

Building a family firm image: How family firms capitalize on their family ties

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Abstract:

We apply organizational identity theory to examine factors that lead family firms to create a family firm image and investigate how a family firm image impacts firm performance. We find that family firm pride, community social ties, and long-term orientation are positively associated with the inclination of a firm to portray itself as a family business to consumers and stakeholders. In turn, we find that a family firm image benefits firm performance. Thus, our study demonstrates that by building a family firm image, the unique family influences on the firm can be leveraged to create a competitive advantage for family firms.

Keywords: Business | Family firm | Organizational identity | Firm image | Firm performance | Family Business

Article:

1. Introduction

In an effort to stand out in today's competitive marketplace, firm leaders attempt to build a distinct organizational image. Organizational image captures a firm's most central, enduring and distinctive features as intentionally projected to external stakeholders by firm leaders (Whetten & Mackey, 2002). Through advertising, communication, symbolism and branding activities, a firm projects its desired image to the public (Muzellec, 2006). The underlying assumption in building and nurturing a distinct organizational image is that it will lead to increased sales and heightened performance (Karreman & Rylander, 2008). Recent research on family firms suggests that a family-based organizational image contributes to a family firm's ability to attract customers and increase sales (Craig, Dibbrell, & Davis, 2008).

Recent theory that considers the dynamics of the overlapping family and business systems proposes that organizational identity may be a key source of competitive advantage for family firms since their “family identity is unique and therefore impossible to completely copy” (Sundaramurthy & Kreiner, 2008: 416). Complementing organizational image, “organizational identity has been conceptualized as the shared answers to the question, ‘Who are we as an organization?’” (Dyer & Whetten, 2006: 788). Organizational identity refers to that which is central, enduring and distinct about an organization's character (Albert & Whetten, 1985). However, while organizational identity is assumed to underlie an organization's image, little empirical research has examined how organizational identity or image contributes to firm performance (Dhalla, 2007, Dyer and Whetten, 2006 and Scott and Lane, 2000). Indeed, Dyer and Whetten (2006) suggest that future research should investigate the connection between organizational identity and family firm image in understanding firm performance. While it is intuitively appealing that a family firm image may differentiate family firms in a crowded marketplace, how promoting a business as a ‘family firm’ enhances firm performance is unclear. It is also not understood why some firms chose to portray themselves as ‘family firms’ while others downplay their family firm identity.

The purpose of this article is to address these issues by developing a model of family firm image rooted in organizational identity theory. Family firm image is the intentional projection of a family business identity to external audiences. While research suggests that family members’ concern for their firm's brand identity (Craig et al., 2008) influences family firm success, the processes through which a firm emphasizes its family firm image and how that impacts firm performance are not clear. We draw from the organizational identity literature (i.e. Dyer and Whetten, 2006, Sundaramurthy and Kreiner, 2008 and Zellweger et al., 2010) to argue that strong family firm pride, long-term orientation, and community social ties encourage family firms to build a pronounced family firm image. Briefly, family firm pride reflects family members’ self-esteem and identification with the family firm. Long-term orientation reflects the stable nature of organizational identity and is a core value among family firms that strive to sustain the firm for future generations. Lastly, since feedback from external stakeholders is critical in forming and adjusting organizational identity and image (Bartel, 2001 and Gioia et al., 2000), and family firms are believed to possess rich social capital in their communities (Pearson et al., 2008 and Sharma, 2008), we include community social ties in our model. The more prevalent these features of organizational identity in a family firm, the stronger should be the development and deployment of a family firm image. In turn, we then argue that family firm image will positively contribute to firm performance. Thus, we draw from organizational identity theory to explore the antecedents and consequences of family firm image.

This article makes at least three contributions to the literature. First, it contributes to the family firm literature by delineating how the family and the business systems of a family firm interact to create a competitive advantage. Specifically, we examine the degree to which a family firm image contributes to firm performance. Such an investigation is important since family firms are

often assumed to be concerned with their perception in the public domain (Dyer and Whetten, 2006 and Steier, 2001) and to be favorably viewed by consumers (Cooper et al., 2005, Craig et al., 2008 and Sundaramurthy and Kreiner, 2008); yet no known study has examined the antecedents and consequences of a family firm image. Further, since some negative perceptions of family firms also exist (i.e. nepotism, stagnant, small) (Miller et al., 2008 and Schulze et al., 2003), it is not clear whether family firms should always be encouraged to portray a family firm image. Second, this article contributes to research on organizational identity theory by proposing and testing a theory that translates how organizational image (i.e. a firm's projected organizational identity to external parties) impacts firm performance. By applying organizational identity to the family firm realm, we are able to examine a construct of organizational image that can be broadly utilized by any family firm, and yet allows for distinctiveness given each family's unique identity and heritage. Lastly, by drawing from organizational identity theory and the family firm literature that espouses the possible advantages accrued to family businesses due to family involvement, we extend earlier research on the creation of family firm specific resources (Habbershon and Williams, 1999, Habbershon et al., 2003 and Pearson et al., 2008). Indeed, we believe that organizational identity theory is uniquely positioned to capture how the family can garner trust and respect in the marketplace – namely, through family firm image.

1.1. Organizational identity theory

Organizational identity encompasses the core values and beliefs of an organization that its members deem to be the most central, distinctive and enduring (Albert & Whetten, 1985). Through communication, behavior and symbolism an organization reveals its identity to stakeholders (Leuthesser and Kohli, 1997 and Van Riel and Balmer, 1997). Organizational identity reflects members' consensual view of "who we are as an organization" and "what we do as a collective" (Nag, Corley, & Gioia, 2007). In this way, it serves both sensemaking and sensegiving functions, providing meaning to members' organizational experiences while also providing a guide for how organizational members should behave and how other organizations should relate to them (King et al., 2010 and Ravasi and Schultz, 2006). The continuity and coherence of organizational identity enable organizational members "to satisfy their inherent needs to be the same yesterday, today and tomorrow and to be unique actors or entities" (Whetten & Mackey, 2002: 396).

The construction of organizational identity lies in the hands of firm leaders (Karreman & Rylander, 2008). By pursuing a unique set of goals, practices and values, firm leaders are able to use their organizational identity to create an image that differentiates their firm from others in the eyes of internal and external stakeholders. It is important that firm leaders create an attractive organizational image so as to foster organizational identification among organizational members. When organizational members see an overlap between themselves and their organization's image, and see themselves as similar to their organization, they will work to "reaffirm positive aspects of the organization in the interest of their own needs for self consistency and self-esteem" (Scott & Lane, 2000: 48). In addition, organizational image influences external

audiences' interpretation of the firm's identity goals and values (Karreman & Rylander, 2008) thereby affecting the public's perception of the firm's products, strategies and employees (Fombrun & Shanley, 1990). As such, organizational image provides the context within which internal and external stakeholders interpret and assign meaning to firm behavior (Ravasi & Schultz, 2006).

