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A FAMILY DIMENSION IN SME OWNER-MANAGERS' OWNERSHIP PROFILES – A PSYCHOLOGICAL OWNERSHIP PERSPECTIVE

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Abstract

This paper introduces a contextual model of ownership that consists of social, action and object dimensions. We build on business ownership and family business literatures as well as that of the psychology of ownership to analyze small business owner-managers' ownership profiles. In the empirical section we show that distinct ownership profiles can be identified and that those owner-managers who view their business as a family business have distinct profiles from those of non-family business owners. Our analysis shows that family business profiles include care-taking, stewardship and continuity as well as a perception of the company as a tool for achieving other valuable things in the world outside the company. Most importantly, we note that these profiles differ dramatically from the personal, extended self type of psychological ownership previously seen as the key element in family businesses. We conclude that future research should pay more attention to the sharedness and collective orientation present in family firms, including development and adoption of collective level measures in studying ownership and the related psychological states.

Keywords: Small business owners, family businesses, theory of psychological ownership.

INTRODUCTION

Family businesses seem to offer a sustaining challenge for researchers. One could claim that family is the most common form of collective groups, and therefore it is not surprising that families also act as owners in various fields of business. While *the owner* – consistent with the Western tradition (e.g., Dittmar, 1992) – is often regarded as an individual person, in family businesses the owner is a collective labelled *family* (e.g., Tagiuri & Davis, 1996; Gersick, Lansberg, Desjardins, & Dunn, 1999). The basic idea of *a business owned by a family* both illustrates and conceals the essence of family businesses. That is, there is the specific social group – the family – that collectively owns the firm (Kets de Vries, 1996; Habbershon, Williams, & MacMillan, 2003). According to Chua, Chrisman and Sharma (1999), it seems rather generally accepted that the family's involvement in the business makes family business unique. It is not just individual family members being involved in the business separately, but the family as a collective unit, a unit that acts as a business owner and thus brings a specific family dimension to the management and governance of the firm.

Although Etzioni (1991) challenged the economic-rationalistic perspective some fifteen years ago – stating that ownership is a "dual creation, part attitude, part object, part in mind, part real" (p. 466) – it was only recently that the psychology of ownership was introduced to family business research. Building on the emerging theory of psychological ownership in organizations (Pierce, Rubenfeld, & Morgan, 1991; Pierce, Kostova, & Dirks, 2001; 2003), various family business scholars (e.g., Nordqvist, 2005; Brundin, Melin, & Florin, 2005) have focused their analyses on the role of psychological ownership in family businesses.

The roots of the psychological ownership literature (e.g., Pierce et al., 1991; VandeWalle, Van Dyne, & Kostova, 1995; Dirks, Cummings, & Pierce, 1996; Pierce et al., 2001; 2003) can be found in theories of the self (e.g., James, 1890). Expressly, an individual's understanding of the (extended) self is strongly connected to the surrounding environment of the individual and to the idea of *mine* (e.g., Dittmar, 1992; Belk, 1988). The psychology of *mine* and the related psychological processes have been examined, for example, by Furby (1979; 1980) in her studies on the early development of possessive behavior, by Beggan (1992) and Beggan and Brown (1994) in their studies on association, and by Rudmin (1994) who studied the meaning of ownership to the owner.

Ownership as a phenomenon and as a concept has various dimensions (Mattila & Ikävalko, 2003; Brundin, Melin & Samuelson, 2005; Hall, 2005; Hall & Koiranen, 2006). The concept of ownership can be seen to entail at least legal, personal/psychological, social and action/ influence (i.e., 'real') dimensions. This means that there is more than one ontological and paradigmatic level that can be found as the basis for analysis. In this paper we start from the notion that, although a family firm consists of a collective body, a lot of research has been conducted from the individual's point of view. The presence of a collective element is often ignored. Whilst there are some proposals for feelings of shared ownership (e.g., Van Dyne & Pierce, 2004; Jussila, 2006; Ikävalko & Jussila, 2006) and further, for collective psychological ownership (Pierce, Jussila, & Cummings, 2007), a great deal of research on the psychological ownership in family businesses seems to be based on the theory of individual psychological ownership, since an explicit division between individual and collective psychological ownership has not been made.

Zahra (2007) noted that studies on entrepreneurship has benefited from borrowing theories from other disciplines. Entrepreneurship research (includes family business research) is a complex phenomenon and has successfully merged in theories particularly from sociology, psychology and economics. However, Zahra (2007) continues by stating that "entrepreneurship researchers frequently apply theories in other disciplines with different phenomena in mind. As such, these theories are grounded in assumptions that reflect the nature of distant phenomena, actors and sites." (p. 445). That is, he calls for more careful contextualization of research; for more careful consideration of innate qualities of the phenomenon studied. In this study we acknowledge the nature of ownership in family businesses and, in the sense of Zahra's ideas, to advance by degrees towards the theory of psychological ownership in family businesses. The idea in our analysis is to intentionally take a personal and individual perspective and thus offer a foundation on which to build later, from that intermediate stopping point, to the direction of collective level analyses.

