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Understanding family dynasty: Nurturing the corporate identity across generations

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Abstract

This study aims to analyse the Ahlstrom annual reports. The content analysis contributes to family business corporate identity. According to the results family business corporate identity is based both on history and on the future. Human resource management, customer relationships, high quality, and also family ownership reflect corporate identity in large family corporations. Modern family business corporate identity is based on continuously developing the business concept and its core competency. Meeting the needs of customers and technical quality standards combined with upgrading and developing the business idea characterises family business corporate identity.

Keywords: corporate identity, family business, annual reports, content analysis

1 INTRODUCTION

The aim of this study is to analyse corporate identity in the context of multigenerational family dynasty. The study is based on conducting a content analysis of annual reports. Corporate identity among one publicly listed family corporation, Ahlstrom, will be analysed. Like Leuthesser and Kohli (1997) note the annual reports share the corporate values with stakeholders. Corporate identity can be constructed with programmes and strategic decision-making. At the same time, annual reports include mission statements: strategy in the contexts of marketing, human resource management, and supplying are described annually. Shareholders are informed about the current and future prospects.

Family businesses have a role in socializing and encouraging next generation to be entrepreneurial. Family firms have been and still are business entities with critical individualism and unpredictable fate. Sudden changes, flights and drops, occurring in the family business concern also every family member: the whole existence of the company leaves an eternal imprint on the minds of owners and their descendants. It is worth starting the discussion about the challenges awaiting family companies from the very succession – about half of all companies throughout the world undergo management and ownership transition (Danco, 1975). The latter could be proved from the historical occasions: coming out of succession proudly holding the family flag is the characteristic of only half of the family firms. There are much turmoil, internal conflicts, and absence of knowledge so particular to transformation of the business (Poza, 1997). All in all, succession might be named as one of the main challenges for the family firms ever existed.

The interest in studying family firms can be explained not only by the sheer quantity of them (in several countries more than half of all firms are family firms, Astrachan & Shanker 2006, 62), but especially by the characteristics of them. Successions are nowadays a challenging issue practically, politically, educationally and academically, as thousands of firms will face succession during the next few years. It has been estimated that the next Finnish “peak” in successions will take place between 2010-2011 (Discussion, Family Business Network Finland 2007).

Family firms need the appropriate knowledge so as to handle the successions. At the same time, family firms represent one dimension other firms do not have – family as family members, teams, owners, managers, board members and employees (see Moores & Craig 2006, 209). This is related to what Sharma (2006, 45) calls a “*family firm filter*”: the combination of the family, management and organization studies. Family brings emotions, transferred knowledge and expertise, traditions, conflicts, family harmony, and founder-successor dilemmas to business and ownership.

Succession partly defines family business management. It seems to be one of the challenges to family business continuity. Le Breton-Miller, Miller and Steier (2004, 305) in the context of Ward’s (1987) and Birley’s (1986) studies, suggest that only 10-15 % of all family firms survive to the third generation. The growth from a small family firm to a family corporation is a unique process, which usually takes decades and even generations. Acquisitions, management buy-outs and management buy-ins convert family firms to non-family ones and vice versa. Family influence is still strong in management, product development and daily business operations even if the family has sold the business to non-family investors (see for example the study by Steen & Welch 2006, 299).

Fast growth is sometimes a challenge for family firms due to deeply rooted traditions and internal culture that prevents changes, opposes to risk taking and conducting turnaround strategy. Like Upton, Teal and Felan (2001, 67-69) describe, fast growing family firms share a vision and information with employees and managers on business goal setting and goal achievement. Small family business success can be explained by precise and systematic planning and the controlling of goal achievement and goal setting by the family business owner-manager (Miller, McLeod and Oh 2001, 84-86).

The conceptual definition of what a family firm is has been under active debate in recent years. Family firm is used in this study as a synonym for family business and family enterprise. In some recent research (Koiranen 2002, 178), family business has also meant the family business system (family, business and ownership). Family firms can be small, medium and large firms. Like Tourunen (2007) has analysed, 46 % of medium sized firms in Finland are family firms. Out of large corporations, every third (30 % of all large corporations) is a family corporation. Numerically speaking, most family firms are small businesses (just like the majority of all firms in Finland are small firms).

