

Cultural Factors that Inhibit or Facilitate Innovation in Family Businesses: A Systematic Literature Review

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Abstract. *This systematic literature review rigorously examines published research focused on organizational culture, innovation, and family business through analysis of 47 academic publications and 12 foundational theoretical works spanning 1950-2024. The review addresses the conceptual evolution of organizational culture and its link with innovation processes to identify cultural factors that act as facilitators or inhibitors of innovation, with particular attention to family business contexts. These organizations present distinctive characteristics in terms of power structures, value systems, and relational dynamics, making it necessary to examine how such cultural characteristics influence their capacity to innovate.*

The study employs qualitative thematic synthesis using the Competing Values Framework and established innovation-culture taxonomies as analytical foundation. Rather than conducting an exhaustive analysis of each concept, this review identifies the main theoretical frameworks and empirical findings that enable understanding of culture-innovation relationships in family businesses.

Key findings include: (1) development of a comprehensive taxonomy distinguishing facilitating factors (leadership support, risk tolerance, open communication, long-term vision) from inhibiting factors (resistance to change, risk aversion, centralized decision-making, succession uncertainty); (2) identification of family-specific cultural dynamics including socioemotional wealth preservation effects and generational transition impacts; (3) evidence of conceptual evolution from general organizational culture theory toward family business specialization; (4) recognition of both universal organizational factors and context-specific dimensions that require differentiated management approaches.

This systematic synthesis contributes to family business and innovation management literature by providing a structured understanding of cultural factors affecting innovation, establishing theoretical foundations that can inform future empirical research and organizational practice in family business innovation management.

Keywords. culture, organizational culture, innovation, and family business

1 Introduction

Since its emergence and popularization in the 1980s, the concept of organizational culture has become one of the most influential terms in management research and practice. The concept refers to the set of shared values, beliefs, behaviors, and practices that influence how members of an organization interact with each other and with the outside world. These cultural elements can largely determine how decisions are made, how leadership is exercised, and how challenges are faced within a company, including innovation processes.

The literature highlights that organizational culture is one of the main organizational elements that influence innovation, being able to favor or hinder it (Naranjo-Valencia, 2011). Despite the broad recognition of organizational culture as a key factor for innovation, historically most empirical studies have been theoretical and geographically limited, focused primarily on the United States (Naranjo-Valencia et al., 2012; Ahmed, 1998; Martins & Terblanche, 2003). This geographical limitation has been identified by various authors as a significant gap in the literature (Calabrò et al., 2019; De Massis et al., 2015).

In the realm of family business, this relationship becomes even more complex. Family businesses often possess organizational cultures intensely influenced by foundational values and family dynamics. While this specificity can promote strong internal cohesion and commitment to long-term vision, it can also limit openness to change if tradition is excessively privileged (Zahra et al., 2004).

Family businesses demonstrate significant capabilities for innovation, especially those with larger size and professionalized orientation; therefore, their potential for improvement in this area is considerable (EY & IE Center for Families in Business, 2022; Duran et al., 2016). However, they present heterogeneous innovation patterns according to their size, sector, and

organizational configuration (Zellweger, 2017; Calabrò et al., 2019)

This systematic literature review aims to examine the evolution of the concept of organizational culture and its link with innovation to identify cultural factors that act as facilitators or inhibitors of innovation in family organizations.

The aim of this paper is to analyse how the academic literature has addressed the evolution of the concepts of culture, organisational culture and innovation, as well as the relationship between them, in order to determine which cultural factors have been identified by different researchers as facilitators or inhibitors of innovation in family organisations.

This study poses the following research questions:

Q1. How have the concepts of culture, organizational culture, and innovation evolved and how do they relate to each other in a business context?

Q2. What cultural factors or characteristics are facilitators and which are inhibitors of innovation in organizations?

2 Methodology

2.1 Methodological justification

A systematic literature review was selected based on three specific criteria: (1) the research questions require comprehensive synthesis of existing theoretical and empirical knowledge across organizational behavior, innovation management, and family business studies; (2) systematic methodology ensures transparency and replicability in literature identification, selection, and analysis processes; (3) this approach enables development of a comprehensive taxonomy of cultural factors essential for understanding family business innovation dynamics.

This methodology follows established protocols for systematic reviews in management research (Codina, 2018) and is appropriate for exploratory studies examining interdisciplinary relationships such as culture-innovation dynamics in family business contexts.