Psychological ownership was introduced into management sciences in studies of the employee–organization relationship (Pierce, Kostova, & Dirks, 1991; 2001). First the focus was on legal ownership instigated by employee stock ownership programs, but soon it became obvious that it was employees' feelings of ownership that explained the change in their attitudes and behaviours. There psychological ownership was defined as the feeling of possessiveness -- "It is mine!" - and as the feeling of being psychologically tied to an object -- "It is part of me" (Pierce et al., 1991; 2001; 2003). Family business scholars (e.g. Brundin, Melin & Samuelson, 2005; Hall, 2005; Hall & Koiranen, 2006), however, have utilized a somewhat wider perspective in their attempts to uncover the psychology of family ownership. This probably stems from the notion that ownership has various dimensions and the personal level forms one part of that multi faceted whole. The personal/psychological level of ownership can be defined as "goals, ambition, motivation, commitment, responsibilities and other things in the mind of an owner that link him or her to the target of owning" (Mattila & Ikävalko, 2003, p. 3). In their perspective psychological ownership does not achieve importance alone as such, but as one component in the life of the business owners, as component that connects them to the business owned.

Westhead and Cowling (1998) reviewed and analysed the definitions of family business used in previous research. They articulated one general finding: it is rather unproblematic to define a firm that definitely is a family business and a firm that definitely is not. However, the so-called grey areas between family businesses and non-family businesses bring forth the existing challenges in defining family business. Westhead and Cowling (1998) found that the proportion of family businesses in the UK varied dramatically depending on the definitions used in the studies. In this paper we do not divide firms strictly into family businesses and non-family businesses. Instead we focus on a population of small business owner-managers, in which a remarkable portion of respondents are likely representatives of family businesses. We assume that there is a specific feature in the ownership profile if the respondent is a family business representative. That feature (i.e., the feature towards shared or collective ownership of a family business) is controlled by reflecting it upon the respondent's perception of the firm being a family business. This definition of family business is often criticized and does not represent the whole nature of family businesses, but it helps us to remain on the selected, individual level in our analysis.

This paper presents empirical results from a survey among 150 owner-managers in South-Eastern Finland focusing on their ownership profiles. Ownership profile is a model developed in order to capture the elements of individual ownership from a number theoretical of perspectives. The purpose of this paper is weather or not there is a *family business* dimension in small business owner-managers' ownership profiles and its potential links to psychological ownership.

PSYCHOLOGICAL OWNERSHIP PROFILES AND FAMILY BUSINESSES

In this chapter we will discuss the nature of psychological ownership and introduce its progression from theories of self to the context of family businesses.

Psychological ownership in organizations

Pierce et al.'s (2001) work deals with the relation of individual human beings and ownable objects. Psychological ownership reflects the affective-cognitive state where an employee feels that an organization or part of it is theirs. Importantly, that state does not necessitate legal ownership to develop, which means that also non-owners may experience psychological ownership.

Pierce et al. (2001) built their framework on socio-biological and social psychological accounts on human nature (e.g., Dittmar, 1992; Furby, 1978), proposing that the roots of psychological ownership (i.e., the reasons why psychological ownership exists) can be found in three motives (genetic and socially constructed): 1) efficacy and effectance, 2) self-identity, and 3) having a place. Specifically, the functions served for the individual by psychological ownership are to satisfy the need to be efficacious, namely to explore their environment, produce desirable outcomes in it (e.g., Furby, 1878; Beggan, 1991) and express themselves, to construct their own identity (e.g., Porteus, 1976; Dittmar, 1992), and to have a place, a *home* in which to safely and continually satisfy the other two motives (e.g., Porteus, 1976; Duncan, 1981). As put forward by Pierce et al. (2001), both physical and non-physical entities may satisfy the motives for psychological ownership.

While the motives for psychological ownership do not causally produce feelings of ownership, three – potentially interrelated – main routes to this psychological state have been identified. Pierce et al. (2001) maintain that psychological ownership develops through 1) controlling the target, 2) coming intimately to know the target, and 3) investing self into the target. In other words, the feeling (i.e., the individual condition that reflects thoughts, beliefs, and awareness, coupled with an emotional or affective sensation) of ownership arises, and a fusion of the self with the object takes place via the ability to use and control the use of objects, through association and familiarity with the object, and by investment of individual energy, time, effort, and attention into the objects. In sum, the more a person has control over something, the more they invest into; and the better their knowledge and understanding of the target, the stronger their feelings of ownership are toward it (Pierce et al., 2001; Jussila & Puumalainen, 2005).

