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**Coupling Family Business Research with Organization Studies:
Interpretations, Issues, and Insights**

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Abstract

Family-controlled firms are the most widespread form of business organization, but they have so far attracted limited attention from organizational scholars. The present work suggests that coupling research on family business organizations with organization studies will substantially benefit both areas of scholarly research. We explore how the five core defining features of family firms—ownership, management and governance, transgenerational intention, generational involvement, and perceived identity—may be illuminated by extant research in organization studies, and how, in turn, organizational studies may be extended by investigating its key themes in the empirical context of family firms.

Keywords: Family firm, organization studies, family ownership, family management, family generations, family identity

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Abstract

Family-controlled firms are the most widespread form of business organization, but they have so far attracted limited attention from organizational scholars. The present work suggests that coupling research on family business organizations with organization studies will substantially benefit both areas of scholarly research. We explore how the five core defining features of family firms—ownership, management and governance, transgenerational intention, generational involvement, and perceived identity—may be illuminated by extant research in organization studies, and how, in turn, organizational studies may be extended by investigating its key themes in the empirical context of family firms.

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INTRODUCTION

Empirical research has clearly documented the crucial role played by family business in the global economy. Existing studies suggest that between 65 and 90 percent of all companies in the world are family-owned, including more than one-third of the Fortune and S&P 500 firms (Claessens, Djankov, and Lang, 2000; Faccio and Lang, 2002; La Porta, Lopez-De-Silanes, and Shleifer, 1999). The share of countries' GDP and employment that family businesses create mirrors their numerical dominance (Gedajlovic, Carney, Chrisman, and Kellermanns, 2012). These records—which vary significantly depending on the definition of the family firm that is adopted (Amit and Villalonga, 2014; Shanker and Astrachan, 1996)—are expected to grow in the future, and in some geographical areas in particular.

Despite the pervasiveness of family firms, the decades-long stream of organization studies has seldom emphasized the controlling family as a key explanatory factor of organizational phenomena. Conceptual and empirical studies typically address "firms" without further specification, inattentive to the fact that most of their objects of investigation are influenced by family entities. As a result, family business research has developed into a separate research area, with only limited cross-fertilization with organization studies (Aldrich and Cliff, 2003).

More recently, however, we have observed an upsurge in the amount of research being carried out at the crossroads of family business and various management disciplines. Holt, Pearson, Payne, and Sharma (2018), for instance, noted an increase in the number of sessions at the Academy of Management (AoM) annual conference featuring family business research, from only 0.4 percent at the 2004 meeting, to more than 10 percent of all sessions and papers in 2018. Interestingly, while a decade ago most family business sessions were primarily located in the Entrepreneurship Division of the AoM, more recently they have featured in more than half of its divisions, and particularly in the Organization and Management Theory Division. We can note a similar increase in family business sessions at the European Academy of Management (EURAM) annual conference, as well as an increasing number of family business papers presented in different sub-themes at the European Group for Organizational Studies (EGOS) annual meeting.

We believe that connections between family business research and management studies in general, and organization studies in particular, have only just started to be explored. In a clear signal of the breadth of insights yet to be gained, an increasing number of journals and conferences in social sciences have recently been encouraging research on family firms. These efforts show that family firms as an empirical context have increasing potential for multidisciplinary research in the social sciences. With this paper we aim to contribute to more closely integrating research on family business and organization studies, an endeavor that has

been called for by a number of family business researchers (e.g. Sharma, 2004) as well as organization studies researchers (Hjorth and Dawson, 2016).

Family firms are a distinctive category of organization, potentially revealing new phenomena and posing new questions to organizational scholars. However, this potential will only be fully exploited if scholars focus on what defines family firms as unique and different from other types of organizations (Craig and Salvato, 2012). Over the past decades, a number of scholars and institutions have proposed definitions of family business that capture their essence and have made efforts to reconcile different views (Zellweger, 2017: Ch.2). Despite the lack of agreement on a single definition, not to mention its operationalization, these conversations have converged on a broad consensus about what distinguishes family firms from other types of organizations—the influence of a particular type of dominant coalition, a family, on the firm (Sharma, Melin, and Nordqvist, 2014). This comprehensive characterization encompasses five dimensions that describe the influence of the family entity over the firm (Chrisman, Sharma, and Taggar, 2007; Chua, Chrisman, and Sharma, 1999; Zellweger, 2017: Ch.2): ownership; management and governance; transgenerational intent; generational involvement; and perceived identity. As we will discuss in this paper, there are multiple opportunities for cross-fertilization between family business research and organization studies in each of these five dimensions.

