TOP MANAGEMENT TEAM DIVERSITY AND INNOVATIVENESS IN FAMILY FIRMS: THE ROLE OF SEPARATION AND DISPARITY

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Abstract

Top management team (TMT) diversity is increasingly recognized as a key driver of innovativeness in family firms. However, much of the existing research treats diversity as a unitary concept, overlooking its multidimensional nature and the distinct effects of specific types of diversity. Addressing this gap, this study examines the impact of socioemotional wealth (SEW) separation within the TMT—defined as divergence in TMT members' prioritization of SEW—on innovativeness. We also explore how two forms of diversity-as-disparity—gender and generational disparities—moderate this relationship. Drawing on survey data from 548 executives across 102 private Belgian family firms, our analysis reveals that SEW separation within the TMT is negatively associated with innovativeness. Furthermore, this negative effect is exacerbated under conditions of higher gender or generational disparity. These findings underscore the importance of value-based and structural TMT diversity in shaping innovation-related behaviors within family firms.

Keywords: family business, socio-emotional wealth, top management team, innovativeness.

Introduction

Over the past three decades, research on innovation within family businesses has grown substantially (Baltazar et al., 2023). Much of this work has explored how unique characteristics of family firms affect innovation inputs, such as R&D investments (Duran et al., 2016), and outputs, including new products, processes, organizational innovations, and patent activity (Block, Hansen, & Steinmetz, 2023). However, findings remain contradictory and inconsistent (Calabrò et al., 2019; Hu & Hughes, 2020), suggesting that focusing solely on inputs and outputs may overlook critical underlying processes that explain variation in family firm innovation. To address this gap, scholars have highlighted the value of studying innovativeness—the firm's "*tendency to engage in and support new ideas, novelty, experimentation, and creative processes that may result in new products, services, or*

technological processes" (Lumpkin & Dess, 1996, p. 142)—as it better captures the complex dynamic and behavioral aspects of innovation in family firms (Kellermanns et al., 2012). Building on this view, prior research has examined determinants of innovativeness, including family governance (Dibrell et al., 2024), family communication (Sciascia et al., 2013), human capital (Calabró et al., 2021), and the family's concern for preserving socioemotional wealth (SEW) (Filser et al., 2018; Gast et al., 2018)—defined as "*the non-financial aspects of the firm that meet the family's affective needs, such as identity, the ability to exercise family influence, and the perpetuation of family dynasty*" (Gómez-Mejia et al., 2007, p. 106).

While previous studies have documented differing effects of SEW dimensions on innovativeness (Filser et al., 2018; Gast et al., 2018), they generally assume that decision-makers within the firm share the same priority regarding the importance of SEW. In practice, however, individuals may vary considerably in how strongly they value SEW preservation (Calabrò et al., 2025). Such variation in the importance attributed to SEW represents a distinct form of value-based diversity, which, unlike diversity in demographic attributes or knowledge, reflects fundamental differences in underlying motivations and decision-making logics (Harrison & Klein, 2007). This type of diversity can influence not only the content of strategic choices but also the processes through which individuals analyze, interpret, perceive, and behave when faced with identical decision-making scenarios (Corten, Vandekerkhof, & Steijvers, 2021), such as the opportunity to pursue innovative initiatives. Within the diversity typology of Harrison and Klein (2007), Vandekerkhof et al. (2018) conceptualized these differences in opinions and positions regarding the importance of SEW as a form of *diversity-as-separation* (hereafter SEW separation).

Because strategic decisions are not made in isolation, but rather within the collective deliberations of the firm's leadership, the top management team (TMT) constitutes a natural context in which SEW separation is likely to emerge and exert influence. As the central

decision-making body, the TMT plays a pivotal role in shaping a firm's strategic direction and innovation-related choices (Yang et al., 2024). In family firms, where SEW considerations are deeply embedded in strategic thinking, diversity in how strongly TMT members prioritize SEW may thus meaningfully influence the firm's innovativeness. More broadly, research on TMT diversity highlights that diverse teams can enhance innovativeness by broadening knowledge, perspectives, and networks, thereby fostering creative problem-solving and novel opportunity identification (Rondi & Rovelli, 2022; Eddleston, Kellermanns, & Collier, 2019). Yet, diversity can also trigger conflict, reduce cohesion, and slow decision-making, with negative consequences for innovative action (van Knippenberg, De Dreu, & Homan, 2004). These opposing dynamics help explain why empirical findings on TMT diversity and innovativeness remain inconsistent (Wei, Yang, & Han, 2021). Meta-analyses conclude that the impact of diversity depends on its type, the team's decision-making climate, and the organizational context (Thatcher et al., 2024). As a result, recent scholarship calls for more nuanced approaches that identify which diversity dimensions matter most for innovativeness and under what conditions they yield positive outcomes (Corten et al., 2021). Responding to this call, the present study focuses on SEW separation as a context-specific and theoretically rich dimension of diversity within TMTs that sheds light on the relationship between value differences and innovativeness in family firms.

To investigate the influence of SEW separation within the TMT on innovativeness, we draw on the categorization–elaboration model (CEM; van Knippenberg et al., 2004). The CEM distinguishes between two pathways through which diversity shapes team outcomes: the information elaboration pathway, whereby diversity stimulates the exchange and integration of distinct perspectives, and the social categorization pathway, whereby differences trigger in-group/out-group distinctions that undermine collaboration. On the one hand, diverging views regarding the importance of SEW could, in principle, enrich decision-making by broadening

the range of considerations and stimulating integrative thinking (van Knippenberg & van Ginkel, 2010). On the other hand, because SEW reflects deeply rooted family-centered values, divergences in its prioritization become particularly visible in TMT discussions surrounding innovation, where the pursuit of novel and uncertain opportunities often collides with the desire to preserve the family's SEW endowment. In such contexts, some TMT members may treat the preservation of SEW as a non-negotiable condition, whereas others may favor downplaying it to pursue uncertain opportunities (Rondi & Rovelli, 2022), making the activation of the social categorization pathway particularly likely. These opposing logics foster subgrouping dynamics that erode trust, openness, and willingness to engage with alternative viewpoints (Vardaman, McLarty, & Carter, 2025), thereby constraining the information elaboration needed to generate innovative initiatives. Consequently, we argue that SEW separation within the TMT will hamper innovativeness.

While SEW separation lies at the core of our study, we also investigate *when* its effect on innovativeness varies, focusing on two forms of *diversity-as-disparity*: gender and generational disparities within the TMT. Gender disparity refers to the unequal distribution of power, influence, and representation between male and female executives (Lee, 2023), whereas generational disparity captures structural imbalances among family members from different generational cohorts, who typically vary in their levels of authority, voice, and strategic influence within the TMT (Harrison & Klein, 2007). These disparities are particularly salient in family firms, where leadership often remains concentrated among male family members (Rovelli & Mismetti, 2025) or within a single generational group (Magrelli et al., 2022). To theorize their role, we complement the CEM with insights from social dominance theory (SDT; Sidanius & Pratto, 1999), which highlights that group-based hierarchies systematically privilege dominant subgroups while constraining the influence of subordinate ones (Pratto, Sidanius, & Levin, 2006). Bringing these perspectives together, we argue that disparities shape

the structural conditions under which SEW separation unfolds. In TMTs with greater disparities, dominant subgroups hold disproportionate authority, making team interactions more likely to be marked by social categorization rather than open information elaboration (van Knippenberg, Li, & Tu, 2024). Under these conditions, divergent perspectives on SEW importance are harder to reconcile, limiting the TMT's ability to channel SEW tensions into innovative outcomes. Building on this logic, we consider the specific roles of gender and generational disparities within the TMT, proposing that they moderate the relationship between SEW separation and innovativeness, with its detrimental impact being stronger when disparities are greater.

With consistent findings from a sample of 548 active executives in 102 private Belgian family firms, this article makes several contributions to the family business literature. First, we contribute to the literature on family firm heterogeneity by identifying SEW separation within TMTs as a family-firm-specific, deep-level source of internal heterogeneity that helps explain why family firms differ in their innovativeness. While prior research has examined SEW separation to account for variation in other strategic outcomes (Vandekerkhof et al., 2018; Corten et al., 2021), studies investigating the link between TMT diversity and innovation behavior in family firms have largely focused on more observable, surface-level attributes, such as the degree or the type of family involvement, thereby overlooking deep-level, value-based forms of heterogeneity (D'Allura, 2019). By shifting the focus to divergent priorities regarding the preservation of SEW among TMT members, we highlight a unique dimension of diversity that shapes innovation-related decision-making within family firms. In doing so, we extend prior work by showing that SEW separation represents an important driver of innovation heterogeneity across family firms, thereby offering a more complete understanding of the TMT diversity–innovativeness link in this context (Pittino et al., 2020). Importantly, by grounding our theorizing in the CEM, we situate SEW separation within an established framework that

explains the impact of diversity on team outcomes, thereby underscoring its relevance as a theoretically informed driver of heterogeneity in family firm innovativeness.

Second, we extend research on the interactive effects of multiple diversity dimensions within TMTs (Thatcher et al., 2024). Prior studies have already demonstrated that SEW-related heterogeneity can drive important outcomes (Vandekerkhof et al., 2018; Corten et al., 2021), and Vandekerkhof et al. (2019) have shown that *diversity-as-variety* (knowledge and expertise) may interact with *diversity-as-disparity* (ownership power asymmetries) to influence decision-making in family firms. Our study advances this stream of research by focusing on a novel configuration of diversity attributes and on a different outcome. Specifically, we examine how deep-level, value-based heterogeneity (SEW separation) interacts with surface-level disparities in gender and generation within the TMT to explain innovativeness in family firms. This distinction matters because it shifts the focus from the interplay between cognitive resources and power imbalances, as in Vandekerkhof et al. (2019), to the interplay between value-based tensions and visible status differences—conditions that may uniquely influence innovation-related decision-making. By doing so, we expand the scope of diversity research in the family business context, showing that combinations of value-based heterogeneity and visible disparities produce distinct innovation-related outcomes.

