Journal of Family Business Strategy 4 (2013) 12–21

Contents lists available at SciVerse ScienceDirect

Journal of Family Business Strategy

journal homepage: www.elsevier.com/locate/jfbs

Understanding multiple family firm identities: An exploration of the communicated identity in official websites

Isabel C. Botero [a,*], Jill Thomas [b], Christopher Graves [b], Tomasz A. Fediuk [a]

[a] Independent Family Business Researcher, USA
[b] Business School, The University of Adelaide, Australia

ARTICLE INFO

Article history:
Received 24 November 2011
Received in revised form 7 November 2012
Accepted 19 November 2012

Keywords:
Family ownership
Family firm identity
Multiple family firm identities
Communication strategies
Online communication

ABSTRACT

In recent years, family firm identity has been introduced as one of the perspectives to explain how family involvement can result in a source of distinctiveness and competitive advantage for a family business. This paper introduces the idea of multiple family firm identities and explores whether, and if so how, organizations communicate their family firm identity in their official websites. One thousand and thirty-six family firm websites from three countries (Australia: $N = 560$; US: $N = 310$, UK: $N = 166$) were analyzed. Results indicate that fifty seven percent of the firms made some reference to being a family firm in their websites. Twenty six percent of the firms used an explicit message strategy and thirty eight percent used an implicit strategy in their communication efforts. Additionally, firm characteristics (i.e., firm age, country of origin, type of industry, and market orientation) were related to how and where organizations communicated they were family firms. Implications for family firms and ideas for future research are discussed.

1. Introduction

A focus of family business research has been to understand the unique challenges and opportunities that result from a family's involvement in the management, control, and ownership of a firm. Even though empirical research exploring "the family effect" on firm performance has received mixed results (Dyer, 2006), there is still a belief that family involvement often results in positive consequences for a firm. In particular, family ownership is seen as resulting in superior performance for publicly traded family firms (Anderson & Reeb, 2003; Ibrahim, Angelidis, & Parsa, 2008), better general performance (Craig, Dibrell, & Davis, 2008; Kashmiri & Mahajan, 2010; Memilli, Eddleston, Zellweger, Kellermanns, & Barnett, 2010), and positive perceptions about an organization (Carrigan & Buckley, 2008; Krappe, Goutas, & von Schlippe, 2011; Orth & Green, 2009). Thus, family business researchers have suggested that family firms possess a bundle of unique resources that are a product of a family's involvement in the business (i.e., familiness), and can become a source of competitive advantage for a firm (Habbershon & Williams, 1999; Habbershon, Williams, & McMillan, 2003).

Recently, family firm identity (FFI) has been introduced as a way to explain the link between family involvement and competitiveness in family firms (Zellweger, Eddleston,& Kellermanns, 2010). Zellweger and colleagues (2010) argue that FFI is equivalent to the concept of organizational identity (OID) in a family firm context, and suggest that FFI captures the collective perceptions that the family has about the family firm. Thus, FFI reflects the unique identity that results from the overlapping of the family and the business subsystems, and the varying degrees of involvement and influence that a family can exercise in these types of organizations (Chrisman, Chua, & Sharma, 2005; Sudaramurthy & Kreiner, 2008; Zellweger et al., 2010). Zellweger and colleagues suggest that the strength of FFI can influence the behaviors of organizational stakeholders which, in turn, can affect the performance of the family firm and translate into sources of competitive advantage.

FFI offers an important contribution to our understanding of family ownership as a source of competitive advantage in that it helps researchers move from an emphasis on internal organizational factors to an appreciation that external factors (e.g., perceptions of external stakeholders) could also result in unique resources that can enhance a family firm's competitiveness in its market. Up to date, most of the work on FFI has been conceptual. A reason for this is the different approaches taken when conceptualizing FFI that could affect how to operationalize this variable in empirical studies. For example, FFI can reflect whether business leaders perceive their company as a family firm, whether the organization communicates that they are a family firm, whether stakeholders perceive a firm as a family firm, or whether family leaders want the business to be known as a family firm. Thus, researchers might have explored the idea of family firm identity under a different label, limiting what we currently know about FFI

* Corresponding author.
E-mail addresses: boteroisa@gmail.com, isabotero@me.com (I.C. Botero).

1877-8585/$ – see front matter © 2012 Elsevier Ltd. All rights reserved.
http://dx.doi.org/10.1016/j.jfbs.2012.11.004

and whether it results in a source of competitive advantage for a firm.

One way to deal with the different approaches to understanding organizational identity (OID) is to think about organizations as having multiple identities (Balmer & Greyser, 2002; Pratt & Foreman, 2000). Balmer and Greyser (2002) introduced the multiple-identity model of 'actual, conceived, ideal, desired and communicated' (AC^2ID) identities to illustrate and incorporate internal and external approaches toward defining OID. They argue that organizations possess five types of identity that reflect what the organization is, what they communicate about what they are, how others perceive what they are, what leaders want the organization to be, and, given the current environmental/market conditions, what would be ideal for the organizations to become. Balmer and Greyser (2002) indicate that understanding that organizations posses multiple identities is important because the misalignment of these identities can result in conflicting information for stakeholders, which can have harmful effects for an organization. For example, when an organization communicates an identity that reflects this firm is customer focused, but in reality does not pay attention to customers or customers perceive the organization does not care about them, this conflicting information can result in negative perceptions about the firm.

