizing on social capital's influence on innovation tacitly assumes that the presence of the former implies the presence of the latter, we believe that this relationship is more complex. Without shared leadership, stores of social capital may have little effect on innovation, as members do not take it upon themselves to draw upon these networks, as well as engage in the creative process necessary for successful innovation. In addition, we propose that specific aspects of shared leadership support the recombination of knowledge and resources that lead to innovation. Future researchers may gain additional insights into the importance of leadership on innovation by comparing organizations with similar social capital yet different levels of innovation to see if differences in shared leadership are indeed as important as we believe.

5.2. Managerial implications

The proposed model provides guidance for leaders and managers of family businesses by focusing on the importance of shared leadership in innovation. Shared leadership can be used to leverage familiness by engaging non-familial members in ways that make them feel more like part of the family, creating a sense of empowerment and trust. These relationships help develop important bridging and bonding ties between familial and non-familial members, facilitating knowledge and resource sharing, contributing to innovation. As family businesses tend to innovate using internal resources, improved bridging ties between familial and non-familial members will likely lead to improved outcomes.

As we have discussed, shared leadership seems quite important for innovation in family businesses, however, other types of leadership are also important. Therefore, managers should be sure to endorse multiple elements of empowering leadership in their organizations to maximize the innovative capacity of their organizations. Additionally, those making hiring decisions should be attuned to individuals who display the capacity to both take and share the lead. Since shared and self-leadership are both important to the success of the family business, those family businesses looking to hire from outside the family should be sure that any potential hire could motivate him or herself as well as allow others to take leadership roles when necessary.

5.3. Future research directions

A primary area of future research relates to the specific characteristics of the family business context. In this model, we assume that there are a core number of family members active in business operations, as well as several non-familial members. These aspects influence our arguments related to bridging and bonding ties and the formation of social capital leading to innovation. Further research should include understanding the makeup of the business between familial and non-familial. For example, are family members concentrated at the top level of management while non-familial members are found only at low-level management; how are responsibilities distributed between the two groups; and are there non-familial members within the governance structure. We also assume that the family business provides a specific environment that would support shared leadership. As Pearce (2004) indicates, shared leadership practices fit well when the work is more complex, tasks are interdependent, and a significant amount of creativity is required. If the work being performed within the family business does not meet these conditions, perhaps shared leadership would not be successful in creating social capital.

Another area of interest is focused on the individual characteristics of the top family business leader, as this may influence the potential for shared leadership to emerge. Taking a cue from Hambrick and Mason (1984), who argue that firms reflect the cognitive values of their leaders, it does seem plausible that family firms also fall under this theory. For example, perhaps a founder matriarch/patriarch may possess more controlling individual characteristics, choosing to get the job done by her/himself and veering away from empowering others. As a result, such a family firm may be less likely to embrace empowering leadership, and due to this focus instead on promoting hierarchical power structures.

Another area for future research relates to an ethical perspective of leadership. Responsible leadership, defined as "a relational and ethical phenomenon, which occurs in social processes of interaction with those who affect or are affected by leadership and have a stake in the purpose and vision of the leadership relationship" (Maak & Pless, 2006, p. 103) may further our model. Taken in the context of a family business, a multilevel perspective on responsible leadership focuses on both the individual and group level, by recognizing that responsible leadership firstly involves family member's intent to "do good" as well as "avoid harm" (Stahl & Sully de Luque, 2014). On a group level, this perspective involves also the proposed usage of shared leadership as a model to guide the implementation of responsible leadership at multiple levels.

A shared leadership model complements the implementation of a responsible leadership initiative as it allows for a system of internal checks and balances, which may help to lessen irresponsible leadership practices and lead eventually to shared responsible leadership (Pearce et al., 2014). Moreover, the synergy of individual and group level responsible leadership results in the building of internal and external trust. Internally, family members who may be communal in the first place, become closer and trust each other more as they now share a common goal of "doing good" for society through their family business. Externally, stakeholders such as customers and suppliers notice (in relation to other competitors) the good a family business embracing shared responsible leadership does and chose to support them more over other "less responsible" businesses. This external stakeholder perception of an ethically responsible family business may then lead to the choosing of an ethically responsible family business over others and ultimately result in increasing the success of the family business.

