

**Intergenerational Resource Orchestration and
Portfolio Entrepreneurship in Family Businesses
-Research Proposal**



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Abstract

Intergenerational entrepreneurship is the key to the succession and growth of family businesses. It involves resource orchestration between two generations and innovation in succession processes. Recent researches have paid much attention to the effects of idiosyncratic resources in family businesses on entrepreneurship without noticing the resource heterogeneity between incumbents and successors as well as the dynamic changes of resource structure during the succession processes. Resource orchestration between two generations provides the resource base and dynamic for portfolio entrepreneurship. The generational involvement brings the heterogeneous resource base while resource bundling between two generations provides the dynamics for portfolio entrepreneurship. Based on RBV, this paper studies the influence of intergenerational resource heterogeneity and bundling on the behaviors of family business entrepreneurship. By planning to use the data of public family business successions in China during 2004—2019 and regression analysis, this paper will contribute to the implication of resource based view and resource management perspective in the family business field and researches on portfolio entrepreneurship in a transitional economy.

Key words: Family Business; Portfolio Entrepreneurship; Intergenerational Entrepreneurship; Resource Orchestration

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1Introduction

1.1Research background

The intergenerational entrepreneurship of the family business is the key to maintaining innovative vitality and achieving sustainable management. The successor continues to break the constraints of the existing family business internal and external systems through a series of entrepreneurial behaviors, and uses new knowledge and capabilities to promote new strategic initiatives to avoid organizational rigidity and organizational failure and achieve the resource renewal and growth goals of the family business (Xinchun, L., Xuan, H. and Wenting, C., 2018). It can be seen that successful cross-generation entrepreneurship is an important means for family companies to continuously innovate and gain competitive advantages in the inheritance (Habbershon and Pistrui, 2002). In recent years, Chinese family businesses have gradually entered the peak of intergenerational inheritance. How to achieve the continuous growth of family businesses and the intergenerational inheritance of entrepreneurial spirit have attracted great attention from family business scholars and entrepreneurial scholars.

1.2Research gap

Portfolio entrepreneurship is one of the important ways for family businesses to cross-generation entrepreneurship, and it is also an important strategic representation of family businesses in the current economic transformation and entering a new normal growth period. There are many forms of portfolio entrepreneurship. With the deepening of the research on family business and entrepreneurial behavior, scholars realized that family business is an important form of social organization for entrepreneurship. At the same time, entrepreneurship is not just a staged strategy in the life cycle of family business, but throughout the whole process of family business growth (Xiao, H. and Xinchun, L., 2009). This requires scholars to study the entrepreneurial behavior of family companies, must combine family business and entrepreneurial theory, pay attention to the role of family factors in the entrepreneurial process, entrepreneurial family (Habbershon and Pistrui, 2002), the family embedding view of entrepreneurship (Aldrich and Cliff, 2003), family business portfolio entrepreneurship (Carter and Ram, 2003), and cross-generation entrepreneurship (Cruz *et al.*, 2006), etc., which are used by scholars to analyze the entrepreneurial behavior of family companies on the basis of

effective integration of family and entrepreneurship research. A series of theoretical attempts.

The resource-based view is a powerful tool for studying family business entrepreneurship. The above theoretical frameworks have largely borrowed from the resource view. Although the research on the resource view focuses on the unique resources of family companies relative to non-family companies (Habbershon and Williams, 1999; Sirmon and Hitt, 2003; Junsheng, D. and Shenghua, J., 2018; Davidsson and Honig, 2003; Sieger *et al.*, 2011), very little in-depth study of the structure and changes of this unique resource in the family business. The structure of the family's unique resource reflects the distribution characteristics and embeddability of the resource among the inter-generational members of the family. The heterogeneity of resources. The change of resource structure means that the resource structure is not static and unchanged during the growth process of the family business, especially the inheritance process. It will change greatly with the entry of the second generation of the family. This paper will focus on the conflict and integration of intergenerational human capital and social capital in the process of inheritance along the family's unique resource structure and the logic of its change.

