

Toward a Theory of Stakeholder Salience in Family Firms¹

*Ronald K. Mitchell, Bradley R. Agle,
James J. Chrisman, and Laura J. Spence*

ABSTRACT: The notion of stakeholder salience based on attributes (e.g., power, legitimacy, urgency) is applied in the family business setting. We argue that where principal institutions intersect (i.e., family and business); managerial perceptions of stakeholder salience will be different and more complex than where institutions are based on a single dominant logic. We propose that (1) whereas utilitarian power is more likely in the general business case, normative power is more typical in family business stakeholder salience; (2) whereas in a general business context legitimacy is socially constructed; for family stakeholders, legitimacy is based on heredity; and (3) whereas temporality and criticality are somewhat independent in general-business urgency, they are linked in the family business case because of family ties and family-centered non-economic goals. We apply this theoretical framework to position and integrate the contributions to this special section of *Business Ethics Quarterly* on "Stakeholder Theory, Ethics, Corporate Social Responsibility, and Family Enterprise."

STAKEHOLDER SALIENCE HAS BEEN DEFINED TO BE: *the degree to which managers give priority to competing stakeholder claims* (Mitchell, Agle, & Wood, 1997: 854). In this article, we argue that when principal institutions intersect, unique stakeholder salience will result. We apply this notion to the family form of business organization, wherein two systems, the business system and the family system, intersect to create a unique stakeholder salience setting (cf. Mitchell, Morse & Sharma, 2003). Herein, we use the stakeholder salience concept in the family business setting to provide (1) a specific illustration of our more general assertion, (2) a basis for the development of theory directly pertaining to family firms, and (3) a foundation for introducing and integrating the three articles that make up the remainder of this special section.

We believe that focusing on the concept of stakeholder salience in family firms is appropriate for three reasons. First, within the stakeholder literature the concept of stakeholder salience serves as a rallying point for those who—using stakeholder attributes such as power, legitimacy, and urgency—seek to identify who or what really counts in organizations (e.g., Mitchell, Agle, & Wood, 1997). Second, the intimate involvement of family stakeholders in an organization represents the fundamental distinction between family and non-family firms and is considered the source of the differences in the behavior and performance of the two forms of organization (Chua, Chrisman, & Sharma, 1999).² Third, family businesses face a unique set of challenges in prioritizing which stakeholder groups matter most. The intimate involvement of family members often results in different goals and behaviors than

what is typically found to exist in non-family firms and these differences can alter the bases of stakeholder power, legitimacy, and urgency. Therefore, understanding how family firms prioritize the demands placed on them by various stakeholder groups has both theoretical and practical importance.

The article is organized as follows. First, we examine the role that institutions and managerial cognition play in influencing managers' perceptions of stakeholder salience, and we review the stakeholder literature to highlight some of the key elements of attribute-based salience in business systems, paying particular attention to the unique salience issues that occur when different institutional forms intersect (e.g., business and family). We then illustrate the idea of uniqueness in stakeholder salience by examining stakeholder salience in family business settings. In this section we discuss the sources of the nature of the power, legitimacy, and urgency attributes of stakeholders vis-à-vis family business contexts and business in general. Here we pay special attention to some of the specific attributes of family firms that come into play that affect stakeholder salience. Finally, we apply the theoretical frame that we have constructed to position and integrate the other contributions to this special section of *Business Ethics Quarterly* on "Stakeholder Theory, Ethics, Corporate Social Responsibility, and Family Enterprise."

This article is motivated by our belief that the application of the stakeholder salience concept to the family business setting will assist scholars and practitioners within this domain to further explore the processes of prioritization in this unique and important context, and provide us with a means for discussing, integrating, and extending the contributions of the articles contained in the special section.

INSTITUTIONAL EFFECTS ON MANAGERS' PERCEPTIONS

Society is comprised of various types of institutions such as business, government, family, religion, etc. Institutional theory (Powell, 1991; Powell & DiMaggio, 1991) suggests that each institutional type has distinct objectives as well as sets of assumptions about the way organizations should function. These organizing logics, or frameworks, influence belief systems, values, and the resulting behavioral processes in such a way that they function as institutional logics: the "cultural beliefs and rules that shape the cognition and behaviors of actors" (Dunn & Jones, 2010: 114, citing Friedland and Alford, 1991; Thornton, 2004; Lounsbury, 2007). Institutional logics are expected to have profound and idiosyncratic effects on social relations (Friedland and Alford, 1991). For example, the institutional logic of businesses tends to focus on utility concerns such as profits, productivity, customer service, etc.; governments are concerned with law, general welfare considerations, and power; families are concerned with nurturing and perpetuation; religious organizations tend to focus on issues of salvation, service to the needy, social adhesion, etc. Thus, at the nexus of values, behaviors, and social relations, and where stakeholder salience is defined to be the degree to which managers give priority to competing stakeholder claims, it appears reasonable to suggest that institutional logics will influence the way managers view stakeholder salience. This observation is consistent with the empirical stakeholder literature, and leads to an argument that where

institutions intersect, the interplay among institutional logics, resources, and social actors will produce substantively unique practices and actions (Misangyi, Weaver & Elms, 2008: 756); and that the multiplicity of attention associated with the resulting conflict and pluralism may likely produce institutional hybridization (Dunn & Jones, 2010: 115). Accordingly, managerial perceptions of stakeholder salience are also likely to be different and more complex than in institutions that are based on a single dominant logic.

Managerial Perceptions

Agle, Mitchell & Sonnenfeld (1999) hypothesized and found support for a model of stakeholder salience in which stakeholder attributes and managerial values influence managers' perceptions of stakeholder salience. Because stakeholder salience occurs in the minds of managers (Mitchell, Agle & Wood, 1997), managers play a key role in the theory. Thus, we draw upon research in cognitive psychology to demonstrate how both managerial attributes such as values, beliefs, attitudes, etc. and institutional contexts influence managers' perceptions and prioritization process with regard to stakeholders (cf. Agle et al., 1999; Hambrick & Mason, 1984).

Building upon the Carnegie school of decision-making (Cyert & March, 1963; March & Simon, 1958) which emphasizes the influence of behavioral factors in complex decision-making, Hambrick & Mason (1984) built a model of strategic choice based on managerial attributes and cognitions. Their "upper echelons" model begins with the assumption that managers bring their background, experience, knowledge, and values to bear in administrative decision-making. According to this view, any incoming stimuli will pass through a managerial filter and thereby affect strategic choice. While Hambrick and Mason (1984) did not explore the psychological bases of this process (especially not in relation to stakeholders), Agle et al. (1999) provide such an explanation. Building on the work of Fiske and Taylor (1984), Pfeffer and Salancik (1978) and Cyert and March (1963), they suggest that stakeholder salience will be significantly affected by managerial cognitions arising from domination of the visual field, differentiation based on the unusual, and novelty in the immediate context. They argue that such domination, differentiation and novelty impact managerial perceptions of the stakeholder attributes of power, legitimacy and urgency, and attempt to explain how attributes of stakeholders combine with managerial cognitions to create stakeholder salience in the minds of managers. As an extension of the theory, we develop the idea that owing to the pervasive influence of institutions, where two principal institutions intersect stakeholder salience is shaped by the blending of the logics of each.

