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Management Accounting Systems in New Zealand Regional Family Businesses: Organisational Identity and Strategic Alignment

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Abstract

This paper explores how and why some small and medium size family businesses can survive in an environment that is full of uncertainties. We content that family businesses have an inherent resilience, constructed through its organisational identity that may render continuous competitive advantages and enable family businesses to meet the challenges and to take the opportunities embedded in turbulent conditions. Based on thirteen interviews of family businesses' owners and managers, we found that the constitution of family business as an organisational identity denotes the strategic choices.

Keywords: Management accounting; Family business; Strategy; Interview; Organisational identity theory

Introduction

The main message of our paper is that family businesses have an inherent resilience, constructed through its organisational identity that may render continuous competitive advantages and enable family businesses to meet the challenges and to take the opportunities embedded in turbulent conditions. In turn, the ability to identify and react to those opportunities and challenges is attributable to how family businesses utilise management accounting information to assist their strategic decision making.

This study draws on the theoretical perspectives of organisational identity [1,2] and strategic management accounting [3,4] to explore the dynamics of family businesses. While these theoretical frameworks are rooted in and have usually been referred to in the context of large and highly professional firms, we believe they are even more relevant to family businesses. Collectively, the family members, non-family employees and other stakeholders constitute the organisational identity (the meaning of who they are or are not) of 'family business'. The construction of such organisational identity is an ongoing process of symbolic interactions conducted internally within the family businesses, and externally with suppliers, customers and the wider social community. The unique family component of this organisational identity may create a competitive advantage for these businesses that their non-family businesses do not have. Strategic business intelligence, i.e., strategic management accounting information, can assist family businesses to utilise their competitive advantage in surviving and succeeding in turbulent environments.

Drawing on Rubin and Rubin's [5] responsive interview model, we interviewed 13 Family business owners and managers who told stories of their businesses. Our interview participants are all from the Canterbury and Tasman regions, and are located in the central-east and north of South Island. A significant backdrop to our research is the earthquakes that have affected these regions[1]. It has been long recognised that family businesses strive for non-financial goals [6,7].

Many suggest that because of the pursuit of family-oriented objectives, it is unrealistic to assume that family businesses priorities a profit-maximising agenda [8]. Drawing on qualitative interview data, we argue that family businesses can evoke the 'family' and 'business' aspects as well as to embrace the founders/owners' entrepreneurial and leadership perspective in their organisational identity. Therefore, family businesses owners and managers can balance their vision of business performance and family values in setting their strategic goals. Our interview data reveal that although many systems were informal, these family businesses utilise management accounting information to assist in sustaining their strategic position in their competitive environment. We contend that instead of a traditionally emphasised 'planning and control' approach toward incremental growth, the fundamental strategic concern of family businesses is how to assist these firms in being flexible to react to both opportunities and challenges embedded in their external environment.

Our paper aims to utilise an alternative theoretical underpinning to discuss the dynamics of family businesses supported by insightful qualitative evidence. It is the hope that our research will contribute to the wellbeing of family businesses and be of value to practitioners who aspire to a career in a family business. We also aim to shed light on the practical value of theory. Our findings are, therefore, useful for academics, professional consultants, advisors and regulators.

The remainder of the paper proceeds as follows. Section 2 summarises the related literature on organisation identity, strategic management accounting and their relevance to family businesses. The following Section 3 explains the research design choices including the data collection and approach used in its analysis. The main findings are presented in Section 4. We conclude the paper by summarising the

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[1]An earthquake occurred in Christchurch on 22 February 2011 at 12:51 p.m. local time and registered 6.3 on the Richter scale. The earthquake caused widespread damage across Canterbury, killing 185 people. Christchurch's central city and eastern suburbs were among the worst affected, with damage to buildings where the infrastructure had already been weakened by the magnitude 7.1 Canterbury earthquake of 4 September 2010 and its aftershocks.

practical and academic implications of our findings and ideas for future research.

Literature Review and Theoretical Underpinning

Our literature review does not intend to rehash the extant literature from both a theoretical and empirical perspective to distinguish family businesses from their non-family counterparts. In recent years, family business research studies based Socioemotional Wealth theory draw scholar's attention to the behavioural aspects and strategic choices made by these firms [9]. Zellweger et al. [10] point out that SEW literature touches on an identity-based rationale of decision making, but surprisingly very little further development in the research literature links the organisational identity of family businesses with their behaviours.

Following this view, we provide a possible alternative theoretical underpinning of family business is the organisational identity. The uniqueness of family businesses that are embedded in this organisational identity fits well with the concept of competitive advantage articulated in the strategic management literature. We start our literature review with an introduction of the organisational identity theory. The discussion of the link between organisation identity and strategy is followed by a review of the key concepts of strategic management accounting that we believe have assisted family businesses to survive, revive and succeed in turbulent conditions.