Given that organizational image differentiates one organization from others in the eyes of organizational members and external audiences (King et al., 2010 and Scott and Lane, 2000), family businesses may be particularly proficient at creating unique identities since they are able to integrate elements from both the family and business domain to various degrees (Sundaramurthy & Kreiner, 2008). Integrating the family component into the image of a family firm may provide the firm with an important and inimitable source of competitive advantage (Sundaramurthy & Kreiner, 2008). A shared family name, common history and kinship can promote a strong, shared identity in family firms encouraging organizational members to uphold firm values and pursue firm goals (Sundaramurthy & Kreiner, 2008). Further, being known as a "family firm" may be perceived as a positive and distinct attribute in the minds of specific classes of consumers thus contributing to firm performance. Therefore, organizational identity theory appears to be an important perspective for investigating how a family firm is able to capitalize on its unique family specific advantages.

Accordingly, we first argue that a strong family firm image enhances firm performance. Then, we draw upon organizational identity theory to explain why a family firm builds a family firm image. Because organizational identity captures "Who we are as an organization," highlighting the central and distinctive elements of a business (Albert and Whetten, 1985 and Whetten and Mackey, 2002), we first consider family firm pride. Our view of family firm pride is in line with research on organizational identity theory that emphasizes the importance of self-esteem in promoting organizational identification (Ashforth and Mael, 1989 and Scott and Lane, 2000). Since organizational identity is seen as enduring (Albert & Whetten, 1985), reflecting core beliefs and values that extend over time (Gioia et al., 2000), we include long-term orientation in our examination. A long-term orientation is thought to be a common characteristic among successful family firms (i.e., Corbetta and Salvato, 2004, Dyer and Whetten, 2006 and Miller et al., 2008) and appears to be associated with a family's concern for its image in the public's eye (Dyer & Whetten, 2006). Lastly, because organizational identity is constructed via internal/external interaction (Gioia, 1998 and Gioia et al., 2000) and research on organizational identity has stressed the importance of an organization's orientation toward independence or interdependence with external stakeholders in forming an organizational identity (Brickson, 2005 and Brickson, 2007), we investigate the influence of community social ties on family firm image. Social ties, which are unique in family firms since they can originate from the family or firm domain, are believed to be a key resource for family firm success (Arregle et al., 2007 and Sirmon and Hitt, 2003). Thus, we chose variables that are not only in accordance with organizational identity theory, but may also be distinct sources of competitive advantage for

family firms. Fig. 1 summarizes our hypothesized relationships. Below we begin by discussing why family firm image is expected to be positively related to firm performance. We then proceed by presenting the proposed antecedents of family firm image.

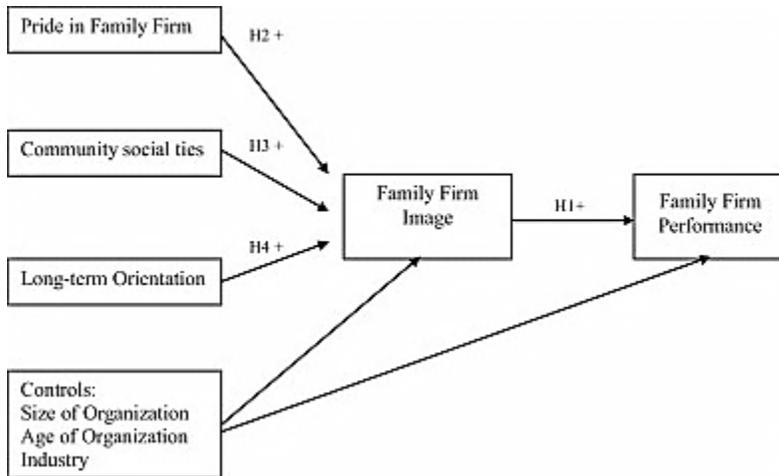


Fig. 1. Antecedents of family firm image and performance.

1.2. Family firm image and its link to performance

Organizational image is “what organizational agents want their external stakeholders to understand is most central, enduring and distinctive about their organization” (Whetten & Mackey, 2002: 401). It provides firm leaders with the opportunity to communicate organizational identity by creating a sense of meaning and portraying symbols of the organization that can be recognized by stakeholders (Karreman and Rylander, 2008 and Scott and Lane, 2000). An organization's image is intentionally projected to external audiences and is often tied to an organization's goals and strategies (Dyer and Whetten, 2006, Fombrun and Shanley, 1990, Gilpin, 2008 and Hudson, 2008). In constructing their organization's image, firm leaders intend to differentiate their organization from others. According to the institutional approach to organizational identity, firm leaders share their views of what an organization is and represents within the organization by providing organizational members with consistent narratives that allow members to construct a collective sense of self and provide meaning to their organizational experience (Gilpin, 2008 and Ravasi and Schultz, 2006). As such, image creating activity is an integral part of organization identity construction “since it serves the dual purpose of making public what is special, unique or distinctive about organizations” to stakeholders “while simultaneously providing the mechanisms through which managers explore what an organization is about – that is, what its core values and its central beliefs are” (Scott & Lane, 2000: 45).

The focus of our article is on organizational image and this construct is distinct, albeit related to reputation. While organizational image focuses on the portrayal of a firm to external stakeholders (Hudson, 2008), organizational reputation is “a particular type of feedback, received by organizations from their stakeholders, concerning the credibility of the organization's identity

claims” (Whetten & Mackey, 2002: 401). Economic models of reputation view marketing efforts as imaging cues designed to influence the perceptions of external audiences (Fombrun & Shanley, 1990). A positive organizational reputation can be a source of competitive advantage that allows a firm to charge premium prices (e.g., Klein & Leffler, 1981), attract new clients (Fombrun, 1996), enhance access to capital markets (Beatty & Ritter, 1986) and sustain market share during industry downturns (Fombrun, 1996). In an effort to increase sales, firms compete for reputational status (Fombrun & Shanley, 1990) and work to create an organizational image that will build a reputation that is seen as favorable, strong and unique in the minds of customers (Karreman and Rylander, 2008 and King and Whetten, 2008). As such, while a firm projects its organizational identity to external stakeholders through its image, reputation captures how those stakeholders interpret and perceive that image.

Zellweger et al. (2010) suggest that a family firm image contributes to firm performance both through alterations inside and outside the firm. Inside the firm, family managers have been found to go to great lengths to build and support a favorable family firm image, because the intertwined identities create a rallying ground and incentive to support the firm. As a family firm grows and ages a strong family firm image may act as a critical resource that fosters connection and synergy between the family and firm. Consequently, a strong family firm image may inspire ethical decision-making (Berrone et al., 2010 and Dyer and Whetten, 2006) and a sense of obligation on the part of family members to support the goals and strategies of the firm (Zellweger et al., 2010 and Zellweger et al., in press).