The rest of this paper is structured into six sections. In the following five sections, we introduce each of the five dimensions of family influence and examine how family business research and organization studies can inspire and learn from each other. To illustrate our argument, we draw on recent and established contributions in the family business and organization studies scholarly fields. The paper concludes with a more general discussion about the relation between the two fields of research, outlining different trajectories for the future.

FAMILY OWNERSHIP AND ORGANIZATION STUDIES

The most obvious and most widely discussed dimension of family influence on a firm relates to *ownership* of equity shares. A significant portion of ownership rights—and in particular voting rights—in the hands of a family endows its members with the power to shape the strategic direction of the firm. A family that owns at least 50 percent of the voting rights in a privately-held firm is in a position to exert tight control over firm values and key strategic goals. This percentage required for tight control is typically much lower, between 10-30 percent, for public firms (Zellweger, 2017: 4–5). Given the salience of voting rights granted by share ownership, the percentage of ownership is also the most widely adopted operationalization of family firm definitions in empirical studies (Villalonga and Amit, 2006).

Scholars in economics and finance have explored the unique ownership features of family firms. These efforts resulted in important advancements, for example, in agency theory (Schulze, Lubatkin, and Dino, 2003). In contrast, scholars in organization studies have only recently begun to address the nuanced effects that ownership rights concentrated in the hands of a family may have on multiple organizational phenomena. Scholars have almost exclusively focused their attention on the performance effects of different ownership forms, such as dispersed stock ownership versus large shareholders, state versus private ownership, foreign versus national ownership, partnerships versus incorporated forms (Gedajlovic, Yoshikawa, and Hashimoto, 2005; Greenwood, Deephouse, and Li, 2007; Yang and Schwarz, 2016).

However, the concentration of power in the hands of a family and the unique mix of economic and noneconomic goals of the controlling families (Gomez-Mejia, Cruz, Berrone, and De Castro, 2011) may have additional and subtler effects on organizational phenomena above and beyond financial performance. A good example of this is the stream of research in organization studies on the effect of ownership traits on the *downsizing behaviour* of firms, that is, managerial decisions aimed at improving organizational efficiency, productivity,

and/or competitiveness by means of significant workforce reductions (Freeman and Cameron, 1993). Existing studies (e.g. Vicente-Lorente and Suárez-González, 2007) have already explored the effects of stock ownership, foreign ownership, and state ownership on downsizing decisions, showing that these aspects of ownership explain differences in downsizing behaviour, even after controlling for organizational decline-based firm characteristics, and legitimation-related factors. The existing theories are grounded in technoeconomic and socio-cognitive interpretations of organizational downsizing (McKinley, Zhao, and Rust, 2000) but do not explicitly consider family ownership. Thus, in order to take this line of research forward, future studies might want to draw on insights from family business research to explore the non-financial, *or* socio-emotional, motivations of downsizing connected with family ownership, which might counterbalance some of the observed effects and thereby put the existing theories into perspective. At the same time, research on family business downsizing could, for example, benefit from a socio-cognitive perspective.

Another example of an established area of organizational research that could benefit from an explicit focus on family ownership are studies on the choice of *professional archetypes* by firms with different ownership setups (Pinnington and Morris, 2002). Archetypes are ideal organizational types that incorporate values expressed or reflected in the organization's structure and processes. For instance, the professional partnership form of many service companies expresses traditional archetype values of collegiality, professionalism, and collaboration among peers in its structure and processes (Greenwood and Hinings, 1993). In their study of architectural firms, Pinnington and Morris (2002) showed that a change in ownership—from partnership to the incorporated form of ownership—can determine a shift to a more modern organizational archetype, even though ownership and management do not become separated. In order to take this line of research forward, organization scholars might benefit from insights in family business research highlighting the particular values and norms associated with family ownership (Hall, Melin, and Nordqvist, 2001), which are likely to

impact the choice of archetype. Thus, addressing family ownership structures and their evolution may offer additional explanations for archetype change, which might qualify the existing theories of organizational archetypes. At the same time, research on organizational archetypes could also introduce new insights to family business research by showing how ownership affects choices relating to the managerial professionalization of family firms over time (Stewart and Hitt, 2012).