2Theory and hypothesis

2.1Family business portfolio entrepreneurship

Portfolio entrepreneurship refers to entrepreneurs who create or own multiple businesses at the same time (Westhead and Wright, 1999; Carter and Ram, 2003). When the analysis unit of entrepreneurship research gradually shifts from enterprises to entrepreneurs and entrepreneurial families, the phenomenon of portfolio entrepreneurship only enters the vision of entrepreneurship. Using family as the unit of analysis to study the combined entrepreneurship phenomenon of family companies is of great significance to entrepreneurship research. First, it has deepened the researchers' understanding of family companies' entrepreneurial and exit strategies (DeTienne and Chirico, 2013). Second, it is helpful to analyze family factors in companies. The role of the entrepreneurial process, family dynamics will drive family businesses to adopt portfolio entrepreneurship strategies (Carter and Ram, 2003;

Sirmon and Hitt, 2003). Family reputation, family members' knowledge, and contacts are also believed to continue to be active in the process of portfolio entrepreneurship in family businesses Function (Sieger *et al.*, 2011).

Research on family business portfolio entrepreneurship can not only deepen people's understanding of the company's entrepreneurial process in the context of family involvement, but also deepen and expand existing family business research. Existing intergenerational literature believes that the key to the growth of family businesses across generations lies in the successful inheritance of power and positions within the family. This makes the family business literature pay more attention to the problem of value transfer, that is, how to make the second generation of the family successfully inherit the unique resources and knowledge of the family generation, such as tacit knowledge and social capital (Junsheng, D. and Shenghua, J., 2018). In fact, the intergenerational growth of the family business is not only a successful replacement of power and position (Xiaogang, H., Yanling, L. and Yanfei, Z., 2013), but also the key is whether the second generation of the family can inherit the entrepreneurial spirit of the previous generation and break the existing internal and external systems of the family business constraints, use new knowledge and capabilities, implement new strategic initiatives, and achieve the inheritance of entrepreneurship (Xinchun, L., Xuan, H. and Wenting, C., 2018). Paying attention to the transmission of entrepreneurship in intergenerational inheritance helps analyze the inheritance process from the perspective of value creation and pay attention to the new resources of the new generation, not just limited to the succession research on the transfer of family power.

2.2 Intergenerational resource differences and family business combination entrepreneurship

In the 30 years of reform and opening up in China, the characteristics of entrepreneurs and the social environment have undergone major changes. The first generation of Chinese family entrepreneurs in the context of a transitional economy mostly rely on strong entrepreneurial spirit and pioneering consciousness and their own rich practical experience to become a successful entrepreneur in market competition. But most of

these entrepreneurs lack a good educational background. In many cases, corporate decision-making does not focus on scientific analysis, often based on personal experience and preferences (Davidsson and Honig, 2003). Their success mainly due to its agility to market opportunities and excellent interpersonal interaction capabilities, but lack of mastery of new knowledge and understanding to form innovation, and then bring the merits of management. And the second generation of the family influenced by the entrepreneurship of parents and families entered the field of business operation from an early age. Their entrepreneurial spirit and attitude towards entrepreneurship were largely affected by the knowledge passed on to them by their parents. But at the same time, as people with better education experience than their parents, they have more professional behavior Knowledge and modern management concepts (Carnes and Ireland, 2013).

The heterogeneous resources of the family business are not only manifested as general human capital, social capital, endurance capital and other unique family resources, but more importantly, their resource structure is represented as intergenerational human capital and society in the process of intergenerational inheritance. Differences in capital. This may not only bring conflicts between inherited values and business philosophy, but also provide a resource base and motivation for cross-generation portfolio entrepreneurship because of this diversity of resources (Yuli, Z. and Qianwen, L., 2009).