Given that organizational image differentiates one organization from others in the eyes of organizational members and external audiences (King et al., 2010 and Scott and Lane, 2000), family businesses may be particularly proficient at creating unique identities since they are able to integrate elements from both the family and business domain (Sundaramurthy & Kreiner, 2008). This allows for unique branding strategies that emphasize the firm's family ties as exemplified by firms such as SC Johnson in the US or Hipp in Europe. In this way the family comes to personify the business, becoming an external resource for the firm that is inimitable, unique and recognizable in the marketplace. Indeed, it has been suggested that developing a family-based brand identity positively contributes to firm growth and profitability due to its influence on customer-centered values (Craig et al., 2008). Businesses that promote a family firm image may be able to capitalize on customers' positive perception of family firms since these firms are seen as trustworthy (Tagiuri and Davis, 1996 and Ward and Aronoff, 1995), customer-focused and quality driven (Cooper et al., 2005 and Sundaramurthy and Kreiner, 2008). Further, the benefits of projecting a family firm image may accrue not only with customers but also with a broader range of stakeholders. Specifically, a family firm image, which is associated with being seen as trustworthy, socially responsible and quality-driven (i.e. Craig et al., 2008, Dyer and Whetten, 2006 and Tagiuri and Davis, 1996), may create an extended family of stakeholders (e.g., suppliers, business partners) who support the principles of the family and the firm, such as loyalty, fairness and respect. Such close ties with stakeholders benefit the business since they

give access to timely and trustworthy information critical for business operations, and tend to facilitate funding and attract business opportunities (Sieger et al., 2011 and Uzzi, 1997).

However, not all family firms choose to portray a family image nor do their leaders, owners or employees define the firm as a ‘family firm’ (Westhead and Howorth, 2007 and Zellweger et al., 2010). Recent research applying organizational identity theory has acknowledged that family firms have two relevant identities – the family and the business – that can be segmented or integrated to different degrees (Sundaramurthy & Kreiner, 2008). On the one hand, businesses like SC Johnson that portray their firm as “A Family Company” can be seen as having a highly integrated identity, where the family and business identities are intermingled and highlighted to stakeholders. In contrast, some family businesses choose to ignore or downplay their family firm status, resembling non-family firms. Perhaps the (mis)perception that family firms are resistant to change and stagnant (Eddleston et al., 2008 and Miller et al., 2008) causes these firms to avoid building an image as a family firm. Perhaps some family firms resist proclaiming their family firm status because they want to be perceived as professionally managed and not burdened with family issues such as nepotism and particularism. For example, some family firms (e.g. Mars) appear to downplay or even hide their family ties. Yet, because an organizational identity can be an important and inimitable source of competitive advantage, and a family's identity is unique and thus impossible to completely copy (Sundaramurthy & Kreiner, 2008), we argue that a strong family firm image will be associated with greater firm performance. Therefore:

Hypothesis 1. Family firm image is positively related to family firm performance.

1.3. Family pride

Family firm pride captures the esteem and respect family members possess toward their family firm. Although it can be seen as similar to the concepts of organizational commitment and psychological ownership, it is distinct in that organizational commitment seeks to answer the question: “Should I maintain membership in this organization and why?,” psychological ownership answers the question: “What do I feel is mine?,” (Pierce, Kostova, & Dirks, 2001) while pride addresses the question: “How do I feel about others knowing that I am a member of this organization?” Pride is unique in that it reflects concern for outward appearances and acceptance, alerting others that one deserves greater status and approval (Tracy, 2004). Given pride's apparent regard for others' opinions, we believe that family firm pride may influence a family firm's decision to create a strong family firm image. When family members believe their firm, its history or even their family are impressive, they may be more inclined to construct a family firm image. In contrast, when family members are embarrassed of their family firm's past or family affiliation, they may be more likely to hide their family firm status (Litz & Turner, in press). Drawing upon organizational identity theory, we explain below how pride may affect family firm image and performance, thus hypothesizing that family firm image mediates the relationship between family firm pride and performance.

Identity theory purports that pride is an important consequence of heightened identification with an organization or group (Ashforth & Mael, 1989). Cable and Turban (2003) note that people derive pride from organizational membership and that employers are an important part of employees' self-concept (Brown and Marshall, 2001 and Dutton et al., 1994). Theory and research suggest that organizational members' individual identity is closely linked to their organization's identity (e.g., Ashforth and Mael, 1989, Dutton et al., 1994 and Scott and Lane, 2000). In particular, people who perceive their organizations as attractive and are highly connected and visible members of their firms, are most likely to strongly identify with their organizations (Ashforth and Mael, 1989 and Dutton et al., 1994). The need for self-consistency, self-esteem and pride leads firm leaders to construct an organizational image that they believe will enhance goal attainment and is in line with their sense of self (Scott & Lane, 2000). Indeed, Scott and Lane (2000) suggest that the most effective firm leaders are driven to build a positive organizational image because their personal pride overlaps with their organization's identity.

Pride may be an important element to family firms since the successes, accomplishments and triumphs of one family member can become a shared identity and history for the entire family (Ward & Aronoff, 1995). Further, family firm pride may be particularly enduring and strong given the family element. For example, Ashforth discusses how identities are most strongly formed and endured when they are enacted in a "local, tribal context" (1998: 279) and Fiske (1991) acknowledges the strength and enactment among close kin. It has been suggested that because their self-esteem is tied to their identification with their family and firm, many family firm leaders make a concerted effort to build a positive organizational image (Miller et al., 2008). Family firms are conscious of the fact that a bad public image could "soil the good name of the family" (Dyer & Whetten, 2006: 791). Thus, family firm pride should be positively associated with a family firm image.

It is also argued that family firm pride will positively affect firm performance. Family ties create an emotional bond and sense of commitment that encourage family members to pursue a common set of goals (Sundaramurthy & Kreiner, 2008). "Fulfilling family obligations can be a source of pride, serve as an important nonmonetary incentive, and provide a common rallying ground for members of the family firm" (Sundaramurthy & Kreiner, 2008: 425). Research on organizational identity theory suggests that individuals who strongly identify with their organizations feel an increased sense of responsibility for the organization (Dipboye, 1977) and provide helpful and supportive behaviors to their firms (Dutton et al., 1994). Similarly, employee morale encourages organizational members to exert extra effort to achieve firm goals (Gunter & Furnham, 1996) and organizational pride has been found to be an important component of job satisfaction which thereby contributes to the performance of the firm (Smithey-Fulmer, Gerhardt, & Scott, 2003). Furthermore, Sundaramurthy and Kreiner (2008) suggest that strong family firm pride causes family members to police one another's behavior, contributing to firm performance. Since organizational pride has been suggested to be associated with organizational prestige

(Smidts, Pruyn, & Van Riel, 2001), families that are prominent and prestigious may have an advantage at raising money and attracting and retaining customers (Steier, 2001). Family firm pride may also encourage family members to invest in the family business, fostering growth and prosperity. As such, family firm pride is expected to have a positive influence on firm performance.

