ARTICLE IN PRESS

Journal of Family Business Strategy xxx (xxxx) xxx–xxx

Contents lists available at ScienceDirect

Journal of Family Business Strategy

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

An exploratory study of firm goals in the context of family firms: An institutional logics perspective

Gloria Aparicio[a], Rodrigo Basco[b,*], Txomin Iturralde[a], Amaia Maseda[a]

[a] Faculty of Economics and Business, University of the Basque Country, E48015, Bilbao, Spain

[b] Sheikh Saoud bin Khalid bin Khalid Al-Qassimi Chair in Family Business, American University of Sharjah, PO Box 26666, Sharjah, United Arab Emirates

A R T I C L E I N F O

Keywords:
Family business
Family business goals
Institutional logics
Behavioral theory of the firm
Delphi method

A B S T R A C T

It is assumed that cross-firm behavioral differences are caused by the different goals owners and managers leave imprinted on their organizations. However, researchers have failed to come to agreement regarding what firm goals are, what types of firm goals exist, and to what extent one type of goal is superior to others. Therefore, the aim of this study is to address these gaps using the Hybrid Delphi methodology in the particular context of family firms. Our results provide a list of family business goals, an aggregation of family business goals based on institutional logics, and evidence of the coexistence of multiple goals.

1. Introduction

Our goals can only be reached through a vehicle of a plan, in which we must fervently believe, and upon which we must vigorously act. There is no other route to success.

Pablo Picasso (1881–1973)

Modern organizations are confronted with many unprecedented changes and increasing global complexity. In order to be effective, business leaders have to understand their firm's principal actors' goals (Hillman & Keim, 2001) and their expectations (Pieper, 2010). In most cases, firms have multiple organizational goals because of the existence of several stakeholders with specific goals that must be satisfied (Cyert & March 1963), including both economic and non-economic goals (Raymond, Marchand, St-Pierre, Cadieux, & Labelle, 2013; Richard, Devinney, Yip, & Johnson, 2009). However, in the context of family businesses, the *family* as the dominant coalition (Astrachan, Klein, & Smyrnios, 2002) is likely to impose its own aspirational intentions to pursue family-related goals in addition to business-related goals (Basco, 2017; Chrisman, Chua, Pearson, & Barnett, 2012; Kotlar & De Massis, 2013). For instance, a family's concerns over its organizational reputation (Zellweger, Nason, Nordqvist, & Brush, 2013), its intention to preserve its socioemotional endowment (Gómez-Mejia, Haynes, Nunez-Nickel, Jacobson, & Moyano-Fuentes, 2007), and its purpose to build its own family legacy (Englisch, Hall, & Astrachan, 2015) may lead the firm to pursue family-oriented goals.

Even though it is widely recognized that family firms pursue more than economic goals (Binz Astrachan, Ferguson, Pieper, & Astrachan, 2017; Brundin, Samuelsson, & Melin, 2014), there are still two main limitations in family business studies related to the issue of goals. First, most existing studies have not measured actual goals but have assumed that different types of ownership and management regimes (e.g., family and non-family) differ in their goals (e.g., Thomsen & Pedersen, 2000). Second, even though there have been several attempts to measure goals, there is no accepted conceptualization of family business goals, and different dimensions have been used so far (e.g., see the different interpretations made by Kim & Gao, 2013 and Zellweger et al., 2013). To close the aforementioned gaps, using the institutional logics perspective (Thornton, Ocasio, & Lounsbury, 2012), this study explores goals as micro-foundations, considering that in "various institutional logics—state, market, community, professional, family, religion- social actors have multiple goals. The content of the goals does differ between the goals embedded in alternative institutional logics" (Thornton et al., 2012, p. 87). In the particular case of family firms, where a dominant coalition is formed by family members, a unique institutional logic emerges dubbed the family logic, which coexists with the market logic and the community logic (Reay, Jaskiewicz, & Hinings, 2015), all of which likely determine the content of the goals. Consequently, we investigate two main research questions: What goals do family firms pursue? Is there any aggregation of family business goals reflecting institutional logics?

To address these research questions, we apply the Hybrid Delphi methodology (Landeta, Barrutia, & Lertxundi, 2011), which combines three well-known qualitative techniques: the focus group technique (FGT), the nominal group technique (NGT), and the Delphi technique. We believe the Hybrid Delphi methodology is most appropriate for the

* Corresponding author.
E-mail addresses: gloria.aparicio@ehu.eus (G. Aparicio), bascorodrigo@gmail.com (R. Basco), txomin.iturralde@ehu.eus (T. Iturralde), amaia.maseda@ehu.eus (A. Maseda).

http://dx.doi.org/10.1016/j.jfbs.2017.08.002

explorative purpose of our research and will enable us to uncover family business goals in family firms. Three main outputs were obtained from the Hybrid Delphi methodology: a list of family business goals, an aggregation of family business goals based on institutional logics, and evidence of multiple goals' coexistence.

This research makes several contributions to theory and practice. First, our research provides new evidence about the goals that are important within the family business context. Even though several studies have highlighted that family firms pursue different goals (e.g., see Tagiuri & Davis, 1992), our article sheds new light by identifying, interpreting, and classifying family business goals. By using the institutional logics perspective, this research also extends current knowledge about institutional logics in the context of the family firm (e.g., Reay et al., 2015) by revealing the goals that seem to be a manifestation of institutional logics. Second, this research represents a step forward in understanding organizations where multiple institutional logics coexist (Greenwood, Raynard, Kodeih, Micelotta, & Lounsbury, 2011), specifically focusing on goals as a micro-foundation of institutional logics. Third, this work is the first attempt in the field of family business to apply the Delphi technique as the explorative research methodology to approach complex realities. Finally, this research has practical implications for those working in or with family firms, such as owners, managers, and business consultants, because it opens the black box of family business goals, recognizing the complexity of family firms as they make decisions.

