Family firm versus non-family firm: the role of resource orchestration in fast-growing high-tech SMEs

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Abstract
Purpose – This paper strives to understand the role of resource orchestration (RO) in the rapid growth of high-tech small and medium-sized enterprises (SMEs).

Design/methodology/approach – Based on a comparative case study, RO is compared between a high-tech family firm and a high-tech non-family firm. To capture the complexity of RO, this study applies a longitudinal approach using a large volume of archival and interview data gathered over ten years.

Findings – The configuration of family-firm paradoxical growth-oriented RO emphasizes RO based on collectivism and responsibility, although relying on large-scale conforming normative control. In contrast, the configuration of non-family-firm growth-oriented RO emphasizes administrative-based delegation and management-supported value creation.

Originality/value – By suggesting ownership-based RO configurations, this study provides insights into how ownership types, i.e. family firms and non-family firms, affect RO in firms operating in complex and dynamic environments. These configurations explain how and why RO is arranged in a growth context.

Keywords Growth, SMEs, Ownership, Family firms, Resource orchestration, Configurations

1. Introduction

Based on the assumptions of resource management (Sirmon et al., 2007) and asset orchestration (Helfat et al., 2007), the resource orchestration (RO) (Chirico et al., 2011; Sirmon et al., 2011) concept explains management processes in terms of the resource-based view (RBV) (Kraaijenbrink et al., 2010; Peteraf, 1993; Wernerfelt, 1984). Sirmon et al. (2011) stressed the managers’ role and how their RO actions affect firm strategies and managerial synchronization; they also emphasized that different stages of a firm’s life cycle likely require different types of orchestration. In this study, we will address RO in the growth phase. Furthermore, we will refer to the framework of RO from a family firm perspective, highlighting the role of family members in mobilizing and coordinating resources across generations (Chirico et al., 2011).

Emphasizing the creation of competitive advantages, RO encompasses three overall management processes: resource structuring, bundling resources into capabilities and leveraging products in the market (Sirmon et al., 2007, 2011). Yet, as top-level managers must be engaged in all three processes simultaneously (Helfat et al., 2007) and the use of RO is especially critical in dynamic environments where resource allocation greatly affects business, these overall management orchestration processes entail considerable complexity (Sirmon et al., 2007, 2011).
There is a strong relationship between RO and resource governance (Kammerlander et al., 2015), which, for example, concerns the aspect of family-owned and non-family-owned businesses (Chirico et al., 2011). Governance in family firms is affected by “familiness” (Carnes and Ireland, 2013), stemming from the intersection of family, business, non-financial goals, a substantial collectivistic identity, strong family values and unique emotional attachments (Boers et al., 2017; Kets de Vries, 1993; Tagiuri and Davis, 1996), which in turn strongly influence the RO processes (Chirico et al., 2011). Moreover, the RO processes are also affected by informal management practices, which are more prevalent among family businesses than among non-family businesses (Kotey, 2005; Ljungkvist and Boers, 2017). However, the degree of owning family involvement tends to shift across family generations. In the first generation, business concept and management processes, e.g. RO, tend to be heavily dominated by the founder’s control and solutions (Ljungkvist et al., 2019; Salvato, 2004). In the following generations, the influence of externally recruited key managers tends to increase (Jaffe and Lane, 2004; Salvato, 2004).

As the high-tech industry is increasingly critical for growth, there is a growing need to examine growth-oriented RO in complex and dynamic settings (Wright and Stigliani, 2012). Since growth generates increased complexity and an increased need to bundle capabilities in new ways (Sirmon et al., 2011), it is important to understand how small and medium-sized enterprises (SMEs) in a complex and dynamic setting manage RO. The existing empirical literature has only paid limited attention to how growth-oriented firms orchestrate their resources (Carnes et al., 2017; Frankenberger and Stam, 2020; Wright et al., 2012), for example, the quantitative approaches used by Carnes et al. (2017) and Chirico et al. (2011) focus only on distinct, isolated relationships. Thus, there is a need for nuanced qualitative studies that examine different facets of growth-oriented RO configurations (Carnes et al., 2017; Frankenberger and Stam, 2020). By contrasting the peculiarities of management processes in rapidly growing software firms of two ownership types, i.e. family and non-family firms (Miller and Le Breton-Miller, 2011), we advance the RO debate by highlighting the role of resource orchestrators.

Accordingly, the purpose of this paper is to understand how the family dimension affects RO in rapidly growing high-tech SMEs. The following research question is addressed: How do different types of owner-management affect RO in the context of fast-growing high-tech SMEs?

Whereas Chirico et al. (2011) focus on the importance of multiple generational involvements for RO in family firms, the present paper contributes by exploring RO differences between heterogenous managed firms, i.e. the differences between family and non-family firms. By suggesting ownership-based RO configurations, this study explains how the RO processes of structuring, bundling and leveraging (Sirmon et al., 2011) are arranged for growth in a complex and dynamic environment and why first-generation family owners play such a crucial role for high-tech family firms’ RO. Due to the need for first-generation family owners to have personal control, the configuration of the family-firm paradoxical growth-oriented RO is characterized by large-scale conforming normative control, although it also relies on high decentralization and collectivism. In contrast, the configuration of the non-family-firm growth-oriented RO emphasizes administrative-based delegation and management-supported value creation.

2. Frame of reference

2.1 Resource orchestration

RBV assumes that sustainable competitive advantages are created through valuable, rare, inimitable and non-substitutable resources (Barney, 1991). Moreover, to create sustainable competitive advantages and superior performance, these resources must be orchestrated by managers in creative and effective ways (Chirico et al., 2011; Holcomb et al., 2009; Sirmon et al., 2007). However, these management processes are affected by the environment in which they operate, meaning that the firm needs to respond to the degree of environmental uncertainty and
dynamism (Baum and Wally, 2003). To address the environmental aspect, Sirmon et al. (2007) developed a framework for “managing resources in dynamic, uncertain environments” (p. 289). This framework answers the call for managerial integration and coordination of human dynamism concerning individuals, groups and teams (Coff, 1997). In this resource-based context, Sirmon et al. (2007) stressed the role of managers. By describing management in terms of the three overarching processes of structuring, bundling and leveraging, we can highlight the dynamic functions of RO in different contexts (Sirmon et al., 2011) and of managers at different levels (Wooldridge and Floyd, 1990). However, each of these management processes contains three sub-processes. Structuring concerns acquiring, accumulating and divesting resources and composing the company’s resource portfolio. Bundling concerns the development of capabilities and involves three sub-processes: (1) stabilizing, i.e. small incremental enhancements of current capabilities; (2) enriching, i.e. expanding existing capabilities; and (3) pioneering, i.e. creating and forming new capabilities. Finally, leveraging, which concerns seizing opportunities and maximizing the use of the firm’s capabilities, refers to three sub-processes: (1) mobilizing, i.e. expressing a plan and vision for the needed capability configurations; (2) coordinating, i.e. integrating the capability formation; and (3) deploying, i.e. using resource advantages, entrepreneurial strategy, and market opportunism to exploit the coordinated capability configuration (Sirmon et al., 2007, 2011).