Moreover, our theorizing advances the TMT diversity literature by integrating the CEM with SDT. Whereas prior research has predominantly relied on the CEM to explain the influence of diversity on team outcomes (Reinert et al., 2025), this perspective tends to understate the role of entrenched hierarchies. By incorporating SDT, we highlight that disparities such as gender and generation are not simply situational triggers of categorization but reflect structural asymmetries that systematically shape whose voices are amplified and whose are marginalized. Framing disparities in this way extends diversity research to structural

power dynamics, providing a more comprehensive account of when polarization in SEW importance translates into reduced innovativeness in family firms.

Third, we add to the ongoing discussion on the SEW–innovation relationship by addressing a key limitation in existing research: most prior studies have conceptualized SEW at the family level, assuming a uniform set of values shared across family members (Filser et al., 2018; Ng & Hamilton, 2024). This collective-level focus has overlooked that SEW is not necessarily valued to the same extent by all decision-makers, as family coalitions and nonfamily executives often differ in the importance they attribute to SEW (Vandekerkhof et al., 2018). By shifting attention to the TMT level and theorizing SEW separation as a form of intra-team heterogeneity, our study captures these differences in a systematic way and demonstrates that divergence in SEW importance among executives—family and nonfamily alike—is a critical determinant of innovativeness. In doing so, we complement prior research that links the content of SEW to innovation heterogeneity (Filser et al., 2018) by demonstrating that variation in its importance within teams can be equally decisive in shaping innovative initiatives (Calabrò et al., 2025). Furthermore, by showing when SEW separation is more or less impactful for strategic outcomes—specifically under conditions of gender and generational disparities—we refine current understanding of its boundary conditions. In particular, we move beyond earlier studies that emphasized interpersonal climate factors such as psychological safety (Vandekerkhof et al., 2018) or task-related factors such as board service involvement (Corten et al., 2021), highlighting instead the role of status-related disparities within TMTs in shaping the innovation consequences of SEW separation.

The remainder of this article is structured as follows. In the next section, we present our theoretical framework and develop hypotheses. We then describe our data, variables, and methods. The results of our empirical analyses are presented next, followed by a discussion of theoretical and practical implications, limitations, and avenues for future research.

Theoretical Framework and Hypotheses Development

SEW separation within the TMT and innovativeness

Innovativeness is widely recognized as a critical driver of long-term success in family firms, as it enables them to remain competitive across generations, generate new revenue streams, and respond to shifting customer demands (Dibrell et al., 2024). It plays a central role in identifying and capitalizing on entrepreneurial opportunities, thereby supporting continuous renewal and strategic revitalization (Eddleston et al., 2019). Additionally, prior research underscores the close link between innovativeness and family firm performance, particularly in terms of growth and profitability (Casillas & Moreno, 2010; Hatak et al., 2016). Thus, innovativeness serves not only as a response to external market pressures but also as a core mechanism for sustaining the continuity and legacy of family enterprises.

Despite its strategic relevance, not all family firms exhibit a strong orientation toward innovativeness (Calabrò et al., 2019). While some embrace innovativeness as a means to ensure transgenerational success, leveraging their patient capital and strong internal commitment (Kellermanns et al., 2012), others take a more cautious stance due to concerns over risk, resource preservation, and potential strategic disruption (Eddleston et al., 2019). This divergence has prompted scholars to explore how a large variety of family firm characteristics shapes their approach to innovativeness (e.g., Calabrò et al., 2021; Dibrell et al., 2024; Filser et al., 2018). Within this research stream, several studies grounded in upper echelon theory (Hambrick & Mason, 1984) have examined the impact of the TMT on innovativeness (D'Allura, 2019), arguing that a firm reflects its TMT, with the experiences, attitudes, and beliefs of its members serving as key drivers of innovative initiatives.

For much of the academic community, the TMT represents the primary interface between the family and the firm, with significant implications for innovation-related decisions (Yang et al., 2024). Compared to nonfamily firms, the presence of multiple generations of

family members in the TMT, alongside nonfamily executives, creates a unique environment in which decision-making around innovation must balance both family and business goals (Kraiczy, Hack, & Kellermanns, 2014). Furthermore, family firms are heterogeneous (Hsueh, De Massis, & Gomez-Mejia, 2023), with considerable variation in the composition, preferences, and behaviors of their TMTs (Kerai, Kumar, & Singla, 2023). Acknowledging this heterogeneity, several scholars have investigated how different sources of TMT diversity influence family firm innovativeness. For instance, Kraiczy, Hack and Kellermanns (2015) found that high levels of ownership by family TMT members hinder the CEO's ability to translate their risk-taking propensity into innovative new product portfolios. They argue that such ownership increases the influence of family members, limiting the CEO's managerial discretion and reducing their capacity to foster new product innovation. Similarly, Sciascia et al. (2013) suggest that excessive family involvement in the TMT may stifle constructive dialogue and fuel relational conflict, thereby negatively impacting innovativeness. Conversely, Scholes et al. (2021) show that next-generation involvement in the TMT can foster innovative behaviors, particularly those oriented toward exploration. These authors argue that next-generation family members disrupt the status quo by introducing new ideas and knowledge, stimulating experimentation and creativity, and ultimately driving the development of innovative products or services.

Although enriching, most of this research has conflated the concept of TMT diversity with related notions such as TMT heterogeneity, dissimilarity, and dispersion, often without clearly defining what is meant by "diversity" or articulating its implications within the conceptual framework (Triana et al., 2021). Clarifying this distinction is critical as numerous studies examining the relationship between TMT diversity and innovation outcomes have produced mixed results (Wei et al., 2021), highlighting the need for closer examination and refinement of the construct of diversity (Thatcher et al., 2024). A significant contribution in this

regard comes from Harrison and Klein (2007), who reconceptualize diversity as a compositional construct comprising three distinct forms: variety, disparity, and separation. *Diversity* as *variety* refers to categorical differences among team members in terms of information, knowledge, or experience. *Diversity* as *disparity* concerns inequalities in resources such as authority, prestige, or status, which can create vertical distance within the team. *Diversity* as *separation* captures differences in values, attitudes, or positions on firm-related issues, potentially leading to horizontal distance among members.

Harrison and Klein (2007) emphasize the importance of shifting the focus from isolated individual differences within teams to the overall pattern of differences among members. Rather than examining dyadic distinctions, they conceptualize diversity in terms of the collective configuration of differences within a team. In this framework, *minimal separation* occurs when all team members occupy the same position along a given diversity continuum, indicating full alignment. In contrast, *maximal separation* is characterized by the presence of two equally sized and strongly divided subgroups, each positioned at opposite ends of the continuum for a particular diversity attribute (Harrison & Klein, 2007).

Previous research has established that differences among TMT members in the salience of SEW are best understood through the lens of *diversity-as-separation*. Vandekerkhof (2018) introduced this conceptualization, and subsequent studies (e.g., Corten et al., 2021) have provided empirical support, showing that decision-makers may diverge significantly in the degree of importance they attach to SEW preservation in strategic decision-making. Indeed, some executives prioritize SEW and are more inclined to support strategic choices that satisfy the family's emotional needs, such as perpetuating the family dynasty, maintaining family control, protecting the family's image and reputation, or strengthening social ties with external stakeholders (Berrone, Cruz, & Gomez-Mejia, 2012). Others, however, place less emphasis on these SEW objectives and instead favor decisions that ensure organizational continuity from a

primarily economic and financial perspective (Belling, Pidun, & Knyphausen-Aufseß, 2022)—a pattern commonly observed among nonfamily TMT members (Ng, Dayan, & Makri, 2022) and later-generation family executives (Sciascia, Mazzola, & Kellermanns, 2014). As such, TMT members may occupy different positions along the SEW salience continuum, generating varying degrees of attitudinal distance and thus contributing to separation-based diversity within the team.

The categorization–elaboration model (CEM; van Knippenberg et al., 2004) provides a valuable framework for understanding the impact of SEW separation within the TMT on innovativeness. According to CEM, diversity influences team functioning through two interrelated pathways: social categorization and information elaboration. Social categorization refers to the tendency of individuals to classify colleagues as in-group or out-group members based on perceived differences (van Knippenberg & van Ginkel, 2010). In highly diverse teams, such perceptions—whether rooted in demographic factors like age and gender or in value-based orientations—can foster subgroup formation (Liu, Zhu, & Wang, 2023). These subgroups often reduce trust, openness, and communication across boundaries, thereby impeding collective problem solving and innovative behavior (Chen et al., 2019). In contrast, information elaboration captures the process by which team members openly share, critically evaluate, and integrate their diverse perspectives into collective understanding and decision-making (van Knippenberg et al., 2004). When teams engage in elaboration, diversity becomes a resource: differences in expertise, experiences, and viewpoints can be leveraged to uncover novel insights, generate creative solutions, and enhance innovative initiatives (Somech & Drach-Zahavy, 2013). Crucially, these two processes are intertwined. If social categorization dominates, it introduces relational tensions and psychological barriers that dampen willingness to engage in elaboration, thus preventing teams from translating diversity into constructive and innovative outcomes (van Knippenberg et al., 2024).

Building on CEM, SEW separation can be understood as a deep-level form of diversity that activates social categorization processes within TMTs. Although value-based differences such as the importance attributed to SEW are less immediately observable than surface-level attributes, they become highly salient in strategic decision-making because they are regularly expressed and contested (Vardaman & Gondo, 2014). These divergences are particularly pronounced when the TMT deliberates on innovation-related choices, where executives must balance the preservation of SEW goals—such as family control, reputation or legacy—against the pursuit of novel, riskier opportunities aimed at economic performance (Rondi & Rovelli, 2022). Innovation-related decisions force executives to take clear positions on whether SEW concerns should be safeguarded or relaxed in favor of new opportunities. As a result, differences in the importance attached to SEW can no longer remain implicit but are openly expressed, creating socially meaningful faultlines within the TMT. Importantly, these categorizations are not confined to formal family–nonfamily boundaries. Nonfamily executives may also attach high importance to SEW—due to tenure, attachment, or alignment with the family's vision (Huybrechts, Voordeckers, & Lybaert, 2013)—yet their interpretations may still diverge substantially from those of family members, thereby reinforcing perceptions of dissimilarity and fueling in-group/out-group dynamics (Byrne, 1971; Jiang et al., 2018).

