



## Family Constitutions Regulating the Bright and Dark Sides of Family Involvement: Toward an Integrative Framework

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**Abstract** This article offers a conceptual analysis of an under-researched, yet widely used, family governance mechanism, namely the family constitution. It identifies what is understood by the term family constitution, reviews the existing literature, and highlights the major roles associated with it. Family constitutions appear to perform two main roles: avoiding conflicts and fostering a shared vision and commitment among family members. Using agency and stewardship perspectives, our paper anchors each role in a well-established theoretical framework. Furthermore, our conceptual analysis moves beyond this theoretical opposition and reconciles both views under the lens of regulatory focus theory (RFT). As such, this article offers a unifying integrative theoretical framework that provides a better understanding of the multiple roles played by family constitutions to unleash the full potential of this important family governance mechanism. Based on this integrative theoretical framework, we argue that effective family constitutions must regulate both the dark and bright sides of family involvement.

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Constitución familiar, Protocolo familiar, Gobierno familiar, Teoría del enfoque regulatorio, Teoría de la agencia, Teoría de la gestión

### Cómo la Constitución Familiar Regula sus Claroscuros: Hacia un Marco Integrador

**Resumen** Este artículo ofrece un análisis conceptual de un mecanismo de gobierno familiar poco investigado pero muy utilizado: el documento de constitución familiar. En este trabajo se desentraña el significado del término, se revisa la bibliografía existente y destacan las principales funciones que se le atribuyen. Las constituciones familiares parecen desempeñar dos funciones principales: evitar conflictos y fomentar una visión y un compromiso compartidos entre los miembros de la familia. Utilizando las perspectivas de agencia y gestión, nuestro trabajo vincula cada función en un marco teórico bien establecido y reconcilia ambas visiones bajo la lente de la teoría del enfoque regulador (*regulatory focus theory*, RFT). De este modo, este artículo ofrece un marco teórico integrador y unificador que permite comprender mejor las múltiples funciones que desempeñan las constituciones familiares para liberar todo el potencial de este importante mecanismo de gobierno familiar. A partir de este marco teórico, argumentamos que para que los documentos de constitución familiar sean eficaces, estos deben regular tanto los aspectos positivos como los negativos de la participación familiar.

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## 1. Introduction

A defining feature of family firms is the overlap of two different systems, the family system and the business system, which are governed by different principles. Both systems can strengthen each other such as, for instance, when family loyalty and dedication increase firm resilience during times of crisis such as in the recent pandemic (Calabrò et al., 2021; De Massis & Rondi, 2020). However, both systems can also undermine the functionality of the other system, such as when poor firm performance incites family conflicts or when nepotism creates a negative organizational climate (Kubiček & Machek, 2020; Memili et al., 2015; Miller & Le Breton-Miller, 2006). To manage the complex interactions between family and business, good governance mechanisms are of critical importance (Parada et al., 2020). Similar to their nonfamily counterparts, family-owned firms benefit from professional corporate governance, such as boards of directors with outside directors (Bammens et al., 2011; Pieper, 2003). Yet, due to their heightened complexity, family firms require additional governance mechanisms centred on regulating the family system and its impact on the business, referred to as family governance (Mustakallio et al., 2002; Parada et al., 2020). Family governance encompasses structures and mechanisms aimed at discussing and managing the complexity that arises from family involvement (Botero et al., 2015). Family governance is thus dedicated to - and focused on - the family level within family firms, which is increasingly recognized as an area in need of further analysis (González-Cruz et al., 2021; Picone et al., 2021).

Research on governance has a long tradition in the family business field and still today constitutes a lively area of scholarly inquiry (Chrisman et al., 2018; Daspit et al., 2018; Mustakallio et al., 2002; Zellweger & Kammerlander, 2015). While corporate governance (esp. boards of directors) received most attention over the years (Bammens et al., 2011; Brenes et al., 2011; Brunninge et al., 2007; Corbetta & Montemerlo, 1999; Gnan et al., 2015; Pieper, 2003), several scholars underlined the need for family firms to develop proper family governance tools as a complement to traditional corporate governance (Botero et al., 2015; Gallo & Tomaselli, 2006; Miller & Le Breton-Miller, 2006; Mustakallio et al., 2002; Parada et al., 2020; Suess, 2014). The fact that family governance has thus far received relatively limited scholarly attention is surprising considering the important role it plays in the toolkit of family business consultants. With this paper, we intend to advance this important research stream by offering an in-depth

conceptual analysis of such an under-researched family governance mechanism, namely the family constitution.

A family constitution is defined as a written document aimed at regulating the relationship between the family and the firm, in which the family writes out - and thus makes explicit - the rules and procedures governing its interactions with the business (Arteaga & Menéndez-Requejo, 2017; Botero et al., 2015; Montemerlo & Ward, 2011). Our choice to focus on family constitutions is warranted because of several reasons. First, the family constitution is one of the most widely used tools by family business consultants and practitioners, who perceive it as a highly useful tool to help family firms survive and prosper generation after generation (Arteaga & Escribá-Esteve, 2021; Matias & Franco, 2018). Second, this mechanism is particularly important and interesting as it stipulates and promotes the use of other governance mechanisms (Arteaga & Menéndez-Requejo, 2017). Third, several researchers have pointed out a lack of theorizing and in-depth work on family constitutions (Arteaga & Menéndez-Requejo, 2017; Botero et al., 2015; Fleisher, 2018). Our conceptual study aims to deepen the understanding of family constitutions and their major roles by developing an integrative theoretical framework while emphasizing the importance of considering the heterogeneity of business families.

Specifically, we first define and clarify the content and roles of family constitutions as a family governance mechanism. Following this, we discuss the main roles of family constitutions and anchor these in agency and stewardship theory, respectively. We then reconcile both perspectives using regulatory focus theory (Higgins, 1997) as an overarching framework. We argue that effective family constitutions must regulate both the dark and bright sides of family involvement and, thus, need to balance agency- and stewardship-based prescriptions. Our reconciliation of agency and stewardship views under a unifying regulatory focus framework enriches the family business governance field and offers a coherent multi-theoretic lens to analyse the multiple roles played by family constitutions. As such, this article answers calls for greater theoretical development on this topic (e.g., Rodríguez-García & Menéndez-Requejo, 2020; Suess, 2014) by moving beyond a dialectical agency-stewardship approach to propose a novel and unified theoretical foundation for the analysis of family constitutions. Moreover, our integrative framework underscores the importance of considering the heterogeneity of families and their family governance mechanisms and guides the effective design and use of multi-function family constitutions by and for business families.

## 2. Key Concepts and Literature

### 2.1. Family governance mechanisms

Family governance refers to different structures and mechanisms - formal and informal - established voluntarily to discuss and manage family-induced dynamics and complexities in family businesses (Botero et al., 2015). It helps to maintain and reinforce the relationship between the family and the business while enhancing cohesion among the family members themselves (Arteaga & Escribá-Esteve, 2021; Chrisman et al., 2018; Jaffe & Lane, 2004; Rodríguez-García & Menéndez-Requejo, 2020; Suess, 2014). As family governance is based on a relational component and applied voluntarily (Botero et al., 2015; Mustakallio et al., 2002), there is no “one size fits all” in terms of mechanisms and standards of application (Howorth & Kemp, 2019; Parada et al., 2020; Suess, 2014). Since there are no legal or defined standards related to family governance, these mechanisms can take various forms (Arteaga & Escribá-Esteve, 2021; Mustakallio et al., 2002). Among them, the most prevalent ones are family meetings, family councils and family constitutions (Suess, 2014). These mechanisms are deemed useful to regulate and supervise the dynamics of the overlapping family and business systems (Arteaga & Escribá-Esteve, 2021; Melin & Nordqvist, 2007; Pieper, 2010).

