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Untangling Goal Tensions in Family Firms: A Sensemaking Approach

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ABSTRACT While economic and non-economic goals may converge in the long term, they often lead to tensions for organizational decision-makers in the short term, especially in family firms that place much emphasis on family-related goals. We draw on a sensemaking approach to investigate such potential tensions in the decision-making of family firms. Based on a qualitative analysis of 59 interviews, 501 items of archival data and 39 observations from eight private Irish firms, we explore the perceived goal tensions of family firm decision-makers as they seek to balance economic and non-economic goals. We identify three sensemaking mechanisms – ensuring continuity in the family firm, preserving family cohesion, and delegating responsibilities to trusted advisors – that assist family firm decision-makers in managing these goal tensions. Moreover, we identify that sensegiving based on three different values – sense of commitment, community embeddedness, and family firm identity – helps family firm decision-makers to justify and communicate their decisions. Our model contributes to a more granular understanding of the management of goal tensions and of decision-making in family firms by going beyond the question of whether family firms prioritize economic or non-economic; instead, it reveals concrete processes showing how firms balance and aim to incorporate both goals. Furthermore, we advance knowledge on sensemaking in family firms by revealing how sensemaking can explain idiosyncratic family firm behaviour and by showing how family firm decision-makers use specific values when 'giving sense' to justify their decisions.

Keywords: decision-making, family firms, goal tensions, sensemaking, sensegiving

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INTRODUCTION

In seeking to make decisions, firm decision-makers in all firms, and family firms in particular, at times, face temporary goal tensions, which cannot be solved, only managed (Handy, 1994). Effective decision-makers understand the importance of this conundrum and work within the boundaries of this maxim every day (Poole and Van de Ven, 1989). There is evidence to suggest that family firm decision-makers are faced with tensions stemming from conflicting perspectives, values, or goals posed by the family and the business (e.g., Moores, 2009). For instance, family firm decision-makers often emphasize non-economic goals that are significant to the family (Chrisman et al., 2012; Chua et al., 2018; Kotlar et al., 2018; Zellweger et al., 2013). Non-economic goals may address family-related issues such as transgenerational succession (Handler, 1994), preservation of family harmony (Sharma and Manikutty, 2005), family reputation and identity (Kotlar and De Massis, 2013), or the perpetuation of the family dynasty, values, and social capital (Chrisman et al., 2005). While, in the long run, economic and non-economic goals might converge (as for instance shown in the social responsibility vs. profitability debate [e.g., Margolis and Walsh, 2003; Orlitzky et al., 2003]), they often lead to decision-making tensions in the short run (Husted and de Jesus Salazar, 2006; McWilliams et al., 2006). In family firms, the overlap of the business and the family systems (Habbershon et al., 2003), might often induce diverging goals, leading to tensions and potentially contradictory boundary conditions for decision-making that need to be managed.

Acknowledging these goal tensions is important for family business scholars, as they contribute to a better understanding of the behaviour of family firms and of how they make decisions and take action. Additionally, prior family firm goal research has emphasized the need to understand the nature of non-economic goals (Chua et al., 2018) and their impact on the actions taken by family firm decision-makers (De Massis et al., 2014). Specifically, in the family firm literature, there is a large body of research on studying the existence and consequences of non-economic goals (e.g., Berrone et al., 2012; Gómez-Mejía et al., 2007). While this research has made substantial progress over the last decade, we still lack knowledge about the precise mechanisms through which family firms manage potential tensions between economic and non-economic goals. Closing this research gap is important, as goals affect decision-making, which in turn determines the strategies that family firms pursue and, ultimately, their performance. A better understanding of the goal tension management processes in family firms will thus advance our understanding of how and why family firms differ from other types of firms, and it might provide practitioners with valuable insights into how to tackle such goal tensions.

The way that family firms manage the process of handling goal tensions may be best understood through the lens of sensemaking–sensegiving. This is in line with extant theory stating that 'sense-making activities [can] clarify goals and paths to goal attainment' (Mumford et al., 2008, p. 145). Organizational research that employs a sensemaking perspective explores how organizations make sense of and give sense to situations (Hernes and Maitlis, 2010) and how their sensemaking influences their organizational processes (e.g., Drazin et al., 1999; Gioia and Thomas, 1996). 'Sensemaking and sensegiving have been shown to be triggered by situations where meaning is ambiguous or outcomes are uncertain (Maitlis and Christianson, 2014).

Since family firms do not necessarily consider profit maximization a priority goal (e.g., Chua et al., 2018; Kotlar et al., 2018), we could expect that family firms' sensemaking and sensegiving mechanisms are triggered when they face goal tensions (Strike and Rerup, 2016), especially when they anticipate threats to their non-economic goals. Consequently, sensemaking and sensegiving mechanisms could provide a better understanding of how family firm decision-makers manage goal tensions, and the mechanisms underlying the sensemaking–sensegiving process could assist us in addressing our research question: How do family firms manage the tensions that can manifest between economic and non-economic goals when making decisions?

We answer this question using an in-depth, multiple case study analysis of eight private Irish family firms, comprising 59 interviews, 501 items of archival data and 39 observations. Based on our inductive analysis, we contend that the way that family firms manage the handling of goal tensions may be best understood through a sensemaking–sensegiving lens. Four mechanisms (three sensemaking mechanisms and one sensegiving mechanism) emerged from our data that family firm decision-makers adopt when they perceive tension between economic and non-economic goals, which help them identify and implement the actions emerging from those tensions. Our results reveal that when family firm decision-makers perceive a (temporary) goal tension, they attempt to reconcile their economic and non-economic goals by adopting a sensemaking mechanism related to the specific goal tensions, and thereafter, they use a sensegiving mechanism to justify and communicate their decision. We propose an inductive model that seeks to extend knowledge on family firms' goals and behaviour in response to goal tensions.

This study contributes to the literature in the following ways. First, we contribute to research on goals in family firms. Prior research on family firm goals has acknowledged that these firms pursue both economic and non-economic goals (e.g., Berrone et al., 2010). However, these works mostly studied under which conditions – e.g., good versus bad financial performance – economic or non-economic goals dominate (e.g., Chrisman and Patel, 2012). Our qualitative study allows us to move away from this 'either/or' approach. Instead, our analysis of the cases shows how family firms aim to balance conflicting economic and non-economic goals, depending on the specific goal conflict. This is in line with prior research (e.g., Orlitzky et al., 2003) suggesting that economic and non-economic goals, which might appear conflicting at first sight, may be symbiotic in the long term. Second, our findings suggest that sensemaking is a particularly important approach for understanding family firms, thereby building on, and extending the foundational work of Strike and Rerup (2016). However, going beyond prior work, we shift the focus from the role of the advisor in family firm sensemaking to that of internal family actors and how they make sense in difficult decision-making situations. Hence, we show how sensemaking can act as a potential explanation for idiosyncratic decision-making in family firms, answering calls for research to explore the implications of family firms' distinctive traits that shape their behaviour (Chirico et al., 2011). Moreover, we show by what means sensegiving is related to how family firm decision-makers justify and communicate their decisions. Third, our study might inform research on mixed gambles (e.g., Gomez-Mejia et al., 2014; Martin et al., 2013), as the trade-offs of non-economic versus economic goals go along with potential gains and losses that family business decision-makers need to consider in a complex sense- and decision-making process.

THEORETICAL BACKGROUND

Goal Tensions in Family Firms

Family firms represent a significant social and economic institution in both emerging and advanced economies (Muñoz-Bullón and Sanchez-Bueno, 2011), representing the oldest (Colli, 2003) and most common (Nordqvist and Melin, 2010) type of organization; approximately 90 per cent of all firms worldwide are family firms (Aldrich and Cliff, 2003). While a universal definition of family firms does not exist, a key distinguishing feature of these organizations is the overlap between the family and business systems (Davis and Tagiuri, 1989), which manifests in the goals these firms pursue (Gagné et al., 2014). Hence, the family's involvement in and influence on the firm offers a unique context to study between economic and non-economic goals (Aparicio et al., 2017).

Management research has long acknowledged that there may be competing goals and values in organizations and that decision-makers need to find ways to deal with these tensions (Cameron and Quinn, 1999). Among the tensions characterizing family firms, the potential tension between economic and non-economic goals is particularly noteworthy (Chrisman et al., 2014). In family firms, where the dominant coalition is typically controlled by family members, non-economic goals related to the family (Chua et al., 2018; Ward, 1997) are of special importance. Non-economic goals are 'benefits unrelated to financial and competitive performance' (Chua et al., 2003, p. 333); in family firms, these non-economic goals typically embrace social and emotional endowments derived from the family (Basco and Rodríguez, 2011). While not all non-economic goals are family centred, in general, they have been found to be closely aligned to family goals, such as: ensuring transgenerational continuity (Handler, 1994); maintaining family harmony, social status, and identity linkage (Chrisman et al., 2012; Kotlar and De Massis, 2013); developing and protecting the family reputation (Miller and Le Breton-Miller, 2005); and perpetuating family values (Chrisman et al., 2005).

Non-economic goals have been shown to affect family firm behaviour in general, and decision-making behaviour in particular. For instance, Duran et al. (2016) showed that non-economic goals affect how family firms handle innovation processes. Likewise, Gómez-Mejía et al. (2007) argued that family firms are willing to accept higher risk in order to maintain family control, and Berrone et al. (2010) suggested that family firms conform to certain environmental practices to protect their reputation in the community, as poor environmental practice could impact the firm's image and, in turn, the owning family's reputation. Other studies, such as Chrisman and Patel's (2012), showed how the existence of socioemotional wealth (SEW) influences family firms' decision-making reference points and, therefore, impacts research and development expenditure. Moreover, Zellweger et al. (2012) provide empirical evidence for the emotional value that families derive from firm ownership and for the influence that related non-economic goals have on relevant strategic decisions in the firm. More recently, Kammerlander and Ganter (2015) showed that a family firm chief executive officer's (CEO's) specific non-economic goals determine whether the CEO assesses an emerging technology as significant enough to warrant a reaction from the firm. Hence, while research continues to emphasize goal multiplicity in all organizations (e.g., Stephan et al., 2019), the coexistence of multiple goals is particularly salient in family firms.

There are multiple ways in which the various goals in organizations may relate to each other – conflicting, independent, or synergistic (Obloj and Sengul, 2020; Stephan et al., 2019). While some scholars have argued that non-economic goals may lead to negative economic outcomes and therefore conflict with economic goals (e.g., Bloom and Van Reenen, 2007; Gómez-Mejía et al., 2001; Schulze et al., 2003), family firms are likely to favour non-economic goals (Chrisman et al., 2012; Kotlar and De Massis, 2013). Nevertheless, family business research has suggested that firm decision-makers' pursuit of non-economic goals does not always result in a loss of economic efficiency (Jensen and Meckling, 1994); rather, it may have a synergistic influence on the firm's economic success (Kammerlander and Ganter, 2015), highlighting the ultimate convergence of these goals. In fact, family firm decision-makers who include social objectives in their strategic goals may secure substantial economic benefits (Berrone et al., 2010) due to the often intangible, subjective nature of non-economic goals accomplished over longer time horizons (Williams et al., 2018). This is aligned to increasing scholarly interest in the environmental, social, and governance (ESG) performance of firms (Aguilera et al., 2007). Research shows that a strong ESG performance, i.e., the pursuit of non-economic goals, can be a source of competitive advantage and therefore support the achievement of economic goals in the long run (Aguilera et al., 2006). However, in the short term, ESG may require significant capital investment. Hence, the decision to invest in ESG improvements can become a source of (temporary) tension between managers (Cespa and Cestone, 2007). In other words, while ESG goals might converge in the long run with economic and further non-economic goals, they may still pose an immediate challenge for decision-makers with competing expectations when needing to agree on firm actions.