A further example of an established area of organization studies that could draw on insights from research on family ownership is the organization ecology approach and, within that, *resource partitioning theory* in particular. Carroll's (1985) theory of resource partitioning explains the related dynamics between the rise of large producers at the center of a market or industry (e.g., large beer producers in the beer industry) and the simultaneous resurgence of smaller specialist firms that exploit peripheral regions of the same resource space (e.g., microbreweries) (Carroll and Swaminathan, 2000). This phenomenon is possible when market participants do not regard the products of the larger producers as authentic (for example because they use inappropriate methods). Thus, at the heart of the theory are issues of identity and authenticity (McKendrick and Hannan, 2014), which are issues that also play an important role in family business research (Gedajlovic and Carney, 2010). Many family firms are active in traditional industries where heritage and a strong product identity are essential to market success. Thus, research on resource partitioning might benefit from insights about these issues found in family business research. Relatedly, Sasaki, Ravasi, and Micelotta (2019, in this special issue) show how Japanese Shinise—Japanese multi-centenary family firms active in traditional markets—thrive for decades despite market entry by significantly larger public corporations. They explain the resilience of this particular type of family firm through a mix of sociocultural practices that constitute and maintain Shinise as local "institutions" that contribute to preserving the cultural integrity and collective identity of the local communities in which they operate. Research on family ownership in different

industries and cultures may thus expand knowledge on resource partitioning phenomena and on the possible moderating effects of family identity. At the same time, resource partitioning theory might also contribute to family business research by identifying exactly which elements of an entrepreneurial family's heritage and culture will allow the controlled firm to thrive amidst disruptive industry dynamics of concentration and specialization.

Together, these examples demonstrate how established streams of inquiry within organization studies can benefit from a deeper engagement with insights from family business research regarding the effects of family ownership. At the same time, inquiries into the effects of family ownership within family business research can fruitfully draw on theoretical arguments in organization studies.

FAMILY MANAGEMENT / GOVERNANCE AND ORGANIZATION STUDIES

A second important dimension of family influence relates to the participation of family members in the firm's *management and governance* (Goel, Jussila, and Ikäheimonen, 2014). Some scholars even argue that an organization only qualifies as a family firm if family influence on the firm takes place through executive leadership. Family ownership alone does not necessarily determine a significant influence of the family on the firm (Brundin, Florin Samuelsson, and Melin, 2014; Claessens, Djankov, and Lang, 2000; Faccio and Lang, 2002). A family may, for instance, own 100 percent of the voting shares, but it may be uninterested in controlling the firm, instead delegating all decision-making powers to professional managers and to nonfamily board directors. In this and similar cases, the family has little or no influence on the business entity. For this reason, some scholars consider active family involvement in management and governance an essential defining feature of family firms (Amit and Villalonga, 2014). This involvement allows the family-dominant coalition to directly transfer values, goals, and leadership styles to the firm and to directly influence its decision-making processes and organizational behaviour. Family members may be active in

executive management positions, on the firm's board of directors, or both. In addition, given the importance of the family dimension and its impact on the firm, family members may also take on other leadership roles in governing the family business, for example, through family councils, family assemblies, family offices, and family foundations (Gersick and Feliu, 2014). This characterization of family involvement at different levels and in different arenas also points to the family business being a natural and fruitful context for multilevel research, a perspective that has been called for in organization studies (Hitt, Beamish, Jackson, and Mathieu, 2007; McKenny, Payne, Zachary, and Short, 2014).

The governance of family business has been extensively studied in family business research, as well as in economics, finance, and accounting (Goel, Jussila, and Ikäheimonen, 2014). There is also substantial research on the management of family business, which has been predominantly focused on management succession issues (Long and Chrisman, 2014) and, more recently, on the differences between family and nonfamily managers (Tabor, Chrisman, Madison, and Vardaman, 2018). Yet, so far, little of that research has made its way into organization studies more generally, even though there are many potential areas for cross-fertilization.

One example of an established area of research in organization studies that could benefit from such studies is the literature on *CEO duality*, that is, situations in which the CEO also holds the position of the chairman of the board (Krause, Semadeni, and Cannella, 2014). Empirical research in that area has failed to disentangle the negative view of agency theory (predicting that greater power and discretion will diminish board monitoring and increase the ability of CEOs to engage in self-serving activities detrimental to their organization) from the positive view of stewardship theory (predicting that duality will allow the CEO to use their greater power and discretion to direct resources in ways that will benefit the organization). A recent study by Lewellyn and Fainshmidt (2017) attempted to address these inconsistent results and showed that the effectiveness of either a dual or separated leadership structure is

moderated by other types of power and discretion arising from the context in which the CEO is embedded (Schiehl, Lewellyn, and Muller-Kahle, 2018). Family management and governance is one of those contextual factors. The active involvement of members of the controlling family introduces different types of power and discretionary activities that may have substantial effects on how CEO duality plays out. For example, a family CEO might be less at risk of self-serving behaviour due to his or her embeddedness in family structures and might thus need less board monitoring to reign him or her in (van Aaken, Rost, and Seidl, 2017). This may, in turn, reduce the negative effects of CEO duality while allowing the positive aspects to play out more strongly.