Once categorization takes hold, it constrains information elaboration. Perceived in-group/out-group distinctions triggered by SEW separation may reduce trust, mutual understanding, and psychological safety within the TMT (Vandekerkhof et al., 2018). When TMT members hold divergent views regarding the importance of SEW, these misalignments generate psychological discomfort, making members unsure about how their priorities will be received or acted upon (Byrne, 1971; Jiang et al., 2018). Under these conditions, TMT members may become defensive, guarded, or politicized, prioritizing the protection of their own SEW interpretations over collaborative problem-solving (Vardaman & Gondo, 2014), ultimately

limiting openness to discussion and constructive dialogue needed to foster innovative initiatives (Bernhard, 2024; Vardaman et al., 2025). In some cases, TMTs may increasingly default to strategic conservatism or inaction, avoiding the contentious yet necessary discussions that underpin innovation (Byrne, 1997). These dynamics directly constrain the TMT's capacity to combine diverse perspectives and critically evaluate new ideas, thereby limiting its ability to generate innovative solutions (Jehn, Northcraft, & Neale, 1999; van Knippenberg et al., 2004).

Thus, our arguments suggest that SEW separation constitutes a deep-level, family-firm-specific form of TMT diversity that hinders innovativeness. Therefore, we hypothesize:

Hypothesis 1: There is a negative relationship between SEW separation within the TMT and innovativeness.

The interactive effect of TMT diversity on innovativeness

While previous works have extensively explored the individual effects of various types of TMT diversity on innovation (e.g., van Knippenberg et al., 2004; Wei et al., 2021), their interactive influence remains relatively underexplored (Georgakakis et al., 2024; Harrison & Klein, 2007), particularly within the family business context (D'Allura, 2019). Specifically, limited research has delineated TMT diversity into the distinct forms of separation, variety, and disparity to analyze how their interplay contributes to heterogeneity in innovation behavior among family firms (Pittino et al., 2020). Examining these interactions is critical as these diversity dimensions do not operate in isolation; rather, their combined effects may reinforce or offset each other in ways that directly influence how TMTs approach innovation-related decisions (Harrison & Klein, 2007). Accordingly, researchers have called for more integrative approaches that move beyond unidimensional conceptions of TMT diversity and capture its interactive nature in shaping innovation within family firms (Chen et al., 2024; Rondi & Rovelli, 2022).

Responding to this call, our study investigates how two salient forms of *diversity-as-disparity* within TMTs—gender and generational disparities—moderate the relationship between SEW separation and innovativeness. To theorize these dynamics, we complement CEM with insights from SDT (Sidanius & Pratto, 1999). SDT posits that societies are organized around group-based hierarchies, in which dominant groups—such as men or members of a majority generational cohort—enjoy disproportionate access to resources, authority, and influence, while subordinate groups face constraints that limit their ability to shape collective outcomes (Sidanius et al., 2004). A central assumption of SDT is that these hierarchies are a universal feature of human societies, emerging across contexts and sustained through both individual-level biases and institutional arrangements (Küpper, Wolf, & Zick, 2010). They are further reinforced by legitimizing myths—shared cultural beliefs and ideologies that rationalize inequality and render dominance by higher-status groups as natural or desirable (Sidanius & Pratto, 1999). These hierarchies are reproduced not only through formal authority structures but also through informal practices and legitimizing norms that render the perspectives of higher-status groups more salient and influential in collective decision-making (Pratto et al., 2006).

Applied to TMT dynamics, gender and generational disparities may create asymmetric conditions under which SEW separation unfolds. These asymmetries influence the relative salience of group memberships and the distribution of voice and legitimacy in decision-making (Sidanius & Pratto, 1999). Especially, such disparities provide a structural backdrop that can interact with subgrouping processes: disagreements around SEW importance may become entangled with status-based distinctions, adding an additional layer of social categorization. This, in turn, conditions the way information elaboration occurs, as the extent to which divergent perspectives are exchanged, acknowledged, and integrated depends on how strongly disparities shape perceptions of in-groups and out-groups. In this sense, SDT highlights the hierarchical foundations of voice and influence, while the CEM clarifies how these asymmetries

interact with subgrouping and elaboration processes. Building on these insights, we argue that gender and generational disparities within the TMT shape the structural conditions under which polarized views on SEW unfold, thereby conditioning whether the negative impact of SEW separation on innovativeness is amplified or alleviated. Accordingly, we investigate the moderating role of gender and generational disparity in the relationship between SEW separation and innovativeness.

The Moderating Role of Gender Disparity within the TMT

In family firms, women have historically held less visible roles, contributing primarily through emotional support rather than occupying formal leadership positions (Domańska et al., 2024; Maseda et al., 2022). Although female participation has increased over time, women remain significantly underrepresented in top leadership and continue to face barriers in advancing through the corporate hierarchy (Bauweraerts et al., 2022; Wang et al., 2023). As a result, most TMTs in family firms remain male-dominated (Rovelli & Mismetti, 2025), providing a relevant context for examining the implications of gender *diversity-as-disparity*. Drawing on SDT, we argue that in such TMTs, entrenched power asymmetries exacerbate the negative effects of SEW separation on innovativeness by reinforcing subgrouping tendencies and constraining elaboration. In male-dominated teams, traditional gender roles and patriarchal legacies—deeply embedded in both family culture and organizational practices—sustain hierarchies in which men are perceived as more legitimate contributors to strategic dialogue (Ahrens, Landmann, & Woywode, 2015). These asymmetries provide the conditions under which SEW separation is more likely to unfold in divisive rather than integrative ways.

Within these male-dominated TMTs, women are often perceived as tokens—highly visible yet socially isolated members of the group. Prior research shows that women token are frequently discounted in family firms (Torchia, Calabrò, & Huse, 2011) and that their presence

can even reinforce negative stereotyping (Calabrò, Conti, & Masè, 2024). Positioned as out-group members, women may experience reduced commitment, social exclusion, and resentment, which undermine cohesion and diminish the quality of information elaboration within the team (Cesaroni & Sentuti, 2014). These dynamics hinder the integration of women's perspectives, both because their contributions are more likely to be dismissed and because women may self-censor to avoid negative scrutiny (Havrylyshyn, Schepker, & Nyberg, 2023). The resulting silencing effect prevents women's perspectives from acting as bridging inputs that could reframe polarized debates over SEW in ways that emphasize complementarities rather than oppositions. In the absence of such elaboration, disagreements about SEW tend to remain affect-laden and divisive (Vardaman et al., 2025), impeding the pursuit of innovative options (van Knippenberg et al., 2004). Consequently, the marginalization of women's voices heightens the likelihood that gender disparity will amplify the negative impact of SEW separation within the TMT on innovativeness.

Conversely, in TMTs with low gender disparity, the structural conditions that reinforce exclusion and power asymmetries are substantially diminished (Post, Lokshin, & Boone, 2022). In family firms, gender-balanced leadership can counteract entrenched patriarchal norms and foster more equitable participation patterns (García-Meca & Santana-Martín, 2023), reducing the likelihood that women are perceived as tokens and enhancing their legitimacy as contributors to strategic dialogue (Calabrò et al., 2024). As such, gender becomes a less salient basis for subgrouping, weakening rigid in-/out-group boundaries that would otherwise constrain voice and elaboration (Chadwick & Dawson, 2018). Women's contributions can then serve as bridging inputs that reframe polarized debates over SEW in ways that emphasize complementarities rather than oppositions. As a result, although SEW separation may still hinder innovativeness, its negative effect is significantly lessened in contexts of low gender disparity, where more inclusive social dynamics limit the reinforcement of value-based

divisions and reduce the likelihood that opposing views regarding SEW importance will escalate into innovation-inhibiting behaviors. Drawing on these arguments, we posit the following hypothesis:

Hypothesis 2: Gender disparity within the TMT strengthens the negative effect of SEW separation on innovativeness.

The Moderating Role of Generational Disparity within the TMT

Generational disparity within the TMT—where one generation dominates others in terms of numbers or decision-making authority—reflects an entrenched status hierarchy grounded in family seniority, control, and perceived responsibility for preserving the firm's legacy (Bang, Calabrò, & Valentino, 2023). This focus on disparity is particularly relevant in family firm TMTs, where authority and legitimacy are often unequally distributed across generations, giving rise to persistent power asymmetries (Magrelli et al., 2022). In this light, generational diversity should not be reduced to mere differences in perspective (*separation*) or the simple coexistence of multiple generations (*variety*). Rather, following Harrison and Klein's (2007) typology, *disparity* more accurately captures the unequal distribution of power and influence across generational cohorts—an asymmetry that fundamentally shapes how divergent voices are received, legitimized, or silenced within the TMT (Pittino et al., 2020).

According to SDT, generational disparity creates structural imbalances in which one generation holds disproportionate decision-making authority (Magrelli et al., 2022). These imbalances reinforce categorization processes: the dominant generational cohort is perceived as the in-group whose voices carry greater legitimacy, while minority generational cohorts are relegated to out-groups whose contributions are more easily dismissed. In such settings, alignment with dominant members is rewarded more for loyalty than for substantive merit (Sciascia et al., 2014), while divergent inputs from less powerful cohorts are often discounted

on the basis of status (Cherchem, 2017). As a result, the exchange and integration of perspectives are constrained—minority members may withhold or soften their input to avoid challenging authority, while majority members face little incentive to engage with alternative framings given the institutional validation of their views (Cao et al., 2022). For example, in family founder-dominated TMTs, proposals from later generations—such as professionalizing governance or pursuing external partnerships—may be sidelined, not because they conflict with strategic priorities, but because they challenge the authority of the founding cohort (Issah et al., 2023). Under such conditions, differences in SEW salience are less likely to be reframed into constructive, task-oriented debates and more likely to be perceived as status threats, intensifying intergenerational tensions (Lorenzo et al., 2022; Pittino et al., 2020). Generational disparity thus amplifies the detrimental effect of SEW separation on innovativeness by reinforcing categorization processes and constraining the open exchange of perspectives that could otherwise foster the exploration of new opportunities.

