

A TRIDIMENSIONAL MODEL TO ANALYZE MANAGEMENT STYLE OF SMALL FAMILY BUSINESS FOUNDERS

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Abstract

The purpose of this article is to highlight the complexity of the management style of family business leaders. The relevant literature was reviewed to construct a theoretical model integrating the particularities of small family businesses. We propose a tri-dimensional model for analyzing small family business founders, based on three logics of action (economic, family and power), while keeping in mind the fact that these three logics of action are opposed and complementary. This model therefore aims at introducing additional dimensions in the analysis of small family business leaders since the latter evolve in as complex an environment as big companies. The newly developed conceptual model is original and adapted to the specificities of small family businesses.

Key words: Small family business; leadership; tridimensional model; logic of action; contradictions.

INTRODUCTION

Family businesses account for more than two thirds of all businesses in the occidental world (Cromie, Stephenson, & Monteith, 1995). Moreover, in comparison to publicly-quoted companies, family firms are less vulnerable to the scrutiny of the stock market and their stakeholders, contributing to a long-term orientation of the business (Kets de Vries et al 2007); most of them are small and medium-sized businesses (Ward 1990; Donckels & Fröhlich, 1991). They provide extensive contributions to employment, gross national product and wealth creation (Shepherd, & Zacharakis, 2000; Feltham et al, 2005).

Despite the prevalence and economic importance of family firms, social scientists have largely neglected the study of family-owned and family-operated enterprises (Dyer 1986; Daily and Dollinger 1993), and small family businesses (SFBs) in particular (Mouline, 2000). Research on small family businesses (SFBs) is as yet not structured within a common paradigm. Some authors (Allouche and Amann, 2000; Zahra and Sharma, 2004) argued it is currently in a pre-paradigmatic state; there is no commonly accepted definition either for “family business” or for “small business” (Cisneros, 2005). Indeed, definitions of family businesses focus on a variety of different organizational attributes, including ownership, management, and intergenerational continuity, to name but three (Litz, 2008).

Many authors view private family firms as a homogeneous group (Westhead and Howorth, 2006). However, SFBs exhibit a variety of motivations, more or less complex management and ownership structures (Smyrniotis and Romano, 1994). Bauer (1993) explains that the supposedly “unique” way to analyze small businesses has led to a conceptual unity on which is based a unified representation of “business” (Bauer, 1995). But today, a new consensus has emerged to reaffirm the special character of SFBs. More and more economists and sociologists believe that company size is not the only determinant of complexity: a reduced size does not necessarily imply simplicity (Bauer, 1993). Nevertheless, there is still limited understanding of how, why, or the extent to which private family firms differ (Westhead and Howorth, 2006).

Moreover, all of the pre-cited authors insist on the need for more studies to explore family business behaviours. In addition, the distinction between family and nonfamily business may be attributable to the differing management styles and motivations of founders versus professional managers (Dyer, 1986; Daily and Dalton, 1992; Daily and Dollinger 1993). When we look at a family firm, we are looking at the interaction of three systems: ownership, family and management (Tagiuri & Davis, 1996). So the leader is, consciously or unconsciously, influenced by these systems. Tagiuri & Davis (1996) show that the system boundaries overlap and are not always symmetric; and the interaction of these three systems have varying degrees of overlap.

This has led us to consider SFBs as complex organizations, since several logics of action (from different systems) may interfere in SFBs. Moreover, unlike nonfamily firms, the “family” logic is an additional dimension to the complexity of SFBs (Tagiuri & Davis, 1996), which may conflict with other logics of action (Bauer, 1993). In order to bridge some of the gaps in the research on SFBs, this article highlights the importance of contradictions in the management style of SFB leaders. This

conceptual article focuses on the different management style of SFB leaders. We propose a tridimensional model for analyzing SFB leaders, based on three logics (economic, family and power), while keeping in mind the fact that these three logics are complementary and opposed. This model therefore aims at introducing additional dimensions in the analysis of SFB leaders since the latter evolve in as complex an environment as big companies. Our model includes three different opposed and complementary logics to examine management styles in SFBs.

LEADERSHIP IN A SFB

The variety and fragmentation of definitions of small business and family business have led us to adopt an extended definition in this research. We consider SFBs as family-owned and operated businesses with fewer than 250 employees, and with members of the family working in the company with the intention to keep it in the family (Cisneros, 2005). Moreover, many authors (Danco, 1977, Donckels & Fröhlich, 1991; Feltham et al, 2005) stated that the destiny of a SFB is tightly linked to the destiny of its founder and to the way s/he leads her/his management team. For this reason, it appears particularly important to enrich and develop tools to analyze SFB leaders.

Nicholson and Björnberg (2006) note that leadership topics are neglected in the field of family business. However, different studies have focused on leaders of family firms, including legitimate leadership, performance, principal-agent theory and governance structures (Astrachan et al, 2006). Nevertheless, leadership in a family business is complicated by the interaction of family, ownership and business status (how to be a good team leader and a good father at the same time?). Moreover leadership is particularly important in small businesses since business success or failure may be attributable to the character of the leader (Nicholson and Björnberg, 2006). But Cabrera Suarez (2005) suggests that the general literature on leadership development may not be suitable or complete enough in the case of family firms.

