

Jury report Ten Clarenwater Master Thesis Award 2018

Jury: Enno Masurel, Vrije Universiteit van Amsterdam (chair); Maarten Vijverberg, Clifton Finance and Erik Wierstra, Hogeschool Saxion

From a set of 10 submitted high quality master theses the jury made a selection of the best 3 theses. The jury assessed the submitted theses on the criteria as included on the assessment form of the Ten Clarenwater Thesis Award. The final nominees are:

- Nicolas Heidelk (HSBA Hamburg School of Business Administration): 'Working Capital Management in Family-owned Businesses - Does Family Ownership Influence the Length of the Cash Conversion Cycle?'
- Shelley Beck Saunders (Nelson Mandela University, South Africa): 'Parental influences on the next generation's intention to join the family business'
- Desiree Westland (Nyenrode Business University) 'Governance en waarden in het familiebedrijf'

After a careful assessment procedure, the jury selected a winner and a runner-up. The winner of the best Master Thesis Award 2018 is:

Nicolas Heidelk (HSBA Hamburg School of Business Administration): 'Working Capital Management in Family-owned Businesses - Does Family Ownership Influence the Length of the Cash Conversion Cycle?'

In this Master thesis Nicolas Heidelk investigated whether there are differences between family firms and non-family firms with regard to working capital management efficiency, working capital levels and the length of the cash conversion cycle. Based on financial data of a sample of 682 German corporations from several industries the author conducted a linear regression model. Findings indicate that there is a positive and significant relationship between family ownership and the length of the cash conversion cycle. As a potential explanation the author uses the socioemotional wealth theory and proposes that family firms keep inventory stocks higher to build and maintain close relationships with customers. The jury found the topic of working capital management highly original for the field of family business research. The topic of working capital management is an issue that has become more and more important for family businesses. This increases the social relevance and practical implications of the thesis. The jury was impressed by the applied research methodology and found the empirical analyses of high quality. The thesis might have benefited from some qualitative interviews to increase the practical relevance and the addition of more control variables to make the empirical analysis more robust. Despite of these minor limitations the jury was convinced that this thesis is the winner of the Ten Clarenwater Master Thesis Award 2018.

On a shared second position, the runner-up best Master thesis award 2018 goes to:

Shelley Beck Saunders (Nelson Mandela University, South Africa): 'Parental influences on the next generation's intention to join the family business'

and

Desiree Westland (Nyenrode Business University) 'Governance en waarden in het familiebedrijf'

- Shelley Beck Saunders investigated which variables influence the next generation's intentions to follow into their parents' footsteps. This is a highly relevant topic as nowadays a higher amount of next generation family members do not want to join the family business. The study used a cross-sectional survey with a sample of 453 respondents. Findings indicated that only one third of the respondents had the intention to join the family business. Findings also showed positive and significant relationships between the variables 'parental

expectations', 'perceived parental outcomes', 'parental identification' and the dependent variable 'intention to join the family businesses. The thesis concludes that parents can influence their children in their choice to join the family business.

The jury found this thesis very original and empirically rigorous, based a large data set, and beyond a basic linear regression model by also testing for moderating effects. The rigor of this study gives it great potential for a scientific publication. However, the size of the thesis and the variables that were studied makes it a bit difficult to see the practical relevance for family businesses. The jury appreciated the methodology that was used and how the study was conducted and therefore selected the thesis for the runner-up master thesis Award.

- Desiree Westland conducted a study on values and family business governance in the Netherlands. Values are important in family businesses but can become fragile when the company is transferred to new generations. Desiree Westland studied how values can be anchored in the family business by using governance instruments. Therefore, she conducted a qualitative research by investigating four Dutch family businesses that are already a cousin consortium. A grounded theory approach was used, and the findings revealed nine mechanisms that family businesses can use to anchor family values.

The jury found the thesis innovative and very accessible to a family business audience. The implications are relevant to family businesses. However, it was not entirely clear to the jury whether all findings were directly derived from the cases or the knowledge of the author. The empirical analysis could have been more rigorous. The findings were nicely visualized and the thesis scores very high on practical relevance. Therefore, the jury selected this thesis for the runner-up master thesis Award.