In TMTs characterized by low generational disparity, decision-making authority and influence are more evenly distributed across generational cohorts, limiting the formation of entrenched hierarchies (Lee, 2023). Without a dominant group imposing its authority, categorization processes are less rigid, and the boundaries between generational in-groups and out-groups become more permeable. Under these conditions, members of younger and older generational cohorts are more likely to feel that their voices carry legitimacy, which encourages them to contribute openly to team discussions (Pittino et al., 2020). At the same time, majority members cannot rely solely on institutionalized authority to validate their positions, which increases their incentive to engage seriously with alternative viewpoints (Cao et al., 2022). These dynamics foster the exchange and integration of perspectives, as inputs from different generations are more likely to be acknowledged and elaborated rather than dismissed or self-censored (Sciascia et al., 2013). For instance, in a TMT where family founders share decision-

making authority with second- and third-generation members, proposals to introduce new governance structures or to expand collaboration beyond the traditional family network may be considered alongside the dominant group's preferences. Importantly, such exchanges are less about challenging authority than about jointly evaluating different strategic logics. As a result, differences in the importance attributed to SEW are more likely to be reframed into constructive, task-oriented debates, reducing the risk that disagreements escalate into relationship conflict that hampers innovative initiative. Low generational disparity within the TMT thus mitigates the detrimental impact of SEW separation on innovativeness by creating a relational environment where multiple perspectives on the salience of SEW can be integrated into creative problem-solving. Based on these arguments, we hypothesize the following:

Hypothesis 3: Generational disparity within the TMT strengthens the negative impact of SEW separation on innovativeness.

A summary of the conceptual model is presented in Figure 1.

[Insert Figure 1]

Methodology

Sample

The sample consists of Belgian private family firms, defined as unlisted companies where more than 50% of the shares are held by a single family and where at least two family members hold a position in the TMT and/or the board of directors (Corten et al., 2021). Importantly, only firms in which all identified TMT members completed the survey were included in the final sample, ensuring a comprehensive view of the TMT dynamics within each firm. To avoid including small firms where the TMT's role may be largely symbolic, only private family firms with a minimum of 20 employees were considered (Vandekerkhof et al., 2018). Furthermore, all firms in the sample had a TMT consisting of at least three members to

increase the likelihood of observing meaningful interactions TMT members in the decision-making process.

Identifying private family firms and obtaining reliable information about them is a particularly challenging task in the Belgian context, where no centralized registry provides a comprehensive list of such firms based on a widely accepted definition (Bauweraerts, Cirillo, & Sciascia, 2024). Additionally, this study requires gathering data from multiple respondents actively involved in the TMT, further complicating the data collection process. As such, researchers in the family business field must often employ innovative methods to construct a sample that addresses their research objectives (Pielsticker & Hiebl, 2020). In this study, a multi-stage sampling approach was used. Initially, 1,278 private Belgian family firms from four previously established research samples were contacted in January 2023 to assess their willingness to participate in the survey and to confirm their eligibility according to the predefined selection criteria. After two rounds of follow-up, 223 firms expressed interest in participating. However, 98 of these firms were excluded, either because they did not meet the selection criteria or because they no longer met them at the time of data collection.

Afterwards, a structured interview was conducted with the CEOs of 125 private family firms in March 2023 to clarify the research objectives and gather detailed information on the extent of family involvement in the management and governance of the firms. This interview also helped identify TMT members, enabling the distribution of survey questionnaires via individualized internal mail. To ensure the anonymity and confidentiality of TMT members' responses, the internal mail, sent in April 2023, included a sealed envelope for returning the completed questionnaires. TMT members were instructed to deposit their completed questionnaires into a designated ballot box within each participating company. In May 2023, a member of the research team collected the ballot boxes. After collecting them all, 18 firms were excluded from the study because not all identified members of the TMT had completed the

questionnaire. 5 additional firms were also excluded due to incomplete questionnaires. As a result of this process, the final sample comprised 102 private family firms, which corresponds to a response rate of 7.98 percent, with complete questionnaire data from 548 TMT members. This response rate is consistent with those reported in previous research conducted in the context of private family firms (Kraiczy et al., 2014; Wang & Poutziouris, 2010). To ensure that nonresponse bias was not an issue, we compared several characteristics of the 102 responding firms with those of the 98 firms excluded for not meeting our selection criteria. *t*-tests revealed no significant differences in the means between the two groups for the number of employees ($p = 0.42$), total assets ($p = 0.62$), and firm age ($p = 0.49$).

Description of Variables

For the dependent and independent variables, TMT members rated their level of agreement with statements related to various items based on a five-point Likert scale (see Appendix A1). Regarding the operationalization of the moderating and control variables, the data were collected during the structured interviews with the CEO, with the exception of the size of the company, which was measured using the Bel-first database, which centralizes and structures accounting and social information about companies established in Belgium.

Dependent Variable. Drawing on previous works (Miller & Friesen, 1982; Richard et al., 2004), we employed a three-item five-point scale to capture *innovativeness* (Cronbach's alpha = 0.899). This scale was selected because it has been validated in prior research that employed a similar conceptualization of innovativeness within the family business context (Dibrell et al., 2024).

Independent Variable. Compared to previous studies that used five-item scale to capture *SEW separation within the TMT* (Cronbach's alpha = 0.807) (Corten et al., 2021; Vandekerkhof et al., 2018), we developed a more comprehensive measure of this construct by drawing on the FIBER scale developed by Berrone et al. (2012). This scale consists of 27 items divided into

five dimensions: family influence and control, family identification, binding social ties, emotional attachment and renewing family bonds through dynastic succession. As the purpose of our study is to examine the distribution of differences in team members' positions on SEW within the TMT, the standard deviation of their ratings for each item was calculated for each TMT (Corten et al., 2021). Given that a five-point Likert scale was used, the value obtained for each item ranges from 0 to 2 (Harrison & Klein, 2007). A value close to 0 indicates low levels of SEW separation, while a value near 2 reflects high levels of SEW separation.

Moderating Variables. To measure *Gender* and *Generational Disparity within the TMT*, we employed the Gini coefficient, a widely used metric for quantifying inequality within a distribution (Harrison & Klein, 2007). For gender disparity, the Gini coefficient captures the extent of unequal representation between male and female TMT members. Similarly, generational disparity is assessed by calculating the Gini coefficient based on the distribution of TMT members across different generational categories within the family. In our sample, the TMT included no more than three generational categories, as no firm had more than three generations involved simultaneously in the TMT. In both cases, a Gini value of 0 indicates low disparity (i.e., equal representation), while values approaching 1 signify higher concentration within a single category, implying greater disparity.

The Gini coefficient for gender and generational diversity within the TMT is calculated using the following formula:

$$G = \frac{\sum_{i=1}^{n} \sum_{j=1}^{n} |x_i - x_j|}{2n^2 \bar{x}}$$

where x_i and x_j represent the proportions of TMT members in each category: for gender disparity, the proportions of male and female TMT members; and for generational disparity, the proportions of TMT members from each generation. n is the number of categories. $\bar{x}$ is the mean proportion across all categories.

Control Variables. Other variables that may affect innovativeness are included in the analysis as control variables. *Firm size*, measured by the number of employees, is considered in the model because larger organizations may have more financial slack to support innovativeness (George, 2005). *TMT size*, computed as the number of TMT members (i.e., those under the direct authority of the CEO), is also included. Indeed, as the TMT grows in size, the decision-making process becomes more complex, potentially influencing how innovative decisions are made (Kraiczy et al., 2015). A logarithmic transformation of *Firm size* and *TMT size* was applied to address the skewness of their distribution. A family-firm specific source of TMT diversity that may impact innovativeness is also integrated: *Family involvement in the TMT*, measured by the proportion of family members in the TMT (Kraiczy et al., 2014). Finally, two CEO demographic characteristics were included due to their potential influence on family firm innovativeness. *Female CEO* is a dichotomous variable that takes the value of "1" when the CEO is a woman and "0" otherwise (Gala, Kashmiri, & Nicol, 2024). *Family-founder CEO* is a dummy variable that takes the value of "1" when the CEO is a founder whose family is involved in the business, and "0" otherwise (Le Breton-Miller & Miller, 2008).

Data Aggregation

To evaluate the appropriateness of data aggregation, we employed several measures: inter-team-member agreement (Rwg), one-way analysis of variance, and intra-class correlation coefficients (ICC(1) and ICC(2)) (Klein & Kozlowski, 2000; James, Demaree, & Wolf, 1993). The Rwg scores for SEW (Rwg = 0.84) and innovativeness (Rwg = 0.82) were both well above the recommended minimum threshold of 0.7 (James et al., 1993). Furthermore, a significant one-way analysis of variance for both variables ($p < 0.000$ for SEW and innovativeness) and ICC(1) values of 0.35 for SEW and 0.32 for innovativeness indicated sufficient between-group variance to justify aggregation (Klein & Kozlowski, 2000). Finally, ICC(2) values of 0.78 for

SEW and 0.89 for innovativeness confirmed the reliability of the team-level scores, demonstrating sufficient consistency in team perceptions (James et al., 1993). For SEW, however, we did not aggregate the scores, as our study adopts a separation approach in which SEW is operationalized as the within-team standard deviation of item ratings, capturing the dispersion of perceptions rather than their consensus (Corten et al., 2021; Harrison & Klein, 2007).

Common Method Bias

To minimize common method bias, we followed the recommendations of Podsakoff, MacKenzie and Podsakoff (2012). Initially, we conducted a pre-test of the questionnaire with 8 CEOs to identify any ambiguities in item evaluation. Their feedback regarding interpretation issues was used to refine and clarify the relevant statements. Additionally, we ensured the confidentiality of responses in the cover letter accompanying the survey, which helped respondents feel more comfortable sharing their views freely. To further maintain confidentiality, each TMT member submitted their completed questionnaire into a designated ballot box within their company, ensuring that responses remained private and inaccessible to other TMT members. After collecting the questionnaires and recording the data, a Harman's test (1960) was performed, revealing that no single factor explained the entire variance of the items. In fact, the six-factor solution indicated that the first factor accounted for 54.39% of the variance, while the second factor accounted for 28.55%. Moreover, we estimated an unmeasured latent method factor model for the two variables in our research model—SEW and innovativeness—for which common method variance (CMV) could potentially cause an issue (Podsakoff et al, 2012). The results indicated a common factor value of 0.11, which means that only 1.21% (0.11^2) of the variance in these variables is due to method-related issues, with the remaining variance being attributable to the actual constructs. Finally, we employed the

common marker variable technique (Podsakoff & Organ, 1986). Specifically, we included several questions in our survey related to a construct that is not theoretically linked to SEW or innovativeness, namely social desirability. We measured this construct using a 13-item 7-point Likert scale (Reynolds, 1982). The items associated with social desirability showed no significant correlations with either SEW or innovativeness, and the analysis revealed a common factor value of 0.17, corresponding to a common variance of 2.89%. Given these methodological precautions, we can conclude that common method bias has been effectively mitigated in our analysis.