The model presents a broadly applicable theory of innovation in family businesses highlighting the importance of shared leadership and familiness. Shared leadership facilitates familiness, improving bridging ties between familial and non-familial members, providing a potential explanation of how family businesses potentially achieve higher levels of innovation with fewer inputs while relying on internal resources (Duran et al., 2016; Nieto et al., 2015). To test empirically, it will be important to understand the intricacies between shared leadership and innovation more fully. For example, while we propose familiness influences innovation, the extent to which it fully or partially mediates the relationship between shared leadership and innovation in family businesses needs to be studied.

6. Conclusion

Family businesses provide an interesting context to explore the relationships between empowering leadership, self-leadership, shared leadership, familiness, social capital, and innovation. Empowering leadership can have far-reaching effects by upending the traditional, hierarchical leadership style often found in family businesses. By creating an organizational environment that supports and encourages shared leadership, everyone can be a leader and contribute to organizational success. Familial and non-familial members can experience a sense of autonomy as they engage in participative decision-making, while building trust and sharing knowledge and resources. Shared leadership helps to leverage the familiness within the family business, facilitating bridging ties with non-familial members, enhancing resource sharing. All of this contributes to building social capital, developing innovative solutions/products, and supporting the success of the family business.

Author contribution statement

Pamala J. Dillion: Writing—original draft; Leslie Blake-Davis: Writing—review & editing; Eugene See: Writing—review & editing; Mengie Xu: Writing—review & editing; Craig L. Pearce: Writing—review & editing; Charles C. Manz: Writing—review & editing.

Conflict of interest statement

The authors declare no conflicts of interest.

Ethical statement

No data was collected.

Declaration on the use of generative AI in the writing process

Generative AI was not used in the writing process.

Funding

The authors received no financial support for the research, authorship, and/or publication of this work.

Data availability statement

No dataset was generated or analyzed in this study.

References

Adler, P. S., & Kwon, S. W. (2002). Social capital: Prospects for a new concept. *Academy of Management Review*, *27*(1), 17-40. https://doi.org/10.5465/amr.2002.5922314

Aparicio, G., Iturralde, T., & Sanchez-Famoso, V. (2019). Innovation in family firms: a holistic bibliometric overview of the research field. *European Journal of Family Business*, *9*(2), 71-84. https://doi.org/10.24310/ejfbejfb.v9i2.7362

Arnold, J. A., Arad, S., Rhoades, J. A., & Drasgow, F. (2000). The empowering leadership questionnaire: The construction and validation of a new scale for measuring leader behaviors. *Journal of Organizational Behavior*, *21*(3), 249-269. https://doi.org/10.1002/(SICI)1099-1379(200005)21:3<249::AID-JOB10>3.0.CO;2-%23

Aronoff, C. E., & Ward, J. L. (2011). *Family Business Values: How to Assure a Legacy of Continuity and Success*. New York: Palgrave Macmillan.

Arregle, J. L., Hitt, M. A., Sirmon, D. G., & Very, P. (2007). The development of organizational social capital: Attributes of family firms. *Journal of Management Studies*, *44*(1), 73-95. https://doi.org/10.1111/j.1467-6486.2007.00665.x

Arvey, R. D., & Ivancevich, J. M. (1980). Punishment in organizations: A review, propositions, and research suggestions. *Academy of Management Review*, *5*(1), 123-132. https://doi.org/10.2307/257812

Basco, R. (2015). Family business and regional development—A theoretical model of regional familiness. *Journal of Family Business Strategy*, *6*(4), 259-271. https://doi.org/10.1016/j.jfbs.2015.04.004

Bligh, M.C., Pearce, C. L, & Kohles, J. C. (2006). The importance of self- and shared leadership in team based knowledge work. *Journal of Managerial Psychology*, *21*(4), 296-318. https://doi.org/10.1108/02683940610663105

