Is Blood Thicker Than Water?

How Family Firms Handle Crisis

A Case Study Exploring How Family Involvement And Values Affect Crisis Management Among Senior Stakeholders And Owners

BSc Thesis in Retail Management

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Extended Abstract

Family businesses constitute over 60% of all European firms, yet their crisis behaviour remains underexplored, particularly in tourism and hospitality. While existing research has examined family business governance and crisis management separately, few studies have investigated how family ownership, values, and stakeholder prioritisation together shape organisational response under pressure. This thesis examines: *How do family involvement and values affect crisis management and decision-making among senior stakeholders and owners?*

The study employs a qualitative single-case design centred on Astrid Lindgren's Vimmerby AB (ALV), a Swedish family-owned cultural tourism enterprise. Eight semi-structured interviews with owners, board members, and C-suite managers were conducted, and complemented by secondary sources. The study and analysis primarily draw on Situational Crisis Communication Theory (SCCT), Sensemaking Theory, Stakeholder Theory, and Socioemotional Wealth (SEW).

The study reveals a paradoxical pattern: family values functioned as an active decision-making compass during the crisis, yet were frequently sidelined during stable periods. The COVID-19 pandemic transformed the rhetorical question "What would Astrid do?" into a sensemaking cue, guiding decisions from delaying the park's opening to protect brand integrity to appealing a police ruling at severe financial cost.

Three key findings emerge. First, values shifted from symbolic references to practical governance tools when formal planning frameworks collapsed under uncertainty. Second, concentrated family ownership enabled agile, trust-based decision-making, with short communication chains supporting rapid responses as restrictions changed weekly. Third, ALV voluntarily exceeded SCCT's prescribed strategies for victim crises, combining bolstering and rebuilding behaviours typically reserved for higher-responsibility crises, which appears to have strengthened stakeholder relationships and supported the firm's recovery to record revenues by 2023–2024.

The study contributes by demonstrating that crisis activates family values as operational guides and reveals a dynamic relationship where crisis pressure forces alignment between stated values and actual behaviour.

A full version of the thesis is not available due to data protection regulations. Please refer to cfr@hhs.se (Center for Retailing at the Stockholm School of Economics) if you have questions.

Keywords: *Family business governance, Crisis management, Stakeholder theory, Sensemaking, Crisis communication, Family involvement, Cultural tourism, Covid-19 crisis*

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