Leadership has been defined by Wilson (1975) as “initiating and sustaining of group movement.” This definition applies to leadership in all social species (Wilson, 1975). For Baker and Wiseman (1998), this means that leaders of family businesses are those who are able to initiate new ideas and propose new directions for the business, while energizing others to participate effectively in those new ideas and directions, and improving family wealth. In family firms, leaders make decisions in relative isolation (Nicholson and Björnberg, 2006). The literature highlights that personality effects, represented as leadership style consequences, are contingent on the factors of the context (Conger, 2005).

Finally, there is evidence that the linkage between the role of the leader and firm performance is more easily observed in smaller firms (Alcorn, 1982; Daily and Dalton, 1992). In addition, the founder leadership’s print will have an influence in the future of the firm (Le breton & Miller, 2008). Indeed, the founder’s role and influence can be seen in a family firm whether she or he is still active in the firm, retired or deceased (Le breton & Miller, 2008). In spite of the importance of leadership in SFBs, to our knowledge, few researchers have developed tools or models specially designed to fit leaders of SFBs.

FROM THREE CIRCLES TO THREE LOGICS OF ACTION

Tagiuri and Davis (1996, p. 200) argue that a “family company has several unique, inherent attributes, and each of these key attributes is a source of benefits and disadvantages for owning families, nonfamily employees, and family employees”. These authors developed a three-circle model (see Fig. 1) to represent the interactions that occur within family businesses. This model describes the family business system as three interdependent and overlapping subsystems: company, ownership and family. They affirm that the overlap of these systems generates the many distinguishing features of family companies. Any individual in a family firm can be positioned in one of the seven fields that are created by the overlapping of the subsystems.

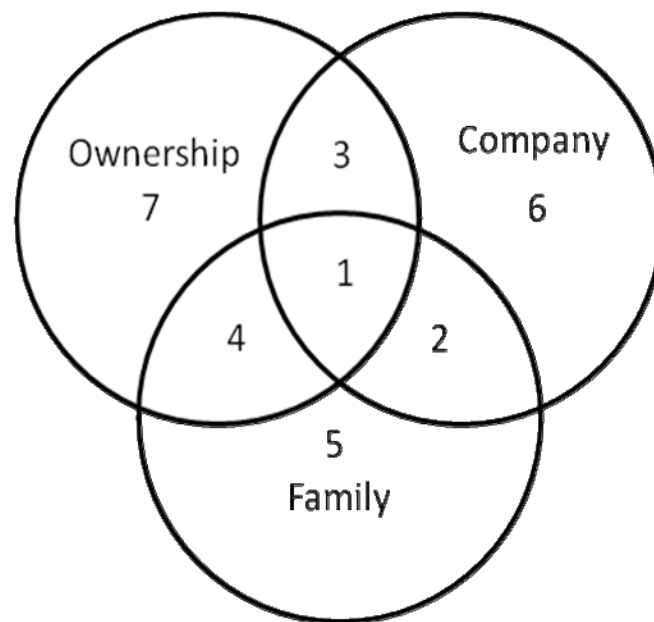


Figure 1. Adapted from Tagiuri and Davis (1996).

These three perspectives of subsystems are taken into account to explain how individuals in the field number 1, in this case the founder of the company (manager, father, owner), make decisions or behave inside and outside the company. This model shows that SFB leaders may have to cope with these three subsystems simultaneously.

Because of these overlapping systems, founders have simultaneous obligations to the employees, family members and shareholders. For instance, during the succession process, an owner-manager-father can retreat into his role as father and he will leave the control and the ownership to his son (daughter). As a manager, he will keep the control and reinvest to grow. Finally, as owner, he will sell the company and invest elsewhere. Founders have simultaneous roles, so they think using simultaneous logics. That means they have three simultaneous and opposing logics: manager, father and owner. The Father is interested in the unity and welfare of the family. The Owner is interested in return on investment and viability of the firm. The Manager is interested in the firm's operational effectiveness, development and growth.

Tagiuri and Davis (1996) argue that goals, norms and behaviours of each system are, in general, opposed. They affirm that the owner-manager-father¹ periodically “suffer(s) from the anxiety” that results from these oppositions. According to them, the features of family businesses account for both their strengths and their weakness: “(It is not possible for management to eliminate these features and the challenge is to manage them to maximize their positive, and minimize their negative consequences” (Tagiuri & Davis, 1996, p. 206). In spite of the great value of this model, it does not offer a theoretical framework to understand how leaders cope with these contradictions nor how to compare two SFBs leaders. That is the reason why, in this article, we propose a tool to better understand the contradiction.