Prior research has emphasized the need to resolve these tensions (e.g., Kammerlander et al., 2015) and highlighted the potential harmful consequences for family relationships and firm longevity if they are left unresolved. In particular, family firm researchers' attention has focused on so-called 'mixed gambles'. The mixed gamble approach recognizes that strategic decisions rarely involve win–win or lose–lose results (Martin et al., 2013), but rather involve sacrificing one thing in an effort to gain something else (Alessandri et al., 2018). Mixed gamble trade-off has been widely studied in contexts such as entrepreneurship (Cruz and Justo, 2017), growth (Bauweraerts et al., 2020), acquisitions (Fuad et al., 2021; Gómez-Mejía et al., 2018), internationalization (Alessandri et al., 2018), initial public offerings (IPOs; Boers et al., 2017; Kotlar et al., 2018b), innovation (Bammens and Hünermund, 2020), and ethical behaviour (Eddleston and Mulki, 2021), among others. These studies aimed to shed light on family firms' decisions when confronted with tensions. For instance, Kotlar et al. (2018b) studied IPO behaviour in family firms. They conceived IPO pricing as a two-stage gamble and explained how the decision frames and preferences of family firms change during the IPO process, depending on initial losses of current SEW and new expectations of future SEW. Fuad et al. (2021) applied a mixed gamble approach to studying the entry timing decisions made by family firms in the context of cross-border acquisition waves. The authors found that family firms trade off short-term SEW and financial losses in favour of long-term SEW and financial gains, while moving early in cross-border acquisition waves. Recent work on family firms' ethical behaviour applied a mixed gamble perspective to explain why family firms vary in how they weigh the costs and benefits of tax evasion (Eddleston and Mulki, 2021).

While there is an increasing body of research focused on understanding existing goal tensions in family firms, there is a lack of understanding of the underlying mechanisms through which this behaviour manifests (Jay, 2013). Thus, investigating the potential interactions between economic and non-economic goals in family firms through a qualitative lens is a promising avenue for the development of insightful contributions to the field, as it allows us to reveal the process and mechanisms of goal tension management. In analysing our data for when goal tensions emerged, we observed how family decision-makers tried to ascribe meaning to those tensions (sensemaking) and then justify this meaning to stakeholders such as the other family members (sensegiving), which allowed them to make decisions. Accordingly, we contend that sensemaking could enhance theoretical knowledge and present new insights into goal tensions in family firms.

A Sensemaking Perspective on Goal Tensions

To improve our understanding of decision-making when goal tensions are present in family firms, we rely on sensemaking, which is the process through which individuals work to understand issues or events that are novel, ambiguous, confusing, or unexpected (Maitlis and Christianson, 2014; Rouleau, 2005), and which inductively emerged as an appropriate theoretical lens throughout our analysis.

In the organizational literature, there is an extensive body of research exploring how decision-makers make sense of situations (e.g., Hernes and Maitlis, 2010; Whiteman and Cooper, 2011) and how that sensemaking influences their organizational process (e.g., Drazin et al., 1999; Gioia and Thomas, 1996; Weick, 1993). Organizational members endeavour to clarify novel, ambiguous, confusing, or unexpected situations by interpreting cues from their environment and trying to make sense of what has occurred (Maitlis, 2005) through the creation of meaning. Thus, sensemaking can be defined as 'a process, prompted by violated expectations, that involves attending to and bracketing cues in the environment, creating intersubjective meaning through cycles of interpretation and action, and thereby enacting a more ordered environment from which further cues can be drawn' (Maitlis and Christianson, 2014, p. 67). While sensemaking is concerned with how managers interpret and make sense of information, sensegiving is another important step in the sensemaking process; it refers to how decision-makers attempt to communicate their thoughts to others (Rouleau, 2005). In this regard, sensemaking and sensegiving cannot exist without each other (Hopkinson, 2001).

While classic research on sensemaking categorizes it as a retrospective process (Weick, 1995), the notion of a prospective sensemaking process has gained more attention in the literature in recent years (Maitlis and Christianson, 2014). Prospective sensemaking refers to 'the conscious and intentional consideration of the probable future impact of certain actions, and especially nonactions, on the meaning construction processes of themselves and others' (Gioia et al., 1994, p. 378). Accordingly, a sensemaking perspective suggests that the way individuals make sense of past events also affects how they make sense of future events; therefore, sensemaking is both retrospective and prospective (Maitlis and Sonenshein, 2010; Weick et al., 2005). Individuals extract cues from past events and then use these cues to make sense of what may be occurring (Weick, 1995). This is particularly relevant in the case of family firms since their orientation toward the long term (Diaz-Moriana et al., 2020; Lumpkin and Brigham, 2011) facilitates a link between the past and present by which the family's mission, history, values, and beliefs can be transferred across generations (Filser et al., 2018). As Strike and Rerup (2016) highlighted, sensemaking is particularly important for family firms due to the 'emotionally complex relationships' (p. 885) present in these firms; furthermore, these firms' strong reliance on family members – and their goals – makes sensemaking in family firms unique, as sensemaking is a process strongly dependent on the firm's leaders.

In addition, sensemaking is triggered by cues such as events or situations where meanings are ambiguous and/or outcomes are uncertain. Prior research has examined a variety of contexts where sensemaking is triggered, such as environmental jolts (e.g., Meyer, 1982), organizational crises (e.g., Brown, 2000; Weick, 1993), threats to organizational identity (e.g., Elsbach and Kramer, 1996), or organizational change initiatives (e.g., Gioia and Chittipeddi, 1991). However, no prior work has examined sensemaking in the context of goal tensions where sensemaking might be triggered by contradictory demands, interests, or perspectives. Events that trigger sensemaking disrupt existing understanding and spark a search for explanations to identify appropriate courses of action (Pearson and Clair, 1998). Managers are prompted to answer questions such as 'Is this who we really are?' or 'Is this who we really want to be?' and to apply sensemaking based on cues from the firm's culture and values, which allows them to develop new accounts of the firm's identity that are grounded in its heritage (Ravasi and Schultz, 2006). In family firms, goals play an essential role in strategy, structure, and culture (Ward, 1987) and serve as a reference point for decision-making (Gehman et al., 2013), as noted above. In this regard, incumbent family members might apply sensemaking based on cues from the firm's culture and values, which may have been imprinted in previous generations (Erdogan et al., 2020), to make strategic decisions that are grounded in safeguarding a multigenerational legacy (Steier and Miller, 2010).

In sum, prior research shows that sensemaking plays a central role in organizations and that it could be an appropriate mechanism in situations where meanings are ambiguous and/or outcomes are uncertain (Maitlis, 2005). Additionally, prior research highlights that little is known about the interplay between goals and sensemaking (e.g., Strike and Rerup, 2016; Thiel et al., 2012). As family firms often pursue multiple different organizational goals, they provide an ideal context in which to explore goal tensions. We propose that investigating goal tensions in family firms from a sensemaking perspective can offer new insights into how family firm decision-makers engage in sensemaking when triggered by goal tensions and how it affects their decisions.

METHODOLOGY

Research Design and Sample

Following prior research (Strike and Rerup, 2016), we designed an exploratory inductive qualitative study based on multiple cases (Eisenhardt, 1989; Yin, 2009) to address our research question (Langley, 1999). Qualitative studies allow for the exploratory analysis of multiple cases (De Massis and Kotlar, 2014), while an inductive research design allows the researchers to build or expand on extant theory and link concepts to explain scarcely understood mechanisms (De Massis and Kammerlander, 2020; Gioia et al., 2013). Furthermore, case studies are a well-established method for studying nuanced processes in family businesses (e.g., De Massis and Kammerlander, 2020), and qualitative research is most appropriate for exploring settings of tensions and contradictions in family firms (Fletcher et al., 2016). Such an approach is particularly appropriate for our study given the dearth of extant theory explaining contradicting goals and their effect on family firms' decision-making (Eisenhardt, 1989) and our focus on answering a 'how' question (Yin, 2009).

We used a theoretical sampling method and chose cases that are likely to replicate or extend theory (Eisenhardt, 1989). We selected eight private Irish family firms that were fully owned and managed by family members who intended to pass the business to the next generation. We chose these firms based on the assumption that having family members in the dominant coalition with the intention of continuity – i.e., high levels of family involvement and family essence (Chrisman et al., 2013) – could provide a clearer illustration of the pursuit of non-economic goals that might interfere with other, economic goals. Although there is no ideal number of cases, examining between four and ten cases is considered effective (Eisenhardt, 1989). We collected cases up to the point of theoretical saturation (Eisenhardt, 2021) – i.e., where adding more case studies did not contribute any additional knowledge to our study, which we reached after completing information-gathering from eight cases. Hence, eight was deemed an appropriate number of cases for our study to observe distinctive patterns of theoretical replications (Yin, 2015). The firms in our sample were small and medium-sized companies ranging in age from 47 to 237 years and in size from 52 to 300 employees and representing multiple industries. Table I provides detailed information on the selected firms.

Data Collection

Our data set includes both primary data and secondary data. The primary data comprise in-depth semi-structured interviews, casual conversations, and observations. We conducted 59 semi-structured interviews with 49 informants during site visits to the companies from 2013 to 2018. The initial intention behind our interviews was to understand the family firms' goals and how they make decisions and take action. During the interviews, we first asked all participants to provide an overview of the family and the firm to date. Then, we focused our questions on the family's and the firm's goals, the decision-makers' handling of those goals, and the firm's decision-making. We asked open-ended questions to allow participants to express their views flexibly. The interviewers asked relevant follow-up questions when necessary to build a deeper understanding of the phenomenon

Table I. Summary description of case firms

	1	*2*	*3*	*4*	*5*	*6*	*7*	*8*
Industry	*Paint & coatings*	*Freight & transport*	*Food*	*Funeral services*	*Food*	*Municipal infrastructure*	*Food*	*Construction material*
Age in 2022 (years)	69	47	112	203	121	54	237	109
Generation	3	2	4	7	4	2	7	3
Family Ownership	100%	100%	100%	100%	100%	100%	100%	100%
No. of Family Managers	3	1	2	5	1	5	3	2
No. of Employees	60–80	70–90	240–260	80–100	60–80	290–310	40–60	250–270
Annual Revenue (millions)	€15–20	€40–45	€60–65	€20–25	unknown	€70–75	€20–25	€105–110

being studied. For instance, when we perceived a goal tension, we followed up with questions about the concerns and what drove participants to make their ultimate decisions.

