

# Building Resilience in Family Enterprises

## Chinese Family Business Perspective

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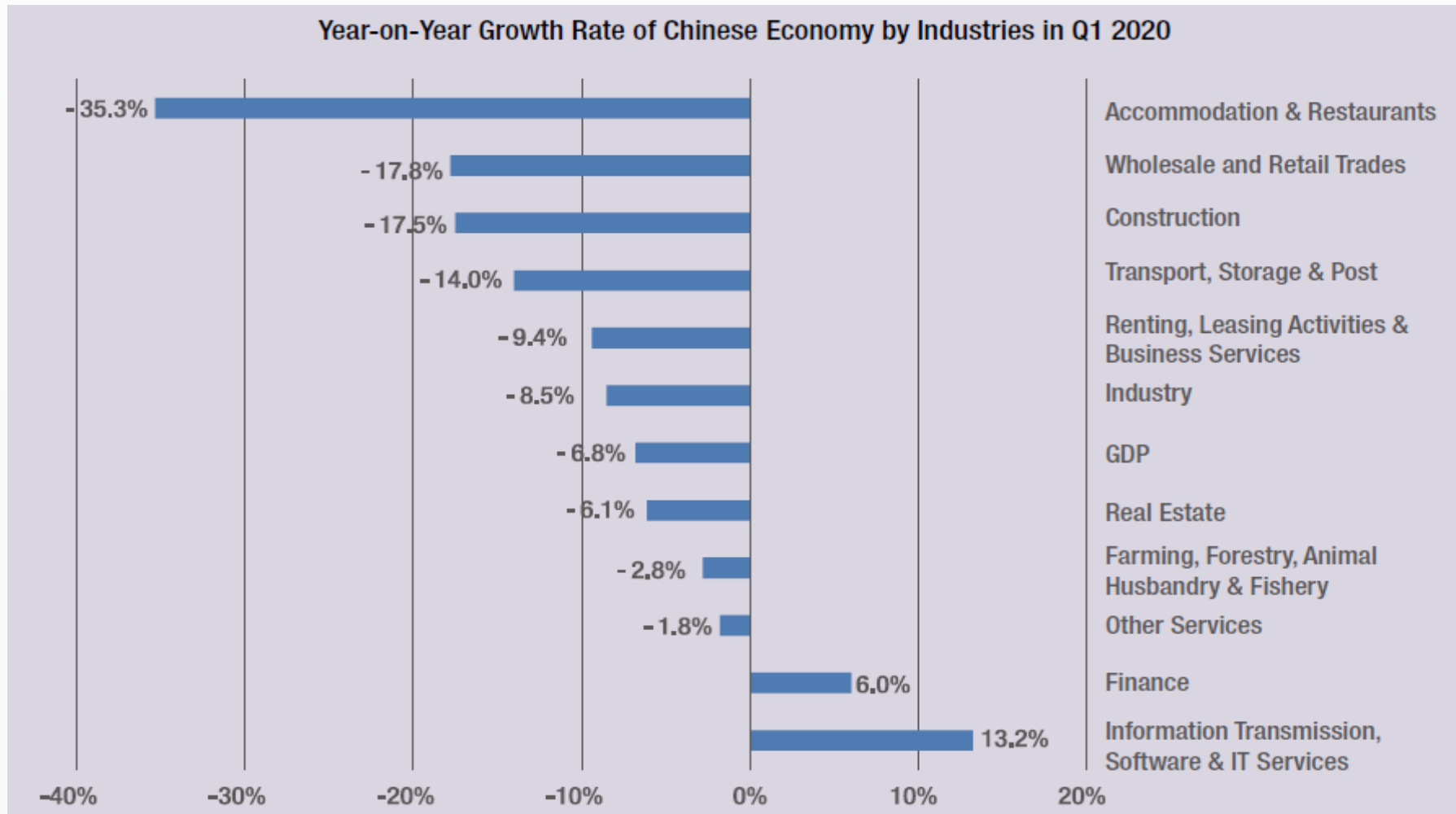
# Some observations.....