Institutional Logics

Institutional logics are defined to be a "socially constructed, historical pattern of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material substance, organize time and space, and provide meaning to their social reality" (Thornton & Ocasio, 1999: 804, as cited by Misangyi, Weaver & Elms, 2008: 754). As noted above, this notion can be traced

to Friedland and Alford's (1991) discussion of institutional logics. They argue that multiple logics exist in an institutional field simultaneously, that organizations differ because of the logics they endorse (Chen, 2010: 6) and differentially attend to these logics (Jones, 2001; Kitchener, 2002; Lounsbury, 2007). Whereas Chen (2010) argues that multiple logics may manifest and combine in interesting ways in a single organization, in this article we assert that multiple logics create a unique perceptual setting for managers in general. This assertion is supported by research which suggests that competing logics often do not result in a clear dominating logic, but rather that competing logics may operate in the same field and may blend or combine in interesting ways (Chen, 2010; Misangyi, Weaver & Elms, 2008; Purdy & Gray, 2009; Thornton, Jones, & Kury, 2005). Thus, in our theorizing we are led to incorporate institutional type into the stakeholder salience calculus. More specifically, in this article we deal with how the blending of business and family institutions influence stakeholder salience.

We therefore argue that, taken together, the stakeholder attributes of power, legitimacy, and urgency (Mitchell, Agle & Wood, 1997) will be viewed and processed through the lens of managerial values (Agle et al., 1999; Hambrick & Mason, 1984) and institutional logics (Friedland & Alford, 1991; Powell & Dimaggio, 1991) to create a unique type of stakeholder salience in the context of family firms. More generally, we suggest that whenever two or more institutional types intersect and interact (e.g., business and family, business and government, religion and family, etc.), stakeholder salience will be shaped in ways that reflect the competing pressures of the logics of those institutions.

Complexity and Conflict

While many, if not most organizations are based on one dominant institutional logic, some are more complex "hybrid" or "dual-identity" organizations (Albert & Adams, 2002; Albert & Whetten, 1985). These organizations exist at the intersection of two or more institutional types. Identity theorists (e.g., Albert & Whetten, 1985) have used the university as an illustration of a dual-identity organization. Today we see other examples of such hybrid organizations. For example, the recent government loans to U.S. automakers General Motors and Chrysler have made these automakers much more attentive to the assumptions, demands, logics, etc. of government in addition to the demands placed on business as an economic institution. Businesses and universities based in a religious community may serve as another example of a hybrid-type organization. Of particular interest here is the common dual-identity organization: the family business.

In a recent dissertation on family business, Tompkins (2010) investigated how hybrid identities influence organizational events. In this work the author draws upon institutional theory and organizational identity theory to illustrate the positive as well as destructive dynamics that occur as a consequence of conflicts between identities in hybrid organizational forms. Friedland and Alford (1991: 255) argue that "most characteristic internal tensions derive from the contradictory relationships between institutions." For example, citing Kraatz and Block (2008), Dunn and Jones (2010:

115) suggest that professions may illustrate such an organizational form, because they are often subject to multiple logics and they operate within multiple institutional spheres; they are “subject to multiple regulatory regimes, embedded within multiple normative orders, and/or constituted by more than one cultural logic.” And, as noted by Mitchell et al. (2003), when institutions intersect, cognitive complexity increases according to a factorial progression depending upon the number of parties within relationships. In summary, we argue that hybrid organizational forms are likely to experience greater stakeholder conflicts, greater ethical conflicts, and greater cognitive complexity than other organizational forms.

ATTRIBUTE-BASED STAKEHOLDER SALIENCE

Attribute-based salience analysis in the stakeholder literature began to assume its present form in the 1994 Toronto Conference on stakeholder theory (held at the University of Toronto and led by the late Max Clarkson), wherein the participant working groups reported their consensus that three attributes—power, legitimacy, and urgency—are core to stakeholder analysis. Mitchell, Agle, and Wood (1997) later translated these and other ideas into a theory of stakeholder salience. In that article, a proposition was advanced which suggests that “Stakeholder salience will be positively related to the cumulative number of stakeholder attributes—power, legitimacy, and urgency—perceived by managers to be present” (Mitchell, Agle & Wood, 1997: 873); and this proposition then made it possible to create an ordinal-scaled stakeholder salience variable (from low to high): latent stakeholders, expectant stakeholders, and definitive stakeholders (cf. Mitchell & Agle, 1997: 365–70; Mitchell, Agle & Wood, 1997: 873).

Subsequently, the dialogue about stakeholders, stakeholder attributes, and stakeholder salience has continued, and these three attributes have been widely adopted in the literature (cf. Agle et al., 2008; Parmar et al., 2010). Hence, for the purposes of this article—to minimize confusion, and to aid in ready applicability—we have chosen to discuss family business stakeholder salience using the original attributes of power, legitimacy, and urgency. In this section, we therefore briefly describe each attribute as initially conceptualized before applying them to the family business setting.

Power

The core idea underlying the attribute of stakeholder power is that “one social actor, A, can get another social actor, B, to do something that B would not otherwise have done” (Dahl, 1957; Pfeffer, 1981: 3; cf. Mitchell, Agle & Wood, 1997: 865). Of particular import to the analysis of the family-business case that we conduct herein, is the logic suggested by Etzioni (1964: 59) for the more precise categorization of the source of power: *coercive* power, based on physical resources of force, violence, or restraint; *utilitarian* power, based on material or financial resources; and *normative* power, based on symbolic resources. These sources of power will be discussed in more depth below as we begin to analyze the unique institutional logic of family businesses.

Legitimacy

Since the publication of Mitchell, Agle & Wood, 1997, there has been some debate regarding whether legitimacy is a consequence of social construction (e.g., Suchman, 1995), normative declaration (cf. Donaldson & Dunfee, 1999), or some other option. While our purpose is not to revisit this debate, we do wish to note that the core idea underlying stakeholder legitimacy that we utilize as a point of comparison in our argument has not changed vis-à-vis Mitchell, Agle & Wood 1997's original conception. We therefore continue to define legitimacy as "a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions" (Suchman, 1995: 574). However, as we will later argue, this socially-constructed understanding differs markedly from the manner in which legitimacy is understood within the family business setting.

Urgency

Urgency (Mitchell, Agle & Wood, 1997), is a two-element construct that includes both temporality (time sensitivity) and criticality or importance; and it has been defined in the general business context to be "a multidimensional construct that includes both: (1) time sensitivity—the degree to which managerial delay in attending to the claim or relationship is unacceptable to the stakeholder, and (2) criticality—the importance of the claim or the relationship to the stakeholder. We define urgency as the degree to which stakeholder claims call for immediate attention" (Mitchell, Agle & Wood, 1997: 867).