For each firm, we identified informants within the senior management teams (family and nonfamily) who were directly involved in decision-making. Research on sensemaking also highlights the important role of firm decision-makers in shaping sensemaking in organizations. Firm decision-makers trying to influence the sensemaking of other members of the firm will explain their vision to others and how to be consistent with it (Corley and Gioia, 2004; Gioia and Chittipeddi, 1991). A minimum of five informants per firm were interviewed. The interviews were all tape-recorded and transcribed. Overall, we analysed more than 48 hours of interviews captured by 859 pages of single-spaced transcripts. Table II provides information on the interviewees and the duration of each interview. We then triangulated the interviews with observations and informal conversations during plant tours, corporate presentations, family council meetings, and dinners. These observations and conversations allowed us to observe family members' interactions with each other and with nonfamily employees. They also proved important to understanding the family firm decision-makers' goals, how they made decisions, and the importance they gave to family values.

In addition, we collected and analysed more than 1000 pages of archival material related to our cases. The archival data included company websites; newspaper and magazine articles; radio interviews; videos; documentaries; advertisements; government, industry, and company reports; and company documents about the family firms. These archival records served two main purposes. First, initial material gathered about the cases allowed us to familiarize ourselves with the firms prior to the interviews. Second, additional archival data collected during and after the interviews provided us with rich content during the data analysis period. Specifically, archival data assisted us in interpreting

Table II. Breakdown of interview data

Company	*Job Title*	*Family Member*	*Length (min)*	*No. of Transcript Pages*
Case 1	Operations Director	No	48	9
	Finance Director	No	58	11
	Head of Sales	Yes	36	10
	Company Secretary	Yes	47	10
	Chairman	No	49	9
	Sales & Marketing Director	No	67	15
Case 2	CEO	Yes	50	12
	Financial Controller	No	31	7
	Logistics Director	No	49	10
	General Manager	No	61	14
	Board Director	No	57	13
	Financial Director	No	42	10
Case 3	Company Secretary	No	45	10
	Financial Director	No	43	9
	HR Manager	No	37	8
	Procurement Manager	No	49	13
	Operations Manager	No	86	14
Case 4	Chairman	Yes	62	13
	MD	Yes	45	14
	MD of Acquired Business	No	41	10
	Head of Operations	No	30	9
	Previous MD	Yes	53	14
Case 5	Non-Executive Board Director	Yes	36	12
	Finance Director	No	35	15
	Finance Director (2nd)	No	37	11
	Marketing Director	No	52	21
	Chairman	Yes	43	14
	MD	Yes	40	14
	MD (2nd)	Yes	42	13
	IT Director	No	42	13
	IT Director (2nd)	No	41	10
Case 6	Commercial Director	Yes	38	16
	Board Director – Co-Founder	Yes	62	15
	MD	Yes	65	16
	Auditor	No	58	18
	Deputy MD	Yes	64	25
	Deputy MD (2nd)	Yes	59	18

Table II. (Continued)

Company	*Job Title*	*Family Member*	*Length (min)*	*No. of Transcript Pages*
	Operations Manager	No	65	18
	Large Contracts Director	No	50	17
	Large Contracts Director (2nd)	No	31	9
	Board Director – Co-Founder	Yes	60	22
	Board Director – Co-Founder (2nd)	Yes	49	15
Case 7	National Account Manager	No	54	18
	National Account Manager (2nd)	No	31	10
	Financial Controller	Yes	52	18
	Financial Controller (2nd) & CEO (2nd)	Yes	55	21
	CEO	Yes	75	26
	International Business Manager	Yes	35	10
	Marketing & Sales Manager	No	35	9
	Operations Manager	No	22	8
Case 8	Sales & Marketing Director	No	37	16
	Financial Director	No	49	23
	Forestry Manager	No	55	27
	Non-Executive Board Director	Yes	92	26
	Co-CEO 1	Yes	71	32
	Co-CEO 1 (2nd)	Yes	40	12
	Co-CEO 2	Yes	49	19
	Co-CEO 2 (2nd)	Yes	52	14
	Manager Scottish Plant	No	43	14
TOTAL			**2902**	**859**

Abbreviations: HR, Human Resources; MD, Managing Director; IT, Information Technology; 2nd, second-round interviews in 2018.

the studied case firms' behaviour. The triangulation of data from multiple informants and data sources allowed us to reduce personal interpretation biases and improve the robustness of our findings (Patton, 2002; Yin, 2009). Table III provides detailed information on our archival data and observations.

Data Analysis

Our data analysis followed the approach used by Strike and Rerup (2016), which integrates inductive case analysis (Gioia et al., 2013) into a multiple case study approach (Eisenhardt, 1989). The focus on multiple cases allowed us to identify and compare relationships within and across cases (Eisenhardt and Graebner, 2007), while the in-depth

Table III. Description of archival data and observations

Archival Data								
Year	*Case 1*	*Case 2*	*Case 3*	*Case 4*	*Case 5*	*Case 6*	*Case 7*	*Case 8*
1925–1939					PA (1)			
1940–1950					PA (1)	PA (1)		
1951–1960				PA (1)	PA (1)	PA (1)		
1961–1970	PA (1)			PA (2)			PA (1)	
1971–1980	PA (1)	PA (5)		PA (1)			PA (7)	PA (2)
1981–1990	PA (1)	CD (3)	PA (2)	PA (2)	PA (1)	PA (14)	PA (10)	PA (1)
1991–2000	PA (1)		PA (6)	PA (7)	PA (5)	PA (6) OV (4)	PA (6)	PA (5)
2001–2010	PA (6)	CD (1) CW (2)	PA (27)	PA (12) OA (1)	PA (5) OA (1)	PA (17) TVA (6) OA (4) OD (2)	PA (7) OA (7) AR (4) CW (4) OV (1)	PA (7) CW (5) CP (2) OA (1)
2011–2019	CW (6) PA (31) OA (1) IR (1) OV (3)	CS (2) CW (5) GR (1) PA (2) OA (2)	CS (1) CW (4) PA (31) OA (1) OV (7)	CW (2) PA (22) OA (7) OV (2)	PA (8) CW (5) OV (3) OA (2) OD (2) IR (1) R (2) MA (2) CP (1)	OD (13) OV (7) OA (5) CW (5) PA (4) F (1) CS (1) OV (1)	PA (24) OD (6) CW (5) OA (2) OV (2) S (1)	CW (3) PA (15) CD (8) OA (8) OD (7) S (3) OV (2)
Total (502)	**52**	**23**	**79**	**59**	**41**	**92**	**87**	**69**
Observations								
Observation Type	**Case 1**	**Case 2**	**Case 3**	**Case 4**	**Case 5**	**Case 6**	**Case 7**	**Case 8**
Plant tour	3	1	3	1	1	2	3	3
Family dinner	2	-	-	-	-	-	-	2
Corporate presentation	4	-	2	-	-	3	2	4
Family council meeting	1	-	-	-	-	1	1	-
Total (39)	**10**	**1**	**5**	**1**	**1**	**6**	**6**	**9**

Abbreviations: AR, annual reports; CD, company documents; CP, company presentation; CS, case studies; CW, company webpages; F, factsheets; GR, government reports; IR, industry reports; MA, magazine articles; OA, online articles; OV, online videos; OD, online documents; PA, newspaper articles; R, radio; S, surveys; TVA, TV advertisements.

inductive analysis allowed us to focus on patterns across cases and on uncovering processes of sensemaking and sensegiving (Corley and Gioia, 2004).

Data analysis unfolded over several key phases. In the first step, we compiled individual case data from several sources, including interview transcripts, archival material, and research notes from observations and casual conversations. Using our research question as a reference, we conducted a within-case analysis by coding the data to establish key themes (Miles and Huberman, 1994). Codes were identified by highlighting material reflecting goal tensions and decisions made by the firm. Interestingly, the goal tensions identified in our data mostly related to tensions between economic and non-economic goals. Data coding was first carried out independently by the researchers to avoid potential subjective bias and was then compared and discussed collectively to reach a consensus (Yin, 2009). This allowed us to create provisional categories and first-order codes (Gioia and Chittipeddi, 1991). As codes were developing, we returned to the data to establish whether the codes fit the emerging categories. If a code did not fit, we reviewed the conflicting data and revised the categories accordingly. We followed up with informants to complete details or clarify events when needed.

The second step involved a cross-case analysis to compare the findings in our cases and review the emerging patterns across the cases (Eisenhardt, 1989; Eisenhardt and Graebner, 2007). In this step, we searched for similarities and differences and then gradually grouped the first-order codes into broader second-order themes (Gioia et al., 2010). Consistent with inductive qualitative research, we allowed concepts to emerge from the data. This was an iterative process of distilling, merging and reframing codes, which involved moving back and forth between theory and data (Yin, 2009). For instance, during the analysis phase, we identified that in situations of goal tension, family firm decision-makers tried to reconcile their economic goals with their non-economic goals. They were trying to make sense of the goal tension through mechanisms that preserved tradition, kept family control, maintained harmony, pursued openness and transparency, and delegated responsibility to professional advisors (second-order themes). Likewise, we realized that after they made sense of the goal tension, family firm decision-makers gave sense to their decisions in order to justify and communicate them to the rest of their family members and other stakeholders. In other words, when a goal tension emerged, we observed how family firm decision-makers, often over a long period of time, tried to manage the tension and come to a decision by ascribing meaning to those tensions (sensemaking) and then justifying this meaning to others (sensegiving).

The third step involved bounding the theory by aggregating theoretical dimensions. At this point, we started discussing theories and models that could help explain how the themes related to each other. We continued refining our themes through several iterations (Reay, 2014) until we arrived at our final data structure (see Figure 1). It is important to note that we did not emphasize sensemaking or sensegiving at the beginning of our research project; rather, the topic emerged inductively during our data analysis. To enable external observers to understand the conclusions derived from our data, we gathered illustrative examples for each mechanism in Table IV.

FINDINGS

The iterative process between data analysis and literature revisitation resulted in our inductive model exhibiting the handling of the goal tension process in family firms

