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Strategic tensions and adaptive equilibrium in family firms: A middle-range theory of sustainable transformation

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Abstract

Family firms often display a persistent coexistence of recognizable governance stability and highly variable transformation trajectories, yet existing theories explain this pattern only partially. This paper develops a middle-range theory of sustainable transformation by reconceptualizing family firm transformation as movement across equilibrium configurations shaped by persistent strategic tensions rather than progression through linear stages. The theory centers on three tensions (i.e., legacy–professionalization, tradition–innovation, and control–growth) and specifies a causal logic linking persistent tensions, tension gradients, adaptive equilibrium, and movement trajectories. From this logic, the paper derives four equilibrium configurations and explains repositioning across them through succession, institutional change, innovation pressures, and socioemotional wealth, including nonlinear pathways such as oscillation, regression, and leapfrogging. The paper makes three contributions. First, it develops a strategic tension theory of transformation. Second, it explains movement across configurations through equilibrium dynamics and tension gradients. Third, it reframes sustainability as adaptive equilibrium, defined as maintaining viability through repositioning under persistent strategic pressures. Linking tensions, equilibrium, and movement into a unified explanatory framework, the paper offers a conceptually disciplined alternative to linear models of family firm evolution and establishes an agenda for future empirical research.

Keywords: family business transformation, strategic tensions, adaptive equilibrium, organizational configurations, socioemotional wealth.

1. Introduction

Family firms often display a striking coexistence of structural persistence and developmental variability. Across generations, many stabilize around recognizable governance forms marked by enduring family involvement, concentrated ownership, and long-term identity commitments (Berrone et al., 2012; Chrisman et al., 2018). Yet the paths they follow are far from uniform. Some firms professionalize

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incrementally, others reverse earlier reforms, some oscillate between family control and external management, and others experience sharp discontinuities at succession points or in response to environmental shocks. The result is an empirical puzzle: family firms often remain recognizable as family firms while moving through highly unpredictable transformation trajectories.

This puzzle matters because the tension is not simply between change and continuity. It concerns how family firms sustain viability while navigating persistent demands for legacy preservation, professionalization, innovation, and growth. Family owners commonly seek to protect identity, control, and transgenerational continuity, while the organizations they govern face increasing demands for strategic adaptation and managerial complexity (Berrone et al., 2012; Gómez-Mejia et al., 2007). These demands are not occasional disturbances; they are enduring strategic tensions that shape organizational choice over time. As a result, family firms may appear stable in form while remaining dynamically unsettled in development.

Existing empirical work has long shown that family firms do not always move in orderly lines. Hybrid governance arrangements are common, professionalization may stall or be reversed, and succession often produces strategic discontinuities rather than clean transitions (Brunninge & Melander, 2016; Arteaga & Escribá-Esteve, 2020). Research on organizational change further suggests that transformation can be nonlinear, involving path dependence, oscillation, and punctuated shifts rather than smooth progression (Anderson, 1999; Sydow et al., 2009). These observations point to a theoretical anomaly: recognizable family firm forms are not accompanied by stable developmental paths.

The problem is that much existing understanding still assumes, explicitly or implicitly, that transformation is stage-like, progressive, and linear. Lifecycle models tend to imagine movement through sequential phases such as founding, professionalization, and succession. Typological approaches classify firms into organizational forms, but often treat those forms as relatively fixed categories. Institutional perspectives explain why external pressures arise, but they do not fully specify how firms reposition themselves in response. Taken together, these approaches provide valuable insights, but they also share a developmental logic that is too linear to explain reversals, oscillations, and repeated repositioning.

This study argues that family firm transformation is better understood as repositioning across equilibrium configurations shaped by persistent strategic tensions. Rather than moving through a predetermined sequence, firms operate within a terrain structured by tensions such as legacy versus professionalization, tradition versus innovation, and control versus growth/diversification. Within that terrain, some configurations temporarily stabilize competing demands and sustain organizational coherence. Transformation occurs when internal or external pressures alter the relative stability of those configurations and encourage movement toward alternative positions. In this view, change does not follow from the elimination of tension; it follows from the continual management of tension across time.

The paper develops this argument as a strategic tension theory of family firm transformation. First, it explains why movement across configurations is the appropriate way to understand development in family firms rather than linear progression. Second, it shows how such movement can be understood through tension gradients that alter the stability of alternative configurations. Third, it reframes sustainability as adaptive equilibrium: not the absence of change, but the capacity to remain viable while repositioning under persistent strategic pressure.

These contributions are intentionally limited and cumulative. The study does not claim to replace existing family business theories. Instead, it offers a mechanism-based explanation for a phenomenon that those theories only partly explain. The first contribution is theoretical: it develops a strategic tension theory of transformation. The second is explanatory: it explains movement across configurations by specifying how temporary equilibria become destabilized and replaced. The third is conceptual: it reframes sustainability as adaptive equilibrium rather than structural persistence.

The next section of the paper interrogates the assumptions underlying existing theories of family firm evolution, showing why a linear developmental ontology remains inadequate for explaining the empirical patterns outlined here. From there, the paper defines the core constructs of the theory, derives equilibrium configurations, specifies movement mechanisms, and identifies the scope conditions under which the theory is most useful.

2. Family firm evolution

The anomaly identified in the introduction is not difficult because existing theories overlook change. It is difficult because many explanations of change in family firms rest on assumptions about how transformation is presumed to occur. Those assumptions often remain implicit, embedded in models that appear analytically distinct yet share a common developmental ontology. The issue, therefore, is not a conventional gap in prior literature, nor a claim that existing theories are simply incomplete. The problem is that dominant models often presuppose a view of evolution organized around linear progression and static stability, even when the phenomenon under examination exhibits recursive repositioning, temporary equilibrium, and nonlinear movement.

In this section, we problematize three assumptions that sustain that hidden ontology. The first is the stage assumption, which treats family firm evolution as sequential progression. The second is the configuration stability assumption, which treats configurations as relatively stable endpoints rather than temporary equilibria. The third is the adaptation assumption, which treats adaptation as response rather than repositioning. These assumptions matter not because each is always incorrect, but because together they narrow what can count as transformation. They make movement appear derivative of progression, stability appear equivalent to persistence, and adaptation appear reactive rather than structurally patterned. Problematizing these assumptions creates the logical necessity for an alternative ontology centered on persistent strategic tensions, equilibrium dynamics, and movement.

2.1. The stage assumption

The stage assumption remains one of the most durable organizing ideas in family business research. Whether expressed through lifecycle models, succession sequences, or developmental narratives of governance formalization, it treats evolution as movement through ordered phases. Such reasoning has long provided useful descriptive heuristics, particularly in explaining founder transitions, organizational growth, and increasing governance complexity (Beverland & Lockshin, 2001; Brenes et al., 2011; Basco et al., 2023). Its appeal lies in analytical simplicity: it renders development intelligible by aligning change with sequence.

The problem emerges when this heuristic becomes ontological. Once family firm evolution is treated as inherently sequential, transformation is implicitly coded as progression. Earlier positions become developmental precursors, later positions become more advanced states, and movement is interpreted through a directional logic of advancement. This framing creates a subtle but consequential distortion. It makes reversals appear deviations from development, oscillations appear instability, and discontinuities appear breakdowns rather than intelligible forms of transformation.

The anomaly introduced in Section 1 challenges precisely this framing. If family firms exhibit repeated repositioning, then movement cannot be assumed to occur along a single developmental line. Empirical work on path dependence and recursive governance change has increasingly shown that organizations may revisit earlier arrangements, reconfigure partially institutionalized structures, or move unevenly across governance forms rather than advance through a predictable sequence (Brunninge & Melander, 2016; Sydow et al., 2009). These patterns are difficult to reconcile with a model that presumes ordered progression.