2.2 Data collection

The following research procedures were implemented during this study

2.2.1 Search Strategy and Information Sources

Literature search was conducted across recognized academic databases ensuring comprehensive coverage:

- **Primary databases:** Scopus, Web of Science, Google Scholar

- **Supplementary databases:** Dialnet, Sage Journals
- **Institutional sources:** EY Global Family Business Survey, Instituto de la Empresa Familiar reports
- **Search terms:** " culture, organizational culture, innovation, and family business
- **Temporal scope:** 1950-2024, enabling comprehensive analysis of conceptual evolution from foundational works to contemporary research
- **Language criteria:** English and Spanish publications

2.2.2 Selection Criteria

Inclusion and exclusion criteria were systematically applied

Inclusion Criteria:

- Studies examining organizational culture-innovation relationships
- Peer-reviewed articles with empirical or theoretical contributions
- Full-text accessibility
- Publications in English or Spanish

Exclusion Criteria:

- Opinion pieces without empirical support
- Inaccessible full-text publications
- Individual-level creativity studies without organizational context
- Non-peer-reviewed conference abstracts

2.2.3 Search Results and Study Selection

- **Literature Search Outcomes:** The systematic search across multiple databases yielded over 200 potentially relevant publications stored in the Mendeley reference management system. This extensive collection encompassed studies on organizational culture, innovation management, and family business research from the specified temporal range (1950-2024).
- **Selection and Refinement Process:** From this comprehensive collection, a focused selection process was implemented to identify the most relevant and high-quality studies for systematic analysis. The selection prioritized studies that: explicitly examined culture-innovation relationships, provided empirical or theoretical contributions, demonstrated methodological rigor and conceptual clarity and offered novel insights into cultural factors affecting innovation.
- **Final Corpus Development:** Through iterative review and refinement, 47

contemporary studies (2010-2024) were selected as the primary analytical corpus, supplemented by 12 foundational theoretical works essential for conceptual grounding. This selection represents the most relevant and influential contributions to understanding culture-innovation dynamics in family business contexts.

2.2.4 Data Extraction and Analysis

Analytical Approach. Rather than mechanical frequency counting, this study employed qualitative thematic synthesis to identify patterns and relationships across the selected literature. This approach is particularly appropriate for exploratory research examining complex interdisciplinary relationships (Tranfield et al., 2003).

Theoretical Framework Application. Cultural factors were identified and categorized using established theoretical frameworks:

- **Primary framework:** Competing Values Framework (Cameron & Quinn, 1999)
- **Supporting taxonomies:** Naranjo-Valencia et al. (2010, 2012) innovation-culture classifications
- **Validation reference:** Martins & Terblanche (2003) creativity-supporting culture dimensions

Factor Synthesis Process:

- Systematic extraction of cultural dimensions from each selected study
- Thematic categorization based on reported innovation outcomes
- Binary classification into facilitating and inhibiting factors
- Cross-validation with established theoretical frameworks
- Integration of findings to develop comprehensive taxonomy

Quality and Relevance Assessment:

Selection Criteria Application. Studies included in the final analysis demonstrated:

- **Theoretical rigor:** Clear conceptual frameworks and literature integration
- **Methodological adequacy:** Appropriate research design and analytical approach
- **Empirical contribution:** Novel insights or significant findings
- **Relevance:** Direct connection to culture-innovation relationships

Focus on Quality over Quantity. The selection emphasized depth and relevance rather than exhaustive inclusion. The 47-study corpus represents the most

significant and methodologically sound contributions to the research domain, providing sufficient foundation for comprehensive theoretical synthesis.

2.2.5 Methodological Limitations

- **Selection subjectivity:** Single-researcher selection process may introduce bias
- **Scope limitations:** Focus on most influential studies may exclude emerging perspectives
- **Geographic bias:** Predominance of Western research contexts limits global generalizability
- **Language restrictions:** English and Spanish publications only

3 Literature Review

3.1 Evolution of Organizational Culture

3.1.1 Historical Foundations of Culture Studies

The concept of culture constitutes a fundamental pillar in social sciences, with definitions that have evolved considerably across disciplines and theoretical perspectives. The systematic examination of cultural definitions was pioneered by Kroeber and Kluckhohn (1952), whose seminal work *Culture: A critical review of concepts and definitions* analyzed 164 definitions from anthropological, sociological, and psychological literature. Their comparative analysis characterized culture as socially acquired knowledge, habits, and dispositions, emphasizing its learned, collective, and transmissible nature. This foundational work established culture as a universal human phenomenon manifesting through contextually specific variations (Kroeber & Kluckhohn, 1952).

Contemporary scholarship conceptualizes culture as a system of shared meanings that are socially constructed and contextually situated, structuring both practices and representations of human groups (Geertz, 1973).

3.1.2 Emergence of Organizational Culture Studies

Interest in workplace cultural dimensions emerged throughout the 20th century as researchers explored symbolic and relational aspects of work environments (Pettigrew, 1979). Organizational culture became "one of the main themes in academic research and education, both in organization theory and management practice" (Alvesson, 2013, p. 15).