Organisational identity

Organisational identity is defined as the characteristics that are "central, enduring, and distinctive" (CED) to the organization [1]. The meaning that the members' consensually construct through their interactions with each other and with people outside of the organisation. The defining characteristics of the organisation are 'central' as they are essential rather than peripheral. 'Enduring' means that an organisational identity constitutes a set of stable elements that endure over time, rather than those that are ephemeral. The defining characteristics of organisational identity are described as 'distinctive' because the identity stakes out how the organisation is both similar to, and different, from other organisations. The concept of organisational identity is well suited for our research because it offers a comprehensible theoretical foundation for the *raison d'être* of the family business in explaining the uniqueness of these entities [11]. Our paper also draws on the following two notions that are derived from organisational identity.

A family business represents a type of "hybrid-identity organisation" [1]. It is the intentional amalgamation of two organisational forms – the 'family' and the 'business'. These would normally be mutually exclusive. The hybrid-identity, therefore, denotes an inherent tension between two different sets of rules or scripts, including culture-specific social expectations for how family businesses are expected to operate [12]. This tension explains the pursuance of non-financial goals of family businesses [10]. Because of the strong 'family' traits embedded in the daily life of these organisations, Hall [13] disapproves the claim that family businesses make 'irrational' choices to priorities their family-oriented objectives. We further argue that the tension between the family-oriented component and the business-oriented component of a family business identity functions similarly in the multi-identity at an individual level. People play multiple roles in the society. Some roles are processed by the same person and may create conflicts - for instance, being a teacher as well as being an assessor of the same subject and same group of students. Different identities embedded

in different roles are organised into a salient hierarchy therefore can be enacted respectively depending on the circumstances [14,15]. The family business as an organisational identity is very capable of invoking both the family-oriented and business-oriented perspective to adapt to different circumstances.

The organisational identity theory is rooted in the individual level role-based identity theory. The organisation identity of a family business is initially seen as being extended from the individual founder (or the founder family) who creates the business [2,16,17], and this individual level identity becomes one of the essential elements that constitute the organisational identity over time [18]. In the case of small family businesses and new ventures, such identities are mostly shaped by the founder and the entrepreneur's set of values, norms and personality through their actions and communications [19].

The theoretical underpinning of our paper lies in the theory of organisational identity and concepts that are related to the constitution of organisational identity. We contend that the theory of organisational identity provides suitable explanations of the behaviours of family businesses by recognising (a) the collective and consensual perceptions of family members as well as non-family employees in how they view what their business means; and (b) the influence of the funders who usually set the tone of the family business identity. Our interview data support the view that the 'family business' *per se* gives rise to an organisational identity, which influences the strategic decision-making of the family business.

A strategic view of family businesses' organisational identity

Strategic management literature suggests that the real key to business success lies in its ability to develop a competence that is distinctive and difficult to replicate. A clear and strong organisational identity is believed to be critical for corporate success [20]. Organisational identity denotes the consensual and collective cognition and beliefs of organisational members as well as of their external stakeholders. This eventually guides their actions. Several scholars have documented the interplay between organisational identity as a relatively stable collective cognitive construct and the dynamic aspects of strategy [21-24]. However, research studies that use strategic management as an organising framework in family businesses are sparse [25].

Do family businesses possess competitive advantages? Scattered evidence and discussions have emerged. Habbershon and Williams [26] conceptualise that "familiness" is the idiosyncratic, firm-level bundle of resources and capabilities resulting from a family factor that potentially leads to the competitiveness of family firms. Kansikas et al. [27] conclude that familiness gives rise to resources that can be grouped under three dimensions: structural (network ties), relational (trust, norms, obligations, identification) and cognitive (shared vision, shared language). Webb et al. [28] suggest that entrepreneurship and leadership styles provide explanations of how family firms make decisions. Frank et al. [29] criticise that in the construction of 'familiness' there is a failure in coupling the system of 'family' as well as 'enterprise' (p: 128).

We believe the missing piece of this puzzle is the organisational identity of the family business. Marketing scholars surmise that the relevance of an appropriate organisational identity is one of the critical factors in the success of small businesses in competitive markets [30]. Zellweger, et al. [31] point out that the familiness-oriented perspective and the business-oriented perspective have constituted the meaning of being a family business into an organisational identity that is describable, as well as communicable both internally and externally. Family

business owners and founders may create a "family business meta-identity" to address who they are as a family business [32] to contribute to success of the business, as well as to the well-being of the family [33]. We posit that this organisational identity *per se* is the key competitive advantage of family businesses. The central, enduring and distinctive defining characteristics are socially constructed by the families behind these organisations and their stakeholders in incorporating both family functions and business functions. Our interview data reveal that family businesses can survive and succeed in turbulent environments through the constant balancing and prioritising of both family-oriented and business-oriented objectives.

Strategic management accounting (SMA)

During the interview data collection and analyses, we found SMA to be particularly relevant for making sense of the business information utilised by our interview participants. We invited interviewees to identify all potential factors that may have shaped their business practice. A firm's business value, strategic goals and competitive environment are just some of these potential aspects. As our data collection and analyses progressed, we increasingly realise that the themes and plots embedded in the interviewee data all point to the strategic goals of these family businesses. Paradoxically, most of the family businesses that were referred to in our research were neither large nor professional. All but one interviewee implied that his firm had established a separate management accounting function. From a strategic view, how do they know their strategic positioning is correct? How do they survive in the radically-changing competitive environment?