2.2.1 Intergenerational knowledge resource differences and family business combination entrepreneurship

From the perspective of resources, the second generation of the family enters the top of the enterprise, which means that the resources of the decision-making layer of the enterprise have been updated and supplemented by the second generation's own knowledge resources. The degree of heterogeneity between the second generation of knowledge resources and the original knowledge of the family determines the resource structure of the enterprise after the second generation enters. Since the enterprise is generally created by the family generation, this paper will use the knowledge resources of the first generation of entrepreneurs to measure the original knowledge of the family business. If the family's first generation knowledge resources are more homogeneous

than the second generation, then after the second generation enters, the family's knowledge resources lack diversity and present a relatively single generational resource structure. On the contrary, if the second generation has more heterogeneous knowledge resources than the family generation, then after the second generation enters the enterprise, the enterprise's resource structure will show a high diversity and complementarity.

The resource structure of an enterprise profoundly affects the exploration and exploitation activities of an enterprise (Taylor and Helfat, 2009). exploitation activities refer to the reliability and stability of organizations that apply knowledge replication to existing operating organizations. The activity is built on the original core resources of the enterprise, which is to further consolidate and expand the existing business. It requires low diversity of the enterprise's resource structure. exploration activities involve searching for new organizational practices, and discovering new technologies, new businesses, new processes, and new production methods (Carnes and Ireland, 2013), which deviate from the company's original operating path and require companies to obtain heterogeneous / complementary resources. Diversified resource structures provide the foundation for companies to explore innovation, entrepreneurship, etc. (Yuli, Z. and Qianwen, L., 2009). In the process of inheritance, the entry of the second generation of families with heterogeneous knowledge resources can update the original family business resource structure, increase the diversity of family business knowledge, and provide entrepreneurial activities for family businesses, which in turn encourages family businesses to adopt a portfolio entrepreneurial strategy. In summary, this paper proposes the following hypotheses.

Hypothesis 1: The greater the heterogeneity of knowledge resources across generations, the more inclined the family business is to start a portfolio business.

2.2.2 Intergenerational value differences and family business combination entrepreneurship

Heterogeneous values mean that two generations may have different management

concepts. Heterogeneous knowledge resources provide the necessary resource base for portfolio entrepreneurship and improve the entrepreneurial ability of the company; and differences in management concepts will cause the conflict between the two generations of entrepreneurs in the family which has become the motivation for the second generation of portfolio entrepreneurship. In recent years, the research on entrepreneurial motivation has broken through the static content-oriented thinking, and turned to focus on the process mechanism of individuals becoming entrepreneurs, on the process-oriented dynamic research ideas (Segal, Borgia and Schoenfeld, 2015; Carsrud and Brännback, 2011). This idea pays more attention to the formation and exit mechanism of new ventures. The negative impact of the external environment on individuals is one of the important factors that trigger entrepreneurship. Research on leaving entrepreneurs also shows that entrepreneurs' previous strategic decision-making and the disagreement of management concepts and the resulting negative emotions are an important motivation for their choice to start a business (Jayawarna, Rouse and Kitching, 2013; Noorderhaven *et al.*, 2004). This view is also supported in the relevant literature of family businesses (Kellermanns and Eddleston, 2004). In fact, the conflict between family members can cause devastating results and can also stimulate innovation and change in the company. The growth environment of the two generations of the family has changed greatly, and the resulting difference in values will make it difficult for the two generations to reach a consensus on business management decisions, especially when regarding the strategy of new business development. Since the first generation of the family as the founder has absolute control over the enterprise, the second generation of the family Ideas and suggestions are often difficult to implement. At this time, the second generation will choose a combination of entrepreneurial strategies in pursuit of decision independence and self-worth, which is a logical result of action.

In addition, studies on the conflict and strategic orientation of senior management team also show that the greater the difference in the demographic characteristics of the executive team, the higher the entrepreneurial propensity of the company (Sciascia, Mazzola and Chirico, 2013). Based on the high-level theory and conflict theory, senior

executives with different values frequently trigger constructive discussions and new ideas about the company's direction and new business content. This is called task conflict. Some studies have shown that task conflict can often promote more innovative behaviors, increase the entrepreneurial tendency of the company, reduce the path dependence in strategic decision-making, and get out of the ability trap of rigid meaning (Yanling, L. and Xiaogang, H., 2015). Based on the above theoretical logic and practical facts of the enterprise, this paper proposes the following hypotheses.