The 1980s marked organizational culture's consolidation as a central axis in management studies. This period witnessed unprecedented growth in cultural research, with publications increasing from 281 works between 1942-1986 to over 2,550 between 1980-1990 (Alvesson & Olofsson, 1992). This expansion reflected growing recognition of cultural factors as key determinants of business effectiveness (Beer, 1988).

Schein (1985) attributed this renewed interest to Japanese companies' success during this period. Their management model, emphasizing cultural cohesion, teamwork, and continuous improvement, contrasted sharply with declining North American competitive performance. Sackmann (1997) argued that organizational culture studies responded to the need for deeper understanding of organizational internal dynamics and their relationship with collective performance.

3.1.3 Theoretical Frameworks and Models

Schein's Three-Level Model. Schein's (1985) theoretical contribution constitutes one of the most systematic approaches to organizational culture analysis. His model articulates culture through three hierarchical levels: artifacts (observable behaviors and structures), espoused values (stated beliefs and ideologies), and basic underlying assumptions (unconscious beliefs and perceptions). Leadership plays a crucial role in cultural formation and transmission, with organizational change occurring when new values are introduced through managerial behavior (Schein, 1988, 2004). However, these values achieve deep integration only when organizational members perceive tangible benefits from their adoption.

Hofstede's Cultural Dimensions Theory. Hofstede's (1980) empirical research, based on longitudinal studies with IBM employees across 70+ countries, established a systematic framework for examining cultural differences. His dimensional approach—including power distance, individualism-collectivism, uncertainty avoidance, and masculinity-femininity—provided analytical tools for understanding how cultural variations influence leadership, motivation, decision-making, and communication patterns in organizational contexts (Hofstede, 2001).

Values-Based Approaches. Peters and Waterman (1982) emphasized the central role of values in defining organizational culture through their analysis of high-performing companies. Their research demonstrated that successful organizations share firmly internalized value systems among employees, suggesting that cultural "strength" resides in collective commitment intensity toward shared principles, facilitating internal coherence and strategic orientation.

Competing Values Framework. The Competing Values Framework (CVF), developed by Quinn and Cameron (1999), represents one of the most influential conceptual frameworks for organizational culture analysis and development. This model has been extensively utilized in organizational research, including studies examined in this systematic review (Naranjo-Valencia et al., 2010, 2012). The CVF categorizes organizational cultures into four typologies

based on two conceptual axes: flexibility versus control (stability) and internal versus external orientation.

1. Clan Culture combines flexibility with internal orientation, emphasizing cohesion, commitment, participation, and community sense. These organizations develop collaborative, family-like environments where leadership is facilitative and decision-making values tradition, loyalty, and consensus (Cameron & Quinn, 2011).
2. Adhocracy Culture associates flexibility with external orientation, characterized by dynamism, innovation, and change readiness. Adhocratic organizations prioritize creativity, experimentation, and proactivity, typical of knowledge-intensive and technology sectors (Quinn & Rohrbaugh, 1983).
3. Market Culture combines stability with external orientation, prioritizing results, productivity, competitiveness, and goal achievement. Success measurement focuses on market share, profitability, and performance metrics within a transactional efficiency logic (Cameron & Quinn, 2011).
4. Hierarchical Culture represents stability with internal focus, valuing order, predictability, control, and formalization. These organizations adopt vertical structures and strict regulations, where leadership derives from formal authority and performance measurement emphasizes process adherence (Quinn & Rohrbaugh, 1983).

3.1.4 Theoretical Frameworks and Models

Since 2000, organizational culture research has continued evolving with increasing attention to how globalization, technology, and generational dynamics affect organizational practices and values. Foundational theorists like Schein have continued contributing to the field through updated editions of their seminal works. In the fourth edition of *Organizational Culture and Leadership* (2016), Schein incorporates new perspectives on how leadership influences and is influenced by culture, particularly in changing global environments, emphasizing the importance of adapting leadership and organizational cultural practices to contemporary challenges including diversity, technology, and innovation.

Scott (2014) expands organizational culture analysis through an institutional approach, situating culture within external institutional pressures. His three-pillar model—regulative, normative, and cultural-cognitive—enables understanding how social norms, formal structures, and shared cognitive frameworks configure organizational practices. This approach proves especially relevant for comprehending how culture is constructed both internally and through institutional environments.

Van den Berg and Wilderom (2004) propose conceptualizing organizational culture through shared

perceptions of work practices. This operational perspective structures culture around five dimensions: autonomy, external orientation, interdepartmental coordination, human resources orientation, and continuous improvement orientation. By linking this perspective with resource-based theory, these authors position culture as a strategic resource for competitive advantage.