More fundamentally, the stage assumption conflates temporal ordering with causal explanation. To observe that certain organizational forms often appear before others does not establish that firms evolve through a necessary sequence. Yet stage reasoning often encourages precisely that inference. Sequence becomes mistaken for developmental law. This matters because it obscures a different possibility: that what appears as progression may be better understood as repositioning among alternative equilibrium configurations whose relative stability changes over time.

The problematization here is therefore not that stage models have no value. It is that they encode a developmental ontology unable to explain movement that is recursive, nonlinear, or reversible. Once that limitation is recognized, the need emerges for an account of transformation not grounded in stages but in movement across temporarily stabilized positions.

2.2. The configuration stability assumption

A second assumption concerns the status of organizational configurations. Typological and configurational approaches have contributed substantially to family business scholarship by identifying recurring governance forms and demonstrating the heterogeneity of family firms (Aguilera & Crespí-Cladera, 2012; Basco, 2013;

Chrisman et al., 2018). Their analytical strength lies in showing that organizational order can take multiple forms.

Yet these approaches often carry a hidden stability assumption. Configurations tend to be treated as relatively durable states—analytical destinations into which firms settle. Even where hybrid forms are acknowledged, the underlying logic often remains classificatory: configurations are things to occupy rather than temporary equilibria whose stability varies. The risk is not classification itself, but reification.

This matters because if configurations are treated as endpoints, transformation becomes difficult to theorize except as transition from one fixed state to another. Movement becomes secondary to form. Yet the anomaly introduced earlier suggests the opposite. If family firms can stabilize while remaining dynamically unsettled, then configurations cannot be understood as static outcomes. They must be understood as temporary alignments whose stability is contingent.

Research on hybrid governance and socioemotional commitments points in this direction. Governance forms in family firms are often sustained through ongoing balancing rather than fixed institutional settlement, and the very commitments that stabilize those forms may also generate vulnerability under pressure (Börje & Nordqvist, 2020; Berrone et al., 2012; Chrisman & Holt, 2016). Stability, in this view, is not permanence. It is provisional equilibrium.

The deeper problem, then, is ontological. The configuration stability assumption equates recognizable form with durable stability. But recognizable form may persist even when the equilibrium sustaining it is fragile. Once that distinction is taken seriously, configurations can no longer be treated as endpoints. They must be treated as positions whose stability is variable and whose transformation depends on movement among alternative equilibria.

This shift is consequential because it changes the question being asked. Rather than asking how firms fit or transition between categories, the analytical problem becomes how configurations are stabilized, destabilized, and replaced. That question cannot be answered adequately within an ontology of static stability.

2.3. The adaptation assumption

A third assumption concerns adaptation. Much organizational analysis treats adaptation as response: environmental pressures arise, organizations adjust. In family business research, this logic appears in explanations emphasizing institutional change, regulatory reform, market turbulence, or succession as triggers to which firms react (Carney & Gedajlovic, 2002; Amit et al., 2015; Dau et al., 2020). This perspective illuminates important sources of pressure, but it often leaves the process of transformation under-theorized.

The limitation is subtle but significant. When adaptation is framed primarily as response, change appears externally induced and organizationally reactive. The firm is positioned as adjusting to disturbance. What disappears from view is the possibility that adaptation is better understood as repositioning within a field structured by persistent strategic tensions.

That distinction matters because response and repositioning are not the same analytical idea. Response implies adjustment to a pressure. Repositioning implies movement relative to multiple competing demands whose interaction shapes available organizational positions. The latter accommodates the possibility that transformation is not simply about fitting to changed conditions but about moving across alternative equilibria whose relative stability has shifted.

This problem is especially important in family firms because pressures are never merely external. They are mediated through internal commitments associated with identity, control, and continuity (Gómez-Mejía et al., 2007; Berrone et al., 2012). What counts as adaptation is therefore constituted through tension, not simply triggered by environment. A governance reform, for example, does not produce change mechanically; it alters pressures that may encourage repositioning, depending on how those pressures interact with existing commitments.

The adaptation assumption obscures this because it privileges response over movement. It can explain why pressure exists, but not adequately how organizations move among alternative positions under persistent strategic tension. That is precisely the explanatory problem at stake.

2.4. The adaptation assumption

Taken together, the stage assumption, configuration stability assumption, and adaptation assumption reveal a shared ontology organized around linear progression and static stability. Their differences should not obscure their common structure. Each assumes, in different ways, that transformation is best understood through orderly advancement, relatively settled forms, or reactive adjustment. Yet the anomaly motivating this manuscript points toward a phenomenon these assumptions cannot adequately explain: family firms sustain viability while moving through temporary equilibria under persistent strategic tension.

This is why the problem is not reducible to gap-spotting. The issue is not that prior theories omitted one more variable or overlooked one more contingency. The issue is that prevailing assumptions constrain how transformation itself is conceptualized. Resolving that problem requires not an incremental extension of existing models but an alternative ontology.

That ontology must satisfy three conditions. It must treat persistent strategic tensions as constitutive rather than incidental. It must treat equilibrium as temporary and variable rather than static. And it must treat transformation as movement across equilibrium configurations rather than progression through stages or response to disturbance. These requirements establish the necessity of the next section.

Section 3 therefore develops the ontological foundations of a strategic tension theory of family firm transformation. It does so by specifying how persistent strategic tensions generate the conditions for equilibrium dynamics and movement, thereby providing the conceptual basis for the three contributions introduced in Section 1: a strategic tension theory of transformation, an explanation of movement across configurations, and a reframing of sustainability as adaptive equilibrium.

3. Toward a strategic tension theory of family firm transformation

The problematization developed in Section 2 establishes that explaining family firm transformation requires an ontology capable of treating persistent strategic tensions, temporary equilibrium, and movement as constitutive features of organizational life rather than anomalies to be absorbed into linear developmental models. This section develops that ontology as a strategic tension theory of family firm transformation. Its purpose is not to derive configurations or specify transformation mechanisms—that work belongs to later sections—but to define the core constructs of the theory, specify their levels of analysis and analytical roles, and articulate the causal logic linking tensions to gradients, gradients to equilibrium, and equilibrium to movement.

The argument begins from a simple premise: family firms do not confront competing demands episodically, but operate under persistent strategic tensions that generate both stability and change. These tensions do not function as discrete trade-offs to be solved once and for all. They are enduring generative conditions whose interaction shapes the stability of organizational positions and the possibility of movement among them. Transformation, from this perspective, does not arise despite tension but through it.

3.1. Strategic tensions as generative forces

Strategic tensions are defined here as persistent, interdependent demands whose coexistence generates contradictory but jointly constitutive pressures on organizational positioning. They are not choices between mutually exclusive alternatives, nor dilemmas resolved through optimization. They are generative because they produce the conditions under which organizational stability and transformation become possible.

The first strategic tension is legacy–professionalization. Legacy refers to pressures associated with preserving family identity, continuity, authority traditions, and inherited governance logics (Berrone et al., 2012; Gómez-Mejía et al., 2007). Professionalization refers to pressures associated with managerial formalization, role differentiation, expertise, and governance rationalization (Chrisman et al., 2018; Dekker et al., 2013). These pressures coexist. Family firms rarely choose one and abandon the other; they continually navigate their interaction.

The second strategic tension is tradition–innovation. Tradition refers to pressures favoring established routines, accumulated organizational memory, and historically embedded ways of creating value. Innovation refers to pressures favoring experimentation, renewal, and strategic exploration (Miller & Le Breton-Miller, 2005; De Massis et al., 2016). Their relationship is not reducible to exploration versus exploitation in a generic sense. In family firms, both are mediated through transgenerational commitments, making the tension persistent rather than episodic.

