

Internal Communication and Family Business: A perspective article

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Abstract

Purpose

Family businesses require internal communication to guide and provide direction, and the unique nature of involving both family and non-family employees add complexity. Navigating this complexity helps to ensure effective direction and management of family businesses. This paper explores the existing research concerning internal communication within family businesses and discusses the lenses and contexts through which it is commonly studied.

Design/methodology/approach

This paper provides a concise literature review to identify the most common lenses through which internal communication in family business has been researched.

Findings

Internal communication in family enterprises is mostly studied through the lenses of internal communication between family generations, internal communication and the influence on family identity, and internal communication in times of crises. Existing research is largely focused on the role of family in internal communication, and limited consideration is given to the role of non-family members and family members outside of the business.

Originality/value

The paper synthesises the direction and findings of existing research into internal communication within family business and provides avenues for future research. Managerial implications are also presented based on the synthesis of existing literature.

Keywords

Family business, Internal communication, Family communication, Employee communication, Intergenerational communication, Family identity, Crises

Introduction

Frank et al. (2017) considers family business as social systems that amalgamate familial and business aspects. This makes family business distinctive from other types of business (Areiza-Padilla et al., 2023; Randerson, 2023), and the intricately woven connections within family business, influence and can add an additional layer of complexity to communication (Von Schippe and Frank, 2013). Internal communication (IC) has been defined as a management function in charge of communication within an organisation, which is commonly led by family members within family business (Frances Carmon and Pearson, 2013; Tkalac Verčič et al., 2012). Challenges may arise due to family authority and power, dynamics, and lack of communication instruction (Kuruppe and Gregar, 2020; Magrelli et al., 2022). Effective IC is pivotal in shaping organizational outcomes (Ruck and Men, 2021). IC serves a broader purpose than merely transmitting information necessary for employees to perform their tasks. It also attends to employees' social needs and can impact their job satisfaction, motivation, commitment, and productivity (Wuersch et al., 2023). Moreover, IC offers a platform for employees to express their opinion and can shape employees' sense of belonging while nurturing their professional development (Welch and Jackson, 2007).

Despite its complexity and importance for the effective operation of family business, IC remains an underexplored research domain (Wuersch et al., 2023). This paper explores the direction and findings of existing IC research within family business to highlight existing research lenses, provide avenues for future research, and set out managerial implications.

Past Research: Internal Communication in Family Business

IC within family business has largely been researched using one of the following three lenses: internal communication between family generations, internal communication and the influence on family identity, and internal communication in times of crises. Previous studies conducted through each of these lenses are examined, and subsequently, potential areas for future research are outlined.

Internal Communication between Family Generations

IC can be challenging between family generations (Zehrer and Leiß, 2020), which can have a negative impact on the succession process (Bell and Pham, 2021). This can stem from a lack of trust between the predecessor and successor (Bell and Pham, 2021; Zehrer and Leiß, 2019).

Zehrer and Leiß (2020) suggest that many family businesses would benefit from more professional communication between family members, to smooth communication between generations. The convergence of management and ownership roles can hinder decision implementation, primarily due to IC challenges. This stems from the current owner's ability to exercise autocratic authority, overriding the input of other family members (Kuruppe and Gregar, 2020).

Internal Communication and the Influence on Family Identity

Previous research has outlined how IC can be the starting point for developing and communicating the familiness of a family business (Zellweger et al., 2010). Familiness is achieved by communicating the firm's identity and family members' involvement in the business and has been found to strengthen the competitiveness of family firms (Zellweger et al., 2010). Family firms' identities frequently reflect family members' values and views, and IC can influence their identity (Boers et al., 2023). Developing and fostering open IC can support the development of a family identity within a family business (Bettinelli et al., 2022). Sharing a family identity through IC can help employees feel more connected to the company and identify with the family business (Boers et al., 2023).

Internal Communication in Times of Crises

Finally, research through the lens of crisis posit that IC is especially important within times of crisis (Marett et al., 2018; Zellweger et al., 2010). Boz Semerci (2023) highlighted the importance of ensuring IC for staying connected within family businesses in times of crisis. Flexibility of IC has been identified as important in such times, as it can transform organizational capability (Mihotic et al., 2022). Kraus et al. (2020) argued that family firms should proactively communicate with employees during crises since employees want to know what's going on. IC should be shorter, more often, and focused on communicating the current business condition and situation to employees, as this can establish trust, and enrich relationships (Mihotic et al., 2022). Table one, provides a summary of some of the key findings in relation to the three lenses discussed.