While the literature on psychological ownership has revolved mainly around individual pronouns, reflecting individualistic feelings of ownership, a personal state of shared ownership (i.e., "This is OURS") has also been identified (e.g., Van Dyne & Pierce, 2004). Based on this notion and a review of individualism and collectivism literature (e.g., Triandis, 1995; Parsons & Shills, 1951), Jussila (2006) introduced a framework for analyzing managers' self-serving and cooperative behaviors. He pointed out that individual psychological ownership can be self-based (i.e., the personal feeling that an organization or an organizational target is *MINE*) and/or collective-based (i.e., that is the personal feeling that an organization and organizational target is *OURS*). Thus, it is possible to separate individual and shared psychological ownership at an individual level. However, feelings of shared ownership that are accompanied with a collective cognition is, according to Pierce et al. (2007), a unique extension (i.e., a collective phenomenon) and should be studied as such.

Psychological ownership in small and family businesses

The theory of psychological ownership was originally developed to explain how employee ownership may produce behavioral and attitudinal outcomes beneficial to organizations and employees (e.g., Pierce et al., 1991). What facilitated the theory development was the recognition that it is not formal ownership arrangement that produces the desired outcomes, but instead the psychological experience of ownership based on participation (e.g., Pierce & Furo, 1990). While small businesses were also represented in Pierce's and his colleagues' works (e.g., Pierce & Furo, 1990; Pierce et al., 1991; Pierce & Rodgers, 2004), they seem to have emphasized settings in which formal ownership arrangements are either management led or somewhat democratic (e.g., co-operative organizations). That is, early literature on psychological ownership in organizations did not pay much attention to firms in which the entire organization may be first and foremost a creation of the owner-manager and/or their family. When psychological ownership was finally adopted on the business owner level, it was in the context of family businesses, and not, interestingly, in the context of individual business owners.

Ikävalko (2000) discussed the broad concept of ownership in the entrepreneurial context and pointed out that ownership is not a single ontological entity. Instead, the personal/psychological level forms one ontological portion of that multifaceted whole. Mattila and Ikävalko (2003) followed outlining the concept of ownership in a professional organization, basing their argumentation on the literature of psychological ownership (e.g., Pierce et al., 1991, 2001; Rudmin, 1994; Beggan &

Brown, 1994) and certain philosophic accounts on ownership (e.g., Sartre, 1973; Grunebaum, 1987). They identified four dimensions of ownership: 1) legal, 2) personal/psychological, 3) social and 4) action/ influence dimensions. This notion of ownership as a complex multidimensional construct has been recently joined by several researchers of entrepreneurship and family business.

Karlsson and Koiranen (2003) presented results from a survey focusing on perceptions of ownership. Out of 642 respondents, 176 were entrepreneurs and the rest were employees of different organizations. Their analysis revealed that ownership was seen both as a motivator and as a burden. It was present in social interpretations, but also visible in individual experiences. Karlsson and Koiranen (2003) also noted that there was a difference between the entrepreneurs' and other respondents' perceptions. Ownership was more appreciated by entrepreneurs and they tended to regard economic wealth more as a token of work well done.

Hall (2005) conducted a case study pointing out that psychological ownership has high relevance to the field of family business ownership. The study concluded that several of the criteria of psychological ownership towards the family business were fulfilled. Hall quite strictly followed the theory of psychological ownership and pointed out its essential relevance in the family business context. However, Hall (2005) also noticed that psychological ownership clearly occurs in "a web of other subjects and objects and the numerous different relations between them," (p. 4) namely, psychological ownership is a contextual phenomenon. Psychological ownership does not get its meaning and content alone, but with an interaction with the environment.

Brundin, Melin and Samuelsson (2005) conducted 13 in-depth conversations in order to identify the core characteristics of family business logic. Starting from the theoretical pre-understanding, they utilized interpretative analysis and categorized seven themes representing an emergent logic of ownership in family controlled businesses. The themes clearly showed that family business ownership is linked to the social environment, business environment and to the values of the family. There was also an evident inclination for continuity as an important element in family business ownership.

Nordqvist (2005) conducted an extensive study focusing on the role of ownership in strategizing in family businesses. The main idea in his research was that, if ownership, a complex and multiparadigmatic concept, has influence on the behavior of the firm, the influence is inevitably present and visible in the every day work in the business. He utilized a symbolic interactionist perspective on psychological ownership and introduced the concept of socio-symbolic ownership. Nordqvist's focus was on the social element of ownership as a playground where strategy takes place, and not so much on the collective entity of family as the business owner.