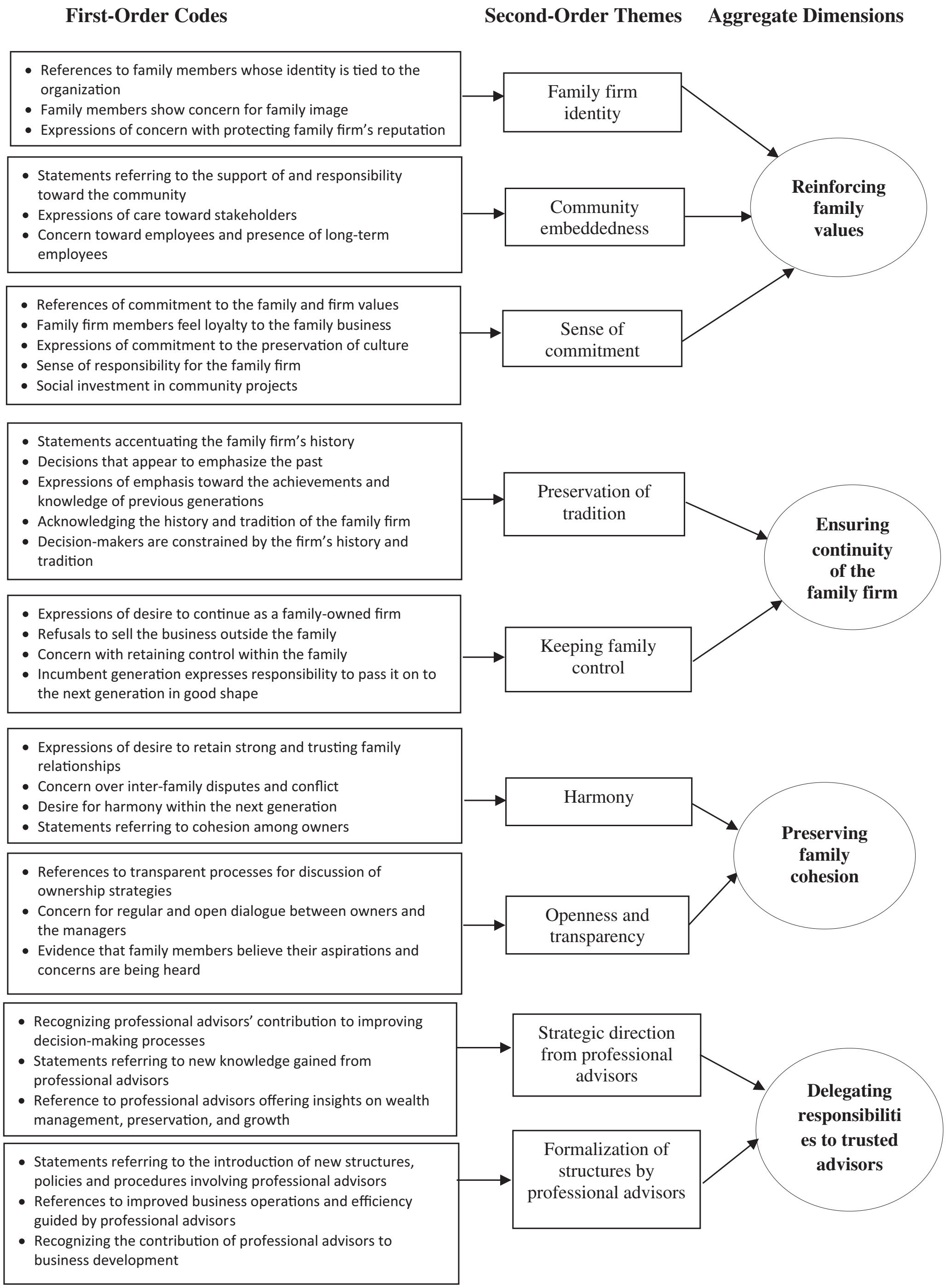

Figure 1. Data structure

Table IV. Managing goal tensions: examples in the cases studied

Case	*Description of the Case*	*Goal Tension*	*Sensemaking*	*Sensegiving (Reinforcing Family Values)*	*Decision Outcome*
C1	A third-generation manufacturer of premium paints	**Sales in large DIY stores** would allow the firm to target a wider customer base. This could **dilute its long-standing tradition** of 'first in class' customer service offering	***Mechanism*: Ensuring the continuity of the family firm**. Seeking to retain independence and continue as a family firm, with aspirations for fourth-generation involvement	***Value*: Sense of commitment**. Family members appreciated their responsibility to the firm	Create their own nation-wide **chain of retail stores**. Maintain control over the customer service experience and the long standing tradition of 'first in class' quality
		The firm's manufacturing site is a **historical building** dating back to the early 1800s. An opportunity arose to relocate to a green field location	***Mechanism*: Ensuring the continuity of the family firm**. The family is immensely proud of their historical production facility and the legacy of previous generations working on the site	***Value*: Sense of commitment**. There was an appreciation of the duty to the family firm	Retain the manufacturing presence in the historical location and open **commercial enterprises** on the campus
		An opportunity arose to **expand operations** to North America. While potentially very lucrative, the family was concerned about **brand recognition** in a new market	***Mechanism*: Delegating responsibilities to trusted advisors**. The firm drew new strategic insights from professional advisors on international market penetration	***Value*: Family firm identity**. Strong desire to preserve the family reputation and association with the firm	Design a **marketing campaign,** 'Colours of Ireland,' promoting their products in the North American market

(Continues)

Table IV. (Continued)

Case	*Description of the Case*	*Goal Tension*	*Sensemaking*	*Sensegiving (Reinforcing Family Values)*	*Decision Outcome*
C2	A second-generation firm in the logistics industry	New strategic partners gave access to a wider customer portfolio. **Growth brought issues of inflexibility** and concerns over the quality of service offering	***Mechanism*: Delegating responsibilities to trusted advisors**. Strategic advisors offered direction on refining the firm's value proposition, and the importance of trusting relationships	***Value*: Family firm identity**. Family members show concern for the family image	Professional advisors assisted the family to articulate its values and establish **partnerships with firms of similar value structures**, nationally and internationally
		With international locations, travel commitments were placing **pressure on family life**. Firm leadership needed to be available 24/7 to manage client challenges	***Mechanism*: Ensuring the continuity of the family firm**. Strong desire to develop a multi-generational family firm. Current members aware of the heroic efforts and commitment of past generations	***Value*: Sense of commitment**. Going above and beyond when required	Investment in **leading-edge teleconferencing** services in the offices and at home, which was a first for a logistics company in Europe
C3	A fourth-generation firm in the agri-food industry	The **business faced near closure** due to the **foot-and-mouth disease crisis**. After three generations the firm was reluctant to change business processes	***Mechanism*: Delegating responsibilities to trusted advisors**. Working with trusted advisors, the firm sought to create a solution that could build on the legacy of the past while aligning to changing customer needs	***Value*: Family firm identity**. Strong desire to preserve the family reputation and association with the firm	Creation of a **'farm to fork' business model,** allowing full food traceability for the customer. The food offering was targeted toward leading international supermarkets

Table IV. (Continued)

Case	*Description of the Case*	*Goal Tension*	*Sensemaking*	*Sensegiving (Reinforcing Family Values)*	*Decision Outcome*
C4	A seventh-generation firm in the funeral services industry	The desire to retain the **sense of connectivity** with long-standing **local customers** conflicted with the opportunity to **aggressively acquire** national operators	***Mechanism*: Preserving family cohesion**. The firm was aware of the close bond between family members and sought to prevent the emergence of familial conflict	***Value*: Community embeddedness**. Responsibility to local stakeholders	Development of a **marketing campaign** that sought to maintain the family ethos in acquired national companies
		An opportunity arose to **diversify outside** the core business. After seven generations the family was concerned about any negative impact on the traditional business	***Mechanism*: Delegating responsibilities to trusted advisors**. Given the need for strategic guidance on whether to diversify outside the core business, the firm engaged with strategy advisors to guide it on alternate options	***Value*: Family firm identity**. Close affiliation of the family with the firm	A **portfolio service offering** was introduced (e.g., music, flowers, car rental, bereavement cards), now generating 40% of group revenues
C5	A fourth-generation hot beverage manufacturer	Challenged by declining tea sales, the firm saw the **opportunity to diversify into coffee**. It feared such a strategy could **damage the family's long heritage** in the tea industry	***Mechanism*: Delegating responsibilities to trusted advisors**. Working with professional managers, the firm sought to explore alternate options within and outside the tea industry	***Value*: Family firm identity**. Family members show concern for the family image	Continued development of the tea business with the 'Your Tea' brand, and the **creation of a diversified portfolio of ventures**
		With its long-standing reputation in the beverage business, an opportunity arose to **sell the business** to a large multinational	***Mechanism*: Ensuring the continuity of the family firm**. With four generations of family control, the firm expressed a desire to retain family ownership	***Value*: Sense of commitment**. Feeling of being a steward of the family business	Decided not to sell but to explore **growth strategies in mature industries** (e.g., geographical growth)

(Continues)

Table IV. (Continued)

Case	*Description of the Case*	*Goal Tension*	*Sensemaking*	*Sensegiving (Reinforcing Family Values)*	*Decision Outcome*
C6	A second-generation water and wastewater treatment services provider	To meet the need for talent arising from international expansion, second-generation members, in contrast to the first generation, wished to **pursue employment based on ability**	***Mechanism*: Preserving family cohesion**. The firm was acutely aware of the potential for inter-family conflict, notably among differing generations	***Value*: Community embeddedness**. Responsibility to local stakeholders	Formation of **comprehensive human resources policies**. Such policies were relevant for the family and for attracting and retaining local skilled managers
C7	A seventh-generation producer of porridge oats	As the nation's leading breakfast cereal provider, an offer emerged **to sell the business**; while financially appealing, the family was uncomfortable with a trade sale	***Mechanism*: Ensuring the continuity of the family firm**. After seven generations, the firm wished to retain family ownership and control, seeking to pass the business to the eighth generation	***Value*: Sense of commitment**. Feeling of being a steward of the business	Creation of the **'Love Irish Food' brand**. This brand was grounded on the heritage of the past and the close association of the product with the Irish breakfast table
		The firm was resented with an offer to sell its oats to **private-label retailers**. While economically attractive, the family was concerned about the **family's heritage and tradition**	***Mechanism*: Ensuring the continuity of the family firm**. Quality of the product offering, and the legacy of the past were engrained in the family members. There was a strong desire not to deviate from past behaviours	***Value*: Sense of commitment**. Going above and beyond when required	Decided not to pursue private-label manufacturing but to pursue alternate opportunities through **product diversification**, focusing on a premium product range

Table IV. (Continued)

Case	*Description of the Case*	*Goal Tension*	*Sensemaking*	*Sensegiving (Reinforcing Family Values)*	*Decision Outcome*
		An opportunity arose to **source oats from outside** the [county] and outside the country. The family was **reluctant to change long-standing supplier relationships**, which spanned over 100 years	***Mechanism*: Preserving family cohesion**. The firm was acutely aware of the potential for inter-family conflict, notably among next-generation members	***Value*: Community embeddedness**. Responsibility to local stakeholders	Retain existing relationships, but **work with suppliers** to expand the offering, including organic oats and jumbo oats in order to exploit the opportunity to attract non-price sensitive customers
C8	A third-generation supplier of products to the construction, packaging, and fencing industries	A serious fire destroyed its original plant. The family felt conflicted about whether to **rebuild the plant** or to use the insurance money to invest in **new industries**	***Mechanism*: Ensuring the continuity of the family firm**. There was a deep-rooted desire for family firm longevity and pride in the efforts of previous generations	***Value*: Sense of commitment**. Commitment to the family and firm values	Construction of **showroom facilities at the original plant**. Heavy investment in research and development on the site
		The business has been manufacturing for more than 100 years in [place]. Under the leadership of third-generation members, there were **opportunities to grow the business outside [place]** but some family members **felt that this would result in a loss of association with the local community**	***Mechanism*: Preserving family cohesion**. The firm sought to preserve close, trusting relationships among family members	***Value*: Community embeddedness**. Desire for community development and prosperity	Signing of a **long-term sponsorship deal with the [country] football team** of their home to increase reputation among potential local customers. Brand exposure on national television