SFB leaders do not form a homogeneous group (Cisneros, 2005) and many authors have tried to classify entrepreneurs’ heterogeneity by typologies. This section thus presents a typology of the logics of actions which can influence SFB leaders. Several authors (Bernoux 1985; Amblard et al, 1996; Bernoux and Herreros, 1993) define logic of action as a set of representations, values, norms and attitudes; with interrelationships amongst them (Bernoux and Herreros, 1993) which influence an action in a given context (Bernoux, 1985). Types of logic of action, thus, are the reasons why individuals take the actions they do; they are related to a given context, which is why individuals have various perspectives in similar situations. In this paper, we define complex situations as situations in which more than one logic of action determines the behaviour of a SFB leader.

According to Bauer (1993), the SFB leader is a “three-headed man”, i.e., he is guided not only by economic rationality, but in fact follows a triple rationality: economic rationality, political rationality and family rationality. Thus he can act according to these three types of logic of action, which are sometimes opposed but can coexist:

- The Homo Economicus (moved by an economic logic of action)
- The Homo Politicus (moved by a power logic of action)
- The Pater Familias (moved by a family logic of action)

The Homo Economicus

The economic logic is probably the most studied in management. It considers entrepreneurs as economic agents, who are only interested in the economic profit of their businesses. The literature on entrepreneurship argues that the main priority of an entrepreneur is to create and grow her or his own business (Casson, 1991; Baumol, 1968). Entrepreneurs take calculated risks and innovate to satisfy customers’ needs (Schumpeter, 1934). Consistent with economic motives, Cassar (2007) found that entrepreneurs place financial success as a key determinant to explain career choices. As well as in other firms, SFB leaders pursue growth strategies and performance (Miller et al. 2008).

Consequently, a major role of SFB leaders is to control and regulate activities carefully. From this bureaucratic perspective, family businesses should include only family members who help to maximize organizational performance. Moreover, business and family should be kept separate, and the treatment of family members working in the business should be identical to the treatment of other employees (Poza, 2009).

¹ or an owner-manager-mother

Family members should be hired, promoted and rewarded based on qualifications (Sorenson, 2000). They should be monitored, and if they do not perform to set standards, then they should, like other employees, be reprimanded or fired. Moreover, in the economic logic, employees are supposed to be motivated by money only. Controls are important since employees are liable to “cheat.” As a result, the Homo Economicus is interested by the economic and financial results of his company and the income it releases.

The Homo Politicus

Power is a central notion in the *logic of action based on politics*. Power in organizations has been studied by sociologists such as Crozier and Friedberg (1977). According to them, individuals seek to reach their goals through the power they are able to acquire in the organization. Consequently, power is the most important source of action in organizations.

Power is most often defined as the capacity to overcome opposition (Niemelä, 2004). According to Weber (1947), power is “*the probability that one actor in a social relationship will be in a position to carry out his (own) will despite resistance...*” (p. 152). However, Dahl (1957) defines power in a simple way: the ability to get others to do something they otherwise would not; this author describes power like this “*A has power over B to the extent that he can get B to do something that B would not otherwise do*” (p. 202).

In research on entrepreneurship and family business, power has been studied as a motivation for entrepreneurship, for example, many entrepreneurs start a business in order to be their own boss (Filion, 1991). Consequently, the *logic of action based on politics* is focused on making decisions and keeping power in one’s own hands. Everything is done with this purpose in mind, including the determination of corporate policies.

According to Klein, Astrachan and Smyrnios (2005), in family businesses, power refers to dominance exercised through financing the business (e.g., shares held by the family) and through leading and/or controlling the business through management and/or governance participation by the family. Moreover, the exercise of power may differ in SFBs. Founder-run organizations are generally characterized by centralized decision-making processes (Dyer 1986; Daily and Dollinger 1993). It is not likely that the founder would invite dissension and autonomy among the managerial ranks due to the possibility of a loss of control within the firm (Daily and Dollinger 1993). In the same vein, the CEO of a SFB has been described as the most powerful, representing the ultimate decision-maker and the person with absolute authority (Garcia Alvarez & Lopez Sintas, 2006).

Consequently, the Homo Politicus seeks to consolidate his power in the company, or at least preserve it.

The Pater Familias

The *Pater Familias* refers to the *logic of action based on family interests*, that is to say, this logic of action is focused on the interest and well-being of the family. Not only is the SFB leader concerned for the interest and well-being of his own family

members, but he also considers the employees of the company to be a kind of extended family.

Logic of action based on family interests refers to a system, principle or practice of managing or governing individuals or a business in the manner of a father dealing both benevolently and authoritatively with his children. In management, this definition becomes "... a system or a practice of managing individuals that combines control, authority, and decision-making power with benevolence, caring, and affect; it seeks to promote the good or to benefit another as a means of achieving the goals of the enterprise" (Martinez, 1999). Furthermore, family logic of action is generally personalized and contextual. As a result, it is linked to a minute knowledge of the people of the company. The *Pater Familias logic of action* reflects a certain conception of power, a way of using it, and a type of relationship between the owner and the employees (Pinçon, 1990) in which the owner exchanges protection for loyalty.