The term 'strategic management accounting' was introduced by Simmonds [3] and is defined as 'the provision and analysis of management accounting data about a business and its competitors, for use in developing and monitoring business strategy'. The discussion of what constitutes SMA has largely drawn on Porter's [34,35] strategic management typology. Porter [34] suggests that differentiation, cost leadership and focus are the strategies that provide firms with the ability to attain a competitive advantage and outperform rivals in an industry. Firms adopt different strategies and then usually implement different tactics including management accounting practices to sustain their competitive position [35,36]. Empirical evidence on the practice of SMA has commonly been collected via interviews or case studies in large professional organisations who have a well-established management accounting function in support of formal strategic planning and control [37,38]. Mintzberg and Waters [39] suggest that senior managers typically deal with unpredictable situations so they strategize in ad-hoc, flexible, dynamic, and implicit ways. Therefore, strategic management is a continuous and emergent activity [39]. Lord [40], based her case study on a New Zealand bike manufacturer and criticised that the textbook version of SMA as a function of a firm's management accounting department was completely disconnected from actual practice. As per Lord [40], in responding to pressures caused by external factors beyond their control, firms might have already intuitively applied SMA practices without the involvement of firm's accounting department or their equivalent. We see our paper as an empirical extension of Lord [40]. Our qualitative evidence suggests that the survival, revival, and prospering of family businesses in turbulent environment are living evidence of the success of their strategies and in the utilisation of SMA techniques.

Methodology and Research Design

Constructionist responsive interviewing

The responsive interviewing technique developed by Rubin and Rubin [5] is adopted as the model for the research design. The responsive interviewing model has its roots in interpretive constructionism [5]. In constructionism, researchers focus on meaning and power because their epistemological position dictates that meaning and power are all that one can claim to know. Constructionism research is aimed at accounting for the ways in which phenomena are socially constructed [41]. The initial interview questions are expressed in a broad way to give the interviewees the opportunity to answer from their own experience [5]. The interviewee's answers then direct the researcher as to what to pursue further. The openness revealed after the interviewees start to describe their experience, makes it possible - even natural - for the interviewer and interviewee to become conversational partners in suggesting topics, concerns, and meanings that are important to the themes under exploration. Based on this design, the interviewee is virtually taking the interviewer though his/her experience. Essential to the responsive interviewing model is that the interviewer and interviewee are in a relationship in which there is mutual influence in both directions.

In our investigation, a questionnaire of thirteen interview questions was prepared with three broad themes that are related to the context and nature of management accounting systems (MAS) in family businesses. The main interview questionnaire was prepared for interviewees who were founders and owners of family businesses. We then adapted the main interview questionnaire to suit the managers and management accountants who do not own an equity interest in the family firm, without changing the structure and subject matter. The interview questions were semi-structured, allowing a certain level of scope limitation, as well as a certain degree of openness for responses by the interviewees [42]. Conceptually, to explore the shared values or norms of the interviewees, the interviewer often asks the interviewee to describe a typical event or ordinary occurrence [5]. The interviews give the interviewees the opportunity to describe what is important to them. The data collected via these questions is contextual and demonstrates a sense-making process by interviewees in perceiving what has happened, why those events happened and the intentional factors which justify their behaviour in response to the events. The interview questionnaires can be found in the Appendix A.

Thirteen interview questions are organised into three broad sections, namely (1) the business and the family, (2) values and strategy and (2) MAS. We argue that it is important to understand the how and the why of certain MAS being utilised by family businesses in the context of their specific historical development, organisational setting and their prospects. The traces and clues of the stories revealed in the interviews show the progress of individual family businesses, their values, strategic goals, and reflect the salience of the family and the business agenda. These businesses provided rich descriptions of the how and the why in their utilisation of different types of MAS.

Recruitment of interview participants and data collection

The population of interest includes owners, managers and in-house management accounting practitioners who regard themselves as controlling, managing and/or working for a family business in New Zealand. These roles are not mutually exclusive. We started with convenience sampling. The first few participants were recruited from the existing professional networks of the researchers. Then the existing participants were invited to refer other participants from among their acquaintances and business networks. Between November 2015 and April 2016, 13 interviews were carried out. Except for interviewee 02 (who was on the executive team of a family owned and operated not-for-profit organisation), all the interviewees held an ownership interest

and also participated in the decision making and operation of their family business. All data gathered in the study is strictly confidential and all the participants were assured of complete anonymity in any publication of the research results. The interviewees were numbered from 01 to 13. The basic information of the interviewees is summarised in Table 1.