Ownership, succession, size, generation, management structures and family offer explanations about the build-up and nature of a family firm. However, like Moncrief-Stuart, Paul and Craig (2006, 216) mention, there is no generally accepted universal definition for the concept of family firm. One of the earliest descriptions of what a family firm is was made by Tagiuri and Davis (1996) which describes a family firm to be a system of ownership, family and business. These dimensions overlap in family business. Succession among the family dimensions is a typical characteristic for family

enterprises. Like the early studies by Handler (1992; 1994) have suggested, succession is an interaction between the founder(s), the successor(s), the family firm (key stakeholders like top managers) and the environment (conditions and resources).

2 FAMILY BUSINESSES AND THEIR CHARACTERISTICS

Astrachan, Klein and Smyrniotis (2006, 167) argue that firms should not be analyzed as family firms and non-family firms (“black or white”), but with a continuum of family business characteristics. On the F-PEC-scale they have suggested that firms should be analyzed in the contexts of power (P), experience (E) and culture (C). This means that family firms represent generational, managerial and cultural scales that must be analyzed in order to achieve an understanding of the family influence, as Astrachan, Klein and Smyrniotis (2006) call it.

The family has a synergic impact on family business operations (Habbershon, Williams & MacMillan 2006, 78): it collects and utilizes resources and capabilities from the existing environment. Especially family business founders, have resources in the form of alliances and networks, which represent unique family resources and expertise locally and industrially. According to Heck *et al.* (2006, 86), sustainability is one of the family business goals that must be based on resource exchanges. The family and its networks help gather flexibly resources when the family firm particularly needs them.

Family business has also non-financial resources among key members and networks which are adopted and nurtured over decades. Tokarczyk, Hansen, Green and Down (2007, 29) call these resources ‘*familiness*’, and they suggest it has an influence on the business operations and marketing in family firms. Familiness can be a reflection of family interaction and key family members’ expertise. Aldrich and Cliff (2003, 590) have analyzed the role of family profile in the context of creating new ventures in family business. They argue that not only changes in family relations (marriages, funerals, birth of children, divorces and economic changes in the family), but also cultural dimensions have an impact on family business venture processes. Family characteristics challenge also resource allocation and opportunity recognition and seizing in the family business. According to Olson, Zuiker, Danes, Stafford, Heck and Duncan (2003, 659-660), family impact on business operations in the family business is much greater than the influence of business and industry on family.

Commitment, as van Auken and Werbel (2006, 58-60) suggest in the context of spousal entrepreneurship, decreases conflicts and other motivational problems in the family firm. At the same time, commitment among family members contributes to increasing overall profitability. The spousal relationship and also the whole family unity and shared values positively affect family firm performance (Lee 2006, 187). Conflicts however can have an altruistic nature (Kellermanns & Eddleston 2004, 220-222) and consequent negative impact on financial results. Like Kellermanns and Eddleston argue, family business needs sometimes conflict on the governance level. It must be tailored to firm’s characteristics, ownership structure, family influence, and strategic directions, which are based on family business culture, traditions, and future vision.

Family business topics cover such themes as succession, next generation, firm performance, founder-driven firms, family dynamics, ownership, family business management, corporate governance in large family corporations and family business growth (for a more detailed list of family business topics researched during recent decades see the article by Sharma 2006). The existence of family in business influences on management education and training as well as on academic education in business schools: the family in business makes family enterprises distinct from non-family firms (Steier & Ward 2006, 893). Family business ownership, management and business operations might differ in part from non-family firms. This can have an influence on family business education and management training. Like Craig and Dibrell (2006, 283) argue, family firms are very adaptive to environmental changes. They are very flexible that finds its reflection in changing goals and strategic goal settings.

3 CORPORATE IDENTITY – WHAT IS IT IN PUBLICLY OWNED FAMILY CORPORATIONS?

Corporate identity is based on communication and interaction. It answers the question “who are we?” It can be seen as the behavior of individual and organisations. Also, symbols within an organization offers concrete explanations regarding what corporate identity looks like (Leuthesser and Kohli 1997). In family business, symbols can be the color and the name of the family. At the same time, family business reflects its values. Individual stakeholders identify themselves with the corporation through corporate identity. Flags, colors, music, logos, and other symbols might increase identification and its construction (Morsing 2006). Corporate identity is obviously a part of leadership

and commitment creation: members' identification with a certain organization eventually increases motivation.