Hypothesis 2: The greater the difference in intergenerational values, the more inclined the family business is to start a portfolio business.

2.3 Cross-generation resource integration and family business combination entrepreneurship

The process of resource integration is of great significance to the survival and development of the enterprise. From the perspective of the resource-based perspective, the family business is a collection of resources and capabilities. Various resources and capabilities are organically combined and interacted to enable the enterprise to develop and operate. The effective resource integration process makes the company's resources and capabilities continue to increase, and forms a synergy with the company's internal and external environment, which promotes the company's continuous innovation and growth (Sirmon, Hitt and Ireland, 2007). It can be seen that successful cross-generation entrepreneurship depends not only on the heir's resources And ability also depends on the effective integration of the two generations of entrepreneurs' resource capabilities to form a competitive advantage (Patel and Cooper, 2014).

The social capital of family members is considered to be the most important resource for family business inheritance and development (Salvato and Melin, 2018). The social networks of a generation of entrepreneurs mainly include business networks and political networks (Peng and Luo, 2000). In China, where the market system is not perfect, political networks the replacement of formal institutions can help companies obtain rare resources, obtain information about policies, and strengthen their legality

(Park and Luo, 2001). Studies have shown that in transition economies with high institutional uncertainty, companies are more inclined to reduce through relationship networks its own dependence on the external institutional environment, thus positively affecting corporate performance (Peng and Luo, 2000) or entrepreneurial activity (Sieger *et al.*, 2011).

In addition to the direct effect of social capital on entrepreneurship mentioned above, this paper believes that the social capital of the first generation of the family will also have a positive adjustment effect on the relationship between the heterogeneous human capital of the second generation and entrepreneurship. The second generation of the family can get to know the political network of the first generation of the family through the bond with the first generation, which provides the possibility for the second generation of the family to integrate their heterogeneous resources and the social capital of the first generation. The new startup has not established contact with external actors. And the lack of resources may show serious new weaknesses (March, 2013). And the second generation of the family has very limited resources, which is quite difficult in today's competitive market environment. For the second generation of their families who want to start a portfolio business, integrating their own heterogeneous resources and a generation of social capital can help them overcome the resource dilemma of entering a new industry (Sundaramurthy, Pukthuanthong and Kor, 2014) and improve the legitimacy of startups. In addition to bringing land, capital, physical resources such as equipment the first generation can also help their family members obtain rich heterogeneous external information (Luo, Huang and Wang, 2012), thereby making up for the second generation the single knowledge structure and letting the second generation of human capital to exert greater entrepreneurial value (Clinton *et al.*, 2013). It can be seen that when the first generation has higher social capital, the second generation can have more access to resources and overcome the initial resources, combined with its own heterogeneous resources, greatly enhances its portfolio entrepreneurship opportunity identification and development ability, and then promotes the second generation to choose a combination of entrepreneurship. In summary, this paper proposes the following hypothesis.

Hypothesis 3 The social capital of the family generation plays a positive role in regulating the relationship between intergenerational knowledge resource differences and family business portfolio entrepreneurship.

Hypothesis 4: The social capital of the family generation plays a positive role in regulating the relationship between intergenerational value differences and family business portfolio entrepreneurship.

2.4Regulatory role of institutional environment

As an economic entity of self-management and independent decision-making in a market economy, an enterprise's corporate behavior mainly includes two aspects: one is the internal factors of the enterprise, that is, the enterprise's power and goals; the other is the external factors of the enterprise, that is, the institutional environment, mainly includes the operating environment, market conditions, supply and demand conditions, policies, laws and legal systems, etc. (Wenting, C and Xinchun, L, 2018). The impact of institutional factors on corporate behavior is particularly evident in economies in transition. Because of the higher external uncertainties that companies face, companies must always pay attention to the impact of the institutional environment on enterprise development strategies and business decisions.