As a conclusion we could say that this "Nordic group" of ownership research has gained a lot from the origins of research on psychological ownership. However, the scope and interest is significantly larger. When the original theory remained focused and dealt visibly with the phenomenon of extended self, research by the Nordic group also saw interesting issues worth studying in ordinary aspects. These issues seem to emerge from data, with the help of sharpened conscious and with preparedness that familiarity with the concept of psychological ownership created. One could claim that the Nordic group has put effort in studying the psychology of ownership in large rather than the state of psychological ownership itself (which of course is an essential part of the psychology of ownership). A part of the answer for why such tradition has emerged may be found in that some of the pioneering works in Scandinavia painted a multidimensional picture of ownership (e.g., Ikävalko & Mattila, 2003). Another part of that answer may be found in the acknowledgement that family-organization relationships are more complex in nature than employee–organization relationships discussed by Pierce et al., (1991, 2001).

Whilst there is no single established theory frame or methodology in the research of the Nordic group, it is safe to say that the research provides rich evidence of the components, dynamics and implications of ownership. And further, while it is assumed that ownership takes place in a web of several actors and objects at several ontological levels, it does not occur in a never-ending loop of relativity, and it is evident that certain patterns in psychological/personal ownership are more common than others.

THE SETTINGS FOR EXPLORATION – THE CONTEXTUAL MODEL

The contextual model for psychological ownership

Ontologically, ownership has often been regarded as a form of social reality and structures, but there are some rational bases to make further conceptual clarifications when operationalizing the research (Mattila & Ikävalko, 2003). The basic model of ownership can be described as follows: the owner (subject), the ownable object (object) and the relationship between them (ownership). In this paper we treat psychological ownership as the possessive subject–object relation comprehended by the small business owner-manager. For the subject (i.e., the owner-manager), the firm is partially 1) a target of action, 2) the result of action, and 3) also an instrument to reach other targets. Expressly, as a target of ownership, the firm represents both ends and means. As a multidimensional object, the firm may efficiently satisfy the owner's utilitarian (e.g., money related), social, and psychological motives (e.g., the motives for psychological ownership). According to Kelly et al. (2000), each owner-manager has their own way of looking at the firm. However, as the prerequisites of experiencing psychological ownership prevail (i.e., the owner-manager has control over the target, has come intimately to know the target and has invested him/herself into the target, especially in the start-up phase of the business) it may be considered that the owner-manager's mental connection to the firm is strong and, therefore, firms (the objects) and owner-managers (the subjects) are not transferable (cf. Dirks et al., 1996).

In this study it is assumed, however, that the social and material playground of the owner – in terms of psychological ownership – needs to be broadened to include the 'outside world' of the company. Particularly, by increasing the number of subjects, objects and relationships between them (see Figure 1), the basic subject–object model turns into a contextual model of (psychological) ownership. Whereas in the contextual setting, there are more than one potential owner (subject), more than one potential ownable (object), and more potential links between the parties participating in the construction of ownership (relationships) (e.g., Ikävalko, Jumpponen, Mirola, & Ikävalko, 2005; Ikävalko & Pihkala, 2005).

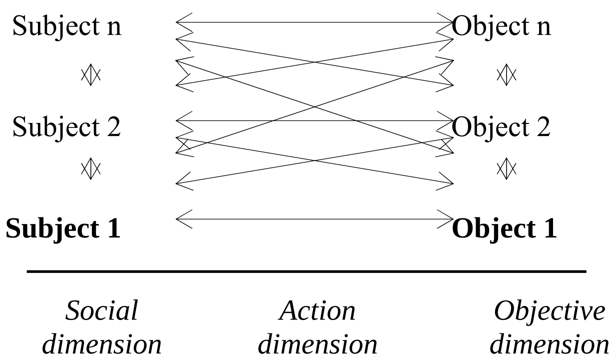

Figure 1. The contextual setting for the construction of psychological ownership.

This setting also enables the researcher to explore the contextuality of personal/psychological ownership. According to the contextual model, the routes to psychological ownership may be considered as 'real,' but also 'relative' in the contextual setting. This means, for example, that in addition to the subjective dimension, ownership also has a social action dimension (e.g., power and investment).

The operationalization of this model is based on field theory (Lewin, 1951). The theory aims to capture the main elements in the *life space* of an individual, and gives a platform to study the importance and significance of these elements or *force factors* as they were named. Thus, there is a possibility to quantify the relative importance of different elements in the life space of an individual. In this study the main concern was targeted to issues related to business ownership (i.e., issues that the respondents link to their being as owners). And further, issues dealt with in the questionnaire are not presented as loose and separate matters, but as something that gets its importance within the context of personally perceived business ownership. Building on the idea that objects are likely to become psychologically owned, they must be attractive, preferable, and valued by the potential owner (e.g., Dittmar, 1992; Pierce et al., 2001), issues in the questionnaire were also treated, in part, as 'values.'