According to van den Bosch, de Jong, and Elving (2004), corporate identity is a part of corporate visual identity. Corporate visual identity is an umbrella of concepts at the strategic, operational and production levels: it covers communication as corporate image, brand, and the whole design process of marketing communication. While corporate identity is a formulation of behavior and symbols, corporate visual identity has its roots in communication science. Corporate visual identity is effectively managed by tools and assistance (van den Bosch, de Jong and Elving 2006), however it is not a project-based, linear and mechanical set of activities (Suvatjis & de Chernatony, 2005). On the contrary, it is born over the long term in family firms. According to Melewar, Karaosmanoglu and Paterson (2005), corporate identity can be influenced by planning and implementing strategy. Vision and mission statements, in both written and oral forms, concretely represent blocks of corporate identity. In its turn, annual reports are part of the corporate visual identity: they are concrete, printed leaflets of corporation existence. They create corporate identity, "what we will tell about ourselves" to stakeholders. As such, annual reports represent corporate identity as words and phrases.

David, Kline and Dai (2005) argue that corporate identity has a dual nature: it is a mix of both management expertise and values that exist in a corporation. They suggest that in marketing, corporate identity plays a role in attracting customers by understanding their behavioral patterns and collecting more revenues. Corporate social responsibility, as values, influences customers' decision-making when comparing corporate identity. However, this moves towards image: how companies are seen by outsiders. As such, corporate identity cannot be seen as a synonym for image or brand, purchasing products and services. Gray and Balmer (1998) see the roles of corporate identity and corporate visual identity differently. They suggest that corporate identity is a part of the overarching corporate reputation building process. As such, corporate identity, viewed through communication at all levels of the company, creates reputation, and the image of the company. Gray and Balmer mention that this process is unique for each corporation, just like corporate identity, which seems to be unique for each organization.

Corporate identity as annual reports is not equal for every case, it is generally assessed by the top managers. Like Murphy (2002) mentions, these decision-makers are often male, and on average experienced managers. In family businesses, this might include family members who are active in family company management. In addition to that, corporate identity is a culturally constructed phenomenon. It reflects not just the founder's and family's culture in a family company, but also the local cultural environment and circumstances in society. According to Schmitt (1995), language and meanings as linguistic questions, and cultural understanding should be analyzed in international business operations. Corporate identity, especially in founder generation family firms, might need development and planning before entry strategy and decisions. Like Stuart (2002) summarizes, corporate identity is presented by a company's top managers themselves, but it is not part of the visual identity. Just as in the case of annual reports, corporate identity is carefully planned and reported to all stakeholders. Annual reports document the financial data of companies in addition to mission and vision statements. Corporate identity in the context of annual reports is considered as being fully documented, planned, strategically sophisticated and showing an inner picture.

According to Stuart (2002), organizational identity differs from the corporate one by the subjects and their experiences. Organizational identity is initially created by the joint experiences of an organization and further formulated by employees. It. Corporate identity is more often developed by managers and the main strategic decision-makers. It is also visible to all stakeholders, while organizational identity can only be experienced through membership or a job at the firm. Dowling (2004) mentions that corporate reputation, corporate image and corporate identity were seen as synonyms in some of the 1980s and 1990s research literature. However, in recent years both the concepts of reputation, image, brand, and corporate identity have been diversified and defined more precisely by the marketing and management literature. Like Dowling (2004) suggests, corporate image is people's understanding of the firm itself. It can cause negative or positive feelings and experiences as reputation. As such, corporate identity together with its symbols and behavior reflects values stakeholders have about the business and industry itself. Corporate identity is a mix of behavior, symbols and statements in a family firm. It is decided on, managed and monitored by the top management. Corporate identity describes for stakeholders the picture managers want to share with them. At the same time, corporate identity is accountable: it is both influenced by financial data, and the quality expectations of customers and competitors.

Like Uhlaner (2006, 126) mentions, a family firm can be defined as a firm "*in which the majority of the ownership resides in the hands of one family and in which at least two members from the same family either own/or manage the firm together*". Family dynamics and relationships, business

operations, ownership plans and actions overlap in a family business. Uhlaner (2006) suggests that family creates a long-term focus for the family business operations. The family interactions finally create more stability and responsibility in decision-making.