In transition economies, the imperfect institutional framework has become a key obstacle to entrepreneurship. Many government interventions in the market, monopoly of state-owned enterprises in some industries, discriminatory and immature capital markets, lack of effective intellectual property protection, etc. have greatly increased the cost of starting a business from scratch, which also prompted most startups in countries with economies in transition to rely on network relationships to obtain resources (Wright *et al.*, 2015; Xiaoyu, Y., 2013). Manolova, Manev and Gyoshev (2010) also pointed out that a major problem faced by startups in transition economies is the cost caused by the imperfect institutional framework. Market-oriented reform of the regional institutional environment has lowered the threshold for entrepreneurship, and makes the competitive environment tend to be equal. In the process of this system reform, with the improvement of the efficiency of government affairs, the liberalization

of market or industry access, and the marketization of corporate borrowing and financing, the significance of relationship strategies such as political connection will gradually weaken, which is an expected result (Jingqi, Y., 2011). At this time, the market-oriented competition strategy to enhance the capabilities of enterprises will become the key to the development and success of enterprises (Jun, Y., Yi, H. and Yuli, Z., 2014).

In areas with imperfect institutional environments, government administrative intervention is more, and the development of enterprises relies more on relationship-based network-centered strategy (Peng, 2003). Family companies with more political and social relationships, access to industrial policy support, and access to important resources (such as financing, land, etc.), it is possible to obtain greater support from the government and related agencies (Park and Luo, 2001), thereby prompting family companies with heterogeneous resources more inclined to choose a combination of entrepreneurship to obtain political connections. In regions with more complete institutional environment, the resources required for enterprise development are more allocated through the market mechanism, which prompts it to gradually abandon the relationship-based network strategy and to adopting a rule-based market-centered strategy (Peng, 2003). At this time, the social capital accumulated by one generation is weakened to support the second-generation portfolio entrepreneurship, and in an industry environment where government intervention is small and enterprises is relatively stable, the impulse of the second generation of the family to carry out portfolio entrepreneurship this will be constrained. In summary, this paper proposes the following hypothesis.

Hypothesis 5 The level of marketization has a negative adjustment effect in the relationship between intergenerational knowledge resource differences and family business portfolio entrepreneurship.

Hypothesis 6 The level of marketization has a negative moderating effect on the relationship between intergenerational value differences and the combination of entrepreneurship among ethnic companies.

2.5 Theoretical framework

Based on the above theoretical assumptions, this paper gives an analysis model of family business resource integration and portfolio entrepreneurship (Figure1). The intergenerational knowledge resources and value differences are used as the resource basis and source of motivation for family portfolio entrepreneurship, thereby affecting the tendency of family firm portfolio entrepreneurship. At the same time, the marketization index in the social capital and institutional environment of the family generation is the regulating variable. This analysis model combines the resource structure and changes within the family with the institutional environment, and attempts to give an empirical analysis of the second-generation involvement and portfolio entrepreneurship issues of Chinese family companies.