Another potential contribution to cross-fertilization between family business research and organization studies on family involvement in management and governance comes from the literature on *divestiture in response to internal and external threats*. The literature in organization studies has typically tried to explain divestiture on the basis of governance and agency problems, as well as firm and industry-specific determinants (Brauer, 2006), with the general assumption that threats trigger divestiture decisions (Laughlin, 1991). Yet, the specific influence of family managers and directors on those decisions has largely been ignored. Recent family business literature offers important insights in this respect. Chirico, Gómez-Mejía, Hellerstedt, Withers, and Nordqvist (2019), for example, draw on the socioemotional wealth perspective from family business research to find that family decision makers paradoxically respond more rigidly to internal and external distress cues and are thus reluctant to exit. However, their results suggest that, when confronted with different exit options, and when distress heuristics suggest that exit is unavoidable, family decision makers tend to rely on partial forms of exit (mergers) to preserve at least part of the family's socioemotional endowment. Heechun, Hoskisson, and Zyung (2019, in this special issue), take these insights a step further by adding the particularism perspective to the socioemotional wealth logic. They find that within a sample of Korean family firms facing an economic

recession, family CEOs are less likely than non-family CEOs to divest foreign subsidiaries of family multinationals. This effect is amplified for subsidiaries with larger affective endowments (e.g., majority- and wholly-owned subsidiaries). In particular, the authors introduce "socioemotional favouritism" as a family CEO's tendency to mitigate non-financial losses in divestitures by acting on family-centered socioemotional preferences towards some business units over others. At the same time, existing research in organization studies on firms' responses to threats and divestiture might also bring new insights relevant to family business researchers. For example, more fine-grained arguments may be built and new insights generated by coupling existing family business research with other perspectives closer to organization studies, such as the threat-rigidity hypothesis (Staw, Sandelands, and Dutton, 1981), escalation of commitment (Staw, 1981), the house money effect (Thaler and Johnson, 1990), hubris (Hayward and Hambrick, 1997; Takacs Haynes, Hitt, and Tochman Campbell, 2015), and social comparison theory (Festinger, 1954).

A further example of potential cross-fertilization of insights regarding family involvement in management and governance is the wider literature on *organizational institutionalism*, which is concerned with institutional influences on cognitions and behaviour (Greenwood, Oliver, Lawrence, and Meyer, 2017). While the institutional approach is already established in family business research (Soleimanof, Rutherford, and Webb, 2018), institutional theorists in organization studies have largely neglected the family influence to date. In particular, family managers and board members are important carriers of the family institution, including norms such as the legacy of family traditions, emotional ties, being an autonomous entity, and long-term orientation (Brundin et al., 2014; Miller and Le Breton-Miller, 2005). This is likely to have a direct effect on how both family and nonfamily managers and employees interpret the world and act. Institutional influences from the family are also likely to shape the way in which the organization responds to other institutional pressures from the organizational field in which the organization is embedded.

Taken together, the above examples demonstrate how both family business research and organization studies might benefit from acknowledging their respective insights related to the engagement of family members in the management and governance of organizations.

TRANSGENERATIONAL INTENTION AND ORGANIZATION STUDIES

The type and extent of influence of the family on the firm also depend on *transgenerational intent*, which is the desire to transfer control—ownership, management/governance, or both—to subsequent generations of the family. In their influential article on the definition of family firms, Chua, Chrisman, and Sharma (1999) claim that the measurable components of family involvement—such as ownership, management and governance—are only weak predictors of family firm behaviour. They suggest that what truly characterizes family firms is their intention to transfer across generations the vision of the business held by the family-dominant coalition.