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- Peers Advisory Board
- 1. Business Aspect - business performance dropped for 2nd quarter but pick up fast 
  - Adaptability (action-oriented)
  - Optimism
  - Long-term thinking
- 2. Succession Aspect - turning point for the next gen 
  - Expedite digital transformation
  - Win trust from parents
  - Hiring new talents
- 3. Embrace the opportunity to drive organizational change
  - 6 families combined effort to organize leadership training on Managing Change 
  - The power of collectivism 

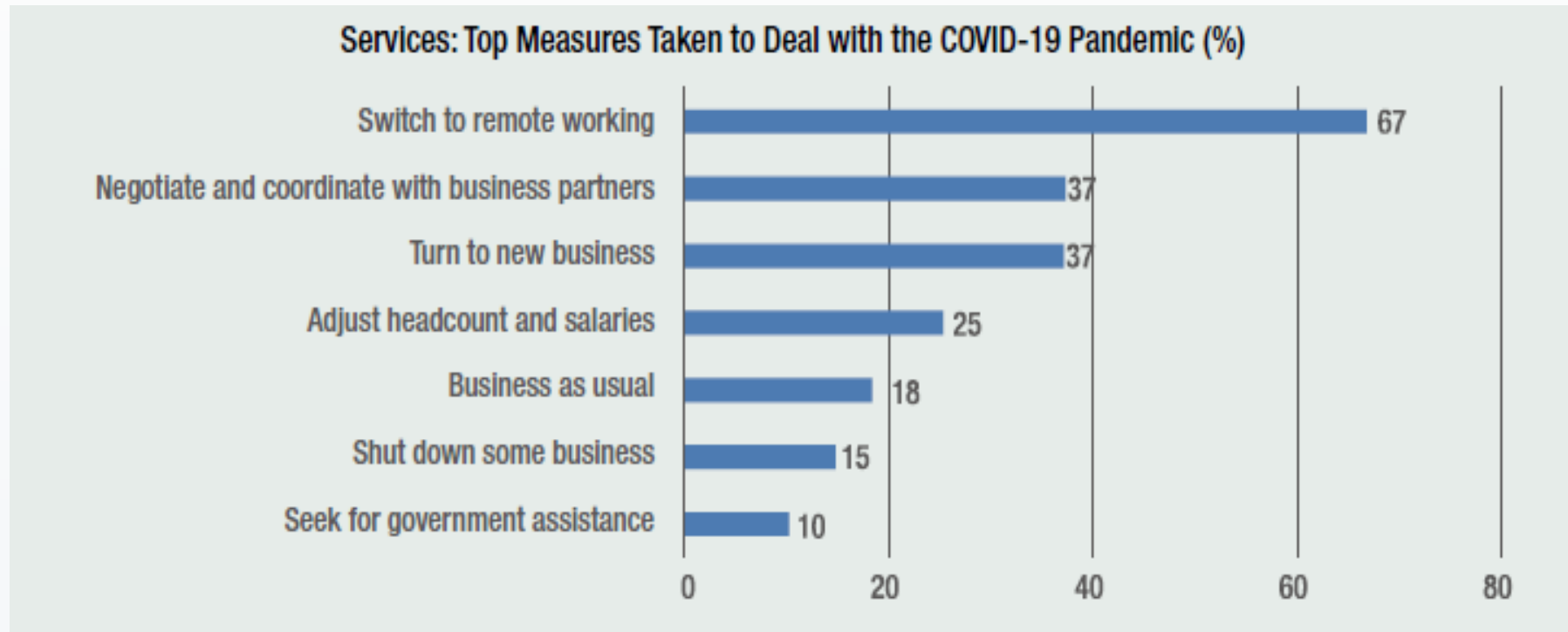


# Pandemic Impact on Business Operations in China



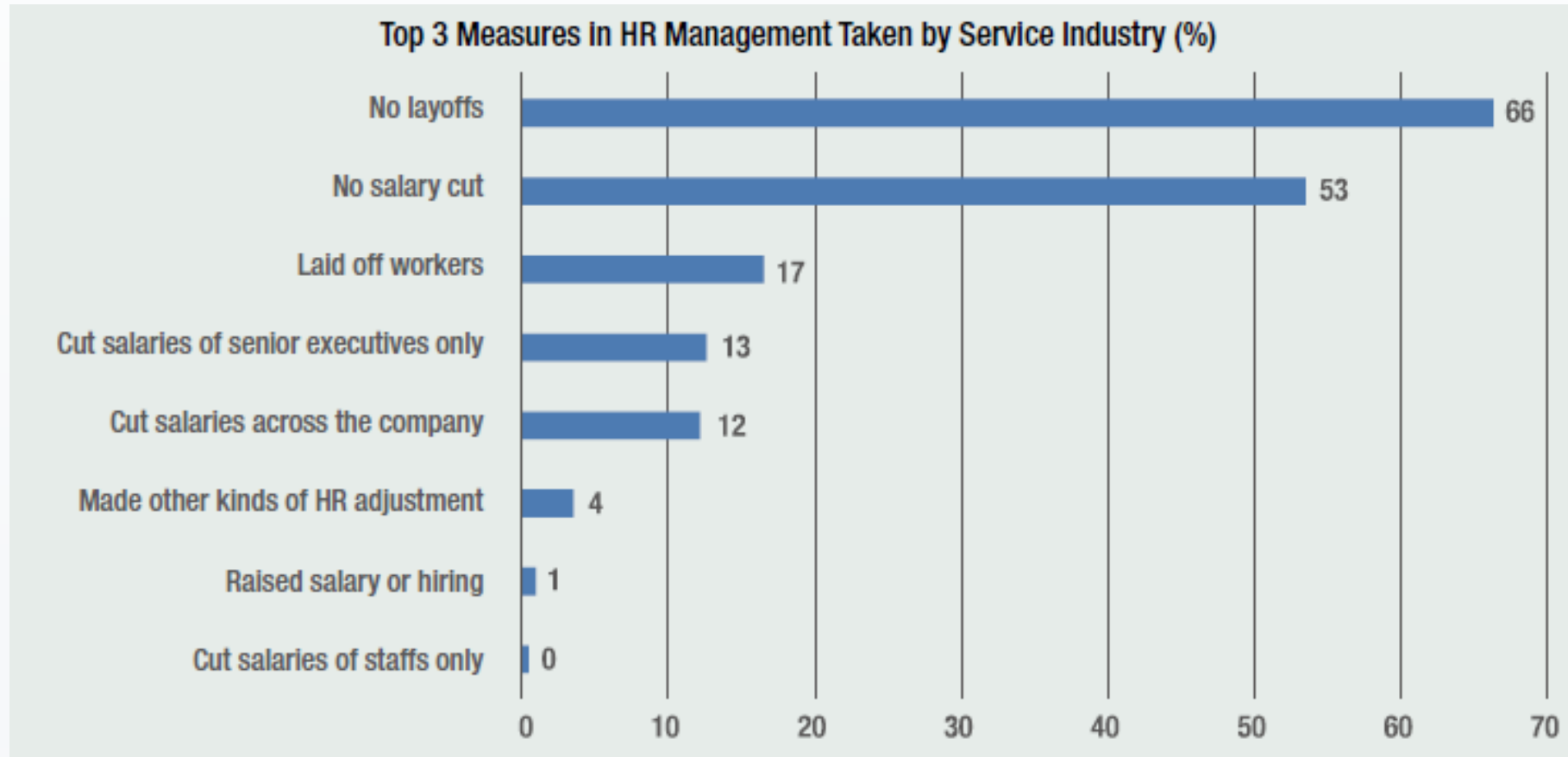
# Measures Taken in Response to the Pandemic

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# Measures in HR Management

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# Digitalization

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## Telecommuting

- Cloud-based video conferencing
- WeChat Work
- DingTalk
- Collaboration software



## Online Education

- Online courses
- Online training



## Online Marketing

- Live streaming
- Building great personal brands



# Build Psychological Capital

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Psychological capital is regarded as one of the most valuable resources a leader can harness to perform better in the complex and volatile business environment (Luthans et al., 2007; Dawkins et al., 2015).

