Spotlight
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How do everyday interactions shape power and identity in family firms?

Socio-symbolic ownership reveals how influence flows through vision, presence, and informal exchange

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The socioemotional wealth (SEW) perspective has become one of the most influential frameworks in family business research. It explains why family firms behave differently from non-family firms by pointing to the non-financial value families derive from ownership: control, identity, social ties, emotional attachment, and the desire for generational continuity. But SEW, as typically applied, operates at a high level of abstraction. It tells us what families value. It says less about how those values are enacted in the daily life of the firm.

This conceptual paper by Nordqvist addresses that gap by introducing the concept of **socio-symbolic ownership**. Drawing on symbolic interactionism—a tradition in micro-sociology that examines how people create meaning through interaction—the paper argues that ownership in family firms is not just held. It is performed, interpreted, and embodied through the ordinary social exchanges that make up organizational life.

WHAT WE STUDIED

This is not an empirical study in the traditional sense. It is a theoretical contribution that builds on the author's earlier qualitative research, including in-depth case studies of three family firms. Those cases examined how family and non-family members make sense of ownership and influence through their conversations, decisions, and daily behavior. The paper uses these observations to develop the socio-symbolic ownership concept and show how it extends the SEW framework's capacity to explain the micro-level dynamics of family firm governance.

KEY INSIGHTS

Ownership is social and symbolic, not just legal

Traditional perspectives treat ownership as a legal or financial concept—who holds shares and voting rights. Psychological ownership theory adds a cognitive layer—who feels they own the firm. Socio-symbolic ownership goes further: it captures how ownership is expressed and reinforced through social interactions and symbolic acts. A family member who regularly visits the factory floor, shares stories about the founder's principles, or offers informal guidance to managers is enacting ownership in ways that shape the organization's culture and decision-making, regardless of their formal governance role.

Ownership is enacted through three processes

The paper identifies three mechanisms through which socio-symbolic ownership operates. **Through vision**: a clearly articulated family vision communicates the owners' values and strategic direction, allowing others to align their actions even without legal ownership. **Through informal interaction**: hallway conversations, spontaneous advice, casual check-ins—these carry the emotional and symbolic weight of ownership and create the relational glue that keeps the firm culturally coherent. **Through symbolic embodiment**: prominent family members, especially founders, become living symbols of the firm's identity. Their habits, stories, and even physical presence (or absence) signal what the business stands for. These three processes together explain how ownership values permeate organizational life beyond what formal governance structures alone can achieve.

Influence is shared, negotiated, and sometimes contested

Socio-symbolic ownership is not monolithic. Different actors—family members across generations, non-family managers, board members—may hold slightly different interpretations of what the ownership values mean and how they should guide action. The paper acknowledges this variation as a source of both resilience and tension. In well-functioning family firms, ongoing interaction creates enough convergence to sustain coherence. In firms where interpretations diverge significantly—particularly during generational transitions—the result can be confusion, conflict, and loss of strategic direction.

TAKEAWAYS

Manage the informal dimensions of power

Legal governance structures matter, but in family firms, symbolic actions—attending key meetings, mentoring successors, being visible in daily operations—carry real weight. Leaders should be deliberate about how they enact ownership, because these signals shape organizational behavior whether or not they are intended to.

Use vision as a governance tool

A well-articulated family vision does more than inspire. It provides a decision-making framework that guides behavior across the organization. Involving both family and non-family members in developing and communicating the vision ensures it resonates beyond the ownership circle.

Be deliberate about symbolic presence

How family members show up in the organization—or fail to—sends powerful signals. During transitions, when old symbols are fading and new ones have not yet formed, deliberate attention to presence, language, and behavior helps maintain continuity.

IMPACT

This paper enriches the SEW framework by shifting the analytical focus from what families value to how those values are enacted in practice. The socio-symbolic ownership concept provides a process-oriented, micro-level lens that complements SEW's macro-level explanations. For scholars, it opens a productive research agenda at the intersection of family business studies and interactionist sociology. For practitioners, it offers a language for discussing the invisible dynamics of power and influence that shape family firms from the inside—dynamics that formal governance alone cannot capture or control.

RECOMMENDATIONS

1. **Make ownership values explicit.** Initiate family conversations about what being a "family business" means in practice, not just in principle. Different members may carry different assumptions.
2. **Encourage storytelling.** Narratives about the firm's history and the family's values reinforce shared meaning. Institutionalize these through meetings, retreats, or onboarding for non-family managers.
3. **Audit symbolic signals.** Review what the physical environment, rituals, and communication patterns are signaling about ownership values. Ensure these are aligned with the firm's current strategic direction.
4. **Orient non-family managers to the ownership culture.** New external hires need more than a strategy briefing. They need an understanding of the family's ownership ethos—the unwritten rules that govern behavior.

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