2.2 Firm growth and RO
To understand the dynamics of RO, they must be related to the firm life cycle, which is based on the stages of start-up, growth, maturity and decline (Sirmon et al., 2011). Given our present purpose, we elaborate on the growth stage.

To maintain organizational control and efficiency as the firm grows, the entrepreneur is generally forced to structure operations by increasing the formalization of work processes and introducing managerial hierarchy (Mintzberg, 1980; Sirmon et al., 2011). Organizational growth often entails greater managerial complexity (Smith, 2007) and unit specialization, creating a need for new forms of bundling to stabilize and enrich firm capabilities (Sirmon et al., 2011). Growth also concerns new forms of network capabilities, i.e. creating inter-organizational relationships (Walter et al., 2006), supplier networks (Andersén et al., 2020), and relationships with investors, customers and trade associations (Jawahar and McLaughlin, 2001). This lets managers bundle resources in pioneering ways that may sharpen firm competitiveness and innovative ability (Andersén and Ljungkvist, 2021), which, in complex and dynamic environments, is supported by a flat organizational structure (Van de Ven et al., 2013). These activities entail the leveraging actions of mobilizing, coordinating and deploying, all intended to improve competitiveness, producing customer value and wealth for owners (Sirmon et al., 2007, 2010).

Furthermore, “the enactment of the various actions needed to support RO depends on the type of strategy-making approach employed” (Sirmon et al., 2011, p. 1406). From a RO perspective, there are three overarching strategic approaches: the top–down approach, in which middle managers implement top managers’ strategies; the bottom–up approach, in which top managers endorse middle managers’ plans, often based on department-level incentives and experiments; and the bidirectional approach, in which ideas, information and decisions move both upwards and downwards (Floyd and Lane, 2000) as well as horizontally (Andersén and Ljungkvist, 2021). However, in the bidirectional approach—the most difficult one—middle managers are crucial in synchronizing and overseeing structuring, bundling and leveraging. Moreover, this bidirectional approach is more relevant to flatter organizations facing rapid growth (Sirmon et al., 2011).

2.3 Differences in RO practices between non-family and family firms
Kammerlander et al. (2015) emphasized that family ownership affects resources and governance, and how the family business’s value creation is directly dependent on how its RO
is performed. Other researchers (e.g. Chirico et al., 2011) have stressed the crucial role of family members in RO in family firms. Family members are typically seen as valuable resources who must orchestrate resources in the family firm, leading to competitive advantages (Chirico et al., 2011).

This study is based on Astrachan et al.’s (2002) definition of family businesses, i.e. businesses characterized by family ownership and involvement in management, which clearly distinguishes them from non-family firms. Family businesses have many shared characteristics ultimately rooted in the intersection between family and company (Chirico and Salvato, 2008). For example, family businesses are characterized by long-term goals and values linked to the owning family’s identity, social ties and emotional commitment to the business (Berrone et al., 2012; Zellweger and Sieger, 2012). Furthermore, family businesses are also characterized by their informal and personal governance (Arteaga and Escribá-Esteve, 2020; Kotey, 2005), which can be explained by the overlapping roles of owners and managers. Mutual trust is more common in family firms than in non-family firms, the former ownership type often has lower requirements for formal information and control, which external board members and owners tend to demand (Corbetta and Salvato, 2004).

However, the family firm phenomenon is contextually bound, and these firms differ from one another in many ways. For example, the role and involvement of the owning family differ between the first, second and third generations. In the first generation, the company tends to be dominated by the founder’s ideas and entrepreneurship, with management processes being heavily dominated by his or her personal control and implicit ad hoc solutions (Chang and Noguera, 2016; Jaffe and Lane, 2004; Labaki, 2011; Ljungkvist et al., 2019; Salvato, 2004). In the second generation, the founder still exerts considerable influence over the management processes, while the chief executive officer (CEO) and board positions are often held by second-generation family members (Salvato, 2004), and in the third generation, CEOs and other key management positions are increasingly occupied by external individuals (Jaffe and Lane, 2004).

However, the owning family is itself a resource for a family firm (Bierl and Kammerlander, 2019; Habbershon and Williams, 1999). Because non-family firms lack this resource, RO in such firms could be expected to differ from that in family firms. For example, more recent research has found that family firms use different RO approaches based on their life-cycle stage, i.e. growth-oriented versus mature firms (Carnes et al., 2017). While growth-oriented firms stress resource acquisition and accumulation, mature firms have established resource portfolios, making them more reluctant to change their RO. The latter firms should consider divesting some of their resources, whereas the former will have a more active and continuous RO policy (Carnes et al., 2017). Earlier research has found that family involvement can facilitate resource mobilization and coordination (Chirico et al., 2011; Klyver, 2007), so non-family firms could be expected to be inferior in such RO processes. In contrast, non-family firms need not consider the interests of an owning family or an additional resource in terms of familiness (Ljungkvist and Boers, 2019). Such firms should therefore have fewer interests and RO processes to synchronize.

3. Method
To understand the complex setting of RO (Sirmon et al., 2011) in firms operating in dynamic environments of rapid growth, a case study approach is used (Eisenhardt and Graebner, 2007; Stoyanov et al., 2018). This approach uses many contextual variables and multiple data sources, permitting multiple perspectives as well as triangulation (Yin, 2011). Furthermore, the case study method is particularly suitable for examining gradual and complex phenomena (Pettigrew, 1987) such as structuring, bundling and leveraging (Sirmon et al., 2007). In addition, the studied phenomenon is complicated by the fact that the study considers
the impact of family dynamics (Brundin et al., 2014), which affect management processes (Zellweger et al., 2010) and RO (Chirico et al., 2011). We believe that a case study approach is appropriate to generate a deeper understanding of how the family dimension affects RO in rapidly growing high-tech companies.