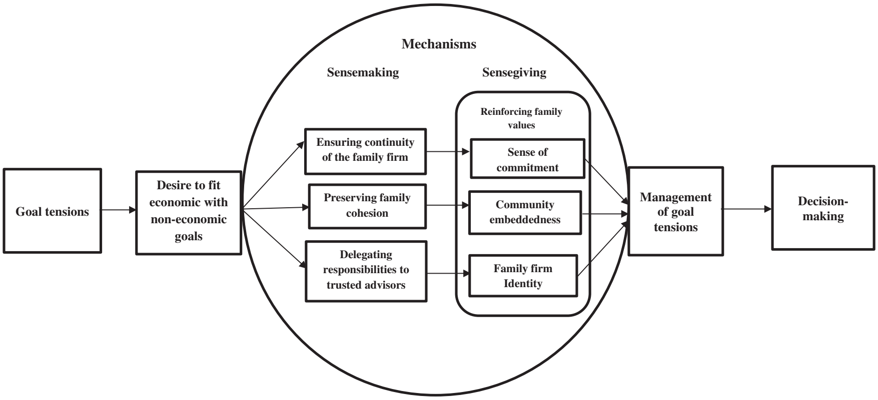

Figure 2. Model for managing goal tensions in family firms

(see Figure 2). Our model shows the different mechanisms that family firm decision-makers rely on in order to make sense of, and give sense to, goal tensions in family firms. While we derived this model through inductive theorizing, we present our model in a rather deductive way to optimize space (Gioia and Chittipeddi, 1991). Our analysis revealed that family firm decision-makers often perceive tension when economic and non-economic goals do not align in the short term. As a consequence, they first adopt a sensemaking mechanism and then a sensegiving mechanism to manage inherent goal tensions. Thus, when family firm decision-makers perceived goal tensions in their firms, they aimed to reconcile economic and non-economic goals through sensemaking mechanisms, which include ensuring continuity of the family firm, preserving family cohesion, and delegating responsibility to trusted advisors (aggregate dimensions). Once the family decision-makers made sense of the goal tension through one of these mechanisms, they gave sense to their decisions through the sensegiving mechanism of reinforcing family values (*family firm identity*, *community embeddedness*, and *sense of commitment*) in order to justify and communicate their decisions. As our cross-case analysis showed, the choice of a specific sensemaking and sensemaking mechanism, as well as the outcome of the decision-making process, strongly depended on the initial goal tension.

In this section, we provide illustrative evidence of each mechanism in our model (see Figure 2) and describe how each mechanism impacts strategic decision-making in the related family firms. We also briefly refer to heterogeneity among cases by revealing patterns of goals tensions and sensemaking–sensegiving mechanisms. To make use of our rich data, we include case examples of the goal tension management process in Table IV and additional representative quotes for each sensemaking mechanism in Tables V–VIII in the online appendix.

Sensemaking: Ensuring Continuity of the Family Firm

We observed that when an immediate goal tension threatened the legacy of the past or the transgenerational outlook of the family firm, family firm decision-makers handled goal tensions by making sense through the mechanism of ensuring continuity of the family firm. Decision-makers using this mechanism made sense of the observed goal tension by emphasizing preserving tradition and/or keeping family control (second-order themes) as important boundaries for their decision-making. Our interviews revealed that it was common for family firm decision-makers to reflect upon what approach their parents, grandparents or, for some, great grandparents would have followed. We labelled this mechanism as ensuring continuity of the family firm, as it was associated with evidence demonstrating the emphasis on tradition and the desire for transgenerational succession.

An example of this mechanism can be found in the goal tension Case 1 faced, where the family has a strong emotional attachment to its historical manufacturing site, a building more than 170 years old. The production site, however, is not optimal for paint manufacturing, as indicated by the Operations Director (nonfamily): 'We are located on a historical site which was built during the time of the Great Famine in Ireland (1845–1849) and, while historically rich, [is] not ideal for manufacturing'. This creates a goal conflict for the family business decision-makers, as the business is seeking opportunities for expansion into international markets, and it would be economically logical to move the plant to a more efficient location. However, as was observed during a family council meeting, the family firm decision-makers are embedded in the tradition and history of the building and its roots with the founding generation, aggravating their decision-making process: 'I know it is not ideal for manufacturing but this [Famine workhouse] building means so much to us [the family], these walls are bursting with character and heritage connected to our family but also our community' (Managing Director (MD), 2nd Gen). Despite management requests to relocate operations, the family has, after years of internal family discussions, ultimately decided against moving the manufacturing plant from the historical site. As observations from the site visits and our interviews show, the family decision-makers made sense of the tension by drawing on the legacy of the past (i.e., traditions, heritage) in their decision-making to utilize spare areas in the building for other commercial activities. For instance, the Operations Director illustrated how emphasizing the firm's legacy could be used to achieve the economically rational expansion plans, thereby resolving the perceived goal conflict. Specifically, the tension-related discussions among the decision-makers resulted in the idea to develop the underutilized historical space into a visitor centre to showcase the building's history:

> [Customers and visitors] love it when we do tours…[and] the fact that it's part of a famine workhouse… the majority of people know nothing about how paint is made. [They'll say] 'God I never knew there was so much involved'. So, our customers love that. And we are the only company that does that in Ireland. (Operations Director)

Another example of the sensemaking mechanism of ensuring continuity of the family firm can be found in Case 8, a third-generation timber-processing firm whose business was founded in a rural town in central Ireland. The production site served as the principal operating plant (along with a second plant that had been acquired in the south of Ireland) until 2004, when a serious fire destroyed the principal plant: 'the fire halved their production in one night' (Company Publication, 2013). One of the co-CEOs recalls the mental dilemma he faced by seeking to maintain production output after the fire in order to protect the firm's market share while also wanting to do the right thing by the local people:

> I remember, in particular, the night of the fire and people coming up and looking for a sense of direction. I have inherited the responsibility of their families, and they look at you for help. There was definitely a huge moral responsibility. (Co-CEO, 4th Gen.)

The co-CEOs and their brother were confronted with a goal tension of whether to rebuild the plant in their hometown, aligning with their sense of commitment, or to follow an economic logic and build a plant in a new location. 'In their hearts, they wanted to rebuild the plant in [name of town] for family, historical and emotional reasons' (Company Publication, 2013), but their main production was not located there anymore. When making the decision, the co-CEOs had to consider that '[name of the town] is our iconic home. In [name of the town], we have the loyalty of people, people with great work attitude and who share our identity'.

To reconcile the firm's economic and non-economic goals, as was discovered during a plant tour, the third-generation brothers decided to rebuild the fire-damaged plant in their hometown a few years later and design it as a venue to showcase the application of their timber products (e.g., fabricated wooden houses). '[Name of the town] plant continues now as a secondary plant' (Company Publication, 2013), while the production in the plant in the south of Ireland was doubled to secure the market share. According to the third brother, who is a non-executive board director (3rd Gen.), this decision helped to balance the firm's non-economic and economic goals and to solve the goal tension:

> [Name of the town], the physical place of [name of the town], epitomizes what matters about the business. What matters in terms of giving a sense of localness, being part of the community, and the values – like the family values of growing up there.

We also identified that this mechanism was used when a goal tension emerged where firms had been approached with a lucrative offer to sell the family business, but family decision-makers rejected the proposals due to emotional reasons. While it might be easy to reject an offer when the family business is financially vibrant, such a decision may be perceived as challenging when the business is experiencing or expecting poor financial performance, as was the case in our study. For example, in Case 5, a fourth-generation tea manufacturer, industry reports demonstrate that the family business enjoyed a dominant market share from the mid-1960s until 2015 (Industry Reports, 1965, 1979, 1989, 2015). Today, the tea industry in Ireland is a mature sector with limited growth opportunities. However, the family has a strong affiliation with the tea business and its legacy and is keen to preserve it. The MD (4th Gen.) shared on his thoughts when receiving an acquisition offer: 'the tea business and the family connection are sacrosanct… I do not want this business to fail on my watch'. He continued to elaborate on his goal tension by explaining, 'we have a thriving tea business, but there is limited opportunity for growth in a mature industry [with declining demand]'. When an opportunity arose to sell the business for an attractive economic offer, the current MD decided not to sell the family firm (to fulfil the non-economic goal) and instead chose to diversify outside the core family business (to fulfil the economic goal). The MD explained how focusing on ensuring continuity of the family firm allowed him to make sense of the goal tension and come to a decision that struck a balance between the contradicting goals:

> As a family member after 110 years, I see a lot more value in the business than an outsider could offer. How do I bridge the gap in my own value and in my own history and my own family growing up, and being a serious, successful business? How can I see that I would sell it for eight years' profit, for instance? (MD, 4th Gen.)

Sensemaking: Preserving Family Cohesion

We further observed that goal tensions provoking conflict among family members often encouraged family firm decision-makers to apply a mechanism labelled 'preserving family cohesion' to make sense of contradictory goals. When applying this mechanism, family firm decision-makers were particularly attentive to aspects such as openness and transparency, as well as harmony (second-order themes).

For instance, Case 6 is a second-generation water and wastewater treatment product manufacturer and plant operator. This medium-sized family business was founded on a farming tradition, where involvement and opportunity for all family members was encouraged and often expected. As the family interests in farming migrated toward water treatment and pump manufacturing, internal friction and tensions emerged in the family. As was observed during a family council meeting, some first-generation family members wished to continue the non-economic goal of providing all family members with employment opportunities in the business (as was the farming tradition), whereas members of the second generation wished to emphasize economic goals and, hence, to ensure that employment was based on ability, creditability, and educational achievement which generated substantial family conflict. The Deputy MD shared his mixed thoughts on family employment and summarized the goal tension as follows:

> I understand where we have come from [farming legacy] and the desires of the previous generation to offer family members employment opportunities… but we could not give everyone a job; sometimes the best person for the job was not always a family member. (Deputy MD, 2nd Gen.)

The goal tensions intensified when international market entry opportunities arose, especially as such a move required the commitment of family members and as some family members in the leadership team were expected to lead operations in international markets. Speaking about the potential for family conflict associated with international market opportunities, the MD (1st Gen.) commented, 'we are desperately conscious of [the conflict]'. Some first-generation family members wanted to pursue the non-economic goal of family leadership in international markets, whereas second-generation family members wished to pursue the economic goal of employment based on ability, regardless of whether the decision-makers are family members. The Board Director and Co-Founder (1st Gen.) commented on the perceived tension: 'We needed an intervention; we were going to lose a rich business opportunity'. After considering how to solve this issue, the incumbent generation came up with the proposal to enact structures (e.g., family governance policies) to achieve cohesion among the family members of different generations and avoid further family-related goal tensions. The Deputy MD (2nd Gen.) emphasized how they aimed to address the goal tension: 'We need to have structures for both [business and family]. At times, we don't spend enough time on the family side of it'.

Similar to the mechanism of ensuring continuity of the family firm, family firm decision-makers in this case did not favour or prioritize non-financial goals over financial goals or vice versa. Instead, when making sense of the goal tension, they instead used structures to balance diverging goal expectations and seek to secure an optimal fit. Case 6 ultimately developed governance structures and communication forums in response to escalating internal tensions. The first-generation MD explained his underlying thoughts: 'that's why we are trying to put our shareholders' agreement and structure in place, to try and stop the in-fighting that may come'. Developing a family constitution, shareholder's agreement and family employment policy thus assisted in alleviating conflict and setting precedent and expectations related to family employment, thereby allowing such employment, but ensuring that it was based on certain requirements: 'Now there's no such entitlement. You have to earn that entitlement. You have to show that you're going to be a contributor and not a liability' (Large Contracts Director, nonfamily).