FAMILY BUSINESS STAKEHOLDER ATTRIBUTES: A UNIQUE CONTEXT

It has been argued that the distinctiveness of the family business context shapes, among other things, family business structure (Tsang, 2002), relationships (Pearson, Carr, & Shaw, 2008), cognitions (Mitchell et al., 2003), decision-making (Mitchell, Hart, Valcea, & Townsend, 2009), and strategy (Sirmon & Hitt, 2003). While on the surface, the reasons why some family business stakeholders are more salient than others may seem simple (e.g., family ties affect who or what really counts); beneath the surface, explanations are more involved (Chrisman, Chua, & Sharma, 2005). And while many extant family business descriptions (e.g., Chua et al., 1999; Pratt & Davis, 1986; Shanker & Astrachan, 1996; Westhead & Cowling, 1998) serve to frame or justify particular studies; they do not directly address the dynamics of how family business salience actually works.

In this article, we argue, that the sources of power, legitimacy and urgency as they apply to family involvement in business, are particular to the family business domain (Carney, 2005). In making this assertion we acknowledge that, as a business form, family firms are subject to a wide range of stakeholder pressures that are similar to those faced by other business organizations. In some cases these pressures are even greater. For example, shareholders can wield considerably greater power in family firms owing to the concentrated ownership of family members. Furthermore, even

family members who hold no shares may be considered residual claimants to firm wealth and possess substantial power (Schulze, Lubatkin, Dino, & Buchholtz, 2001). Spouses are especially noteworthy in this regard (Spence, Schmidpeter & Habisch, 2003: 24–25). However, because the claims of family stakeholders are overlaid upon the claims of more well-understood business stakeholders, the nature of the perceptions of stakeholder salience, as well as the managerial responses to the claims of salient stakeholders are likely to differ in important ways. In this article we focus on the salience issues that lie at the family-business interstices.³

Fundamental to our treatment are the assumptions that (1) family firms are likely to pursue family-centered non-economic goals (Chrisman et al., 2005; Janjuha-Jivraj & Spence, 2009; Sharma, Chrisman, & Chua, 1997) that create socioemotional wealth (Gomez-Mejía, Hynes, Núñez-Nickel, & Moyano-Fuentes, 2007), (2) that these goals are rooted in the relationships among family members (Pearson et al., 2008; Long & Mathews, 2011, this issue) and are unique to family firms (Chrisman, Chua, Pearson, & Barnett, forthcoming), (3) that family-centered non-economic goals and traditional business goals of profitability and growth may be self-reinforcing, conflicting, or independent (Gomez-Mejía, Makri, & Larraza-Kintana, 2010; Zellweger & Nason, 2008), and (4) that while family firms are heterogeneous in the manner in which they view and respond to the claims and pressures of family (and non-family) stakeholders (Melin & Nordqvist, 2007), desires to preserve socioemotional wealth will often take precedence in family firm decision-making over economic wealth considerations (Berrone, Cruz, Gomez-Mejía, & Larraza-Kintana, 2010; Gomez-Mejía et al., 2007, 2010; Janjuha-Jivraj & Spence, 2009).

Specifically, we argue that the attributes of power, legitimacy, and urgency that help to define the salience of family stakeholders in a family firm differ in important ways from general business stakeholder salience. In the paragraphs that follow we outline the following arguments in more detail: (1) that whereas utilitarian power is critical in the general business case, normative power is more typical in family business stakeholder salience; (2) that whereas in a general business context legitimacy is socially constructed, for family stakeholders legitimacy is based on heredity; and (3) that whereas temporality and criticality are somewhat independent in the general business case (Mitchell, Agle & Wood, 1997), they are linked in the family business case because of family ties and family-centered non-economic goals.

Normative Power in Family Business

As noted above, we suggest that Etzioni's (1964) analysis of power and control in organizations provides additional fine-grained concepts that will enable us to distinguish stakeholder power in the *general* business setting from power in the *family* business setting. Etzioni explains these types of power as follows:

The use of a gun, a whip, or a lock is physical since it affects the body; the threat to use physical sanctions is viewed as physical because the effect on the subject is similar in kind, though not in intensity, to the actual use. Control based on application of physical means is ascribed as *coercive power*.

Material rewards consist of goods and services. The granting of symbols (e.g., money) which allow one to acquire goods and services is classified as material because the effect on the recipient is similar to that of material means. The use of material means for control purposes constitutes *utilitarian power*.

Pure symbols are those whose use does not constitute a physical threat or a claim on material rewards. These include normative symbols, those of prestige and esteem; and social symbols, those of love and acceptance. When physical contact is used to symbolize love, or material objects to symbolize prestige, such contacts or objects are viewed as symbols because their effect on the recipient is similar to that of "pure" symbols. The use of symbols for control purposes is referred to as *normative, normative-social, or social power*. (Etzioni 1964:59; emphasis in original)

Although organizations pursue multiple goals (Cyert & March, 1963) and have a variety of societal obligations (e.g., Chrisman & Carroll, 1984) there is still traction in the argument that the institutional logic of business organizations is primarily based on the goal of profit maximization (e.g., Friedman, 1970), with profit serving as an indicator of the firm's ability to "create a customer," thereby fulfilling its societal role as an economic entity (Drucker, 1954). In the public-company sector, corporate control is decided based upon buying and selling in a marketplace (cf. Hitt, Hoskisson, Johnson & Moesel, 1996). Material considerations, for example property rights and incentives, figure prominently in determining power in organizational relationships (cf. Jensen & Meckling, 1976). Thus, although we grant the possible role of other sources of power in organizations and business, we believe that there is little disagreement that power in the general business case, when analyzed according to Etzioni's (1964) framework, is often utilitarian in nature.

Consistent with the general business case, we recognize that utilitarian/ material power holds considerable sway in a family business setting. However, the behavior of family firms is also influenced by the institutional logic of families which depend upon kinship, loyalty and obligations, social capital, lifetime membership, mutual caring, and equal claims on family resources (e.g., Long & Mathews, 2011, this issue; Pollak, 1985). Because the logic of the family is based more on non-economic factors related to how resources are shared than economic factors related to how resources are made more productive, the blending of the family and business logics in a family firm can be complex and sometimes conflicting. We thus assert that the distinctive source of power in a family business is not *primarily* utilitarian, but rather—owing to the family element within the setting—is predominantly normative. For purposes of the analysis in this article we define family business normative power to be: *power that is based upon prestige, esteem, and social symbols such as love and acceptance*.