The concept of a family business can be approached through the lens of resource-based theories. The latter analyze family impact on business operations (Chrisman, Chua & Sharma 2005, 562-563). Family firms possess and manage resources which cannot be found in non-family firms, especially in the form of family capital. Like Sirmon and Hitt (2003, 345) explain, resources in the form of capital can be divided into the dimensions they have labeled as “*human, social, patent financial, survivability and governance structure and costs*”. Hence, family business resources are not only financial, but also non-financial, such as human capacities and organizational resources in the form of structures. These include managerial capital, which has a positive influence on the internationalization of a family firm (on the managerial capital’s positive impact on family business internationalization see the study by Graves and Thomas, 2006:221). On the whole the resource-based view has an impact on wealth creation in family business (Chrisman, Chua & Zahra 2003, 359-360).

4 METHODOLOGY OF THE STUDY

This study is based on analyzing annual reports with qualitative content analysis. Annual reports were collected from the Jyväskylä University Library and the Economic Central Archives of Finland (ELKA, located in Mikkeli). Ahlstrom’s annual reports covered the years 1946-2007 (the following years are missing: 1995, 1997, 2000-2004). Only those annual reports which had descriptions and text concerning the company (instead of only financial data) were selected for the research.

Content analysis is typically preferred for understanding advertisements and printed documents (Singh and Schoenbachler 2001). Content analysis is also widely used in communication sciences. Media and news are often researched through the content analysis approach (Semetko and Valkenburg 2000). Annual reports are adopted for content analysis in order to understand family business corporate identity. Contents as phrases and words will be analyzed with qualitative methodology. Unlike Gibson and O’Donovan (2007), this study does not focus on the numeral data of annual reports. Only the written sentences, words, and phrases will be studied for deeper understanding family business corporate identity.

Content analysis can be applied to printed materials, such as mission statements, as Peyrefitte and David (2006) show in their quantitative analysis: it has both a quantitative and qualitative nature. In quantitative research content analysis can be based on generalizing the contents of the chosen research data. On the contrary, in qualitative content analysis, descriptive statistics on frequencies and on thematising the contents are conducted (Singh and Schoenbachler 2001). Codes for categorizing the data can be formulated (Farrell and Cobbin 2000). As such, quantitative analysis generalizes findings from the documents.

This study is based on qualitative content analysis due to the research topic being corporate identity. Corporate identity is better comprehended through qualitative analysis, and not by measuring the annual reports. Secondly, this study attempts to increase awareness of family business corporate identity. The qualitative approach, which thematises and interprets the findings, offers possibilities for achieving the research aims of this study. The qualitative content analysis model suggested by Bell and Bryman (2007) will represent the methodology ground. The tone of the annual reports will be taken into consideration. In general tone can be based on the research question or the research aims of the study. In addition to tone, values, principles, and practices will be analyzed in this study. *Values* reflect the contents of annual reports as corporate social responsibility. *Principles* are statements which guide the family business corporate identity. *Finally practices* are concrete acts which reflect family business corporate identity as everyday business operation. Altogether these three blocks feature the themes of family business corporate identity.

Direct quotations, like Calder and Aitken (2008) suggest, will be used in this content analysis to interpret the findings. The aim of the direct quotations in this study is also to make the results of the study accountable in the research process. Accountability in findings eventually legitimizes the qualitative analysis.

5 INTERNATIONALISATION FROM THE EARLY YEARS ONWARDS

Annual reports of Ahlstrom Oyj were chosen for the research. The reason for selecting Ahlstrom Oyj as a case was to understand the corporate identity in a large family business, which was recently listed on the public stock exchange (2006). Today, approximately 75 % of all shares are still owned by the Ahlstrom family branches.

Typically, annual reports also included descriptions on the current business operations, marketing and the future prospects. International business, high quality and customer needs were emphasized as the backbones of the Ahlstrom corporation (1969-1970, these years refer to Ahlström's annual reports). The family itself is viewed especially in the context of history. Ahlstrom's annual reports include the history of the factories and the family business, dating back to original stories 1850s of the founder Antti Ahlström in the 1850s. As a part of the family business corporate identity Ahlström was introduced in Noormarkku 100 years ago: *"A. Ahlström Ltd's home is in Noormarkku, which is located about 15 kilometers from Pori to the north. The name of the place is linked closely to the company's history and its development... The founder of Ahlström, farmer's son Antti Ahlström, started his business career on the Isotalo farm in Merikarvia in 1851. The business was based on forestry: the cutting down of trees and selling of the cut wood."* (1970-1971). History was also a source for inspiration for the business: *"Just like our company's founder did over 100 years ago, we will also sail to Asia to develop our teams there and to be a part of the future of that area."* (1994).