3.1 Research setting
A critical criterion for a case study is case representativeness, i.e. that the selected cases embody the examined phenomenon (Seawright and Gerring, 2008). To understand how the family dimension affects RO in rapidly growing high-tech companies, a family company was compared with a non-family-owned one. Furthermore, the case companies were chosen because (1) they experienced rapid growth over the last ten years, sales exceeding 20% per year in the last three years, which corresponds to Eurostat OECD’s (2007) definition of rapidly growing companies; and (2) both companies’ RO occurs in a dynamic and complex environment that coincides with crucial descriptions in the research field (Helfat et al., 2007; Sirmon et al., 2007, 2011). The following describes the two selected case companies.

3.1.1 Enterprise X. Enterprise X is a Swedish first-generation family firm in the software industry. The founder’s wife is a board member and succession to their son is planned. The company was started in 1998 and produces modular software solutions for business planning and logistics combined with consulting services. Due to the core activities of programming and consulting, staff competence is Enterprise X’s key resource, although this competence should not be tied to specific people. The company is also characterized by its strong ongoing growth. Leaving behind functional organization, i.e. eliminating personal dependency and instead organizing according to modular solutions, allowed growth to increase starting in 2005. This strategic change was based on introducing highly independent teams, focusing on close customer cooperation and leveraging highly customized products. As far as possible, it is an explicit principle that all operational decisions should be made by the teams. Enterprise X has recently expanded internationally, and since 2015 business units have been established in the United States, Great Britain and India. Enterprise X’s sales growth is presented in Figure 1.

3.1.2 Enterprise Y. Enterprise Y is a Swedish non-family software company developing system solutions for the financial industry. The company was started in 2003 by two local entrepreneurs and has been recognized as one of the fastest growing information technology (IT) companies in the country. From the outset, the company was organized organically, with employees having good insight into one another’s tasks. In recent years, however,
departments and a hierarchy have crystallized. Enterprise Y consists of the following three distinct departments, i.e. support, sales and software development, and a four-level hierarchy can be identified. The company’s core competencies are located in the software development department. The software developers work in different teams and business areas and develop the system product in consultation with the customers, although mediated by delivery managers. Enterprise Y also offers expert consulting services for data integration, conversions and transfer from old to new systems. Enterprise Y’s sales growth is shown in Figure 2.

3.2 Data collection
To capture the complexity of RO, a large volume of archival and interview data was collected. These empirical data cover ten years, so a longitudinal approach was used, and all respondents and investigated companies were anonymized using pseudonyms. To broaden the picture and improve our contextual understanding of the studied phenomenon, the empirical data were classified and collected at two contextual levels: the field and company levels (Pettigrew, 1987). Inspired by Leonard-Barton’s (1990) approach to presenting longitudinal case study data, the sources and volume of data collected during the research process are shown in Table 1. The field-level data were collected from fast-growing SMEs operating in dynamic environments and concerned family and non-family firms, primarily IT companies with programming and consulting as their core businesses. Collecting data from similar businesses in the field gave a comparative and more general picture of how the family dimension affects RO. To improve our contextual understanding, various data sources were used (Reay, 2014): 10 interviews with SMEs owners, 26 annual reports containing CEO statements concerning RO, 17 multi-page interviews in leading Swedish business magazines with high-tech SME owners and CEOs, 182 employee reviews of IT firms, 123 informative press clippings and 132 press releases from IT firm bulletins. The field data consist of either overall reflections on company management processes or concrete descriptions of how resources were structured, bundled and leveraged.

Regarding the company-level data, to obtain information from different actors and perspectives, several different data sources were used. Eighteen semi-structured interviews were conducted with owners, top managers and operational staff from teams. Two active owners and top managers in HR, finance and marketing were interviewed about their normative influence on management processes, while operational personnel were interviewed to gain an operational perspective on the processes of structuring, bundling

![Figure 2. Enterprise Y’s sales increase, USD millions, 2010–2019](image-url)
### Data sources

#### Field level

**Archival data**

<table>
<thead>
<tr>
<th>Resource orchestration</th>
<th>Authors’ interviews with SME owners</th>
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</thead>
<tbody>
<tr>
<td>Multi-page interviews in business magazines with high-tech SME owners</td>
<td>2010–2019 n = 10</td>
</tr>
<tr>
<td>Company level</td>
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<tr>
<td>2010–2019 Enterprise X = 12 2019 Enterprise Y = 6</td>
<td></td>
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<tr>
<td>2010–2019 Enterprise X = 10 2020 Enterprise Y = 10</td>
<td></td>
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<tr>
<td>2018–2020 Enterprise X = 26 2019 Enterprise Y = 1</td>
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<tr>
<td>2015–2019 Enterprise X = 124 2019 Enterprise Y = 87</td>
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<tr>
<td>2018–2020 Enterprise X = 33 2019 Enterprise Y = 24</td>
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</tbody>
</table>

#### Table 1. Description of data collection

<table>
<thead>
<tr>
<th>Data sources</th>
<th>Field level</th>
<th>Company level</th>
</tr>
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<tbody>
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<tr>
<td>2018–2020 n = 1</td>
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</table>
The interviews were conducted in meeting rooms at the two companies’ premises. Each interview lasted about an hour and was recorded by two researchers. The interview questions addressed the companies’ growth, management processes and core business organization, as well as what characterized their customization and customer relationships (the interview questions appear in the Appendix).

The company-level interviews were complemented with rich archival data, i.e. 18 multi-page interviews with the owners of companies X and Y, each over 1,000 words. In these interviews, the following dominant themes were identified: (1) the owner’s general management philosophy and the management of a team-based business, (2) the company’s rapid growth and role in the market and (3) the importance of culture management. These multi-page interviews, conducted at the field and company levels, were collected from the leading Swedish business news journals Affärsvärlden, Dagens industri and Veckans Affärer, and the business section of the second largest Swedish newspaper, Svenska Dagbladet. Furthermore, statements were collected from 20 annual reports (2010–2019), 57 press releases from the companies’ bulletins and 211 press clippings. The 57 press releases were grouped according to the following four themes: (1) company growth and strategy (13), (2) culture management and recruitment (12), (3) product development and customer relationships (15), and (4) sustainability and partnerships (17). The press clippings were collected from the Swedish news platforms Industritorget and Mynewsdesk and can be categorized in the same way as the press releases. To further understand the management processes, 27 employee reviews were collected from the job-review website Glassdoor (2020). In these reviews, the employees express their opinions of the pros and cons of their companies’ work environments, and offer advice on how management processes can be improved.