In the literature, the implementation of family governance mechanisms is associated with the degree of complexity of the family business (Howorth & Kemp, 2019; Lambrecht & Lievens, 2008; Montemerlo & Ward, 2011; Poza, 2010). Complexity among family businesses typically grows with the number of generations involved, the number of people involved, and the size of the business (Gimeno et al., 2006; Jaffe & Lane, 2004; Lambrecht & Lievens, 2008). Family governance mechanisms, especially the more formal ones, are thus mostly applied by multigenerational family businesses (Jaffe & Lane, 2004; Montemerlo & Ward, 2011; Poza, 2010; Suess, 2014).

While corporate governance seems to be implemented in a majority of family businesses (Pieper, 2003), a need has been identified for family governance mechanisms to complement the corporate governance system (Daspit et al., 2018; Schickinger et al., 2018). While this need to create family governance mechanisms, matching the complexities of the family and its business, is widely recognized among practitioners and consultants, the academic literature on this topic remains surprisingly underdeveloped (Chrisman et al., 2018; Gnan et al., 2015; Le Breton-Miller & Miller, 2018; Suess, 2014). This lack of research is certainly observable for family constitutions

(Arteaga & Escribá-Esteve, 2021; Matias & Franco, 2018), which often form the foundation for other governance mechanisms by describing their design and use. We now turn our attention to the main subject of this paper, namely family constitutions.

### 2.2. Family constitutions

As stated by Montemerlo and Ward (2011, p. 84), “[a] family constitution synthesizes the family’s hope, the owners’ needs, and the business’s requirements”. Although their adoption rate among family firms still shows potential for growth, family constitutions are often portrayed as representing the cornerstone of an effective family governance system, especially when the family grows in complexity (Arteaga & Escribá-Esteve, 2021; Matias & Franco, 2018; Montemerlo & Ward, 2011). The fact that family constitutions, judged to be useful in helping family firms survive and prosper generation after generation, received limited scholarly attention constitutes a relevant research gap (Arteaga & Escribá-Esteve, 2021; Matias & Franco, 2018). Such consensus-based documents are particularly valuable in turbulent times, when the family and/or business system is subject to change and dynamism (e.g., death of a family blockholder, responding to crisis moments) where they serve as a common ground and solid starting point for coordinated action. Therefore, this paper focuses on this tool and aims to theorize its major roles and advance the scientific debate on it.

A family constitution is typically defined as a written document aimed at regulating the relationship between the family and its business, in which the family writes out the rules and procedures governing its exchanges with the family business (Arteaga & Menéndez-Requejo, 2017; Botero et al., 2015; Gallo & Tomaselli, 2006; Matias & Franco, 2018; Montemerlo & Ward, 2011). Specifically, family constitutions articulate the principles, collective values, strategy, identity, and expectations of the family with the firm (Botero et al., 2015; Fleisher, 2018; Gallo & Tomaselli, 2006; Suess, 2014). Family constitutions have also been described using a process perspective - i.e., as a process of communication and consensus-building among family members - rather than as a written document (Arteaga & Menéndez-Requejo, 2017; Matias & Franco, 2018; Rodríguez-García & Menéndez-Requejo, 2020).

Several terms are used to designate this family governance mechanism: family protocol, family constitution, family charter, family creed, or family agreement (Arteaga & Menéndez-Requejo, 2017; Fleisher, 2018; Howorth &

Kemp, 2019; Montemerlo & Ward, 2011). The family constitution is, however, different from the shareholder agreement<sup>1</sup> as it only concerns family members (shareholders or not) and the constitution is typically considered as not legally binding, although it can be decided to give it a legal status (Fleisher, 2018). As the tool is mainly used and known by practitioners, and as there is no legal form of it, the content is inherently heterogeneous and has not yet been rigorously studied (Arteaga & Escribá-Esteve, 2021; Montemerlo & Ward, 2011). However, following different scholars, family constitutions seem mainly composed of the following sections (Arteaga & Escribá-Esteve, 2021; Arteaga & Menéndez-Requejo, 2017; Montemerlo & Ward, 2011):

- The preamble.
- The statement of family beliefs and/or values.
- The agreements regarding the family in management.
- The agreements regarding the ownership and succession plan related to family members.
- The agreements regarding the specific economic aspects and the employment of family members.
- The agreements regarding specific governance bodies and mechanisms.

Family constitutions cover central identity aspects related to the business family such as its history, values, beliefs, and vision, as well as more economic aspects such as liquidity, dividend and employment issues. As the document includes core family beliefs, values, and objectives, it helps (incoming) family members better understand their role and to adjust their intentions and expectations accordingly which, in turn, enhances family commitment to the business (Botero et al., 2015). Yet, as mentioned, few prior studies have explored the actual content of family constitutions (e.g., Gallo & Tomaselli, 2006; Montemerlo & Ward, 2011), which can be partly explained by the non-legally binding and heterogeneous nature of the tool, but also by the difficulty to access the document, which is highly confidential (Arteaga & Escribá-Esteve, 2021; Rodríguez-García & Menéndez-Requejo, 2020). To integrate and build on insights from prior work, we conducted a narrative literature review (Baumeister & Leary, 1997; Snyder, 2019) covering the period 2010-2022 based on academic and practitioner sources relevant to the concept and implementation of family constitutions.<sup>2</sup> This approach enabled us to synthesize key insights from a fragmented literature. Based on this review (see Table 1), we identify two overarching roles typically performed by family constitutions.

1. "Shareholder agreements are contracts that govern the relationships among multiple shareholders in privately held and publicly traded companies, specifying details such as the circumstances under which each shareholder may sell, buy, transfer, pledge or encumber shares (Chemla et al., 2007). As a contract, they create an obligation to action (or inaction) in the future and are based on mutual acceptance of the contract parties (Rousseau & McLean Parks, 1993)" (Binz Astrachan et al., 2021, p. 2). The main differences with a family constitution are that members concerned are not chosen based on family relationships but based on the fact that they hold shares of the business, and that the shareholder agreement is legally binding while the family constitution is morally binding. Consequently, shareholder agreements contain more technical and legal points related to the functioning of shareholders while family constitutions are more oriented towards guiding principles.

2. Databases consulted include Scopus, Web of Science, JSTOR, and Google Scholar. We used a combination of keywords such as "family constitution," "family protocol," "family charter," "family business governance documents," "family governance," and "family business governance practices." The search and selection process included peer-reviewed academic articles, book chapters, and reputable practitioner outlets, while excluding purely practitioner-oriented documents lacking academic grounding or originating from non-verified sources.