Rokeach (1973) defined value as "an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct" (p. 5). While the symbolic value of an object may be drawn from the contextual meaning system (e.g., Dittmar, 1992), we assume that contextual (subjective and social) values are important in steering social action and, thus, shape the type and targeting of subject's feelings of ownership. However, as this is not a one-way process, it is assumed that feelings of ownership may have outcomes on what is personally and socially valued.

Importantly, the contextual model of psychological ownership may be employed to explore the most significant elements and relationships linked to the owner-object relationship from the owner-manager's point of view. As family involvement seems crucial in family businesses, it is notable that the contextual model also allows us to study the family business character from a new perspective. As the owner-manager's psychological ownership profile consists of what is valued and felt ownership for, it may be statistically analyzed whether the profile includes the element of a family business character or not, thus exploring the grey area of family business research.

Data and measures

Our study is based on data collected among owner-managers in South-Eastern Finland. A questionnaire was sent out to 700 small business managers, of whom 150 succeeded to reply, creating thus a response rate of 20%. In Table 1 the respondent characteristics as well as the company profiles are depicted. The respondents are relatively old, a majority belonging to the group of 50–64 years. Correspondingly, the respondents show extensive experience in managing their companies, with 91 respondents having more than 10 years' experience. The majority or roughly 55% of the respondents have founded their company themselves. The second largest group was composed of those owner-managers that have bought their business, and the data included only 22 owner-managers that have inherited their company.

Table 1. Respondent and company profiles.

		n	%
Total		150	100
Age, years	16–30	4	2.7%
	31–50	56	38.1%
	50–64	87	59.2%
Experience as an owner, years	0–9	52	36.4%
	10–19	62	43.3%
	20–40	29	20.3%
Route to ownership	Founded	79	54.5%
	Inherited	22	14.7%
	Bought	35	23.3%
	Promoted	4	2.7%
	Other	5	3.3%
Family business	Yes	96	64%
	No	50	33.3%
The age of the company, years	3–10	26	17.6%
	10–30	80	54%
	31–64	31	19.6%
	65–100	13	8.8%
No. of employees	0–9	67	46.2%
	10–49	66	45.5%
	50–200	12	8.3%

Corresponding to the experience of their owners, the companies are rather old (see Table 1). They are, however, characteristically small and medium-sized businesses in terms of the number of employees. More than two thirds of the companies employ less than 30 people.

The original questionnaire was composed in Finnish. It was first drafted based on the above theoretical perspectives. Then, it was developed based on thorough discussions among a group of researchers and with a local entrepreneurs' organization. The aim of this qualitative development process was to improve the validity of the measures.

In terms of classifying family firms, we followed Birley (2001) and asked: "Do you consider the business to be a family business?" Roughly two thirds of the respondents perceived their companies as family businesses. The owner-managers' attachment to their company was measured with an 18-item block of Likert-type questions on a scale 1–7 describing feelings of ownership and other states related to the psychology of ownership (in the broad sense). One outcome of the up-front testing was the confirmation of the importance of avoiding direct usage of words *ownership*, *owning* and other strong words in the questionnaire. It was acknowledged that there is a possibility that this kind of words refer too greatly to the social meaning and interpretations of ownership related issues in the given context. Thus, answers would reflect the normal discursive proclamation connected to the state of being a business owner (and not the psychological state related to it). The avoidance of using those words is possible when utilizing the processes of psychological ownership and, particularly, utilizing the relativeness in view on the contextual model of ownership. The measure used in this study represents owner-managers' object-specific contextual values (i.e., mostly preferential and even instrumental values) (e.g., Baker & Jenkins, 1993) and they are linked to specific attributes, such as the family, business, local community, and employees of the company.

The data was analyzed in four stages. First, we looked at the straight distributions of each item. Second, we conducted an exploratory principal components analysis in order to identify some basic dimensions of the psychology of ownership. Third, we used the sum measures of the factors in an ANOVA test. Finally, we conducted a stepwise discriminant analysis to test the ownership factors' ability to detect a family business dimension within the sample.

RESULTS

Fourteen of the replies were excluded form the analysis due to missing values. The descriptive statistics of the psychology of ownership variables are depicted in Table 2. Three of the highest items are all related to goals or achievements that having the company could bring outside the company. The values reflect extreme instrumentality and as such, they bear close resemblance to those of employed persons working to raise money.