Results

Descriptive Statistics

The descriptive statistics and correlation matrix are reported in Table 1. Innovativeness and SEW separation within the TMT have mean values of 3.22 and 0.71, respectively, indicating moderate levels of both firm innovativeness and polarization in SEW priorities among top managers. Gender and generational disparity within the TMT, with mean values of 0.41 and 0.51, point to a notable degree of imbalance in the representation of gender and generational cohorts among TMT members. The average firm employs approximately 88 individuals, while TMTs consist of more than 6 members on average. Family involvement in top management is prevalent, with family members making up an average of 57% of the TMT. Additionally, around 34% of firms are led by a family-founder CEO, reflecting continued leadership influence by founding families. Despite ongoing discussions about gender diversity, female CEOs remain relatively rare, with women occupying the CEO position in only 30% of the sample.

In terms of correlations, innovativeness is negatively associated with SEW separation ($r = -0.38$, $p < 0.01$) and family involvement in the TMT ($r = -0.23$, $p < 0.01$). We also observe weaker but still notable negative correlations with gender disparity ($r = -0.12$, $p < 0.10$), generational disparity ($r = -0.12$, $p < 0.10$), and the presence of a family-founder CEO ($r = -0.12$, $p < 0.10$). In contrast, innovativeness shows positive correlations with firm size ($r = 0.15$, $p < 0.05$), TMT size ($r = 0.16$, $p < 0.05$), and the presence of a female CEO ($r = 0.13$, $p < 0.10$). Notably, TMT size is positively correlated with SEW separation ($r = 0.15$, $p < 0.05$), while neither gender nor generational disparity within the TMT shows a significant direct correlation with SEW separation.

[Insert Table 1]

Evaluation of the Measurement Model

To empirically validate the proposed conceptual model shown in Figure 1, multivariate non-parametric tests were performed in two stages using Partial Least Squares Structural Equation Modeling (SEM-PLS). The first stage involves assessing the measurement model to ensure the reliability of the measurement scales employed, as well as their convergent and discriminant validities. The second stage allows for hypothesis testing through structural equations. The use of this statistical method is particularly suited to this study, as it has been shown to effectively validate complex models, including moderating effects, in family business research—especially when the sample size is relatively small (Henseler, Ringle, & Sarstedt, 2015; Sarstedt et al., 2014). The results of the entire testing procedure are presented in Tables 2 to 7.

To ensure the rigor of the statistical analysis, it is crucial to determine whether the constructs are reflective or formative, as this affects the selection of appropriate indicators for their evaluation. In this study, SEW separation within the TMT is treated as a second-order

formative construct consisting of several reflective dimensions, while innovativeness is considered a first-order reflective construct. This framework establishes two levels of measurement: the first-order level focuses on the reflective measurement of innovativeness and each dimension of SEW separation within the TMT, while the second-order level addresses the formative measurement of SEW separation within the TMT.

To ensure the reliability of the measurement models, a confirmatory factor analysis was conducted. Table 2 presents the criteria for validating the first-order reflective constructs, namely the dimensions comprising SEW separation within the TMT and innovativeness. Factor loadings with observed values above the minimum threshold of 0.7 were retained (Hair et al., 2017), leading to the removal of six items. To ensure the internal consistency of the first-order constructs, Cronbach's alphas and composite reliability (CR) were calculated, with values exceeding the minimum threshold of 0.7 (Fornell & Larcker, 1981). The average variance extracted (AVE) is above 0.5, confirming the constructs' convergent validity (Hair et al., 2012). Discriminant validity is verified in Table 3 through the HTMT criterion, with values not exceeding the recommended threshold of 0.85 (Henseler et al., 2015). Thus, the quality of the first-order constructs is confirmed.

To guarantee the quality of the second-order reflective-formative construct, namely SEW separation within the TMT, we assessed convergent validity, collinearity between indicators, and the significance of indicator weights (Hair et al., 2017). We tested convergent validity by evaluating the correlation between the formative construct and a reflective estimate of this construct (Henseler et al., 2015). To this end, the path coefficient between the two latent variables and the R^2 of this relationship were calculated. To obtain a reflective measure of SEW separation within the TMT, we established a global item to capture its essence. Our analysis shows that the path coefficient between the latent variables is 0.758, while the R^2 is 0.647, both well above the suggested minimums of 0.7 and 0.5 (Hair et al., 2017). Collinearity is measured

using the variance inflation factors (VIFs). Table 4 shows that their values are below the maximum threshold of 5, indicating no collinearity (Hair et al., 2017). To determine the relevance and significance of the indicator, a bootstrapping procedure with 5,000 resamples was employed. Table 5 shows that each indicator's weight exceeds the minimum value of 0.1 (Lohmoller, 1988) and exhibits significant t-values at the 1% level. These results thus provide empirical support for the importance of the indicators in determining the formative construct. Based on these analyses, the quality of the second-order reflective-formative constructs is well established.

[Insert Tables 2, 3, 4, 5]

Structural Model

We tested our hypotheses using Model 1 in Table 6. Results show that SEW separation within the TMT negatively impacts innovativeness (β = -0.305, $p < 0.05$), supporting hypothesis 1. Furthermore, gender disparity within the TMT intensifies this negative relationship, as indicated by a significant and negative interaction term between SEW separation and gender disparity (β = -0.219, $p < 0.01$), confirming hypothesis 2. Similarly, the interaction between SEW separation and generational disparity within the TMT is also negative and significant (β = -0.178, $p < 0.01$), lending support to hypothesis 3. This finding suggests that generational disparity within the TMT further amplifies the adverse effect of SEW separation on innovativeness. Several control variables also yield noteworthy results. Family involvement in the TMT (β = -0.192, $p < 0.01$) and the presence of a family-founder CEO (β = -0.092, $p < 0.10$) are both negatively associated with innovativeness. In contrast, firm size (β = 0.084, $p < 0.05$), TMT size (β = 0.167, $p < 0.05$), and having a female CEO (β = 0.112, $p < 0.05$) positively influence innovativeness.

To assess the quality of the model fit, the percentage of explained variance (R^2), predictive validity measured by Stone-Geisser's Q^2 coefficient, and the SRMR statistic were used (Hair et al., 2013). Table 6 shows that R^2 is 0.716 for Model 1, indicating that over 71% of the variance in innovativeness is explained by the variables included in the model. Stone-Geisser's Q^2 value (0.561) is greater than zero, suggesting good predictive quality (Hair et al., 2012), while the SRMR statistic is below the maximum threshold of 0.08 suggested by Hu and Bentler (1999). Taken together, these results indicate a good model fit.

[Insert Table 6]

Robustness Checks

To ensure the robustness of the results, we replicated the entire analysis using multiple linear regressions with the ordinary least squares (OLS) method, correcting for potential heteroscedasticity issues via the robust command in Stata v.15. The results reported in Table 7 corroborate those obtained with the SEM-PLS method. Based on the OLS estimates from Model 7, interaction plots were generated to illustrate the moderation effects, as shown in Figures 2 and 3. The lines labeled "low (high) gender disparity within the TMT" and "low (high) generational disparity within the TMT" represent the relationship between SEW separation and innovativeness when gender and generational disparity are set at one standard deviation below (above) their respective means. Figures 2 and 3 provide additional support for Hypotheses 2 and 3, as they show that the negative relationship between SEW separation and innovativeness becomes more pronounced when gender and generational disparity within the TMT are high.

[Insert Table 7]

[Insert Figures 2 and 3]

Discussion and Conclusion

This article aimed to examine how different forms of TMT diversity influence innovativeness in family firms. Drawing on data from 548 TMT members across 102 private Belgian family firms and analyzed using PLS-SEM, our results reveal a negative relationship between SEW separation within the TMT and innovativeness. This finding supports our theorizing based on the CEM (van Knippenberg et al., 2004), which posits that diversity may hinder team outcomes when social categorization processes override information elaboration. In the case of SEW separation, differences in the importance attributed to preserving SEW foster subgroup formation within the TMT, thereby undermining trust, psychological safety, and openness (Vandekerkhof et al., 2018; Vardaman & Gondo, 2014). These relational tensions directly constrain the exchange and integration of perspectives that are critical for generating novel ideas and evaluating uncertain opportunities (Chen et al., 2019). Consequently, rather than enabling creativity and opportunity recognition, SEW separation limits the TMT's ability to leverage its diversity for the development and pursuit of innovative initiatives (Somech & Drach-Zahavy, 2013; Georgakakis et al., 2024).

This research further shows that gender disparity within the TMT amplifies the negative effect of SEW separation on innovativeness. While the CEM explains why SEW separation undermines innovativeness by intensifying subgrouping and limiting the elaboration of divergent views (van Knippenberg et al., 2004), SDT helps clarify why these dynamics are particularly pronounced in male-dominated TMTs. In such contexts, entrenched patriarchal norms and legitimacy biases undermine the credibility of female executives (Sidanius & Pratto, 1999; Domańska et al., 2024), making divergent views expressed by women—regardless of their content—more likely to be discounted or sidelined (Ahrens et al., 2015; Calabrò et al., 2024). In such contexts, gender-based disparities reinforce categorization processes and erode trust, thereby constraining information elaboration and limiting the integration of different SEW perspectives into innovative outcomes. By contrast, gender-balanced TMTs weaken

hierarchical barriers and legitimacy biases, reducing gender salience as a faultline and fostering more inclusive elaboration processes (Post et al., 2022; García-Meca & Santana-Martín, 2023). Under these conditions, SEW separation is less likely to escalate into divisive subgrouping and more likely to stimulate the exchange of diverse viewpoints that support innovativeness.