Table 1. Major Family Constitution Roles

Role of a family constitution	Source	Illustrative quote
1. To avoid conflicts	Montemerlo & Ward (2011), p. 4.	"(...) preventing conflicts over unnecessary misunderstandings".
	Suess (2014), p. 14.	"[Its basic aim [family governance] is to create a tight relationship between the family and the business and ensure a functioning business-owning family - one that (...) does not put the business at risk through destructive conflicts".
	Botero et al. (2015), p. 219.	"Protocols enable family firms to regulate, manage, and prevent problems (...) The belief is that having guidelines that regulate areas for potential conflict will help family firms prevent and manage conflict situations (...)".
	Arteaga & Menéndez-Requejo (2017), p. 322.	"The consultants agree that the main objectives of the Protocol are to avoid conflicts in the family business (...)".
	Fleisher (2018), p. 16.	"In practice, family constitutions aim to (...) prevent conflicts between the various sub-systems of ownership, family and business and thus secure the long-term existence of the family firm".
	Arteaga & Escribá-Estevé (2021), p. 206	"Family protocols mostly revolve around anticipating potential conflicts related to succession processes and the incorporation of family members in managerial positions in the firm. They are intended to create policies to provide potential solutions to issues that may become conflictive, reducing family members' interference in ownership and management (Gallo & Kenyon-Rouvinez, 2005)."
		"Family constitutions aim to reduce family conflicts and thus ensure the survival of the firm (...) The family constitution may implement mechanisms for the prevention or resolution of conflicts (...)".
	Rodriguez-Garcia & Menéndez-Requejo (2020), online	"A family constitution can be useful in solving conflicts between shareholders since it promotes and establishes mechanisms of governance (Montemerlo & Ward, 2011). Thus, the protocol usually agrees rules for the inclusion of different family branches on the board of directors. In addition, disputes over transfer of ownership can be mitigated with typical family constitution agreements on testamentary limitations, marriage regimes, exit plans, and contractual deals such as tag-along and drag-along. »
	González-Cruz et al. (2021), pp. 7-8.	"The research underlines the role of the family regulatory framework, especially the family constitution, as a safeguard against conflicts, harmful decisions and destructive behaviours. This approach emphasizes the concept of mutual accountability but overlooks others that are equally important, such as understanding, acceptance and adherence. These concepts provide the required sense of shared principles and aspirations amongst family members, as well as a sense of consistency and fairness. Therefore, a family regulatory framework requires a set of institutions and processes for interpretation, amendment and adaptation to new realities and family members' aspirations. Without the support of this family governance structure, family constitutions become a 'blue law' - a "monument" to the founder generation (Tait, 2019, p. 15). » (p.7-8)

Role of a family constitution	Source	Illustrative quote
2. To enhance the affection familia <sup>3</sup> by maintaining unity in ownership and commitment	Montemerlo & Ward (2011), p. 4.	"To keep family ownership united and to forge a broad and strong owning family's commitment to the future of the family's business".
	Montemerlo & Ward (2011), p. 23.	"To reinforce family strength as family".
	Botero et al. (2015), p. 219.	"These family governance tools, in turn, enhance family, ownership, and business processes [i.e., family cohesion, trust between family members, understanding of roles in the business, understanding goals and objectives, (...)] that improve the quality of relationships between family members (...)".
	Fleisher (2018), p. 16.	"As with a shareholder agreement based on the affectio societatis, the family constitution serves the affectio familiae, the fostering of a feeling of belonging through shared values and rules of conduct".
	Matias & Franco (2018), online.	"The family protocol has led to creating a spirit of family unity and commitment, and it is a necessary condition for this firm's existence and continuity. »
	Arteaga & Escribá-Esteve (2021), p. 206	"Thus, the development of family protocols is meant to facilitate trust, goal alignment and family firm continuity (Berent-Braun & Uhlaner, 2012; Suess, 2014)."

First, family constitutions are described as a tool focused on the will to prevent potential negatives – such as family conflicts – among family members (Arteaga & Menéndez-Requejo, 2017; Gallo & Tomaselli, 2006; Rodriguez-Garcia & Menéndez-Requejo, 2020; Suess, 2014). In that sense, it can be seen as *a control-oriented mechanism* aimed at clarifying the rules and tempering the power of family members (Botero et al., 2015; Fleisher, 2018; Howorth & Kemp, 2019). Second, it also appears to be considered as a tool focused on the will to reinforce unity among family members and enhance their commitment to the family business. In that vein, it can be seen as *a support-oriented mechanism*, enhancing trust, fostering alignment to a shared vision, and creating a strong commitment to the continuity of the business (Arteaga & Escribá-Esteve, 2021; Botero et al., 2015; Fleisher, 2018; Montemerlo & Ward, 2011). In the following section, we analyse and offer a theoretical anchor for these control- and support-oriented roles. To do so, we rely on two theories which have dominated the family business governance field, namely agency and stewardship theory.

### 3. Agency and Stewardship Perspectives

To date, there is a lack of theorizing on the different roles that a family constitution can serve, which limits the advancement of this research area as a recognized scientific field. The previous section highlighted two main roles attributed to family constitutions in prior work. It is useful to note here that, next to directly

serving these control-oriented (preventing negatives) and support-oriented (promoting positives) functions, family constitutions also lay the foundation for the use of other family governance tools such as family meetings or councils (Montemerlo & Ward, 2011; Rodriguez-Garcia & Menéndez-Requejo, 2020; Suess, 2014). To offer a stronger theoretical anchoring for both constitution roles, we sought inspiration from prior work on corporate and family business governance, in particular its reliance on agency and stewardship theoretic lenses (Bammens et al., 2011; Davis et al., 1997; Jensen & Meckling, 1976). To support the fact that these two theories have a major influence in the field, in 2018 Le Breton Miller and Miller showed that there were 107 family business publications, between 2000 and 2014, referencing agency and stewardship theories (Le Breton-Miller & Miller, 2018).

#### 3.1. Agency theory

Agency theory hails from organizational economics and is the dominant paradigm in corporate governance research. Traditionally, agency theory assumes a divide between the ownership and management of firms and posits that principals (owners) and agents (managers) will not share the same interests (Lane et al., 2006; Corbetta & Salvato, 2004; Fama & Jensen, 1983; Hill & Jones, 1992). With individuals assumed to act in their own best interest, a conflict of interest between owners and managers is said to cause significant agency costs (Fama & Jensen, 1983; Madison et al., 2016); these agency costs are defined as "[t]he sum of the principal's monitoring

3. Latin term that can be understood as family affective commitment.

expenditures, the agent's bonding expenditures, and any remaining residual loss" (Hill & Jones, 1992, p. 192). Grounded in individualistic-opportunistic motivational assumptions, where humans are portrayed as being solely motivated to maximize their own interests, agency theory centres on the use of control mechanisms to mitigate potential conflicts of interest between owners and managers, which would otherwise undermine shareholder value (Chrisman et al., 2010; Corbetta & Salvato, 2004; Jensen, 1994; Sundaramurthy & Lewis, 2003). In such agency settings, governance mechanisms thus have as primary role the monitoring and controlling of agents to curb opportunistic behaviours (Bammens et al., 2011).