The most prominent type of family business culture is paternalistic (Dyer, 1986; Sorenson, 2000). Kets de Vries (2007, p. 55) argues that "*although less common now in Europe and North America, the paternalistic model is still the organizational structure of choice for family business in many regions.*" In a paternalistic culture, relationships are arranged hierarchically. Family leaders retain all key information and decision-making authority, and managers closely supervise employees, giving subordinates little discretionary leadership (Sorenson, 2000). According to Sorenson (2000), autocratic leadership best describes the management behaviour in this type of organization.

In addition, the *Pater Familias* logic will often lead the SFB leader to devote more resources to family members, and even less talented and ambitious family members are favoured over outsiders when distributing resources (Sorenson, 2000). A boss, therefore, is not simply a boss, but also a father; a daughter is not simply a daughter, but also an employee (Litz, 2008).

In general, authors see only the negative aspects of paternalism (Lewin, 1948; Likert, 1967, Martinez, 1999), but it is extremely difficult to ignore it or to minimize its impact in SFBs (Fiol and Sole, 2001). In this perspective, we propose to analyze paternalism not as a style of leadership, which is often the case in the literature (Likert, 1967), but rather as a feature of the SFB leader personality.

Logics of action of the SFB leader

Bauer (1993) considers that the size of each "head" – or logic of action – and the conflicts and contradictions that exist amongst them can characterize the behaviour of the SFB leader: the decisions of a SFB leader express a negotiated combination of the projects inspired by each of his three heads. If those are too divergent, the leader, torn between contradictory desires, prefers to wait; his non-decisions also often result from tensions and conflicts amongst his three heads. These three types of logic of action can be understood or experienced by the leader as opposites (Bauer, 1995). For example, if a family member achieves very poor results, laying him off would be contradictory to the *logic of action based on family interests*, but in agreement with *logic of action based on economics*. In short, family businesses have both economic and non-economic priorities (Le breton & Miller, 2008). Finally, it is important to make clear

that the leader should not be regarded as a separable entity from the group (Kets de Vries, 2002; Motta, 1993). Thus, the leader has to be situated in his organizational and cultural context.

Leach (1993) described the paternalist paradox: like a father with his children, the paternalist leader would like his subordinates to "grow" to replace him but he never feels ready to leave. He wants to keep the power and enters a vicious circle then. Consequently, contradictions amongst these three types of logic of action are a very important element that could explain the behaviours and actions of SFB leaders. That is why it appears relevant to explore more in depth the concept of contradiction in management. This concept is especially pertinent in research into family business.

CONTRADICTIONS IN LOGICS OF ACTION

In our occidental way of thinking, it is difficult to imagine contradictions that are not antithesis (Tarde, 1897; Lukasiewicz, 2000, Bachelard, 2002). For example, reason is opposed to feelings, the body to the spirit, the unconscious to the conscious, etc. As a result, two opposite items cannot coexist. This way of thinking, deriving from Greek philosophy, polarizes contradictory logics in an effort to determine which position is correct (Peng and Nisbett, 1996; Lukasiewicz, 2000, Bachelard, 2002). On the other hand, oriental ways of thinking may deal with contradictions in an ambivalent perspective: opposing logics can coexist and they are in constant change (Loy, 2000).

Management, generally speaking, is seen as the product of the occidental culture (De Geuser, Pequeux and Pham, 2003). Consequently, we use non-contradictory reasoning in management to understand and analyze complexity in organizations which habitually implies a simplification of this complexity. Nevertheless, it is often forgotten that this simplification is necessary but can lead to the reduction of reflection (Fiol and De Geuser, 2003): the map is not the territory (Korzybski, 1998). Many models of the hierarchical relationship are designed in two axes; this bipolar vision is pedagogical but does not allow the organization to be perceived according to other dimensions. Each way of seeing is also a way of not seeing (Morgan, 1986).

Traditional models of contingent leadership are an illustration of dual thought in management. Tannenbaum and Schmidt (1958) were the first to study the influencing-leadership process, following non-contradictory reasoning. According to them, the leader is either task-oriented or people-oriented, but can't be both. Their followers (Blake and Mouton, 1964; McGregor, 1960; House and Mitchell, 1974; Zalesnick, 1977; Bass, 1990; Yukl, 1994; Goleman, et al., 2002) considered that these two logics can coexist, but still proposed models based on two axes.

Therefore, the majority of theories on leadership have been based on two-dimensional models. These models are generally composed of two axes, one representing the orientation, "tasks" (economic rationality), and the other, "people" (emotional or social rationality). The model of contingent leadership postulates that the performance of a group depends on the interaction between the style of leadership of the leader and the situation. For Fiedler (1972), two styles of leadership are possible: task-oriented leadership and relationship-oriented leadership. According to him, task-oriented leadership fits individuals centered on the achievement of tasks. On the other hand, relationship-oriented leadership fits individuals who are more interested in maintaining cor-

dial relationships and support with others. Fiedler carried out studies (Fieldler, 1972; Fieldler and Chemers, 1974) showing that an individual cannot develop these two styles of leadership. Therefore, according to this author, it is important to know the style with which the leader feels comfortable (according to his personality) and how the situation can be adjusted with his style of leadership.