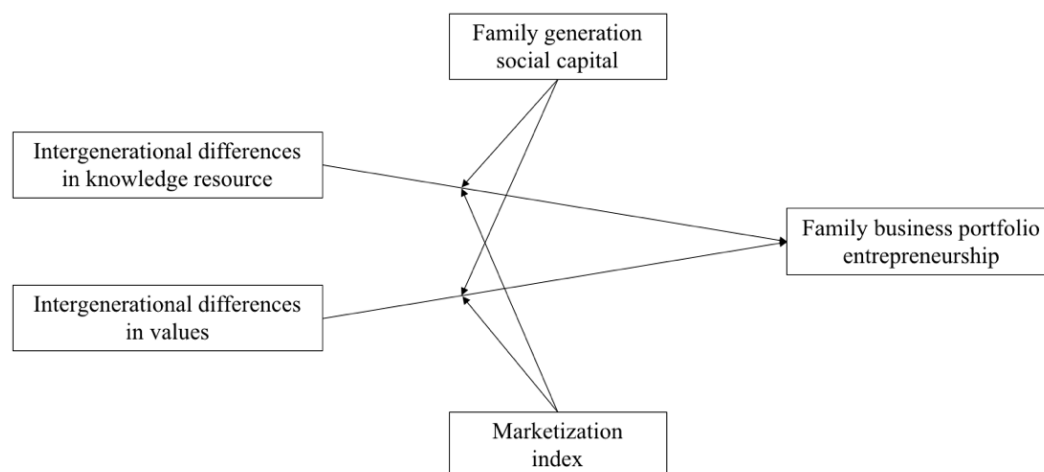


Fig.1 Research model of family business resource orchestration and portfolio entrepreneurship

3 Research design and variable measurement

3.1 Data Sources and research design

This paper will take Chinese family listed companies as the research object, and the sample will be selected from the "private listed company database" of the CAMAR database. The sample is determined by the following steps:

Firstly, download all samples of listed companies from the CSMAR "private listed company database" from 2004 to 2019, select companies whose "actual controller type" is "natural person or family."

Secondly, according to the company's "executive profile" over the years, select companies that have two or more family members to join the board of directors, the executive team or the board of supervisors at the same time. Then select the first and second generation companies that are on the executive team at the same time to further confirm the relationship between family members.

Thirdly, through the changes in the list of executives in the past years and the resumes of senior executives in the annual report, confirm the time when the second generation enters the management of the enterprise, and select the enterprise that the second generation entered before 2017.

Finally, delete the samples that are missing data and are in the stage of asset reorganization. All the senior executives' position, term and resume and other background information are from the annual report and prospectus, and the company's income distribution and industry are from Wind, CSMAR and other professional data websites and the "Industrial Survey Database of China". For some missing information, use several databases to supplement.

3.2 Variables

3.2.1 Dependent variable

Family business portfolio entrepreneurship

In the year after the second generation enters the top of the company, the number of family businesses entering the new industry is used as a measure of family business portfolio entrepreneurship. Samples that have not entered the new industry are considered to have no portfolio entrepreneurship. The specific measurement method is: measure the number of new industries that the family company's main business is involved in, within one year after the second generation enters the company's senior management.

The increase in the number of new industries comes from the company's annual report. In the main business / revenue component of the company's annual report, it will disclose the company's revenue in various industries for the year. By comparing the annual report of the second generation entering the year and one year later, the annual increase in the number of main industry categories of enterprises. If the sample enterprises do not enter a new industry, the combined entrepreneurial level is recorded as 0.

3.2.2Independent variables

(1) Intergenerational differences in knowledge resources

Since most of the second generation of the family has just graduated from school, the work experience is relatively lacking, so we only consider the knowledge difference brought by their educational background. This paper refers to the research of Li and Hambrick, (2015) :standardize the differences in education majors and education levels between the two generations of the family, and then add up.

(2) Intergenerational differences in values

The difference in values studied in this paper mainly considers the differences in gender, age and overseas background of the two generations. Since the two generations in the same family are basically the same ethnic group, and most of the samples do not have religious beliefs, the ethnic and religious beliefs are not considered. According to the research by Li and Hambrick (2015), standard the gender differences, age differences, and overseas study differences of the two generations separately, and then summed up to obtain the degree of heterogeneity in the values of the two generations.

3.2.3Moderators

(1) Family generation social capital

The main measurement here is the political network of the first generation. Because China's market system is not perfect, and the government intervenes in the market more often, the good relationship between the family generation and local government

officials can bring rich resources to the family business, including land and tax exemptions and cross-industry information.

(2) Marketization index

The external market environment of portfolio entrepreneurship is measured by the regional marketization index of the province where the company was located the year before the second generation of the family entered the company's top management (Gang, F., Xiaolu, W. and Hengpeng, Z., 2011). The index gives the scores and comprehensive scores of each province in mainland China. The higher the degree of marketization of the province and the better the institutional environment.

