



All About Profit? How Economics and Finance Experts Disseminate the Instrumental Market Logic to Family Businesses ☆

Nina Bandelj^a  , Elizabeth Sowers^b , Paul James Morgan^c 

Show more 

 Share  Cite

<https://doi.org/10.1016/j.poetic.2019.04.003> ↗

[Get rights and content](#) ↗

Abstract

Scholars have argued that a focus on markets, profits, and finance has increasingly taken center stage in our economic and social lives. We examine this claim for the case of family business, where social relationships intertwine strongly with economic pursuits. We analyze the content of business advice articles provided in *Family Business Magazine* from 1989 to 2012, and check for the prevalence of advice that emphasizes instrumental profit considerations compared to the embedded, connected-spheres of family and economy. We examine how advisors' gender and professional affiliation shape the frames used, and trends over two decades. Contrary to expectations, the prevalence of the “profit” frame in advice to family businesses has not generally increased over time with the rise of neoliberalism. Instead, we find that advisors' professional affiliation is key: economics/finance professionals frame issues significantly less with a connected-spheres view. These experts tend to be male and, over time, their advice is featured more frequently. On the whole, our findings suggest that economics/finance experts act as institutional change agents to disseminate instrumental market logic to family business practitioners.

Introduction

Scholars have observed the increasing dominance of markets, preoccupations with self-interest and profit, and the rise of financialization, not only in businesses and corporations but also in domains such as education, health care, and the provision of social value (e.g. Aitken, 2007, Berman, 2012, Block and Somers, 2014, Boltanski and Chiapello, 2007, Davis, 2009, Eaton et al., 2016, Martin, 2002, Ritzer, 2004, Van der Zwan, 2014). “Money is insidious, and market relations transform every social good into a commodity,” wrote philosopher Michael Walzer (1983: 119–120).

We approach this debate about increasing marketization and financialization by focusing on how people make sense of economy, in particular how business leaders are encouraged to think about the relationship

between social considerations and economic interests. Specifically, we examine what kind of business advice experts offer to decision-makers in large family businesses. We use family business as a strategic research site as this is, in fact, a sphere where pure market and profit logic may be strongly resisted, given that family businesses, by definition, are commercial organizations in which decision-making is influenced by multiple generations of a family, related by blood, adoption, or marriage, and therefore represent a site of comingling intimate relations and business objectives. Moreover, family businesses are of substantive interest given their prevalence in the contemporary world economy, with some estimating that they account for approximately 90% of all firms worldwide (Aldrich and Cliff, 2003).

Conceptually, we are guided by several theoretical perspectives that ask, albeit from different vantage points, how should we think of the domain of economy? Is economy incompatible with social considerations? Or perhaps, is it really just all a matter of cost-benefit analysis and utility maximization? Alternatively, is economy always embedded in social relations and “enmeshed in institutions, economic and noneconomic” (Polanyi, 1957: 250)? Some of the theoretical perspectives that deal with these issues include Luhmann's (1982, 1995) systems and differentiation theory, the logics of action perspective (Thornton et al., 2012), the focus on embeddedness in economic sociology (Granovetter, 1985, Uzzi, 1997, Krippner and Alvarez, 2007) and Zelizer's (2000, 2005) differentiation between the “hostile worlds”, “nothing but,” and “connected lives” perspectives, as she formulated them in her inquiry on the relationship between intimacy and economy. Given the increasing amount of attention paid to the idea of economy and how to think of it – as well as how it might have changed over time with the rise of neoliberalism – our goal is to look for empirical evidence on the topic. Therefore, we examine what kinds of understandings of economy and the economy/intimacy interplay are provided in the advice articles published in the main U.S. professional magazine for family businesses, *Family Business Magazine*, which is targeted to family company owners, leaders, and shareholders – that is, business actors who make important decisions about relatively large family business enterprises (Family Business, 2017).

Specifically, our goal is to first investigate what kind of understandings of economy, and frames about the family/economy relationship, are present in expert advice given to large family businesses. Second, we scrutinize what predicts the content of frames by checking for the influence of gender and professional identity of advice providers. Third, given that research points to increasing marketization and financialization of firms as well as everyday life (e.g. Aitken, 2007, Martin, 2002, Styhre, 2015, Van der Zwan, 2014, Fridman, 2016), we examine to what extent the emphasis on the profit frame, which aligns with a general economic self-interest seeking efficiency-oriented market logic, may have increased over time, in the 1989 to 2012 period for which we have available data.