The Commercial Director (2nd Gen.) for Case 6 commented on the rationale for establishing such governance: 'All the measures that the family members are trying to establish now to avoid future conflict aim to enable the firm to run in the long-term', hence highlighting the goal to fulfil both family and non-family goals by putting family cohesion at centre stage. As was discovered during a company presentation, family members now lead business operations across four continents. The firm has won numerous national family business awards for its governance and communication structures (Industry Report, 2018). In particular, awarding bodies have commented on the governance structures linking the family (family constitution and family assembly), the ownership (shareholders' agreement) and the business (Board of Directors).

Another example of goal tensions managed by family cohesion can be found in Case 4, a seventh-generation funeral services provider, where the *modus operandi* of preparing a body for a funeral prevailed across five generations of the family business. The expansion of ownership as the business evolved from a sibling partnership to a cousin consortium brought diverse perspectives and tensions among family members regarding the future strategic direction of the business and who it should employ. The non-economic goals were to retain the sense of connectivity and familiarization with long-standing local customers, while the economic goal was associated with aggressively acquiring other national funeral parlour operators. Commenting on this goal tension, the Commercial Director shared his thoughts on the importance of loyalty from local customers: 'I came off the phone this morning with a long-standing client… he said, at the end of the conversation, you looked after my mother's funeral 10 years ago and my father's 30 years ago, we'll go nowhere else'. As the family members sought to expand the firm's service offerings, they relied on achieving family cohesion, and in particular on consensus and harmony within the cousin consortium. Commenting on why family cohesion was so important when solving this goal tension, the MD (7^{th} Gen.) said, 'Our service offering is from our family to yours, so we need to be united as a family'.

As in Case 6, the sensemaking mechanism of preserving family cohesion led to the establishment of structures to balance economic and non-economic goals. Over a two-year period, the business worked to integrate family and ownership governance. As the Commercial Director (6th Gen.) explained, the integration of governance structures was a difficult period for many:

> I'm not going to lie, the process wasn't easy, and at times it often opened more wounds than it healed. Indeed, I would say it [governance structures] is not perfect, but on the whole, it has been for the best.

Based on the guidelines and values noted in the governance documents, in order to balance family desires for connectivity with long-standing customers against business demands for growth, the business devised a marketing campaign that sought to maintain the family ethos and commitment to communities in acquired national companies. Following the rules of the agreed-upon governance structures, the business also ensures that one family member is active and present at all times across the business' eight locations, which contributes to fulfilling its non-economic goals. As the MD (6^{th} Gen.) explained:

> A lot of work has been undertaken on family governance. We have a family constitution and shareholding agreement; they are used as means to balance family interests [connection to customers] and business aspirations [acquisitions]. Our shareholding agreement stipulates that shares are not allowed to be passed to those that are not family by blood [not in-laws].

Hence, sensemaking through preserving family cohesion, with a special focus on harmony, allowed the business to expand its service offering to become an event manager in the funeral industry, as reflected in the following media statement: 'We [Case 4] now provide a full-service offering including organising flowers, music, venue hire, media communications, catering, and transport' (Irish Times, 2018).

Sensemaking: Delegating Responsibility to Trusted Advisors

When investigating our data, we identified that goal tensions related to business growth, diversification, or expansion of the family firm were often solved by the involvement of trusted advisors in family leaders' decision-making process. Delegating responsibility to trusted advisors also included recruiting experienced, nonfamily individuals to the management team or board of the family business in order to help resolve immediate goal tensions. Our analysis showed that such advisors, in turn, provided strategic direction and contributed to introduce new structures, policies or improvements in business operations, thereby achieving economic goals, while at the same time accepting boundary conditions implied by non-economic goals.

For instance, to contend with large multinational firms trading in the domestic market, Case 1 (the third-generation paint and coatings firm) had joined an international guild (network) of independent paint manufacturers. The guild assisted with securing discounts on raw materials, the ideation process, and new market entry opportunities (Industry Report, 2014). At one point in time, an opportunity emerged to distribute paint products on the West Coast of the USA, with significant potential for expansion on the East Coast should the initial venture be a success (Company Presentation, 2018). The decision posed a tension for the family owners between financial and non-financial goals. The CEO (2nd Gen.) commented on his thoughts when deciding whether or not to accept the offer: 'This had the potential to be game changing for our business but was fraught with risk [for the family]'. He continued to explain his thoughts in an official statement, saying that 'The family liked the idea in principle but were not prepared to invest the family wealth in developing it' (Media Publication, 2018). Additionally, the family business faced more than just financial risk; it also felt that its reputation was threatened:

> We have developed a really solid reputation in the home market for premium paints. We like the fact that we are conservative as investors but also as a family; this North American opportunity does not sit well with us all [as family owners]. (Head of Sales, 3rd Gen.)

To resolve those goal tensions and make sense of them, the family decision-makers relied on guidance from a trusted advisor to gain insight into balancing financial expectations for growth and internationalization with non-financial concerns over wealth preservation, reputational threats, and risk aversion. As a consequence of this mechanism, they did not take a decision to prioritize an economic goal over a non-economic goal or vice versa; rather, they delegated the task to search for synergistic opportunities to an external advisor who possessed plenty of much-needed specialized knowledge and could take a neutral perspective. In Case 1, during the tenure of the second-generation CEO, the first non-family representative was appointed to the Board of Directors as Chairman – a decision based on the recommendation and guidance of a trusted nonfamily advisor. The newly elected Chairman had formerly led the American division of a global beverage company and possessed a wealth of experience in pursuing international opportunities and building a brand (Irish Times, 2014). In an interview for an industry publication, the CEO commented, 'Our Chairman worked so hard to align our collective interests as a family with those of the opportunities the Board was seeking to pursue. His vision was instrumental' (Media Publication, 2018).

The Finance Director (nonfamily) notes that '[the advisors] bring a lot of objectivity to the table, which is good. What they also bring is backup sometimes. If what I'm saying is not accepted [and] then if they say it, they're the greatest things'. Explaining his decision to appoint a nonfamily Chairman, the CEO (4th Gen.) shared some of the questions he asked of himself: 'yes of course I had to think long and hard about it – would he understand us, what we stand for, and how we like to do business?'.

Delegating the responsibility to solve the goal tension to an external advisor ultimately helped Case 1 in pursuing new entrepreneurial opportunities and in resolving the goal tension. As was discovered during a family council meeting, the nonfamily Chairman, due to his experience and knowledge, shifted the firm's branding focus away from paint manufacturing and toward the customer experience, thereby allowing for growth while at the same time accepting the boundaries introduced by the family's non-economic goals. He contends that:

> Brand is about bringing out the attributes of your brand, both the functional attributes, what it does, but also the emotional attributes, about how it makes you feel, and the emotional attributes, and I would say the founder would never have thought of emotional attributes for a brand like he had brought to bear. (Chairman, non-family)

In particular, the advisor inspired the leadership team to create a 'Colours of Ireland' range that could target the North American market, thereby addressing both economic and non-economic goals. As was observed during a plant tour, this initiative offered a range of paint that reflected the rich and diverse colours of Ireland. Commenting on the initiative, the Finance Director (nonfamily) explained their thoughts about the involvement of trusted advisors and the activities they initiated to foster brand loyalty:

> When [the advisor] and [Company Secretary] came along, there was a change of heart in the sense that there was an education process whereby… the company learned… that you could be beaten on price, you could be beaten on quality, but it's very hard to beat brand loyalty. (Finance Director, non-family)

The Head of Sales (3rd Gen.) noted that 'The revised strategy and the array of products that came from it really convinced us [family owners] that it was a solid proposition and one worthy of pursuing'.

As another example, in Case 3, a food grower and processer, the family business faced near closure due to the foot-and-mouth disease outbreak (National Records, 2001) that decimated cattle and other animal stocks in Ireland. To reduce the business's vulnerability to such crises, the family sought to improve the value chain in the business through forward integration in food production. This ambition posed a tension for the family owners between economic and non-economic goals. The family had a long farming history of selling their products to regional manufacturing firms. The introduction of new business processes was perceived by some family members as high risk for the family its reputation, and its long-standing connections. Speaking at an agriculture conference, the CEO (4th Gen.) explained, 'myself and [my brother] discussed it with our families at length; of course, there was hesitation, which is natural, as it is our own money which has taken generations to create'.

Similar to Case 1, to improve creditability and traceability in the value chain, this third-generation food processing business delegated responsibility to trusted advisors to identify opportunities for both forward and backward integration and to solve the goal tension. The advisors worked with the family co-CEOs to make sense of the goal tension between managing the family risk while aligning to changing customer needs. The creation of an entrepreneurial 'Farm to Fork' business model, which served both economic and non-economic goals, has revolutionized the industry and made this business a European exemplar on food traceability (European Union Publication, 2018). The Financial Director commented:

> So, the new people that come into the organization create that kind of elasticity of change. They are the ones that make change happen, but there's a recognition that there is a rock in the middle and that… [family co-CEOs] have certain values, and they have certain traditions, and they have certain beliefs that prevail, really.

Speaking at a family business conference, the co-CEO commented that finding trusted advisors was not easy:

> I would not like to set a false pretence, we had some people [advisors] where it did not work out, largely because they did not appreciate what we stand for, so be prepared to work hard in finding good people.

In sum, family businesses delegated responsibility to trusted advisors as a mechanism to manage competing economic and non-economic goals. In particular, trusted advisors introduced processes that sought to offer independent and objective logics for strategic decisions, thereby taking both economic and non-economic goals into consideration.

Sensegiving: Reinforcing Family Values

As described in our inductive model (see Figure 2), once family firm decision-makers had made sense of the goal tension through one of the three sensemaking mechanisms, they gave sense to their decisions through the mechanism of reinforcing family values as a way of justifying and communicating the decision to the rest of the family members as well as other stakeholders. We found that the family values of our sampled firms were typically aligned to *family firm identity*, *community embeddedness*, and a *sense of commitment* (second-order themes). *Family firm identity* was associated with a perceived concern for the family business's image and reputation, *sense of commitment* implied that family members appreciated their responsibility for the family firm, and *community embeddedness* was related to values associated with support and concern for local communities.

Analysing our data, we realized that in instances where the family firm decision-makers made sense through the mechanism of ensuring continuity of the family firm, they gave sense to their decisions by emphasizing the value of a *sense of commitment* to the family business and its stakeholders – i.e., reinforcing their sense of responsibility. For instance, in Case 1, as discussed above, a goal tension existed surrounding the firm's 170-year-old manufacturing site and the evaluation of moving to a more suitable location. The management team decided to keep the original historical building and utilize spare areas in the building for other commercial activities (e.g., café, restaurant, craft store). After solving the goal tension and taking the respective decision, they justified their decision by emphasizing their sense of commitment to the family and firm values and to preserving the culture within their family firm. Speaking about the close association of the family with the brand, the Head of Sales in Case 1 emphasized, 'Our family association with our product is core to us; our family story is told on each paint tin we sell'. Furthermore, at a company training day, the Company Secretary (3rd Gen.) shared her thoughts about the family's affiliation with the brand: 'we are immensely proud of our family's association with this business; our family and [product] are so closely intertwined'. Such sentiments suggest a concern for the family and firm values, which we associate with the value of *sense of commitment*. In Case 5, a goal tension occurred when assessing the possibility of diversifying within the hot beverage industry in order to embrace an emerging coffee culture. The management team decided not to engage in these diversification activities but instead to expand their range of herbal and decaffeinated teas, and they gave sense to their decision by emphasizing the family values and responsibility for the family firm: 'We don't do [the coffee diversification] because we want to protect the core' (Marketing Director, non-family). The MD (4th Gen.) stressed, 'I don't want to be sitting here in 10 years' time and the tea business is falling down and my brothers and my sisters are saying, "Did you never think it might fall apart?"'.