Transgenerational intent places temporality center stage in defining the essence of a family firm (Sharma, Salvato, and Reay, 2014). Some scholars, for instance, do not consider a founder-managed company (or first-generation firm) as a family firm, because family influence on the business entity requires time to become visible and effective (Miller et al., 2007). In contrast, others have noted that if the firm was founded by a couple, or if the founder intends to transfer it to descendants, a number of family issues will emerge and play a significant role in shaping firm values and decisions (Gersick, Gersick, Davis, Hampton, and Lansberg, 1997). In a similar vein, some scholars do not consider a company to be a family firm if the dominant coalition intends to sell, because the inherent lack of noneconomic goals such as continuity, intra-family succession, the desire to control, and family heritage eliminate any family influence on the business. In contrast, others suggest that the most relevant defining feature is the family, not the business entity. Therefore, exit from or sale of the business do not necessarily mean the cessation of family influence on business entities,

because the controlling family may reinvest in different economic assets or new ventures (Chirico, Gómez-Mejia, Hellerstedt, Withers, and Nordqvist, 2019; Salvato, Chirico, and Sharma, 2010).

Even though the intention of the controlling family to transfer control to subsequent generations is a central topic in family business research, the nuances of such intention have received only scant attention. In particular, different groups of actors may have different temporal orientations—defined as the intended time durations for carrying out planned activities (Das, 1987, 2006)—in relation to the continuation of the firm as a family-influenced entity. For instance, while the controlling family may have the intention to transfer control to subsequent generations, nonfamily owners and managers may not share this intention. Similarly, while family members who are active in the business as managers may share transgenerational intentions, those who are owners but not managers may be interested in selling the firm. Disparities in transgenerational intentions may also surface between different generations of the controlling family, for example, when the founder generation manifests the will to transfer the company to family successors, while the next generation may fail to share this ambition.

An engagement with the organization studies literature on *temporal work* may prove helpful in understanding how such temporal orientations are negotiated and shaped. Defined as “negotiating and resolving tensions among different understandings of what has happened in the past, what is at stake in the present, and what might emerge in the future” (Kaplan and Orlikowski, 2013, p. 965), the concept of temporal work may provide clarity and precision in understanding how controlling families and nonfamily participants establish transgenerational intentions. For instance, a recent study by McGivern and colleagues (2018) provides important insights into the open and covert politics that underlie the negotiation of different temporal orientations. In particular, they highlight the consequences of leaving tensions between different temporal orientations unresolved, which can impede collective action. This

lack of engaged dialogue about the temporal intentions of different generations is often observed in family firms. However, scholars have not fully investigated under what conditions this occurs, and how the resulting temporal tensions are negotiated and resolved or kept covert and unarticulated. The investigation of the subtle tools involved in temporal work identified in organization studies may thus help scholars to understand how families resolve, or fail to resolve, such controversies. In turn, understanding the temporal dynamics in family firms may reveal subtle mechanisms that have not yet been identified in the nonfamily contexts typically addressed by organization studies. For instance, De Massis, Chirico, Kotlar, and Naldi (2014) find that as the temporal orientations of family firms change over the course of their evolution, so does their proactiveness, i.e., their efforts to anticipate future market demands and actively shape the external environment. These findings may also offer important insights into the study of temporal orientations and proactiveness in the context of other types of firms.

Another arena for potential cross-fertilization between family business research and organization studies regarding temporal orientations is the literature on *organizational paradox*, and on identity paradox in particular (Smith and Lewis, 2011). One important aspect of the transgenerational intention concerns what it means to be a family firm and what exactly should be passed on to future generations. Different members of the organization often have different views on this, which may change over time. For example, some members might start to question the original intention to keep and transfer full ownership and control of the business entity. Some may also consider diversifying the firm into different industries and may even exit the founder's business and enter new ones (Salvato et al., 2010). Over time, professional nonfamily managers may join family executives in running the business, thus introducing new professional identities (Tabor et al., 2018). These and similar changes might lead to members holding competing identities. For instance, members of the second generation may simultaneously identify with the founder's generation and with the new

strategic directions that they intend to implement. Nonfamily managers may simultaneously identify with the profiles of their professional practice and with the personal approach of the family business they joined. Existing research in organization studies on identity paradoxes may help in the development of a better understanding of ways to negotiate such conflicting identities by different categories of organizational participants over time. For example, Cuganesan's (2017) insights into how identity paradoxes within a police organization were resolved through iterative cycles of identity regulation by different groups of employees may shed significant light on similar processes happening within family firms. These and other insights from organization studies (Langley, Golden-Biddle, Reay, Denis, Hébert, Lamothe, and Gervais, 2012; Kreiner, Hollensbe, and Sheep, 2006) may also help us understand how the identity paradox is likely to affect individuals differently, contingent on their social positions (e.g., family versus nonfamily members) and experiences (e.g., within and outside the family business), and how these opposing motivations may both co-exist and vary in their salience contingent on situational context and organizational change.

