Online-Appendix zu

„Economic- and Non-Economic Goals of Family Firms“

Markus Probst
Otto Beisheim School of Management

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Appendices

Appendix A: Clustering Literature

Table 1: Literature Overview

Part	Field	Application	Sources
Goal Setting	Agency Theory	Agency-theoretic behavior partially explains the goal forming process	Chua et al. (2009), De Massis et al. (2016), Martin et al. (2013)
	Behavioral Theory	Individuals form coalitions to pursue their individual goals on the firm level	Chrisman & Patel (2012), Cyert & March (1963), Fiegenbaum et al. (1996), Kotlar & De Massis (2013), Kotlar et al. (2018), Patel & Cooper (2014), Pearce & DeNisi (1983), Villanueva & Sapienza (2009), Wiseman & Gomez-Mejia (1998)
	(Family) Firms Described	Goal differ in content and recipient	Venkatraman & Ramanujam (1986)
	Organizational Theory	Different organizational members use their influence to pursue their goals	Finkelstein (1992), Floyd & Wooldridge (1992), Pearse & DeNisi (1983), Pfeffer (1981), Pitcher & Smith (2001)
	Prospect Theory	Potential losses impact goal setting more as equivalent gains	Fiegenbaum et al. (1996), Kahneman & Tversky (1979), Kotlar et al. (2014)
	Stakeholder Theory	Other parties, e.g., non-family management, community, influence the goal setting process	Chrisman & Caroll (1984), Freeman (1984), Martin et al. (2013), Mitchell et al. (1997), Patel & Cooper (2004)
	SEW/Affective Endowment	Family firms have an affective endowment (SEW) that influences goal setting	Berrone et al. (2010), Chrisman & Patel (2012), Gomez-Mejia et al. (2007, 2010), Klein et al. (2005), Kotlar & De Massis (2013), Patel & Cooper (2004)
Goals of Family Firms	(Behavioral) Agency Theory	Agency theoretic behavior drives FC goals in family firms	Carney (2005), Chrisman & Patel (2012), Demsetz & Lehn (1985), Fama & Jensen (1983), Grossman & Hart (1988), Jaskiewicz & Klein (2007), Jensen & Meckling (1976), Kellermanns & Eddleston (2004), Le Breton-Miller et al. (2011), Nenova (2003), Rogoff & Lee (1996), Westhead et al. (2001), Zellweger & Kammerlander (2015)
	Family Firms-Specific Organizational Theory	Family firms differ in their organization because of the overlap of family and business	Aparicio et al. (2017), Tagiuri & Davis (1992),
	Leadership Theory	A prominent leader will increase FC goals in family firms	Schein (1983)
	Psychologic Theories	Different psychologic effects are prominent in. family firm goal setting	Baron (2008) [Affect], Belk (1988) [Possessions], Kleine et al. (1995) [Attachment]
	Resource-Based View	Family firms have family-firm specific resources	Habbershon et al. (2003), Le Breton-Miller & Miller (2013), Lee (2006), Miller et al. (2009), Kellermanns et al. (2006, 2008), Wilson et al. (2013)
	SEW/Affective	SEW influences family	Astrachan & Jaskiewicz (2008), Berrone et al. (2010,