All collected archival data concern the management processes of structuring, bundling and leveraging. The authors cross-checked the interviews (2010–2020) against contemporary archival data to prevent biased, retrospective sense-making (Golden, 1992). In this way, quotations and statements from several data sources were triangulated (Yin, 2011).

3.3 Data analysis
In case study-based research, data analysis begins with case selection, and because it follows predetermined steps that need not be categorically exclusive, it differs from conventional analysis (Eisenhardt and Graebner, 2007). The following four analytical steps were applied. First, as already described, the cases were intentionally chosen because they represented a family company and a non-family company that had undergone rapid growth in recent years while operating in a dynamic environment. Second, using keywords derived from the concepts of structuring, bundling and leveraging (Sirmon et al., 2007), many quotations with RO implications were identified and classified (Short et al., 2010). For example, the words “hierarchy” and “competence” were used to identify and categorize quotations related to “structuring.” However, some of the data implications were directly attributable to Sirmon et al.’s (2007) core concepts, and were therefore categorized according to them. Furthermore, quotations with shared implications and from similar actors were categorized together and labeled first-order data (Van Maanen, 1979); for example, team members’ views of bundling and cooperation were grouped together. As roles and responsibilities are crucial to the management process, special emphasis was placed on citing such content. Third, to uncover shared characteristics, the grouped quotations were abstracted and aggregated into second-order themes (Corley and Gioia, 2004; Van Maanen, 1979). In this way, central perceptions regarding structuring, bundling and leveraging were revealed and illustrated. Fourth, considering the case companies’ contingencies, tentative RO characteristics were extracted from the second-order themes (Corley and Gioia, 2004; Mirabeau and Maguire, 2014), whereby two specific RO configurations could be identified and labeled, i.e. family-firm
<table>
<thead>
<tr>
<th>RO processes</th>
<th>Orchestrator actors</th>
<th>First-order data</th>
<th>Second-order themes</th>
<th>Main orchestration character</th>
</tr>
</thead>
</table>
| Structuring  | Founder and manager | - If the applicants express career ambitions or other self-centered utterances, we instantly take them out of the recruitment process. (HR manager)  
- We (i.e. top management) unexpectedly visit our employees at their workplaces and talk with them, thereby really getting to know them and what drives them. (HR manager)  
- Through personal conversations with each employee, I highlight the importance of collaboration. (Founder)  
- The teams continuously notify us of new team members' achievements and enthusiasm. (HR manager)  
- We prioritize values and passion, in fact, they are more important than competence. (HR manager) | Monitoring of applicants' and employees' values | Value-based selection and collectivistic conformity |
| Team members | - Our company is almost free of hierarchies. The disadvantage is that there are almost no career opportunities. (Team member)  
- We do not like individualism and competition between co-workers. (Founder)  
- Team members' cooperation develops better without team leaders. (Founder)  
- A team leader has a tendency to lock the team. (HR manager)  
- The team members need to find their own individual driving force. (HR manager)  
- To create growth and scale up, we came up with this self-organizing solution. (Founder)  
- The term “we” always contains degrees of tolerance. (Founder)  
- I think it's clearer than ever that we need to work together to create the world we want. (Founder)  
- Here, you have the ability to develop your skills—just ask for the resources. (Team member)  
- Our family culture and our flat organization strongly support growth. (Team member)  
- Frankly, the team is like my second family, almost like a cult. (Team member) | Competence development and growth are supported by collectivistic and family-based norms |

Table 2. The RO of a rapidly growing software first-generation family firm (continued)
<table>
<thead>
<tr>
<th>RO processes</th>
<th>Orchestrator actors</th>
<th>First-order data</th>
<th>Second-order themes</th>
<th>Main orchestration character</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bundling</td>
<td>Founder and manager</td>
<td>- Cultural issues are very important, and creating a strong team feeling can solve individual problems. (HR manager)</td>
<td>Reduction of documentation by self-governing teams</td>
<td>Team responsibility-based arrangements</td>
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<tr>
<td></td>
<td>Team crew</td>
<td>- By reducing the documentation, the employees have to cooperate more, thereby building trust and co-work. (HR manager)</td>
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<td></td>
<td></td>
<td>- The team takes care of every problem, we should not report them to a manager. (Team member)</td>
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<td></td>
<td></td>
<td>- The teams are composed of the staff, they constitute a pod [i.e. independent unit of the company]. (Team member)</td>
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<tr>
<td></td>
<td></td>
<td>- The staff should pay full attention to their problems, not to management control. (Founder)</td>
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<tr>
<td></td>
<td>Founder and manager</td>
<td>- The team is your second family, which the managers help to be independent. (Team member)</td>
<td>Responsibility and autonomously driven team-bundling</td>
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<tr>
<td></td>
<td>Team crew</td>
<td>- The teams shape their culture on their own, but responsibility is at the core of it. (HR Manager)</td>
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<tr>
<td></td>
<td></td>
<td>- The team is your second family, which the managers help to be independent. (Team member)</td>
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<tr>
<td></td>
<td></td>
<td>- We never have to be told what to do, we just do it, we take responsibility. (Team member)</td>
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<td></td>
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<td>- We decide and take care of the performance metrics by ourselves—we create them. (Team member)</td>
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<td>- You are free to act, but be aware of your responsibilities. (Team member)</td>
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<td></td>
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<td>- It is essential that we compose the team to include different personalities and competences. (Team member)</td>
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<td></td>
<td>- Based on who you are [i.e. your personality], the team supports and unleashes your potential. (Team member)</td>
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(continued)
<table>
<thead>
<tr>
<th>RO processes</th>
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<th>First-order data</th>
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<th>Main orchestration character</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leveraging</td>
<td>Founder</td>
<td>- You must dare to make mistakes. Go ahead and experiment. (Founder)</td>
<td>During to fail is a key to development</td>
<td>Customer-included value creation</td>
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<td></td>
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<td>- We embrace mistakes and praise those who have made them. (Founder)</td>
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<td></td>
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<td>- A basic thought we have is that failure and improvement are connected. (Founder)</td>
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<td></td>
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<td>- If something turns out to be a failure, it probably depends on lack of clarity from my side. (Founder)</td>
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<td></td>
<td>Team crew</td>
<td>- It’s explicit that you should try by yourself—it is ok if you fail. (Team member)</td>
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<td></td>
<td></td>
<td>- We take care of our mistakes ourselves (in the team). We are expected to do our best, and the management never controls us. (Team member)</td>
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<td></td>
<td>Founder</td>
<td>- With our modular system we meet our customers’ needs. (Founder)</td>
<td>The customer becomes an active part of the team</td>
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<td></td>
<td></td>
<td>- This creative and constructive process brings out the best in our customers. (Company website)</td>
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<td></td>
<td>Team crew</td>
<td>- The trust between us and the customer is essential, it gives us meaning. (Team member)</td>
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<td></td>
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<td>- The customer is actually part of the team. (Team member)</td>
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<td></td>
<td></td>
<td>- You develop a feeling for what the customers and the team want from you; often you get gratitude in return. (Team member)</td>
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<td></td>
<td></td>
<td>- Our teams are quite small and we work very closely with our customers in delivering our technical solutions, so a sense of trustworthiness develops. (Team member)</td>
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<td></td>
<td></td>
<td>- Most importantly, the customer must be closely related to the business. In this way, the teams deliver customized solutions. (Founder)</td>
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<tr>
<td></td>
<td>Team crew</td>
<td>- The target metrics are decided by the teams themselves. (Founder)</td>
<td>Directly team-controlled performance and customization generate growth energy</td>
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<tr>
<td></td>
<td></td>
<td>- We [i.e. the team] completely take care of the delivery—we have the control and responsibility. (Team member)</td>
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<td></td>
<td></td>
<td>- We have developed high-performance teams. We build customer relationships and provide according to their needs. (Team member)</td>
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<tr>
<td></td>
<td></td>
<td>- As much as possible, we visit the customers, even when they are located in other countries. (Team member)</td>
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<tr>
<td></td>
<td></td>
<td>- By strongly focusing on the customer, we learn, adapt and build relationships. (Team member)</td>
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</tbody>
</table>
Table 3. The RO of a rapidly growing non-family software firm

