Abstract

Although family business groups are widely connected to each other through interorganizational networks, less attention has been paid to the formation of marriage ties, especially when such ties involve complex concerns on resource and status. We develop a framework that specifies how resource considerations of business group families promote marriage ties and how such strategic effects vary among families with distinct social status standing during market transition. Using data of dyadic marriage ties among large family business groups in Taiwan over 1973 and 2006, we demonstrate that the formation of marriage ties is a joint process of strategic concerns of resources as well as their social status dynamics. Our analysis shows that two business groups are more likely to marry each other when the marriage provides complementary resources and when the controlling families enjoy elite social status. However, the role of complementary resources is less pronounced for elite families. Moreover, when external market institutions develop, the positive effect of complementary resources on intergroup marriage ties decays whereas that of elite social status remains. Overall, our study highlights the tradeoffs between resources access and status maintenance that family firms confront in emerging economies where traditional social structures and market-oriented transitions coexist.

Prof. Chi-Nien Chung is Professor in the Department of Strategy & Policy at National University of Singapore Business School. He received his Ph.D. in sociology from Stanford University. His research interests center around business groups, family firms, and political ties in emerging economies, with a focus on the interaction between institutional changes and organizational responses. In particular, how market-oriented transitions and democratization moderate the relationships between firm strategy, governance, and performance. His work appeared in Administrative Science Quarterly, Management Science, Organization Science, Strategic Management Journal and other referred journals. He serves on the boards of several journals.

All interested are welcome.