When looking at family firms, traditional principal-agent problems are expected to be less severe given the overlap of ownership and management in these firms. However, the agency debate on family firms has broadened, by recognizing that other agency problems exist in these organizations (Howorth & Kemp, 2019; Martin, 2001; Westhead & Howorth, 2006). One of these agency problems appearing in family businesses is known as "principal-principal agency costs" or "family blockholder conflicts", where controlling family owners exploit minority nonfamily shareholders (Cho et al., 2018; Miller et al., 2013; Morck & Yeung, 2003; Rodriguez-Garcia & Menéndez-Requejo, 2020; Zellweger & Kammerlander, 2015). Moreover, acknowledging that family bonds do not necessarily eliminate agency problems, scholars have described agency problems within owning families, for instance between different family members, family branches or family generations - indeed, different family parties may have divergent financial and socioemotional (e.g., nepotism<sup>4</sup>) priorities which create a conflict of interest (for a review, see Bammens et al., 2011). Recently, Zona and colleagues (2025) also explored "agent-agent conflicts" within the family business governance literature. These conflicts arise in family firms with shared leadership structures, such as when co-CEOs run the business, where multiple agents compete for the favour of dominant family owners, potentially in ways that undermine long-term firm performance. Such negative dynamics underscore the need for robust board oversight to mitigate harmful outcomes (Zona et al., 2025). Applying an agency theoretic lens to family

constitutions enables a better understanding of this mechanism as a tool to help family members prevent or minimize potential harm. In other words, from a "gloomy" agency perspective, the focus of governance mechanisms like family constitutions should be on avoiding negative events - such as avoiding destructive conflicts and harmful nepotism - which may hurt not only the business but also the long-term welfare of the family as a whole (Bammens et al., 2011; Botero et al., 2015). The family constitution is thus envisioned as a governance tool consisting of a monitored frame of objective procedures; this frame of written rules and practices is intended to avoid conflicts and minimize other agency costs among family stakeholders (Rodriguez-Garcia & Menéndez-Requejo, 2020; Young et al., 2008). For instance, family constitutions can stipulate strict conditions for family members' access to employment in family businesses or even prohibit members of the extended family from taking up managerial functions to avoid nepotism and strife between branches. Elements related to succession planning can also be specified to reassure the generation to be succeeded to be able to monitor this critical phase and avoid agency problems with future generations.

### 3.2. Stewardship theory

Contrary to agency theory and its "homo economicus" model of man rooted in economics, stewardship theory has its origins in sociological and psychological approaches, depicting organizational members as potentially pro-organizational and trustworthy (Davis et al., 1997; Le Breton-Miller et al., 2011; Madison et al., 2016). Stewardship theory accounts for socialization processes by which managers identify with, and internalize, organizational goals, such that their interests are aligned with those of the firm's principals (Corbetta & Salvato, 2004; Davis et al., 1997; Sundaramurthy & Lewis, 2003). As such, stewards value cooperative behaviours that allow the pursuit of common goals (Zahra et al., 2008). In relation to governance, the focus is thus on managing convergence rather than divergence, on social mechanisms like trust rather than formal control, and on supporting and empowering the management of the firm (Davis et al., 1997; Eddleston & Kellermanns, 2007). From a stewardship perspective, control is even seen as potentially counterproductive since

4. Nepotism can represent an intrapersonal self-control problem in which a family decision-maker acts on short-term altruistic tendencies to the detriment of the firm's and the family's (cf. spoiled kid syndrome) long-term interests, as well as an interpersonal agency problem when these nepotistic inclinations are not shared by all members of the owning family (cf. strife between family branches) (Bammens et al., 2011; Schulze et al., 2001).

it may undermine stewards' pro-organizational motives (Davis et al., 1997; Sundaramurthy & Lewis, 2003).

In the setting of family firms, family members are often depicted as attaching more importance to identity, inclusivity, commitment, history, values and other non-financial goals (Botero et al., 2015; Gómez-Mejía et al., 2011; Le Breton-Miller et al., 2011; Miller et al., 2008; Vincent Ponroy et al., 2019). Some researchers suggest that a stewardship model of governance, where stewards identify with organizational goals and governance mechanisms are centred on support and empowerment, is more aligned with the essential nature of most family firms (Bammens et al., 2010; Habbershon et al., 2003; Zellweger et al., 2010). Not only are organizational members generally more inclined to internalize nonfinancial objectives, but they are also more likely to identify with the owning family and to show a sense of loyalty and dedication to it (Bammens et al., 2010; Davis et al., 1997; Pastoriza & Ariño, 2011). Such stewardship dynamics are relatively less straightforward in nonfamily firm settings, characterized by a stronger focus on financial metrics, and transactional relationships, with often distant and faceless principals.

Using a stewardship lens enables us to envision family constitutions as being responsible for the upholding, across time and generations, of strong commitment among family members to core values, missions, and prosocial orientations (e.g. care for employees, care for community) (Le Breton-Miller & Miller, 2015). From this stewardship perspective, the focus of governance mechanisms like family constitutions should be on promoting positive factors (rather than avoiding negative factors as per agency theory) - such as building social cohesion and a shared family vision, strengthening the family's bond with the business, and transmitting the family's culture and values (Botero et al., 2015; Fleisher, 2018; Howorth & Kemp, 2019). Stewardship-oriented procedures - such as organizing social events for the extended family or initiating philanthropic activities that reflect shared family values - are then central to family constitutions, helping to strengthen family cohesion around the shared project of the family firm and its long-term objectives.

#### 4. Regulatory Focus Theory to Move Beyond Opposition

In the previous sections, we discussed how an agency lens on family constitutions is associated with a focus on avoiding negative factors such as destructive conflicts and harmful nepotism; whereas a stewardship lens is associated with

a focus on achieving positive factors, such as cohesion, commitment and a shared vision (Bammens et al., 2011; Botero et al., 2015). From a theoretical perspective, agency and stewardship are often viewed as opposites, where people are said to adopt one or the other approach (Corbetta & Salvato, 2004; Davis et al., 1997). That is, a particular governance setting is typically depicted as being either centred around agency principles - where agents are viewed as untrustworthy with calls for strict control - or around stewardship principles - where stewards are viewed as trustworthy with calls for support. This theoretical opposition is anchored in opposing views of man, with agency theory representing the "homo economicus" view (pursuing self-interest) and stewardship theory being more in line with the "homo sociologicus" view (fulfilling social roles) (Bammens et al., 2011; Corbetta & Montemerlo, 1999; Davis et al., 1997).

In most real-life situations, however, effective governance mechanisms need to combine control and support - which is evident in corporate governance where board members combine the exercise of control over with the provision of advice to management (Bammens et al., 2011), as well as in family governance where both the bright and the dark sides of family involvement need to be addressed (Botero et al., 2015; Fleisher, 2018; González-Cruz et al., 2021). In this article, we propose that regulatory focus theory (Higgins, 1997, 1998) offers a unifying theoretical framework, which allows us to move beyond the agency-stewardship opposition and to analyse both governance roles (avoiding negatives and pursuing positives) under a coherent overarching framework.

##### 4.1. Regulatory focus theory

Regulatory focus theory (RFT), which has its roots in social psychology, is a theory of goal pursuit centred on clarifying variance in people's attentional focus on avoiding losses versus attaining gains (Crowe & Higgins, 1997; Higgins, 1997, 1998). RFT suggests that goals can be pursued via two motivationally distinct strategies: a *promotion focus* where individuals tend to seek advancement by pursuing positive outcomes (matches), and a *prevention focus* where their proclivity is to ensure security by avoiding negative outcomes (mismatches) (Brockner & Higgins, 2001; Higgins, 1997). Rather than being opposite ends of a single continuum, these regulatory foci (prevention and promotion) are independent constructs and can both be highly considered by people, or people can choose to make one more dominant than the other (Angel & Hermans, 2019; Gamache et al., 2015; Higgins, 1998; Jiang et al., 2020). Given



that this distinction between a promotion focus and a prevention focus closely resembles the opposing governance views (stewardship and agency, respectively), we posit that RFT offers a useful integrative framework to reconcile both governance perspectives when analysing family constitutions.