The third strategic tension is control–growth. Control refers to pressures associated with preserving concentrated family influence and decision authority. Growth refers to pressures associated with expansion, diversification, and resource commitments that may dilute direct control or require altered governance arrangements (Carney, 2005; Zahra, 2005). Again, these pressures are not opposing endpoints but enduring coexisting demands.

These tensions operate primarily at the firm-system level, though they are constituted through interactions across family, governance, and organizational levels. Their role in the model is generative: they create the pressure conditions from which tension gradients emerge.

3.2. Adaptive equilibrium

Adaptive equilibrium is defined as a temporarily stabilized organizational state in which competing pressures generated by persistent strategic tensions are aligned sufficiently to sustain viability. Equilibrium here does not mean stasis, optimality, or absence of conflict. It means only that tensions are configured in ways that temporarily support organizational coherence.

This definition matters because equilibrium is often misunderstood as synonymous with stability in a static sense. In this theory, equilibrium is explicitly dynamic. It may persist, weaken, or be displaced. It is adaptive because its significance lies not in preserving a fixed form but in sustaining viability under changing conditions.

Viability refers to the capacity of the family firm to maintain organizational functioning, strategic coherence, and continuity of enterprise while navigating persistent strategic tensions. Sustainable transformation is therefore defined not as preserving a structure unchanged, nor as continuous change, but as maintaining viability through repositioning as equilibrium conditions shift.

Adaptive equilibrium operates primarily at the firm level and serves in the model as a state construct. It links generative pressures to movement by specifying how tension-generated pressures may temporarily stabilize before later destabilization.

3.3. Tension gradients

Tension gradients are defined as directional pressures generated when the relative intensity or interaction of persistent strategic tensions alters the stability of an adaptive equilibrium. They are the crucial linking construct in the theory.

They are not environmental shocks, not preferences, and not the tensions themselves. They are directional forces arising when shifts in the interaction of tensions create pressure toward altered organizational positioning.

Tension gradients may arise when one tension intensifies relative to others, when multiple tensions interact in destabilizing ways, or when internal and external pressures alter the viability of an existing equilibrium. Their importance is analytical: they explain how generative tensions produce directional movement without collapsing movement into deterministic progression.

Tension gradients operate at the firm-system level and serve in the model as drivers. Strategic tensions generate pressure conditions; tension gradients translate those pressures into directional movement potential.

This construct is particularly important in addressing metaphor replacing theory. "Gradient" is not used metaphorically here. It is a formal construct denoting directional pressure generated through changing tension interactions.

3.4. Movement trajectories

Movement trajectories are defined as patterned pathways through which family firms reposition as adaptive equilibrium conditions change. They are not outcomes, nor are they configurations. They are process constructs capturing forms of movement.

Four forms of movement are distinguished:

1) *Repositioning* refers to movement from one adaptive equilibrium toward another as tension gradients alter the stability of the current position.
2) *Oscillation* refers to repeated movement between positions without durable settlement in one.
3) *Regression* refers to movement toward a position associated with previously displaced organizational arrangements.
4) *Leapfrogging* refers to discontinuous movement in which firms bypass intermediate repositioning pathways under intensified gradients.

These trajectories operate temporally at the firm level and serve in the model as movement processes. They do not explain why movement occurs—that role belongs to tensions and gradients—but specify how movement may take patterned form.

Table 1
Construct definitions, levels of analysis, and roles in the model

Construct	Definition	Level	Role
Strategic tensions	Persistent interdependent pressures shaping organizational positioning	Firm-system	Generative force
Adaptive equilibrium	Temporarily stabilized state sustaining viability under persistent tensions	Firm	State construct
Tension gradients	Directional pressures arising from changing tension interactions	Firm-system	Driver
Movement trajectories	Patterned pathways of repositioning under altered equilibrium stability	Firm over time	Process construct

Figure 1 represents the core causal logic of the theory; it does not constitute the theory itself. The theory lies in the analytical specification of constructs and relationships developed in this section. The figure provides a visual representation of those relationships, including their causal ordering and recursive structure.

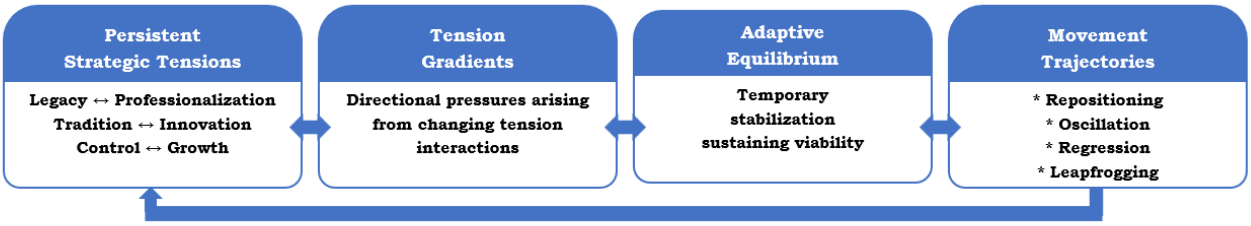

Fig.1. Core causal logic of strategic tension theory

The causal logic can now be stated explicitly. Persistent strategic tensions generate pressure conditions. Changing interactions among those tensions generate tension gradients. Tension gradients alter the stability of adaptive equilibrium. Changes in equilibrium stability create conditions for movement trajectories, including repositioning, oscillation, regression, and leapfrogging. This sequence is analytical rather than deterministic; it specifies relational ordering, not invariant prediction or stage-like progression.

Importantly, the logic is recursive rather than linear. As represented by the feedback loop in Figure 1, movement trajectories may reshape the conditions under which persistent strategic tensions are subsequently experienced. Movement therefore does not terminate the causal sequence, but may reconfigure the tension conditions from which subsequent gradients emerge. This feedback structure is critical because it makes transformation a dynamic process of ongoing repositioning rather than a one-way progression through fixed stages.

This logic yields the paper's three contributions in formalized terms. First, it establishes a strategic tension theory of transformation by locating transformation in the interaction of persistent tensions rather than developmental stages. Second, it explains movement across configurations conceptually by specifying how tension gradients link tensions to movement through equilibrium dynamics. Third, it reframes sustainability as adaptive equilibrium by defining viability in terms of maintaining or restoring workable positioning under persistent strategic pressure.

Just as importantly, the theory defined here establishes a problem it cannot leave unresolved. If persistent strategic tensions generate gradients, and gradients alter equilibrium stability, then the possibility of multiple equilibrium positions is not optional but theoretically necessary. Adaptive equilibrium cannot be assumed singular if different combinations of interacting tensions may stabilize viability in different ways. Yet those equilibrium positions have not been derived here. Their derivation is the task of the next section.

Section 4 therefore moves from construct specification to configuration derivation. Once tensions and movement logic are specified, multiple equilibria must be theoretically derived rather than merely assumed. That derivation is necessary if the theory is to move beyond construct definition toward a fully specified account of family firm transformation.

4. Deriving equilibrium configurations

Section 3 established the core causal logic of the theory: persistent strategic tensions generate tension gradients, tension gradients alter the stability of adaptive equilibrium, and changes in equilibrium stability create conditions for movement trajectories. Once that logic is accepted, a further implication becomes unavoidable. If tensions can generate gradients and gradients can destabilize equilibrium, then more than one equilibrium position must be theoretically possible. A theory that permits movement but recognizes only one possible stable position would be internally incomplete. The task of this section is therefore to derive, rather than merely assume, the equilibrium configurations implied by the theory.