Block, J., Hansen, C., & Steinmetz, H. (2023). Are family firms doing more innovation output with less innovation input? A replication and extension. *Entrepreneurship: Theory and Practice*, *47*(4), 1496-1520. https://doi.org/10.1177/10422587221146813

Borgatti, S. P., Mehra, A., Brass, D. J., & Labianca, G. (2009). Network analysis in the social sciences. *Science*, *323*(5916), 892-895. https://doi.org/10.1126/science.1165821

Bourdieu, P. (1985). The social space and the genesis of groups. *Information (International Social Science Council)*, *24*(2), 195-220. https://doi.org/10.1177/053901885024002001

Breton-Miller, I. L., Miller, D., & Steier, L. P. (2004). Toward an integrative model of effective FOB succession. *Entrepreneurship Theory and Practice*, *28*(4), 305-328. https://doi.org/10.1111/j.1540-6520.2004.00047.x

Burt, R. S. (1987). Social contagion and innovation: Cohesion versus structural equivalence. *American Journal of Sociology*, *92*(6), 1287-1335. https://doi.org/10.1086/228667

Cabrera-Suarez, K. (2005). Leadership transfer and the successor's development in the family firm. *The Leadership Quarterly*, *16*(1), 71-96. https://doi.org/10.1016/j.leaqua.2004.09.010

Carolan, B. V. (2013). *Social Network Analysis and Education: Theory, Methods & Applications*. Los Angeles: Sage Publications.

Carson, J. B., Tesluk, P. E., & Marrone, J. A. (2007). Shared leadership in teams: An investigation of antecedent conditions and performance. *Academy of Management Journal*, *50*(5), 1217-1234. https://doi.org/10.5465/amj.2007.20159921

Chang, H. H., & Chuang, S. S. (2011). Social capital and individual motivations on knowledge sharing: Participant involvement as a moderator. *Information & Management*, *48*(1), 9-18. https://doi.org/10.1016/j.im.2010.11.001

Chen, G., Kirkman, B. L., Kanfer, R., & Allen, D. (2007). A multilevel study of leadership, empowerment, and performance in teams. *Journal of Applied Psychology*, *92*(2), 331. https://doi.org/10.1037/0021-9010.92.2.331

Cohen, S. G., & Ledford Jr, G. E. (1994). The effectiveness of self-managing teams: A quasi-experiment. *Human Relations*, *47*(1), 13-43. https://doi.org/10.1177/001872679404700102

Coleman, J. S. (1988). Social capital in the creation of human capital. *American Journal of Sociology*, *94*, S95-S120. https://doi.org/10.1086/228943

Conger, J. A., & Kanungo, R. N. (1988). The empowerment process: Integrating theory and practice. *Academy of Management Review, 13*(3), 471-482. https://doi.org/10.2307/258093

Conger, J. A., & Pearce, C. L. (2023). Empowerment's pivotal role in enhancing effective self-and shared leadership. In: C.L. Pearce & E.A. Locke (Eds.), *Principles of Organizational Behavior: The Handbook of Evidence-Based Management 3rd Edition*, 293-310. West Sussex, United Kingdom: John Wiley & Sons, Ltd. https://doi.org/10.1002/9781394320769.ch14

Cordery, J. L., Mueller, W. S., & Smith, L. M. (1991). Attitudinal and behavioral effects of autonomous group working: A longitudinal field study. *Academy of Management Journal*, *34*(2), 464-476. https://doi.org/10.2307/256452

Cornelissen, J. P. (2017). Editor's comments: Developing propositions, a process model, or a typology? Addressing the challenges of writing theory without a boilerplate. *Academy of Management Review*, *42*(1), 1–9. https://doi.org/10.5465/amr.2016.0196

Cornelissen, J. P. (2023). The Problem with propositions: Theoretical triangulation to better explain phenomena in management research. *Academy of Management Review, 50*, 342-365. https://doi.org/10.5465/amr.2022.0297

Danes, S. M., Stafford, K., Haynes, G., & Amarapurkar, S. S. (2009). Family capital of family firms: Bridging human, social, and financial capital. *Family Business Review*, *22*(3), 199-215. https://doi.org/10.1177/0894486509333424