Taken together, our arguments suggest that the effect of family firm pride on performance occurs primarily through the benefits of a family firm image. That is, the esteem and respect family members possess toward their firm is expected to translate into high firm performance through the reflections of a positive family firm image to stakeholders. Hence, we expect that family firm image mediates the relationship between family firm pride and firm performance.

Hypothesis 2. The relationship between family firm pride and performance is mediated by family firm image.

1.4. Community social ties

Organizational identity is believed to be affected by external stakeholders (i.e., Gioia, 1998, Gioia et al., 2000 and Smidts et al., 2001) whereby organizational members develop and refine their organizational identity based on information gathered from external parties (Hatch & Schultz, 2002). This view of organizational identity “builds on the idea that identity is a relational construct formed in interaction with others” (Hatch & Schultz, 2002: 992). Because individuals aim to accentuate their organization's distinctiveness, social comparisons are an important means through which organizational members build their organizational identity (Bartel, 2001). Social interactions with external stakeholders assist in making an individual's organizational identity more salient and distinct (Bartel, 2001). It is through social interactions with external parties that organizational members come to learn about the public's expectations and perceptions of the organization (Dutton et al., 1994). In turn, the perception of how external stakeholders view the organization is expected to influence an organization's image (Dhalla, 2007 and Gioia and Thomas, 1996). Accordingly, social ties in one's community may act as a mirror for organizations – showing firm leaders how the public views the firm as well as how the firm is distinct from other firms in the community. As such, social ties may assist in the development of a distinct organizational identity and therefore creation of a unique organizational image. Below, we therefore link community social ties to family firm image and then performance so as to hypothesize family firm image as a mediator.

Firms often align themselves in a community with like-minded organizations, and in the case of family firms – often other family firms (Lester & Cannella, 2006). Through linkages to other firms, family firms develop shared language, norms and core values, learning how family firms are expected to behave (Lester & Cannella, 2006). Frequent interactions allow parties to know one another, share important information, and create a common point of view (Tsai and Ghoshal, 1998 and Walter et al., 2007). As family firms interact with other firms in their community, they

may then come to appreciate their unique family heritage and the importance of family within their organizational identity. Because social comparisons promote sensemaking and information gathering (Bartel, 2001), community social ties may help family firms to understand the socially desirable features the public often associates with family firms. Consequently, the perception of how the community views the firm is expected to strengthen family firm image.

Specifically, family firms often work to build strong social ties in their communities so that not only the current but also the next generation can benefit from accrued trust, cooperation and social capital (i.e. Lester and Cannella, 2006 and Sirmon and Hitt, 2003). For instance, family firms have been found to benefit from lower cost of debt financing since the business relationship between the family firm (borrower) and bank (lender) often extends across time and generations (Anderson, Mansi, & Reeb, 2003). Additionally, a family firm's support for the community tends to be reciprocated over time through the loyalty of lenders, customers, employees, suppliers, and further stakeholders (Niehm, Swinney, & Miller, 2008). Such firms understand the importance of goodwill and social capital derived from their communities and therefore these firms make a concerted effort to build a positive family firm image (Miller et al., 2008). Furthermore, due to their personal involvement in the family firm, family leaders are able to develop more consistent, durable and credible relationships with community leaders, banks and other local organizations (Arregle et al., 2007, Carney, 2005, Lounsbury and Glynn, 2001 and Sirmon and Hitt, 2003). Community ties are seen as an important mechanism through which family leaders protect and nurture their businesses (Lester & Cannella, 2006), helping them to build a positive organizational image. Indeed, membership in a community network has been argued to enhance a family firm's image (Lester and Cannella, 2006, Salvato and Melin, 2008 and Sharma, 2008) which is in line with social capital research that suggests that community involvement is an investment in a firm's image (Spence, Schmidpeter, & Habisch, 2003). Thus, strong community ties should enhance a family firm image.

Subsequently, building on research on the importance of social capital to family firms, we argue that community social ties will positively affect family firm performance. Social capital refers to the “sum of the actual and potential resources embedded within, available through, and derived from” social ties within a network (Nahapiet & Ghoshal, 1998: 243). Within the family business literature, it has been proposed that family firms are often capable of deriving rich social capital since it is naturally embedded within the idiosyncratic family unit and the ties the family has with external stakeholders (Arregle et al., 2007 and Pearson et al., 2008). Additionally, the establishment of strong social ties not only benefits current family members but also future generations (Sirmon & Hitt, 2003).

Specifically, through a diverse set of social ties, an organization may gain access to other organization's resources and knowledge (Powell et al., 1996 and Tsai and Ghoshal, 1998) as well as customer and supplier referrals, business advice and capital, and access to opportunities that can lower risk and increase capabilities (Chang et al., 2009, Jack et al., 2004 and Peredo and Chrisman, 2006). Family firms with strong social ties in their communities are more easily able

to communicate the value of their goods and services to potential customers and to garner strategic resources (Sirmon & Hitt, 2003). Given that relational exchanges and trust are built over time, the complex networks and enduring relationships that family firms build within their communities can be a primary source of competitive advantage (Miller et al., 2008, Sirmon and Hitt, 2003, Sorenson et al., 2008 and Steier, 2001). Indeed, family firms that have strong social ties are expected to compete more effectively than those that lack social ties (James, 1999, Sharma, 2008 and Sirmon and Hitt, 2003). Additionally, the personal responsibility that well-connected family business leaders often feel for their communities can push them to grow their businesses so as to benefit their local area and townspeople (Stavrou, 1998). Therefore, we propose:

Hypothesis 3. The relationship between community social ties and performance is mediated by family firm image.