We also observed that when family decision-makers made sense of goal tensions through the mechanism of preserving family cohesion, they subsequently gave sense to their decisions by emphasizing the value of *community embeddedness* – i.e., support and concern for their local community. For example, as previously discussed, in Case 6, a goal tension existed surrounding the employment of family members in leadership positions within the organization. Family firm decision-makers made sense of this issue through taking a family cohesion perspective and applied formal structures (i.e., family governance) to balance diverging goal expectations and seek to secure an optimal fit for family harmony. During a family council meeting, we observed the Commercial Director (2nd Gen.) giving sense to the firm's decision when he stressed, 'we are proud of our [location] heritage, and we want to ensure we can continue to attract and retain highly skilled local people; such people want to work in a business with transparent employment policies'. He continued, 'we've [gone] through hard times, but all family firms do; we need to stand firm [with the local community] to see the business live on for a new generation'. The Deputy MD also commented, 'Our role now is to build something special [with all stakeholders] with what has been given to us by the original first-generation team'.

Likewise, in Case 7, for more than 250 years the plant had been sourcing supplies from the same local farmers. A goal tension emerged surrounding the opportunity to source raw materials at a cheaper price from foreign suppliers, under the principle of the free movement of goods within the European Union. The family firm decision-makers ultimately decided not to source raw materials from international markets, but instead to work with local suppliers to develop an array of new product lines (e.g., jumbo organic porridge oats), thereby balancing economic and non-economic goals. Giving sense to this decision, the Marketing and Sales Manager commented, 'they like to employ local. There are lots of relatives of relatives who work here… families within families. The receptionist might be related to the brand manager. It's all [location] people'. In an interview with a national newspaper, the sixth-generation CEO highlighted the firm's presence in the local community: 'We also are a significant contributor to the economy of the surrounding area in so far as we purchase all of our conventional porridge oats within a 50-mile radius of the mill'. In these situations, family firm decision-makers gave sense to their decisions through the value of *community embeddedness*, which demonstrated their concern for their communities.

Lastly, when family decision-makers made sense through the mechanism of delegating responsibility to trusted advisors, they gave sense to their decisions through emphasizing the value of *family firm identity*, which relates to the families' ties to their firms and how they see themselves, but which also concerns the reputation of the business and the family association. For example, in Case 1, as mentioned above, a goal tension emerged when a desire to pursue international opportunities threatened the firm's long-standing family firm reputation. To manage concerns regarding growth while preserving brand recognition, the firm's advisor launched the 'Colours of Ireland' campaign. To communicate the international campaign to outside stakeholders, the firm's corporate website states, 'Enrich your home with the colors of Ireland's wild Atlantic coastline' and 'Embrace the grey limestone of Ireland's Burren'. Giving sense to their decision, the Head of Sales stressed, 'we are synonymous with this brand, and our grandfather's association with America allows us to build a brand around our family story as Irish Americans and the varying shades of the Irish landscape'. Similarly, as mentioned above, in Case 3, a goal tension emerged when a business crisis (foot-and-mouth disease) threatened the firm's viability, ultimately resulting in the development of a 'Farm to Fork' business model, giving consumers full food traceability. Giving sense to the decision, the CEO noted when speaking at an industry conference that 'our family is our brand, people are fully aware of our association with this business. We are good people, with strong values, and we always want to be seen to do the right thing'. Speaking of the family's association with the firm, the Human Resources Manager commented, 'I've known [CEO name] for many years; being a family business gives him purpose; their image with the firm must always be respected and protected'. In these situations, family firm decision-makers gave sense to their decisions through the value of *family firm identity*, which also demonstrated their concern for the family's reputation, image, and association with the firm.

DISCUSSION

Based on a rich set of qualitative data, we studied how eight Irish private family firms managed goal tensions. We observed in our interviews that all family businesses frequently experienced tensions between economic and non-economic goals despite their potential convergence in the long run; this observation is in line with prior research on family firm goals (e.g., Kotlar and De Massis, 2013; Williams et al., 2018). Additionally, we found that the observed goal tensions triggered a sensemaking–sensegiving process among the family firm decision-makers. Specifically, we identified three different sensemaking mechanisms that family firm decision-makers used to manage goal tensions. While all firms ultimately managed to find a solution to their goal conflicts, the sensemaking process often lasted several months or even years and, in some cases, created substantial conflicts among family members. We discovered that once decision-makers had made a decision based on one of these sensemaking mechanisms, they justified and communicated their decisions by reinforcing the family firm's values (i.e., the sensegiving mechanism).

While all firms in our sample (temporarily) experienced goal tensions and all engaged in a sensemaking–sensegiving process that ultimately resulted in a decision that balanced the conflicting goals, we also identified substantial variance in our sample. When analysing the data, we could identify a pattern connecting the experienced goal tensions with the applied sensemaking mechanism. We observed that when an economic goal contradicted the family firm's traditions or transgenerational outlook, the family decision-makers adopted the mechanism of ensuring continuity of the family firm. By taking this perspective, the decision-makers evaluated all options to determine whether and to what degree each option would allow for the successful continuity of the firm as a family firm. In cases where some family members favoured economic goals and other family members favoured non-economic goals, family decision-makers adopted the mechanism of preserving family cohesion. They felt that this perspective would allow them to integrate or balance the needs of different family members (e.g., through family structure), thereby also solving the goal tension. Lastly, when a goal tension provoked pressures related to the growth, expansion, or diversification of the family firm, which stood in contrast to the family members' non-financial goals regarding reputation, family decision-makers relied on the mechanism of delegating responsibility to trusted advisors, as they believed that outsiders could potentially provide in-depth knowledge and experience that might help solve the issue.

Moreover, we detected a pattern relating to the sensemaking and sensegiving mechanisms used. Specifically, we noted that when family firms used the sensemaking mechanism of 'ensuring continuity of the family firm', they predominantly relied on a *sense of commitment* as the underlying sensegiving value. This might be explained by the fact that it is the commitment to the family firm that allows family members to continue the firm over generations (Kotlar and De Massis, 2013). Additionally, we noted that the sensemaking mechanism of 'delegating responsibility to trusted advisors' was mostly related to the sensegiving value of *family firm identity*. This could be due to the fact that advisors often confront their (family) clients with questions such as who they are and what their joint goals are (Reay et al., 2013). The implied discussions might result in a more salient perception of 'who we are as a business-owning family'. While the goal tension management is typically carried out by family firm management, and it can thus be considered a 'firm-level' construct, it is nevertheless significantly affected by the business' owners and how they see themselves. As such, the self-perception of the owning family might affect – and, in the best-case scenario, strengthen – the family firm identity. Once aware of their family and family firm identity, decision-makers might make use of this identity in internal and external communications (Zellweger et al., 2010). Lastly, we observed that the sensemaking mechanism of 'preserving family cohesion' often entailed *community embeddedness* as a subsequent sensegiving mechanism. One potential explanation is that the initial focus on the family as a social group in the sensemaking phase might be broadened to further stakeholders (i.e., community members) in the sensegiving phase.

With regard to outcomes, all family firms aimed to balance economic and non-economic goals, yet with different nuances. Especially when the sensemaking mechanism of ensuring continuity of the family firm was utilized, family firm decision-makers sought to make a decision that would allow them to maximize their non-economic goals, while still allowing them to make economic profit. While the outcome of preserving family cohesion often struck a true balance between economic and non-economic goals, the delegation of responsibility to external advisors often resulted in emphasizing economic goals while still considering the non-economic goals as important boundaries.

Our main contribution to research is the advancement of the ongoing debate on goal multiplicity in organizations (e.g., Stephan et al., 2019). While goals might be synergistic or conflicting, we focus on the latter, given our specific research question. Hence, we contribute to research on goal tensions in organizations in general (e.g., Baum et al., 2005; Kotlar et al., 2018) and in family firms in particular (Kotlar and De Massis, 2013). While prior research has acknowledged the existence of multiple goals in organizations (Ethiraj and Levinthal, 2009), and that such goals often conflict with each other (Kotlar et al., 2018), it has largely focused on their antecedents and their potential outcomes (Gómez-Mejía et al., 2007; Kammerlander and Ganter, 2015). Specifically, most prior family business research has tried to understand under which conditions either economic or non-economic goals dominate in decision-making (e.g., Chrisman and Patel, 2012). This narrow focus does not take account of recent research (e.g., Battilana et al., 2015) that emphasizes the long-term – often synergetic – nature of economic and non-economic goals, thus warranting further investigation on how decision-makers manage goal tensions. Our study goes beyond the extant body of knowledge on goal tensions by leaving the 'either/or' perspectives behind and showing how family firm decision-makers creatively search for synergistic solutions to benefit economically when pursuing non-economic goals, and vice versa. While all firms in our sample experienced goal tensions, none of them clearly prioritized either non-financial or financial goals. Instead, they searched for sophisticated solutions that would allow them to fulfil both goals to varying degrees.

Our study provides nuanced insights into these sophisticated solutions. Specifically, we unveil three distinct (sensemaking) mechanisms that help family firm decision-makers handle goal tensions. These three mechanisms are related to, yet go beyond, prior family business research. The first identified mechanism refers to embracing the goal tension by taking an 'ensuring continuity of the family firm' perspective. This perspective allows family firm decision-makers to integrate both the economic goals (business continuity) and non-economic goals (family firm character) of the firm. While prior research focused on the tendency of family firms to prioritize non-economic goals (Gómez-Mejía et al., 2007), the sampled family firms applying this mechanism still had economic considerations in mind. Hence, the 'ensuring continuity of the family firm' frame encouraged these firms to identify revenue streams and successful business models that support their pursuit of non-economic goals.

The second identified mechanism, 'preserving family cohesion', was observed in particular in cases of conflict among family members – as is often observed in family firms. For instance, the conceptual article by Lee et al. (2003) highlights a succession agency paradox, in which family firms might prefer less-capable offspring over highly capable nonfamily agents under certain conditions. Instead of merely focusing on outcomes as prior studies have done (e.g., Lee et al., 2003), our study focuses on the precise mechanism used to solve such goal tensions. In particular, we observed that in cases of diverging economic and non-economic goals between family members, the decision-makers emphasized family cohesion and installed structures that helped not only to preserve family harmony but also as a guide to handle the tension.

The third identified mechanism to handle goal tensions refers to delegating responsibility to trusted advisors. While prior work on family business advisors (e.g., Strike, 2012; Strike et al., 2018; Strike and Rerup, 2016) has revealed advisors' impact on, for instance, succession (Bertschi-Michel et al., 2021; Michel and Kammerlander, 2015) and how this affects the emotions of the involved family parties (e.g., Bertschi-Michel et al., 2020), the effect of advisors on solving goal tensions is currently not well understood. While we could not detect any 'slow-down' (Strike and Rerup, 2016) or 'emotion inducement' (Bertschi-Michel et al., 2020) induced by external advisors as revealed in prior research, we found that the mechanism of delegating responsibility to trusted advisors could help family firms understand goal tensions and develop solutions that balance the conflicting goals based on the advisor's objectivity, experience, and knowledge.