Our findings also show that generational disparity amplifies the detrimental effect of SEW separation on innovativeness. According to SDT, dominant generational cohorts—whether older or younger—hold disproportionate authority and legitimacy, while non-dominant cohorts are structurally marginalized, reinforcing social categorization (Sidanius & Pratto, 1999; Magrelli et al., 2022). From a CEM perspective, these reinforced categorizations constrain the elaboration of divergent inputs, as non-dominant cohort members may withhold or temper contributions to avoid conflict (van Knippenberg et al., 2004). As a result, diverging views on SEW importance are less likely to be openly debated and integrated into collective decision-making, thereby curtailing dialogue and deepening intergenerational divides (Sciascia et al., 2014; Pittino et al., 2020). By contrast, when generational power is more evenly distributed, status-based barriers are weakened, giving legitimacy to all cohorts' voices and fostering the open exchange of SEW-related perspectives. These conditions mitigate divisive dynamics and enable integrative discussions that reduce the harmful effect of SEW separation on innovative initiatives (Post et al., 2022).

Theoretical Contributions

This study makes several important contributions to the family business literature. First, we build on prior work that has already recognized SEW separation as a relevant source of heterogeneity in family firms (Vandekerkhof et al., 2018; Corten et al., 2021), and extend this line of inquiry by theorizing and empirically demonstrating its impact on innovativeness. Whereas earlier studies have mainly connected SEW separation to other strategic outcomes, we

highlight that divergences in the importance attributed to SEW among executives represent a deep-level, value-based faultline that directly shapes the firm's ability to innovate. By grounding our theorizing in the CEM (van Knippenberg et al., 2004), we show that such value-based differences constrain innovativeness because of social categorization overriding information elaboration. In doing so, we complement research that has predominantly explained differences in family firm innovativeness through more visible attributes, such as the extent or type of family involvement (D'Allura, 2019), or through family-level conceptualizations of SEW (Filser et al., 2018; Ng & Hamilton, 2024). Moreover, by empirically demonstrating the detrimental effect of SEW separation on innovativeness, our findings challenge the prevailing assumption that TMT diversity uniformly enhances innovation through the generation of novel ideas and unconventional strategies (Vesal, Alam, & Rahmati, 2025).

Second, our study advances research on the interplay of multiple diversity dimensions in family firm TMTs by developing an integrative perspective that combines the CEM with SDT. Prior work has shown that different forms of diversity may interact in influencing decision-making (Vandekerkhof et al., 2019; Thatcher et al., 2024). Yet, most of this research has relied primarily on the CEM, which explains how diversity affects outcomes through categorization and information elaboration processes, while underplaying the role of entrenched hierarchies in amplifying or mitigating these processes (Reinert et al., 2025). By incorporating insights from SDT, we extend this literature by conceptualizing gender and generational disparities as structural asymmetries that systematically shape whose contributions are legitimized or marginalized in collective decision-making (Sidanius & Pratto, 1999). This integrative framework thus enriches family business diversity research by showing that the impact of SEW separation on innovativeness depends not only on intra-team cognitive dynamics but also on the distribution of power and legitimacy across TMT members.

By demonstrating that the negative impact of SEW separation on innovativeness is less pronounced under conditions of low gender disparity, we highlight the importance of gender-balanced TMTs in transforming divergent opinions on SEW salience into innovative behavior. In this way, we extend prior research emphasizing the need for women to reach a critical mass before their influence can positively shape organizational outcomes (Maseda et al., 2022). Rather than reinforcing divisions, gender-balanced teams foster an inclusive environment where female executives are less likely to be marginalized or perceived as tokens, thereby collaborating effectively with male colleagues to channel polarized views on SEW importance into innovative initiatives. This challenges the assumption that gender-based faultlines are most pronounced in internally homogeneous coalitions (e.g., all-male or all-female subgroups) (García-Meca & Santana-Martín, 2023) and instead demonstrates that balanced TMTs—where no coalition dominates—can turn diversity into a source of integrative and innovative thinking. This perspective invites a more nuanced understanding of how gender diversity operates in family firm TMTs—less as a source of division, and more as a potential enabler of integrative and innovative thinking.

By showing that generational disparity strengthens the detrimental effect of SEW separation on innovativeness, we contribute novel insights to the literature on generational diversity. While prior studies have mostly conceptualized generational *diversity-as-variety* through generational involvement (i.e., the number of generations represented in the TMT) (Pittino et al., 2020), our findings underscore that the distribution of power across generational cohorts matters at least as much as their numerical presence. In line with SDT, we show that intergenerational power asymmetries create a context in which non-dominant cohorts are marginalized, further constraining the team's ability to transform divergent perspectives on SEW importance into innovative outcomes. This extends prior work on power struggles between family and nonfamily executives (Patel & Cooper, 2014) or between male and female

executives (García-Meca & Santana-Martín, 2023) by drawing attention to the largely overlooked role of intergenerational hierarchies within TMTs.

Third, we contribute to ongoing debates on the SEW–innovation relationship. Much of the literature has treated SEW as a uniform set of family-level values, assuming consistency across family actors (Filser et al., 2018; Ng & Hamilton, 2024). More recent work, however, acknowledges that SEW salience varies across coalitions and between family and nonfamily executives (Vandekerkhof et al., 2018). Our study systematically captures this variation at the TMT level and shows that divergence in SEW importance decisively affects innovativeness. By so doing, we extend prior research that has primarily emphasized the role of the substantive content of SEW preferences in explaining heterogeneity in family firms' innovation behavior (e.g., Filser et al., 2018) by demonstrating that the diversity of opinions and stances regarding SEW preservation constitutes an equally pivotal explanatory factor. In this way, we respond to recent calls for more research on whether attitudinal differences between high and low SEW intensity shape behavior in identical decision-making scenarios (Calabrò et al., 2025). Furthermore, by highlighting gender and generational disparities as contingencies that influence the impact of SEW separation on innovativeness, we advance research on *when* SEW heterogeneity affects innovation decision-making. Prior studies have examined how SEW separation relates to other strategic outcomes, highlighting the role of interpersonal climate factors such as psychological safety (Vandekerkhof et al., 2018) and governance factors such as board involvement (Corten et al., 2021). Our findings instead point to structural disparities within TMTs, showing that entrenched hierarchies (Sidanius & Pratto, 1999) create an environment ill-suited for leveraging divergent views on SEW importance to foster innovativeness. In this way, our study shifts the focus toward structural boundary conditions, thereby complementing prior work on the contingencies shaping the consequences of SEW separation.

Finally, our findings challenge the assumption that familial ties are necessary for SEW concerns to emerge within family firms. Mean comparison tests (available upon request) showed no significant differences between family and nonfamily TMT members in their perceptions of SEW importance, suggesting that SEW concerns are not confined to family members but can be shared across the broader TMT. This observation aligns with recent theoretical arguments that SEW should not be viewed as exclusive to family members (Calabrò et al., 2025). For example, Newbert and Craig (2017) propose shifting the SEW lens from the 'I' of the family to the 'We' of broader stakeholders. Similarly, Kammerlander (2022) argues that nonfamily members who feel a sense of psychological ownership may develop SEW and behave in ways analogous to family members. Taken together, these insights call into question the validity of studies that use indirect measures of family involvement—such as ownership or board representation—to operationalize SEW, as such proxies may not accurately capture the presence or intensity of SEW within the organization. Instead, researchers should directly assess SEW perceptions among both family and nonfamily decision-makers to ensure alignment with theoretical arguments grounded in the SEW perspective, detect potential heterogeneity in SEW salience, and examine its implications for strategic outcomes. Such an approach would enable a broader conceptualization of SEW that extends beyond family members and more accurately reflects the practical realities of family firms (Kammerlander, 2022).

Practical Implications

This study has also several managerial implications for practitioners. First and foremost, it is essential for family business owners and managers to recognize the detrimental impact that SEW separation within the TMT can have on innovativeness. Raising awareness about this risk empowers family firms to take deliberate steps to align TMT members around shared SEW priorities, reducing divisiveness and fostering more cohesive collaboration. A particularly

effective strategy is to incorporate SEW-related criteria into the recruitment and selection process for new TMT members. By clearly identifying the key SEW aspirations of the team beforehand, family firms can facilitate focused, meaningful discussions during executive interviews, ensuring that candidates' values align with those of the existing team. This proactive alignment would help mitigate the disruptive effects of SEW separation on innovation behavior.

Moreover, our findings highlight that gender and generational disparities within the TMT can intensify the negative consequences of SEW separation. Thus, managers and advisors should be attentive to these structural imbalances and work actively to create an inclusive and equitable decision-making environment where diverse perspectives are respected and integrated. This can be achieved through several concrete practices. First, implementing formal governance structures that ensure balanced representation of different gender and generational groups within the TMT can help prevent dominance by any single cohort. For example, setting diversity targets or quotas for recruitment and promotion within the TMT could encourage more equitable participation. Second, fostering open communication channels and structured dialogue sessions where all TMT members are encouraged to voice their viewpoints can counteract hierarchical tendencies and promote psychological safety. Facilitated workshops or team-building activities focusing on value alignment and mutual understanding can help bridge gaps caused by SEW separation. Third, training programs aimed at raising awareness of unconscious biases and power dynamics can sensitize TMT members to the subtle ways in which disparity can marginalize certain members' contributions. Finally, advisors can play a critical role by mediating conflicts and ensuring that decision-making processes are transparent, inclusive, and designed to integrate diverse inputs, thereby enhancing collaborative problem-solving and innovation.

