

Building Resilience in Family Enterprises

Chinese Family Business Perspective

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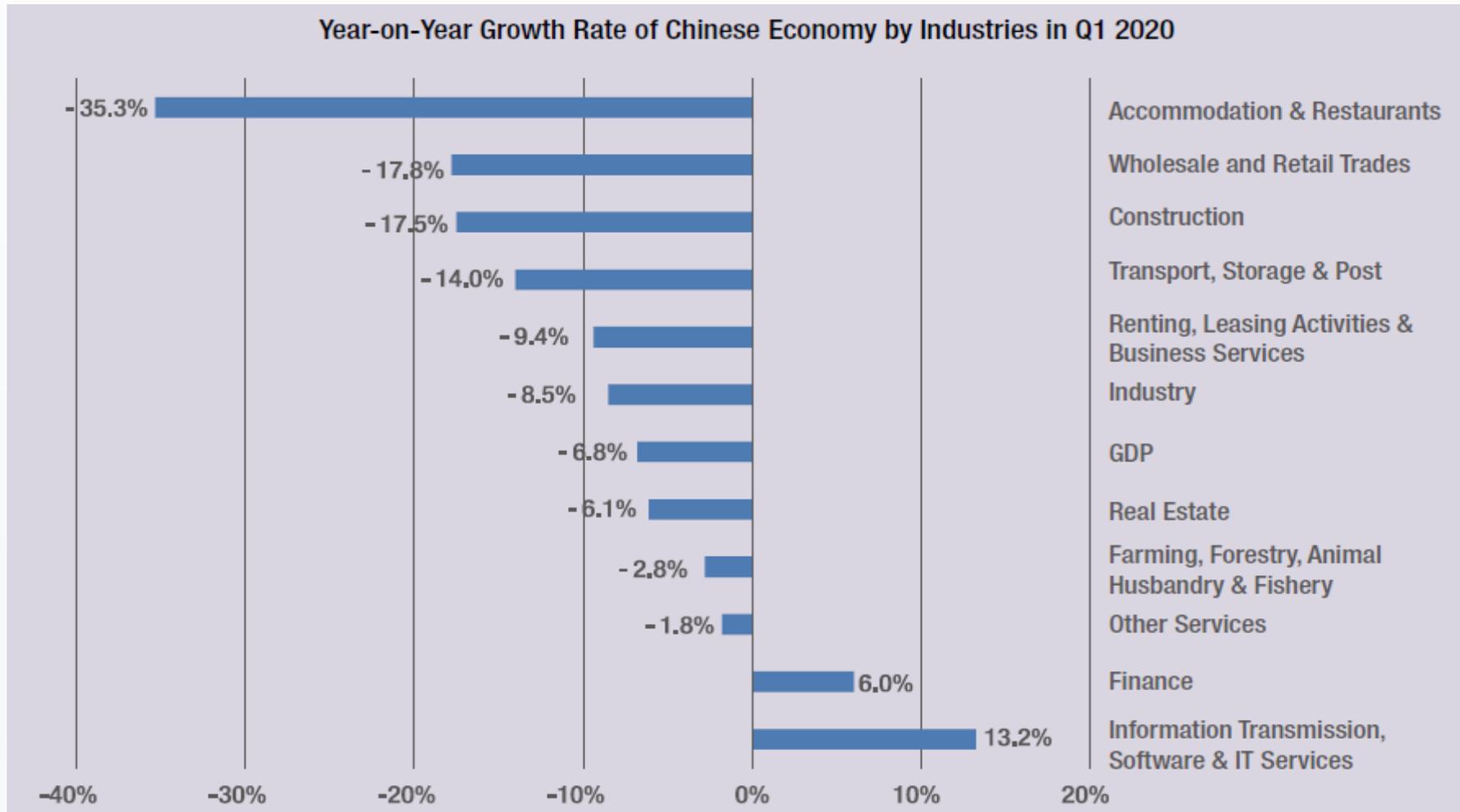
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Some observations.....

