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**Resources and innovation in family  
businesses:  
The Janus-face of family  
socio-emotional preferences**

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Family business socioemotional preferences are often Janus-faced: Some strive to create a strong business they can pass on to offspring by building innovation-promoting resources such as human, relational and financial capital. Other family firms cater to family desires for unqualified nepotism, altruism towards undeserving kin, and appropriation of firm assets to fulfill parochial desires that erode these resources. We explore how some such preferences, together with their impact on resources and the innovation demands of their markets, shape the approach to innovation.