Among the many sources of normative power (e.g., paternalism, spousal relationships, birth order, age, gender, etc.) held by family members in a family business the one that is potentially the most important and theoretically interesting is altruism. Altruism is a condition where the utility of one individual is linked to the welfare of another (Bergstrom, 1989; Schulze et al., 2001). Because altruism emanates from the family-centered non-economic goals of the decision-maker rather than

the stakeholder, it possesses two interesting properties unique to stakeholder power considerations. First, altruism does not necessarily depend upon any attempt by the stakeholder to exercise power or the reciprocation of altruistic acts. Instead, the extent to which altruism affects decision-making depends primarily upon the ability of the family owner-manager to exercise self-control (cf. Thaler & Shefrin, 1981). Second, altruistically induced decision-making depends upon the attribution of the welfare of the stakeholder by the decision-maker; such attributions may or may not be linked to the stakeholder's perceptions of welfare and consequently may or may not elicit the behaviors sought by the decision-maker (cf. Lubatkin, Durand, & Ling, 2007). Thus, altruism is a source of stakeholder power that comes from the owner-manager rather than the stakeholder and can lead to decision-making over time that is potentially independent of the stakeholder's desires or responses. As a result, altruism tends to either reduce or increase both the economic and non-economic performance of the firm as well as the conflicts among family members. Perversely, the outcomes of altruism largely depend upon the altruism of the stakeholder toward the family owner or manager or, in other words, the normative power that the stakeholder grants, often unconsciously, to the principals of the firm.

Legacy-based Legitimacy

The point of comparison between general business legitimacy and family business legitimacy consists of a contrast between social versus legacy-based construction of whom or what is really legitimate. The social-construction approach taken by Mitchell, Agle, and Wood (1997) draws upon the definition offered by Suchman (1995) and is cited above. The pivotal concept in this definition centers on the perception that occurs through a variety of lenses and where these perceptions combine to socially construct the reality of stakeholder legitimacy in the general business case. In this sense, "reality" is considered to be the quality of "phenomena that we recognize as having a being independent of our own volition (we cannot 'wish them away')"; and legitimacy is considered to be a human product that has its basis "in the lives of concrete individuals, and has no empirical status apart from these lives" (Berger & Luckman, 1966: v, 128).

Contrast the foregoing general notions of socially-constructed legitimacy with those of a legacy-based construction of legitimacy.⁴ Legacy-based construction of legitimacy draws upon historical concepts such as inheritance, primogeniture, vassalage, homage and fealty, mutual obligation, fiefs and subinfeudation that comprise some of the institutions of feudalism upon which an important part of the substructure of Western culture rests (cf. Mitchell & O'Neil, 1998; Stephenson, 1942). Here, the "chain of legitimacy" follows a regime which has inheritance and privilege as its primary operating principles. Thus, rather than the perception-validated social ties that underpin general notions of stakeholder legitimacy, we suggest that social ties based on heredity are the source of legitimacy of family members in a family business. This distinction is likely to have pervasive effects upon questions of family business stakeholder salience and suggests that the attributes upon which family-business stakeholder salience depends are clearly distinguishable from those

upon which general stakeholder salience is based. We therefore define legacy-based legitimacy in family business to be: *possessing status conferred by birth and/or relationship-based privilege.*

In family firms relationships among members of the family are very important. Often, the relative importance of these relationships depends on the strength of the familial ties with parents, spouses, and children tending to have greater legitimacy than uncles, aunts, and cousins. In-laws can sometimes earn legitimacy in the family firm but only after an extended period, if at all. On the other hand, the nature of these relationships appears to vary across cultures (Gupta & Levenburg, 2010). For example, in some cultures extended family members appear to have essentially the same legitimacy rights as members of the nuclear family (Khavul, Bruton, & Wood, 2009) and some minority-owned family firms have been seen to expand the definition of family and confer legacy-based legitimacy to members of the same ethnic group (Karra, Tracey, & Phillips, 2006).

However, in family firms legacy-based legitimacy is not limited to the kinship ties among current family members. Rather, legitimate family stakeholders include ancestors and future generations. For example, the topic of succession has received the most attention in the family business literature and is considered the most important concern of family business owners and managers (Chua, Chrisman, & Sharma, 2003). Research on the legacy for future generations is also a growing area of interest in the business ethics literature (cf. Fox, Tost & Wade-Benzoni, 2010; Wade-Benzoni, Sondak & Galinsky, 2010). This emphasis on succession is not merely an artifact of the extant research, due only to the attention given it by interested researchers and practitioners. To the contrary, when this high level of research attention is seen through the lens of legacy-based legitimacy, we argue that succession has been an important topic in the family business literature exactly because the most important and theoretically interesting form of legacy-based legitimacy is that conferred upon future generations. This is because while a family's control of the firm through ownership and/or management provide the ability to behave in a particularistic fashion (Carney, 2005), it is the desire to use the firm to pursue a vision that creates value for the family that is sustainable across generations, that appears to affect the extent to which its influence is used in a way that differs from other organizations (Chua et al., 1999; Chrisman et al., 2005). For example, the so-called long-term orientation of family firms appears to be tied to their concern for subsequent generations (Le Breton-Miller & Miller, 2006). Moreover, recent empirical evidence indicates that family firms are often started with intentions for the transgenerational sustainability of family involvement (Chua, Chrisman, & Chang, 2004) and that such intentions partially mediate the relationship between family involvement in ownership and management and the pursuit of family-centered non-economic goals (Chrisman et al., forthcoming).

For family firms that have been in existence for an extended length of time, the traditions and legacy established by previous leaders may carry legitimacy, even if those stakeholders are no longer alive (Janjuha-Jivraj & Spence, 2009). For example, the literature has documented how the founder's shadow affects decision-making (cf. Davis & Harveston, 1999). Successors face the difficult task of deciding how

much to conform or deviate from the decisions made by their predecessors; unfortunately, research suggests they often make the wrong choices (Miller, Steier, & Le Breton-Miller, 2003). As another example, the conceptual work by Sharma and Manikuttu (2005) and the empirical work of Salvato, Chirico, and Sharma (2010) emphasize the difficulty family firms have in shedding unproductive resources that are intimately linked to the history of the family firm. Consequently, legacy-based legitimacy creates a stakeholder constituency of individuals who may not be currently involved in the business, even those who are no longer living or have yet to be born.

Urgency: A Unique Logic

The primary questions surrounding the attribute of urgency in family business, or indeed in any organization that combines two institutional logics, is the extent to which the sources of urgency vary from the case of organizations with more traditional logics and whether criticality (i.e., the importance of a stakeholder's claim) and temporality (i.e., the time sensitivity or the extent to which it is necessary to respond immediately to a stakeholder's claim) are independent. However, when organizations operate at the intersection of two institutional logics, issues of urgency are potentially filtered through two, often contradictory, managerial lenses. This is because of differences in the goals, requirements, and value systems of the two institutions. In family firms the criticality of stakeholder claims must be assessed by the extent to which they interfere or contribute to the combined pursuit of economic and non-economic goals. Family firms have been found to be sensitive to threats to their socioemotional wealth, which depends upon maintaining family control and the extent to which family-centered non-economic goals are achieved. Socioemotional wealth includes considerations such as "needs for belonging, affect, and intimacy; continuation of family values through the firm; perpetuation of the family dynasty; social status; preservation of family firm social capital; discharge of family obligations based on blood ties; and ability to act altruistically toward family members using firm resources" (Gomez-Mejía et al., 2007: 108).