Our content analysis of *Family Business Magazine* advice articles does reveal a significant presence of the “profit” frame compared to the “connected-spheres-of-family-and-economy” frame; they are represented in about equal proportions. Further, descriptive trends suggest that female authors of advice articles use the connected-spheres frame more frequently, as the gendered socialization and relational practice in organizations perspectives would suggest. However, this gender difference is explained away in multivariate regression models where we take into account professional identity of advice providers and changes over time. Advice authors writing for *Family Business Magazine* who are economic/financial advisors or business executives tend to frame issues significantly less with a connected-spheres perspective, which is our key finding from the quantitative analyses. Moreover, we don't find evidence that the use of profit frames in advice provided in *Family Business Magazine* has generally increased over time, which we might have expected given the emphasis on intensified marketization and financialization of society and everyday lives. However, we do find that the advice of economic/financial experts -- who tend to be men rather than

women -- features somewhat more frequently with time. While we certainly have to be cautious in generalizing from our analyses, which are based on only one media source (albeit the most prominent U.S. large family business magazine), our results provide some evidence that diffusion of the for-profit-market orientation to business practitioners is likely carried by economics and finance experts who tend to espouse the profit model of the economy more than their peers with other professional affiliations, and that, likely, these finance/economics experts have gained increasing presence in media as advisors to decision-makers in (family) businesses, acting as institutional change agents.

Section snippets

Theorizing the Economy and the Family/Economy Link

Economic sociologists have largely shied from discussing the intersection of intimacy and economy and have paid more attention to the embeddedness of markets and firms (for a review of the field of economic sociology see Smelser and Swedberg, 2005). A prominent exception is Viviana Zelizer, who provided a seminal conceptualization of the intimacy/economy link in her book *The Purchase of Intimacy* (2005). Zelizer surveyed the broader social scientific and legal scholarship to identify three...

What Shapes Interpretive Frames in Business Advice

Studying how people understand the economy and the relationship between economy and intimacy, as well as how these understandings potentially change over time, is difficult with survey or interview data. Respondents have a hard time answering abstract questions about their underlying cognitive frames, and they often provide socially desirable answers. Moreover, it is challenging to get large samples and longitudinal perspectives. Therefore, to get at our research question about what kind of...

Empirical Analysis

Our empirical analysis consists of two parts: qualitative content analysis of advice articles to search for how advisors frame the relationship between economy and family, and a quantitative analysis of how gender, professional affiliation, and time affect content of frames. First, we conducted content analysis of articles in *Family Business*, the premier professional magazine targeted to large family businesses in the U.S., established in 1989 and now published bimonthly.

Family Business is the...

...

Discussion and Conclusion

Interested in how business actors understand the functioning of economy and how they envision the relationship between family and economy, we applied a differentiation between an instrumental market profit orientation compared to connected-spheres of family and economy frames to advice articles in the *Family Business Magazine* from 1989 to 2012. These two frames strongly align with Zelizer's (2005) perspectives on the interplay between intimacy and economy (i.e. hostile worlds, nothing-but, and...

Nina Bandelj is Professor of Sociology, Associate Vice Provost for Faculty Development, and Co-Director of Center for Organizational Research at the University of California, Irvine. Her research examines the social, cultural and emotional influences on economic phenomena, globalization, and postsocialism. She is the (co)author or (co)editor of six books, most recently of *Money Talks: Explaining How Money Really Works* (with F. Wherry and V. Zelizer). Bandelj serves as one of the editors of ...

References (116)

Howard E. Aldrich *et al.*

[The Pervasive Effects of Family on Entrepreneurship: Toward a Family Embeddedness Perspective](#)

Journal of Business Venturing (2003)

Gabriel Abend

[The Moral Background: An Inquiry into the History of Business Ethics](#)

(2014)

Mitchel Y. Abolafia

[Making Markets: Opportunism and Restraint on Wall Street](#)

(1996)

Rob Aitken

[Performing Capital: Toward a Cultural Economy of Popular and Global Finance](#)

(2007)

Rene Almeling

[‘Selling Genes, Selling Gender: Egg Agencies, Sperm Banks, and the Medical Market in Genetic Material’](#)

American Sociological Review (2007)

Ronald C. Anderson *et al.*

[Board Composition: Balancing Family Influence in S&P 500 Firms](#)