<table>
<thead>
<tr>
<th>RO processes</th>
<th>Orchestrator actors</th>
<th>First-order data</th>
<th>Second-order themes</th>
<th>Main orchestration character</th>
</tr>
</thead>
</table>
| Structuring  | Managers            | - Based on our assessment, we recruit top competences. (CFO, owner)  
- The competence is most essential … that’s why we have done everything to make Enterprise Y into as attractive a workplace as possible. (CFO, owner)  
- Before, the support staff were developed by testing, but now they are structured by internal education. (CFO, owner)  
- If you do not have the competence, the company will ensure that you get it. (Team member)  
- When the sales increase and we get new customers, the competence requirement goes up when we recruit. (Team member)  
- If you have a sense of leadership … we encourage you to become a team leader. (CMO)  
- Depending on your career ambitions, from being a developer, you can advance to being a scrum master. (CMO)  
- If you have personal responsibilities, of course that means a better salary. (CMO)  
- You show that you can handle the situation, then you get the responsibility for it. Then, when the company grows, you grow into the next position. (Team member) | Strong focus on employee competence                           | Competence-based selection                                   |
<p>|              | Managers            |                                                                                                                                                                                                                                                                                                                                                     |                                                              |                             | (continued)                 |
|              | Team crew           |                                                                                                                                                                                                                                                                                                                                                     |                                                              |                             |                             |</p>
<table>
<thead>
<tr>
<th>RO processes</th>
<th>Orchestrator actors</th>
<th>First-order data</th>
<th>Second-order themes</th>
</tr>
</thead>
</table>
| Bundling    | Managers            | - Yes, we document most of our work issues, especially concerning development processes. (CMO)  
- We have a basic process [of documentation] that we can moderate … it is something we are almost fostered in. (CMO)  
- We have many forums for communication between leaders and staff. (CFO, owner)  
- The management consists of the CEO and the business unit managers, below that we have marketing and sales, and the department for various finance services, and below that the team leaders—so, four different levels. (CMO)  
- Under the development manager comes the team leader, under him the scrum master, and then the team. (Team member) | Documentation and a specified hierarchy are essential business elements                  |
| Team crew   |                     | - We document what we do and collect it in one place, so that the next person can fill in the information. (Team member)  
- The team leader takes the question further to his boss, who sometimes forwards the question to the next level—we have an approach for improvement. (Team member) | Administrative-based delegation                                                       |
| Team crew   |                     | - The growth process has meant that we have delegated from the business area managers to appointed team leaders. (CMO)  
- We can move around between different teams and make it possible for people with competencies to advance. (Team member)  
- When it comes to small assignments, the teams themselves decide who does what. (Team member)  
- Also the development team has started to work in a more agile way, they work tighter now. (Team member) | Delegation and flexibility appear important for growth                                 |

Table 3. Resource orchestration (continued)
<table>
<thead>
<tr>
<th>RO processes</th>
<th>Orchestrator actors</th>
<th>First-order data</th>
<th>Second-order themes</th>
<th>Main orchestration character</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leveraging</td>
<td>Managers</td>
<td>- Ask for forgiveness rather than ask for permission. You should have the guts to do things—that's our basic philosophy. (CMO) - If something goes wrong, then no one is pointing anyone out. (Team member) - There are no failures, only lessons. (Team member) - You will never develop if you are not allowed to fail. (Team member) - We have decided that customer service takes care of customer communication. (CFO, owner) - We have ordered a business consultant to analyze the processes. In this way we find the places where you can streamline and automate. (CFO, owner) - With the increasing size of the company, the system developers are further away from the customers. (Team member) - We system developers [in the team] work with service delivery managers rather than with the customers themselves. (Team member) - It's very much about management by walking around. You check the pulse, see how things are going. (CFO, owner) - We have a lot of people [i.e. service delivery managers] who listen to what customers really want, and then we receive customer assignments. Then there is a layer that analyzes what the market really wants. (Team member) - Talk to the man [i.e. the customer], make him feel that we are a competent and good supplier. (Customer manager)</td>
<td>Trial and error encouraged</td>
<td>Management-supported value creation</td>
</tr>
<tr>
<td></td>
<td>Team crew</td>
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<tr>
<td></td>
<td>Managers</td>
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<td></td>
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<tr>
<td></td>
<td>Team crew</td>
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<td></td>
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</tr>
<tr>
<td></td>
<td>Managers</td>
<td></td>
<td></td>
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</tbody>
</table>
paradoxical growth-oriented RO and non-family-firm growth-oriented RO, as shown in Table 5. These tentative suggestions were then compared and examined through the lens of the RO framework.