Table 2. The descriptive statistics of ownership variables, range 1–7 (n 136).

	mean	*sd.*
Company success helps me fulfill other dreams in life	6.01	.033
My family respects me because of the company	5.61	.239
People are interested in the success of my firm	5.37	.320
I could easily find a job for myself outside the company	5.16	.613
I am very proud of everything in my company	5.12	.465
I could easily sell the company	5.08	.049
My behavior affects the way others think about me	5.02	.683
I use the accountant as a partner in decision-making	4.89	.934
My owner status is important to me	4.87	.759
People know me because of owning the company	4.76	.743
The company is my largest effort so far	4.70	.945
No one knows the people in the company as well as I do	4.49	.831
There are valuable things in the company to pass on	4.24	.931
I have a duty to the next generation	3.53	.062
Other people's influence on the company is small	3.34	.708
No one knows the equipment of the company as well as I do	3.25	.853
No one knows the operations in the company as well as I do	3.16	.836
The company has great mental value to me	2.56	.548

Interestingly, the items that most reflect the egocentric perspective on ownership seem to rate lowest in the analysis. The item *The company has great mental value to me* received the lowest score, and this suggests that for the respondents ownership is no 'love affair,' nor do the owner-managers think of themselves as omnipotent about their company and the things that need to be done there.

To understand the structures of the psychology of ownership more thoroughly, we ran an exploratory principal components analysis with Varimax rotation to uncover the underlying common nominators between the measures. The analysis produced six factors above Eigenvalue of 1, and managed to capture about 65% of the total variance (see Table 3).

The results of the analysis presented in Table 3 bring out a wide array of interesting insights of small business managers' ownership structures.

Table 3. The principal components analysis of ownership.

	1	*2*	*3*	*4*	*5*	*6*	*comm.*
No one knows the operations in …	.84						.725
No one knows the people in …	.78						.626
No one knows the equipment …	.75						.665
Other people's influence to the company…	.63						.473
I have a duty to the next generation		.87					.810
There are valuable things in the company…		.83					.765
The company has great mental value to me		.65					.593
The company is my largest effort so far			.80				.695
People are interested in the success of my firm			.68				.553
I am very proud of everything in my company			.67				.719
People know me because of my owning the company			.57				.538
My behavior affects the way others think about me				.76			.630
My owner status is important to me				.70			.634
I could easily find a job for myself outside the company				.53			.514
I could easily sell the company					.79		.735
I use the accountant as a partner in decision-making					.78		.679
Company success helps me fulfill other dreams in life						.84	.742
My family respects me because of the company						.62	.563
Eigenvalue	3.99	2.30	1.61	1.41	1.28	1.07	
Percent	22.17	12.78	8.94	7.84	7.12	5.92	
Cumulative	22.17	34.95	43.86	51.73	58.85	64.77	

KMO measure of sampling adequacy .710 (results exceeding .50 acceptable)

The first factor (α= .775) received four main loadings: (1) *No one knows the operations in the company as well as I do*; (2) *No one knows the people in the company as well as I do*; (3) *No one knows the equipment of the company as well as I do*; and (4) *Other people's influence on the company is small*. Together they reflect the internal logics of the company operations (i.e., the targets of knowing are within the company). Pierce et al. (2001) state that it is via intimate knowledge that a fusion between the self and target of ownership emerges. Thus, we find that this factor is about the ***extended self*** linked to the things taking place within the company.

The second factor (α= .754) received three loadings: (1) *I have a duty to the next generation*; (2) *There are valuable things in the company to pass on*; and (3) *The company has great mental value to me*. These items suggest responsibility of the company to others (potentially to the next generation) and a longer perspective of time. As in the first factor, in this component the things also take place inside the company. In terms of Pierce et al. (2001), the factor seems to represent an element of having control over the company, but to greater extent an element of stewardship (i.e., the manager's job consists of taking care of things to deliver them to the next generation). Thus, we label this the ***taking care*** factor. The idea of making money is secondary, because the main target is to continue having the company.

The third factor (α= .710) captured four main loadings: (1) *The company is my largest effort so far*; (2) *People are interested in the success of my firm*; (3) *I am very proud of everything in my company*; and (4) *People know me because of my owning the company*. The factor clearly relates to the high need for achievement and the way, in which the small business manager enjoys good performance. In a sense this factor could be seen as 'showing off.' The factor seems to be related to company-based self-esteem. A tremendous amount of self-investment has taken place to accomplish something socially esteemed (cf. Pierce et al., 2001). A major output of the success can be seen as an improved personal achievement and, thus, the company provides the owner with a ***higher outside social status*** in the society (i.e., in and around the company).

In the fourth factor (α= .510), three main loadings were identified: (1) *My behavior affects the way others think about me*; (2) *My owner status is important to me*; and (4) *I could easily find a job for myself outside the company.* We find that there is a dimension of free will involved here – the manager is an owner at will, because the job of a leader is important to him/her. The factor seems to be mostly about ***social status within the company***. In terms of the psychology of ownership, we believe that a sense of ownership for the job of leading and managing would be present if we measured for it.