Limitations and Directions for Future Research

As with any academic work, this study has several limitations that are important to acknowledge to identify future research directions. First, the sample used in the empirical analysis consists solely of private family firms located in Belgium. To generalize this study to other national contexts, it would be useful to replicate it in other countries to ensure that cultural and institutional specificities do not condition the impact of SEW separation on innovativeness (Gómez-Mejia & Herrero, 2022). Second, this article is based on cross-sectional data, making it impossible to consider the effects of exogenous shocks over time. This is an important factor, as several authors have shown that the emphasis on SEW protection in decision-making diminishes when family firms face events that threaten their continuity (Cambrea et al., 2022; Gómez-Mejia et al., 2023), potentially affecting innovation. Future research could build on this work by using longitudinal data to determine whether periods of financial turbulence exacerbate or mitigate SEW separation within the TMT to offer further insight into the heterogeneity of innovation-related decisions among family firms. Third, this study focused on the moderating influence of gender and generational disparities within the TMT in the relationship between SEW separation and innovativeness. This approach implies that we inferred executives' attitudes and behaviors based on their attributes without directly measuring them. Future research could address this limitation by exploring how executives' attitudinal differences in leadership contribute to creating a favorable or unfavorable context for managing SEW separation within the TMT. Finally, although our study is theoretically anchored in the CEM to explain the relationship between SEW separation and innovativeness, we did not directly measure the social categorization and information elaboration pathways through which SEW exerts its influence. Future research could address this gap by examining these pathways as potential mediating mechanisms that link SEW separation to innovation outcomes. Investigating how differences in SEW salience among TMT members shape categorization processes, information exchange, and elaboration of ideas would provide a more fine-grained

understanding of the cognitive and social mechanisms through which SEW separation affects innovativeness.

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The authors report there are no competing interests to declare.

Ethical Statement

Participation in this study was entirely voluntary. By completing the survey, participants provided their informed consent to take part in the research. Before beginning, all participants were provided with clear information about the purpose of the research, the nature of the survey, and how their responses were used. All responses collected from participants were kept confidential and anonymous.

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Table 1. Descriptive statistics and correlation matrix

	Variables	Mean	SD	Min	Max	1	2	3	4	5	6	7	8	9
1.	Innovativeness	3.22	1.89	1.00	7.00	1.00								
2.	SEW separation within the TMT	0.71	0.48	0.17	1.67	-0.38***	1.00							
3.	Gender disparity within the TMT	0.41	0.21	0.12	0.57	-0.12*	0.10	1.00						
4.	Generational disparity within the TMT	0.51	0.27	0.13	0.66	-0.12*	0.09	0.05	1.00					
5.	Firm size[a]	87.54	45.79	20.00	159.00	0.15**	0.12*	0.04	-0.07	1.00				
6.	TMT size[a]	6.54	2.35	3.00	10.00	0.16**	0.15**	0.03	0.08	0.15**	1.00			
7.	Family involvement in the TMT	0.57	0.31	0.14	1.00	-0.23***	0.11	-0.09	0.12*	-0.05	-0.08	1.00		
8.	Female CEO	0.30	0.17	0.00	1.00	0.13*	-0.13*	-0.16**	-0.07	0.03	0.06	0.05	1.00	
9.	Family-founder CEO	0.34	0.19	0.00	1.00	-0.12*	0.12*	0.08	0.14**	-0.12*	-0.08	0.16**	-0.14**	1.00

SD: standard deviation; Min: minimum; Max: maximum; * $p < 0.10$; ** $p < 0.05$; *** $p < 0.01$; [a] The mean and standard deviation are reported using untransformed values, while correlations are calculated using log-transformed data.

Table 2. Validity criteria for first-order measurement scales

Variables	Dimensions	Items	loadings	α	CR	AVE
SEW separation within the TMT	Family control and influence (F)	F1	**0.875**	0.856	0.802	0.781
		F2	**0.889**			
		F3	**0.876**			
		F4	**0.891**			
		F5	**0.888**			
		F6	0.573			
	Identification of family members (I)	I1	**0.899**	0.861	0.805	0.785
		I2	**0.874**			
		I3	**0.883**			
		I4	**0.879**			
		I5	**0.895**			
		I6	0.508			
	Binding social ties (B)	B1	**0.894**	0.878	0.807	0.787
		B2	**0.891**			
		B3	**0.888**			
		B4	**0.876**			
		B5	0.598			
	Emotional attachment (E)	E1	**0.894**	0.859	0.802	0.782
		E2	**0.878**			
		E3	**0.886**			
		E4	**0.879**			
		E5	0.405			
		E6	0.428			
	Renewal of family bonds through dynastic succession (R)	R1	**0.892**	0.884	0.811	0.792
		R2	**0.888**			
		R3	**0.890**			
		R4	0.587			
Innovativeness		Innov1	**0.901**	0.899	0.820	0.803
		Innov2	**0.895**			
		Innov3	**0.893**			

α: Cronbach's alpha; CR: composite reliability; AVE: Average variance extracted; SEW: socio-emotional wealth; * $p < 0.10$; ** $p < 0.05$; *** $p < 0.01$.

Table 3. Discriminant validity (HTMT criteria with confidence interval)

	F	I	B	E	R	Innovativeness
F	NA					
I	0.517[0.314;0.830]	NA				
B	0.623[0.558;0.688]	0.687[0.596;0.778]	NA			
E	0.702[0.617;0.787]	0.677[0.584;0.770]	0.718[0.604;0.832]	NA		
R	0.736[0.639;0.833]	0.742[0.655;0.829]	0.696[0.606;0.786]	0.752[0.684;0.820]	NA	
Innovativeness	0.647[0.528;0.766]	0.577[0.436;0.718]	0.521[0.403;0.639]	0.543[0.422;0.664]	0.526[0.411;0.641]	NA

F: Family control and influence; I: Identification of family members; B: Binding social ties; E: Emotional attachment; R: Renewal of family bonds through dynastic succession; NA: not applicable; Confidence intervals are calculated based on bootstrapping with 5,000 resampling at 95% confidence level.

Table 4. Analysis of collinearity between the dimensions of the second-order construct

Variables	Dimensions	VIF
SEW separation within the TMT	Family control and influence (F)	1.255
	Identification of family members (I)	1.174
	Binding social ties (B)	1.621
	Emotional attachment (E)	1.347
	Renewal of family bonds through dynastic succession (R)	1.727

VIF: Variance inflation factor.

Table 5. Analysis of the significance of indicator weights

Dimensions	**Standardized weight**	**Standard deviation**	***t*-value**
F → SEW separation within the TMT	0.275	0.013	21.145***
I → SEW separation within the TMT	0.206	0.011	17.478***
B → SEW separation within the TMT	0.198	0.012	16.438***
E → SEW separation within the TMT	0.264	0.012	20.676***
R → SEW separation within the TMT	0.212	0.010	19.782***

SEW: Socio-emotional wealth; F: Family control and influence; I: Identification of family members; B: Binding social ties; E: Emotional attachment; R: Renewal of family bonds through dynastic succession; * $p < 0.10$. ** $p < 0.05$. *** $p < 0.01$.

Table 6. PLS-SEM analyses (dependent variable : innovativeness)

Independent variables	*B*	Model 1 t-value	95% confidence interval
Firm size	0.084	2.051**	[0.052; 0.116]
TMT size	0.167	1.957**	[0.102; 0.232]
Family involvement in the TMT	-0.192	-3.671***	[-0.275; -0.109]
Female CEO	0.112	2.047**	[0.038; 0.186]
Family-founder CEO	-0.092	-1.693*	[-0.147; 0.037]
SEW separation within the TMT	-0.305	-2.174**	[-0.436; -0.174]
Gender disparity within the TMT	-0.103	-1.682*	[-0.155; -0.051]
Generational disparity within the TMT	-0.110	1.759*	[-0.163; -0.057]
SEW separation within the TMT*Gender disparity within the TMT	-0.219	4.351***	[-0.312; -0.126]
SEW separation within the TMT* Generational disparity within the TMT	-0.178	3.312***	[-0.252; -0.104]
R^2	0.716		
Q^2	0.561		
SRMR	0.047		

* $p < 0.10$. ** $p < 0.05$. *** $p < 0.01$. $N = 102$ top management teams (TMTs) with 548 TMT members.

Table 7. Multiple regression analysis (dependent variable: innovativeness)

Independent variables	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8
Constant	2.874***	2.920***	2.897***	2.971***	2.882***	2.908***	2.865***
	(0.112)	(0.119)	(0.114)	(0.127)	(0.113)	(0.122)	(0.110)
Firm size	0.087**	0.084**	0.088**	0.082**	0.089**	0.085**	0.083**
	(0.029)	(0.028)	(0.029)	(0.027)	(0.030)	(0.028)	(0.027)
TMT size	0.165**	0.168**	0.160**	0.162**	0.165**	0.164**	0.169**
	(0.049)	(0.050)	(0.047)	(0.048)	(0.049)	(0.049)	(0.050)
Family involvement in the TMT	-0.197***	-0.192***	-0.195***	-0.199***	-0.190***	-0.193***	-0.196***
	(0.007)	(0.007)	(0.007)	(0.008)	(0.007)	(0.007)	(0.008)
Female CEO	0.118**	0.117**	0.113**	0.120**	0.117**	0.119**	0.110**
	(0.035)	(0.035)	(0.033)	(0.039)	(0.034)	(0.037)	(0.032)
Family-Founder CEO	-0.097*	-0.092*	-0.095*	-0.090*	-0.089*	-0.093*	-0.098*
	(0.041)	(0.040)	(0.041)	(0.039)	(0.039)	(0.040)	(0.042)
SEW separation within the TMT		-0.312**	-0.319**	-0.320**	-0.310**	-0.315**	-0.318**
		(0.102)	(0.105)	(0.107)	(0.100)	(0.103)	(0.104)
Gender disparity within the TMT			-0.105*	-0.111*			-0.114*
			(0.047)	(0.051)			(0.053)
Generational disparity within the TMT					-0.117*	-0.119*	-0.120*
					(0.053)	(0.055)	(0.057)
SEW separation within the TMT*Gender disparity within the TMT				-0.208***			-0.211***
				(0.055)			(0.058)
SEW separation within the TMT*Generational disparity within the TMT						-0.164***	-0.169***
						(0.032)	(0.035)
R^2	0.667	0.678	0.680	0.688	0.683	0.691	0.782
F-stat	5.025***	5.076***	5.125***	5.395***	5.256***	5.403***	5.891***

* $p < 0.10$. ** $p < 0.05$. *** $p < 0.01$. Standard deviations are reported within brackets. $N = 102$ top management teams (TMTs) with 548 TMT members.