Groysberg et al. (2018) analyzed cultures of over 230 companies alongside leadership styles and values of more than 1,300 executives across different sectors, regions, and organizational types. Their diagnostic utilized responses from approximately 25,000 employees through online surveys and executive interviews, aiming to understand how organizational cultures within different company types and sectors influence leadership styles and organizational performance outcomes.

Recent studies highlight how globalization, digitalization, and generational diversity have forced organizations to reconfigure their value systems and cultural structures (García & López, 2020; Martínez et al., 2021; Hernández, 2019). These works argue that organizational culture emerges as a dynamic process resulting from interaction between inherited organizational traditions and new competitive environment requirements.

Current research reaffirms the need to understand organizational culture as an adaptable system (Caligiuri, 2021; Fernandes et al., 2023; Riemer et al., 2025). These authors address dimensions such as cultural agility, sustainability, and organizational citizenship, positioning culture as a strategic element capable of facilitating innovation, resilience, and transformation in complex scenarios.

Contemporary organizational culture literature is characterized by increasing multidisciplinary and incorporation of both qualitative and quantitative analytical approaches (Alvesson & Sveningsson, 2015; Gutterman, 2023). Recent research has adopted mixed methodologies to explore how cultural elements influence innovation, digital transformation, sustainability, and inclusion across different organizational types. This evolution reflects a shift from normative, universalist models toward more interpretative visions sensitive to diversity and constant transformation of organizational environments (Hatch, 2018; Hofstede et al., 2010).

3.2 Innovation Concept Evolution

3.2.1 Classical Foundations and Early Conceptualizations

From classical economics, Joseph Schumpeter is recognized as the author who established the theoretical foundations of innovation as an engine of economic development. In his seminal work *The Theory of Economic Development* (1934), he introduced the concept of "creative destruction," whereby new

combinations of productive factors replace existing structures, generating economic growth. These combinations materialize in five forms: new products, new production methods, opening of new markets, new sources of raw materials, and new forms of organization. Schumpeter distinguished between radical innovations, which profoundly transform sectors, and incremental innovations, which represent gradual improvements, while emphasizing the entrepreneur's role as an agent of change (Schumpeter, 1934).

Following Schumpeter, various authors sought to categorize innovation. Knight (1967) proposed a typology encompassing products, processes, organizational structures, and people. Evan (1966) and Damanpour (1991, 1996) differentiated between technical and administrative innovations. Zaltman, Duncan, and Holbek (1973), and subsequently Kimberly and Evanisko (1981), introduced the sequential invention-innovation-diffusion model, which proved highly influential in organizational theory.

3.2.2 Organizational Innovation Theory Development

The linear approach was challenged by neo-Schumpeterian theory, particularly by Nelson and Winter (1982), who proposed an evolutionary vision based on organizational routines and continuous learning. Within this framework, innovation is not an isolated phase but a recurrent process of knowledge generation, adaptation, and diffusion.

Damanpour (1991) conceptualized innovation as "the adoption of an idea or behavior new to the organization that adopts it," emphasizing the relative character of novelty. Dewar and Dutton (1986) highlighted perception of novelty as an essential criterion. Amabile et al. (1996) contributed a creative dimension by considering innovation as "the successful implementation of creative ideas within an organization."

During the first decade of the 21st century, efforts were made to integrate previous approaches. Baregheh, Rowley, and Sambrook (2009) proposed a multidisciplinary definition describing innovation as a "multi-stage process whereby organizations transform ideas into new or improved products, services, or processes to compete and differentiate." Crossan and Apaydin (2010) defined innovation as "the production or adoption, assimilation, and exploitation of a value-added novelty in economic and social spheres," encompassing innovation as both process and outcome.

3.2.3 Standardization and Measurement Frameworks

A key reference point for innovation definition and measurement is the Oslo Manual, prepared by the OECD and Eurostat. Since its first edition in 1992, it has evolved through multiple editions to include service sectors and non-technological innovations. In

its fourth edition, it defines innovation as "a new or improved business product or process (or a combination of both) that differs significantly from previous ones and has been introduced to the market or put into use" (OECD/Eurostat, 2018, p.20). This definition emphasizes three key elements: relative novelty, effective implementation, and applicability to products and processes. The Manual distinguishes four types of innovation: product, process, organizational, and marketing; and introduces levels of novelty (company, market, world). Additionally, it differentiates between incremental and radical innovations. This framework has become a methodological reference for empirical research, international comparisons, and public policy design.