As these examples demonstrate, family business researchers can draw a great deal of inspiration from existing research in organization studies, which can help them better understand the tensions associated with transgenerational intentions, as well as their management. At the same time, the family business context provides an interesting empirical setting in which to refine and extend existing organization theories about temporal orientations.

GENERATIONAL INVOLVEMENT AND ORGANIZATION STUDIES

Another aspect of family influence relates to *generational involvement*, which concerns the generation that is currently in control—the first, or founder's generation, the second, the third, and subsequent ones—and the number of generations that are simultaneously controlling the family through ownership, management, and governance. As family firms

move beyond the first generation of family ownership and involvement in management and governance, several changes occur. Each generation of the controlling family may hold significantly different sets of goals, resources, and perspectives that can affect the firm in different ways. When two or more generations are simultaneously in control, the effects of generational differences may be even more pronounced (Chirico et al., 2011). They will, for instance, often exhibit differing succession goals and behaviours (Sonfield and Lussier, 2004). The willingness to change and the ability to perceive technological opportunities may also vary across generations. These multigenerational dynamics significantly affect multiple firm behaviours and outcomes, such as corporate entrepreneurship (Kellermanns and Eddleston, 2006). The simultaneous presence of the founder and members of subsequent generations may cast a shadow on the firm's decisions and behaviours and can result in heightened conflicts in the family firm (Davis and Harveston, 1998, 1999).

Even though generational involvement is an important issue in family business research, family business scholars have paid only limited attention to the various implications of *goal multiplicity* and to the dynamics of *goal alignment*, focusing merely on the impact that goal multiplicity has on governance practices (e.g., Jaskiewicz and Klein, 2007; Pieper, Klein, and Jaskiewicz, 2008). In contrast, organizational scholars have investigated complementary dimensions of these phenomena, which may be drawn upon to gain a better understanding of the multiplicity of goal orientations where multiple generations of the controlling family coexist in family firms.

For example, in organization studies, Mom and colleagues (2015) show how relational capital shapes the alignment of goals between organizational members. The authors find that when organizational members perceive their relationships with others to be closer and more trustful, their tendency to reach agreement about the goals they wish to achieve increases significantly. These and similar results may be transferred to the context of family firms to investigate how the close and trustful interactions associated with family relational capital

serve as the social glue that binds actors together, causing them to share each other's goals (Adler and Kwon, 2002; Moran, 2005; Uzzi, 1996).

Another example of a study from which family business researchers could draw inspiration regarding generational involvement was carried out by Jarzabkowski and Sillince (2007), who reveal the role of rhetoric in dealing with conflicting goals. The authors show how rhetoric, which is defined as "the conscious, deliberate and efficient use of persuasion to bring about attitudinal or behavioural change" (Cheney, Christensen, Conrad, and Lair, 2004: 84), provides a valuable tool for the building of goal alignment when multiple contrasting goals are present. In particular, goal alignment is possible if rhetoric is used by senior managers in the wider context of organizational history, organizational actors' power, and time, which affect the rhetor but can also be brought to bear on the identity and values of the audience. Through rhetoric, for instance, senior managers can persuade organizational members that there are links between goals that they already value and goals that they might otherwise see as divergent from their interests. These insights could be used to investigate how members of the senior generation may try to align the contrasting goals of the incoming next generation (or vice versa, if the next generation is in charge while members of the previous one are still covering active roles in the firm).

Taken together, these examples show that existing research in organization studies offers a wide range of insights for family business researchers that can help illuminate, and resolve, the tensions associated with the involvement of different family generations. At the same time, the family business context might offer a particularly fruitful empirical setting for testing and refining existing organization theories about goal conflicts and alignments.

PERCEIVED FAMILY BUSINESS IDENTITY AND ORGANIZATION STUDIES

Finally, the *perceived identity* of a firm as a family firm may also determine the type and intensity of family influence. Some scholars argue that the classification of a firm as family or

nonfamily depends not only on objective criteria such as ownership, management and governance, transgenerational intention, and generational involvement, but also on perceived identity—the degree to which organizational members and external stakeholders perceive the organization as a family firm. Evidence on this dimension is regrettably sparse. In a study of private family firms in the United Kingdom, Westhead and Cowling (1998) observed that 17 percent of business leaders in firms that were majority controlled by a family did not consider themselves to be part of a family firm. Interestingly, 15 percent of business leaders employed by firms with a lower level of family control did perceive their firm to be a family firm. These findings point to a potentially important distinction between emic (from the perspective of the subject) and etic (from the perspective of an external observer) definitions of a family firm.