## Hope

Persevering towards goals and, when necessary, redirecting paths to goals

## Resilience

When beset by problems and adversity, sustaining and bouncing back and even beyond to attain success

## Optimism

Making a positive attribution about succeeding now and in the future'

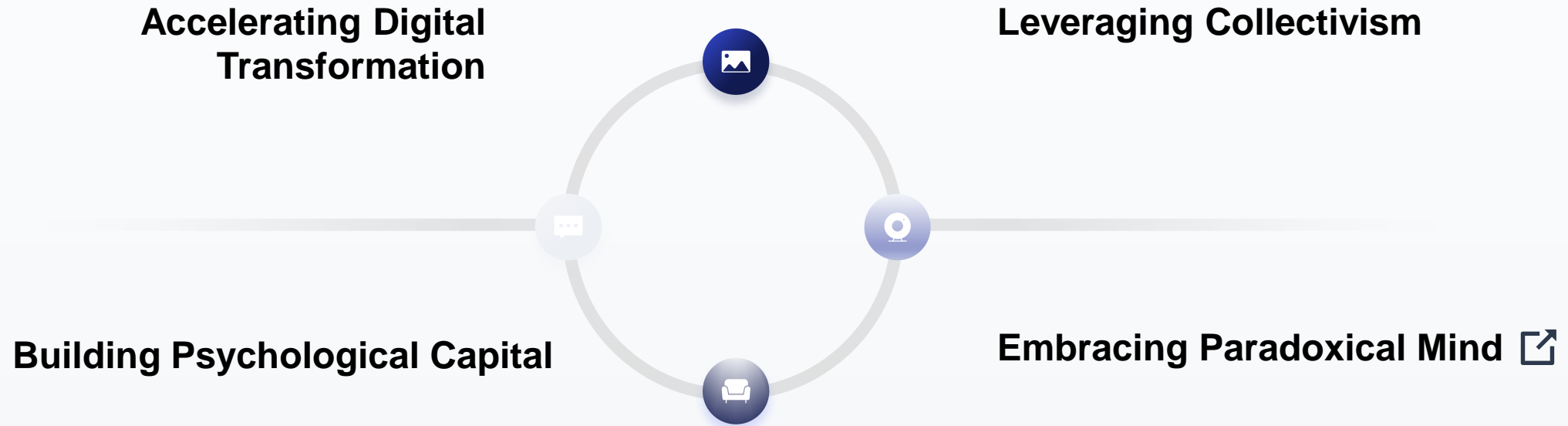
## Efficacy

Having confidence to take on and put in the necessary effort to succeed at challenging tasks



# Lessons from Chinese Family Business

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# Paradox: the New Normal in Organizational Environment

## Paradox

- ✓ In the increasingly complex and volatile environment, organizations inevitably face the conflicts between embracing change and maintaining stability, and between short-term profitability and long-term sustainability.
  - ✓ how to provide employees with job security while surviving in the economic crisis
  - ✓ how to perform corporate social responsibility while coping with the scarcity of resources
- ✓ **Mutually contradictory and interdependent.**

**From “either/or” choices to “both/and” exercises**

***For leaders, the biggest challenge now is not to “choose between alternatives”, but how to “balance the contradictions”.***



# Embrace Paradoxical mindset

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## Traditional Mindset “Either/Or”

VS

## Paradoxical Mindset “Both/And”



### Internally consistent Cognition

- Keep decisions consistent with the chosen strategy
- Align the firm’s culture
- Act consistently

### Diverse/inconsistent Cognition

- Engage conflicting strategies simultaneously
- Learn from multiple perspectives
- Act consistently inconsistent

### Management aims to control

- Seek stability and certainty
- Promote best practices
- Keep it simple

### Management aims to cope

- Embrace dynamism and change
- Embrace multiple strategies and identities
- Tolerate uncertainty



Thank You!