Table 1: Summary of Extant Family Business Internal Communication Literature

Internal Communication Lens	Source	Key Findings
Internal Communication between Family Generations	Zehrer and Leiß (2020)	Communication between family generations can be challenging.
	Bell and Pham (2021);	A lack of trust can hamper communication between family generations.
	Zehrer and Leiß (2019)	
	Bell and Pham (2021)	Poor communication between family generations can negatively influence the succession process.
	Zehrer and Leiß (2020)	Family businesses would benefit from more professional communication between family members.
Kuruppe and Gregar (2020)	Convergence of management and ownership roles can lead to autocratic communication between family members.	
Internal Communication and the Influence on Family Identity	Zellweger et al. (2010)	Internal communication can be used to develop and communicate the familiness of a family business.
	Bettinelli et al. (2022)	Developing and fostering open internal communication can support the development of familiness and a family identity.

Zellweger et al. (2010) Familiness and a family identity can strengthen the competitiveness of family firms.

Boers et al. (2023) Demonstrating a family identity through internal communication can help employees feel engaged with a family business.

Internal Communication in Times of Crises

Marett et al. (2018); Internal communication is especially important within times of crisis.

Zellweger et al. (2010)

Boz Semerci (2023) Internal communication allows family members and employees to stay connected in times of crisis.

Mihotic et al. (2022) Flexible communication in times of crisis can help to transform organizational capability.

Kraus et al. (2020) IC should be proactive in crises to keep employees informed and up to date with the situation.

Mihotic et al. (2022) In a crisis internal communication should be shorter, more often, and focused on communicating the current business situation.

Future Research Directions

Based on reviewing the existing literature which explores IC within family businesses, suggested avenues for future research include:

1. Adding additional perspectives from employees and other family members as to what constitutes effective IC, as recent studies exploring IC have largely considered only one perspective or angle (Zehrer and Leiß, 2020). This will help to provide a more holistic view and path forward as to how effective IC can be developed.
2. The value and effectiveness of training and interventions to improve IC could be investigated, as limited research has focused on practical evaluation and development of IC within family business. Effective training and interventions can develop processes to retain and transfer essential knowledge between employees (Schmidt et al., 2021).
3. Examining how non-family members react to family members and non-family managers communication, and what elements give IC power and credibility from different stakeholders within a family business. There is currently only limited literature which explores the role of non-family employees in IC, which is significant given the large part non-family members play in family businesses (Marett et al., 2018). This could offer insight into how communication issues between different parties could potentially be solved, which has been highlighted as important for family businesses (Magrelli et al., 2022).
4. Formality and its effects on IC could be studied in the future. IC and human resource operations in family firms are rarely linked in the literature. Understanding this link could increase employee effectiveness, performance, and motivation.
5. Exploring how IC relates to, and influences, belongingness, trust, and other emotional outcomes within a family firm would extend understanding of the role of IC in developing social relationships within family business, which is valuable for developing commitment within a family business (Pham et al., 2019).
6. Finally, future research could explore which family members and in what contexts help, hinder, or enable IC. Consideration could be given to the roles of partners, children, and in-laws. This would help extend understanding of the different roles which wider family members play in IC, as often only active senior family members are considered (Pham et al., 2019).

Conclusion and Managerial Implications

IC in family enterprises is understudied when compared to external communication. IC supports business success by linking staff development and performance to business goals. Company branding and family identity are built on IC. Internal communication between family generations, internal communication and the influence on family identity, and internal communication in times of crises are the most prevalent lenses for family business IC research. Further research on stakeholders, including non-family members and family members not directly involved in the business, would enhance our understanding of IC in family businesses.

Managerial Implications

Whilst IC between family generations has been identified as a common challenge, it has been noted that trust is important in facilitating communication between family members (Bell and Pham, 2021; Zehrer and Leiß, 2020). Therefore, it is important to ensure that trusting relationships are built between founders and successors and other family members. It is important for family members to understand that IC has wider implications than only communicating messages to employees, as IC sets the foundation for the familiness and identity of the business. The concepts of familiness and identity start within the business and have been found to influence employee engagement and competitive performance (Boers et al., 2023; Zellweger et al., 2010). Finally, in times of crises IC should be proactive and flexible to ensure effective steering of the business (Kraus et al., 2020; Mihotic et al., 2022).

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