This section solves the arbitrariness problem directly. The configurations introduced here are not descriptive archetypes selected for convenience, nor are they inductively imposed categories borrowed from prior typologies. They are theoretically derived equilibrium regions generated by the interaction of the three strategic tensions defined in Section 3. The section proceeds in three steps. First, it explains why multiple equilibria should exist. Second, it develops the formal derivation logic by which interacting tensions generate bounded equilibrium regions. Third, it introduces the four derived configurations and defends why these four, and not others, are theoretically privileged.

4.1. Why multiple equilibria should exist

Multiple equilibria should exist because systems structured by persistent interacting tensions rarely stabilize in a single viable state. When competing pressures coexist, different alignments of those pressures can support different forms of temporary stabilization (Anderson, 1999; Levinthal, 1997). The theory developed in Section 3 already commits us to this possibility. Strategic tensions are persistent, tension gradients are directional pressures, and adaptive equilibrium is temporary stabilization under pressure. Taken together, those premises imply that more than one stable alignment can be sustained.

This matters especially in family firms because the three tensions identified earlier are analytically distinct rather than reducible to a single dimension. Legacy–professionalization concerns governance continuity and managerial formalization. Tradition–innovation concerns the relation between inherited routines and renewal. Control–growth concerns the relation between concentrated authority and expansion. Since these tensions can vary independently while remaining interdependent, they can generate distinct regions of relative stability.

The claim here is not that every possible combination produces a viable equilibrium. Quite the opposite. Most logically possible combinations are either unstable, redundant, or transitional. Multiple equilibria should exist, but only a bounded number should satisfy the theory's viability criterion. This is the source of the derivation problem and the reason the next subsection is necessary.

4.2. Configuration derivation logic

The derivation logic proceeds by combining three analytic dimensions with a viability filter. The first dimension concerns the governance orientation of the firm, ranging from legacy preservation toward professionalized adaptation. The second concerns the innovation orientation of the firm, ranging from tradition stabilization toward innovation-oriented renewal. The third concerns the growth orientation of the firm, ranging from control preservation toward expansion and diversification.

Crossing these dimensions produces a theoretically large field of possible alignments. But not every alignment constitutes an equilibrium region. An equilibrium region must satisfy the viability condition established in Section 3: it must temporarily stabilize competing pressures sufficiently to sustain organizational coherence. That condition eliminates unstable, transient, and redundant combinations. This produces a bounded derivation logic:

a) Where legacy, tradition, and control align strongly, one equilibrium region emerges.
b) Where professionalization is introduced while family control remains preserved, a second region emerges.
c) Where professionalization, innovation, and growth pressures align more strongly, a third region emerges.
d) Where growth becomes pronounced but remains only partially integrated with innovation and professionalization, a fourth region emerges.

The four configurations are therefore not arbitrary categories. They are the four equilibrium regions that remain once the viability filter is applied to the interaction of the three tensions.

The theoretical rationale draws support from landscape reasoning in organizational adaptation research. Adaptive landscapes contain multiple local peaks, but not every position on the terrain is equally viable (Kauffman, 1993; Levinthal, 1997). Organizations do not move in a vacuum; they move across terrains where some positions are more stable than others. The same logic applies here. The interaction of persistent strategic tensions generates a bounded set of stable alignments rather than an open-ended typology.

4.3. Four derived configurations

Patriarchal Legacy: Patriarchal Legacy is the equilibrium region in which legacy preservation, tradition stabilization, and control preservation align most strongly. Its stabilizing logic rests on identity continuity, concentrated authority, and low governance differentiation. Socioemotional wealth considerations reinforce this alignment by prioritizing family identity, control, and legacy preservation (Berrone et al., 2012). In this region, the organization sustains viability through continuity-centered coherence rather than through formalized managerial adaptation.

Controlled Professionalizer: Controlled Professionalizer is the equilibrium region in which professionalization is introduced without displacing family influence.

Its stabilizing logic rests on hybrid governance: formal managerial practices are added to increase organizational coordination while family authority remains central. Governance mechanisms of this kind are well documented in family firm research, where stewardship-oriented family control is combined with more formalized governance arrangements (Chrisman et al., 2018). This region is theoretically distinct because it integrates adaptation with continuity rather than replacing one with the other.

Strategic Transformer: Strategic Transformer is the equilibrium region in which professionalization, innovation, and growth align more strongly. Its stabilizing logic rests on renewal-oriented adaptation: the organization sustains viability by institutionalizing change rather than resisting it. In this region, the tensions specified in Section 3 are not eliminated but are configured so that innovation and expansion become viable alongside governance adaptation. This region is theoretically distinct because it represents a more transformation-oriented equilibrium than the Controlled Professionalizer.

Enterprise Plateau: Enterprise Plateau is the equilibrium region in which growth becomes pronounced but remains only partially integrated with innovation and governance adaptation. Its stabilizing logic rests on bounded expansion: the firm expands or diversifies, but not in a way that fully resolves the tensions generated by control preservation, innovation demands, and professionalization pressures. This region is therefore distinct from the Strategic Transformer because growth has outpaced the firm's capacity to integrate the other tensions fully.

Figure 2 represents the derivation visually. It extends Figure 1 by showing how the causal logic specified earlier yields bounded equilibrium regions. It does not introduce a new theory and does not alter the causal ordering already established. Its role is representational: to make the derivation transparent rather than to replace the derivation. The interaction of three persistent strategic tensions generates a broader set of possible tension alignments. Applying the viability filter excludes unstable, redundant, and transitional combinations, yielding four theoretically privileged equilibrium configurations: Patriarchal Legacy, Controlled Professionalizer, Strategic Transformer, and Enterprise Plateau. The figure represents derivation logic rather than descriptive classification.

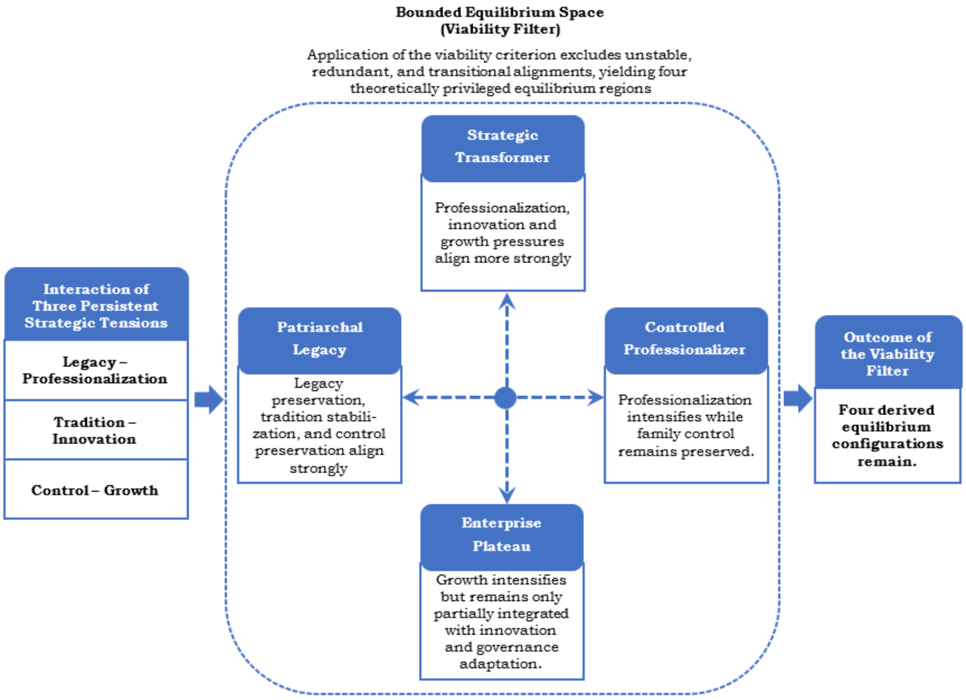

Fig. 2. Derivation of equilibrium configurations.