Approaching “matches” is related to a promotion focus and people’s nurturance needs for growth and advancement (Brockner et al., 2004; Higgins, 1997). When operating under this regulatory focus, motivation is strategically driven by the presence or absence of positive outcomes, i.e., the strategic approach is oriented towards gain/non-gain situations. Therefore, a promotion focus deals with behaviours centred on advancements,

accomplishments and growth where people are motivated to attain their ideals and aspirations (Brockner & Higgins, 2001; Higgins, 1998). Avoiding “mismatches” is related to a prevention focus and people’s security needs for safety and survival (Brockner et al., 2004; Higgins, 1998). When operating under this regulatory focus, motivation is strategically driven by the absence or presence of negative outcomes, i.e., the strategic approach is oriented towards non-loss/loss situations. A prevention focus deals with behaviours centred on security, safety and strong “oughts” to avoid negative outcomes or prevent situations from worsening (Angel & Hermans, 2019; Higgins, 1997). Table 2 summarizes the main differences between promotion and prevention.

Table 2. Overview of Promotion and Prevention

Regulatory focus theory	Promotion focus	Prevention focus
Needs	Nurturance needs	Security needs
Outcomes	Potential gains	Potential losses
Strategies	Eager strategy of accomplishing hits and avoiding misses	Vigilant strategy of avoiding mistakes and accomplishing correct rejections

A strength of RFT resides in its recognition of the idea that both types of regulatory focus can be necessary to achieve success in particular fields (e.g., see Brockner et al., 2004 applying RFT to entrepreneurship). In relation to our focal topic of family governance and constitutions, this allows us to bring both prevention/agency and promotion/stewardship views together. Yet, when applying RFT to family governance, a note on the level of analysis is in order. As clarified by Johnson and colleagues (2015) in their review piece on multilevel regulatory focus, “the nomological network of regulatory focus spans individuals, groups, and organizations” (Johnson et al., 2015, p. 1501). Since we are interested in the design of family constitutions, the most relevant unit of analysis for our purposes will be the group level- which is the family in this case - because discussions about the content of constitutions typically take place within “the dominant family coalition”. Indeed, prior evidence reveals that collective forms of regulatory focus can control behaviour in teams (for a detailed discussion, see Johnson et al., 2015).

As the above discussion illustrates, RFT can be connected to agency theory in explaining the control-oriented measures taken to prevent family-related negative outcomes. Specifically, a prevention focus can be linked with the agency perspective on family constitutions because this form of regulatory focus is directed toward potential negatives and how to prevent these

from occurring (Angel & Hermans, 2019; Gamache et al., 2015; Higgins, 1997). This includes, for instance, provisions in the family constitution dealing with the possibility and resolution of paralyzing stalemates between feuding family factions, divergent preferences between active and passive family members, share transfers that might threaten family control, and procedures to avoid the employment of unqualified offspring (Arteaga & Menéndez-Requejo, 2017; Rodriguez-Garcia & Menéndez-Requejo, 2020).

The link between RFT and stewardship theory can be made when looking at the second form of regulatory focus. Indeed, a stewardship approach to governance proposes support-oriented measures, which can be linked to a promotion focus centred on achieving potential positive family-related outcomes (Brockner & Higgins, 2001; Gamache et al., 2015; Jiang et al., 2020). This includes, for example, provisions in the family constitution dealing with the fostering of family cohesion, the transmission of the family’s culture and values, upholding family commitment to the firm, and fostering feelings of belonging and identity such that motivated and qualified family members find their way to the business (Bettinelli et al., 2021; Fleisher, 2018; Howorth & Kemp, 2019; Le Breton-Miller & Miller, 2015). Therefore, the main contribution of RFT concerning the design of family constitutions lies in the fact that it offers a unifying framework to consider the balancing of a preventive agency

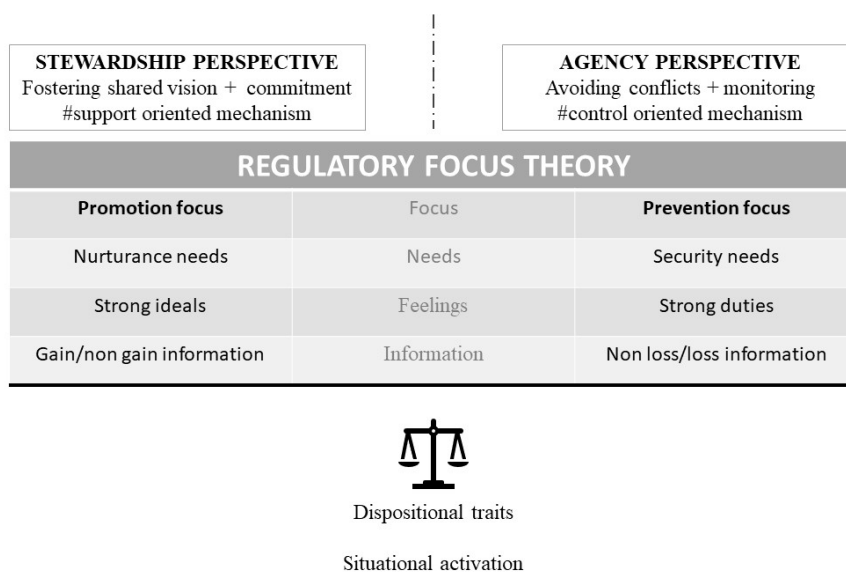
and a promotive stewardship perspective. To further clarify this, we now turn our attention to the determinants of a prevention versus a promotion focus.

#### 4.2. Antecedents

RFT differentiates between two broad categories of regulatory focus antecedents, namely *dispositional attributes* and *situational factors* (Brockner et al., 2004; Gamache et al., 2015). *Dispositional attributes* refer to relatively stable psychological traits which explain why, for instance, some people are more growth-minded or hopeful whilst others are more conservative or fearful. When the family coalition is heavily influenced by one or more members with a conservative stance (e.g., the founding father preoccupied with preserving his legacy), the family constitution may have a predominant preventive agency flavour, or vice versa (Jiang et al., 2020).

More interesting for our research purposes, however, is the RFT notion of *situational activation* since this allows us to account for combinations of preventive agency and promotive stewardship within a single-family constitution. Contrary to dispositional attributes, *situational activation* is contingency dependent. Indeed, specific situations can make one form of regulatory focus more dominant than the other, by signalling the extent to which a particular focus is meaningful or important, thereby causing situational variability in regulatory focus (Angel & Hermans, 2019; Higgins, 1998; Jiang et al., 2020). Generally speaking, according to RFT, situations that increase the salience of gain information, activate growth and nurturance needs, or elicit strong ideals, will encourage a promotion focus while, in contrast, situations that communicate loss information, activate security and protection needs, or elicit strong “ought” feelings, will stimulate a prevention focus (Higgins, 1997). This is summarized in Figure 1.