Findings and Discussions

The meaning of 'family business' as an organisational identity

In the construct of the meaning of the family business as an organisational identity there is an understanding that there is a shared meaning which is shared and understood cohesively by people who are interacting with these organisations. The most directly-relevant people are the founders or founder families of these businesses. For the start-up (or first generation) family business, the vision, mission and strategy and the management of the business are firmly controlled by the founders. The founders also set the tone of the organisational culture that denotes the behaviours of other family members, employees and external stakeholders. So what does the family business mean to the founders? Interviewee 08 described their business as:

It's my little castle. Apart from my family, it's my purpose for living. For them *(my family)*, it's like home, we've been here that long…
 [Interviewee 08]

Interviewee 08 was very passionate when talking about the stories of his family and his business. His account incorporated several aspects of meanings that the interviewees ascribed to their family businesses. The insights provided by the interviewees in substantiating the meaning of the business to the families and to themselves encompasses following themes:

- "Livelihood": the source of income that has supported the family financially;

- "Home": a place where family members support and/or interact each other;

- "Passion": a career of choice and something they always love to do;

- An extension of the founders/owners' personal Identity: a representation of who they are and what their whole life is about.

Several interviewees specifically identified that the business had been the 'livelihood' (Interviewee 01) and supported the family financially. It seemed to be a logical and basic expectation, but interviewee 05 suggested that she had a 'love-hate' relationship with her furniture shop. She said:

Well, the retail business has been a lifeline for everybody, because it has supported me and my children. But it has also been a real drain on the family, because we don't make enough to be able to hire staff. [Interviewee 01]

In addition to the income generated from the family businesses, Interievwee 03 revealed a second theme that was shared by other four interviewees. I.e., the family business is seen as a 'home', a reference point where they interact and function as a family. Interviewee 03 suggested:

[…] it was a very good income. It would have put our family in the top five per cent of income earners in New Zealand in the early to late 1990's. Given that one of our children had developmental issues, it gave me a freedom to put a lot extra effort into my family without detracting from the input that I put into the business. […] It gave me the time to be a complete person. Not just a business man but to be a father, and to do things for my family, which have been considerable. As I said, it would not have been possible if I had been an employee or in a larger business. For me, it is incredibly important from that aspect. [Interviewee 03]

It is noteworthy that even interviewee 03 (compared with interviewee 05) was satisfied with the level of income generated by the family business. His emphasised that the flexibility and time allowed by the business was of greater importance to him in fulfilling his family duty. Interviewee 04 at the time of interview, operated a factory with his wife and two daughters. He said:

On the whole the great thing about this business, of course, has been the fact that it has involved my wife and both of our daughters. It is the business where we can as a family work together on something. This business is pretty much a split between my passion of building and running the machine, and of course the carpets are our own design. It's also been (the) provision for quite a bit of our family for a number of years. The satisfaction is of course, still being able to be involved in engineering, developing machinery that sort of thing. [Interviewee 04]

Interviewee	Industry	Gender	Year of founding	Family control/ownership	Non-family employees	External investors
01	Professional service	Male	1997	A married couple (a son involved)	Yes	Yes
02	Not-for-profit	Male	2009	A married couple (the only son involved)	Yes	No
03	Professional service	Male	1999	A married couple (the only son involved)	No	No
04	Manufacturing	Male	2003	A married couple (two daughters involved)	No	No
05	Retail	Female	1995	A mother (all three daughters involved)	No	No
06	Professional service	Female	2003	A brother and a sister	Yes	No
07	Retail	Male	1887	Six generations of the same family	Yes	No
08	Hospitality	Male	1978	A married couple (all three children involved)	Yes	No
09	Manufacturing	Male	1965	A married couple (all three children involved)	Yes	No
10	Hospitality	Female	1994	A married couple (both sons and parents involved)	Yes	No
11	Retail	Male	2004	A married couple	Yes	No
12	Manufacturing	Female	2001	A married couple and the brother of the husband	Yes	Yes
13	Manufacturing	Male	1999	A married couple	Yes	No

Table 1: Basic information of interviewees.

Interviewee 06 operated a professional services agency with her brother. She, too, shares the same emotion towards their business, and regards it as something they always wanted to do together as a family:

For us, I guess, it is the idea of being our own boss and doing it successfully. It's always been our epitome of how we want to work. For our parents… Oh! They are very emotionally invested in terms of (the fact) that we are their two children. For them seeing us working together, it is a kind of dream for them as well. [Interviewee 06]

Both interviewee 04 and interviewee 06 provided the third theme which was shared by several other interviewees. These interviewees describe the meaning of the business as their own passion and life-long career. Another example was suggested by interviewee13:

The business is owned by the family trust. The lady you met downstairs *(in the showroom)*, she is my wife. I am the main man here. I drive it. I am now a pensioner. Theoretically I am already retired…But I enjoy it. I enjoy the purpose of it. I enjoy the challenge of it. Interviewee13

The fourth theme is that their family business represents their families and themselves, i.e., it is an extension of owners/founders families' identity.

Our findings show evidence of how the meaning of a 'family business' is constructed. The 4 themes identified by our interviewees represent the defining characteristics of a family business as perceived by our participants. We suggest that these themes should be viewed as an interdependent and combined entirety capturing the core functions of family businesses. Thus, these themes give rise to the organisational identity of 'family businesses'. According to Albert and Whetten [1] and, Whetten [43], an organisational identity is central, enduring and distinctive. The meaning of the interviewees' family businesses implies the central and essential purpose in establishing and operating these organisations. The actual family businesses involved in our research have different longevity (Table 1) and are at different stages of the organisational life cycle. Yet our participants can identity these shared meanings. The core functions of family businesses as a combined set of properties ultimately differentiate these organisations from their non-family counterparts, as an occupation, as well as being in the family *per se*.