5.1. Why these four (and not others)

The derivation logic above is intended to preempt that objection. First, these four are privileged because each satisfies the viability criterion while representing a distinct dominant alignment among the three tensions. They are not mere labels for observed firms; they are theoretically meaningful equilibrium regions.

Second, alternative configurations are excluded because they fall into one of three categories. Some are internally unstable and therefore cannot sustain adaptive equilibrium. Some are analytically redundant, representing minor variants already contained within one of the four broader regions. Others are transitional states that may occur between equilibria but do not themselves constitute equilibrium regions.

Third, the number four is not chosen for convenience. It follows from the bounded logic of the theory. Once the three tensions are treated as persistent, distinct, and interdependent, and once the viability criterion is applied, the derivation yields a limited set of stable alignments rather than an open-ended typology.

This is why the configurations are theoretically privileged. They are not exhaustive descriptions of all possible organizational states, but they are the equilibrium regions implied by the theory as currently specified.

The implications for the paper's contributions are direct. The first contribution, a strategic tension theory of family firm transformation, depends on showing that persistent tensions generate bounded equilibrium regions. The second, explaining movement across configurations, depends on having multiple derived equilibria rather than a single stable form. The third, reframing sustainability as adaptive equilibrium, depends on showing that viability can be sustained through several distinct stabilized positions.

Yet the theory remains incomplete if it stops at equilibrium derivation. Once the configurations are derived, the next theoretical question becomes unavoidable: how do family firms move among them? That question is not answered here. It belongs to the next section, which develops the mechanisms of repositioning across the derived equilibrium regions.

5. Mechanisms of repositioning across configurations

Section 4 derived four equilibrium configurations from the interaction of the three strategic tensions defined earlier. The present section explains how family firms move among those configurations. It does not redefine strategic tensions, adaptive equilibrium, or movement trajectories, and it does not revisit the derivation logic that produced the four configurations. Its task is narrower: to specify the causal mechanisms through which repositioning occurs. Those mechanisms are succession, institutional change, innovation pressures, and socioemotional wealth. Each mechanism operates on the same theoretical terrain already established in Sections 3 and 4, and each is expressed here only as a movement mechanism linking configurations that have already been derived.

A further implication follows from that logic. If configurations exist as derived equilibrium regions, then family firms must also possess patterned ways of moving among them. The section therefore develops causal mechanisms for movement without collapsing those mechanisms into new constructs. It also embeds propositions within each subsection so that the claims remain tied to the definitions already established in the theory. Figure 3, placed later in this section, operationalizes the cumulative logic of Figures 1 and 2, showing how tension, equilibrium, and movement are connected without adding new causal assumptions.

5.1. Succession as a repositioning mechanism

Leadership succession is the most visible moment at which family firms encounter the tension between continuity and change. The reason succession matters in this theory is not simply that ownership or authority changes hands, but that succession often alters the balance among the three strategic tensions already defined. Incoming leaders frequently re-evaluate governance form, strategic ambition, and the degree to which legacy should structure future direction. In doing so, they may intensify the legacy–professionalization gradient, the tradition–innovation gradient, or the control–growth gradient, depending on the successor's capabilities and mandate.

In firms positioned in the Patriarchal Legacy configuration, succession often introduces new managerial competence, broader strategic horizons, and a more explicit need to coordinate authority across generations. Those changes do not automatically produce transformation, but they do alter the equilibrium conditions that sustained the prior configuration. Where the incoming generation seeks to preserve family continuity while adding managerial formalization, repositioning toward the Controlled Professionalizer becomes more likely. Where the incoming generation simultaneously pushes innovation and growth, movement toward the Strategic Transformer becomes more likely.

The mechanism is therefore not succession as such, but succession as a generator of new tension gradients. This is consistent with research showing that succession is frequently associated with organizational restructuring, especially where generational transition coincides with governance redesign and strategic renewal (Beverland & Lockshin, 2001; Brenes et al., 2011; Gabriel & Bitsch, 2019).

Proposition 1. Succession events that introduce new governance competence while preserving family legitimacy increase the likelihood of movement from the Patriarchal Legacy configuration toward the Controlled Professionalizer configuration; where succession also intensifies innovation and growth pressures, movement toward the Strategic Transformer configuration becomes more likely.

5.2. Institutional change as a repositioning mechanism

Institutional change alters the broader terrain within which family firms sustain viability. In the theory developed here, institutional reforms do not directly determine outcomes; instead, they reshape the intensity of tension gradients that make some configurations less stable and others more viable. Regulatory modernization, capital market development, and governance reform typically heighten expectations for transparency, formalization, and strategic renewal. Those expectations intensify the legacy–professionalization gradient and often also strengthen the control–growth gradient.

For family firms that have long relied on legacy-centered governance, institutional modernization can therefore destabilize the Patriarchal Legacy configuration. The likely first repositioning is toward the Controlled Professionalizer, because this configuration preserves family influence while incorporating greater formalization and accountability. That movement is especially plausible when firms seek to reconcile external legitimacy with internal continuity. Where institutional reform is accompanied by stronger incentives for diversification and innovation, and where the organization already possesses sufficient governance capacity, movement toward the Strategic Transformer becomes more likely.

The mechanism is supported by prior work showing that institutional development shapes the governance and strategic behavior of family-controlled firms, especially in emerging markets where modernization pressures are more visible (Amit et al., 2015; Carney & Gedajlovic, 2002; Dau et al., 2020). The important theoretical point is that institutional change does not replace the family firm's own internal logics; it alters the pressures under which those logics are enacted.

Proposition 2. Institutional modernization gradients increase the likelihood of movement from the Patriarchal Legacy configuration toward the Controlled Professionalizer configuration, and where formal governance capacity and innovation incentives are already high, they increase the likelihood of movement toward the Strategic Transformer configuration.

5.3. Innovation pressures as a repositioning mechanism

Innovation pressures operate by intensifying the tension between tradition and innovation. In family firms, this tension is rarely external only; it is filtered through concerns about identity continuity, reputation, and long-term family control. Still, when technological change, competitive disruption, or market expansion make existing routines insufficient, the balance between exploitation and exploration shifts. The resulting gradient does not eliminate prior equilibrium; it destabilizes it by increasing the attractiveness of configurations better able to institutionalize experimentation and renewal.

This mechanism is especially important for firms already positioned in the Controlled Professionalizer configuration. In that region, professionalization has already created some capacity for differentiation, monitoring, and formal coordination. Innovation pressures can then push the firm beyond controlled adaptation toward a more transformation-oriented equilibrium, namely the Strategic Transformer. In this configuration, innovation is not an occasional deviation from continuity but part of the stabilized logic of the firm.

Research on innovation in family firms supports this logic by showing that innovativeness often depends on the capacity to balance continuity and change rather than on the abandonment of family influence (Chen, 2017; Filser et al., 2018). The present theory extends that insight by locating innovation pressure within a movement logic rather than treating it as a static capability.

Proposition 3. Strengthening innovation pressures increases the likelihood of movement from the Controlled Professionalizer configuration toward the Strategic Transformer configuration, because innovation intensifies the tradition–innovation gradient and makes renewal-oriented equilibrium more viable.

5.4. Socioemotional wealth as a stabilizing and destabilizing mechanism

Socioemotional wealth is central to family firm transformation because it can stabilize existing equilibrium regions while also motivating repositioning when continuity is threatened. On one hand, SEW preservation strengthens legacy-oriented configurations by making family control, identity continuity, and transgenerational reputation more valuable than short-term strategic flexibility (Berrone et al., 2012; Gómez-Mejía et al., 2007). On the other hand, SEW does not always function as an obstacle to change. When family leaders perceive that long-term identity or continuity is at risk, SEW can motivate adaptation rather than resistance.