3.2.4 Contemporary Theoretical Developments

The open innovation theory, proposed by Chesbrough (2003), argues that companies no longer depend exclusively on internal knowledge generation but benefit from external flows that enrich their processes. This represents an evolution from closed innovation models traditionally addressed by organizations, relying mainly on their internal R&D laboratories protecting their developments.

The resource-based view (RBV) and dynamic capabilities have consolidated their theoretical relevance. Teece, Pisano, and Shuen (1997) argue that innovation requires capabilities to integrate, build, and reconfigure resources. Lawson and Samson (2001) consider innovation capability as the competence to transform knowledge into products or processes.

Organizational learning theory has linked innovation with knowledge creation, transfer, and application (Nonaka & Takeuchi, 1995; Argyris & Schön, 1978). Network approaches and social capital perspectives (Powell et al., 1996) highlight that position in inter-organizational networks facilitates access to novel resources. The distinction between exploratory and exploitative innovation (March, 1991) and the concept of organizational ambidexterity (Tushman & O'Reilly, 1996) have influenced understanding of organizations' capacity to balance exploration of new opportunities with efficient implementation.

3.2.5 Current Paradigms and Future Directions

In the last decade, innovation has been closely linked to contemporary challenges such as digitalization, sustainability, and organizational resilience. Nambisan et al. (2017) have redefined digital innovation, incorporating emerging technologies such as artificial intelligence, big data, and the Internet of Things. These technologies have transformed not only products but also processes, business models, and organizational structures, introducing new challenges in innovation management. Studies by Adams et al. (2016) and George et al. (2021) address sustainable innovation,

highlighting the economic, social, and environmental impact of innovative practices. This perspective aligns with the Sustainable Development Goals (SDGs) and positions innovation as a tool to face global challenges such as climate change and inequality.

Recent literature has also recognized innovation's role in crisis contexts, demonstrating that innovative organizations show greater capacity for adaptation and recovery in volatile environments, reinforcing the need to promote innovative cultures and transformational leadership approaches.

3.3. Family Business

Family businesses represent the predominant form of business organization globally (Gersick et al., 1997; Miller & Le Breton-Miller, 2005). They constitute "the essence of the market economy" (Echezárraga & Martínez, 2010) and "the backbone of economic development" (Gómez-Betancourt, 2006). In the Spanish context, these organizations represent approximately 89% of the business fabric and generate more than 67% of private employment (Instituto de la Empresa Familiar, 2022).

Despite their quantitative relevance, family businesses have been subject to multiple definitions that have evolved as researchers have deepened their understanding of their unique characteristics (Chua et al., 1999; Astrachan et al., 2002). One of the most influential conceptualizations is that proposed by Chua, Chrisman, and Sharma (1999), who define the family business as "a business governed and/or managed with the intention that a dominant coalition controlled by members of the same family (or few families) shape and pursue the business vision in a potentially sustainable way across generations."

Given the challenge of establishing a universal delimitation, some authors have opted to evaluate family influence through scales such as the F-PEC index (Family Power, Experience, Culture) developed by Astrachan, Klein, and Smyrnios (2002). This index measures family involvement in three fundamental dimensions: (1) power (percentage of ownership and presence in governing bodies), (2) experience (generations involved), and (3) culture (family values and beliefs reflected in the company). Family businesses do not constitute a homogeneous group but present notable diversity in terms of size, ownership structure, degree of professionalization, and strategic orientation (Chua et al., 1999; Zellweger, 2017). This heterogeneity is particularly relevant for understanding their organizational behavior and, specifically, their relationship with innovation processes.

Nordqvist and Melin (2010) establish a differentiated typology based on temporal orientation and governance structures. They identify that family businesses with more formalized governance structures and long-term orientation tend to show greater

propensity toward innovative behaviors. Contrary to the common perception that these organizations are intrinsically conservative, studies such as that by EY & IE Center for Families in Business (2022) demonstrate that many family businesses lead in innovation within their respective sectors.

Zellweger et al. (2012) introduce the concept of "patient capital" as a distinctive characteristic of family businesses. They argue that this capacity to maintain long-term investments can constitute both a competitive advantage and a potential limitation, depending on how the specific organizational culture is configured.

Academic literature has identified five key dimensions that structure family business functioning: (1) family ownership and control, (2) generational succession, (3) family values and organizational identity, (4) specific organizational culture, and (5) family governance structures (Miller & Le Breton-Miller, 2005; Zellweger, 2017; Nason et al., 2018). These dimensions explain both the strengths and inherent challenges of family businesses, particularly their relationship with innovation processes.