Figure 1. Balancing Promotion and Prevention



With this in mind, the question is not about choosing one theoretical perspective (agency or stewardship) or “model of man” (Corbetta & Salvato, 2004) to envision and analyse the role of family constitutions, but instead to acknowledge that both models coexist in most business families, in different ways as it is intrinsically related to family heterogeneity (Binz Astrachan et al., 2021; Chrisman et al., 2018; Picone et al., 2021).

#### 5. Towards an Integrative Theoretical Framework

While RFT is applicable across multiple levels

of analysis (for a discussion, see Johnson et al., 2015), it was originally developed in psychology at the individual level (Higgins, 1997). As such, some of its foundational concepts and tenets need to be translated when moving to higher units of analysis, such as groups like business families. This also applies to the RFT concepts of dispositional and situational factors, which can activate a collective promotive or preventive regulatory focus at the group level (Brockner & Higgins, 2001; Johnson et al., 2015). It is therefore useful to clarify how we interpret these concepts in the context of business families - specifically in relation to family governance and family constitutions.

At the individual level, dispositional tendencies in RFT refer to relatively stable or chronic traits, shaped in part by long-term socialization processes (Higgins, 1997). In the context of group-level family governance processes, collective dispositional tendencies reflect the relatively stable inherent traits of a business family as shaped by shared social elements such as their unique family history, traditions, and culture. For instance, often told family stories related to the celebration of “attaining accomplishments or fulfilling hopes and aspirations” (Higgins, 1997: p. 1282) foster a collective disposition toward promotion. Such tendencies thus reflect a general outlook of the business family, which may lean more toward a promotion focus (e.g., entrepreneurial families) or a prevention focus (e.g., more conservative families) (Miller & Le Breton-Miller, 2014). This is not to suggest that families’ general regulatory stance is immutable – just as individuals can undergo dispositional changes over time (Johnson et al., 2015), so too can families evolve, for instance through the involvement of new generations that alter family structure and dynamics (Bammens et al., 2008; Gersick et al., 1997). The key point, however, is that a business family’s general regulatory stance is a relatively enduring (though not necessarily fixed) inherent trait that characterizes the family as a group in general terms.

Situational factors, in contrast, are more transitory within the RFT framework – such as when people perform a particular task that is framed in a specific way, or when responding to certain environmental circumstances (Bammens et al., 2022; Brockner & Higgins, 2001; Higgins, 1998). These situational factors can temporarily activate a regulatory focus that diverges from one’s general dispositional stance (Higgins, 1998), thereby creating greater scope for combinations of prevention and promotion – and thus a more integrative perspective – across domains and periods. In the context of our study, we focus on specific family governance topics as situational triggers embedded within family constitutions. Indeed, family constitutions address a variety of issues (Arteaga & Escribá-Esteve, 2021; Arteaga & Menéndez-Requejo, 2017; Montemerlo & Ward, 2011), and we posit that specific topics can elicit different emphases on promotion or prevention which can deviate from a family’s general regulatory stance. This aligns with the core RFT notion that situational

activation accounts for intra-subject regulatory variance across conditions and instances (Higgins, 1997, 1998). Thus, even if a business family is commonly promotion-oriented based on chronic stewardship-like family attributes, it may adopt a prevention-focused agency approach for a given situational topic based on prior topic-specific experiences. For instance, due to a recent offspring free-rider incident (cf. Schulze et al., 2001, 2003), a generally promotion-minded business family may nevertheless adopt a strict prevention focus on family constitution provisions dealing with family employment, in an effort to prevent future issues.<sup>5</sup>

Overall, our approach – extending the original individual-level RFT framework to the setting of business families devising family constitutions – allows us to account for both differences in dominant focus across families (inter-family heterogeneity, based on their general stance) as well as differences in focus across sections or provisions within a single family’s constitution (intra-family heterogeneity, based on specific topics).

The bright sides of family involvement are typically associated with elements such as cohesion, vision, and commitment – qualities that families seek to promote, and which align with the support-oriented stewardship perspective (Davis et al., 1997; Miller & Le Breton-Miller, 2014). Conversely, the dark sides are linked to elements like nepotism, conflicts, and jealousy – dysfunctions that families seek to prevent and which are consistent with the control-oriented agency perspective (Schulze et al., 2003). RFT provides a unifying framework to integrate these two perspectives and a theoretically grounded way of analysing how families manage both the bright and dark sides of their involvement through the design of their family constitution – as opposed to having a focus on one or the other as per traditional stewardship and agency lenses (Bammens et al., 2011). As said, variation can occur both across family constitutions (e.g., some families being more guided by nurturance than by security needs) and within constitutions (e.g., across sections and provisions). Framing family constitutions through an RFT lens with topic-based situational variation suggests that both perspectives – preventive agency and promotive stewardship – can coexist in an “and/and” manner across the document. Yet, at the level of specific provisions of a family constitution, an “either/

5. It is worth noting that topical situational activation can occur even in the absence of prior family experiences related to a given topic. For example, sections concerning vision and mission may inherently invite a promotion-focused orientation, while provisions addressing sensitive financial matters – such as the role of in-laws in ownership – may more readily trigger a prevention focus aimed at pre-empting potential conflict.

or” orientation is likely to prevail, depending on which attentional focus is situationally activated by the provision’s content, with the general regulatory stance being the default in the absence of situational activation (Higgins, 1997). In other words, while constitutions will often apply both regulatory logics across sections (and/or), individual sections and provisions are expected to lean more explicitly toward one regulatory focus over the other (either/or).

Moreover, the RFT framework can accommodate temporal variation in business families’ regulatory focus within family governance design, thereby introducing a dynamic perspective to the analysis of family constitutions. A family’s regulatory orientation is not fixed but may evolve over time, as “the strength or accessibility of a regulatory focus, like any other kind of procedural knowledge, can vary chronically or momentarily” (Higgins, 1998, p. 20). Above, we already referred to chronic family-related variation - for instance, when later generations enter the family business, often altering family structure and the balance between agency and stewardship in an enduring way (Bammens et al., 2008; Le Breton-Miller et al., 2011). Such generational transitions can shift the family’s general or dispositional regulatory stance, potentially necessitating amendments to the constitution to avoid dissonance with the family’s evolving orientation. Whether these shifts intensify a promotion or prevention focus depends on the specifics of the generational change and the parties involved. For example, if later generation involvement introduces greater potential for conflict (Bammens et al., 2008), a prevention-oriented stance may emerge; conversely, if younger family successors champion ideals of innovation and renewal, a promotion focus is reinforced. This evolving regulatory orientation underscores the importance of viewing family constitutions as living documents intended to be revisited periodically considering changing family priorities.

Temporal variation can also be more momentary, such as when external shocks (e.g., a firm-level crisis or a macroeconomic downturn) activate a situational promotion or prevention focus (Bammens et al., 2022; Higgins, 1997). The point is not that family constitutions should be continuously updated to reflect such temporary external conditions. By design, they are rather stable, enduring documents meant to provide consistent guidance through transient crises, not to be rewritten in response to every short-term fluctuation. Still, temporary circumstances can leave an imprinting effect (Marquis & Tilcsik, 2013), shaping the content of provisions drafted during those periods in ways that outlast the conditions themselves. This helps explain why

otherwise similar families, with comparable topic-related experiences, may nonetheless display different regulatory flavours in their family constitution depending on the period and transitory context in which it was written. Importantly, different family constitution sections may have been drafted or added at different points in time, introducing the possibility of regulatory variation across sections because of distinct external conditions or situational triggers. Also, certain family constitution provisions may have been more strongly shaped by prevailing external circumstances than others. For instance, clauses relating to the economic aspects of family involvement are more sensitive to the influence of economic crises than other sections. These dynamics provide a further explanation for intra-constitutional variance in regulatory focus - this time attributable to the external context at the time of writing.