Figure 1. Conceptual model

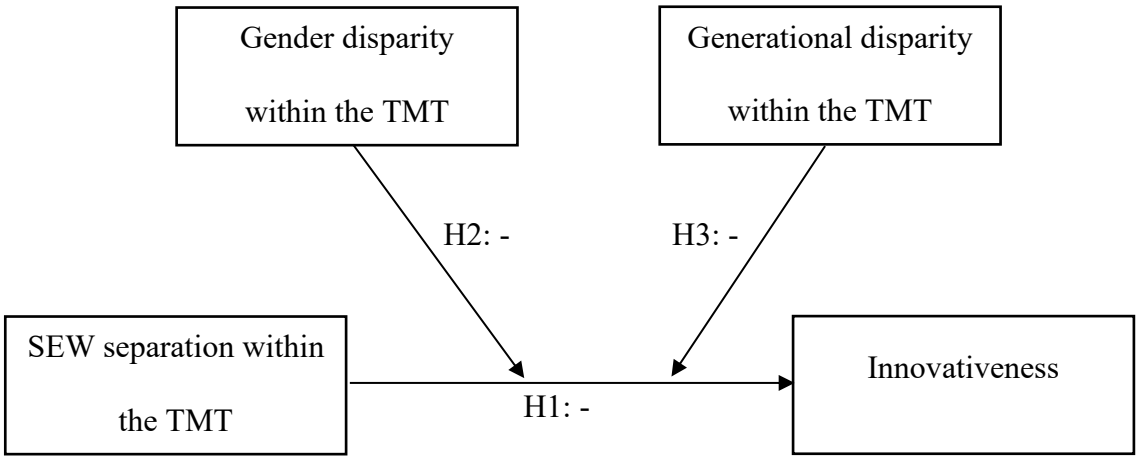


Figure 2. The moderating influence of gender disparity within the TMT on the relationship between SEW separation within the TMT and innovativeness.

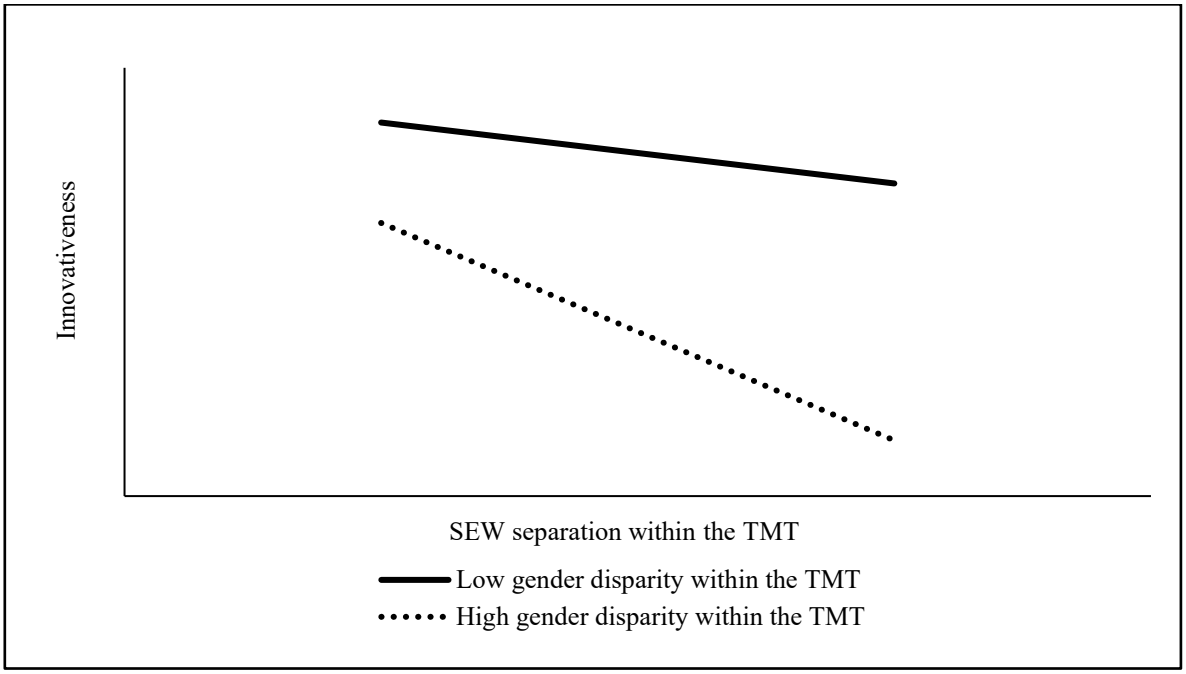
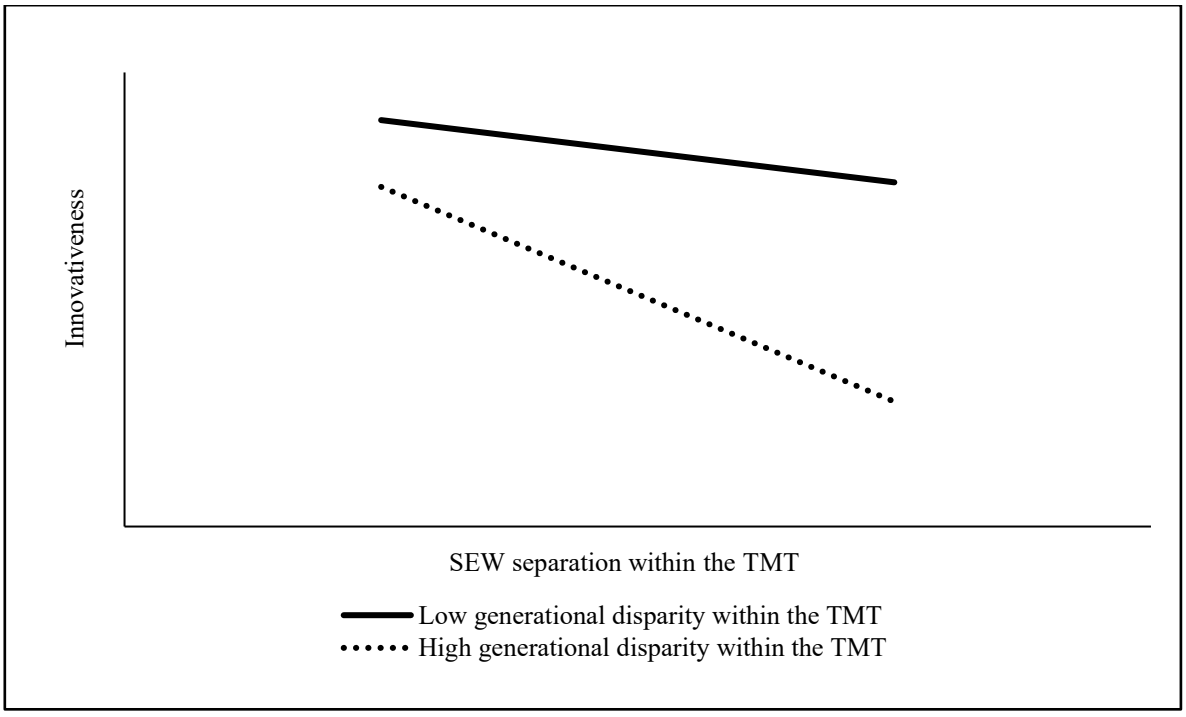


Figure 3. The moderating influence of generational disparity within the TMT on the relationship between SEW separation within the TMT and innovativeness.



Appendix A1. *Questionnaire items*

Variables	Dimensions	Items
SEW	Family control and influence	F1. In my family business, family members exert control over the company's strategic decisions.
		F2. In my family business, most executive positions are occupied by family members.
		F3. In my family business, non-family managers and directors are named by family members.
		F4. The board of directors is mainly composed of family members.
		F5. The majority of the shares in my family business are owned by family members.
		F6. Preservation of family control and independence are important goals for my family business.
	Identification of family members	I1. Family members have a strong sense of belonging to my family business.
		I2. Family members feel that the family business's success is their own success.
		I3. My family business has a great deal of personal meaning for family members.
		I4. Being a member of the family business helps define who we are.
		I5. Family members are proud to tell others that we are part of the family business.
		I6. Customers often associate the family name with the family business's products and services.
	Binding social ties	B1. My family business is very active in promoting social activities at the community level.
		B2. Non-family employees are treated as part of the family.
		B3. In my family business, contractual relationships are mainly based on trust and norms of reciprocity.
		B4. Building strong relationships with other institutions (i.e., other companies, professional associations, governmental agents…) is important for my family business.
		B5. Contracts with suppliers are based on enduring long-term relationships in my family business.
	Emotional attachment	E1. Emotions and sentiments often affect decision-making processes in my family business.
		E2. Protecting the welfare of family members is critical to us, apart from personal contributions to the business.
		E3. In my family business, the emotional bonds between family members are very strong.
		E4. In my family business, affective considerations are often as important as economic considerations.
		E5. Strong emotional ties among family members help us maintain a positive self-concept.
		E6. In my family business, family members feel warmth for each other.
	Renewal of family bonds through dynastic succession (R)	R1. Continuing the family legacy and tradition is an important goal for my family business.
		R2. Family owners are less likely to evaluate their investment on a short-term basis.
		R3. Family members would be unlikely to consider selling the family business.
		R4. Successful business transfer to the next generation is an important goal for family members.
Innovativeness		Our company:
		Innov1. Favors a strong emphasis on the marketing of tried-and-true products/services (left anchor) 1 2 3 4 5 Favors a strong emphasis on R&D, technological leadership, and innovations (right anchor).
		Innov2. Has not introduced any new lines of products or services in the last 5 years (left anchor) 1 2 3 4 5 Has introduced many new lines of products or services in the last 5 years (right anchor).
		Innov3. Has introduced only minor changes in products or services in the last 5 years (left anchor) 1 2 3 4 5 Has introduced quite dramatic changes in products or services in the last 5 years (right anchor).

SEW: Socio-emotional wealth; F: Family control and influence; I: Identification of family members; B: Binding social ties; E: Emotional attachment; R: Renewal of family bonds through dynastic succession; TMT: Top management team.