The fifth factor received two main loadings: (1) *I could easily sell the company*; and (2) *I use the accountant as a partner in decision-making*. These items reflect the owner-manager's responsibility only to themselves. The factor includes no references to the local social system, and the focus is on increasing one's earning possibilities. As a manager's job the posture has close resemblance to that of an investor. The interpretation of ownership is 'Having the company in order to make money'. This dimension of ownership seems to represent the opposite of the first factor. The firm is important for its monetary value and potentiality, and not as an elementary part of individual's entrepreneurial history or his/her extended self. Financial matters are more familiar to the owner than tasks and objects within the company. The factor reflects the ***personal freedom***, that is, independence and ability to do anything with the company at will.

Finally, the sixth factor received two main loadings: (1) *The company success helps me fulfill other dreams in life*; and (2) *My family respects me because of the company*. The factor is clearly about the company being a ***tool for achieving the goals outside the company***. That is, the perspective seems to be outward from the company (i.e., in the family's respect and other things valued by the manager).

Figure 2 is an illustration of the factors in a free topological manner of Lewin's (1951) field theory. There is no direct link to Figure 1 except the placement of the social dimension to the left, power/action dimension in the middle and objective dimension to the right.

Status within the company	Taking care	Extended self
Social dimension ----------------	**Action dimension -------------**	**Object dimension**
Higher outside social status	Personal freedom	Tool for goals

Figure 2. The results of the factor analysis and the three psychology of ownership dimensions.

A closer look at the results of the analysis suggests that the three dimensions of ownership (social, action, and object) can be identified in the factor structure (see Figure 2). Thus, the social dimension was captured with two factors reflecting the ***social status within*** and ***outside*** the company. The action dimension was represented by two interesting patterns, the factors of ***taking care*** and ***personal freedom*** in the company. Finally, the ***extended self*** and ***the tool for goals*** factors highlight the object dimension of ownership.

Next, the analysis was continued by studying the family business character with respect to the sum measures of the factor analysis. The results are depicted in Table 4. The analysis suggests that family firms and non-family firms do not behave homogeneously with regard to ownership. On the contrary, it is notable that all but the factor of independence scored higher among the family businesses. In addition, the ANOVA test suggests that the scores of the factor of ***taking care*** are significantly higher than in non-family firms. In a similar vein, for family businesses the company is more likely to be a tool for other goals in life than for non-family businesses.

Table 4. ANOVA analysis of ownership scales within family firms and non-family firms.

Scale	"Family f".	"Non-family"	F	sig.
Tool for goals	5.95	5.53	6.93	.009
Social status	5.12	4.73	3.57	.061
Status in firm	5.09	4.90	.807	.371
Freedom	4.90	5.13	.66	.419
Taking care	3.74	2.89	10.86	.001
Extended self	3.73	3.22	4.45	.037

The family business character also seemed to produce other differences in the analysis. The scores of extended self seem to be higher for family firms than for non-family firms, and even if only moderately significant, the social status also receives higher means among the family businesses. The two other factors, status within the company and freedom, do not differ statistically between family businesses and non-family businesses. Overall, these findings are consistent with the current thinking on family businesses. We continued our analysis by studying the relationship between psychological ownership and the owner-managers' subjective perceptions of the family business character of their companies. Thus, the results of a basic solution of the stepwise discriminant analysis with a constant are depicted in Tables 5 and 6.

The results in Table 5 suggest that only two factors of ownership are able to predict the business being a family business. The factors ***taking care*** and ***tool for goals*** seem to have predictive value for identifying family businesses. Thus, the responsibility associated with ownership in terms of a duty to the next generation as well as the mental value of work the owner-manager has done for their business seem to characterize the operational predictor of the family business character of a company. In addition, the company's instrumental value for the owner-manager in terms of gaining opportunities to enjoy other goals and gaining the family's respect also work as a predictor of family business character. Interestingly, the rest of the factors failed to distinguish between family firms and non-family firms. This finding suggests that, for example, the company's character of the extended self – even if it is an important dimension of psychological ownership – is not something that characterizes family businesses especially, nor are the factors relating to the social dimension.

Table 5. Stepwise discriminant analysis.

Subscale	F to remove	Wilks' Lambda	sig.	Classification function coefficient "Family f."	"Non-family."
Step 1: taking care	9.80	.934	.002	1.203	.863
Step 2: tool for goals	6.62	.891	.000	7.628	7.085
(constant)				-25.78	-21.53

Table 6. Classification results from a discrimination analysis.

		Predicted group	
Group	no. of cases	"family firm"	"non-family firm"
"Family firm"	96	63 (65%)	33 (34%)
"Non-Family firm"	50	18 (35%)	32 (64%)
Percent of cases correctly classified 65%			

Even if the discriminant analysis suggests that two factors are statistically able to distinguish between family firms and non-family firms, actual classification results will be needed to see whether the classification tool makes a difference. As Table 6 suggests, these two factors together can classify 65% of the cases correctly, that is, two thirds of the cases could be identified as family firms or non-family firms by studying directly their ownership profiles of ***taking care*** and ***tool for goals***.