For instance, a family firm whose shares are sold by the controlling family to another business entity may still be perceived by external observers as a family firm, in particular if the family name of the company is preserved. This perception may persist even where members of the selling family do not retain leadership positions in the firm. This etic definition may have significant effects, for example, on the preferences of customers, who may still subjectively perceive heritage and a reputation for quality in the products of the acquired company. Discrepancies between objective features and subjective perceptions of family businesses, and how they are actively managed by people within and outside the family firm, may have interesting implications for organization studies and vice versa.

Family business researchers might fruitfully draw on the existing organization literature on *identity work* to investigate these differences between emic and etic perspectives—perceptions by insiders and outsiders, respectively—and how they are managed. Studies in this area may provide insights into the particular practices through which such identity work is performed. At the same time, organization scholars might also learn about practices for identity work that are specific to family firms. A good example of the insights that can be gained from mobilizing concepts found in the identity work literature is the study by Elmes

and Lingo (2019, in this issue), which examined how nonfamily members of a large family firm performed identity work that blurred the boundaries of what constitutes "family" in order to mobilize action in response to impending identity threats faced by the company.

Another good example of how the identity work literature might be mobilized is the study by Brown and Toyoki (2016), which revealed different types of identity work aimed at affirming or contesting different forms of *legitimacy*. These insights could provide a fruitful framework for investigating how members of family firms attempt to create or undo the legitimacy of the organization as a family firm. In turn, studying identity work in family firms may unveil mechanisms that have so far been overlooked in different contexts, such as the role of emotional ties between family and nonfamily members, and sometimes even with external stakeholders (Berrone, Cruz, and Gomez-Mejia, 2012; Miller, Le Breton-Miller, and Scholnick, 2008).

The literature on *organizational legitimacy* and, more particularly, legitimacy conflicts may provide another opportunity for cross-fertilization between the two research fields. For example, in their study Drori and Honig (2013) revealed the effects of an alignment or misalignment between internal and external legitimacy. While misalignment tends to create a discrete culture, factions, and an erosion of legitimacy and of access to resources, alignment tends to create a shared culture, broad consensus, and a wider access to resources (Hall et al., 2001). These conceptual tools may be extended to the study of the internal and external legitimacy of the family dimension of family firms. Apart from the effects of alignment and misalignment, this literature might also help explain why some family firms prefer to conceal family influence in certain circumstances, for example, when scandals hit members of the controlling family, or, conversely, why they seek to emphasize family involvement even when family influence is objectively limited, for example, to benefit from an association with tradition and heritage.

The organization literature on *identity and reputation* (Dyer and Whetten, 2006; Ravasi, Rindova, Etter, and Cornelissen, 2018), which has recently received increasing attention from family business researchers, is another potential source of cross-fertilization. For example, Vincent Ponroy, Lê, and Pradies (2019, in this special issue) draw on Albert and Whetten's (1985) concept of organizational identity as offering central, enduring, and distinctive characteristics for exploring how nonfamily members actively contribute to the construction, maintenance, and diffusion of family firm identity in a pharmaceutical company. More specifically, they apply a social-constructionist perspective on organizational identity maintenance (Haslam, Cornelissen, and Werner, 2017) to show that, despite the lack of active involvement of family members in management positions, nonfamily managers and employees performed meaning preservation and meaning connection activities that preserved the family identity and reputation of the company. Another example is the study by Ge and Micelotta (2019, in this issue) which builds on the concepts of organizational identity and reputation to argue that, due to reputational and social identity motives, family influence intensifies firms' philanthropic donations. Similarly, Berrone et al (2010) find that as a result of their desire to preserve their identity and reputation as family firms, family businesses tend to pollute less than non-family firms. Both studies offer important explanations for differences in organizational behaviours.

Together, these examples demonstrate how the existing organization literature can be mobilized to enrich our understanding of family business identity and its effects on organizational activities. At the same time, the family firm context offers a fruitful empirical setting for advancing organization theories about identity, reputation, and legitimacy.

