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**Knowledge sharing in small family firms**

- James Cunningham, Claire Seaman -

**Why study small family firms?**
Small family-based enterprises play an important and dominant role in most economies. Some key figures of the UK sector:
- 36% increase in SMEs (Small to Medium-Sized Enterprises) in the last 16 years.
- 74% of these firms considered to be family-based enterprises.
- An estimated 3.6 million family firms in the UK.

**Unique abilities over larger counterparts.**
For example:
- Their strategic flexibility and promotion of innovation.
- Their considerable labour market function in creating wealth and employment.
- The significant size of the sector.

**Not solely profit orientated!**
Reasons for existence differ almost as much as each individual family. For instance, creation and retention of familial employment, dreams of succession to next generation, and the desire to contribute positively to their surrounding environment and communities, are among the many reasons families enter into the fascinating and dynamic environment of a family firm.

**Research Aim/Plan:**
The planned research will investigate the effects of leadership style on intra-organisational knowledge sharing in small family firms operating in a knowledge intensive marketplace.

**Methods:**
Initially utilising survey instruments, the investigation seeks to explore the relationship between distinct leadership styles and their subsequent impact on knowledge sharing practices in around 200 firms from the Scottish financial/business services sector. Via purposive sampling more in-depth qualitative interviews will take place with selected participants in order to deepen understanding of the main issues involved.

**Implications:**
Establishing the effects of leadership style on knowledge sharing will help policy makers, family business advisers, and all levels of family firm management involved in the decision-making processes to realise the full potential of intra-organisational knowledge sharing in small family firms.

**Knowledge Sharing:**
- Creation and use of individually held knowledge within the firm.
- Knowledge links firm to its ecosystem; influencing flexibility to changing, dynamic environments.
- Intra-organisational knowledge is only of value when shared, synthesised and used. The key to which is embedded in the development of an open and relationship-orientated organisational culture.

**The Role of Leadership:**
Critical and omnipotent, the role of owner-manager leadership impacts all areas of the organisation, not least in the development of intra-organisational knowledge sharing. Specifically, in the following areas:
- Development of organisational culture
- Acknowledgement and utility of knowledge other than their own
- Determining the level of influence family objectives have on business operations
- Application of governance controls to both family and non-family members

**‘Familiness’:**
The last two points refer to the notion of ‘familiness’; the existence of which sets family firms aside from other private enterprises. ‘Familiness’ can impact knowledge-sharing as follows:
- Increased levels of trust in relationships
- High frequency of informal discussions (i.e. ‘Out of hours’ meetings)
- Greater commitment from all levels of the firm
- Blinded familial autonomy in knowledge retention and decision-making
- Family induced ‘group think’ scenario
- Exclusion and intentional or unintentional mistreatment of non-family members

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*Keeping it in the family...*