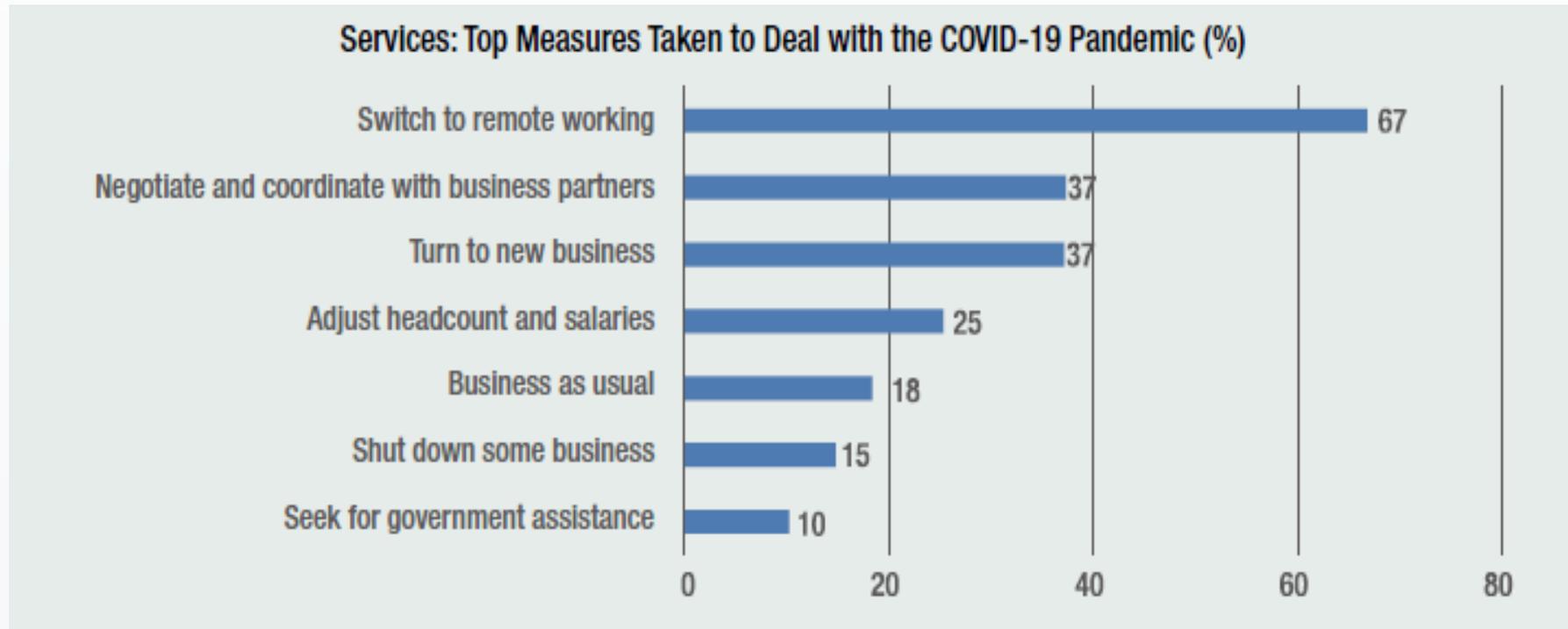
- Peers Advisory Board
- 1. Business Aspect - business performance dropped for 2nd quarter but pick up fast 
 - Adaptability (action-oriented)
 - Optimism
 - Long-term thinking
- 2. Succession Aspect - turning point for the next gen 
 - Expedite digital transformation
 - Win trust from parents
 - Hiring 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 