While our findings regarding family firm priorities are generally in line with extant socioemotional wealth (SEW) literature (Berrone et al., 2012), our research also goes beyond that literature. While SEW was not at the core of our theorizing, our findings might still inform this theoretical perspective. Specifically, our inductive findings show that family firm decision-makers use mechanisms that are related to specific SEW dimensions – e.g., continuity of the family firm resembles control ambitions whereas family cohesion might be related to identification and emotion – in order to make sense of the goal tensions. In other words, when a goal conflict arises, family firm decision-makers turn away from weighing the advantages and disadvantages of pursuing each goal individually; rather, they take one of three perspectives to help them reframe the problem, which acts as a guardrail for subsequent decision-making. For instance, they ask how pursuing each of the goals would affect family firm continuity and how a solution can be designed to best ensure the continuity of the firm as a family firm. Or, in the case of conflicting goals between family members, they turn away from assessing each family member's opinion/position and instead try to frame the potential conflict solution as a means to preserve family cohesion, thereby building structures that not only allow for the creation of harmony, but also offer a solution to the original goal conflict. Alternatively, they involve external trusted advisors, and by delegating responsibility to such individuals, they refrain from balancing the conflicting goals themselves and instead build upon a larger pool of experience, knowledge, and ideas. Instead of viewing SEW purely as an 'input factor' for family firm decision-making, as prior research did (e.g., Gómez-Mejía et al., 2018), we pay attention to certain SEW dimensions that work as key mechanisms to drive family firm decision-making in cases of perceived goal tensions. Interestingly, while prior research acknowledges that different family firms might value different aspects of SEW (Kammerlander and Ganter, 2015), our results reveal that family firms might focus on different SEW dimensions and choose different sensemaking and sensegiving mechanisms depending on the specific goal tension they experience. Indeed, our detailed analysis (please see Table IV) shows that the cases that experienced multiple goal tensions did not necessarily pick the same sensemaking–sensegiving mechanisms every time they experienced a goal conflict, but that they chose between different mechanisms depending on the type of tension.

Second, we contribute to the research on sensemaking and sensegiving, particularly in the family firm context. Specifically, we propose that sensemaking (e.g., Gioia and Thomas, 1996; Weick, 1993) – which inductively emerged from our data analysis as a suitable theoretical lens – can enlighten research on family business. Thus far, family business researchers have mostly drawn on agency (e.g., Schulze et al., 2003) or behavioural (e.g., Chrisman and Patel, 2012) perspectives to explain family firms' idiosyncratic behaviour. While these perspectives are well-suited to explain family firms' specific preferences (e.g., regarding lower levels of research and development investment; Duran et al., 2016), they are unable to capture the key decision-makers' cognitive processes. The insights generated from this study, based on a sensemaking–sensegiving lens, allow an understanding not only of what is important to family firm decision-makers, but also how they handle potential goal tensions and how they ultimately make certain decisions. This allows us to advance our knowledge of the micro-foundations of goal-related processes (Argote and Greve, 2007). For instance, our findings reveal that family firm decision-makers do not necessarily perceive non-economic goals as more important than economic goals, and thus make their decisions accordingly. Instead, they search for creative, often 'out-of-the-box' solutions that allow them to pursue both types of goals simultaneously.

Our sensemaking-related findings build on and extend the seminal work of Strike and Rerup (2016), who were among the first to study sensemaking processes in family firms, highlighting the idiosyncratic nature of sensemaking in these firms as well as the role of external actors in these processes. Specifically, these authors study how trusted advisors introduce 'doubt' and 'pauses' in family firm decision-makers' sensemaking, thereby expanding 'family members' frames'. We shift the focus from the advisor–family firm relationship to the internal actors in family firms; that is, the family firm decision-makers. In line with Strike and Rerup (2016), we find that sensemaking in family firms is particularly complex and is driven by the family members. While Strike and Rerup emphasized the advisor's role in expanding family firm decision-makers' frame, we extend their work by revealing three specific sensemaking mechanisms that help decision-makers to broaden their frame and considered solution space and ultimately reach a decision. Additionally, while Strike and Rerup (2016) deliberately focus on sensemaking, our model also includes sensegiving, thereby revealing mechanisms that family firm decision-makers use, after making sense and taking a decision, to justify and communicate their decisions to other stakeholders.

Moreover, our research shifts the focus from retrospective sensemaking (i.e., focusing on something that has happened in the past; Weick, 1995) to prospective sensemaking (i.e., focusing on current developments and their potential impact on the organization's future; Maitlis and Christianson, 2014). In particular, our findings show that family firm decision-makers are trying to make sense of what is going on right now (i.e., goal tensions) and how certain decisions might affect the future of both the family and the firm. As such, our research encourages fellow academics to use sensemaking not only in a retrospective way, but also in a prospective way. Our research creates multiple opportunities for family firm researchers to apply a sensemaking–sensegiving lens in future research, as sensemaking has so far only received scarce attention in family firm and goal research (e.g., Strike and Rerup, 2016).

Third, although this perspective is not at the core of our study, our findings might also be informative for research on mixed gambles. This perspective has predominantly been used to investigate the gains and losses confronting family firms when considering strategic decisions such as growth (Bauweraerts et al., 2020), acquisitions (Gómez-Mejía et al., 2018), internationalization (Alessandri et al., 2018), IPOs (Boers et al., 2017), or innovation (Bammens and Hünermund, 2020), among others. However, it has not yet been applied to goal trade-offs. Such application seems to be a relevant next step, as our sample shows potential gains and losses associated with economic and non-economic goal tensions that family firm decision-makers face. Our findings suggest that family firm decision-makers do not take binary decisions (e.g., forgoing total loss of one dimension to gain on the other dimension), yet aim for a balance, involving a complex decision-making process.

Lastly, understanding how family firms manage conflicting goals is not only a matter of academic interest but also of managerial necessity, as it will contribute to a better understanding of decision-making in family firms (Chrisman et al., 2015; Ingram et al., 2014). Acknowledging goal tensions helps family firm owners and advisors to discern the factors behind strategic decisions pursued by family firms, and the consequences of these decisions over time. Since decisions in family firms are not always made on the basis of economic rationale, our study offers insights into the subsequent effects of the potentially emerging tensions. Practitioners who are aware of and understand these goal tensions will be able to manage and govern family firms more effectively. Specifically, the revealed sensemaking and sensegiving mechanisms might provide entrepreneurial families with guidance on how to handle such tensions.

Limitations and Future Research

This study is not without its limitations, which open multiple avenues for future research. First, although our sample is heterogeneous, our selected case studies possess a potential survivor bias, as we selected only active family firms with at least second-generation involvement in the business. Future research could investigate goal tensions in failed family firms and the presence or absence of sensemaking and sensegiving mechanisms in such firms, as well as in founder-led family firms and family firms of various generations. While we could not detect any generation-related pattern in our analysis, the applied sensemaking and sensegiving mechanisms might differ across generations. We postulate that as a business evolves across generations – for example, moving from a sibling partnership to a cousin consortium – the dispersion of ownership places further strain on economic and non-economic goals and potentially leads to business failure. At the same time, however, business families might develop unique sensemaking and sensegiving mechanisms to tackle those goal tensions. Moreover, it is important to consider heterogeneity in family firm behaviour (e.g., Chrisman et al., 2005). Our paper suggests different sensemaking and sensegiving mechanisms that family firms adopt when perceiving goal tension, thus exhibiting the heterogeneous nature of family firms. However, our analysis does not allow us to investigate if, besides the specific goal tension, further circumstances drive family firms to adopt one mechanism or another. Future research might develop hypotheses based on our sensemaking–sensegiving approach and test them through a quantitative study.

Second, we do not explore the emotions that underpin the formation of non-economic goals. Decisions grounded in emotions can subvert rational goal selection with a negative impact on family firm performance (Kellermanns et al., 2014). While emotions can have a positive influence (e.g., Kammerlander et al., 2022), most family business research views emotions as disruptive and as a source of inherent conflict across generations (De Sousa, 2010). Future research could explore the idiosyncratic juxtaposition of emotions in a family business and the impact of emotions on the formation of non-economic goals. Additionally, future research could investigate not only how goal diversity and social interactions might influence goal tensions, as described in prior research (Kotlar and De Massis, 2013), but also how the underlying sensemaking, sensegiving, and ultimate decision-making depend on such goal diversity and social interaction. More specifically, it would be interesting to study how different types of social interactions affect sensemaking and sensegiving mechanisms, as well as their ultimate effect on the decision outcomes.

Third, our study focuses on goal tensions, sensemaking–sensegiving, and decision-making in family firms. While we identified three important sensemaking mechanisms, as well as three values that shape sensegiving, we cannot claim comprehensiveness. As such, we need further research – preferably in different institutional settings – to replicate or extend our findings on the identified mechanisms. Such research could also aim to capture both retrospective and prospective sensemaking and scrutinize how the decision-makers' cognition adapts over time, as well as how it differs, for instance, in private vs. public and smaller vs. larger firms, that vary in levels of professionalism and in the stakeholders to be considered. We also encourage future research to explore the role of sensemaking and sensegiving mechanisms beyond decision-making, particularly to investigate the ability and willingness paradox in family firm innovation (as proposed by Chrisman et al., 2015), where 'family firms have superior ability yet lower willingness to engage in technological innovation' (p. 310). Furthermore, future research could investigate goal tensions by applying other theories – such as behavioural theory, negotiation, or value work – to advance our understanding of family firms.

Fourth, in our data, we found that non-economic goals were family related and economic goals were business related. However, we recognize that this is not always the case, as there might be both economic and non-economic goals that are family related (Chrisman et al., 2013), and similarly there might be non-economic goals that are business related and aimed at satisfying nonfamily stakeholders (e.g., Zellweger et al., 2013). Thus, future research could explore the heterogeneity of economic and non-economic goals in family firms. Furthermore, our study is focused on the tensions between economic and non-economic goals, as these are prominent characteristics in family firms and provide a fruitful area to investigate goal tension management. Yet research has also acknowledged potential tensions between different non-economic goals and tensions between different economic goals (cf. Cameron and Quinn, 1999). We therefore encourage future research to investigate perceived tension between different economic goals or between different non-economic goals.

Finally, our research is focused on private, small and medium-sized family firms, which provided an ideal setting for our study due to the inherent observable goal tensions.

Thus, our findings cannot be directly generalized to non-family firms. We encourage future research to develop a comparative study with family and non-family firms to investigate if and how the sensemaking/sensegiving process is different between the two types of firms. On the one hand, many of the identified goal tensions are likely particularly salient in family firms yet, on the other hand, one could assume that non-family firms also use similar sensemaking/sensegiving mechanisms to manage goal tensions (e.g., delegating responsibility to consultants).

CONCLUSION

Given the importance of goals for predicting organizational behaviours and outcomes, it is important to enhance our knowledge of how decision-makers manage a firm's goals. To that end, our study illuminates our understanding of goal tensions in the decision-making of family firms through a sensemaking perspective. We argue that applying a novel perspective – sensemaking – helps us to gain a deeper understanding of the management of goal tensions and of decision-making in family firms. It also reiterates the importance of cognition, especially perceptions of decision-makers' cognitive processes in goal tensions. We hope that our findings will inspire researchers to continue developing this important line of research.

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