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Justifiable Pride or Arrogance? It Matters for Family Businesses

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Bragging about your family connection is universally bad, but even pride in your accomplishments must be displayed carefully -- especially in eastern cultures.

In my experience working with next-generation family members, I have observed that they often take great pride in their family business - a sentiment their parents actively encourage. However, showing pride without having made any contributions to the business (yet), can unintentionally lead people outside of the family and the business to perceive that person as “arrogant” or “entitled.”

This raises an important question: Does expressing pride help or hurt next-generation family members’ image? It’s important to understand when and how to show pride in family businesses, as family members **represent the image (https://familybusiness.org/content/should-family-members-be-the-face-of-your-company)** for the entire family business and thus can influence the perceptions of external stakeholders such as customers, suppliers, investors, employees, and others.

In other words, my research explored how family members’ expressions of pride influence external perceptions. It examined whether showing pride enhances their image or undermines it in the eyes of others.

Pride vs. Arrogance

My hypotheses built on the differences between authentic and hubristic forms of pride, as they are described in the psychological literature on emotions.

Hubristic pride in family businesses refers to pride based solely on being part of a family business, without directly tying it to individual effort or accomplishments. This form of pride emphasizes status and identity but can come across as arrogance or entitlement due to its focus on "being" rather than "doing."

A family member exhibiting hubristic pride would emphasize their membership or lineage within the family business over actual contributions. They might frequently reference their family name, heritage, or status, often expecting deference or privileges based on their position in the family rather than their efforts.

Authentic pride, on the other hand, is rooted in tangible efforts and achievements within the family business. It reflects a sense of accomplishment, productivity, and genuine contribution, emphasizing personal or team efforts rather than inherited status .

A family member exhibiting authentic pride would highlight their specific achievements, such as successfully leading a project, improving operations, or growing a segment of the business. They are likely to take an active, hands-on role in the family business, showing dedication and initiative.

I suspected that hubristic pride (pride in being part of a family business) would lead to negative evaluations, including perceptions of arrogance and low achievement. I also thought that authentic pride (pride in efforts and achievements) would result in more positive evaluations, such as being perceived as innovative and successful.

Furthermore, given that the emotion of pride and its display is culturally influenced and might also differ among men and women, I also thought that cultural (Eastern vs. Western cultures) and gender (men vs. women displaying pride) differences would moderate the effects, with pride being perceived more negatively

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in collectivist cultures and hubristic pride judged more harshly in women.

The Study

I conducted two studies: one in Western Europe and one in Asia, totalling about 450 participants. The study used an experimental design where participants were presented next-gen family business members in one of the following four conditions: hubristic pride, authentic pride, general pride, and no emotional display.

Participants viewed the images of actors portraying pride and descriptions of the person and their pride and rated them on attributes like likability, achievement, and snobbery. This methodology is possible because previous research has demonstrated that humans form an impression or perception of someone they meet for the first time remarkably quickly, a phenomenon known as the "first impression effect."

Such first impressions tend to be long-lasting due to the cognitive mechanism of confirmation bias. Once an initial impression is formed, individuals unconsciously seek out information that aligns with their initial judgment and disregard or downplay evidence that contradicts it. This means that the first impression acts as a filter for interpreting subsequent behaviors or actions, reinforcing the initial perception.

For example, if someone perceives a family business member as arrogant (hubristic pride), they might interpret even neutral actions as further evidence of arrogance. Conversely, if the impression is of a hardworking and competent individual (authentic pride), their actions are more likely to be viewed in a positive light, even when mistakes are made.

The Findings

My study confirmed my hypotheses: that hubristic pride led to negative perceptions, including arrogance and lack of achievement; and that authentic pride yielded positive judgments, such as higher likability, innovativeness, and success. Cultural differences showed that Asian participants viewed all forms of pride more negatively than Western participants, likely due to collectivist values.

The study also revealed that participants who came from a family business themselves were more positive toward displayed pride. Gender also played a role: Women expressing hubristic pride were judged more harshly than men, and authentic pride had stronger positive effects for women. The worst ratings were from female participants judging female next-gens displaying pride. Overall, all effects were stronger for women who display pride than for men.

Takeaways

My research suggests that family business members who like to show their pride for their business should do so very carefully. Family businesses (and their advisors) should guide family members on appropriate emotional displays, emphasizing authentic pride and avoiding hubristic pride.

In general, everyone should avoid displaying hubristic pride when interacting with stakeholders outside the family, because these displays can make people perceive the family negatively and damage the business's reputation. Emphasizing lineage, like "I'm proud to be part of a successful family business," risks being viewed as arrogant for both genders, but especially for women, who may be judged more harshly for appearing dominant.

Family business members should strategically display authentic pride to build credibility and foster positive impressions (i.e. focus on their unique contributions). However, they must recognize that cultural and gender differences influence how pride is perceived. In collectivist cultural settings, even authentic pride might be perceived negatively.

For example, in Western countries, where individual achievements are highly valued, a next-generation family business member who highlights their specific contributions, such as "I led our expansion into sustainable products," is seen positively as competent and innovative, particularly for men. Women may face greater scrutiny if display authentic pride, but stand to benefit more because it challenges traditional gender stereotypes.

In collectivist Asian cultures, humility is crucial. Modestly framing contributions, like "I've worked with my team to improve operations," aligns with values of harmony and teamwork, fostering goodwill. For women in Asia, displaying pride—even authentic—may still face cultural resistance, as women are expected to show emotional restraint and modesty. In general, all family business members should adopt a modest and team-oriented tone.

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Authentic pride works well if framed within the context of benefiting the group or preserving harmony. Hubristic pride, like highlighting status or lineage ("I'm proud to be part of a prominent family business"), should be avoided universally, as it risks alienating stakeholders by appearing boastful or entitled.

Explore the Research

Pride in family businesses: Authenticity, hubris, and cultural insights. (https://www.sciencedirect.com/science/article/pii/S0148296324001012?via%3Dihub) *Journal of Business Research,* April 2024.

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