This sensitivity manifests itself in two ways. First, as noted above it provides another lens by which stakeholder claims are processed. While the importance of socioemotional wealth varies among family firms (Berrone et al., 2010), to the degree that it operates, responses to stakeholder claims are likely to vary substantially from the general business case. Second, because socioemotional wealth, being rooted in the achievement of family-centered non-economic goals, is stakeholder specific, the power and legitimacy of family stakeholders is intertwined with the criticality of socioemotional wealth. In other words, the urgency of preserving and increasing socioemotional wealth influences the perceptions of the power and legitimacy of family stakeholders and the ability of those stakeholders to influence the behaviors of the firm. The fact that many of the claims of these stakeholders are non-economic in nature further accentuates this relationship.

Furthermore, while in the general business case it is not completely clear whether criticality and temporality are independent, in the family business case it appears much more likely to us that they are not. Again, this is a consequence of the potential

focus on family-centered non-economic goals, which creates pressures to attend to the claims of past, present, and future family members. Thus, in the general business case, the possible conditions for the presence of urgency are suggested by simply extrapolating the definitions propounded by Mitchell, Agle & Wood (1997).

		Time	Sensitivity
		YES	NO
Criticality	YES	1. Urgency present	2. Long-term important
	NO	3. Short-term unimportant	4. Urgency absent

Figure 1: Urgency as a Function of Criticality and Time Sensitivity for Businesses in General

As seen in Figure 1, for businesses in general, urgency occurs only in one of four situations, where temporality and criticality are both high. However, in the family business case a substantially greater number of decisions are time sensitive owing to their potential impact on the family's links with the past and future. In other words, in cases where socioemotional wealth considerations predominate, the sensitivity of the difference between short- and long-term impacts of decisions is minimized. However, again, the extent to which this is true depends upon whether family members—owners, managers, and other family stakeholders—value family-centered non-economic goals. If such goals are not important, the pressure to consider the past is largely irrelevant, since the past will not influence firm performance much differently in a utilitarian family firm or a utilitarian non-family firm. Likewise, the needs of future generations revert to the same concerns that face non-family firms since in the absence of a desire to achieve family-centered non-economic goals the firm becomes only a vehicle for the preservation and growth of family wealth (rather than a family institution); whether it remains in family hands is only relevant financially. Thus, the temporal nature of the urgency of claims of family stakeholders is relatively less significant for the simple reason that compared to the general business case more claims that are critical are also time sensitive.

Summary

In short, the theory that we have developed in this article suggests that, at the intersection of principal institutions—in this case business and family—unique stakeholder salience issues will emerge. The family business literature has developed and gained momentum for, we think, just this reason: there are distinct and idiosyncratic aspects associated with the family business context (e.g., non-economic goals and socioemotional wealth, family history and intentions for transgenerational sustainability, altruistic tendencies) that makes stakeholder salience issues more complex and increase the potential for conflict (Chrisman et al., 2005; Sharma et al., 1997).

As we now turn to the articles within this special section we continue this theme of uniqueness, which suggests an underlying coherence in the articles that appear. In the next section, we provide an introduction and frame it within this depiction.

INTRODUCTION TO THE SPECIAL SECTION

The articles in this special section are a response to *BEQ*'s call for submissions on the topics. A subset of them began life as presentations at the Family Enterprise Research Conference hosted by the University of Manitoba in 2009. Each of the manuscripts was subject to *BEQ*'s usual double-blind review process and further scrutiny by the guest editors. The accepted articles address topics that will be of interest to the readers of *Business Ethics Quarterly*, but are overlaid with a focus on how ethics, corporate social responsibility, and stakeholder concerns influence family firm behavior.

Organizational Virtue in Family Firms

Using a sample of 435 firms listed among the S&P 500, Payne, Brigham, Broberg, Moss, and Short (2011, this issue) examine whether or not family businesses discuss virtues more often than non-family businesses in their annual reports, assuming that such communications reflect the values of the firms analyzed. They measure virtues according to the dimensions identified by Chun (2005): integrity, empathy, warmth, courage, conscientiousness, and zeal. Payne et al. argue that organizational virtue orientation leads to greater collective effort to behave virtuously and influence organizational decisions and processes. They further argue that organizational virtue orientation influences how stakeholders view the firm. Most importantly, and consistent with our analysis of stakeholder salience in family firms, the authors hypothesize that owing to a long term orientation, identification of the family with the firm, and concerns for the firm and family reputation, family firms will be likely to possess a stronger organizational virtue orientation than non-family firms.

Their results indicate that family firms score significantly higher on empathy, warmth, and zeal than non-family firms and significantly lower on courage. They suggest that these results imply that family firms may place more emphasis on harmony and the maintenance of the founder's heritage than non-family firms and imply that lower scores on courage may reflect greater risk aversion. They further suggest that research is needed on the relationship between organizational virtue orientation and sustainable competitive advantage, long term orientation, and firm performance in both family and non-family settings.

From the standpoint of the theory we articulated in the first part of this article, these results are instructive. First, the emphasis on empathy and warmth are entirely consistent with the importance of non-economic goals and socioemotional wealth found in prior studies (e.g., Berrone et al., 2010; Chrisman et al., forthcoming) and show how family firms might differ in their behaviors from non-family firms. Furthermore, the empathy of family firms in particular suggests that altruistic tendencies are operational and perhaps have spill-over effects on how the claims of non-family stakeholders are viewed. Second, the higher "zeal" of family firms

supports our assertions regarding the importance of stakeholders from the past as well as the commitment of family firms to future family stakeholders. Third, the lower scores for "courage" suggest the desire of family firms to be parsimonious in their use of resources (Carney, 2005) and to protect the socioemotional wealth of the firm. Finally, the higher standard deviations of most of the individual measures for family firms, particularly with regard to empathy, warmth, and zeal reinforce our contention on the heterogeneity of family firms in terms of the importance of the preservation of socioemotional wealth through the pursuit of family-centered non-economic goals.

Ethics in Family Firms

Long & Mathews (2011, this issue) apply social exchange theory to explain differences in the ethical systems of family and non-family firms. They argue that family firms are more likely to be characterized by general exchange systems where collective benefits, reciprocity and extended credit for past deeds, long term commitments, and the value of relationships operate. Non-family firms, on the other hand, are considered to be more likely to be conditioned by contractual relationships that entail short term orientations and quid pro quo exchanges that lead to individual gains, which they term restricted exchange systems.

Interestingly, and entirely consistent with our stakeholder salience approach to family firms, Long and Mathews suggest that intentions for transgenerational sustainability, family-centered non-economic goals, and strong interpersonal ties are related to general exchange systems. Since these characteristics are more or less unique to family firms their article contributes to the literature by illustrating the self-reinforcing nature of the family business system. Furthermore, since not all family firms possess these attributes, their article also suggests why family involvement in a business can sometimes be self-destructive. Finally, their extensive treatment of social exchanges in family firms helps us better understand why family firms are likely to make decisions based on family-centered non-economic goals, why the importance of future stakeholders is elevated over what it might be in the general business case, how altruism figures into the family business equation, and, of course, why family firms may be more likely, in general, to have high ethical standards.