1.5. Long-term orientation

A long-term orientation refers to an organizational culture that favors patient investments in long-term and sometimes risky activities (Hitt et al., 1996 and Zahra et al., 2004). A long-term orientation is thought to be prevalent in family firms and many family firms can be characterized as displaying longer-term planning horizons (e.g., Burkart et al., 2003, James, 1999, Miller and Le Breton-Miller, 2006, Miller et al., 2008, Sirmon and Hitt, 2003 and Zellweger, 2007). In particular, maintaining the business for future generations is often an important goal for family firms (e.g., Gómez-Mejía et al., 2007, Kets de Vries, 1993 and Ward, 1997). Family firm leaders dream of passing on a legacy to their posterity as well as a sustainable income stream for future generations (Dyer & Whetten, 2006). A long-term orientation is complementary to the long time spans advocated by successful family businesses (Corbetta & Salvato, 2004) and has been depicted as a unique resource for family firms (Sirmon & Hitt, 2003). This depiction of long-term orientation as a distinct core value of many family firms is in line with recent research on organizational identity theory that demonstrates how organizational identity not only creates meaning for work practices, but also guides organizational behavior and decision-making (Nag et al., 2007). Accordingly, below we draw upon organizational identity theory to argue that a long-term orientation will influence a family firm's image and performance. We then hypothesize that family firm image mediates the relationship between long-term orientation and firm performance.

Core features of organizational identity are presumed to be resistant to “faddish attempts to alteration because of their ties to the organization's history” (Gioia et al., 2000: 64). Although it is possible for an organizational identity to be reframed or re-interpreted, the core beliefs and values that comprise an organizational identity extend over time and context (Gioia et al., 2000). Organizational identity reflects an organization's unique features and how it reveals its values through communication and behaviors (Muzellec, 2006). As such, organizational identity builds upon a firm's heritage while also setting a course for the firm's future. It is about behavior as

much as it is about appearance (Muzellec, 2006). With this in mind, a long-term orientation may reflect an enduring value of family firms that contributes to their success.

Specifically, in working to create a long lasting successful firm, family firm leaders often build companies that are resistant to faddish trends (Craig et al., 2008), instead choosing to promote the longstanding nature of the family firm with continuous family involvement and steadfast investment strategies. For example, the concern for the long haul encourages family firm leaders to focus on building customer loyalty (Miller et al., 2008) and an image that stresses quality and customer-service (Sundaramurthy & Kreiner, 2008). A long-term orientation should encourage family firms to protect their family name and image of their firm in the public's eye (Dyer & Whetten, 2006). Those family firms that emphasize long-term strategies may be more likely to see a family firm image as an investment in their future. In this way, building a family firm image may help family firms to leverage their patient investments and long-term strategies by demonstrating to external stakeholders that they are here for the long haul and committed to serving their long-term needs. When family firms make advertising statements like “Our family serving yours for the last three generations,” organizational identity theory would suggest that they are proclaiming their enduring family involvement and their longstanding commitment to serving customers – in the past, present and future. Therefore, we argue that a long-term orientation is positively related to a family firm image.

Furthermore, because fast-growth, high performing family firms have been found to develop long-term goals and strategies (Upton, Teal, & Felan, 2001) and advocate long-term financial performance (McCann, Leon-Guerrero, & Haley, 2001), a long-term orientation may contribute to family firm success. Because the firm can be seen as a vehicle to nurture the family's future through jobs, security and income for the next generation, the long-term orientation of family firms is believed to push them to invest in the business for continued prosperity and growth (Gómez-Mejía et al., 2007 and Miller et al., 2008). Long-term orientation fosters enduring relationships with key stakeholders, particularly customers (Aronoff and Ward, 1995, Dick and Basu, 1994, Habbershon and Williams, 1999 and Lyman, 1991). Zahra et al. (2004: 363) also note that a long-term orientation allows family firms to “dedicate resources required for innovation and risk taking, thereby fostering entrepreneurship.” Because these firms are not subjected to short-term performance pressures, they are able to create investment portfolios that have higher performance potential in the long run (Miller and Le Breton-Miller, 2005 and Zellweger, 2007). In long-term oriented firms, family members may be more apt to put aside the pursuit of short-term personal gains for the well-being of the family firm. Indeed, long-term investments and long-term planning appear to promote the success of family firms across generations (Zahra et al., 2004). For example, when firms establish long-term relationships with customers, customers tend to purchase more, spend less time in the purchasing process, be less price sensitive, and influence other potential customers to purchase (Reichheld, 1996). In accordance with this set of arguments, we propose that a family firm image mediates the relationship between long-term orientation and firm performance.

Hypothesis 4. The relationship between long-term orientation and performance is mediated by family firm image.

2. Method

We used mail-surveys to collect our data, which is consistent with prior research on family firms (e.g., Eddleston et al., 2008 and Schulze et al., 2003). We obtained a mailing list of privately held family businesses from a family business center at a major Swiss university. These businesses defined themselves as family firms through their affiliation with the family business center. Additionally, for all firms in the study ownership lied within the family and at least two family members were employed by the business. After one follow-up mailing, 179 firms participated, resulting in a 14.3% response rate, which is satisfactory for privately held firms (e.g., Chrisman et al., 2007 and Eddleston and Kellermanns, 2007). This data was collected as part of a larger data collection effort (see Memili et al., 2010 and Zellweger et al., 2012).

In order to ensure a high level of response quality, we relied on key informants (Kumar et al., 1993 and Seidler, 1974). Rather than choosing respondents randomly, we focused on the family CEO with an ownership stake in the firm to gain in-depth knowledge about organizational image, performance, and associated antecedents. Note that we collected data from two respondents for a subset of the sample (39 pairs) to validate our key-informant approach. For all variables in the study, the r_{wgs} were acceptable, indicating that a key respondent approach was appropriate for the study.

2.1. Measures

All constructs were measured using Likert-type scales with a 7-point response format ranging from “strongly disagree” to “strongly agree.” For the individual items, factor loadings, Average Variance Extracted (AVE) scores and the construct reliabilities of the associated constructs, please refer to Appendix A. Our measure of *long-term orientation* was adapted from Zellweger (2007) and based on the impact of an increased time horizon on strategic opportunities of firms. Our items assessing the respondent's *family firm pride* were adapted from Smithey-Fulmer et al. (2003). To measure *community social ties*, we followed Tsai and Ghoshal (1998) and measured social resources embedded not only in interfirm relationships but also in close relationships with community leaders and social organizations. Our measure of *family firm image* was developed by Memili et al. (2010) and is based on the research of Craig et al. (2008) and Dyer and Whetten (2006). Our measure converges on Craig et al.'s (2008) family based brand identity subscale.⁴ To improve the AVE scores, we dropped two items from Memili et al. (2010); however, the regression results were robust with either conceptualization.

For *performance*, we utilized five performance-related questions. Multiple performance indicators were warranted due to the underlying multidimensionality of the performance construct (e.g., Cameron, 1978). We stress that subjective performance measures are often utilized due to the lack of objective data for companies that are not publicly traded (Love,

Priem, & Lumpkin, 2002). Prior research has shown that such subjective measures of performance are correlated with objective performance data in family firms (Ling & Kellermans, 2010). Individual performance measures were added to calculate overall performance, with higher values indicating better performance (e.g., Dess and Robinson, 1984 and Eddleston and Kellermanns, 2007). A prior study by Memilli and colleagues (2010) drawing on the same database also showed a marginally positive relationship between family firm image and growth related performance measures.