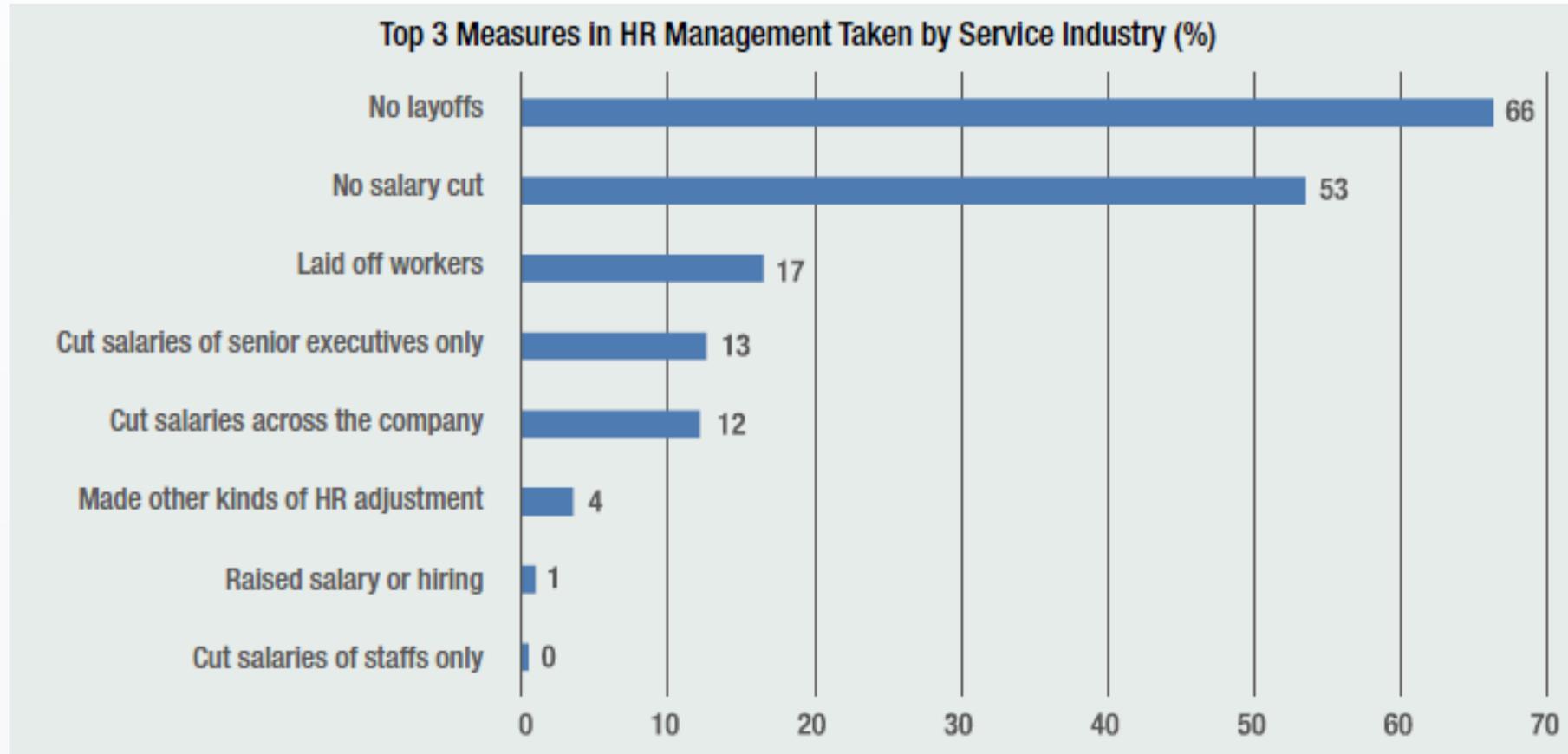
Pandemic Impact on Business Operations in China



Measures Taken in Response to the Pandemic



Measures in HR Management



Digitalization



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

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

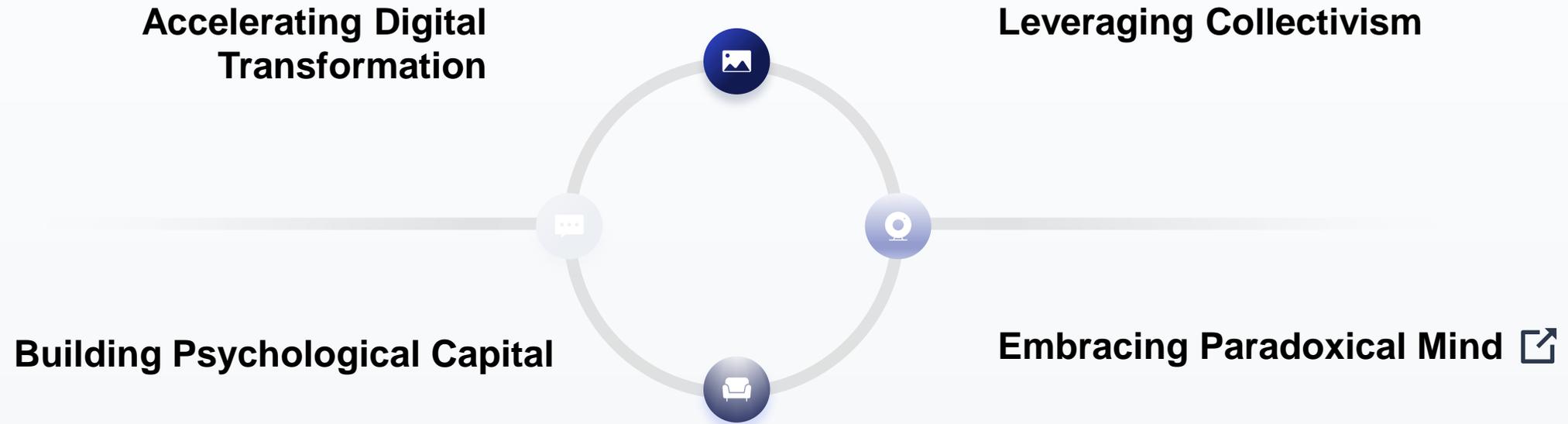
Making a positive attribution about succeeding now and in the future'

Efficacy

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



Lessons from Chinese Family Business



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

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

Management aims to control

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

Diverse/inconsistent Cognition

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

Management aims to cope

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



Thank You!

