

Founding family influence and the moderating effects of product market competition on firm performance: Implications for corporate governance

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In this paper, we argue that firms in high margin industries can benefit from founding family influence. Specifically, in these generally more profitable markets, the influence of the founding family provides an additional governance monitoring function. The sample consists of 294 firm-year observations from 98 publicly-traded companies headquartered in Sweden. The sample represents approximately half of all non-financial traded firms in Sweden. Our findings support that the effect of family leadership in publicly-held firms should be assessed in relation to the intensity of industry competition.