This makes SEW a paradoxical mechanism. It can deepen the stability of the Patriarchal Legacy configuration by reinforcing family control and identity preservation. But when the cost of inaction threatens family continuity, the same commitment to family preservation can encourage movement toward the Controlled Professionalizer or even the Strategic Transformer. In other words, SEW stabilizes when continuity can be protected by preservation, but destabilizes when continuity requires repositioning.

This dual role is consistent with research showing that family priorities influence both risk aversion and adaptive behavior in family-controlled firms (Berrone et al., 2012; Chrisman & Holt, 2016; Gómez-Mejía et al., 2007). The theory here specifies the mechanism: SEW affects the strength of the gradients that hold configurations together or pull them apart.

Proposition 4. Strong socioemotional wealth preservation increases the stability of the Patriarchal Legacy configuration, but when continuity, reputation, or transgenerational survival is perceived to be threatened, the same socioemotional wealth commitments increase the likelihood of repositioning toward the Controlled Professionalizer or Strategic Transformer configurations.

5.5. Nonlinear movement mechanisms

The mechanisms above explain why movement occurs. The present subsection explains how movement takes form. Family firms do not always move smoothly from one derived equilibrium configuration to another. They may oscillate, regress, or leapfrog depending on the interaction of gradients, historically embedded commitments, and the level of disturbance facing the firm. These are movement mechanisms, not new constructs.

Oscillation refers to repeated movement between adjacent configurations without durable settlement in one. A firm may alternate between legacy-centered and professionally managed forms when it is attempting to preserve continuity while experimenting with adaptation. Regression refers to movement back toward a previously stabilized configuration, often in response to instability or uncertainty. Leapfrogging refers to discontinuous movement in which accumulated pressure produces a rapid shift to a more distant configuration rather than an incremental transition.

These patterns are consistent with the literature on nonlinear organizational change and adaptive landscapes, which shows that firms often move through rugged terrain by alternating between stability and search, or by making punctuated transitions when pressures accumulate (Anderson, 1999; Bak & Sneppen, 1993; Brown & Eisenhardt, 1997; Sydow et al., 2009). What this theory adds is the family-business-specific interpretation of those pathways: movement is shaped by family continuity concerns and by the balance among the three strategic tensions already established.

The most counterintuitive implication is that moderation may be better than rigidity. Too little movement can trap the firm in configurations that lose viability as conditions change; too much movement can destabilize coherence. Moderate oscillation can therefore be adaptive because it allows experimentation without a full break from continuity. In that sense, oscillation can function as a viability-preserving mechanism rather than as a sign of failure.

Proposition 5. Moderate oscillation between adjacent equilibrium configurations may enhance viability more than rigid fixation in a single configuration or abrupt leapfrogging, because controlled movement allows family firms to test adaptation while preserving organizational coherence.

Figure 3 operationalizes the cumulative logic of Figures 1 and 2. Figure 1 established the causal sequence from strategic tensions to gradients, equilibrium, and movement. Figure 2 derived the four equilibrium configurations implied by that logic. Figure 3 now shows how firms move among those configurations through the mechanisms specified above. It does not introduce new causal logic; it displays the pathways through which succession, institutional change, innovation pressures, and socioemotional wealth generate repositioning across the derived equilibrium regions.

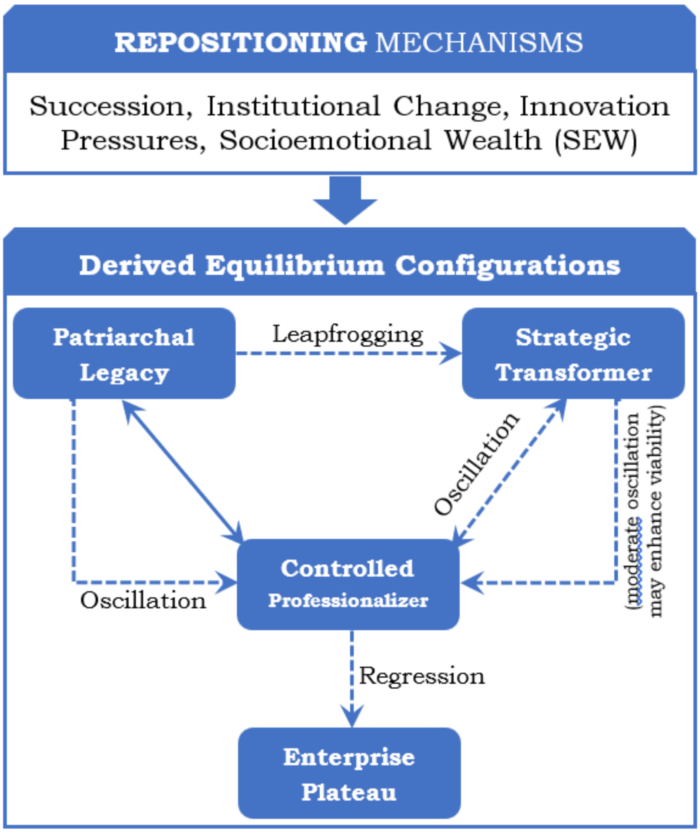

Fig. 3. Transformation pathways.

Taken together, these mechanisms show that movement among configurations is neither random nor purely reactive. It is patterned by the interaction of persistent tensions, the relative strength of gradients, and the organizational capacity to sustain coherence under change. That explanation remains incomplete, however, unless the theory specifies where it applies and where it does not. Section 6 therefore turns to the scope conditions under which these mechanisms are most likely to operate.

6. Scope conditions of strategic tension theory

The mechanisms specified in Section 5 explain how family firms may reposition across derived equilibrium configurations through succession, institutional change, innovation pressures, and socioemotional wealth. Yet a theory of transformation is incomplete unless it also specifies where those mechanisms are expected to operate, where they are not expected to operate, and how the theory relates to adjacent explanations. Scope conditions are therefore not contextual qualifications added after the fact. They are part of the theory's architecture because they constrain its domain of application.

The need for constraint is especially important in conceptual theorizing. Without explicit scope conditions, the strategic tension framework could be criticized for theoretical overreach by appearing applicable to all family firms under all conditions. That is not the claim advanced here. The theory applies only where the organizational and governance conditions necessary for persistent strategic tensions, adaptive equilibrium, and movement across configurations can plausibly exist. Where those conditions are absent, the theory loses explanatory leverage.

6.1. Where the theory applies

The theory applies most directly to multigenerational family firms, where organizational continuity extends across generational succession and where governance choices are shaped by recurring tensions between legacy preservation, innovation, and growth. This matters because the theory assumes persistent strategic tensions that endure over time rather than one-off strategic trade-offs. Such persistence is most visible in firms where transgenerational continuity is a governing concern. In those contexts, repositioning across equilibrium configurations becomes theoretically meaningful because organizations face repeated pressures to reconcile continuity and adaptation (Chrisman et al., 2018; Gómez-Mejía et al., 2007).

The theory also applies most strongly in firms characterized by moderate to high socioemotional wealth (SEW) salience. This is not because high SEW guarantees transformation, but because the theory assumes family-centered priorities are sufficiently salient to shape the gradients that stabilize or destabilize equilibrium configurations. Where identity continuity, family control, and transgenerational reputation meaningfully influence strategic decisions, the mechanisms specified in Section 5 have clear theoretical traction (Berrone et al., 2012; Chrisman & Holt, 2016).

