Spotlight
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How does a family's collective sense of 'ours' shape the succession process?

Shared emotional ownership across generations bridges the divide in family firm succession

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Most family businesses will not survive a generational transition. The statistics are bleak, the reasons well-catalogued: unclear succession plans, reluctant founders, unprepared heirs, festering family conflicts. Scholars have spent decades examining each of these factors in isolation — the founder's attachment, the successor's readiness, the governance structures meant to contain the chaos. Fewer have asked a more fundamental question. What makes a family collectively ready to pass the torch?

A new study by Caicedo-Leiton, Garcés-Galdeano, Larraza-Kintana, and Pittino tackles that question head-on by investigating Family Collective Psychological Ownership (FCPO), the shared sense among family members that the business belongs to all of them, regardless of who holds the legal title. Drawing on in-depth interviews with predecessors and successors across nine family firms in the Navarre region of Spain, plus five succession experts, the researchers demonstrate that this collective feeling of "ours" decisively shapes whether a generational transfer unfolds as collaboration or crisis.

WHAT WE STUDIED

The research team adopted a qualitative multi-case approach, purposefully selecting nine family-owned firms in Navarre. Selection criteria were precise: each firm had to be family-owned, have at least one successor formally involved in the business, and the predecessor had to have a clear intention to transfer control. The researchers conducted semi-structured interviews with family members from two generations within each firm — both the outgoing and incoming leaders. Interviews averaged ninety minutes and were transcribed verbatim. Industries ranged from agri-food to metal manufacturing to trade, and firm sizes spanned from micro-enterprises with fewer than ten employees to mid-sized companies with nearly two hundred.

To triangulate the family accounts, five succession experts who had worked directly with Navarrese family firms were also interviewed. These experts included legal consultants, mediators, psychologists, and academic researchers with decades of experience guiding ownership transitions. Data analysis followed Braun and Clarke's thematic analysis framework, supported by NVivo software for systematic coding across four thematic categories: interdependence, identity, succession, and shared ownership attachment.

The theoretical lens was Social Exchange Theory (SET), which frames relationships as reciprocal exchanges of tangible and intangible resources. The authors argue that traditional SET emphasizes individual, dyadic transactions — the deal-making between a founder and a single successor. FCPO extends this by capturing the collective, emotionally charged exchanges that unfold across the entire family system.

KEY INSIGHTS

FCPO has two distinct but intertwined components

The study identifies a functional component and an affective component within FCPO. The functional side emerges from family interdependence — the day-to-day reality of working together, sharing decision-making authority, and pursuing joint strategic goals. One informant described this symbiosis plainly: the entire family board, spanning two generations and six members, all worked for both the family and the

business simultaneously. A "win-win" model, as the researchers characterize it, where individual effort correlates directly with collective reward.

The affective component runs deeper. It springs from family identification with the business, the feeling that the firm is an extension of the family's collective self. Interviewees used possessive plurals constantly — "our company," "our people" — linguistic markers that signal a genuinely shared social identity rather than individual attachment. One predecessor explained that it was impossible to separate work from personal life because they were essentially the same thing: the family lived, shared, and belonged together through the business.

Strong FCPO smooths the succession dance

When both components are well-developed, the succession process becomes what the authors call a collaborative co-construction rather than a transactional handover. Families with strong FCPO exhibited participatory governance, emotional commitment to continuity, and strategic alignment between generations. Successors in these families did not just accept leadership — they felt entitled to it, in the best sense of the word, because the business had always been "theirs" too.

One successor described growing up hearing the company's name since age two, treating the business almost like a sibling — abstract but cherished, something to nurture and protect. That depth of emotional investment cannot be manufactured overnight during a succession planning workshop. It accumulates through years of shared narratives, kitchen-table conversations about the firm's challenges, and the lived experience of weathering crises together. During the COVID-19 pandemic, families with strong FCPO mobilized rapidly and collectively, while those without it fragmented.

Weak FCPO invites conflict and withdrawal

The study also documents what happens when FCPO is fragile or absent. In several cases, family members who were not actively involved in the business showed little concern for its trajectory. One informant noted that siblings who had started their own families and moved away simply lost interest — they no longer felt the company belonged to them. Another acknowledged learning more about the family firm from a spouse than from the actual founder-parent, a revealing failure of intergenerational communication.