Furthermore, to improve reliability and validity, all three researchers participated in the analytical process, meaning that they initially scanned and categorized all data individually, as mentioned above. Overlapping and equivocal quotations and categorizations were then discussed until a shared understanding was reached, resulting in re-categorization if needed (Gibbert et al., 2008).

4. Findings

4.1 RO processes

The sections below describe the RO processes in the two case companies, enterprises X and Y, followed by explicit descriptions of similarities and differences. Moreover, the main actors and characteristics of each company’s RO orchestration processes are shown in Tables 2 and 3.

4.1.1 Resource structuring. The structuring process consists of the sub-processes of acquiring, accumulating and divesting. In Enterprise X, management has a clear role in the acquiring process, which differs from the other two sub-processes. The recruitment process is handled personally by the founder and HR manager who, through in-depth interviews, map applicants’ values. To be hired, the applicant must fit the company’s collectivistic values—“We do not like individualism and competition between co-workers” (Founder)—which are even more important than competence. Moreover, deep conversations between employees and management occur regularly, providing for the ongoing “monitoring of applicants’ and employees’ values” (Table 2). As the core business consists of leaderless teams, the accumulation process is characterized by team members’ own responsibilities and competence development initiatives. Notifying the management of team members’ achievements has facilitated “competence development and growth … supported by collectivistic and family-based norms.” Regarding company growth, the divesting process has played a marginal role. However, team composition has changed over time, and sometimes the teams even dissolve. Moreover, given the limited career opportunities and comparatively low salaries in the firm, staff turnover is an identified problem.

In Enterprise Y, the sub-process of acquiring is characterized by a “strong focus on employee competence” (Table 3). Top management stated that “competence is most essential” when recruiting people, especially in IT. To attract potential staff, it is also important to signal internal career opportunities offering higher salaries and more responsibility. Regarding the accumulating process, the management ensures that the staff members have necessary competence development opportunities, depending on their career ambitions: “Even though it is a fairly flat company, there is a hierarchy and it is possible to advance” (Team member). Career advancement and salary increases are thus natural organizational elements. Due to the firm’s growth, the divesting processes have been of minor importance. Yet, based on management advice and team members’ own wishes, team members can change teams. Overall, Enterprise Y is characterized by very low staff turnover.

4.1.2 Resource bundling. Regarding Enterprise X, the top management function in the bundling process is culture management, meaning that the values of team-based responsibility, interaction and needs are emphasized. The teams themselves take responsibility for the bundling process, bundling team members’ capabilities and competencies as needed and looking after their skill upgrading and development. The sub-process of stabilizing is mainly realized through team-based competence and knowledge sharing, but also involves the customers. Furthermore, “reduction of documentation by self-governing teams” (Table 2) is the internal policy, which increases
interaction between team members. Thus, “the competence should not be tied to a certain person; it should belong to the team” (Founder). The enriching process is accomplished by “responsibility and autonomously driven team-bundling.” Notably, the teams are responsible for developing their own performance measures, meaning that they themselves decide what the enrichment process should be like. By means of explicit cultural incentives, the team members take responsibility for core activities and commitment. The pioneering process builds on incremental daily opportunity-based operations decided on and carried out by the teams. To encourage entrepreneurial initiatives, team members present their own solutions and product developments during coffee meetings with other teams. Finally, the teams are mixed not only in terms of competence, but also in terms of personalities, helping them become dynamic and independent.

The bundling processes at Enterprise Y are more or less affected by the recently developed four-level hierarchy. Referring to firm growth, top management emphasizes the need for “documentation and a specified hierarchy” (Table 3), appearing as the sub-process of stabilizing. Moreover, the stabilizing management process is further achieved by the norm of asking one’s colleague: “If you have a problem, you should ask your co-worker” (Chief Marketing Officer). Characteristic of the subsequent enriching process is that the decision-making power has been delegated to the team leaders, increasing decision speed and innovativeness. The pioneering process is mainly achieved by occasionally rotating the team members between teams, revealing that “delegation and flexibility appear important for growth.” Enterprise Y also has a specific development team, which recently started to work in a more “agile” way. Altogether, the bundling process appears delegated, even though it is administratively controlled.

4.1.3 Leveraging process. In Enterprise X, the leveraging process is executed by the teams. However, these teams are indirectly steered by the top management’s cultural management, emphasizing the values of experimentation and customization. Overall, the team is responsible for creating close customer cooperation and keeping control of incremental product improvements and delivery adjustments. Through this close relationship, the team identifies needed resources, meaning that necessary capabilities can be mobilized to deliver product solutions to customers. Learning by failure is praised as one of the company’s most important core values: “Trust and daring to fail are interrelated, in fact, a cornerstone of our self-organized teams” (Founder). The coordination process is generated by self-organization, i.e. guided by the core values of trust and responsibility, and the team members take care of tasks and customer relationships, which also means that “the customer becomes an active part of the team” (Table 2). Each self-organizing team operates in a so-called sector, consisting of customers with similar characteristics. In addition, the deploying process is based on close personal relationships between team members and customers. By sharing insights between team members and customers, the “directly team-controlled performance and customization generate growth energy.” In this process, the central norm of daring to fail makes each team member more willing to experiment and test, although it also makes them accountable for improving their learning, which ultimately supports customization.

In Enterprise Y, to mobilize the capability configuration to exploit market opportunities, necessary capabilities are identified by a specialized customer service team. In this way, the teams receive information on how to customize the software product. Overall, the leveraging strategy encourages “trial and error” (Table 3). It is the company’s philosophy to encourage the teams to experiment with customizing the software as much as possible. To coordinate the capabilities, management works in close cooperation with the teams. The employees’ flexibility to adapt to new team constellations is crucial for the management process. However, the teams are mainly coordinated by management, yet, the direct customer relationship is primarily mediated by delivery managers and market needs are analyzed by market analysts, implying that “growth drives increased customer distance.” In the sub-process of deploying, the direct and
personal communication between teams and management is central, which is mainly executed by “management by walking around.” However, as the teams’ customer contacts are mediated by managers, they also influence the customization.