Contrary to many authors, Fiedler thinks the subordinates have to adapt to the leader and not the reverse. He affirms that instead of trying to change the style of leadership of leaders, organizations should concentrate on situations and subordinates so that they correspond to the style of leadership of the leader.

Fiedler's model has been highly criticized, basically because, apart from Fiedler and his/her collaborators, the results obtained with his methodology remain poor (Graen et al., 1971). The reliability and the validity of measurement scales are quite low. In addition, the author does not give counterexamples (Schriesheim, Tepper and Terrault, 1994). Moreover, we can add that this approach does not take into account the contradictory and complementary character of the two styles of leadership. In fact, the author follows the logic of non-contradiction, i.e., he denies contradiction; according to him the leader cannot be task-oriented and relationship-oriented at the same time. Furthermore, a task-oriented leader cannot become a relationship-oriented leader. This approach remains a negation of contradictions because the authors never mention that the leader can be task-oriented and relationship-oriented at the same time.

The situational leadership theory borrows the two styles of leadership from its predecessor: task-oriented and relationship-oriented leadership. But this approach analyzes these two styles following two axes. The result is a matrix model in four boxes: direction, drive, participation and delegation. Hersey, Blanchard and Johnson (1998) affirm that the most important factor to take into account in the selection of the style of the leadership is the level of development of subordinates. The leader must know in an intuitive way the level of maturity of his collaborators and adapt his style of leadership to their level.

Hersey et al. (1998) have been criticized because of the difficulty of knowing whether the leader should adapt his style according to the level of each person, the level of the group or both (Gibson et al., 2001). Nothing actually demonstrates the ability of the leader to switch from one style of leadership to another (Norris and Vecchio, 1992).

Kerr and Jermier (1978) show that a welded and experienced group does not need a particular style of the leadership such as those presented by Hersey et al. In addition, even if a subordinate has a high level of development, it is impossible to delegate everything, because he is then liable to feel abandoned. Finally, subordinates need autonomy but also need "to be sense-making oriented" (Cisneros, Fiol and Fronda, 2003).

In conclusion, these approaches neither speak about contradictions nor about complementarities. They postulate that the leader acts according to two logics and no more. They seem to be locked up in standard ideals, certainly useful but reducing. Additionally, none of them took into account that the leader could also be the company owner or work with his family. Thus, the leader is isolated from the organizational/family context; he cannot cope with two opposing logics. Consequently, none of them take into account the paternalist behaviour of the leader or even his political

behaviour. In this article, we go further than these traditions of leadership – based on these two axes – and introduce a model that can manage contradiction as part of the function of SFBs. To try to fill the gaps of traditional models, we propose a three-dimensional model to analyze the style of management of SFB leaders. We identified three logics that can guide the leader's actions (the Pater Familias logic, the economic logic and the political logic). All the same, our model is a simplification of a complex reality; nevertheless this approach seems to be less simplistic than bipolar models.

A TRIDIMENSIONAL MODEL

Taking as a starting point Bernabé and Dupont (2001), we propose in this section a model that includes some specificities of SFBs. Not being able to isolate a Pater Familias logic from other logics, we will use the Bauer theory of the "three heads of the leader" which seems relevant to understand the SFB leader. Then, we will show how these logics can be complementary, even if they are sometimes opposed. Finally, we will present a three-dimensional representation of ideal-types, which could characterize each facet of the SFB leader.

From cursor to stretch reasoning

We postulate that two opposite logics can coexist in a diachronic way (Korzybski, 1998; Cisneros & Mejia, 2003). Fiol (2003) explains why an opposition between two attitudes or logics of action can be apprehended in two ways. The first, called cursor reasoning, considers that the two logics of action constitute the ends of a continuum between which it is possible to move a cursor. Following this reasoning, the more a leader is Homo Economicus, the less he is Pater Familias. Consequently, one logic of action is left behind to the profit of the other; in such reasoning, the coexistence of two opposite logics of action is impossible. The cursor reasoning corresponds to the OR reasoning: one OR the other of the two logics concerned (see Fig. 2).

On the other hand, the "stretch reasoning" postulates that one logic of action does not necessarily exclude the other. Both can be reinforced mutually and guarantee the suitable development of each one according to the situation considered. This is possible thanks to a diachronic coexistence: the stretch reasoning substitutes the dialectical AND to the reasoning in OR. If we consider again the example of the employee giving poor results, the leader can decide to send him for training in order to improve his results (Homo Economicus) while securing his honesty (Pater Familias). The following diagrams present the chart of the two reasonings – cursor and stretch – suggested by Fiol (2003).