We utilized seven different *control variables* in our study. First, we controlled for *industry* level effects with five dummy codes because family firm image may be more important in certain industries than others (Capon, Farley, & Hoenig, 1990). Second, we controlled for *family firm age* to address any liability of newness concerns (Stichcombe, 1965) that may negatively affect the ability to build and leverage a firm's image. Third, we controlled for *firm size*, as larger firms may have more resources to invest in image related activities.

2.2. Assessment of construct validity and reliability

To assess the validity and reliability of our five constructs, we performed a confirmatory factor analysis (CFA). Values exceeding .90 for the incremental fit index (IFI) and comparative fit index (CFI) are seen as indicating acceptable fit (Hu and Bentler, 1995, Hu and Bentler, 1999 and Mulaik et al., 1989). Our analysis resulted in an IFI of .951, CFI of .950, χ^2 of 202.554 and χ^2/DF ratio of 1.478. χ^2/DF ratios below 5 indicate good fit (Bollen & Long, 1993). Further, the root mean square error of approximation (RMSEA) for the model was .047, which is below the .08 threshold level, indicating good fit (Hu and Bentler, 1995, Hu and Bentler, 1999 and Mulaik et al., 1989). In summary, all of these measures indicate adequate fit according to recommended guidelines (Hair, Black, Babin, & Anderson, 2010).

Several criteria were used to assess the validity and reliability of the constructs (see Appendix A). The average variance extracted (AVE) for two constructs is below the recommended 50% level. However, convergent validity can nevertheless be considered acceptable, given that content validity is demonstrated and reliabilities are acceptable. With regard to reliability, three of the five constructs exhibit reliability levels that meet or exceed the .7 threshold level, and the other two are relatively close, indicating good construct reliability, particularly for exploratory research (Hair et al., 2010).

Discriminant validity was assessed by comparing the AVE scores to the squared inter-construct correlations (not reported). The established guideline is that the AVE score for each construct should be greater than the corresponding squared inter-construct correlations (Hair et al., 2010). This condition was met in all cases, with the exception of *Pride* and *Family Firm Image*, where the AVE scores for the two constructs were somewhat lower than the corresponding squared interconstruct correlations. A post hoc face validity assessment by a panel of experts demonstrated that the constructs are measuring different concepts. Moreover, a large amount of

shared variance between the two constructs was expected based on theoretical considerations since the relationship was between endogenous and exogenous constructs. Lastly, nomological validity was assessed by inspecting the direction of the relationships among constructs with regard to extant theory (Hair et al., 2010). The significant construct correlations are consistent with theory, thus establishing nomological validity.

Although we found only moderate levels of correlation between our variables, we centered the variables (Cronbach, 1987), calculated variance inflation factors (all <2.173) and condition indices (all <28.658) to check for multicollinearity. All indices were below the suggested threshold level (Hair et al., 2010). We then tested for common method bias as suggested by Podsakoff and Organ (1986). We entered the items of the independent and mediator variables into a factor analysis and extracted five factors with Eigenvalues > 1.0, which accounted for 64.17% of the variance. The first factor accounted for 26.49% of the variance, while the remaining factors accounted for 37.69% of the variance. Therefore, common method bias does not appear to be a problem in our study.

3. Results

The means, standard deviations, and zero-order correlations are shown in Table 1. We tested the hypotheses via multiple regression analysis. The results are shown in Table 2.

Table 1. Descriptive statistics and correlations.

Variables	Mean	SD	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
1. Construction-related industries	.26	.44											
2. Wood processing-related industries	.07	.26	-.17*										
3. Engineering-related industries	.10	.30	-.20*	-.09									
4. Service-related industries	.29	.45	-.39**	-.18*	-.21*								
5. Manufacturing-related	.12	.31	-.23*	-.11	-.12	-.24**							

industries													
6. Family firm age	69.08	38.08	.18*	-.08	-.05	-.31*	.12						
7. Family firm size (employees)	340.97	1907.52	-.06	-.03	-.05	-.07	.26**	.03					
8. Family firm pride	5.77	.98	.09	-.17*	-.08	-.03	.13	.17*	.09				
9. Community social ties	5.46	.97	.09	-.17*	.08	-.04	-.06	.12 [†]	.05	.22**			
10. Long-term orientation	4.30	1.10	-.15*	.00	.03	.05	.03	.02	.09	.10	.09		
11. Family firm image	4.82	1.28	.13 [†]	-.11	-.11	-.07	.16*	.26**	.07	.64**	.26**	.21**	
12. Family firm performance	4.51	1.19	-.20*	-.15*	.04	.08	.17*	-.01	.15	.20**	.22**	.34**	.28**

$N = 179$.

[†] $p < .10$.

* $p < .05$.

** $p < .01$.

*** $p < .001$.

Table 2. OLS regression results.

	Performance	Performance	Performance	Family firm image	Performance
	Model 1	Model 2	Model 3	Model 4	Model 5
Control					
Construction	-.211*	-.175 [†]	-.255**	.137 [†]	-.201*
Wood processing	-.177*	-.123	-.164*	.060	-.135 [†]
Engineering	-.008	-.010	-.003	-.012	-.008
Service	.012	-.003	-.035	.073	-.018
Manufacturing	.076	.094	.028	.129 [†]	.069
Family firm age	-.005	-.054	-.076	.137*	-.080
Family firm size (employees)	.114	.070	.104	.029	.075
Independent variables					

Family firm pride		.112 [†]		.566 ^{***}	.012
Community social ties		.172 [*]		.118 [*]	.149 [*]
Long-term orientation		.275 ^{***}		.157 ^{**}	.244 [*]
Mediator					
Family firm image			.299 ^{***}		.195 [*]
R^2	.098	.235	.178	.489	.245
Adjusted R^2	.061	.190	.139	.459	.205
F	2.661 [*]	5.166 ^{***}	4.598 ^{***}	14.379 ^{***}	5.183 ^{***}

$N = 179$.

[†] $p < .10$.

^{*} $p < .05$.

^{**} $p < .01$.

^{***} $p < .001$.