Taking Long and Mathews's concepts further leads us to several important questions that future research needs to address. First, research and theory development is needed to improve our understanding of why, when, and exactly how family involvement and interactions lead to positive or negative externalities. For example, under what conditions might a general exchange system within the family firm lead to more ethical decision-making and under what conditions might the same system lead to opportunistic behavior toward stakeholders who are not part of the family? Indeed, the self-dealing tendencies of some family firms have been suggested to lead to agency costs for non-family shareholders (Villalonga & Amit, 2006) and political rent-seeking activities that hamper economic development (Morck & Yeung, 2003). Second, because a general exchange system depends on how family agents are monitored, rewarded, and disciplined, more work is needed in this area.

As indicated by Pollak (1985) and Schulze et al. (2001), the tendency to behave altruistically toward family members can make monitoring futile and upset the relationship between the contributions and compensation of family members. Since these topics deal with power and urgency issues, they fall within the scope of a stakeholder salience approach to the study of family firms.

Proactive Environmental Strategies in Family Firms

Sharma & Sharma (2011, this issue) suggest that family involvement in a firm influences the attitudes and values of management as well as the resource allocation decisions needed to pursue a proactive environmental strategy. More specifically, using the theory of planned behavior (Ajzen, 1991) as a reference point, the authors argue that compared to non-family firms, family firms will have stronger intentions to pursue a proactive environmental strategy owing to more positive attitudes among family members, conducive social norms, and the perceptions of the behavioral control necessary to implement such a strategy. According to Sharma and Sharma the antecedent conditions that fortify these intentions include (1) the significant and long lasting influence of family on the dominant coalition, (2) longer leadership tenures, (3) the desire to accumulate socioemotional wealth for future generations, (4) strong identification of the family with the firm, and (5) a desire to maintain a positive reputation for the firm and the family.

Sharma and Sharma also propose that the extent of relational conflict in a family firm will moderate intentions in affecting whether a proactive environmental strategy is implemented in the family organization. They point out that relational conflicts can act as a brake on strategy implementation and that the intensity of the relationships—both positive and negative—among internal stakeholders tends to be higher in family firms owing to kinship, frequent interactions, and the importance of non-economic goals.

Sharma and Sharma's article contributes to this special section by providing a theoretical discussion of the consequences of the unique interplay between power, legitimacy, and urgency in family firms. As has been suggested above, when the family system is working well, the synergies between the family and the business can lead to positive outcomes. Furthermore, they have also helped establish the idea that the pursuit of non-economic goals that create positive externalities can be influenced by non-economic goals that directly contribute to family cohesion. Equally importantly, their arguments further explain how dysfunctions in the family system can potentially lead to negative externalities (i.e., behaviors that have negative consequences for external stakeholders) or at least stifle the ability of the family firm to move forward on initiatives with positive societal outcomes. While the authors build a convincing case for the negative consequences of conflict, we again wonder what the conditions are that cause the accumulation of socioemotional wealth through the achievement of family-centered non-economic goals to lead to higher ethical standards or more socially responsible actions. In other words, because family firms seem to behave particularistically (meaning that their behaviors may be more idiosyncratic and difficult to predict than non-family firms) and place great

weight on family stakeholders, it seems plausible that some may deviate from the general conditions laid out by Sharma and Sharma, as well as Long and Mathews and Payne et al. Research that helps us to identify when, where, and why such deviations might occur would add to our understanding of the family form of organization.

CONCLUSION

In this lead article to the special section we have attempted to explain why family businesses possess a unique set of stakeholder salience conditions that both include and transcend those discussed in the general business literature (Agle et al., 1999; Mitchell, Agle & Wood, 1997) and have applied these insights to better highlight the contributions of the other articles contained herein. We attribute family firms' uniqueness to the intersection of two, sometimes conflicting, institutional logics. We explain how, in the case of family firms, those institutional logics expand goal sets and create a cascade effect that changes the nature of power, legitimacy, and urgency in those organizations. Specifically, we suggest that family-centered non-economic goals and socioemotional wealth are the drivers of perceptions of urgency in responding to claims of family members (as well as other stakeholders). We also point out that the resulting altruism creates a unique situation whereby family owner-managers bestow power on other family members, yet sometimes attribute the appropriate ways to increase the well-being of those stakeholders without regard to the actual wishes of the stakeholders themselves. Furthermore, we suggest that the time element of urgency is somewhat attenuated owing to the legitimacy that is often conferred upon past and future stakeholders. Finally, our discussion of the three articles included in this special section points out the general consistency of their contributions with the overarching stakeholder salience theory we have presented. Nevertheless, as our discussion also indicates, given the heterogeneity and penchant for particularism among family firms (Carney, 2005) more research is needed to explain the many sources of variation that exist among family businesses and other hybrid institutional forms. Since family firms are the dominant organizational form around the world (Heck and Stafford, 1999; La Porta, Lopez-de Silanes & Shleifer, 1999), we believe that more research along these lines is warranted.

NOTES

1. Gary Weaver was the decision editor for this article. The authors also thank the manuscript's reviewers for their suggestions and comments.

2. Following Chua et al. 1999: 25, we define a family business as "a business governed and/or managed with the intention to shape and pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families."

3. The reader should note that certain aspects of family involvement may also create stakeholder pressures on family firms that primarily pursue economic goals, for example, the undiversified wealth of family owners may cause pressures on managers to minimize risks rather than maximize returns. We refrain from discussing these issues, choosing instead to focus on the more interesting and potentially more theoretically rich aspects that flow from the pursuit of family-centered non-economic goals in such firms.