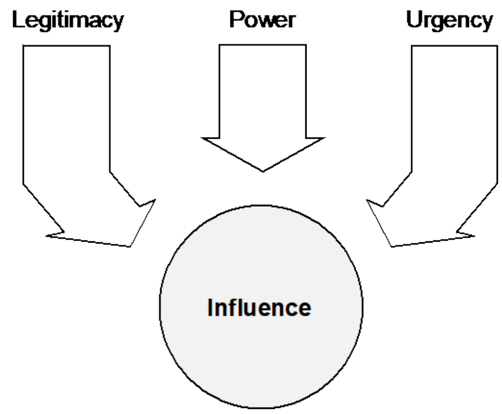
Part	Field	Application	Sources
	Endowment	firm goals	2012), Cabrera-Suarez et al. (2014), Cennamo et al. (2017), Chrisman et al. (2012, 2013), Cruz et al. (2012), Debicki (2016), Dou et al. (2017), Dyer & Whetton (2006), Gomez-Mejia et al. (2003, 2007, 2010, 2011), Hauck et al. (2016), Holt et al. (2017), Huang et al. (2017), Jones et al. (2008), Kotlar & De Massis (2013), Miller & Le Breton-Miller (2003), Shepherd et al. (2009), Zellweger et al. (2012)
	Stakeholder Theory	Stakeholders can be part of family firm goals	Micelotta & Raynard (2011), Miller & Le Breton-Miller (2005)
	Stewardship Theory	FC goals can drive stewardship behavior	Anderson & Reeb (2003), Demsetz & Lehn (1985), Eddleston & Kellermanns (2007), Kellermanns & Eddleston (2004), Le Breton-Miller et al. (2011), Schultze et al. (2001, 2003), Westhead et al. (2001)
Goal Outcome	(Behavioral) Agency Theory	Behavioral Agency outcomes of family firm goals follow coalition	Achleitner et al. (2010), Chrisman et al. (2007), Chua et al. (2009), Jaskiewicz & Klein (2007), Kellermanns & Eddleston (2004), La Porta et al. (2000), Lee & Rogoff (1996), Lutz & Schraml (2011), Miller et al. (2008), Pieper et al. (2008), Suess-Reyes (2017), Zellweger et al. (2012)
	Emotional Theories	Goals can be highly emotional for the family	Freudenberger et al. (1989), Philbrinck & Fitzgerald (2007)
	Motivational Theories	Goal achievement has motivational impact	Locke & Latham (2002), O'Leary-Kelly & et al. (1994), Sitkin et al. (2011)
	Organizational Theory	General organizational theory applies also for family firms	Kotlar et al. (2018), Williams et al. (2018),
	SEW/Affective Endowment	SEW is an outcome of the goal process	Berrone et al. (2010), Chrisman et al. (2014), Chua et al. (2018), Gomez-Mejia et al. (2007), Greidanus & Mark (2012), Kellermanns et al. (2012), Miller & Le Breton-Miller (2014)
	Stewardship Theory	Families can act as stewards as a consequence of certain goals	Davis et al. (1997), Eddleston & Kellermanns (2007), Le Breton-Miller et al. (2011), Schulze et al. (2001)
Goal Alignment	(Behavioral) Agency Theory	Coalitions are also involved in the feedback process, mostly in the same constellation	Achleitner et al. (2010), Chen et al. (2010), Kellermanns & Eddleston (2004), Lee & Rogoff (1996), Martin et al. (2013)
	Organizational Theory	Feedback processes are classified into sequential and simultaneous depending on goal hierarchy	Aparacio et al. (2017), Ethiraj & Levinthal (2009), Greve (2008), Hofstede (2001), Iyer & Miller (2008), Kotlar et al. (2018), Labianca et al. (2009), Mishina et al. (2010), Sharma et al. (1997) Williams et al. (2018)
	Social Theories	Communication as a mean of feedback relies on social interactions	Andersson et al. (2002), Danes (2006), Kelly et al. (2008), Kotlar & De Massis (2013)
	Stewardship Theory	Stewardship behavior facilitates goal alignment as it is beneficial to the firm	Eddleston & Kellermanns (2007), Schulze et al. (2003)

Source: own illustration

Table 1 illustrates all pieces of literature used by where they were used in the review and which theory they follow. Moreover, a brief summary of each theory's influence on the corresponding part of the goal process is outlined.

Appendix B: Additional Contents

Figure 3: Stakeholder Influence in Family Firms based on Mitchell et al. (1997)



Family	High	High	Dependent on situation
Non-Family TMT	High	Low	
Non-Family Community	Low	High	

Source: own illustration based on (Mitchell et al., 1997)

Figure 9 shows the three factors, *Legitimacy*, *Power*, and *Urgency*, affecting stakeholder influence according to Mitchell et al. (1997). Moreover, an assessment of three factors for the stakeholders, family, non-family TMT, and non-family community, is given.