The Iittala glass factory bought by Ahlstrom was founded in 1917 (1971-1972). Iittala is a well-known brand of the Finnish glass design. Ahlstrom's corporate identity, hence, was built on the traditions of a well-known Finnish design as well as on heritage and local circumstances. Although Ahlstrom's corporate identity was based partly on history, it was connected at the same time to the present. When family ownership by the founder's descendants was mentioned along with the 140 years history, the company's modern product category, research and development, and increasing expertise was described (1988).

During the 1960s and the 1970s the role of the political decisions and society's regulations was emphasized in the business actions. Corporate social responsibility is a part of family business corporate identity. Also, stakeholder thinking was a part of the corporate social responsibility in Ahlstrom: *"Our good starting points, capable employees and positive relationships with the stakeholders, create for us hope in believing that we can cope with the changing environment."* (1987).

This was also seen as creating team spirit and an organizational culture which would be collaborative: *"Ahlström celebrates its 140th anniversary in 1990. Our industrial traditions are unexpectedly long. It must be noted also that the company had been owned by the same family all the time... We are proud to continue these long industrial traditions. We will serve also in the future our customers by using our organizational expertise of engineering and business. We will trust people and they will trust Ahlström – together we will learn and develop to serve the customers even better."* (1990).

In the 1960s and the 1970s financial politics and political decisions were reflected in the annual reports (for example annual reports of 1969-1970, 1970-1971, 1971-1972 include descriptions of political circumstances and the family business's role in them). Annual reports were based on realism. Also negative circumstances were traced: lack of demand, recession in the economy, and unemployment were described (1974-1975).

The role of employment was viewed in the corporate identity context. As such, employment was considered to have a crucial role in family business corporate identity: *"At the factories more attention was paid to employment education and the increasing of expertise. New employee recruitment is linked to education."* (1974-1975). *"Our employees are capable and they work closely together with our customers, whom we have known often for a long time. We are trying to maintain long and trusting relations by serving our customers as well as possible during and after the delivery."* (1987).

Employees were further groomed through education: *"Ahlstrom's group-wide performance excellence program called aPlus is designed to consolidate the know-how and experience of Ahlstrom employees and to incorporate best practices across the organization. The ultimate target is to ensure the effective running of all industrial operations in a safe working environment."* (2007). The annual reports from 2005-2007 were available in English. Direct quotations from annual reports before 2005 are translated from Finnish to English.

In the mid-1970s during the world economic crisis the role of the management in connection with the family business' future was described in the following way:

"In autumn 1975 the board of directors accepted a strategic program. The main goal is to guarantee enough profitability in the long-term... by analyzing and recognizing future business directions Ahlstrom's top management try to guarantee the traditional position of the company as a wealthy Finnish large corporation and employer." (1975-1976).

Ahlstrom celebrated its 125th anniversary in 1976. The chairman of the board of directors, Börje Ahlström, described also family business traditions. He wrote that every family member who wants to work at Ahlstrom should be at least as good as any other applicant who applies for a selected position. The family business itself does not 'give' a career to any of the family members. Ahlström was also aware that the size of the family branches were increasing and that the family business might lose its

nature as a family corporation. He mentioned that: “A. Ahlström was founded as a family business... many employees who have worked at the company have expressed their gratitude for being able to work in this particular company...they work much better in a business, which has got a clear concept – in this case family – than in a company owned by thousands of shareholders, which can be anonymous and impersonal. Maybe there is something secure in a family business. Due to Ahlström being a family business I can see that there are a lot of benefits for the family and for the business, and I hope that it can stay this way as long as my generation is alive... I can see that after my generation the family will have grown so large that it cannot keep the family business unity and traditions alive.” (1975-1976).