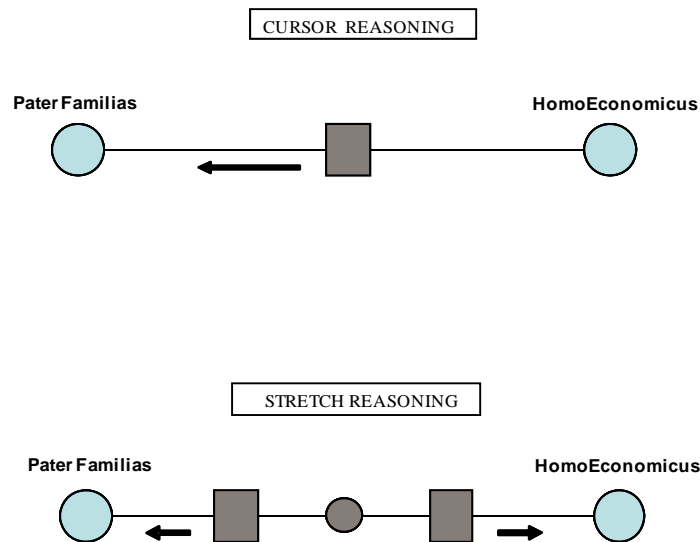


Figure 2. Cursor reasoning versus stretch reasoning (Adapted from Fiol, 2003).

Passing from the cursor reasoning to stretch reasoning is also possible in a multidimensional space. We are accustomed to oppose one idea to its opposite, even in a situation where several heterogeneous logics of action are at stake (Watzlawick, 1995). Consequently, we can integrate the three logics of the SBF leader (Bauer, 1993) in a stretch diagram; this representation diverges from the traditional bivalent models (see Fig. 3).

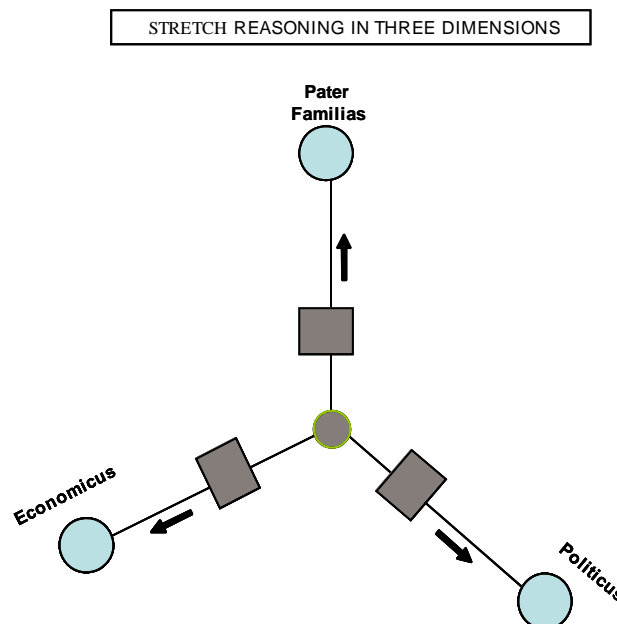


Figure 3. Stretch reasoning in three dimensions.

According to Bauer (1993), the three logics of action are always present even if one or two of them are reduced. He argues the SFB leader can be more or less Homo Economicus, more or less Homo Politicus and more or less Pater Familias.

Cube of management styles

We distinguish three logics of action, located on three axes: Pater Familias (PF), Homo Economicus (HE) and Homo Politicus (HP). These logics are more or less expressed in the leader's behaviour (+ or - noted on the figures). In this three-dimensional space, we can see eight types of SFB leader's behaviours. They are ideal-types, and our goal is to show that the SFB leader can be more or less oriented on each one of these three poles (see Fig. 4).

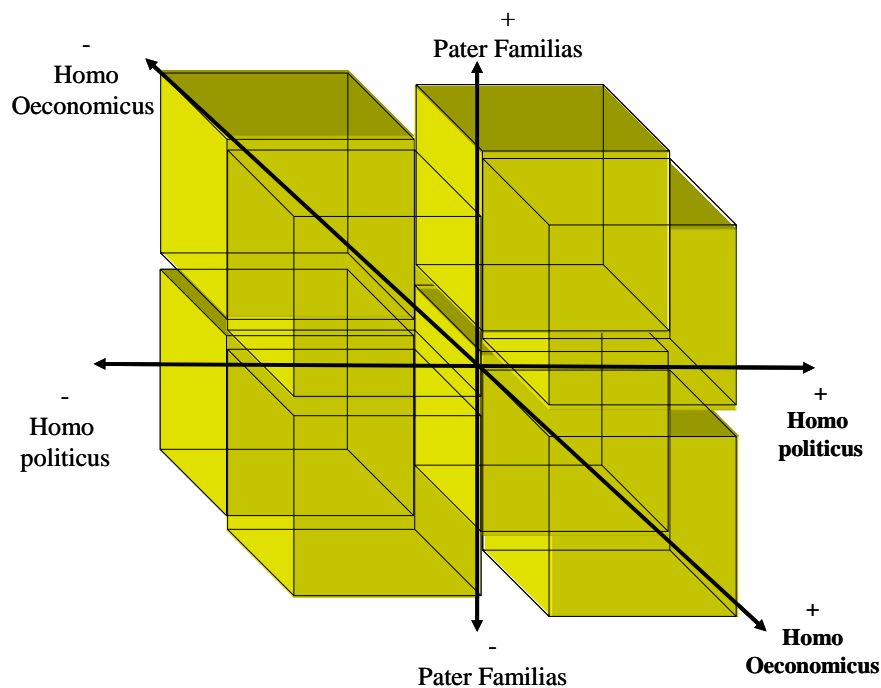


Figure 4. Cube of management style.