Table 2: Overview of SEW Models in Literature

	Family-Centered Economic Goals	Family-Centered Noneconomic Goals	Nonfamily-Centered Economic Goals	Nonfamily-Centered Noneconomic Goals
Berrone et al. (2012)	Family Control and Influence; Renewal of bonds to firm through dynastic succession	Identification of family members with the firm; Binding social ties; Emotional Attachment		Binding Social Ties
Debicki et al. (2016)	Family Continuity	Family Enrichment		Family Prominence
Miller & Le Breton-Miller (2014)	Restricted SEW	Restricted SEW	Extended SEW	Extended SEW

Source: own overview based on Berrone et al. (2012), Debicki et al. (2016), Miller and Le Breton-Miller (2014)

Table 5 sorts the SEW dimensions of Berrone et al. (2012), Debicki et al. (2016), and Miller and Le Breton-Miller (2014) into my classification of economic/noneconomic and family-centered/nonfamily-centered goal classes. The figures below explain the concepts further.

Figure 4: FIBER dimension model of SEW by Berrone et al. (2012)

F amily Control and Influence

I dentification of Family Members With the Firm

B inding Social Ties

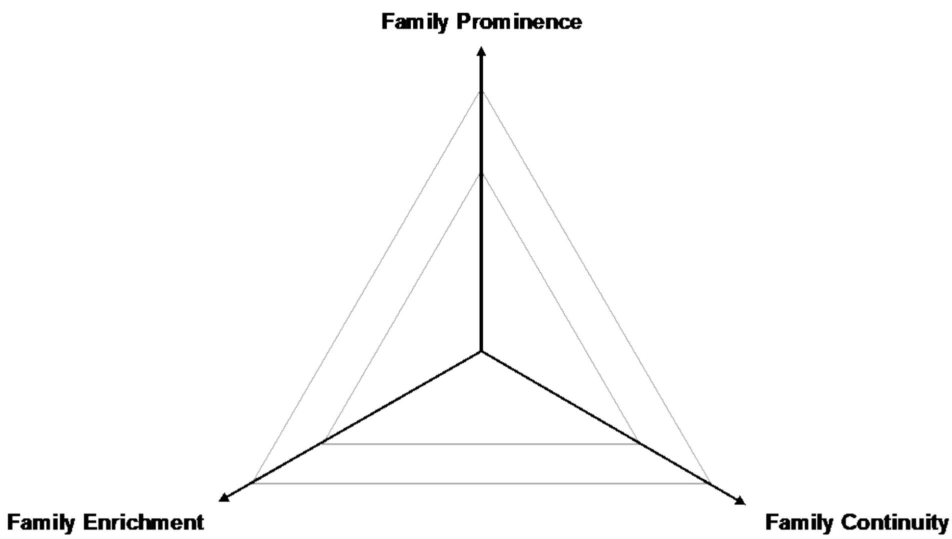
E motional Attachment

R enewal of Family Bonds of the Firm Through Dynastic Intentions

Source: Berrone et al. (2012)

Figure 10 depicts the FIBER dimension model of SEW as introduced by Berrone et al. (2012). The acronym FIBER denotes the different dimensions, with them being *Family Control and Influence*, *Identification of Family Members With the Firm*, *Binding Social Ties*, *Emotional Attachment*, and *Renewal of Family Bonds Through Dynastic Intentions*.