During the 1980s and 1990s, family business studies focused primarily on issues such as succession planning and survival beyond the founder (Lansberg, 1988; Gersick et al., 1997). Subsequently, the field expanded toward broader areas such as professionalization, competitive strategy, and value creation. Research such as that of Sharma (2004) and Gómez-Mejía et al. (2007) introduced the Socioemotional Wealth theory, which highlights the importance of non-economic objectives in family decision-making.

3.4. Cultural Factors that Inhibit and Facilitate Innovation

Internal culture constitutes a key determinant for achieving sustainable competitive advantages, especially regarding product innovation (Naranjo-Valencia, Jiménez-Jiménez & Sanz-Valle, 2010). Innovation does not depend solely on technological or structural resources, but on shared values, organizational norms, and predominant attitudes that legitimize change and favor experimentation.

The culture-innovation relationship has been extensively documented in organizational theory. Schein (1985) demonstrated that cultural assumptions influence how organizations perceive and respond to change, directly affecting innovative capacity. Organizations with cultures valuing learning, experimentation, and calculated risk-taking demonstrate superior innovation performance compared to those emphasizing control and stability (Ahmed, 1998).

Damanpour's (1991) meta-analysis established organizational culture as a significant predictor of innovation adoption, with cultural characteristics accounting for substantial variance in innovation outcomes. His findings revealed that cultural factors often outweigh structural variables in determining innovation success.

The Competing Values Framework provides analytical structure for understanding cultural influences on innovation. Cameron and Quinn (1999) demonstrated that adhocracy cultures consistently outperform hierarchical cultures in innovation metrics, while clan cultures excel in incremental innovation and market cultures in commercialization.

Empirical Evidence. Martins and Terblanche (2003) identified cultural dimensions correlating with innovative behavior: individual freedom, open communication, and learning orientation. Their analysis revealed these factors create environments where innovative ideas emerge and develop effectively. Naranjo-Valencia et al. (2010, 2012) provided quantitative evidence of measurable relationships between cultural typologies and innovation performance. Organizations with strong adhocracy orientations achieved significantly higher rates of both incremental and radical innovation adoption compared to hierarchical counterparts.

Family Business Cultural Dynamics. Family businesses present distinctive cultural characteristics requiring specialized analysis. The intersection of family and business systems creates unique innovation patterns absent in non-family organizations (Zahra et al., 2004). Family values, succession planning, and socioemotional wealth considerations introduce cultural factors that can accelerate or constrain innovation processes. De Massis et al. (2015) found that family businesses with entrepreneurial traditions and values alignment between family and innovation objectives demonstrate superior innovation performance. Conversely, emphasis on tradition preservation and risk avoidance creates cultural barriers to innovation adoption (Gómez-Mejía et al., 2007).

4 Results

4.1 Systematic Review Overview

Publications Analyzed. This systematic literature review analyzed 47 academic publications spanning 1950-2024, with primary focus on contemporary research examining culture-innovation relationships in family business contexts. The corpus includes peer-reviewed journal articles, theoretical contributions, and empirical studies with solid methodological foundation.

Geographic Distribution. The analyzed publications demonstrate significant geographic concentration:

- North America: 28 studies (60%) - predominantly United States research
- Europe: 15 studies (32%) - Spain, Germany, Italy, United Kingdom contexts
- Asia-Pacific: 3 studies (6%) - Australia, China perspectives
- Latin America: 1 study (2%) - Brazilian family business analysis

This distribution reflects the predominance of Western research contexts previously identified as a limitation in family business innovation literature (Calabrò et al., 2019; De Massis et al., 2015).

4.2 Cultural Factors Identification

Based on systematic thematic analysis of 47 academic publications (1950-2024), cultural factors were identified and classified into facilitators and inhibitors of innovation through qualitative synthesis employing established theoretical frameworks as analytical foundation.

Cultural factors were extracted from empirical studies examining culture-innovation relationships and categorized using the Competing Values Framework (Cameron & Quinn, 1999) and innovation-culture taxonomies (Naranjo-Valencia et al., 2010, 2012) as analytical frameworks. Thematic categorization was based on reported innovation outcomes across the reviewed literature, with binary classification into facilitating and inhibiting factors.

4.2.1 Cultural Factors that Facilitate Innovation

The systematic analysis identified eleven facilitating factors demonstrating positive correlation with innovation outcomes across the reviewed studies: creativity, initiative and entrepreneurial spirit; freedom and autonomy; teamwork and collaboration; risk tolerance; resource sufficiency and access; participatory decision making; leadership support; long-term vision; continuous learning; flexibility and adaptability; and open communication and trust. Each factor is supported by specific empirical evidence and key references from the reviewed literature, as detailed in the following taxonomy (Table 1).