The organisational identity of 'family business' as an competitive advantage

So far, we have explained how the organisational identity of 'family business' is formed by plotting our interview data along the theoretical constructs proposed by Albert and Whetten [1], and Whetten [43]. We further argue that such an organisational identity *per se* give rise to a competitive advantage for family businesses.

First, our interview data validates the fact that family businesses are hybrid-identity organisations [1], as the above-mentioned themes of the shared meaning underpinning the organisational identity encompass the pursuance of both financially-oriented goals and family-oriented goals. We contend that applying the entrepreneurial and leadership qualities of the founders to the individual level, Jones [19], should also be included in the mix. In additional to the conflicts embedded in the hybrid of organisational identity [10,12], the interview quotes shown earlier vividly describe how these different aspects of the family business identity are complementary to one another. Albert and Whetten [1], and Whetten [43] propose that the organisational identity functions in a similar fashion to the identity at the individual

level. Following this notion, the enriched and dynamic organisational identity traits can be arranged and rearranged into salient hierarchies that allow a family business to enact different aspects of the identity in order to adapt to different circumstances. We therefore argue that the heterogeneity of family businesses reflects nothing but the different salience of the organisational identity mix. Furthermore, this hybrid-identity and the salience of it create a competitive advantage for family businesses.

Second, Zellweger, et al. [31] suggest that an organisational identity has the potential to enhance strategy if it is describable and communicable both internally and externally. Our interview data suggests that the meaning of family businesses is internally shared by managers and employees. The identity of the family business is also externally displayed to, and thus perceived by, other stakeholders.

Interviewee 07 is a fourth generation shareholder and a Director of a family owned enterprise. During the interview, he told a story of how his family business 'survived, revived and prospered again'. His family business experienced a devastating fire and also experienced the on-going challenges caused by the Canterbury earthquakes. He described the difficult time right after the fire:

So from a very early age, I saw my parents and my relations struggling. They were struggling but decided they would not walk away because the firm, as I said, was really insolvent. It had little to come and go on. There was a great deal of public sympathy and support for the firm to continue in business. They were encouraged. The board decided that (the) business should continue, and through blood, sweat and tears. I mean through blood, sweat and tears! [Interviewee 07]

He continued with a detailed description of how overseas suppliers were willing to continue shipping stock to the shop knowing the business was insolvent. Many years later, the Canterbury earthquakes damaged some of their business premises which needed to be demolished and rebuilt within a short time. Again, the family business experienced disruption. Interviewee 07 suggested that their business had to get through the most difficult time after the earthquake and was prepared for the rebuild despite the uncertainties posed by the infrastructure and the geographical and demographical changes caused by the earthquakes.

Interviewee 12 also suggested that the special bond between the family business and their employees assisted her and her husband in getting through difficult times. She said:

At some point in our lowest period some of our staff came in and worked for no pay. We (the family) worked for no pay. (Not only) managerial (staff) but also the factory staff. That's one of the unique things. [Interviewee 12]

Interviewee 02 is the only non-family member of a family owned and operated not-for-profit organisation, who participated in our interview. He clearly articulated the organisational identity in how he perceived it as non-family member. He said during the interview:

It's (the business is) their life. They spend all of their time on it. They have no other purpose other than to develop this organisation. It's totally their life. Yep… Well, I guess. The positive side of that…it means there is 100% commitment over there. It means their passion for the business rubs off on other people, so it creates a very positive attitude. At the moment, I don't think the business can exist without

them because they are the… What is the word I am looking for? They are the business! I can only put it in that way. (Laugh)

[…]we have a very strong relationship. I am involved with them on a leadership team, what we call 'the core leadership team', which meets roughly once a month. We have very honest, open discussions with each other.
[Interviewee 02].

In summary, our data shed light on the theory that 'family business' as an organisational identity is a competitive advantage that has contributed to the resilience and flexibility of these business. We further contend that the strategic planning and the utilisation of MAS of family business are also related to and affected by the organisational identity.

Business strategies incorporating the identity of family business

During the interview, we invited our participants to describe their business values, competitive environment and reputation. The findings of interviewees' perception of business values are summarised in Table 2.

The interview quotes (Table 2), on the one hand, highlight that the business value articulated by these family business owners and managers is largely drawn on building the relationship with stakeholders and the reputation of the family businesses. These business values and strategy are motivated and addressed by their organisational identity, as shown in the representative quotes. On the other hand, it can be concluded that all the family businesses being referred to in our research adopted 'differentiation' and/or 'focus' strategies [35]. According to Porter [35], when firms adopt a differentiation strategy it is aimed at delivering high quality to customers; and if customers perceive this product or service as different from other products, consumers are willing to pay more. To our surprise, although all these family businesses were from different industries, all of them have described their industry as highly competitive; their businesses, and they themselves, had a very good reputation in the industry.