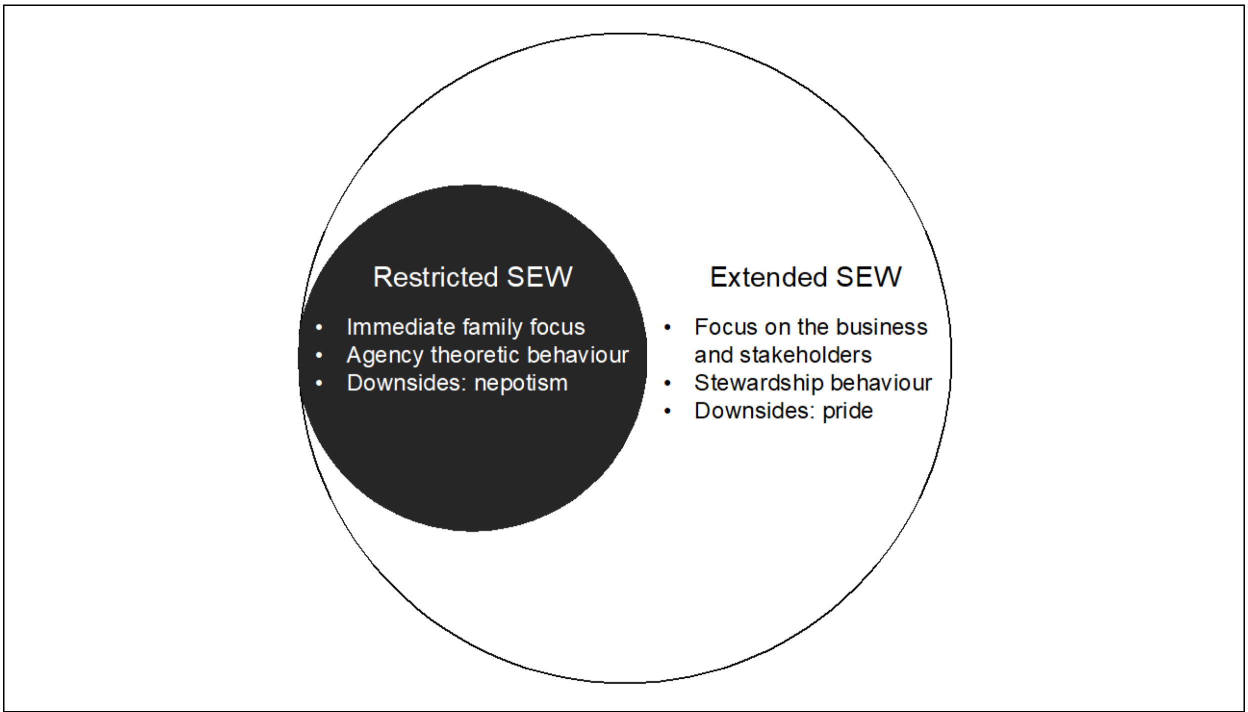
Figure 5: SEWi scale by Debicki et al. (2016)



Source: Debicki et al. (2016)

Figure 11 shows an illustration of the SEW importance scale as introduced by Debicki et al. (2016). Instead of describing the SEW itself, they focus on the importance of SEW as this is more tangible. The dimension of *Family Prominence* measures how important is the community's perception of the family, *Family Continuity* the importance of transgenerational control, and *Family Enrichment* the importance of harmony and altruism within the family.

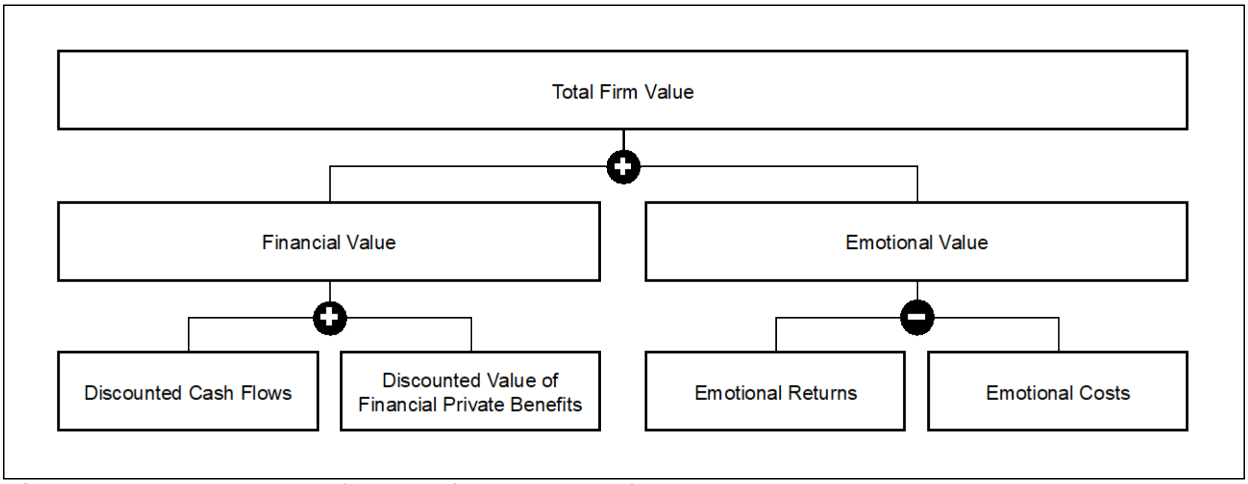
Figure 6: Restricted and Extended SEW by Miller and Le Breton-Miller (2014)