CONCLUSIONS

The purpose of this paper was to study the family business dimension in small business owner-managers' ownership profiles and its potential links to the psychology of ownership. It was assumed that individual psychological ownership is visible in owner-managers' ownership profiles and; as family businesses are forming a significant portion of the business population, there should also be a sings of familiness in ownership profiles that are based on the contextual model of (psychological) ownership.

The study presents the results of a survey among 150 owner-managers in South-Eastern Finland focusing on their ownership profiles. The results indicate that an ownership profile can be identified, there is variation among the ownership profiles, both individual psychological ownership and family business dimension can be identified in ownership profiles, and, importantly, individual psychological ownership and family business dimension seem not to be interrelated.

The most important contribution of our study lies in the identification of the ownership profiles that are typical for owner-managers, who consider their companies as family businesses. The conclusions that can be drawn from our results are significant in terms of future research. It is clear that in family businesses the owner-manager accept other people (i.e., family members) to be involved in the business as owners. It seems that there is an extent of personal feelings sharedness involved in business ownership (manifested by stewardship).

The analysis of the owner-managers' psychological ownership profiles and the discriminant analysis between family firms and non-family firms suggest that as such, the social dimension is not directly related to the character of family business. One obvious explanation results from one important limitation of our research setting. The statements in the survey concerning the social dimension did not include the family as an explicit separate actor. The respondents represented themselves individually, not their families, their organizations nor owner-managers as a separate social group. On the other hand, the action dimension and the object dimension became important elements in distinguishing family businesses (see Figure 3).

(Status within the company)	**Taking care**	(Extended self)
(Social dimension)----------------	**Action dimension** -------------	**Object dimension**
(Higher outside social status)	(Personal freedom)	**Tool for goals**

Figure 3. The dimensions of psychological ownership and family business characteristics.

Overall, our study has a number of significant implications. The separation of the extended self dimension and the family business dimension in ownership profiles raises the question of the importance of the balance between individual and collective action in family business. In other words, how much does a family business endure individual goal setting and self-serving behavior? The theory of psychological ownership suggests that psychological ownership does not occur as a mere feeling. It has its foundations in action and behavior, and most importantly, psychological ownership carries the tendency to preserve previous line of behavior. In that respect the results seem to indicate that in order to ensure familiness, the access to the family-specific resources, the role of individual family members should not be inordinate.

The analysis suggests that almost all dimensions of psychological ownership are more strongly loaded among the family businesses compared to the non-family businesses. This could mean that family business ownership sharpens the meaning of ownership as such within the company. In other words, even if individual ownership is latent in some cases, the character of collective ownership does not stay unnoticed from the individual respondents. This notion supports to some extent the contemporary discussion concerning the stronger feelings of responsibility within family businesses.

The results indicate that the concept of family business is strongly related to ownership. If we adopt the idea that personal/psychological ownership is an elementary part in family firms, the results seem to suggest that the main division between family businesses and non-family businesses, from the individual owner's point of view, is due to the feeling of responsibility towards the family with regard to the business, and due to the feeling of responsibility to achieve something for the family. This means that the owners do not do things just for themselves, but also for their families, and further, the families are also involved in the business and, from the individual owner's point of view, the family has the justification to be involved in the business.

As the difference between family businesses and non-family businesses is apparent in the contextual model of psychological ownership, it is possible to study the process of a business becoming a family business and vice versa. In other words, it seems possible to open up the continuum between family businesses and non-family businesses. And further, it seems possible to use the theory of psychological ownership in studying variations and processes in a business becoming a family business. This process may, in the long run, provide a platform to develop a family business theory capturing the idea of family business and variations between family businesses and non-family businesses – results that are worth all the effort.

There are two important streams of development needed in the theory of psychological ownership in order to make it operationally more suitable for studying family businesses. The first development, namely the topic of this paper, concerns the task of bringing the theory of psychological ownership in the context of business owners. The methodological challenges of that task should not be undermined. Although the solutions are likely to be found in measurement of the motivational bases, routes and consequences, one should not confuse those with the core of the concept. In that case it is better to discuss family businesses in terms of the psychology of ownership. The second development is the elevation of the theory of psychological ownership to collective level. It seems that help is found in the field of management where there is growing interest on studying group level motivations, collective action and collective psychological states, including that of ownership.

A methodological limitation of this study is that studying ownership at the personal level does not give possibilities to study collective ownership. Yet, our study shows that there is sharedness and some sort of collective orientation present in the ownership profiles of family business owners. Thus, we call for research on the topic that acknowledges families as collective entities and develop group level measurement tools for a variety of dimensions of ownership.

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