Each of the determinants of variation discussed thus far - namely, enduring family-level attributes, specific governance topics, and transitory external conditions - can be linked to a corresponding regulatory focus in family governance design through the regulatory drivers identified in RFT as outlined in Figure 1 above: (a) nurturance/security needs, (b) ideals/duties, and (c) gain/loss information (Bammens et al., 2022; Higgins, 1997, 1998). Extended family-level socialization processes are reflected in a family’s shared history, narratives, values, and the like. The development of collective regulatory dispositions within families parallels the individual-level mechanisms described by Higgins (1997), whereby group-level mechanisms - such as emphasizing the pursuit of family aspirations (or “dreams and visions”; Litz & Kleysen, 2001) vs. the duty of preserving the family legacy - can shape a business family’s general regulatory focus, and its associated agency versus stewardship orientation (Le Breton-Miller et al., 2011; Miller & Le Breton-Miller, 2014). While this general stance may be reflected throughout the family constitution, it is likely to be particularly salient in sections such as the preamble or the articulation of shared family values and beliefs. In terms of intra-family variation across governance topics within a single constitution - i.e., topical situational activation - the families’ past functional or dysfunctional experiences with specific issues (e.g., ownership by in-laws) may trigger a topic-specific regulatory focus that either aligns with or deviates from their general orientation. For instance, based on a prior negative experience involving in-laws, a generally promotion-focused business family may adopt restrictive, prevention-oriented provisions concerning in-law ownership participation, as this



governance topic heightens the salience of loss-related information (Higgins, 1997). Likewise, if a family previously experienced a negative instance of nepotism - in which unqualified family members harmed the firm's climate or performance (Bammens et al., 2011; Schulze et al., 2003) - the family employment section of the constitution will heighten the salience of loss information and activate a prevention focus in that domain (Higgins, 1998).

Finally, transitory external conditions - such as firm-level bankruptcy risk - can activate heightened security needs among family members (Bammens et al., 2022), which may steer families toward a prevention-focused stance if the constitution is drafted during such periods, with the possibility of imprinting effects (Marquis & Tilcsik, 2013). This is particularly likely to influence provisions of the family constitution related to the economic dimensions of the family's involvement in the firm. Similarly, with the recent heightened frequency of macro-level shocks (e.g., global financial crisis, Covid-19 recession), many business families have resilience high on the agenda (Bernard & Fayolle, 2016; Calabrò et al., 2021; De Massis & Rondi, 2020). Therefore, when discussing and designing family constitution sections related to the family's stance on dividend policy or employment stability, security needs have likely intensified, thereby increasing the salience of a prevention focus when writing out these sections (Higgins, 1997). Overall, the RFT framework - through its clearly defined antecedent factors of nurturance vs. security, ideals vs. duties, and gains vs. losses (see Figure 1) - provides a robust and coherent conceptual lens for analysing regulatory variation both across and within family constitutions.

## 6. Implications, Limitations and Future Research Paths

### 6.1. Academic implications and integrative research framework

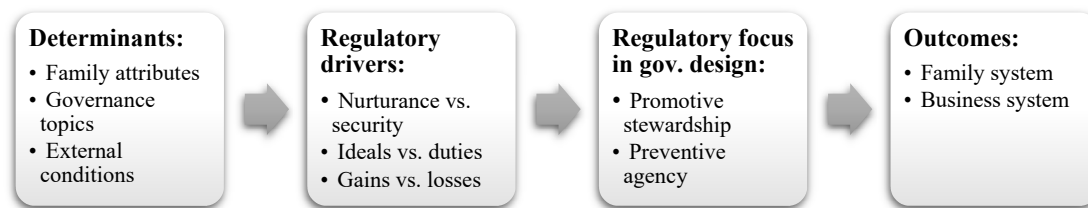
Our integrative theoretical framework enables family business scholars to engage with both primary functions of the family constitution in a more balanced and analytically nuanced manner. Specifically, agency and stewardship perspectives

can be meaningfully combined - allowing both orientations and their associated governance roles to coexist within the same document ("and/or" at the document level), while recognising that one perspective may dominate in certain sections or provisions and the other in others ("either/or" at the section level).<sup>6</sup> This conceptualisation of balanced or hybrid family constitutions is made possible through our theoretical integration of agency and stewardship logics under an overarching RFT framework (Higgins, 1997), which foregrounds the business family's general regulatory orientation alongside the role of situational activation across governance topics and external conditions.

In terms of guiding future research, our unifying framework offers several clear avenues for empirical inquiry (see Figure 2). A core starting point would be to examine how (a) enduring family characteristics (e.g., family history and culture), (b) the specific subject matter of constitution sections - possibly interacting with families' prior experiences on that particular topic - and (c) broader external conditions (e.g., firm-, industry-, or country-level), shape the key antecedents of a promotion- versus prevention-focused regulatory stance. To reiterate, RFT identifies three principal drivers of regulatory focus: the salience of nurturance versus security needs, ideals versus duties, and gain- versus loss-framed information (Higgins, 1997, 1998). Given the variability across business families in terms of inherent traits and topic-specific experiences, it will be interesting to investigate how different business families construct their family constitutions overall, and how this varies across sections and provisions.

While our conceptual discussion has primarily focused on antecedents of constitutional content, an equally fruitful line of inquiry concerns the outcomes of this family governance mechanism - both at the family level (e.g., cohesion) and at the firm level (e.g., resilience), as well as where these intersect. One particularly relevant outcome to explore is the willingness and enthusiasm of next-generation family members to engage in the business - an important issue many family firms currently struggle with (Cherchem, 2017; Kotlar & Chrisman, 2019; Pittino et al., 2020).

6. This approach shows resemblance with earlier work by Bammens and colleagues (2011) on family business boards: based on the trust literature, they introduced the notion of bounded trustworthiness to argue that boards need to exercise control in some decision domains of family managers and display trust (as antecedent of effective support) in other decision domains ("either/or" in particular domains, "and/or" across domains).

**Figure 2.** Integrative Research Framework

### 6.2. Managerial implications

This paper offers practical insights for business families and consultants involved in the design or evaluation of family constitutions as governance tools. Our integrative framework provides a structured lens - rooted in regulatory focus theory as well as agency and stewardship perspectives - to assess the motivational tone of constitutions. It highlights how constitutions can reflect both promotion and prevention logics; a combination that may occur across the document's provisions depending on the governance topic at hand and the broader context. Relatedly, the framework can serve as a diagnostic tool. It encourages reflection on the family constitution's dominant tone and helps business families determine whether its current structure reflects the appropriate balance between promotion and prevention. Furthermore, our framework helps guide decisions about which regulatory orientation may be most appropriate for different parts of the constitution. For instance, vision and mission statements may benefit from a promotion focus, fostering shared aspirations and long-term commitment. Conversely, provisions addressing sensitive issues - such as the role of in-laws or succession in the event of illness or death - may be more naturally aligned with a prevention focus aimed at pre-empting potential conflict. (Brenes et al., 2006; Rodrigues & Marques, 2019; Vozikis et al., 2012).