The family plays a major role in large family business corporations, as is mentioned in the following: “Ahlström’s family has remained loyal to their company, while many other family companies’ holdings have changed to being faceless and heterogeneous. Antti Ahlström’s descendants own about 80% of the company. Family brings continuity and patience to the business. It can be seen for example in internationalization. The company did not sell or quit the international business operations although the first years were difficult...”. (1990).

Continuous improvement was one of the goals Ahlstrom had. Renewal and technological improvements were reported in the annual reports as being issues of extra importance. Also future directions were evaluated: “Continuous marketing, increasing productivity, product development, and precise cost monitoring were key factors in developing Ahlström and its profitability for the future.” (1980). “Ahlström has for 135 years successfully operated as a family business. We will celebrate this by continuing to work for and maintaining the quality of the products and by serving our customers well. We believe this is the way to thank our customers for the trust they have placed in us over the long-term.” (1985).

Part of the corporate identity can be explained by entrepreneurship, and by the continuous renewing of the business and organization: “Ahlstrom is strategically positioned on six continents. In order to provide global service to its customers, Ahlstrom is continuously evaluating opportunities to expand both its sales network and production capabilities into growing markets such as Asia, Latin America and Eastern Europe.” (2007). Ahlstrom already had international business operations from the early part of the 1900s onwards. The company evolved in the middle of the internationalization of employment and business: “The growth of the corporation and internationalization has increased the need for employees who speak different languages, who are qualified, and who have good work motivation, at the different levels of the organization. For this reason, even more attention has been paid to human resources and on educating employees to perform more demanding tasks.” (1984).

The family business focused on core competency instead of delegating resources to different industries, as was done before the 1990s: “Dedication to the manufacture of purely fiber-based materials and the company’s global presence have helped Ahlstrom to achieve a leading position in several market segments.” (2005). “Ahlstrom’s knowledge of fibers, fiber processing, and chemicals is based on over 150 years of Ahlstrom entities operating in paper and fiber markets. The company has extensive expertise in the use of natural and synthetic fibers, their various combinations, and a wide range of chemicals.” (2006).

6 DISCUSSION

Based on the content analysis, tone, values, principles and practices were evaluated in the context of family business corporate identity. The chosen family business corporation, Ahlstrom started in 1851. The company has survived several successions and remained a family owned large corporation. Family members have been involved in management and on the board of directors. Ahlstrom represents a company, which has been influenced by the same owning and managing family for over 150 years.

The tone of the family business corporate identity is progressive. The family business is seen as a company which should be developed to meet future demands. *Pro*-activeness in technical research and development has sustained success of the family business. The family business corporate identity, as a tone, is active and entrepreneurial. At the same time, traditions guide the future. Survival and continuity in the context of corporate social responsibility can be seen as a part of the family business corporate identity at Ahlstrom. The tone is also realistic, as it should be, in the annual reports, which inform shareholders and stakeholders for the better and for the worse: all negative circumstances, such as recessions, are reported.

The values which reflect family business corporate identity are:

- 1) Stakeholder thinking,
- 2) Active behavior and actions, and
- 3) Long-term orientation.

Customers, employees, and the existing environment are stakeholders which guide corporate social responsibility in family business. Activeness, in decision-making, internationalization, recruiting and technical development have been some of the values which describe family business corporate identity. Being active in developing the business concept is part of the entrepreneurial family identity: every generation adopts once again the family business values. Long-term orientation in its turn is one of the values which can be seen as a part of the family business corporate identity. As a result there is an unfeigned respect for past traditions, but also an understanding that the business should be kept alive and innovative.

Principles, based on family business corporate identity, are competitiveness and international expertise. Ahlstrom's main goal has been to remain competitive by making decisions proactively: the future expectations and the current situation guide family business strategy. Profitability, even in the hard times of the 1970s, has been one of the basic principles in the family business. Family business corporate identity was based on practices such as internationalization. Ahlstrom has always been, even from the founder generation, international. Recruiting the best possible non-family and family persons to the company sustains the future of the family business.

In accord with the resource-based perspective, deliberately outlined by Habbershon and Williams (1999), awareness of non-financial resources, mostly familial in nature, contributes to more thorough outlook of the advantages of the firm to be family-owned. Statements of mission, tones of annual reports, value settings - all this indicate the future competitive capabilities of the family business both on the individual level of owners and group level of major stakeholders.

