

An Archival Approach to Measuring Family Influence: An Organizational Identity Perspective

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What we do

- Archival and content analytic adaptations for three key characteristics signifying alignment between family and organizational identities
- A family's unique gravitation toward noneconomic goals is driven by these characteristics

- Zellweger and colleagues (2013)
 - Family visibility
 - Transgenerational sustainability intentions
 - Family self-esteem enhancing qualities of the firm



Sample of family firms

- Family firms as those where there was a principal shareholder (representing a 10% or more ownership stake) represented by two or more related family members, where at least one of whom was either an executive member of the top management team and/or a board member (Brigham et al., 2014)
- S&P 500
 - Corporate “About Us” pages, shareholder letters, archival databases, and corporate websites
 - 136 family firms and 428 nonfamily firms over the 12-year time period of our study

Do family firms talk about family?

- “About Us” webpages
 - Provide an avenue for the company to describe the central and distinctive characteristics of the organization
- Linguistic Inquiry Word Count (LIWC)
 - Family dictionary
 - “family” “families” “relatives” “paternal”
- Family mean ($M = 0.22$) is larger than nonfamily mean ($M = 0.15$) at $p < 0.05$



Variable	Conceptualization	Measure
Transgenerational sustainability	Desire to pass on control and leadership of the firm from members of one generation of the family to the next; characterized by expressing a desire for continuity over time and the desire to maintain the reputation and central values of the family firm	<p>DICTION 7.0 Past Concern and Present Concern dictionaries: Terms relevant to past and present, when used in combination, suggest temporal continuity (Bligh, Kohles, & Meindl, 2004)</p> <p>DICTION 7.0 Commonality Dictionary: Captures language highlighting the agreed-on values of a group and rejecting idiosyncratic modes of engagement</p>
Family self-enhancement	Firm praised as being accomplished, moral, and involved in the community or philanthropy	<p>DICTION 7.0 Accomplishment Dictionary: Captures language-related to organized activity and task completion</p> <p>DICTION 7.0 Human Interest Dictionary: Captures language concerning people and human activities</p> <p>DICTION 7.0 Collectives Dictionary: Captures language focused on groups and communities</p> <p>DICTION 7.0 Praise Dictionary: Language relating to positive affirmations about a person, group, or entity</p>

DICTION 7.0

- Compute standardized scores of each dictionary
 - Scores from normative data based on a 50,000-item sample of discourse
 - Normalize these over 500 words
- Transgenerational sustainability variable = Past Concern + Present Concern + Commonality
- Family self-enhancement variable = Accomplishment + Human Interest + Collectives + Praise

Internal consistency and factor analysis

Principal components	Factor loadings	Uniqueness
Transgenerational sustainability		
Cronbach's $\alpha = .73$		
Commonality	.86	.26
Past concern	.87	.24
Present concern	.89	.20
Family self-enhancement		
Cronbach's $\alpha = .82$		
Praise	.93	.13
Human interest	.80	.36
Accomplishment	.95	.11
Collectives	.88	.22

But do family firms use more of this language?

- Transgenerational sustainability
 - Family mean (M = 70.75) is significantly larger than nonfamily mean (M = 65.73)
- Self-enhancement
 - Family mean (M = 89.22) is significantly larger than nonfamily mean (M = 65.19)



Variation over time using shareholder letters

Variables	Family manager	Family board members	Transgenerational sustainability	Family self-enhancement
Variance decomposition				
Temporal	2.40×10^{-2}	1.29×10^{-3}	383.82	8688.55
Firm	7.36×10^{-2}	4.95×10^{-3}	157.72	3912.42
Industry	2.77×10^{-2}	2.20×10^{-2}	68.98	723.28
Percentage				
Temporal	19.17%	4.56%	62.87%	65.21%
Firm	58.74%	17.53%	25.83%	29.36%
Industry	22.08%	78.90%	11.30%	5.43%

We also explored change overtime

- Continuous vs Discontinuous Change Models
 - Change in family visibility, transgenerational sustainability, and family self-enhancement of the firm occurs as a result of discontinuous events
- For example
 - Spike in family self-enhancement rhetoric at the onset of the 2008 recession
 - This occurred with a decline in visibility measures

ANY QUESTIONS

DO YOU HAVE?