### 6.3. Limitations and further research paths

While this research advances a novel theoretical perspective with an integrative research framework, it is necessarily bounded by conceptual assumptions and choices that delimit its scope and suggest potential avenues for complementary research. In this study, we primarily examined regulatory focus at the group level - that is, the business family as a collective - in exploring family governance design. Yet, individual-level processes, particularly those shaped by dominant family figures, may operate in parallel. The personality, values, and vision of founding figures (e.g., the pater familias) can leave a distinctive imprint on the content and tone of a family constitution. Future research could

therefore investigate how such individual-level influences interact with group-level dynamics, and whether possible early individual-level framings established by founding figures persist as enduring templates across generations or, alternatively, become adapted and reinterpreted over time.

Regarding external contingencies, our analysis focused on transitory factors such as firm-level performance and economic crises. We argued that family constitutions should not be continually adapted to such temporary shifts, but that these conditions may nevertheless exert an imprinting effect when constitutions are drafted or revised during these periods. However, we did not address external shifts of a more enduring nature - such as changes in cultural or institutional norms; nor did we examine how enduring macro-level differences in these factors across contexts may influence family governance design. Future research could therefore explore how such persistent external conditions shape business families' regulatory focus in governance. These conditions may operate as situational activators, or possibly even as forces that recalibrate families' own underlying dispositions. Examples include the role of professional norms in governance and societal expectations surrounding sustainability (e.g., Bammens & Hünermund, 2023; DiMaggio & Powell, 1983). As regulatory orientations are likely shaped by national norms, legal traditions, and regional governance models, comparative studies could offer valuable insights into how the promotion/prevention balance manifests differently across settings. Particularly intriguing is the potential incompatibility between broader institutional logics - such as agency-oriented professional standards - and families' own, possibly stewardship-oriented, regulatory focus (Greenwood et al., 2011). Examining how such tensions are resolved - whether through genuine internalization or through ceremonial conformity with symbolic family constitutions decoupled from practice - represents a promising direction for future inquiry.

Another limitation of our framework lies in our choice to concentrate on the two main roles of family constitutions - as rooted in agency

and stewardship theory - to ensure conceptual clarity. These are two motivational-lens theories that offer explanatory paths for the tensions families face in balancing control and support mechanisms. Yet, family constitutions may also perform other roles that go beyond this. Future research could therefore complement preventive agency and promotive stewardship perspectives by drawing on other theoretical lenses, such as the resource- or knowledge-based view (Barney, 1991; Grant, 1996), that emphasize resources and capabilities rather than motives. For instance, family constitutions may also serve to structure family learning routines and next-generation competency development. In this respect, integrating complementary theoretical perspectives would enrich our understanding of the broader functions of family governance and constitutions.

While our RFT lens explicitly accommodates an “and/and” orientation across constitution sections and provisions, we argued that within any given provision an “either/or” logic - namely, either prevention-oriented agency or promotion-oriented stewardship - is likely to prevail (cf. Bammens et al., 2011). Yet, this assumption may oversimplify the complexity of underlying motivational structures. Hybrid or nuanced approaches at the provision level are, in principle, possible - for instance, when dispositional tendencies and situational triggers exert opposing yet balanced influences. Likewise, we implicitly made the simplifying assumption that a family’s general regulatory stance tends primarily toward either prevention or promotion. However, if families have been shaped by a mix of regulatory drivers - such as strong nurturance needs alongside pronounced duties - through long-term socialisation, hybrid general orientations may emerge. Future research could examine how these mixed logics are expressed, negotiated, or even contested within family governance processes. A related research direction involves exploring perceptual differences among family members regarding the potential mix of motivational tones in specific provisions. Such work could illuminate how constitutions are differentially interpreted and experienced within families, and whether misalignment in perceptions affects the constitution’s effectiveness as a governance tool. Moreover, further conceptual work is needed to more fully integrate RFT with stewardship and agency perspectives. At an abstract level, promotion (pursuing gains) aligns naturally with a supportive stewardship orientation, whereas prevention (avoiding losses) resonates with a controlling agency orientation. Yet, when examining specific RFT elements, seeming inconsistencies may emerge. For example, while

“oughts” and duties are central to prevention (Higgins, 1997), a strong sense of duty can also be associated with stewardship behaviour. This suggests that the mapping between RFT and agency-stewardship theory is not always straightforward and that, for instance, prototypical “stewards” (Davis et al., 1997) may be predominantly but not exclusively promotion-minded. Additional theoretical refinement is therefore required to disentangle these tensions, and clarifying such apparent inconsistencies and more nuanced perspectives promises to be an interesting avenue for future research.

Finally, the RFT framework of family governance and constitutions developed here remains to be empirically validated. Future research could employ textual analysis to examine the presence and dominance of regulatory focus markers within existing family constitutions, and to compare these patterns across families, governance topics, and external conditions. Such analyses would allow for a systematic investigation of, for instance, family-based drivers of regulatory variation - such as family history, culture, or generational composition - and their implications for outcomes such as family cohesion or firm resilience. Given the dynamic nature of family constitutions, longitudinal or process-oriented empirical studies could offer valuable contributions by deepening and empirically testing our temporal understanding of governance evolution within family firms.

## 7. Conclusion

Answering the call to advance insight on family constitutions as an under-researched yet widely used governance mechanism, our conceptual paper is a first attempt at theorizing their major roles in an integrative manner. Based on a literature review, we defined the tool, its content, and its purposes. We discerned two main roles for this mechanism: avoiding negative family-related factors such as conflicts and nepotism as a control-oriented mechanism and achieving positive family-based factors such as a shared vision and commitment among family members as a support-oriented mechanism. We offered a theoretical foundation for each of these roles, using agency and stewardship perspectives, as these theories are well established in the family business field. Importantly, we then moved beyond the classical theoretical opposition between agency and stewardship views and used them in an integrative and complementary manner (Hoon & Baluch, 2020).

Our major theoretical contribution lies in the reconciliation of agency and stewardship views under the lens of regulatory focus theory, which

offers a new comprehensive way of envisioning and analysing family constitutions' major roles. We clarified the dispositional and situational determinants of a promotive stewardship versus preventive agency approach and explained how these can be used to account for variance across and within family constitutions regarding the adopted focus, allowing both bright and dark sides of family involvement to be managed and considered.

This paper answers the call by [Chrisman and colleagues \(2018\)](#) to further analyse governance mechanisms using multi-theoretic frames to provide new inputs to the field. It also gives expression to a much needed yet challenging orientation toward combining theoretical perspectives in coherent and complementary ways to enrich debates in the family business field. Finally, by emphasizing the role of variance in family attributes, it further explains and advocates the need to take heterogeneity into account and makes it more tangible for practice. We hope that our theorizing on family constitutions will stimulate future multi-theoretic research on family governance mechanisms, and that the developed insights will prove helpful for business families and their consultants when designing and using such mechanisms. More broadly, the proposed framework may serve as a conceptual foundation to explore how business families manage dualities not only through constitutions, but also across other governance arrangements, such as shareholder agreements or family councils.

### Author contribution statement

Raphaëlle Mattart: writing - Yannick Bammens: conceptualization - Fabrice Pirnay: supervision.

### Conflict of interest statement

Declaration of interest: none.

### Declaration on the use of generative AI in the writing process

Generative AI was used to assist with language editing.

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