In Model 1, performance was regressed on the control variables. In the second model, performance was regressed on our independent variables. All independent variables showed a significant or marginally significant relationship to performance. Pride in the family firm ($\beta = .112, p < .10$), community social ties ($\beta = .172, p < .05$), and long-term orientation ($\beta = .275, p < .001$) positively affected family firm performance. In a third model, we regressed performance on family firm image ($\beta = .299, p < .001$), which supports Hypothesis 1. Since the mediator was significant as well, the initial preconditions for mediation were fulfilled. In the next step (model 4), we tested the independent variables' significance in relation to the mediator. Pride in the family firm ($\beta = .566, p < .001$), community social ties ($\beta = .118, p < .05$), and long-term orientation ($\beta = .157, p < .01$) were significant predictors of family firm image. In the final step (model 5), to test for full or partial mediation, we regressed performance on all variables. The mediator was found to be significant ($\beta = .195, p < .05$), while the significance of all other variables was reduced. Overall, the relationship between family firm pride and performance was fully mediated, while the relationship between community social ties and long-term orientation and performance was partially mediated by family firm image, which lends support to Hypothesis 2, Hypothesis 3 and Hypothesis 4.

4. Discussion

Based on organizational identity theory, our study set out to investigate the impact of family firm image on firm performance and also to explore antecedents of family firm image. Recent research has proposed that family members' concern for the public's perception of the business may serve as motivation that thereby leads them to outperform their non-family firm counterparts (Anderson and Reeb, 2003 and Craig et al., 2008). We sought to extend this research by investigating why some family firms choose to create a stronger family firm image than others and in turn, if a strong family firm image contributes to performance. Our study indeed shows that family firm image is positively related to firm performance. Hence, it appears that seeking to nurture stakeholders' perception of a business as a family firm allows the business to create a positive cognitive image of the organization that positively affects firm performance. As such, our study complements the research by Craig et al. (2008) and Memilli

and colleagues (2010) by showing that the promotion of a business as a family firm generates success on a variety of performance dimensions. Accordingly, family firm image can be seen as a unique competitive advantage for family firms.

Additionally, by applying organizational identity to the family firm realm, we have been able to examine a construct of organizational image that can be broadly utilized by any family firm while also allowing for distinctiveness given each family's unique identity and heritage. By drawing from organizational identity theory to propose three antecedents of family firm image, we were able to provide a nuanced perspective regarding why family firms vary in the extent to which they portray a family firm image. Our study showed that differences in family firm pride, community social ties and long-term orientation predict the pronouncement of a family firm image. More specifically, we found that family firm pride has a positive impact on family firm image and in turn performance, albeit only a marginally significant main effect on performance. We, therefore, suggest that when family members believe in their firm and its history, they tend to be more inclined to construct a strong family firm image that can be exploited through the promotion of the business as a family firm in the market place.

Our study also shows that community social ties have a positive impact on performance through family firm image. In line with recent suggestions that identities are socially constructed (Nag et al., 2007) and that they emerge from interactions with internal and external stakeholders (Scott & Lane, 2000), strong community social ties were found to nurture a family firm image, which in turn strengthened performance. This result adds to the wider literature that explores the relationship between social ties and performance. While social ties can influence firm performance in a variety of ways (Arregle et al., 2007), our study suggests that one way family firms can benefit from strong social ties is through the development of a family firm image. Given our findings, more research is needed that explores how strong community social ties encourage family firms to build a family firm image, and how this, in turn, benefits their performance within the community.

Lastly, we show that family firm image partially mediates the relationship between long-term orientation and performance. Although research shows that an organizational identity can be partly mutable and reinterpreted over time (Gioia et al., 2000), because an organizational identity builds upon a firm's heritage and history, it is resistant to attempts of alteration. Family firms with a long-term orientation may be particularly proficient at creating a coherent and enduring image for their businesses. Family firms that are patient and prefer long-term investment strategies may decide to build a family firm image so as to communicate their stable family heritage and traditional values. Perhaps this is a reason why family firms are often seen as trustworthy. Additionally, our results indicate that long-term orientation directly affects family firm performance, after taking into account family firm image. Given the pivotal role of a long-term orientation for family firms (Gómez-Mejía et al., 2007), future research is certainly needed.

Taken together our findings elaborate on differences among family firms and how family firms differ in the degree to which they express their family ties. We believe this is an important step

toward understanding the heterogeneity among family firms and the complexity of building and expressing a family firm identity. Recent theorizing has suggested that not all objectively defined family firms (i.e. firms that researchers would define as family firms) see themselves as such and that some family firms choose to downplay their family ties due to negative stereotypes associated with family involvement like nepotism and particularism (Zellweger et al., 2010). Yet new advances in family firm research suggest that a family firm brand can be a competitive advantage due to positive perceptions of family firms among consumers (Craig et al., 2008). We believe that our study addresses these inconsistencies by demonstrating that a strong family firm image is associated with greater firm performance. However, we also acknowledge that our study creates additional questions that call for attention. For example, are there certain contexts when a strong family firm image is harmful, perhaps when seeking venture capitalists and investors or when competing in high-tech industries? On the other hand, are there contexts when a family firm image is particularly beneficial, for example when forming international partnerships with other family firms? Further, it would be interesting to study how a family firm image evolves over time, especially as different generations take leadership of the firm. Thus, research such as ours (i.e. Craig et al., 2008, Sundaramurthy and Kreiner, 2008 and Zellweger et al., 2010) is just beginning to understand the impact of a family firm identity and image.

5. Limitations and implications

We need to mention a few limitations of our study. First, our study is situated in Switzerland. On one hand, in a small country such as Switzerland community social ties and firm image may be essential to business activity thereby biasing results. These biases, however, may be offset by the relative openness and the international scope of economic activity in Switzerland. The fact that we developed several measures may be seen as a further limitation. For instance, our family firm image measure may be challenged as it seems to combine items that capture image and reputation. For example, the items (“The family firm name is recognized in the community”; “Most of our customers know that we are a family business”) could be considered the family firm's perception of their reputation since the items refer to external stakeholders. However, these items are from the perception of family firm leaders and therefore they do not capture external stakeholders' actual view of the business. Further, our measure appears to be valid for two additional reasons: first, we conducted an exploratory factor analysis which supports the choice of a single factor structure. Second, we believe that our measure captures image and not reputation because the items are self-assessments by the family firm leaders and not external stakeholders, which would be necessary to measure reputation. Still, future researchers should refine and further validate these measures. It would be interesting for future research to explore how family firm image affects a firm's reputation in the marketplace. Are there scenarios where a very strong (or weak) family firm image hurts a firm's reputation? Does a family firm's reputation vary by stakeholders? That is, can a strong family firm image translate into a positive reputation for some stakeholders but a negative reputation for others? Hopefully, our study inspires additional research on these issues.

