Editorial

A Tribute to Professor Luis R. Gomez-Mejia

Dear readers and colleagues, you have in your hands the third issue of volume 14 of *Management Research* – the official journal of the Iberoamerican Academy of Management. And this is a truly special issue because it is the first of a set of issues we plan to build around an original piece written by a prominent scholar in Management. With these issues, we would like to make a modest tribute to the career of these colleagues that have had a major impact in the profession. Given the contributions of Professor Luis R. Gomez-Mejia to management science in general and to the analysis of family businesses in particular, and his leading role in the Iberoamerican Academy of Management, the first of these issues is devoted to him. More specifically, the issue you have in your hands contains an article written by Luis R. Gomez-Mejia in close collaboration with Geoff Martin, which tackles a key topic in the area of family businesses, supplemented by six commentaries to that article written by renowned scholars in the field of family firms. On a personal note, I have to add that being a doctoral student of Prof Gomez-Mejia this issue is special. Those who have had the opportunity to work with him (and learn from him) can confirm that in addition to his talent and scholar mastery, Luis is a great human being.

That Luis R. Gomez-Mejia is a top scholar in Management is obvious. A quick look at his *vita* shows an impressive career. He has published over 200 articles, many of these in top management journals, and he has received numerous awards for his research including "top 1 per cent of most highly cited researchers" by Thompson Reuters, Hall of Fame of Academy of Management and "best paper" awards by the Academy of Management Journal and Administrative Science Quarterly. His *vita* also shows the authorship of several books and book chapters and various academic administrative responsibilities, all of these coupled with a vast industrial and international experience. One of those administrative services that can be found in his vast *vita* is of particular relevance for us. Luis R. Gomez-Mejia was the co-founder and the first President of the Iberoamerican Academy of Management, and, by extension, of its official journal: *Management Research*. His leadership was essential for the development and consolidation of the Iberoamerican Academy of Management. Nowadays, Luis is still an active member of the association.

But beyond the "cold facts" of his long and fruitful scholar career, there is his genuine interest for understanding the problems firms face, and return this knowledge, properly codified and adapted to the real world to help improve firms' management practices. As he pointed in an interview in *Management Research* conducted by Ibarreche (2011, p. 163):

> A lot of what we do is try to interpret what we see out there in the business world; at the same time, we try to codify that and then we turn it back into the real world.

This constant interaction with the real world would not be possible without another of the building blocks of his personal philosophies: intense collaboration with colleagues. As I could personally observe and enjoy, Luis loves to work with people and exchange and confront ideas with colleagues from diverse backgrounds. It is from that intense dialog, from the discussion of research questions and the deliberated exposition to

Management Research: The Journal of the Iberoamerican Academy of Management
Vol. 14 No. 3, 2016
pp. 210-214

1536-5433
DOI 10.1108/MRJIAM-09-2016-0695

different paradigms, where Luis has learnt how to integrate different fields and been able to make some of his most relevant contributions to Management science. This is why he acknowledges that, although sometimes it is difficult, being open minded and even eclectic, at times, is important for a successful academic career in Management (Ibarreche, 2011).

One of his more recent and significant contributions, the Socio-Emotional Wealth (SEW) framework, comes precisely from that capacity to generate positive synergies by connecting and integrating different things. The SEW framework, the subject matter of the present issue, has been of great relevance in the recent development of the field of family firms. It came out from the application of the Behavioral Agency Model (also a development of Luis in cooperation with Bob Wiseman in which the authors combined the traditional agency framework with behavioral theories, Wiseman and Gomez-Mejia (1998)) to the case of family firms.

The paper submitted by Geoff Martin and Luis R. Gomez-Mejia to *Management Research*, in which they seek to contribute to the growing literature on family firms, gave us the possibility to make a humble tribute to this person and his career, by inviting commentaries from other leading scholars. The article by Martin and Gomez-Mejia (this issue) tackles a key question that has puzzled the researchers in the field of family firms: How do controlling families balance financial and non-financial wealth? Since Gomez-Mejia *et al.* (2007) published the paper that presented the SEW framework, non-financial wealth (i.e. SEW) and its protection gained importance as a central driving force in the decision-making process of family firms. However, that non-financial wealth is central does not mean that financial wealth is irrelevant for families. On the contrary, financial wealth is still important. Then, a question arises, how these forms of wealth interact with each other to influence decision-making of family firms? Martin and Gomez-Mejia (this issue) develop a framework that seeks to advance our knowledge on this particular matter. In doing so, they contribute to the unceasing quest to build a better and more completed theory of the family firm.

The commentaries that accompany the paper by Martin and Gomez-Mejia (this issue) complement and extend the contributions made by Martin and Gomez-Mejia in their piece. First of all, I want to publicly thank all the contributors for their kindness in responding positively to our call to collaborate with their commentaries. They showed high levels of commitment and professionalism. We extend our deepest gratitude to (in alphabetical order) Ruth Aguilera, Horacio Arredondo, James (Jim) Chrisman, Rafel Crespi, Cristina Cruz, Patricio Duran, Daniel Holt, Luiz Ricardo Kabbach de Castro, Mattias Nordqvist and William (Bill) Schulze. All of them have relevant careers in the field of family firms, and all of them have looked at the paper by Martin and Gomez-Mejia from different angles, composing an interesting and relevant mosaic that offers a wide picture of issues and areas of research for scholars in the area, or interested in the area, of family firms. This area has experienced a notable growth in the last 15 years and is currently immersed in a lively debate that is pushing the limits of the field like never before. Efforts are directed toward building a more compelling theory of the family firm that could help us better understand the prevalence of this particular form of firm control, and its behavior in the business arena. As indicated, the paper of Geoff Martin and Luis R. Gomez-Mejia, as well as the commentaries associated to it, contains interesting contributions to that debate.