This article is structured as follows. First, we theoretically present the main arguments, describing how the complexity of family firms starts with the multiple institutional logics that coexist within them. Second, we discuss the methodology used to address our research questions. In the following section, we interpret our results by presenting the chain of methodological steps used in the research process. In the last section, we present conclusions, limitations, and a future line of research.

2. Goals as micro-foundations of institutional logics

The institutional logics perspective is a framework to study the interrelationships among institutions, individuals, and organizations in a societal context (Thornton et al., 2012). The concept of institutional logics is defined as "the socially constructed, historical patterns of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence, organise time and space, and provide meaning to their social reality" (Thornton & Ocasio, 1999). Following Friedland and Alford's (1991) ideas, we can posit that market, family, and community institutions provide a distinct set of logics, often contradictory, that are basically formed by material and symbolic elements. For instance, while the family logic attempts to convert social relationships into reciprocal and unconditional obligations, the market logic is about the accumulation and commodification of human relationships and activities (Friedland & Alford, 1991), and the community logic centers on mutual co-operation among actors (Greenwood, Díaz, Li, & Lorente, 2009). A key assumption of the institutional logics perspective is that these logics provide a link between individuals and cognition and between socially constructed institutional practices and rule structures (Thornton & Ocasio, 2008, p. 101). In other words, the interests, identities, values, and assumptions of individuals and organizations are encapsulated in a set of institutional logics, which in turn are likely to constrain and/or stimulate actions.

The institutional logics perspective provides arguments to extend current knowledge to explain that formal and informal institutions affect organizational behavior and strategies, which results in organizational homogeneity (DiMaggio & Powell, 1983) and/or heterogeneity (Friedland & Alford, 1991). Specifically, the micro-foundation of institutional logics, which links macro-logics with micro-behaviors and −decisions, highlights that social actors both influence and are influenced by institutions in a loop-like relationship (for a complete explanation of the model, see Thornton et al., 2012). According to the authors, "Institutional logics focus the attention of individual actors through cultural embeddedness, activating a social actor's situated identities, goals and schemas" (Thornton et al., 2012, p. 84), thereby affecting social interactions nested in organizations. That is, decisions made in an organization are consequences of its institutional logic, which then activates specific individual goals.

Goals—defined as the "value premises that can serve as inputs to decisions" (Simon, 1964, p. 3)—guide, encourage, and constrain particular strategic choices (Basco & Calabrò, 2017; Basco, 2014) and ethical behaviors (Vazquez, 2016). The behavioral theory of the firm posits that organizational goals result from the interaction of coalitions within firms (Cyert & March 1963). That is, firms are viewed as a nexus of coalitions of stakeholders (e.g., managers, shareholders, customers, and owner families) with different interests and expectations, and the process of bargaining among stakeholders determines firm goals. Within different institutional logics, such as the market, community, and family, social actors have multiple goals (Thornton et al., 2012). Therefore, firm goals are engendered by the institutional logics of embedded stakeholders and focus the firm's attention in specific ways (Thornton et al., 2012).

2.1. Goals in the context of family firms

In the specific context of family firms, the family represents an important coalition that is able to exert control over the firm through the ownership, governance, and management arenas (Klein, Astrachan, & Smyrnios, 2005). The family, as the principal agent within the firm, is authorized to interpret and reinterpret its goals (Thornton & Ocasio, 1999). The family's involvement in and influence on the firm offers a unique laboratory (as a phenomenon of study) to analyze firm goals because family firms have not only economic endowments derived from business activities related to market needs but also social and emotional endowments derived from family relationships (Basco & Pérez Rodríguez, 2011) to fulfil the family's affective, emotional, and social needs (Gómez-Mejia et al., 2007). In this sense, we expect to find coexisting institutional logics related to the firm's economic-oriented goals (driving it to pursue maximized economic returns—"like a business"), non-economic-oriented goals (driving it to emphasize traditions, symbols, values, and altruism at the micro-level—"like a family") (Foreman & Whetten, 2002), and social goals (driving it to look after the business family and family business as a close community).

Family influence provides the foundation for a particular business culture. Therefore, it is an important endowment that defines how family and business systems share assumptions and values (Craig, Dibrell, & Garrett, 2014). Consequently, family- and business-oriented goals in family firms, which represent the firms' intentions or aspirations (McKenny, Short, Zachary, & Payne, 2011), are determined by market, community, and family logics. That is, the aggregate effect of the micro-process of bargaining determines family business goals (Kotlar & De Massis, 2013), which are not only shaped by a specific market logic (i.e., a firm is organized to maximize economic returns) and a specific community logic (i.e., a firm is organized to serve community needs) but also by a family logic (i.e., a firm is organized to benefit family members or achieve financial security for family owners in the future). The constellation of goals that emerges at the firm level is produced by the fuzzy boundaries among the family, the firm, and the external environment. Therefore, in the context of family firms, not only do goals combine the traditional tension between economic and non-economic points of view (responding to different stakeholder logics), but the nature of this tension is also demarcated by the underlying firm orientation based on market, community, and family logics.

Even though family business goals have been studied since the nascent stage of the family business field (e.g., Basco, 2010; Dunn,