Source: Miller and Le Breton-Miller (2014)

Figure 12 delineates the Restricted and Extended SEW model by Miller and Le Breton-Miller (2014). The focus on the dichotomy of SEW aspects that are focused on the immediate family and those that cover a broader array of stakeholder. The former foster agency theoretic behavior, such as the family dominating for the utility, while the latter drives stewardship behavior enabling a more holistic approach caring for the firm.

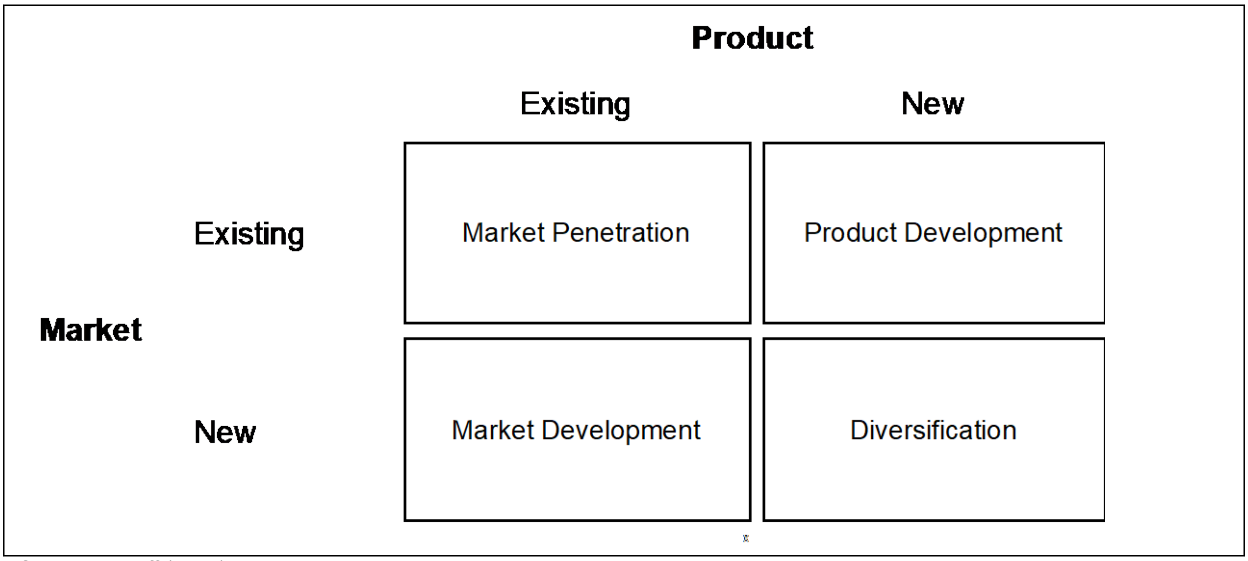
Figure 7: Family Firm Valuation based on Astrachan & Jaskiewicz (2008)



Source: own illustration based on (Astrachan & Jaskiewicz, 2008)

Figure 13 exhibit an illustration of the family firm valuation model by Astrachan and Jaskiewicz (2008). The traditional firm valuation formula from the domain of corporate finance has been adapted by inserting the additional element of *Emotional Value*, which is the difference of *Emotional Returns* and *Emotional Costs*. In the case, that the emotional returns exceed the emotional costs the firm value is higher than the pure financial value. In case, they are lower, total firm value lies under the financial value.