Constitution of stable corporate identity facilitates organizational culture, while strengthening the shared beliefs' structure. Bundle of organizational resources gradually finds its reflection in the performance outcomes: the whole family firm's processes lead to a balanced competitive advantage and create preconditions for reaching a 'dynasty' status by a multi-generational family business. It's worth mentioning that psychological and process aspects of family ownership affect firm's corporate identity to a certain extent. In respect to a market position, dynasties feature edges, since its owners put weight on business values, rather than solely treating management practices. Another link to a resource-based approach in the corporate identity context rests on the more flexible work practices applied in the family dynasty: as a result internal orders re-create a certain family language stemming from effective communication processes. Finally ever-growing family motivation, patient capital and less interdependence with the macroeconomic trends leaves a sizeable footprint on the unique corporate identity of a family dynasty.

7 CONCLUSIONS

The family business is more than mere business – it is the social obligations, it is the buttress of the constitution of fairness and longevity (Barnes, 1991). Enriched by the shared purpose of doing things together, family members along with active non-family employees at managerial positions will be able to squeeze through the hardest ordeals and come out of all troubles as victors. And as we know, victors need never explain. Only such attitude to the family business helps it exist in the next generations. (Hubler, 1999).

Through identifying possible threats to the planning process, owners and other interested parties would be able to reasonably judge about the measures on overriding difficulties, stimulate their strategic thinking and explore new opportunities for business advancement (Carlock & Ward, 2001). Entrepreneurial identity helps a family business to be prepared for succession, and international competition. Those with no intention to plan create many obstacles by their inaction. For solving the problem, clear explanation of benefits of the planning and business development is required.

Next-generation owners could be better educated during the on-job training along with tradition higher education (Carlock & Ward, 2001). For this very purpose, employment policy of the family business has to exist: the earlier, the better. Even on later stages of firm's development, when the number of employees tends to increase in the geometrical progression, owners would be ready to suppress such a tendency, and hence, save the longevity of the business. Consequently, in order to survive beyond the current generation, family business owners should not only pass the baton to their followers, but also try to maintain business practices up to standards, feel corporate identity and enlist to the support of the highly influential parties, create vast networks of subcontractors, and surround the business with loyal customers (Harris et al., 1994).

It is a matter of primary importance to preserve values and augment awareness of the necessity to run effectively. However, there are huge number of contradiction and intersections when dealing with the corporate identity. What makes it easier to maintain the healthier atmosphere among family members comes to the flashpoint in continuing the business. Such contradiction leads to a dilemma, which is formulated into the following question: "What prevents the owners to be financially healthy

and happy when running the family business?" The only thing to remember is that actions undertaken by family members today will find its echo in the years to come (Mintzberg, 1994). What long-lasting dynasties correctly do is that they feel such complications as opportunities to test new tactics and dissolve all knotty points (Gregersen & Black, 2002). No one starts riding a bicycle without making a try. This is inherent to business life as well. Only from trials and failures, owners retain their business stamina.

- a) To plan a corporate identity construction the following things might be noticed in family business:
- b) First of all, business values are maintained within the family and inside everyone's mind (Collins & Porras, 1996).
- c) Interaction is seen to be dramatically corrected to the appropriate level.
- d) Anticipation of processes and policies to be employed critically contributes to the healthier inner atmosphere and pressure relief (especially concerning ownership practices and employment policy).
- e) In addition to that, fairness and openness of the made decisions increase, which unite family members around their creation.
- f) Finally, capital budgeting and cost analysis (Jones, 1982) can be viewed with greater preciseness and with less harm to anyone within the family business.

From the other point of view, concerns about family stability in-house may exaggerate the reasonable level, being deleterious to the business itself (Schein, 1983). Hence, family focus is easily traceable in all business affairs. Decision-making process brings in familial tones, which creates individual attributes of all without exception family enterprises. However, too many emotions at the working desk would sooner threaten the long-term success and erroneously teach next-generation members (Hubler, 1999). Leadership on the whole is put at stake: balancing family aspects with those of purely management ascertains dynasty's longevity.

As a possible avenue for future research, there is a possibility to empirically compare corporate identity constructs across the whole cultures and countries. Whether political order, social tensions and country's economic model are factors affecting corporate identity of the family dynasties is a matter of further investigations.

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