Drawing on previous work on FFI (Craig et al., 2008; Memilli et al., 2010; Zellweger et al., 2010), OID (Albert & Whetten, 1985; Fiol, 2001; Whetten, 2006) and the multiple identities – AC^2ID model (Balmer & Greyser, 2002) this article has two objectives. First, applying the multiple identities model in the context of family firms, we present the five types of FFI that coexist in family firms and explain why it is important to consider the multiple identities approach. Second, we focus on the communicated FFI (i.e., does the organization communicate that they are a family firm?), and present a study that explores *whether* family businesses use their websites to communicate their FFI to external stakeholders and, if so, *how* they communicate this identity in three national contexts (i.e., Australia, US, and UK). Understanding whether and how family firms communicate their FFI is a first step in exploring whether these communication efforts can translate into a source of competitive advantage.

To achieve our objectives this article is organized as follows. First, relevant literature in the areas of FFI, OID and strategic communication is reviewed to present a conceptual framework of multiple FFI. We then focus on communicated FFI and present the rationale for our exploratory study on whether and how FFI is communicated through organizational websites. Presentation of the methodology and results follow. We conclude with a discussion of findings, their implications for research and practice, together with suggestions for future research.

2. Literature review

2.1. Family firm identity

OID represents the collective sense of what are the central, enduring, and distinctive characteristics of an organization (Albert & Whetten, 1985). OID is important because stronger identities can create unity in the workforce that can drive increased performance and enhance organizational competitiveness (Fiol, 2001). In recent years, researchers have argued that principles from OID can be adapted into the family business context to understand how family involvement can contribute to the competitiveness of family firms (Zellweger et al., 2010). Zellweger and colleagues (2010) suggest that in family firms stronger OIDs can provide a strong vision and can direct organizational members to consider "who they are as an organization" when making decisions and/or acting on behalf of the firm. In this sense, OID affects the beliefs, values, and practices that organizations have and, in turn, helps differentiate one organization from another in the eyes of internal and external stakeholders (Scott & Lane, 2000). As part of this work, the concept of FFI was introduced to represent the idea of OID in the family firm context (Zellweger et al., 2010).

FFI is important because it can influence internal and external factors in a firm (Zellweger et al., 2010). Internally, FFI can affect both family and business outcomes. Inside the family, FFI can influence the sense of belonging family members have. This is important to the family because it helps develop emotional ties that can assist in establishing family common goals and norms (Lewicki & Bunker, 1996; Sudaramurthy & Kreiner, 2008). In the business, FFI can influence the involvement and participation of family and non-family employees. This is important because when family and non-family members have a strong sense of belonging toward the firm they are more likely to see the firm as an extension of themselves (Dyer & Whetten, 2006), they may be more willing to participate and be involved in what the firm does, and this may translate into better family firm performance (Kellermanns & Eddleston, 2007). Additionally, stronger FFI can help non-family members embrace family values and goals that are unique to the family. Therefore, in situations in which non-family employees are closely identified with the family firm this identification can translate into stewardship toward the firm, and participation in decision-making, which can potentially offer benefits to the organization (Zellweger et al., 2010). Externally, FFI can influence the perceptions that external stakeholders have about the firm, its products and its importance in the community (Zellweger et al., 2010). The limited research exploring the perceptions that customers have about family firms has found that mentioning that a firm is family owned translates into positive perceptions about the firm and these perceptions play an important role in purchasing behaviors (Carrigan & Buckley, 2008; Okoroafo & Koh, 2009; Orth & Green, 2009). Thus, a strong FFI might translate into positive outcomes for an organization (Zellweger et al., 2010).

Although researchers have acknowledged the importance of FFI (Blomback & Botero, 2013, chap. 28; Craig et al., 2008; Memilli et al., 2010; Zellweger et al., 2010), most of this work is conceptual in nature. One of the reasons for this may be that FFI has been conceptualized in multiple ways and this can cause problems when operationalizing FFI in empirical research. As originally conceptualized, FFI explains whether a family perceives that its business is a family firm (i.e., are we a family firm?). Zellweger and colleagues (2010) also suggest that FFI represents whether an organization is "known as a family firm". Thus, it can be argued that FFI could also represent whether a family is perceived as a family firm or whether the family firm communicates that their business is a family firm. A third conceptualization can come from differentiating who in the family views the business as a family firm. In this case, FFI can represent the vision that family leaders have (i.e., do family leaders perceive that the firm is a family firm?). Given this, multiple conceptualizations of FFI need to be explicated and understood before family business research can move on to conducting empirical research to better understand FFI and how FFI influences family firm performance. This article is a first step in that direction.

2.2. Multiple family firm identities

There have been several researchers who argue that organizations have multiple identities that represent the different ways organizational stakeholders perceive "what an organization is" (Balmer & Greyser, 2002; Cheney, 1991; Pratt & Foreman, 2000). Thus, one of the primary functions of management is to make sure that these different identities are not misaligned (i.e., contradictory to each other). To the extent that the different OIDs are aligned,