We also invited interviewees to comment on their midterm to long term business plans and how they would achieve them. The interview findings about business plans are summarised in Table 3.

Management accounting systems denoting the business strategies of family business

Although interviewees were from different industries, at different ages, and were motivated by different reasons, most of them would want their business to grow. We then encouraged our interviewees to identify the broad range of MAS that they had used in their operations, as much as they could. The flexibility provided by the semi-structured interview design allows interviewees to disclose what they believe is important to them and often showcases hidden facets of their organisations [44]. In analysing the interview data, it became apparent that although informal, interviewees had utilised many elements and techniques of SMA to achieve their competitive advantage and to sustain their competitive strategies. We found that it was particularly intriguing that quite a few accounts of MAS were well aligned with the interviewee's discussion of their business values – i.e., competitive strategies and advantages, although they might merely be subconsciously describing what was apparent and important to them [45-49]. To discuss and justify the following findings, the MAS identified by interviewees as being utilised in their businesses are presented alongside the competitive advantages identified by our interviewees previously (Table 4).

The commonly adopted MAS elements and techniques were:

- Performance evaluation and management (key resources, including employees);

Interviewee	Industry	Business valuesand strategy	Representative quote
01	Professional service	Quality of service	You are only as good as your last contract.
02 (non-family member)	Not-for-profit	Faith and ethics	[…] their faith is a significant value to them. I think 'integrity' is a big value. They like to be transparent as much as possible. And 'accountability' is a big value to them as well. So they like systems around them, which ensure accountability to their membership.
03	Professional service	Personal service and competence	A high level of personal service to our clients. Creating an employee-fulfilling environment. And opportunities for the owners to develop their strengths.
04	Manufacturing	Honesty and integrity	Honesty and integrity!
05	Retail	Quality	We have to rely on the best service and the best product.
06	Professional service	Quality of service	It is all about being able to deliver the work to the highest level and get the work out of the door for our clients who are on board[...] "Being well regarded" is what we are proud of as well. Our values are right at the heart of it.
07	Retail	Quality merchandise	It has been built on quality merchandise, supplying to the middle to upper market, mainly the middle. Our emphasis was very much the middle (market). But we are able to sell, because of our image and reputation, some very high end merchandise, too. Considered as 'expensive' in New Zealand but not on a world scale. That merchandise policy is backed up by our high level of staff knowledge, and customer service.
08	Hospitality	Personalised service and quality of service	We are very careful to make sure that people are looked after the right way. "Personalise" is the word! Satisfied customers and return costumers. The most valuable is return businesses.
09	Manufacturing	Honesty and excellence	Honesty and excellence
10	Hospitality	Community and family value	It is a community hub. I think customers like seeing us here, knowing it's us running it. We've been doing it for so long. People's children are coming back. Things change so much, but they really like coming back to the same thing, sons and grandchildren, an integral part.
11	Retail	Specialty	[…] our value is that we know what we are talking about. We are specialists. We only take on employees who know what they are talking about in **my** industry.
12	Manufacturing	Determination, innovation, and loyalty	"Determination, innovation, and loyalty"
13	Manufacturing	Honesty and Integrity	We are as straight as a die. I don't say that to just create "PR". And the golden rule is that we treat people how we want to be treated.

Table 2: Business values and strategy.

Interviewee	Short to midterm plan	Long term plan	How to achieve it
01	Selling out the current consulting business	Focusing on other businesses and initiatives	• Growing the current business by taking on a few more contracts
02	Accommodating the fast-growing membership	Transforming into a more comprehensive organisation	• Moving to new business premises; • Establishing a professional management team
03	Increasing and replacing revenue source	Being able to retire from business	• Purchasing fee-based business • Continuously training and developing skills
04	Expanding overseas	Selling out the business and working on other business initiatives	• Marketing and networking • Excellent product quality and design
05	Closing down the retailing business	Establishing and growing the new business	• Taking on more contracts
06	Doubling the turnover	Becoming "the best regarded" independent marketing agency	• Recruiting "like-minded" clients and employees • "Simplest structures and processes to get the job done to the highest level so we can strike" • "leading edge in terms of technology, processes, systems"
07	Rebuilding the business	Staying profitable and being privately owned by the family	• Incurring debts • Remaining profitable • Keeping up a good reputation
10	Handing over the business management and operations to the two sons	(not identified)	• Creating a succession plan
11	Selling out the business	Being able to retire from business	• Increasing profit
12	Expanding overseas	Creating a succession plan for existing family Directors to retire	• Growing the business overseas through influencing industrial and health and safety standards in the targeted overseas countries • Establishing a professional management mechanism
13	Doubling the turnover	Being able to retire from the business	• Purchasing and installing new production machinery • Establishing a performance-based remuneration system

Both interviewee 08 and interviewee 09 have retired from their operational positions. Interviewee 08 did not answer this question from a business operation perspective, but described some details of his will in leaving his wealth to the family. The interview of interviewee 09 was not recorded. Therefore we decided not to quote any text from the notes taken during the interview with interviewee 09.

