

Family Business Groups around the World: Financing Advantages, Control Motivations, and Organizational Choices

[Get access >](#)

Ronald W. Masulis, Peter Kien Pham, Jason Zein

The Review of Financial Studies, Volume 24, Issue 11, November 2011, Pages 3556–3600, <https://doi.org/10.1093/rfs/hhr052>

Published: 27 July 2011

Abstract

Using a dataset of 28,635 firms in 45 countries, this study investigates the motivations for family-controlled business groups. We provide new evidence consistent with the argument that particular group structures emerge not only to perpetuate control, but also to alleviate financing constraints at the country and firm levels. At the country level, family groups, especially those structured as pyramids, are more prevalent in markets with limited availability of capital. At the firm level, investment intensity is greater for firms held in pyramidal rather than in horizontal structures, reflecting the financing advantages of the former. Within a pyramid, internal equity funding, investment intensity, and firm value all increase down the ownership chain. However, group firm performance declines when dual-class shares and cross shareholdings are employed as additional control-enhancing mechanisms.

© The Author 2011. Published by Oxford University Press on behalf of The Society for Financial Studies. All rights reserved. For Permissions, please e-mail: journals.permissions@oup.com.

Collection: [SFS Journals](#)

You do not currently have access to this article.

Sign in

 [Get help with access](#)

Personal account

- Sign in with email/username & password
- Get email alerts
- Save searches
- Purchase content
- Activate your purchase/trial code
- Add your ORCID iD

Sign in >

[Register](#)

Institutional access



Sign in through your institution

[Sign in through your institution](#)

[Sign in with a library card](#)

[Sign in with username/password](#)

[Recommend to your librarian](#)

Institutional account management

[Sign in as administrator](#)

Purchase

[Subscription prices and ordering for this journal](#)

[Purchasing options for books and journals across Oxford Academic](#)

Short-term Access

To purchase short-term access, please sign in to your personal account above.

Don't already have a personal account? [Register](#)

Family Business Groups around the World: Financing Advantages, Control Motivations, and Organizational Choices - 24 Hours access

EUR €53.00

GBP £44.00

USD \$58.00

Rental



This article is also available for rental through DeepDyve.