Management control in family firms: a guest editorial

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Family firms have received significantly higher levels of attention in business and management research in recent years (e.g., Daspit et al. 2017; Gedajlovic et al. 2012; Sharma 2017). Some scholars even report on an "explosive growth of interest in family business studies in the past decade" (Sharma et al. 2017, p. 316). Accounting research has been somewhat slower in examining the specifics of family firms. From a life-cycle perspective, accounting research on family firms is still in its infancy. Nevertheless, recent studies underpin that when it comes to accounting—and in particular, to management accounting and control—family firms display some distinctive features. For instance, recent reviews on accounting in family firms note that they show lower levels of formalization of accounting and control practices, exhibit specific and additional roles of accounting and control practices, and differ from non-family firms in important accounting choices such as earnings management (Helsen et al. 2017; Prencipe et al. 2014; Salvato and Moores 2010; Senftlechner and Hiebl 2015; Songini et al. 2013).

Given this distinctiveness of family firms and their considerable economic importance worldwide (e.g., IFERA 2003), this special issue of the Journal of Management Control aims to shed more light on management control in family firms. After several rounds of double-blind review, we are delighted to include four important studies in this special issue. These studies are authored by Brück et al. (2018), Dello Sbarba and Marelli (2018), Heinicke (2018)

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and Rizza and Ruggieri (2018). In addition, in Quinn et al. (2018) we provide an editorial viewpoint on some important future research needs in the field of management accounting and control in family firms. We will now briefly introduce the papers in this issue, which use a variety of research approaches.

The paper by Brück et al. (2018) examines the adoption of value-based management techniques in family firms. Drawing on a survey of German family firms, the authors find that family firms are more likely to rely on value-based management measures such as cash flow return on investment (CFROI) and economic value added (EVA) if they show high degrees of international business activity, when they face external management succession, and when they have hired non-family managers. These results complement existing findings on the adoption of management control practices in family firms. Such findings have so far mainly focused on performance management and budgeting (e.g., Craig and Moores 2005, 2010; Giovannoni et al. 2011; Jakobsen 2017; Jorissen et al. 2005; Speckbacher and Wentges 2012). The findings by Brück et al. (2018) show that even for management control instruments which are the norm for large, listed firms—such as value-based management—family-business dynamics such as succession concerns and the inclusion of non-family managers decisively influence these instruments' adoption. Thus in our view, the findings by Brück et al. (2018) reinforce the distinctiveness of family firms when it comes to management accounting and control—a distinctiveness that calls for further analyses into its underlying dynamics.

Some insights into such underlying dynamics are provided by Dello Sbarba and Marelli (2018). This second paper included in our special issue draws on multi-year case evidence from an Italian family firm. The paper examines how family-firm-specific features influence the adaption of shareholder-oriented management control practices. Using an institutional theory approach and the concept of framing, Dello Sbarba and Marelli (2018) show how a family change agent managed to develop a package of hybrid management control practices which blends a shareholder-oriented framing with the incumbent family-oriented framing of management controls. The paper thereby highlights how family firms, which are sometimes described as being reluctant to the introduction of so-called "professional" management and accounting practices (cf. Hiebl and Mayrleitner 2017; Stewart and Hitt 2012), can adopt such practices and adapt them to their individual needs. The paper not only exemplifies the potential of institutional theory and framing for researching management control in family firms, but also includes quite actionable advice for family business practice.

The third paper included in this special issue is a systematic literature review on performance measurement systems in small and medium-sized enterprises and family firms. While related review studies have provided more general analyses of the literature on management accounting in small firms and family firms (Lavia López and Hiebl 2015; Senftlechner and Hiebl 2015), the last review study on the specifics of performance measurement in small firms is more than a decade ago (Garengo et al. 2005). Heinicke (2018) addresses this void and delivers a systematic analysis of 98 top-tier journals in accounting, small business studies and other business-related fields. Her results show that many small businesses and family firms benefit from performance measurement systems in terms of increased financial performance and continuous improvement measures. In addition, Heinicke's (2018) results also underpin the specifics of family firms, as her findings indicate that family influence is one of the most important antecedents explaining the adoption and usage of performance measurement systems in small businesses. Finally, she offers a range of open research questions for future scholars of performance measurement in small businesses and family firms.

The fourth article in this special issue focusses on the institutionalization of management accounting practices. Rizza and Ruggeri (2018) draw on a longitudinal case study of a small, Italian family firm to explore how management accounting practices become institutionalized in family firms. Similar to the paper by Dello Sberba and Marelli (2018), Rizza and Ruggeri (2018) also find that for the implementation of management accounting and control practices in family firms, multiple logics need to be considered. According to Rizza and Ruggeri's (2018) case study, these logics are the family logic, the business logic and the community logic. Their results further show that these three logics may initially diverge. The institutionalization of new management accounting practices in the case firm only succeeded, when these three logics eventually converged.

Finally, in the editorial viewpoint by Quinn et al. (2018), we present the AGES framework as a useful overarching framework for the further study of management accounting and control in family firms. The AGES framework suggests that family firms differ from non-family firms in four important dimensions: architecture, governance, entrepreneurship and stewardship (Craig and Moores 2015, 2017). For each of these dimensions, we briefly discuss their relevance for management accounting and control in family firms and suggest fruitful future research needs along these dimensions.

These suggestions summarized in Quinn et al. (2018) and implications drawn in the other articles of this special issue highlight that there are many important questions left to be answered on the antecedents, specifics and outcomes of management accounting and control in family firms. We are confident that this special issue represents a step towards a more comprehensive understanding of these phenomena. We hope that the readers of this issue will find the included papers interesting and that the results presented in the papers will trickle down to family business practice as well.

Finally, we would like to thank the Editors of the Journal of Management Control for initiating this special issue, the authors for contributing insightful papers, the reviewers for freely giving their time to assess the submitted manuscripts, and the Managing Editor Thomas Günther for providing us with invaluable guidance for this special issue.

The guest editors of this special issue

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