4. We thank one of the manuscript's reviewers for suggesting the particular term "legacy-based legitimacy."

REFERENCES

- Agle, B. R., Donaldson, T., Freeman, E., Jensen, M., Mitchell, R. K., & Wood, D. J. 2008. Dialogue: Toward superior stakeholder theory. *Business Ethics Quarterly*, 18: 153–90.
- Agle, B. R., Mitchell, R. K., & Sonnenfeld, J. A. 1999. Who matters to CEOs? An investigation of stakeholder attributes and salience, corporate performance, and CEO values. *Academy of Management Journal*, 42: 507–25.
- Ajzen, I. 1991. The theory of planned behavior. *Organizational Behavior and Human Decision Processes*, 50: 179–211.
- Albert, S., & Adams, E. 2002. The hybrid identity of law firms. In B. Moingeon and G. Soenen, (Eds.), *Corporate and organizational identities: Integrating strategy, marketing, communication and organizational perspectives*: 35–50. London: Routledge.
- Albert, S., & Whetten, D. 1985. Organizational identity. *Research in Organizational Behavior*, 7: 263–95.
- Berger, P. L., & Luckman, T. 1966. *The social construction of reality: A treatise in the sociology of knowledge*. New York: Anchor.
- Bergstrom, T. C. 1989. A fresh look at the rotten kid theorem and other household mysteries. *Journal of Political Economy*, 97: 1138–59.
- Berrone, P., Cruz, C., Gomez-Mejía, L. R., & Larraza-Kintana, M. 2010. Socioemotional wealth and corporate responses to institutional pressures: Do family-controlled firms pollute less? *Administrative Science Quarterly*, 55: 82–113.
- Carney, M. 2005. Corporate governance and competitive advantage in family-controlled firms. *Entrepreneurship Theory and Practice*, 29: 249–65.
- Chen, W. 2010. Academic entrepreneurship in a field of multiple logics: University technology transfer in the United States. Dissertation. Lubbock: Texas Tech University.
- Chrisman, J. J., & Carroll, A. B. 1984. Corporate responsibility: Reconciling economic and social goals. *Sloan Management Review*, 25(2): 59–65.
- Chrisman, J. J., Chua, J. H., Pearson, A. W., & Barnett, T. Forthcoming. Family involvement, family influence, and family-centered non-economic goals in small firms. *Entrepreneurship Theory and Practice*, 36.
- Chrisman, J. J., Chua, J. H., & Sharma, P. 2005. Trends and directions in the development of a strategic management theory of the family firm. *Entrepreneurship Theory and Practice*, 29: 555–75.
- Chua, J. H., Chrisman, J. J., & Chang, E. P. C. 2004. Are family firms born or made? An exploratory investigation. *Family Business Review*, 17: 37–54.
- Chua, J. H., Chrisman, J. J., & Sharma, P. 1999. Defining the family business by behavior. *Entrepreneurship Theory and Practice*, 23(4): 19–39.
- _____. 2003. Succession and non-succession concerns of family firms and agency relationship with non-family managers. *Family Business Review*, 16: 89–107.
- Chun, R. 2005. Ethical character and virtue of organizations: An empirical assessment and strategic implications. *Journal of Business Ethics*, 57: 269–84.

- Cyert, R. M., & March, J. G. 1963. *The behavioral theory of the firm*. Englewood Cliffs, N.J.: Prentice Hall.
- Dahl, R. A. 1957. The concept of power. *Behavioral Science*, 2: 201–15.
- Davis, P. S., & Harveston, P. D. 1999. In the founder's shadow: Conflict in the family firm. *Family Business Review*, 12: 311–23.
- Donaldson, T., & Dunfee, T. W. 1999. *Ties that bind*. Cambridge, Mass.: Harvard University Press.
- Drucker, P., 1954. *The practice of management*. New York: Harper & Row.
- Dunn, M. B., & Jones, C. 2010. Institutional logics and institutional pluralism: The contestation of care and science logics in medical education, 1967–2005. *Administrative Science Quarterly*, 55: 114–49.
- Etzioni, A. 1964. *Modern organizations*. Englewood Cliffs, N.J.: Prentice Hall.
- Fiske, S. T., & Taylor, S. E. 1984. *Social cognition*. Reading, Mass.: Addison-Wesley.
- Fox, M., Tost, L. P. & Wade-Benzoni, K. A. 2010. The legacy motive: A catalyst for sustainable decision making in organizations. *Business Ethics Quarterly*, 20: 153–85.
- Friedland, R., & Alford, R. R. 1991. Bringing society back in: Symbols, practices, and institutional contradictions. In W. W. Powell & P. J. DiMaggio (Eds.), *The new institutionalism in organizational analysis*, 232–63. Chicago: University of Chicago Press.
- Friedman, M. 1970. The social responsibility of business is to increase its profits. *The New York Times Magazine* (September 13): 32–33, 122–126.
- Gomez-Mejía, L. R., Hynes, K. T., Núñez-Nickel, M., & Moyano-Fuentes H. 2007. Socioemotional wealth and business risk in family-controlled firms: Evidence from Spanish olive oil mills. *Administrative Science Quarterly*, 52: 106–37.
- Gomez-Mejía, L. R., Makri, M., & Larraza-Kintana, M. 2010. Diversification decisions in family-controlled firms. *Journal of Management Studies*, 47: 223–52.
- Gupta, V. & Levenburg, N. 2010. A thematic analysis of cultural variations in family businesses: The CASE Project. *Family Business Review*, 23: 155–69.
- Hambrick, D., & Mason, P. 1984. Upper echelons: the organization as a reflection of its top managers. *Academy of Management Review*, 9: 193–206.
- Heck, R. K. Z., & Stafford, K. 1999. The prevalence of family business from a household sample. *Family Business Review*, 12: 209–24.
- Hitt, M. A., Hoskisson, R. E., Johnson, R. A., & Moesel, D. D. 1996. The market for corporate control and firm innovation. *Academy of Management Journal*. 39: 1084–1120.
- Janjuha-Jivraj, S., & Spence, L. J. 2009. The nature of reciprocity in family firm succession. *International Small Business Journal*, 27: 702–19.
- Jensen, M. C., & Meckling, W. H. 1976. Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, 3: 305–60.
- Jones, C. 2001. Co-evolution of entrepreneurial careers, institutional rules and competitive dynamics in American film, 1895–1920. *Organization Studies*, 22: 911–44.

- Karra, N., Tracey, P., & Phillips, N. 2006. Altruism and agency in family firms: Exploring the role of family kinship, and ethnicity. *Entrepreneurship Theory and Practice*, 30: 861–77.
- Khavul, S., Bruton, G. D., & Wood, E. 2009. Informal family business in Africa. *Entrepreneurship Theory and Practice*, 33: 1219–38.
- Kitchener, M. 2002. Mobilizing the logic of managerialism in professional fields: The case of academic health centre mergers. *Organization Studies*, 23: 391–420.
- Kraatz, M., & Block, E. 2008. Organizational implications of institutional pluralism. In R. Greenwood, C. Oliver, K. Sahlin-Andersson, & R. Suddaby (Eds.), *The Sage Handbook of Organizational Institutionalism*, 243–75. London: Sage.
- La Porta, R., Lopez-de-Silanes, F., & Shleifer, A. 1999. Corporate ownership around the world. *Journal of Finance*, 54: 471–517.
- Le Breton-Miller, I., & Miller, D. 2006. Why do some family businesses out-compete? Governance, long-term orientation, and sustainable capability. *Entrepreneurship Theory and Practice*, 30: 731–46.
- Long, R. G., & Mathews, K. M. 2011. Ethics in the family firm: Cohesion through reciprocity and exchange. *Business Ethics Quarterly*, 21: 287–308.
- Lounsbury, M. 2007. A tale of two cities: Competing logics and practice variation in the professionalizing of mutual funds. *Academy of Management Journal*, 50: 289–307.
- Lubatkin, M. H., Durand, R., & Ling, Y. 2007. The missing lens in family firm governance theory: A self-other typology of parental altruism. *Journal of Business Research*, 60: 1022–29.
- March, J. G., & Simon, H. A. 1958. *Organizations*. New York: John Wiley & Sons.
- Melin, L., & Nordqvist, M. 2007. The reflexive dynamics of institutionalization: The case of family business. *Strategic Organization*, 5: 321–33.
- Miller, D., Steier, L., & Le Breton-Miller, I. 2003. Lost in time: Intergenerational succession, change, and failure in family business. *Journal of Business Venturing*, 18: 513–31.
- Misangyi, V. F., Weaver, G. R., & Elms, H. 2008. Ending corruption: The interplay among institutional logics, resources, and institutional entrepreneurs. *Academy of Management Review*, 33: 750–70.
- Mitchell, J. R., Hart, T. A., Valcea, S., & Townsend, D. M. 2009. Becoming the boss: Discretion and postsuccession success in family firms. *Entrepreneurship Theory and Practice*, 33: 1201–18.
- Mitchell, R. K., & Agle, B. R. 1997. Stakeholder identification and salience: Dialogue and operationalization. In J. Weber & K. Rehbein (Eds.), *International Association for Business and Society 1997 Proceedings*: 365–70. Destin, Fla.: International Association for Business and Society.
- Mitchell, R. K., Agle, B. R., & Wood, D. J. 1997. Toward a theory of stakeholder identification and salience: Defining the principle of who and what really counts. *Academy of Management Review*, 22: 853–86.

