



Cultures, ideologies and family businesses

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57

Abstract

Purpose – The purpose of this paper is to investigate the varying ideologies guiding the cultural dimensions of family business and to examine the cultural sensitivity of these varying ideologies.

Design/methodology/approach – The research relies upon the CASE framework of nine cultural dimensions of family business. First, the literature pertaining to varying ideologies associated with each of the family business cultural dimensions is reviewed to form a conceptual analysis. Second, hypotheses are generated regarding the anticipated relationships between the two major dimensions of societal culture (power distance and in-group collectivism) and the nine family business cultural dimensions. Data from the GLOBE program and the CASE project are then used to conduct non-parametric tests.

Findings – The nine family business dimensions are shown as ideologies intersecting three systems of family business (family, business and social) and three social interaction elements (structural, relational and cognitive). Empirical support is found for the cultural sensitivity of the family business dimensions, in terms of the two major societal culture characteristics (power distance and in-group collectivism).

Originality/value – This work provides insights into a broader conceptualization of family business in an increasingly global context. By virtue of the cultures in which they are formed, nurtured, and grow, family firms are influenced by a number of ideologies. Ideological differences – both quantitative and qualitative – mean that the forms and formats of family businesses also differ, as a reflection of their ideological and cultural underpinnings. In particular, it is useful to consider how family businesses differ, depending on their proportional support for the family, business and social system ideologies.

Keywords Family firms, National cultures, Society, Family business management, Family business dimensions, Cross-cultural differences, Societal culture

Paper type Research paper

Introduction

Though family business is a dominant form of organization in all cultures, there is a paucity of cross-cultural analysis of family businesses. The Culturally-sensitive Assessment Systems and Education project (CASE) has taken a step in this direction, by offering comparative analysis of family businesses in different regions of the world (Gupta *et al.*, 2008; Gupta and Levenburg, 2010). In the CASE framework, nine dimensions are used for this comparison, and these dimensions are grouped into three categories – family system, business system, and joint family and business ownership system (Gupta and Levenburg, 2010). These dimensions can be understood as ideologies intersecting three systems of family business (family, business, and