4.1.3.1 Similarities and differences in RO between the family software firm and the non-family software firm. Several similarities in RO were identified between the first-generation family firm and the non-family firm. The following similarities were identified: (1) the core business is carried out by more or less decentralized teams (bundling), with daily operative decisions being delegated to the teams and (2) high acceptance of failure (leveraging) is an explicit ideal in both organizations.

However, the RO process also differed between the family firm and the non-family one. Table 4 shows how the types of fast-growing SMEs, operating in a complex and dynamic environment, differ in terms of RO (also described in Tables 2 and 3).

5. Discussion
This paper analyzes how the RO processes of structuring, bundling and leveraging (Sirmon et al., 2007) are arranged for growth, and how they are affected by different ownership types, resulting in different RO configurations.

<table>
<thead>
<tr>
<th>Different foci of the firms’ RO processes</th>
<th>Non-family firm</th>
</tr>
</thead>
<tbody>
<tr>
<td>First-generation family firm</td>
<td></td>
</tr>
<tr>
<td>- Emphasis on mapping recruits’ and employees’ values: the founder had personal conversations with all employees to learn what was important for them (structuring)</td>
<td>- The importance of individual competence was stressed (structuring)</td>
</tr>
<tr>
<td>- Individualism was not welcome: top management did not like career-focused co-workers and competition among them; rather, collectivism was idealized (structuring)</td>
<td>- Career opportunities, concomitant salary development, and low employee turnover were described as crucial for the business (structuring)</td>
</tr>
<tr>
<td>- Responsibility-focused team culture: the fundamental importance of collective responsibility was emphasized (bundling)</td>
<td>- The importance of documentation processes was described as fundamental (bundling)</td>
</tr>
<tr>
<td>- Customers were included in autonomous teams: direct customer contact was described as essential for the business (leveraging)</td>
<td>- Team orientation, but with four clear levels of emergent hierarchy identified (bundling)</td>
</tr>
</tbody>
</table>

Table 4. Differences in RO between first-generation family firm and non-family firm operating in a complex and dynamic environment

<table>
<thead>
<tr>
<th>Roles and processes</th>
<th>Structuring</th>
<th>Bundling</th>
<th>Leveraging</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family-firm paradoxical growth-oriented RO configuration</td>
<td>Main orchestrator actor</td>
<td>Family business founder</td>
<td>Normatively controlled and value-conforming teams</td>
</tr>
<tr>
<td></td>
<td>Main orchestration characteristic</td>
<td>Value-based selection and collectivistic conformity</td>
<td>Team responsibility-based arrangements</td>
</tr>
<tr>
<td>Non-family-firm growth-oriented RO configuration</td>
<td>Main orchestrator actor</td>
<td>Top management</td>
<td>Semi-decentralized teams</td>
</tr>
<tr>
<td></td>
<td>Main orchestration characteristic</td>
<td>Competence-based selection</td>
<td>Administrative-based delegation</td>
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</table>

Table 5. Growth-oriented RO configurations regarding ownership types
in two major configurations: family-firm paradoxical growth-oriented RO and non-family-firm growth-oriented RO. The differences in RO between a high-tech SME family firm and a non-family one likely stem from differences in maintaining control during growth. As the software industry is characterized by complexity and dynamism, the development of software solutions more or less requires decentralization to team-based experts (Andersén and Ljungkvist, 2021). However, instead of the administrative-based control used by the non-family firm, the family firm emphasizes family and collectivistic norms and values, emanating from the founder’s need for personal control (Chang and Noguera, 2016; Jaffe and Lane, 2004; Labaki, 2011; Salvato, 2004), which in turn shapes the RO processes. In this way, the RO in first-generation family business forms a paradoxical configuration: The requirement of highly decentralized teams makes the founder to proclaim and encourage creation and use of independent and self-governing teams, however, strongly normatively controlled by the founder. Considering the higher extent of informal control within family businesses (Arteaga and Escribá-Esteve, 2020; Kotey, 2005), combined with the founder’s need for control (Salvato, 2004), makes this configuration likely for first generation family businesses operating in a complex and dynamic environment, thus, less likely for non-family businesses that in a higher extent rely on administrative tools.

Aggregated from an extensive body of quotations, the main orchestrator actors and characteristics can be captured in abstracted summative themes (Tables 2 and 3), resulting in the two configurations shown in Table 5.

Comparing the two types of RO configurations for growth, the most significant difference appears in the structuring process. However, in the sub-process of acquiring, the top-managers appear to be the main orchestrator actors in both these configurations. The first-generation family firm owner focused largely on value-based selection and the collective-oriented values of job applicants and employees, individualism and career ambitions not being welcome. Certainly, this strong focus on collectivistic and family-oriented values can be explained by the founder’s unique personal experience (Labaki, 2011; Ljungkvist et al., 2019; Salvato, 2004) of successfully organizing for growth and profit in this industry. Yet, this focus could also be regarded as representing his need to maintain tight business control so he can hand over the company to the next generation of family owners (Berrone et al., 2012). In contrast, the non-family firm focused explicitly on competence-based selection in recruitment and offered good internal career opportunities.

As the teams in the first-generation family firm managed the bundling and leveraging processes autonomously, they could be considered the main orchestrator actor in these processes. However, strongly governed by explicit norms of collective responsibility and of the team being valued as a “second family,” and with limited career ambition being a criterion for employment, the owning family preserved and exercised informal but strong responsibility-based business control. Thus, even the customer-included value creation was indirectly controlled by the norms of the family-firm founder.

With its explicit competence focus and internal career opportunities (i.e. meritocratic environment; Taylor, 2006), the non-family company had considerably lower staff turnover than did the first-generation family firm. Although a flat organizational structure is preferable in a complex and dynamic industry (Van de Ven et al., 2013), a certain degree of meritocracy with accompanying salary development appears favorable for retaining staff, as excessive turnover can hamper firm growth. Intuitively, this should be particularly important in urban areas, where competition for competent workers is greater.