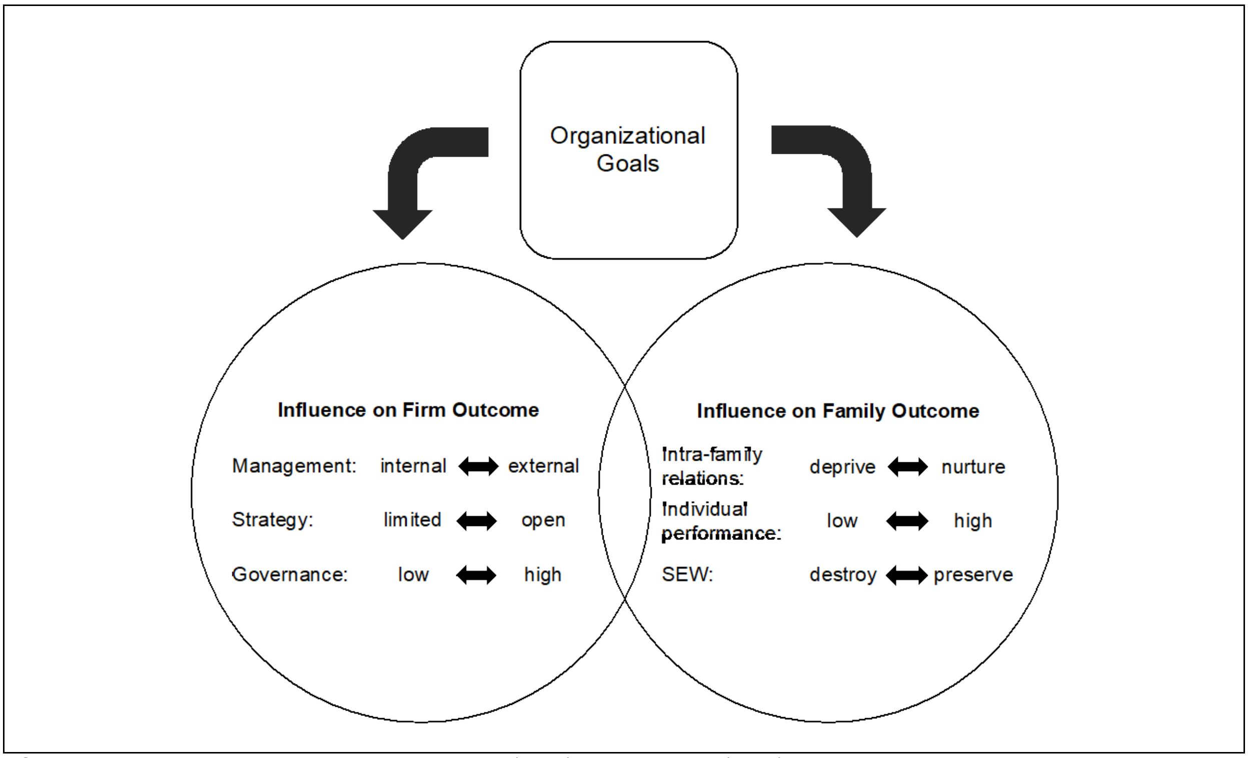
Figure 8: Ansoff Matrix



Source: Ansoff (1965)

Figure 14 shows an illustration of the Ansoff matrix, which structures growth opportunities in terms of product and market newness. Hence, four different strategies can be identified.

Figure 9: Influence of Organizational Goals on Firm and Family Outcome



Source: own illustration based on Tagiuri and Davis (1992), Williams et al. (2018)

Figure 15 depicts the two levels of family firm organizational goal outcomes, namely, firm and family. Both levels are interlinked as described by Tagiuri and Davis (1992). Each level has three dimensions, with them being, management, strategy, and governance, as well as intra-family relations, individual performance, and SEW, respectively.