The cube of management style permits us to illustrate some of the management styles of SFB leaders, derived from the work of Bauer. We define a management style as a combination of three logics of action (PF, HE, HP).

The three logics change and evolve over time. For Bauer (1995), even if SFB leaders perceive these logics as being contradictory, they are not and they coexist. Even more, the force of one logic of action can compensate for the weakness of the other (see table 1).

Table 1. Examples of advantages and disadvantages of the three logics of action (not exhaustive).

	Some advantages	Some disadvantages
Homo Economicus	Performance-oriented Pragmatic Task-oriented	Cold/Distant Miserly Insensitive
Homo Politicus	Mastermind Good negotiator Problem-oriented	Machiavellian Hypocritical Dictatorial
Pater Familias	People-oriented Generous Loyal	Nepotistic Emotional Paternalistic

Economic rationality is not the only type of logic guiding the leader's actions; it can coexist with others (Tagiuri & Davis, 1996). However, Bauer (1985) affirms that hypertrophies of one head of the leader are possible. The following figures (see Fig.5, 6 and 7) give examples of possible hypertrophies.

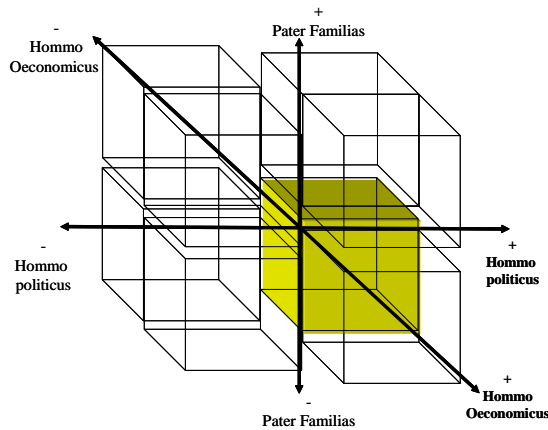


Figure 5.
Pure Homo Politicus (PF-, HE-, HP+).

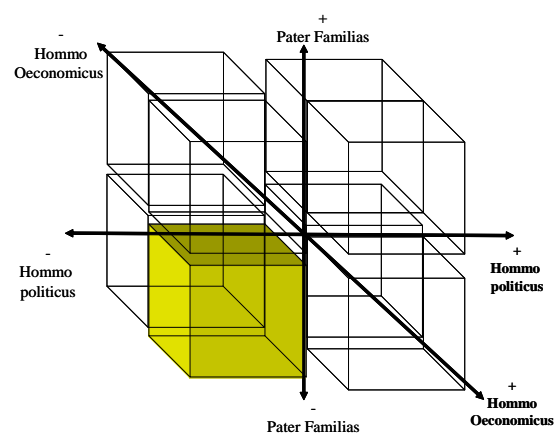


Figure 6.
Pure Homo Economicus (PF-, HE+, HP-).

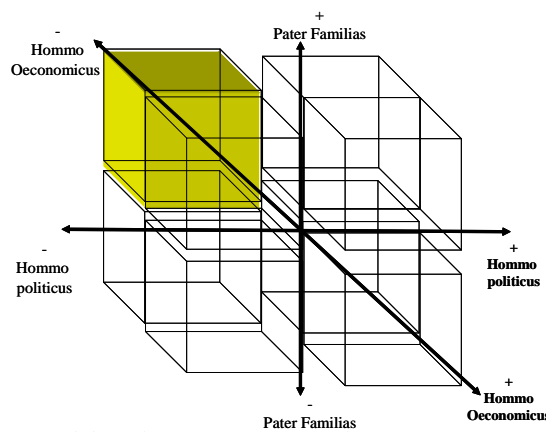


Figure 7. Pure Pater Familias (PF+, HE-, HP-).

Hypertrophies occur when a SFB leader is confronted with complex situations in which two or three logics of action are conflicting. Instead of seeing these logics of action as contradictory and complementary, SFB leaders often use cursor reasoning. Consequently, their perception of the situation is based only on one of the logics. However, by using cursor reasoning they cannot benefit from the advantages of the other logics of action. For example, in a succession, if a SFB leader only follows the Homo Politicus logic of action, he will keep the power in his hands but maybe he will lose the opportunity to legate the company to his family. Due to his age, he also might be less productive and lose money.