Table 3: Business plans.

- Ongoing profitability analysis (customer level and job level) and pricing review;

- Customer relationship management;

- Competitor analysis;

- Quality management; and

- Capital investment planning

It is the underlying rationale of observing competitors, financing capital expenditure and remunerating on the desired behaviour that give rise to a seamless justification that these MAS have been utilised for their exact competitive strategies. The conventionally-emphasised planning and control driven by forecasting and budgeting techniques and cost management were not emphasised by interviewees. Instead, some interviewees explicitly precluded the idea of setting a budget, instead suggesting that cash flows were constantly monitored against spending. Interviewee 11 suggested:

We don't funnily enough have a budget. I have it set in my mind but no formal budget, except for cash flow. Cash flow, you cannot do without it. We are constantly watching cash flow.

[Interviewee 11]

The MAS identified by the interviewees as being utilised in their family business by no means represents the exemplars of 'state of the art' design and execution of MAS for strategic purposes, but instead, there was usage of some unsophisticated procedures and practices - for example, the accounts provided by interviewee 01 and interviewee 13 (Table 4). Yet, some of the MAS identified by interviewees are professional and sophisticated. For example, interviewee 12 described quite comprehensive analyses in the preparation for tendering. Interviewee 04 and interviewee 06 suggested that customised computer

systems had been acquired to provide information to assist their core operating activities. Not all interviewees provided descriptions whereby their intuitive utilisation of MAS could be identified, for instance interviewee 05 and interviewee 10 (Table 4). We acknowledge their management approach could be common among small businesses, but compared to the entirety of interview findings, we do not believe their approach has a pervasive influence on our overall conclusion.

In summary, motivated by the meaning of the family businesses, owners and managers want to see their businesses growing. The constitution of family business as an identity denotes the strategic choices. The organisational identity *per se* also gives rise to a competitive advantage. Family businesses have utilised many elements and techniques of MAS and SMA to discharge their competitive advantage and to sustain their competitive strategies. It was particularly intriguing that many of the MAS were well aligned with the family businesses' competitive strategies and advantages. The MAS identified by interviewees (although many are unsophisticated procedures and practices) are purposeful and suitable for their strategies.

Concluding Remarks

This study attempts to explore the dynamics of family business based on an alternative framework – the organisation identity. We plotted our qualitative data along the theoretical construct of organisational identity and contend that the meanings perceived by family business owners, founders and managers constitute the identity of these organisations. The shared meanings of the family business as an organisational identity is central, enduring and distinctive [1]. It captures both family-oriented and business-oriented goals and blends with the founders/owners' entrepreneurial and leadership characteristics. The stable constructs of the organisational identity gives rise to the idiosyncratic competitive advantage of family businesses so that these firms are flexible and resilient.

Interviewee	Industry	Competitive advantages (Table 2)	How to achieve growth (Table 3)	MAS utilised	Representative quote
01	Professional service	Quality of service	Growing the current business by taking on a few more contracts	• Monitoring competitors • Strategic pricing	So we do look at the market. We look at what other consultancy companies are charging and we match that. There is a mechanism where the pricing of the job is variable.
02	Not-for-profit	Faith and ethics	• Moving to a new business premises; • Establishing a professional management team	• Key internal control • Customer management	Within their members in terms of giving as well. So they don't know who gives what. They don't treat people differently based on financial giving. Only the bookkeeper and I know who gives what. The Trust Board doesn't know either.
03	Professional	Personal service and competence	• Purchasing fees • Continuously training and developing skills	Customer profitability analysis	We are charging fees on a weekly basis. […] recoveries are probably our principal financial concern. When we charge the clients, we look at the efficiency of that particular work. We take steps if we feel that we are not efficient by ways of communicating with our clients, and ways that we can improve that.
				Employee performance evaluation	Q: And… how often do you review the pricing? A: Six-monthly. They are reviewed with our reviews with employees Q: So you have six-month employee reviews. What do you discuss in those reviews? A: We discuss their remuneration. We discuss their recoveries of costs on jobs. We discuss the professional standard of their work. We discuss their career development.
04	Manufacturing	Honesty and integrity	• Marketing and networking • Excellent product quality and design	Customised job-based system with comprehensive accounting functions	[…]it is very good at tracking jobs, tracking the raw materials…It is a great system that allows you recording all the samples' information. Because for us, samples are everything. They are all over the world. (laugh) So no matter who rings us or emails us asking about the samples, we know exactly what it is. It is customised to our particular business. It has the ability to record the job in progress. And also the financial aspects, of course, taking deposits and following that right through.
05	Retail	Quality	• Hiring staff	Not identifiable	[…] it's in my head, if he says "do you have this?" I know I have this or that. It's probably a terrible way to do it.
06	Professional service	Quality of service	• Recruiting "like-minded" clients and employees	Employee performance evaluation	We are both involved in recruitment and performance reviews, which we do at least once a year, in terms of salary review and performance review, including setting goals for the next twelve months to achieve the next level of financial rewards. This is to make sure that we are getting the best out of our team.
			• "Simplest structures and processes to get the job done to the highest level so we can strike" • "Leading edge in terms of technology, processes, systems"	• Job-based system • Customer relationship management	[…]We log it with an individual job number. Whether they are for a potential new client or an existing client. They are all logged in our system. And in each job, we take timesheets against the actual hours spent, so we have a good ability to look at our real time costs, the hours spent against the actual types of work. […]usually flag what stage our projects are at in terms of quoting. […]Being able to look at the real time spent on jobs is vital for future quoting, and to be able to substantiate prices when being challenged in dealing bigger organisations, you know, being accountable for things.
08	Hospitality	Personalised service and quality of service	(did not identify)	• External hotel starring and rating programme • Employee performance evaluation • Reservation system • Restaurant costing system	Our other most important people are our reservationists. We have full control of it (the reservations). Those girls get paid on a percentage of how much we get each month. Behind the screen, that is all going on. We are working flat out and slot people around because we have approximately fifteen room types. That's where the money comes from.