A third scope condition concerns adaptive governance contexts—settings in which governance structures possess enough flexibility to allow repositioning without immediate organizational breakdown. This includes firms capable of combining stewardship-oriented family control with varying degrees of professionalization, governance redesign, or strategic adaptation. The theory assumes that movement across configurations is possible; it therefore presumes at least some governance capacity for adjustment. In highly rigid systems where no such adaptive capacity exists, movement logic becomes difficult to sustain (Börje & Nordqvist, 2020; Davis et al., 2010a).

Taken together, these three conditions—multigenerational continuity, meaningful SEW salience, and adaptive governance capacity—define the primary domain within which the theory is intended to operate.

6.2. Where the theory does not apply

The theory does not apply well to founder-only firms, where generational continuity has not yet become an organizing condition. In such firms, tensions may exist, but they often operate as entrepreneurial strategic choices rather than persistent transgenerational tensions shaping equilibrium dynamics. Without the temporal depth implied by multigenerational continuity, the core explanatory logic of repositioning across enduring configurations weakens.

The theory also does not apply well to firms with weak family identity salience. Where family involvement is largely financial, symbolic, or weakly tied to organizational identity, the tension dynamics assumed by the theory may not meaningfully structure governance or strategic behavior. In such cases, conventional governance or strategic management explanations may have greater explanatory leverage than a strategic tension theory grounded in family-centered dynamics.

Similarly, the theory does not apply well under highly dispersed ownership conditions where concentrated family influence is sufficiently diluted that family-specific tensions no longer structure organizational positioning. If governance is primarily shaped by widely dispersed ownership logics rather than family continuity concerns, the equilibrium and movement logic developed here becomes less applicable.

Most importantly, the theory does not apply in collapse or crisis conditions, where organizational viability itself has broken down. This is not a minor contextual caveat but a genuine failure zone for the theory. The framework explains repositioning within bounded viability conditions. It does not explain organizational disintegration, insolvency, or collapse dynamics. Once the viability condition underlying adaptive equilibrium is absent, the theory's explanatory domain ends. Collapse belongs to different theoretical treatment, not to the present model.

These inapplicability conditions matter precisely because they constrain the theory rather than expand it. They specify where the framework should not be expected to explain transformation.

6.3. Relationship to existing theories

Clarifying scope also clarifies complementarity. The strategic tension theory is not offered as a replacement for existing theories of family firm evolution. It is intended as a complement to them.

It complements lifecycle and stage models by explaining dynamics those models often leave underdeveloped—namely nonlinear movement, reversals, oscillation, and repositioning across multiple equilibria. Stage models may still illuminate broad developmental tendencies; the present theory addresses a different problem: how movement occurs when transformation does not follow linear progression (Beverland & Lockshin, 2001; Brenes et al., 2011).

It complements configuration and typology approaches by explaining movement among configurations rather than merely classifying them. Typological approaches identify forms; the present theory specifies how firms reposition among them (Aguilera & Crespí-Cladera, 2012; Basco, 2013).

It also complements institutional perspectives by specifying how firms move under pressures that institutional theories often treat primarily as external constraints. Institutional theory explains why pressures arise; the strategic tension framework explains how those pressures may generate movement through tension gradients and equilibrium dynamics (Carney & Gedajlovic, 2002; Dau et al., 2020).

The point, then, is not theoretical replacement but analytical extension. Existing theories remain valuable within their domains. The present theory contributes where the explanatory problem concerns transformation as repositioning under persistent strategic tension.

With the theory's domain of applicability and inapplicability now specified, the next question is no longer where the theory operates, but what, precisely, it contributes to family business scholarship. Section 7 therefore turns to specifying those theoretical contributions directly.

7. Theoretical contributions

The theory developed in Sections 3 through 6 explains family business transformation as movement across derived equilibrium configurations under persistent strategic tensions. The scope conditions specified in Section 6 define the domain in which that explanation is intended to operate. Within that domain, the present theory contributes to family business scholarship not by multiplying constructs or adding a new grand model, but by clarifying what it explains that existing theories do not. The contribution is therefore one of theoretical surplus: the framework accounts for movement, stability, and repositioning in a way that prior approaches only partially capture.

The three contributions introduced in Section 1 remain the only contributions advanced here. They are restated below in relation to the literatures most directly implicated by the theory: family business theory, configuration theory, paradox theory, and organizational adaptation theory. The purpose is not to introduce new theory, but to specify the paper's distinctive explanatory gain.

7.1. Contribution to family business theory

The first contribution is to family business theory itself. Existing family business scholarship has generated powerful insights into governance forms, succession, socioemotional wealth, and institutional embeddedness (Berrone et al., 2012; Chrisman et al., 2018; Gómez-Mejía et al., 2007). Yet much of this literature still explains transformation in terms of stability, continuity, or discrete structural change. It remains less precise about how family firms sustain viability while moving through recurring, tension-laden repositioning over time.

The strategic tension theory developed here addresses that gap by explaining family firm evolution as movement across temporary equilibrium configurations generated by persistent strategic tensions. The theory therefore explains what family business theory often leaves implicit: how continuity and change are simultaneously sustained. This matters because family firms do not merely preserve identity or occasionally adapt to pressure; they repeatedly negotiate the relation between legacy preservation, professionalization, tradition, innovation, and growth. The present theory explains that negotiation as a patterned process of repositioning rather than as a succession of isolated governance decisions.

This is the first contribution: it reconceptualizes family business transformation as adaptive equilibrium navigation under persistent strategic tension. That formulation remains faithful to the scope conditions defined in Section 6, because it is intended for multigenerational firms with meaningful family identity salience and adaptive governance capacity. Within that domain, the theory provides a stronger explanation than family business approaches that focus only on governance form, succession sequence, or socioemotional wealth preservation.

7.2. Contribution to configuration theory

The second contribution is to configuration theory. Configuration approaches are valuable because they show that organizational forms are patterned and internally linked rather than random. In family business research, typological work has likewise demonstrated that family firms cluster around recurring governance arrangements (Aguilera & Crespí-Cladera, 2012; Basco, 2013). However, configuration theory often treats these forms as states to be classified rather than positions to be traversed. It explains the existence of configurations more readily than the movement between them.

The present theory advances configuration thinking by deriving equilibrium configurations from the interaction of persistent strategic tensions and then specifying how firms move among them through movement mechanisms. In other words, configurations are not treated as static boxes into which firms are sorted. They are treated as bounded equilibrium regions whose stability varies and whose relations to one another are shaped by tension gradients and repositioning mechanisms. This is a substantive extension of configuration theory, because it explains why multiple configurations coexist, why some are privileged, and how organizations move from one to another.

This is the second contribution: it explains movement across configurations by showing how derived equilibrium regions emerge from a bounded set of tension alignments and how those regions become connected through nonlinear pathways. That contribution is especially important because it resolves the arbitrariness problem often associated with typological or archetypal classification. The configurations are not merely descriptive types; they are theory-derived equilibrium regions.

7.3. Contribution to paradox theory

The third contribution is to paradox theory. Paradox scholarship has shown that organizations frequently face persistent, interdependent tensions that cannot be eliminated without generating new problems (Berti & Simpson, 2021; Gaim & Wåhlin, 2016; Schad & Bansal, 2018). That insight is central to the present paper. However, paradox theory often emphasizes the simultaneity or management of contradiction without specifying how tensions generate stable organizational positions over time. It explains why tensions persist, but not always how those tensions structure movement across alternative equilibria.

The strategic tension theory developed here extends paradox theory by specifying the causal sequence through which persistent tensions generate gradients, gradients alter equilibrium stability, and altered stability produces movement. This move is important because it links paradox not only to organizational ambidexterity or local balancing, but to a broader theory of transformation. It shows how family firms can live with contradiction in ways that generate patterned repositioning rather than paralysis or simple compromise.