The contrast is stark. Where FCPO was weak, succession conversations became transactional, sometimes adversarial. One successor explicitly stated that it is impossible to love something you do not know — a devastating indictment of families that keep the next generation at arm's length from the business. The absence of FCPO did not just slow succession; in some cases, it actively pushed capable successors toward careers outside the family firm entirely.

The predecessor's stance shapes everything

One of the most underappreciated findings concerns the predecessor's role in cultivating or destroying FCPO. Founders or current owners who imposed succession decisions unilaterally — choosing a successor without genuine consultation, or framing the transition as a foregone conclusion — created atmospheres of distrust. Several successors in these families admitted to considering careers outside the firm altogether. One predecessor's framing was particularly telling: despite acknowledging that a daughter had built her career in another field, the founder simply declared that she would take over his position. No consultation. No co-construction.

By contrast, predecessors who modeled commitment and openness, who gradually shared both knowledge and emotional connection with the business, fostered the conditions for FCPO to emerge naturally. The experts interviewed in the study converged on a powerful framing: succession is transcendence, the process where the predecessor steps back so the successor can grow. This is the most practically actionable insight in the paper — and the one most frequently violated in real-world family firms.

TAKEAWAYS FOR FAMILY BUSINESS LEADERS

Start early and start emotionally

Involve the next generation in the business long before formal succession planning begins. This does not mean assigning titles to teenagers. It means including them in conversations about the firm's challenges, values, and aspirations. Family gatherings that naturally blend business and personal topics — dinner-table discussions about strategy, shared experiences during crises — build the emotional infrastructure of FCPO over time. The most effective families in this study did not separate work from family life; they made the business a natural part of the family narrative.

Create governance structures that foster collective ownership

Family councils, advisory boards, and periodic family assemblies serve as platforms for shared decision-making. These forums give every family member, including those not directly employed by the firm, a voice and a stake. The study found that families with such structures showed markedly higher FCPO. Governance mechanisms work here not because of their formal authority, but because they signal that the business belongs to the whole family.

Address the emotional dimension explicitly

Succession planning tends to focus on legal and financial structures — shareholder agreements, estate planning, tax optimization. These matter enormously. But the research makes clear that the affective dimension — trust, belonging, shared identity — is equally decisive. Family business advisors who ignore the psychological architecture of ownership do so at their clients' expense. Consider engaging professionals who specialize in the socio-psychological dimensions of family enterprise, not just the legal ones.

IMPACT

This study makes two contributions that deserve attention beyond the academic community. First, it introduces FCPO as a construct that integrates the functional and symbolic dimensions of ownership. Prior succession research has tended to treat emotional factors and operational factors as separate domains. FCPO unifies them, showing how shared identity and mutual dependence jointly shape succession readiness. The construct also enriches socioemotional wealth theory by specifying precisely how emotional endowments — family identity, attachment, continuity aspirations — get preserved and transferred across generations.

Second, the study extends Social Exchange Theory in a meaningful direction. Traditional SET focuses on bilateral exchanges between individuals — what the founder gives, what the successor receives. By shifting the unit of analysis to the family as a collective, the authors reveal a richer picture: succession outcomes depend on a web of relational and affective exchanges that involve the entire family system, not just the two main characters. This is the most theoretically significant move in the paper, and it opens productive avenues for future research on collective dynamics in family firms.

The Navarre context adds useful nuance. These are family firms deeply rooted in their territory, with strong emotional ties to both their companies and their region. Whether FCPO operates identically in more individualistic cultural contexts remains an open question — and a productive one for future comparative work.

RECOMMENDATIONS

- Audit your family's collective ownership climate. Do all family members — including those outside the business — feel that the firm is genuinely "ours"? If not, identify the gaps and address them deliberately.
- Build intergenerational bridges through shared experience, not through mandates. Imposed succession creates resentment; co-constructed succession creates commitment.
- Recognize that FCPO can erode. Marriage, geographic distance, professional divergence — any of these can weaken a family member's sense of shared ownership. Proactive communication and inclusive governance counteract this drift.
- Engage advisors who understand the emotional dimension. Tax lawyers and accountants are necessary but insufficient. The affective architecture of your ownership transition matters just as much as the financial one.

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