Daspit, J. J., Holt, D. T., Chrisman, J. J., & Long, R. G. (2016). Examining family firm succession from a social exchange perspective: A multiphase, multistakeholder review. *Family Business Review*, 29(1):,44–64. https://doi.org/10.1177/0894486515599688

De Massis, A., Frattini, F., Kotlar, J., Petruzzelli, A. M., & Wright, M. (2016). Innovation through tradition: Lessons from innovative family businesses and directions for future research. *Academy of Management Perspectives*, 30(1), 93–116. https://doi.org/10.5465/amp.2015.0017

Duran. P., Kammerlander, N., Van Essen, M., & Zellweger, T. (2016). Doing more with less: Innovation input and output in family firms. *Academy of Management Journal*, *59(4)*, 1224-1264. https://doi.org/10.5465/amj.2014.0424

Ensley, M. D., Hmieleski, K. M., & Pearce, C. L. (2006). The importance of vertical and shared leadership within new venture top management teams: Implications for the performance of startups. *The Leadership Quarterly, 17*(3), 217-231. https://doi.org/10.1016/j.leaqua.2006.02.002

Erez, A., Lepine, J. A., & Elms, H. (2002). Effects of rotated leadership and peer evaluation on the functioning and effectiveness of self-managed teams: a quasi-experiment. *Personnel Psychology*, *55*(4), 929-948. https://doi.org/10.1111/j.1744-6570.2002.tb00135.x

Fausing, M., Jønsson, T., Lewandowski, J., & Bligh, M. C. (2015). Antecedents of Shared Leadership: Empowering Leadership and Interdependence. *Leadership & Organization Development Journal*, *36(3)*, 271–291. https://doi.org/10.1108/lodj-06-2013-0075

Fleming, L. (2001). Recombinant uncertainty in technological search. *Management Science*, *47*(1), 117-132. https://doi.org/10.1287/mnsc.47.1.117.10671

Geier, M. T. (2016). Leadership in extreme contexts: Transformational leadership, performance beyond expectations? *Journal of Leadership & Organizational Studies*, *23*(3), 234-247. https://doi.org/10.1177/1548051815627359

Granovetter, M. (1985). Economic action and social structure: The problem of embeddedness. *American Journal of Sociology*, *91*(3), 481-510. https://doi.org/10.1086/228311

Gupta, V. K., Huang, R., & Yayla, A. A. (2011). Social capital, collective transformational leadership, and performance: A resource-based view of self-managed teams. *Journal of Managerial Issues, 21*(1), 31-45.

Habbershon, T.G., & Williams, M.L. (1999). A resource-based framework for assessing the strategic advantages of family firms. *Family Business Review, 12(1)*, 1-25. https://doi.org/10.1111/j.1741-6248.1999.00001.x

Hambrick, D.C., & Mason, P.A. (1984). Upper echelons: The organization as a reflection of its top managers. *Academy of Management Review, 9(2)*, 193-206. https://doi.org/10.2307/258434

Henderson, R. M., & Clark, K. B. (1990). Architectural innovation: The reconfiguration of existing product technologies and the failure of established firms. *Administrative Science Quarterly*, *32*(1), 9-30. https://doi.org/10.2307/2393549

Hoch, J. E. (2013). Shared leadership and innovation: The role of vertical leadership and employee integrity. *Journal of Business and Psychology, 28* (2)159-174. https://doi.org/10.1007/s10869-012-9273-6

Hoch, J. E., Pearce, C. L., & Welzel, L. (2010). Is the most effective team leadership shared? The impact of shared leadership, age diversity, and coordination on team performance. *Journal of Personnel Psychology, 9*(3), 105-116. https://doi.org/10.1027/1866-5888/a000020

Jung, D.I., Chow, C., Wu, A. (2003). The role of transformational leadership in enhancing organizational innovation: Hypotheses and some preliminary findings. *The Leadership Quarterly*, *14(4-5)*, 525-544. https://doi.org/10.1016/s1048-9843(03)00050-x

Kanter, R. M. (1977). *Work and Family in The United States: A Critical Review and Agenda for Research and Policy*. New York, NY: Russell Sage Foundation.