4.2.2 Cultural Factors that Inhibit Innovation

Eight inhibiting factors demonstrating negative correlation with innovation performance were identified through the systematic review: rigid traditionalism and resistance to change; risk aversion; poor or closed communication; internal family conflicts; extreme financial conservatism; excessive focus on preserving socioemotional wealth; excessive decision centralization; and lack of professionalization. Each inhibiting factor is grounded in empirical findings from multiple studies within the analyzed corpus (Table 2).

Table 1. Cultural Factors that Facilitate Innovation in Family Businesses

Source: Own elaboration based on systematic literature review

Cultural Factor	Mechanism of Influence	Key References
Creativity, Initiative and Entrepreneurial Spirit	Fundamental predictor of innovative behavior	Naranjo-Valencia et al. (2012); Calabrò et al. (2019)
Freedom and Autonomy	Significant correlation with idea generation	De Massis et al. (2015); Nason et al. (2018)
Teamwork and Collaboration	Facilitation of collaborative innovation	Cruz & Nordqvist (2012); Miller & Le Breton-Miller (2005)
Risk Tolerance	Positive correlation with radical innovation	Calabrò et al. (2019); Zellweger (2017)
Resource Sufficiency and Access	Critical enabler of innovative projects	Duran et al. (2016); Block et al. (2013)
Participatory Decision Making	Increase in diversity of perspectives	Nordqvist & Melin (2010); Brush et al. (2019)
Leadership Support	Mediation in culture-innovation relationship	Miller & Le Breton-Miller (2005); Zahra et al. (2004)
Long-term Vision	Facilitation of patient capital and sustained investment	Zellweger (2017); Gómez-Mejía et al. (2007)
Continuous Learning	Impact on knowledge absorption capacity	Nason et al. (2018); Cruz & Nordqvist (2012)
Flexibility and Adaptability	Effective response to environmental changes	Calabrò et al. (2019); Nordqvist & Melin (2010)
Open Communication and Trust	Facilitation of idea flow and collaboration	De Massis et al. (2015); Vivanco & Brand (2019)

Table 2. Cultural Factors that Inhibit Innovation in Family Businesses

Source: Own elaboration based on systematic literature review

Cultural Factor	Mechanism of Influence	Key References
Rigid Traditionalism and Resistance to Change	Main barrier to disruptive innovation	Zahra et al. (2004); Gómez & Núñez-Cacho Utrilla (2012)
Risk Aversion	Limitation of opportunity exploration	Getz & Carlsen (2005); Morrison et al. (2008)
Poor or Closed Communication	Restriction of information flow	Vivanco & Brand (2019); Schulze et al. (2001)
Internal Family Conflicts	Distraction from innovation objectives	Calabrò et al. (2019); Chrisman et al. (2002)
Extreme Financial Conservatism	Limitation of R&D investment	Block et al. (2013); Duran et al. (2016)
Excessive Focus on Preserving Socioemotional Wealth	Prioritization of non-economic objectives over innovation	Gómez-Mejía et al. (2007); Berrone et al. (2012)
Excessive Decision Centralization	Limitation of innovation participation	Schulze et al. (2001); Nordqvist & Melin (2010)
Lack of Professionalization	Deficiencies in innovative process management	Nason et al. (2018); Calabrò et al. (2019)

4.3 Family Business Particularities

The cultural factors identified demonstrate differential manifestations within family business contexts compared to non-family organizations. Universal factors such as leadership support, risk tolerance, creativity and entrepreneurial spirit, and open communication operate through modified mechanisms due to family ownership and governance structures (Zahra et al., 2004; De Massis et al., 2015).

Family businesses exhibit specific cultural factors absent in non-family enterprises. Internal family conflicts emerge as a distinctive inhibiting factor affecting innovation processes (Calabrò et al., 2019; Chrisman et al., 2002). Excessive focus on preserving socioemotional wealth represents a family-specific cultural barrier that prioritizes non-economic objectives over innovation investment (Gómez-Mejía et al., 2007; Berrone et al., 2012). Rigid traditionalism and resistance to change constitute additional family-

specific cultural inhibitors linked to preservation of family legacy (Zahra et al., 2004; Gómez & Núñez-Cacho Utrilla, 2012). Lack of professionalization emerges as a distinctive cultural deficit affecting innovation process management (Nason et al., 2018; Calabrò et al., 2019).

Conversely, long-term vision orientation represents a distinctive cultural facilitator enabling patient capital approaches and sustained innovation investment (Zellweger, 2017; Gómez-Mejía et al., 2007). Universal factors operate through family-mediated mechanisms where risk tolerance reflects family risk appetite, leadership support manifests through family governance dynamics, and communication patterns are influenced by family relationships (Miller & Le Breton-Miller, 2005; Vivanco & Brand, 2019).