This is not a separate fourth contribution. It is part of the paper's first and second contributions, expressed through a paradox lens: the theory explains how family firms transform without resolving the tensions that define them. That is the paradox-theoretic surplus of the paper.

7.4. Contribution to organizational adaptation theory

This subsection identifies a further theoretical relation, but not a separate contribution. The theory contributes to organizational adaptation research by reinterpreting adaptation as movement within a structured landscape of temporary equilibria rather than as a linear response to disturbance. Adaptive landscape theory and organizational change research have long emphasized rugged terrains, local optima, and path dependence (Anderson, 1999; Levinthal, 1997; Sydow et al., 2009). The present paper extends that insight into the family business domain by showing how the landscape is structured by family-specific strategic tensions and by the socioemotional commitments that stabilize or destabilize equilibrium configurations.

This matters because adaptation in family firms cannot be understood solely as response to external shocks. It is also an internally mediated process shaped by family identity, governance continuity, and generational dynamics. By linking these elements to derived equilibrium configurations and movement mechanisms, the theory explains how adaptation becomes viable without dissolving the family firm's identity-bearing character.

This relation to adaptation theory therefore reinforces, rather than expands, the paper's third contribution: sustainability is best understood as adaptive equilibrium navigation. That is the paper's final contribution and the basis for the research agenda that follows.

Taken together, these three contributions establish the theory's distinctiveness. It explains how family firms move across configurations, how those configurations are derived rather than assumed, and how sustainability emerges from adaptive repositioning under persistent strategic tension. Existing family business theory, configuration theory, paradox theory, and adaptation theory each illuminate parts of this story, but none of them alone explains the complete sequence developed here.

Once the contributions are established, the next task is to identify the research agenda they make possible: how the theory can be measured, tested, and extended empirically without abandoning the constructs and scope conditions already defined.

8. Research agenda

The research agenda follows directly from the constructs, mechanisms, and scope conditions already established. Because the theory explains family business transformation as movement across derived equilibrium configurations under persistent strategic tensions, the next empirical task is not to invent new constructs, but to operationalize the ones already specified. Future research should therefore focus on four linked priorities: measuring tension gradients, mapping equilibrium configurations, tracking movement trajectories longitudinally, and simulating landscape dynamics. These tasks are not generic extensions; they are the empirical counterparts of the theory's core logic. They also remain within the scope defined earlier: multigenerational firms, meaningful socioemotional wealth salience, and adaptive governance contexts.

8.1. Measuring tension gradients

The first agenda item is the operationalization of tension gradients. In the theory developed here, gradients are the directional pressures through which persistent strategic tensions alter the stability of equilibrium configurations. Future studies should therefore develop measures that capture the relative intensity of the legacy–professionalization, tradition–innovation, and control–growth tensions rather than treating them as static firm attributes.

This can be done through survey scales, archival indicators, or mixed-method designs that register how strongly a firm is pulled toward professionalization, innovation, and growth while still being anchored in family identity and continuity commitments. The point is not to reify tensions as isolated variables, but to measure their changing direction and relative strength over time. Doing so would allow researchers to test whether shifts in gradient intensity precede repositioning, as the theory predicts. It would also help distinguish stable equilibrium from transitional instability, a distinction central to the model's explanatory claim (Berrone et al., 2012; Gómez-Mejía et al., 2007).

8.2. Mapping equilibrium configurations

A second priority is to map the derived equilibrium configurations empirically. Section 4 argues that the configurations are not descriptive archetypes but theoretically derived equilibrium regions: Patriarchal Legacy, Controlled Professionalizer, Strategic Transformer, and Enterprise Plateau. Future research should test whether these configurations appear as bounded patterns in family firms and whether they correspond to recognizable combinations of governance, identity, innovation, and growth orientations.

Configuration-oriented methods are especially suitable here, including qualitative comparative analysis, cluster analysis, and set-theoretic approaches. These methods can examine whether firms display the joint conditions expected for each configuration, whether some configurations are more common in particular institutional settings, and whether the configurations are stable enough to count as equilibrium regions rather than transient states. Such work would strengthen the theory's claim that the configurations are bounded and non-arbitrary, not merely convenient labels.

8.3. Tracking trajectories longitudinally

A third research priority is longitudinal tracking of movement trajectories. The theory explains movement as repositioning across configurations through succession, institutional change, innovation pressures, and socioemotional wealth. That logic can only be assessed properly if firms are observed over time. Cross-sectional snapshots can identify configurations, but they cannot show whether firms oscillate, regress, or leapfrog as predicted.

Longitudinal case studies, sequence analysis, and panel data designs are therefore essential. They would allow researchers to examine whether succession events actually produce shifts from Patriarchal Legacy toward Controlled Professionalizer or Strategic Transformer positions, whether institutional modernization intensifies movement toward professionalized equilibria, and whether oscillation between adjacent configurations is more viable than rigid fixation in a single one. This line of inquiry would also help determine whether movement is typically incremental or punctuated, and whether the pathways described in Section 5 recur across different multigenerational firms (Brunninge & Melander, 2016; Sydow et al., 2009).

8.4. Simulating landscape dynamic

A fourth priority is simulation modeling. Because the theory is built around persistent tensions, temporary equilibria, and directional movement, it lends itself to computational approaches that can model changing interactions over time. Simulation studies could examine how variations in gradient intensity alter the relative stability of configurations, how path-dependent governance arrangements affect movement, and under what conditions moderate oscillation may enhance viability.

Such models would not replace empirical research. Rather, they would permit controlled exploration of the theory's logic under different parameter settings, especially where real-world observation is difficult. They could also help specify the threshold conditions under which repositioning becomes likely, when leapfrogging is more probable than incremental movement, and how strongly socioemotional wealth moderates or amplifies movement across configurations. In this sense, simulation would extend the theory without adding new constructs, while also making its causal assumptions more transparent (Anderson, 1999; Basco et al., 2022; Levinthal, 1997).

Taken together, these four research directions reinforce the significance of the theory rather than merely extending it. They show how the model can be operationalized, tested, and refined without losing the conceptual discipline established in Sections 3–7. More importantly, they demonstrate that the framework is empirically tractable: its gradients can be measured, its configurations mapped, its trajectories followed, and its dynamics simulated. That makes the conclusion straightforward. The theory does not simply reinterpret family business transformation; it provides a workable agenda for studying how family firms sustain viability by navigating persistent strategic tensions across changing equilibrium conditions.

9. Conclusion

A persistent puzzle in family business research concerns why family firms exhibit recognizable governance stability while following highly variable transformation trajectories. That puzzle is not adequately explained by linear stage models, static typologies, or simple adaptation accounts. Instead, family firm transformation is better understood as movement across equilibrium configurations shaped by persistent strategic tensions.

At the center of this argument is a strategic tension theory in which legacy–professionalization, tradition–innovation, and control–growth tensions generate tension gradients that alter adaptive equilibrium and produce movement trajectories, including oscillation, regression, and leapfrogging. Sustainable transformation, in this view, is adaptive equilibrium under persistent strategic tensions rather than linear progression.

Three contributions follow. First, family business evolution is reconceptualized as navigation across equilibrium configurations. Second, movement across configurations is explained through tension gradients and equilibrium dynamics. Third, sustainability is reframed as adaptive equilibrium navigation, where long-term viability depends not on eliminating tensions but on maintaining viable positioning as tensions evolve. Taken together, these arguments do not replace existing theories, but complement them through a disciplined mechanism-based explanation of sustainable transformation. Viewed this way, family firm sustainability is best understood as adaptive equilibrium under persistent strategic tension.

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