Kanter, R. M. (2009). When a thousand flowers bloom: Structural, collective, and social conditions for innovation in organizations. In P. S. Meyers (Ed.), *Knowledge Management and Organizational Design*, 39. Newton, MA: Butterworth-Heinemann.

Kogut, B., & Zander, U. (1992). Knowledge of the firm, combinative capabilities, and the replication of technology. *Organization Science*, *3*(3), 383-397. https://doi.org/10.1287/orsc.3.3.383

Lawler, E. E. (1986). *High-Involvement Management. Participative Strategies for Improving Organizational Performance*. San Francisco, CA: Jossey-Bass Inc.

Liden, R. C., & Arad, S. (1996). A power perspective of empowerment and work groups: Implications for human resources management research. *Research in Personnel and Human* Resources Management, 14, 205-252. https://www.researchgate.net/publication/292026092_A_power_perspective_of_empowerment_and_work_groups_Implications_for_human_resources_management_research

Lin, N. (1999). Building a network theory of social capital. *Connections*, *22*(1), 28-51.

Maak, T., & Pless, N. M. (2006). Responsible leadership in a stakeholder society-a relational perspective. *Journal of Business Ethics*, *66*(1), 99-115. https://doi.org/10.1007/s10551-006-9047-z

Manz, C. C. (2015). Taking the self-leadership high road: Smooth surface or potholes ahead? *Academy of Management Perspective*, *29*(1), 132-151. https://doi.org/10.5465/amp.2013.0060

Manz, C. C. (1986). Self-leadership: Toward an expanded theory of self-influence processes in organizations. *Academy of Management Review, 11*(3), 585-600. https://doi.org/10.2307/258312

Manz, C. C., & Pearce, C. L. (2017). *Twisted Leadership: How to Engage the Full Talents of Everyone in your Organization*. Palmyra, VA: Maven House Press.

Martínez-Sanchís, P., Aragón-Amonarriz, C., & Iturrioz-Landart, C. (2020). How the pygmalion effect operates in intra-family succession: Shared expectations in family SMEs. *European Management Journal*, *38*(6), 914-926. https://doi.org/10.1016/j.emj.2020.04.005

Maynard, M. T., Gilson, L. L., & Mathieu, J. E. (2012). Empowerment—fad or fab? A multilevel review of the past two decades of research. *Journal of Management*, *38*(4), 1231-1281. https://doi.org/10.1177/0149206312438773

McMullen, J. S., & Warnick, B. J. (2015). To nurture or groom? The parent-founder succession dilemma. *Entrepreneurship Theory and Practice*, *39*(6), 1379-1412. https://doi.org/10.1111/etap.12178

Mehra, A., Smith, B. R., Dixon, A. L., & Robertson, B. (2006). Distributed leadership in teams: The network of leadership perceptions and team performance. *The Leadership Quarterly*, *17*(3), 232-245. https://doi.org/10.1016/j.leaqua.2006.02.003

Mendez, M. J. (2010). A closer look into collective leadership: Is leadership shared or distributed? *Dissertation Abstracts International Section A: Humanities and Social Sciences, 70,* 10-A, 3931.

Moran, P., & Ghoshal, S. (1996). Value creation by firms. In *Academy of Management Proceedings* (Vol. 1996, 1, 41-45). Briarcliff Manor, NY 10510: Academy of Management. https://doi.org/10.5465/ambpp.1996.4978175

Nahapiet, J., & Ghoshal, S. (1998). Social capital, intellectual capital, and the organizational advantage. *Academy of Management Review*, *23*(2), 242-266. https://doi.org/10.2307/259373

Neck, C. P., & Houghton, J. D. (2006). Two decades of self-leadership theory and research: Past developments, present trends, and future possibilities. *Journal of Managerial Psychology*, *21*(4), 270-295. https://doi.org/10.1108/02683940610663097

Neck, C. P., & Manz, C. C. (2010). *Mastering Self-Leadership: Empowering Yourself for Personal Excellence*. New York, NY: Pearson.