- Mitchell, R. K., Morse, E. A., & Sharma, P. 2003. The transacting cognitions of non-family employees in the family business setting. *Journal of Business Venturing*, 18: 533–51.
- Mitchell, R. K. & O'Neil, S. J. 1998. Feudal institutions and small business governance: An exploration and comparison. *Small Business and Enterprise Development*, 5: 208–18.
- Morck, R., & Yeung, B. 2003. Agency problems in large business groups. *Entrepreneurship Theory and Practice*, 27: 367–82.
- Parmar, B. L., Freeman, R. E., Harrison, J. S., Wicks, A. C., Purnell, L., & de Colle, S. 2010. Stakeholder theory: The state of the art. *The Academy of Management Annals*, 4: 403–45.
- Payne, G. T., Brigham, K., Broberg, J. C., Moss, T. W., & Short, J. C. 2011. Organizational virtue orientation and family firms. *Business Ethics Quarterly*, 21: 257–85.
- Pearson, A. W., Carr, J. C., & Shaw, J. C. 2008. Toward a theory of familiness: A social capital perspective. *Entrepreneurship Theory and Practice*, 32: 949–69.
- Pfeffer, J. 1981. *Power in organizations*. Marshfield, Mass.: Pitman.
- Pfeffer, J., & Salancik, G. 1978. *The external control of organizations: A resource dependence perspective*. New York: Harper & Row.
- Pollak, R. A. 1985. A transaction cost approach to families and households. *Journal of Economic Literature*, 23: 581–608.
- Powell, W. W. 1991. Expanding the scope of institutional analysis. In W. W. Powell & P. J. DiMaggio (Eds.), *The new institutionalism in organizational analysis*: 183–203. Chicago: University of Chicago Press.
- Powell, W. W., & DiMaggio, P. J. 1991. *The new institutionalism in organizational analysis*. Chicago: University of Chicago Press.
- Pratt, J., & Davis, J. 1986. Measurement and evaluation of population of family-owned businesses. U.S. Small Business Administration Report No. 9202-ASE-85. Washington, D.C.: Government Printing Office.
- Purdy, J. M., & Gray, B. 2009. Conflicting logics, mechanisms of diffusion, and multilevel dynamics in emerging institutional field. *Academy of Management Journal*, 52: 355–80.
- Salvato, C., Chirico, F., & Sharma, P. 2010. A farewell to the business: Championing exit and continuity in entrepreneurial family firms. *Entrepreneurship and Regional Development*, 22: 321–48.
- Schulze, W. S., Lubatkin, M. H., Dino, R. N., & Buchholtz, A. K. 2001. Agency relationships in family firms: Theory and evidence. *Organization Science*, 12: 99–116.
- Shanker, M. C., & Astrachan, J. H. 1996. Myths and realities: Family businesses' contribution to the US Economy—A framework for assessing family business statistics. *Family Business Review*, 9: 107–23.
- Sharma, P., Chrisman, J. J., & Chua, J. H. 1997. Strategic management of the family business: Past research and future challenges. *Family Business Review*, 10: 1–35.

- Sharma, P., & Manikutty, S. 2005. Strategic divestments in family firms: Role of family structure and community culture. *Entrepreneurship Theory and Practice*, 29: 293–311.
- Sharma, P., & Sharma, S. 2011. Drivers of proactive environmental strategy in family firms. *Business Ethics Quarterly*, 21: 309–34.
- Sirmon, D. G., & Hitt, M. A. 2003. Managing resources: Linking unique resources, management, and wealth creation in family firms. *Entrepreneurship Theory and Practice*, 27: 339–58.
- Spence, L. J., Schmidpeter, R. & Habisch, A. 2003. Assessing social capital: Small and medium sized enterprises in Germany and the UK. *Journal of Business Ethics*, 47: 17–29.
- Stephenson, C. 1942. *Mediaeval feudalism*, Ithaca, N.Y.: Cornell University Press.
- Suchman, M. C. 1995. Managing legitimacy: Strategic and institutional approaches. *Academy of Management Review*, 20: 571–610.
- Thaler, R. H., & Shefrin, H. M. 1981. An economic theory of self-control. *Journal of Political Economy*, 89: 392–406.
- Thornton, P. H. 2004. *Markets from culture: Institutional logics and organizational decisions in higher education publishing*. Stanford, Calif.: Stanford University Press.
- Thornton, P. H., Jones, C., & Kury, K. 2005. Institutional logics and institutional change in organizations: Transformation in accounting, architecture, and publishing. In Jones, C., & Thornton, P. H. (Eds.), *Research in the sociology of organizations: Transformation in cultural industries*, 23: 125–70. Boston: Elsevier.
- Thornton, P. H., & Ocasio, W. 1999. Institutional logics and the historical contingency of power in organizations: Executive succession in the higher education publishing industry, 1958–1990. *American Journal of Sociology*, 105: 801–43.
- Tompkins, R. 2010. The organizational identity of a family business: The role of hybrid identity in organizational events. Dissertation. Washington, D.C.: The George Washington University.
- Tsang, E. W. K. 2002. Learning from overseas venturing experience: The case of Chinese family businesses. *Journal of Business Venturing*, 17: 21–40.
- Villalonga, B., & Amit, R. 2006. How do family ownership, control and management affect firm value? *Journal of Financial Economics*, 80: 385–417.
- Wade-Benzoni, K., Sondak, H., & Galinsky, A. 2010. Leaving a legacy. Intergenerational allocations of benefits and burdens. *Business Ethics Quarterly*, 20: 7–34.
- Westhead, P., & Cowling, M. 1998. Family firm research: The need for a methodological rethink. *Entrepreneurship Theory and Practice*, 23: 31–56.
- Zellweger, T. M., & Nason, R. S. 2008. A stakeholder perspective on family firm performance. *Family Business Review*, 21: 203–16.

Copyright of Business Ethics Quarterly is the property of Philosophy Documentation Center and its content may not be copied or emailed to multiple sites or posted to a listserv without the copyright holder's express written permission. However, users may print, download, or email articles for individual use.