TOWARDS A GREATER INTEGRATION OF ORGANIZATION STUDIES AND FAMILY BUSINESS RESEARCH

This paper has been motivated by a conviction that both family business research and organization studies would benefit from a greater integration of their respective findings. As we have elaborated above, family firms can be interpreted as organizations that are characterized by the influence of a family on five dimensions—ownership, management and governance, transgenerational intention, generational involvement, and perceived identity. To demonstrate the potential for cross-fertilization between the two scholarly domains, we have shown how each of these five dimensions opens up opportunities for family business researchers to mobilize insights from organization studies and vice versa. In particular, we have argued that the family firm offers an important empirical context for testing and extending extant theories from organization studies. We have shown how multiple recent and established works have the potential to facilitate a gradual integration of the two fields along multiple phenomena.

Table 1 summarizes the five defining family business dimensions and the areas of cross-fertilization between organization studies and family business research that we illustrated. For example, existing work in organization studies can help family business scholars better understand tensions and their resolutions associated with the presence of multiple family generations and the intention to transfer the business to the next generation. Similarly, attention to family generational conflicts and intergenerational intentions may help organization scholars draw more insights into the management of goal conflicts, alignments, and temporal orientations.

--- INSERT TABLE 1 ABOUT HERE ---

The examples we have provided as an illustration of potential areas of cross-fertilization between organization studies and family business research certainly do not show the whole picture of the possible integration of the two fields. To mention just a few, other relevant and potentially very fruitful areas include studying the five dimensions of family influence using the perspectives of gender (Jeannes, Knights, and Martin, 2012), of emotions (Elfenbein, 2012), and of power dynamics (Clegg and Haugaard, 2009). There is potential to add a rich empirical context to these areas in organization studies and to increase our understanding of the phenomena of family business when applying theoretical resources from these areas.

By outlining the five different dimensions of potential family influence we have also tried to highlight the heterogeneity to be found amongst family firms. It is well-known that family firms are not a uniform category, after all. There are many different combinations of family influence in these five dimensions which result in a great variety of different types of family firms. Firms may range from organizations that are fully owned and managed by members of different generations of the controlling family who intend to transfer control to future generations and that are internally and externally perceived as family firms, to companies that are simply perceived by some external observers as family firms, but in which no family has any type of control rights. Taking this argument a step further, one could conclude that all firms lie on a continuum of family influence, ranging from full-fledged family influence in all five dimensions to no family influence. But even at the latter end, we may still find some indirect influence exercised by families—if only through the husbands or wives of the owners and managers and/or their intention to pass on their activity to their children at some future point in time. From this perspective, together with the fact that family firms are prevalent throughout the world, one could argue that, although not explicitly acknowledged, most (if not all) organization studies have been concerned with organizations that exhibit some form of family influence.

This underlines the need to forge even stronger links between the fields of family business research and organization studies, moving scholars towards a stronger coupling of the two fields. Scholars in organization studies are essentially oriented towards the understanding of organizations, organizing and the organized, and the social relevance of that understanding. A more explicit focus on family influence may allow them to further achieve this orientation because family firms are distinctive types of organizations, enacting unique processes of organizing, and inhabited by organizational participants with specific sets of values, motivations, goals, and behaviours. Moreover, the widespread presence and socioeconomic impact of family firms in any country would further enhance the social relevance of the contributions developed by scholars in organization studies.

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Table 1. Family business dimensions and their role in organizational and family phenomena

Dimensions of family influence	Typical operationalization	Exemplary organizational and family business phenomena
Ownership	% of voting rights in the hands of the controlling family	<ul style="list-style-type: none"> • Growth and downsizing behaviour • Choice of professional archetypes • Resource partitioning
Management and governance	% of positions held by controlling family members in: (a) Top management team (TMT); (b) Board of Directors (BoD); (c) other firm or family governance bodies	<ul style="list-style-type: none"> • CEO succession • CEO duality • Divestiture in response to threats • Organizational institutionalism • Strategic commitments
Transgenerational intention	Intensity of the controlling family's intention to pass the firm on to the next generation/s	<ul style="list-style-type: none"> • Temporal orientations • Negotiation of identities over time • Temporal work • Organizational identity paradox
Generational involvement	(a) Generation currently in control; (b) number of generations simultaneously involved in ownership, management and governance	<ul style="list-style-type: none"> • Goal orientation • Goal multiplicity • Goal conflict • Goal alignment
Perceived identity	Extent to which controlling family members, nonfamily employees, and external stakeholders: (a) perceive the firm as a family firm; (b) identify with family values	<ul style="list-style-type: none"> • Organizational legitimacy • Identity work • Identity and reputation