Neck, C. P., Manz, C. C., & Houghton, J. D. (2016). *Self-Leadership: The Definitive Guide to Personal Excellence*. Thousand Oaks, CA: SAGE Publications, Inc.

Nelson, R., & Winter, S. (1982). *An Evolutionary Theory of Economic Change*. Cambridge, MA: Harvard Business School Press.

Nieto, M. J., Santamaria, L. & Fernández, Z. (2015). Understanding the innovation behavior of family firms. *Journal of Small Business Management, 53(2),* 382-399. https://doi.org/10.1111/jsbm.12075

Pearce, C. L. (2004). The future of leadership: Combining vertical and shared leadership to transform knowledge work. *Academy of Management Executive*, *18*(1), 47-57. https://doi.org/10.5465/ame.2004.12690298

Pearce, C. L., & Conger, J. A. (2003). *Shared Leadership: Reframing the Hows and Whys of Leadership*. Thousand Oaks, CA: Sage.

Pearce, C. L., & Manz, C. C. (2005). The new silver bullets of leadership: The importance of self- and shared leadership in knowledge work. *Organizational Dynamics*, *34*(2), 130–140. https://doi.org/10.1016/j.orgdyn.2005.03.003

Pearce, C. L., Manz, C. C. & Sims, Jr., H. P. (2009). Where do we go from here? Is shared leadership the key to team success? *Organizational Dynamics*, *38*(3), 234-238. https://doi.org/10.1016/j.orgdyn.2009.04.008

Pearce, C. L., Manz, C. C., & Sims, H. P. (2014). *Share, Don't Take the Lead*. IAP.

Pearce, C. L., & van Knippenberg, D. (2024). Moderated paradoxical leadership: Resolving the innovation team leadership conundrum. *Journal of Product Innovation Management*, *41*(1), 3-11. https://doi.org/10.1111/jpim.12713

Pearce, C. L., Wassenaar, C. L., & Manz, C. C. (2014). Is shared leadership the key to responsible leadership? *The Academy of Management Perspectives*, *28*(3), 275-288. https://doi.org/10.5465/amp.2014.0017

Pearson, A. W., Carr, J. C., & Shaw, J. C. (2008). Toward a theory of familiness: A social capital perspective. *Entrepreneurship Theory and Practice*, *32*(6), 949-969. https://doi.org/10.1111/j.1540-6520.2008.00265.x

Porter, M. E. (1985). *Competitive Advantage: Creating and Sustaining Superior Performance*. New York, NY:The Free Press.

Rogers, E. M. (1995). *Diffusion of Innovations*. New York, NY: The Free Press.

Rosing, K., Frese, M., & Bausch, A. (2011). Explaining the heterogeneity of the leadership-innovation relationship: Ambidextrous leadership. *The Leadership Quarterly, 22(5),* 956-974. https://doi.org/10.1016/j.leaqua.2011.07.014

Scott, S. G., & Bruce, R. A. (1994). Determinants of innovative behavior: A path model of individual innovation in the workplace. *Academy of Management Journal*, *37*(3), 580-607. https://doi.org/10.2307/256701

Schumpeter, J. A. (1934). *The Theory of Economic Development*. Cambridge, MA: Harvard University Press.

Sharma, P. (2004). An overview of the field of family business studies: Current status and directions for the future. *Family Business Review*, *17*(1), 1-36. https://doi.org/10.1111/j.1741-6248.2004.00001.x

Sharma, P., Chrisman, J. J., & Chua, J. H. (1997). Strategic management of the family business: Past research and future challenges. *Family Business Review, 10*(1), 1-35. https://doi.org/10.1111/j.1741-6248.1997.00001.x

Silverberg, G., Dosi, G., & Orsenigo, L. (1988). Sources, procedures, and microeconomic effects of innovation. *Journal of Economic Literature*, *26*(3), 1120-1171. https://doi.org/10.2307/2233718

Sivasubramaniam, N., Murry, W. D., Avolio, B. J., & Jung, D. I. (2002). Longitudinal model of the effects of team leadership and group potency on group performance. *Group & Organization Management*, *27*(1), 66-96. https://doi.org/10.1177/1059601102027001005