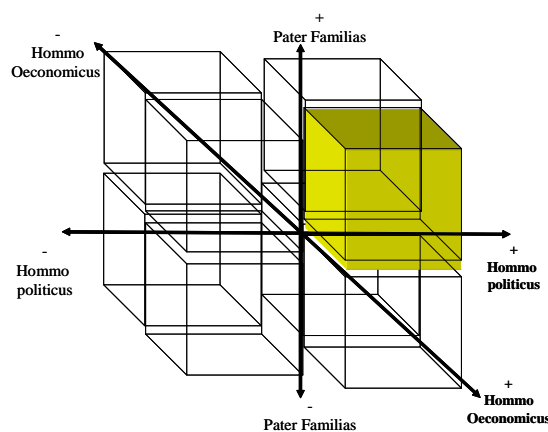


Figure 8. Three heads reconciled (PF+, HE+, HP+).

The cube of management style should make it possible to accept the idea of a leader who is at the same time *Pater Familias*, *Homo Economicus*, and *Homo Politicus* (see Fig. 8). Of course, each logic of action has strengths and weaknesses; a real optimum does not exist. Moreover, the strengths and weaknesses of each logic of action are more or less powerful according to the situation. Harmonizing the three types of logics of action is then an important challenge for SFB leaders.

Finally, the management style of SFB leaders is a combination of these three logics of action: a management style is seen as a unity containing all three logics of action (each logic can be prevalent in varying degrees in the management style of SFB leaders). Each management style has its advantages and disadvantages. There is no absolute optimum; all the styles presented have two faces, which depend on the ethics and morals of the leader.

To conclude, Bauer (1995) explains why there is an implicit rule in companies, which consists in speaking openly only according to the economic logic. The only form of legitimate rationality is economic rationality. Consequently, having a behaviour too obviously *Pater Familias* – or *Homo Politicus* – is taboo. Thus, there is a shift, often considerable, between speech and reality, between legitimate logic and existing logics. The cube of logics of actions then aims to introduce two “hidden” logics of actions and to shed light on the contradictions that can occur between them.

DISCUSSION AND IMPLICATIONS

One of the main propositions of this article is that management is the product of an occidental culture, based on non-contradictory thinking. Consequently, the bipolar or bi-dimensional models of leadership tend to reduce and simplify complexity in organizational functioning. On the contrary, we think that the three logics of action (Economicus, Pater Familias and Politicus) are important to understand the complexity of leadership in SFBs.

In this paper, our intention is to introduce a theoretical framework specially designed to analyze leadership in SFBs. The cube we propose tries to cope with the Pater Familias and Homo Politicus logics, as well as the economic logic, which are characteristic features in SFBs. Moreover, this tridimensional model can be useful to better understand leaders in family businesses in general. Indeed, it goes further than the two-axes models or the non-contradiction paradigm. The three-logic matrix is an innovation compared to the traditional models. In addition, we postulate that these logics of action are contradictory and complementary. The management style of the SFB leader is actually a combination of these three logics. Our framework is thus particularly relevant to family businesses.

Reconciling the three logics is an important matter for SFB leaders. As its name indicates, the leader with "three reconciled heads" succeeds in harmonizing the three logics, which can seem contradictory whereas these logics are reconcilable in practice. This view makes it possible to accept the idea of a leader who is at the same time Pater Familias, Homo Economicus and Homo Politicus. The economic rationality is not the only logic guiding the leader's actions; it can coexist with other logics of action. Bauer (1995) affirms that hypertrophies of one or two heads of the leader, are possible, but we find more coherent to try to harmonize the three rather than deny their coexistence.

If the SFB leader is aware of the coexistence of these three logics of action, he will be able to find creative solutions to complex situations based on them. Eventually, he will be able to go beyond the apparent contradictions of these logics.

Considering the three logics, we can design ideal-types of SFB leaders and make a synthesis of their advantages and disadvantages. This study can be useful for research or consulting in SFBs. Our model can help SFB leaders or consultants to identify their style of management. With a better understanding of the management style of SFB leaders, managers and consultants should be able to orientate their strategy and their needs in terms of training. For example, a paternalist leader should be encouraged to develop his economic and political "heads." So our model provides an original tool to identify styles of management and is especially adapted to small family businesses. To our knowledge, few such tools have been developed in previous research.

The model suggested can be used in the diagnostics and the follow-up of an organization. As in the Hersey, Blanchard and Johnson (1998) analysis, we think there is no ideal style of management. The SFB leader has to adapt his style of management to the situation, but the SFB leader has to be aware that he always copes with three different logics of action. The context (structure of the organization, culture of the company, economic environment, etc.) should indicate to the SFB leader which behaviour

of the cube is suitable. Economic logic is particularly useful in a changing economic context or a sudden increase of competition. The Homo Politicus logic seems adapted to manage internal conflicts or the arrival of a new leader, a succession, for example. Finally the Pater Familias logic allows for conciliation between the need for security by the employees and the need for loyalty by the leader. This is a way of developing staff loyalty.

Lastly, it appeared important to us to point out certain positive aspects of the Pater Familias and Homo Politicus logics. This article can seem to simplify things, but it offers a theoretical framework to analyze how SFB leaders behave. It calls for empirical developments, for example, which could investigate the role of the "Pater Familias" factor in the management of SFBs.

In conclusion, we hope that our model will be considered in future theoretical frameworks and that empirical work will result. It is also our hope to enhance the status of the "hidden" logics of action.

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