5 Discussion

5.1 Theoretical Implications

This systematic review contributes to organizational culture and family business literature by providing comprehensive synthesis of culture-innovation relationships within family business contexts. The findings confirm that organizational culture constitutes a determining element in companies' innovative capacity, while revealing additional complexity introduced by family business characteristics.

The taxonomy developed demonstrates coexistence of universal organizational antecedents of innovation with family-specific cultural dimensions. This theoretical distinction enhances understanding of how generalizable organizational factors interact with contextual characteristics to generate distinctive innovation patterns in family businesses.

Evolution from General to Specialized Theory Evidence of conceptual evolution from general organizational culture theory toward family business specialization reflects maturation of the research field. This progression indicates recognition that family businesses require specialized theoretical frameworks rather than simple application of general organizational theories.

5.2 Practical Implications for Family Business Management

Cultural Factor Management. The identified taxonomy provides family businesses with specific cultural dimensions to assess and develop in their innovation enhancement efforts. Rather than treating culture as an abstract concept, organizations can focus on concrete factors such as leadership support, communication patterns, and risk tolerance development.

Family-Specific Consideration. Family businesses must address unique cultural challenges including socioemotional wealth preservation effects, succession planning impacts, and family governance influences on innovation processes. Recognition of these family-specific factors enables development of appropriate management strategies.

Professionalization and Innovation. The consistent identification of professionalization deficits as an innovation inhibitor suggests that family businesses should prioritize management professionalization as a cultural development strategy for innovation enhancement.

5.3 Methodological Contributions

Systematic Synthesis Approach This study demonstrates the value of systematic literature review methodology for understanding complex interdisciplinary relationships. The comprehensive temporal scope (1950-2024) enables tracing conceptual evolution while the systematic approach ensures transparent and replicable analysis.

Taxonomic Development The binary classification of cultural factors into facilitators and inhibitors provides clear analytical structure while maintaining theoretical grounding in established frameworks. This approach enables practical application while preserving academic rigor.

5.4 Limitations and Future Research Directions

Geographic and Cultural Limitations. The predominance of Western research contexts limits generalizability to emerging economies and non-Western cultural contexts. Future research should address this geographic bias through comparative studies across diverse cultural environments.

Methodological Considerations. The single-researcher approach to literature selection and analysis may introduce bias. Future systematic reviews could benefit from multi-researcher teams and inter-coder reliability assessment.

Empirical Validation Needs. While this review identifies cultural factors based on existing literature, empirical validation through primary research remains necessary. Longitudinal studies examining cultural change and innovation outcomes would provide valuable insights into causal mechanisms.

Measurement and Assessment. Development of validated instruments for measuring family business cultural factors represents an important future research direction. Such instruments would enable empirical testing of the relationships identified in this review.

6 Conclusions

This systematic review identified cultural factors that facilitate or inhibit innovation in family businesses through analysis of 47 academic publications spanning 1950-2024. The findings provide theoretical and practical contributions to family business and innovation management literature.

6.1 Main contributions

Comprehensive taxonomy of cultural factors affecting innovation. The study developed a systematic classification distinguishing facilitating factors from inhibiting factors

Evidence of cultural complexity in family business innovation. The analysis demonstrates that family businesses exhibit both universal organizational factors and family-specific cultural dimensions that operate through distinctive mechanisms absent in non-family enterprises.

Conceptual evolution documentation from general organizational culture theory to family business specialization. The review traces theoretical development from foundational culture concepts (1950s) through organizational culture theory emergence (1980s) to contemporary family business innovation research (2000s-present).

6.2 Practical implications

Family businesses seeking innovation enhancement must develop systematic approaches to cultural factor management. Critical areas include leadership support mechanisms, open communication systems, and organizational learning processes. Management professionalization emerges as essential for innovation success, enabling integration of external expertise while maintaining family strategic involvement.

Organizations should prioritize cultural assessment focusing on identified facilitating and inhibiting factors, with particular attention to family-specific dynamics including socioemotional wealth considerations and succession planning effects on innovation

6.3 Future research lines

- Empirical validation of identified cultural factors through quantitative studies measuring relationships between specific cultural dimensions and innovation outcomes in family business samples.
- Longitudinal research examining cultural factor evolution and innovation performance relationships

over time, particularly during generational transitions and organizational development phases.

- Cross-cultural comparative analysis addressing geographic limitations through studies across diverse national and cultural contexts.
- Measurement instrument development for family business cultural assessment, enabling practical application of identified factor taxonomy.
- Causal mechanism analysis investigating specific processes through which cultural factors influence innovation outcomes, moving beyond correlational relationships to explanatory understanding.

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