Regarding the bundling and leveraging processes, the self-governing teams of the family business, minimization of documentation and customer-included value creation, all support team integration and offer a system that is easy to scale up to support growth. However, as the first-generation family business founder’s personal perceptions and solutions strongly influence the management processes (Carnes et al., 2017; Gómez-Mejía et al., 2007, 2011; Ljungkvist et al., 2019), especially those based on strong and pervasive norms, the risks of
conformity and non-innovative thinking increase, in the long run counteracting growth and competitiveness (Zellweger and Sieger, 2012). In contrast to the first-generation family firm’s RO, in the non-family firm, rather than relying on pervasive norms of responsibility, the bundling process is stabilized and coordinated by managers, documentation and defined competences. Yet, flexibility is maintained by semi-decentralized teams and is thus partly managerially controlled. Furthermore, by developing a managerial hierarchy that also encompasses the customer relationships, the crucial customization in the leveraging process is mediated and management supported. Yet, direct contacts between customers and team core competences are hampered, which may reduce innovativeness and consequently impede the firm’s long-term growth.

By presenting the two configurations for growth-oriented RO in high-tech SMEs, we foster insights into what drives RO process design. Figure 3 shows how the first-generation family owner’s need for personal control, ultimately driven by a desire to hand over the company to the next generation in the future, relies on strong normatively controlled teams, enabling growth in a complex and dynamic environment.

In contrast, Figure 4 shows how growth in such an environment is driven and controlled by administrative delegation, which shapes the RO processes. Although it is a high-tech SME, this configuration basically relies on formal delegation, documented processes and specified competence. The differences between these configurations are thus rooted in the first-generation family business owner’s need for consensus (i.e. a sense of control), in line with his or her perception, which can be a way to psychologically compensate (Jung and
Finally, prior research has found differences in RO depending on whether firms are growth oriented or mature (Carnes et al., 2017). This study also found differences in RO, even among firms in the same life-cycle stage (i.e. the growth stage). Differences can be found in all three discussed management processes, mainly explainable by the first-generation family founder’s need for control.

6. Conclusions

6.1 Theoretical implications

In response to recent calls for comparative case studies investigating RO in environments of dynamism and growth (Wright and Stigliani, 2012), to explore configurations of family business ownership and RO (Chirico et al., 2011) and to address specific stages of the firm’s life cycle (Sirmon et al., 2011), this study contributes by suggesting ownership-based growth-oriented RO configurations. This study provides a systemic and theoretical understanding of how ownership types affect RO in a complex and dynamic setting. The configurations of family-firm paradoxical growth-oriented RO and non-family-firm growth-oriented RO identify the main orchestrator actors and characteristics of the RO processes. Furthermore, the first-generation family business owner’s need for control (Berrone et al., 2012; Jaffe and Lane, 2004; Labaki, 2011; Salvato, 2004) in this environment drives family-firm paradoxical growth-oriented RO configuration. Besides, this configuration fosters conformity and team-based collectivism, facilitating growth, but at the risk of hindering growth in the long run. Furthermore, by revealing the management role in a dynamic industry, this study extends the general findings of the RO literature (Andersén and Ljungkvist, 2021; Carnes and Ireland, 2013; Chirico et al., 2011; Helfat et al., 2007; Sirmon et al., 2011).

6.2 Managerial implications

This study illustrates how high-tech SMEs in a complex and dynamic environment can successfully orchestrate their resources for growth. For companies operating in such environments, our study identifies several managerial implications for growth. For first-generation family firms, our study identified the risk that the founder might implement overly strict value-based governance, driving staff to conform. In this way, innovativeness could be hindered in the long run as individualistic employees become difficult to retain. In non-family firms, there is the risk that the owners, to maintain control, will increase administrative and hierarchical management, meaning that the teams’, and thereby the firm’s core competences lose direct contact with customers, hampering creativity, organic decision-making and growth.

6.3 Limitations and avenues for future research

Our study examines only high-tech SMEs that are rapidly growing, meaning that it does not consider the other stages of the company’s life cycle, i.e. start-up, maturity and decline (Carnes et al., 2017). Regarding the role of RO in high-tech family firms, the present findings concern only the first-generation family owner, i.e. the founder (Jaffe and Lane, 2004; Salvato, 2004). Another limitation is that the study was conducted in a Swedish context. As Swedish culture is characterized by collectivist features (Hofstede, 1984), these features may have affected management processes (Sirmon et al., 2007), possibly making them less comparable to those of businesses elsewhere. Moreover, as our study comprises only two cases, factors such as owners’ personalities and experiences, specific team attributes and particular market contingencies may affect its generalizability. Lastly, the two case companies work with highly customized solutions, limiting the study’s theoretical applicability to mass-producing companies.
Future research could seek a deeper understanding of how active owners affect firm RO and growth in complex and dynamic environments by empirically applying an upper-echelon approach (Andersén et al., 2020; Hambrick and Mason, 1984), stressing the top management role in creating firm-level heterogeneity (Chadwick et al., 2015). In this way, how family owners’ and non-family owners’ inherent attributes, such as personalities and demographic backgrounds, affect RO is important. As middle management and their bidirectional synchronizing of structuring, bundling and leveraging have been noted to be especially critical for growth in flatter organizations (Sirmon et al., 2011), both formal and informal team leaders in such environments could also be the subject of upper-echelon investigations.

To better understand the family firm context, future research needs to identify how unique family firm resources are mediated to develop innovations (Carnes and Ireland, 2013) in fast-growing software companies. Moreover, future work could add value by addressing the impact of family firm succession (Berrone et al., 2012; Chirico et al., 2011) on RO in still expanding family firms. The declining impact of later family generations on management processes (Jaffe and Lane, 2004) should reasonably lead to, for example, changing patterns of resource acquisition and accumulation (Carnes et al., 2017). Therefore, future research should look at firms beyond the first generation and in particular how the paradoxical growth-oriented RO configuration develops. Finally, the presented configurations and their relationship to growth and performance could be tested in large-scale empirical studies.

References


Further reading


Appendix
Interview guide
(1) What is your main explanation for the company’s rapid growth and how does it relate to the team’s working method, function and ability to innovate?
(2) How do the employees’ internal skill development and career opportunities work?
(3) How are the core activities organized and how are they related to market changes?
(4) What characterizes the team composition and how are tasks and responsibilities distributed?
(5) How do you identify customers’ needs, and how do you customize products and consulting?

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