An additional limitation of our study refers to the fact that our sample came from a business center and thus, may be biased by an overrepresentation of firms for which their family owners experience pride and hence emphasize a family firm image. Even though endogeneity does not seem to be a significant issue in our study (analysis not reported here), it is possible that family firms for which their owners do not feel pride, for instance because of the unethical behavior of a previous family generation (Litz & Turner, in press), are sold or terminated. We also need to mention that our data collection is cross-sectional and that it therefore poses the threat of common method bias. However, results from the single factor test (Podsakoff & Organ, 1986) should diminish these concerns. Research suggests that while common method bias may be present, it does not significantly affect results or conclusions (e.g., Doty & Glick, 1998). Still, future research would benefit from a longitudinal design. A longitudinal study could assess how a family firm's image evolves and also how family firm image and reputation may influence one another, and perhaps co-evolve, over time. In addition, we need to acknowledge that two of our constructs, long-term orientation and community social pride, have low AVEs and future research should improve upon our measures. Finally, our performance indicator was self-reported. While we encourage future research to utilize objective performance data, these objective measures were not available for the firms in our study since they are not publicly traded. However, prior research has shown that self-reported and actual performance measures in family firms are correlated (Ling & Kellermans, 2010).

In addition to the future research opportunities we stated above, our study provides several other avenues for future investigation. While we focus on the benefits of a family firm image, it would be interesting to explore if a family firm image could harm a family firm in certain scenarios. Driven by the need to maintain a consistent identity, family firms might be particularly challenged when faced with a turbulent environment or identity threat (Elsbach & Kramer, 1996). Identity has often been depicted as a relatively enduring organizational feature that impedes strategic change, mainly because members are viewed as avoiding learning to preserve existing conceptions of themselves and their organizations (Brown & Starkey, 2000). Studies on organizational identity and strategic change have highlighted the problems organizations face in changing their identities when faced with new imperatives (Bartunek, 1984, Gioia and Thomas, 1996 and Nag et al., 2007). Indeed, it has been argued that a family firm image may have a dark side when it comes to adaptation and overcoming identity threats (Keller, 1993 and Sundaramurthy and Kreiner, 2008). For example, are there certain industries, particularly dynamic and innovative industries, where it could be harmful to utilize a family firm image?

Aside from the antecedents of family firm image we have investigated in our study, other possible antecedents of family firm image can be investigated. For instance, harmony and conflicts between family members (Kellermans & Eddleston, 2004) and forms of commitment in family firms (e.g., Sharma & Irving, 2005) may affect family firm image. In addition, other organizational outcomes of family firm image such as marketing strategy (e.g., Knight, 2000),

diversification (Gómez-Mejía, Makri, & Larraza-Kintana, 2010), or non-financial performance/goals could be investigated (e.g., Zellweger & Astrachan, 2008). Indeed, a non-family firm is expected to be driven solely or primarily by economic goals, whereas a family firm is expected to take a more balanced set of economic and non-economic goals, such as preservation of socioemotional wealth, into account when setting strategies (Gómez-Mejía et al., 2007 and Gómez-Mejía et al., 2010). As such, it would be interesting to explore how family firm image affects a firm's socioemotional wealth.

Also, there is increasing evidence that organizational identity and image are part of family firm owners' ultimate goal (Berrone et al., 2010, Dyer and Whetten, 2006 and Zellweger et al., in press). In this case, a family firm image is not only a means to achieve performance, but high performance can also attribute to stronger family firm image. Similarly, strong family firm performance may enhance family firm pride, community social ties, and long-term orientation. As such, the causality between performance and image could be reversed or the relationship could be reciprocal. This is an area ripe for future research.

Our study has several implications for theory. First, we add to the growing literature that explores how family involvement in business activity affects performance. Other scholars have applied the resource based view (e.g., Habbershon and Williams, 1999 and Sirmon and Hitt, 2003), stewardship theory (e.g., Eddleston & Kellermans, 2007) or agency theory (e.g., Schulze et al., 2003). However, we provide one of the first *empirical* investigations of the performance of family firms using an organizational identity theory lens. Organizational identity is a difficult concept to compare among firms given each firm's unique characteristics. However, the family firm context provides a unique laboratory to test the tenets of organizational identity theory since each firm can be compared in regard to the strength of its family firm image while also allowing for the distinct characteristics of each family firm identity. As such, we contribute to organizational identity theory by introducing three drivers of a family firm image that are based on organizational identity theory and the family firm literature. Beyond assertions that stakeholders have an impact on organizational identity (Scott & Lane, 2000), we do not know enough about the drivers of a firm's image. To date, literature has conceptually stressed the impact of strategic issues and threats on image and identity (Dutton et al., 1994 and Ravasi and Schultz, 2006), the relative stability of the identity and image concept (Gioia et al., 2000), how organizational identities impact resources (Nag et al., 2007), and how management of identity boundaries can contribute to governance in family firms (Sundaramurthy & Kreiner, 2008). We move beyond this research by investigating the antecedents and outcomes of family firm image.

6. Conclusion

Based on organization identity theory, we test the impact of family firm image on family firm performance. We show that family firm pride, community social ties, and long-term orientation are important antecedents to family firm image. Accordingly, our study adds to organizational identity theory in general and to our understanding of family firms in particular. We hope that

our study will trigger additional family firm research that will utilize this promising theoretical lens.

Appendix A. Scale items

Construct	Items	Factor loading ^a	AVE ^b	CR ^c
	Independent variables			
<i>Long-term orientation</i>	Our family firm pursues multiple investment projects and then waits to see how they evolve over time.	.44	.36	.68
	Our family firm is able to invest in projects that take a longer time to see financial returns.	.42		
	Our family firm is able to invest in projects that are less profitable than those pursued by its competitors.	.68		
	Our family firm pursues investment projects that are riskier than the ones of its competitors.	.79		
<i>Pride in family firm</i>	I am proud to work for this family firm.	.50	.53	.76
	I really care about the fate of this organization.	.63		
	The family members are proud to work for this firm.	.97		
<i>Community social ties</i>	The family firm is well connected to community leaders.	.57	.35	.68
	The family firm has good banking relationships.	.55		
	The family firm is active in business networks (e.g. trade associations) or social organizations (Lions, Rotary, Kiwanis).	.60		
	The family firm is well connected to other firms.	.64		
	Mediator			
<i>Family firm image</i>	In our advertisement, we mention that we are a family business.	.67	.54	.78
	Most of our customers know that we are a family business.	.74		
	The fact that we are a family business is a great marketing tool.	.79		
	Dependent variable			
<i>Family firm performance</i>	I feel that our firm makes a good financial profit.	.82	.50	.83
	We have strong growth opportunities in our firm.	.58		
	We have a good return on the invested equity capital.	.88		
	The shareholders have good dividends from the firm.	.62		
	The family has financial freedom thanks to the	.57		

	firm's financial outcomes.			
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a Standardized regression weights obtained by AMOS.

b Average variance extracted.

c Construct reliability.

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