Cruz and Arredondo (this issue) indicate that further development of the SEW framework should require a look back, and a return to its origins and fundamentals. They argue that the SEW perspective is fundamentally about the risk-taking behavior of family firms, and that it has limitations when used beyond its original scope. Some of those limitations are inherited from the theories the SEW framework is built on. In this sense, there are key topics that lie at the very core of the theory that constitute in itself potentially interesting areas for researchers to explore. Grounded in these antecedents, they identify some aspects of SEW that are worth analyzing, namely, the analysis of what influences family owners' estimations of potential SEW gains and losses, identification of the conditions under which different SEW-based choices improve or harm performance and the study of family group dynamics to better understand how SEW is interpreted at the family group level and establish the appropriate level of analysis.

The commentary of Nordqvist (this issue) can be connected with this latter suggestion by Cruz and Arredondo (this issue). Nordqvist insists that more theory and research is needed in the micro foundations of family firm research. How individuals that belong to families, or are involved with controlling families, act and interact is central in understanding how SEW is interpreted by the actors involved and, by extension, comprehend the decisions made in the context of family firms. In line with the SEW perspective, and as a complement, he proposes the concept of socio-symbolic ownership as a potentially fruitful perspective to advance in the comprehension of those micro-level issues. It may particularly help to understand the ability to exercise family influence dimension of SEW. Nordqvist (this issue) begins his analysis by acknowledging that to advance and extend our knowledge about family firms in general, and about the SEW in particular, we need to take into account the rich, real-world environment that surrounds the family firm and, by extension, the interactions among its actors. This is also the departing point of the commentary provided by Duran (this issue). In his case, however, instead of focusing on the micro level like Nordqvist (this issue), Duran stresses the need to take into account the macro environment in which the firm and the family are inserted. He emphasizes that institutional factors should be taken into account and provides some ideas on how institutional elements may be included in the theoretical framework that Martin and Gomez-Mejia (this issue) develop in their article. Taken together, the commentaries by Nordqvist and Duran indicate the existence of different level of analyses, all of them necessary and complementary. Those levels of analysis (micro and macro) are also interrelated suggesting the need to develop multilevel research in the field of family firms to gain a more complete view of the, presumably, complex interaction of the key elements of those different levels.

The previous commentaries indicate, more or less explicitly, that further development of the SEW perspective may be achieved from the integration of SEW with other theoretical perspectives. de Castro *et al.* (this issue) build on this idea and show how SEW can be complemented and enriched with contributions from other well-established theoretical approaches. Specifically, they work with resource-based theory, transaction cost theory and property rights theory. They use the decision of Olive Mills to join a cooperative, analyzed in the 2007 classical piece published by Gomez-Mejia *et al.*, to illustrate how these other theoretical approaches can also provide insights on mixed gambles and the intertwine between financial and socioemotional wealth.

Chrisman and Holt (this issue) do not focus on the development of the SEW perspective *per se*, but on how to complement it to develop a more compelling theory of the family firm. In particular, they acknowledge the relevance of the SEW perspective for the development of a theory of the family firm, but point that SEW perspective is about preferences/goals, and note that a theory of the family firm needs also to take into account and combine governance and resources. For these authors, a theory of the family firm should answer three questions: Why firms select the family form of organization to conduct economic activities? What determines their scale and scope? and Why heterogeneity is observed among family firms. For that purpose, Chrisman and Holt argue that it is necessary to take three pillars into account: goals, governance and resources. Considering each one of these elements alone is relevant and necessary, but clearly insufficient to fully understand family firms and develop a better theory of this relevant type of firms. As indicated, the SEW perspective is a major contribution toward understanding, essentially, the first of those three building blocks: goals or preferences. It takes into account essentially the willingness of the controlling family by putting the accent on the protection of SEW and, like in the paper by Martin and Gomez-Mejia (this issue), how SEW interacts with financial wealth goals. However, it says little about the ability of the dominant family coalition – reflected, for example, in the selection of a particular governance system – to pursue those preferences, or about the access to the necessary resources to do so. In consequence, Chrisman and Holt (this issue) argue that there is a need for an integrated understanding of all three elements and indirectly call for new research on that integration.

Finally, Schulze (this issue) goes one step further and explores the proposition that the concept of SEW might not be exclusive of the family enterprise but also may play a role in decision making in non-family firms, such as owner-controlled or owner-managed enterprises. In this vein, he suggests a way to also incorporate the relevance of non-financial goals in the decision-making processes of non-family firms. Schulze (this issue) suggests that new insights could be gained by viewing SEW also as a person-level construct, which will be connected with familial SEW. Such personal construct would be influenced (i.e. moderated) by the presence of family members, playing different roles and the resulting dynamics, shaping the way SEW influences decision-making. The notion that it is not SEW *per se*, but rather the influence of family on SEW, may not only open the door to extend SEW research to the non-family enterprise, but may also help pave a way to better understand how SEW generates and evolves.

The issue is completed with two additional articles. One, written by Aviv Kidron, Shay Tzafrir and Ilan Meshoulam, presents the validation of a new scale to measure Human Resources Management internal integration. The second one, written by Daniel Cernas Ortiz and Mark A. Davis, investigates how future and past negative time perspectives influence job satisfaction and organizational commitment, comparing Mexico and the USA. I believe you will enjoy this new issue of *Management Research*, and would like to encourage you to submit your research papers to our journal. You will not regret it!

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