

This paper introduces a conceptual model discussing a levers of control perspective on organizational innovation in family firms. In order to remain competitive, firms need to be able to successfully change the way work is organized, as it may lead to a heightened capacity to innovate in the future or organizational learning (Bouwen & Fry, 1991). Successful organizational innovation requires that organizations are able to see and respond to new directions for the firm while at the same time acknowledging what has made the firm successful so far (Poza, 2007). As such, successful organizational innovation requires balancing change and stability. To date, the question how family firms can achieve this balance remains largely unanswered (e.g. Hatum & Pettigrew, 2004). Although it sounds counterintuitive, we draw on insights from the management control literature. Simons' (1995) discusses four types of control systems in his levers of control framework that deal with this balance. On the one hand, "communicating a vision" and "stimulating organizational dialogue" support change and innovation. On the other hand, "specifying the rules of the game" and "measuring progress towards targets" support stability. We thus argue that usage of these control levers assists in organizational innovation because these levers can be a concrete means to balance stability and change during an organizational innovation process in family firms. We build further on this framework and discuss how the specific nature of family firms influences the way they use the four control levers.