3.2.4Control variables

In view of the fact that the profit level, performance expectations and surplus of the enterprise in previous years may affect the entrepreneurial tendency of the enterprise, this paper will control the enterprise performance, the profit level of the enterprise in the industry, the debt-to-asset ratio and redundant resources.

4Data analysis

4.1Descriptive statistical analysis

This section will report the correlation between the basic characteristics of the sample and the distribution and analysis variables.

4.2Data analysis and hypothesis testing

In order to test the hypothesis, this paper will use software STATA12.0 for data processing, will use the ordinal logistic regression model method, and will perform multiple collinearity tests on all regression equations to determine whether there is a serious collinearity problem in regression.

4.3Robustness test

In order to further test the stability of the research results, the measurement time of dependent variable combination entrepreneurship will be extended from one year after

entering the second generation to three years for robustness test.

5Expected contributions

Based on the resource concept as the theoretical basis, this paper cuts in from the perspective of heterogeneity of the resource structure of two generations of entrepreneurs in the family, and studies the combined entrepreneurial behavior in the process of intergenerational inheritance of Chinese family companies, with a view to discovering the differences in resources between the two generations (knowledge differences, value differences) . The above research will bring theoretical contributions in the following aspects to the research in related fields.

5.1Expected theoretical contributions

(1) This paper will broaden the theoretical horizons of intergenerational inheritance research in family businesses. In recent years, the intergenerational inheritance research in China has focused on the issues of "inheritance", "to whom, " "what" and "how to pass" (Xuan *et al.*, 2014). These studies pay more attention to the problem of how important family resources are successfully passed on to their successors, and this paper excavates the value creation behavior of the inheritance process, links inheritance and entrepreneurship, and emphasizes that family factors in the inheritance process can affect entrepreneurship. This paper focuses on entrepreneurial activities in the process of family business inheritance, and captures the positive effects of second-generation heterogeneous resources and second-generation entrepreneurial needs caused by conflicts of values on the combination of entrepreneurship.

(2) This paper will empirically test the promotion of family unique resources on the promotion of portfolio entrepreneurship. In the face of turbulent market environment, research of corporate performance purely based on the resource-based view has certain limitations. Enterprises can identify, acquire, develop and transform resources to improve the competitiveness of enterprises, and thus improve the performance of enterprises and the possibility of survival. Sirmon and Hitt (2003)proposed that

resource management can be divided into three sub-processes: resource acquisition, resource integration and resource utilization. In the dynamic development of resources, resource integration plays an important role in the survival, development and competition. The process of resource integration is a qualitative change process, the result is the ability to generate rather than a larger resource bundle. Existing cross-generation entrepreneurial research mainly focuses on the roles of family members' human capital and social capital in the entrepreneurial process (Davidsson and Honig, 2003; Cabrera-Suárez, De Saá-Pérez and García-Almeida, 2001) ignoring the dynamic role of resources. This paper not only focuses on the direct role of family unique resources, but also the impact of the integration of family unique resources on entrepreneurship (Davidsson and Honig, 2003; Cabrera-Suárez, De Saá-Pérez and García-Almeida, 2001) providing new ideas for the research on the relationship between family resources and entrepreneurship.

5.2 Expected practical significances

The results of this paper will provide the following reference for Chinese family companies in the process of inheritance. 1) Differentiated knowledge and management concepts among family members constitute a resource structure that is conducive to family business entrepreneurship. A diversified resource structure can to a certain extent make up for the disadvantages of the family company's smaller human resource pool, and provide resource support for the entrepreneurial activities of family companies. 2) When family members have large differences in knowledge and values across generations, portfolio entrepreneurship is a viable strategy. They should integrate the superior resources of the two generations, including the social network of the first generation of the family, entrepreneurship and heterogeneous resources of the second generation of the family. 3) Under the trend of industrial transformation, with the unique resources and management concepts of the second generation of the family, trying to break through the original industry boundaries of an enterprise is an important way and path for family companies to achieve transformation and upgrading.

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