Interviewee	Industry	Competitive advantages (Table 2)	How to achieve growth (Table 3)	MAS utilised	Representative quote
10	Hospitality	Community and family value	(Handing the business to two sons. not operation related)	• Quality management	Quality is most essential.[…]Suppliers often offer us cheaper products, not necessarily good, not our priority. We have had the same menu for many years and know the ingredients. Sometimes they stop stocking and have to look for another supplier. We do staff training - choosing good ingredients for a start. Stock is dated and rotated[…]as part of the brewery food safety plan. We fill out the temperature required every day in a little book.
11	Retail	Specialty	Increasing profit	(Some general internal control principles are identified, but no systematic approach)	Can I use the word 'haphazard'? It's when I remember to do it. There is no sort of[…] huh[…]calendar day in which I say to myself, "this is what you should do."
12	Manufacturing	Determination, innovation, and loyalty	• Growing the business overseas through influencing industrial and health and safety standards in the targeted overseas countries • Establishing a professional management mechanism	• Competitor analyses (substitute products life-cycle) • Pricing review	The product does have a long (lifespan) […] Electrical signs do need replacing every 5 years. We've just done the costing, (our product will last) over 30 years. We've just worked out how to save the country 50 million dollars by every single school in New Zealand getting rid of electrical 'exit' signs and putting our products in. So we know exactly what that saves. (We are) reviewing our pricing all the time, I'm trying to think about the latest change we have just made. […]Yes, with the latest exchange rates changes in America we could keep, we could just be earning more now, but instead of the fact that we are earning more we are giving them a reduction in price just so that we can be competitive, so we are constantly (doing this).
13	Manufacturing	Honesty and Integrity	• Purchasing and installing new production machinery	Monitoring cash flows and capital investment planning	I look at Xero (an accounting software) every month, and you can see the cash flow. Our stock doesn't vary. It varies from top to bottom by twenty grand in year. So I can see the cash surplus down the bottom. I will tell you how I do it. Our depreciation is about five or six thousand dollars a month. So I think I would spend five or six thousand dollars (a month) on new equipment (laugh)!
			• Establishing a performance based remuneration system	Profit-sharing (to be implemented)	Well, I am putting that in. Yeah. I am not sure how am I going to structure it, because I want also to have an incentive for volume as well as gross profit. I don't want them to say 'look we did fifty grand last week. And we made sixteen percent gross profit.' I would rather they say that 'we did two-hundred grand last week, and made forty percent gross profit (the targeted gross profit).'

Table 4: MAS utilised by family businesses.

Our paper also relates theory to practice. We posit that the organisational identity of family businesses also motivates and symbolises the strategic choices of these firms in distinguishing themselves through superior quality and reputation. To achieve such strategies, family businesses focus on building the relationships internally and externally with their stakeholders through the deliberate and meaningful communication of the meaning of their organisational identity. The utilisation of MAS and SMA techniques has contributed to their survival, revival and success. We believe the practical implications of this are of interest to current and future family business owners and managers, as well as business advisors who directly benefit from the wellbeing of these organisations. We also hope to contribute to the understanding of the family business by broad communities in appreciating the importance of these organisations.

We encourage researchers to continue building and testing the model of the organisational identity of family business. Future testing of this model will allow researchers to determine whether this model indeed provides a valid avenue of building knowledge of family businesses. The construct of the family business as a cohesive and stable organisational identity can be of benefit for several areas of business research in addition to strategic management and management accounting. Marketing, human resources, entrepreneurship and leadership research may also draw on the constructs of organisational identity of family businesses.

This paper suffers from the limitations commonly shared by much qualitative research, in that it is based on face-to-face interviews. As the interview data was collected from regions in New Zealand, the findings may suffer from a lacking of generalisability. The convenience

and snowball sampling methods may have only recruited interviewees who are familiar with the subject matter, thus are more comfortable in reflecting on their experience. The interview responses are what are believed to be true and important from the interviewee's perspective, rather than being verifiable facts. The current research design does not include family business stakeholders other than the owners and managers. The perceptions and behavioural choices of these stakeholders, for instance employees, are of great importance to the understanding of family business identity.

Acknowledgements

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