Srivastava, A., Bartol, K. M., & Locke, E. A. (2006). Empowering leadership in management teams: Effects on knowledge sharing, efficacy, and performance. *Academy of Management Journal*, *49*(6), 1239-1251. https://doi.org/10.5465/amj.2006.23478718

Stahl, G. K., & de Luque, M. S. (2014). Antecedents of responsible leader behavior: A research synthesis, conceptual framework, and agenda for future research. *The Academy of Management Perspectives*, *28*(3), 235-254. https://doi.org/10.5465/amp.2013.0126

Stewart, G. L., & Barrick, M. R. (2000). Team structure and performance: Assessing the mediating role of intrateam process and the moderating role of task type. *Academy of Management Journal*, *43*(2), 135-148. https://doi.org/10.2307/1556372

Stewart, G. L., Courtright, S. H., & Manz, C. C. (2011). Self-leadership: A multilevel review. *Journal of Management*, *37*(1), 185-222. https://doi.org/10.1177/0149206310383911

Sun, L.Y., Zhang, Z., Qi, J., & Chen, Z. X. (2012). Empowerment and creativity: A cross-level investigation. *The Leadership Quarterly, 23*(1), 55-65. https://doi.org/10.1016/j.leaqua.2011.11.005

Tokarczyk, J., Hansen, E., Green, M., & Down, J. (2007). A resource-based view and market orientation theory examination of the role of "familiness" in family business success. *Family Business Review*, *20*(1), 17-31. https://doi.org/10.1111/j.1741-6248.2007.00081.x

Tjosvold, D., West, M. A., & Smith, K. G. (2003). Teamwork and cooperation: Fundamentals of organizational effectiveness. In M. A. West, D. Tjosvold, & K. G. Smith (Eds.), *International Handbook of Organizational Teamwork and Cooperative Working*, 3-8. Hoboken, NJ: John Wiley & Sons, Inc.

Tsai, W. & Ghoshal, S. (1998). Social capital and value creation: The role of intrafirm networks. *Academy of Management Journal, 41*(4), 464-476. https://doi.org/10.2307/257085

Valente, T. W. (2010). *Social Networks and Health: Models, Methods, and Applications*. New York, NY: Oxford University Press.

Van de Ven, A. H. (1986). Central problems in the management of innovation. *Management Science*, *32*(5), 590-607. https://doi.org/10.1287/mnsc.32.5.590

Van Knippenberg, B., & Van Knippenberg, D. (2005). Leader self-sacrifice and leadership effectiveness: the moderating role of leader prototypicality. *Journal of applied psychology*, *90*(1), 25. https://doi.org/10.1037/0021-9010.90.1.25

Vandekerkhof, P., Hoeks, L., & Claus, B. (2022). An exploratory study on the emotional climate within family firms: The impact of emotional dissonance. *European Journal of Family Business*, *12*(1), 1-20. https://doi.org/10.24310/ejfbejfb.v12i1.10812

Wassenaar, C. L., Pearce, C. L., & Lorinkova, N. (2025). *Shared Leadership 2.0: Taking Stock and Looking Forward*. Cambridge University Press. https://doi.org/10.1017/9781009560467

Woolcock, M., & Narayan, D. (2000). Social capital: Implications for development theory, research, and policy. *The World Bank Research Observer*, *15*(2), 225-249. https://doi.org/10.1093/wbro/15.2.225

Zellweger, T., Eddleston, K. H., & Kellermanns, F. W. (2010). Exploring the concept of familiness: Introducing family firm identity. *Journal of Family Business Strategy*, *1*(1), 54-63. https://doi.org/10.1016/j.jfbs.2009.12.003

Zhang, X., & Bartol, K. M. (2010). Linking empowering leadership and employee creativity: The influence of psychological empowerment, intrinsic motivation, and creative process engagement. *Academy of Management Journal*, *53*(1), 107-128. https://doi.org/10.5465/amj.2010.48037118

Zhou, W. (2012). Moderating and mediating effects of shared leadership on the relationship between entrepreneurial team diversity and performance. *Unpublished Doctoral Dissertation,* City University of New York, NY.