Administrative Science Quarterly (2004)

Michel Anteby

[‘Markets, Morals, and Practices of Trade: Jurisdictional Disputes in the U.S. Commerce in Cadavers’](#)

Administrative Science Quarterly (2010)

Sarah Babb

[Managing Mexico: Economists from Nationalism to Neoliberalism](#)

(2004)

Nina Bandelj


[From Communists to Foreign Capitalists: Social Foundations of Foreign Direct Investment in Postsocialist Europe](#)

(2008)

Nina Bandelj

Relevance of Nationality in Cross-Border Economic Transactions

Nationalities Papers (2011)

 View more references

Cited by (2)

Cultural logics: Toward theory and measurement

2021, Poetics

Citation Excerpt :

...Wood, Stoltz, Ness & Taylor (2018) further refine this definition by conceptualizing frames as “situated assemblages of material objects (including bodies and settings) that evoke certain responses from individuals” (252), separating the externalized component of Benford and Snow’s understanding of frames from the internalized one (which Wood et al. denote as a “model of a frame”). Thus, the “instrumental market logic” uncovered in Bandelj, Sowers & Morgan (2019) study of business magazine advice columns is best understood as a frame rather than a logic. By contrast, the “argumentative logics” used by Perrin’s (2005) focus group participants are best understood as models of a frame, rather than logics....

Show abstract 

Smart Homes and Families to Enable Sustainable Societies: A Data-Driven Approach for Multi-Perspective Parameter Discovery Using BERT Modelling

2022, Sustainability (Switzerland)

Recommended articles (6)

Research article

Risk of shoulder dislocation in skydiving

Polish Annals of Medicine, Volume 21, Issue 2, 2014, pp. 162-163

Research article

Art-based initiatives and corporate governance of financial institutions: European evidence following the revised OECD corporate governance framework

Poetics, Volume 72, 2019, pp. 81-93

Show abstract 

Research article

Motives underlying the choice of business majors: A multi-country comparison

[Show abstract](#) 

Research article

[\(Dis\)Assembling global-justice identities](#)

Poetics, Volume 85, 2021, Article 101500

[Show abstract](#) 

Research article

[“From Angola to the world”, from the world to Lisbon and Paris: How structural inequalities shaped the global *kizomba* dance industry](#)

Poetics, Volume 75, 2019, Article 101360

[Show abstract](#) 

Research article

[One hundred years of solitude: Bestsellers in the United States, 1900–1999](#)

Poetics, Volume 79, 2020, Article 101422

[Show abstract](#) 

Nina Bandelj is Professor of Sociology, Associate Vice Provost for Faculty Development, and Co-Director of Center for Organizational Research at the University of California, Irvine. Her research examines the social, cultural and emotional influences on economic phenomena, globalization, and postsocialism. She is the (co)author or (co)editor of six books, most recently of *Money Talks: Explaining How Money Really Works* (with F. Wherry and V. Zelizer). Bandelj serves as one of the editors of *Socio-Economic Review*, is past Chair of Economic Sociology Section of the American Sociological Association (ASA), Treasurer of the Society for the Advancement of Socio-Economics, and on Council-at-large of the ASA.

Elizabeth Sowers is Associate Professor in the Sociology Program at California State University at Channel Islands. Her research interests are in the areas of work, globalization, and economic sociology, with a specific focus on investigating working conditions within the logistics, or goods movement, industry. Sowers has published articles and book chapters on critical nodes in capitalist commodity chains, intimacy and economy, globalization and development, global economic networks, and work and neoliberal globalization, as well as a book, *Economy and State: A Sociological Perspective* (with Nina Bandelj).

Paul James Morgan is a Lecturer at the California State University at Stanislaus. He received his Ph.D. in Sociology from the University of California, Irvine. His research focuses on the economy, cultural production, gender, and work/labor with a specific application to the realm of crafts.

- ★ We are grateful to Viviana Zelizer for the inspiration to study family business. We thank Marianne Cooper, Alison Pugh, Roi Livne, Leonard Seabrooke, Christof Brandtner, and participants at the 2017 Society for the Advancement of Socio-Economics meetings for valuable feedback on previous versions of the article.

[View full text](#)



Copyright © 2023 Elsevier B.V. or its licensors or contributors.
ScienceDirect® is a registered trademark of Elsevier B.V.

RELX™