SOCIOEMOTIONAL WEALTH, FAMILY COMMITMENT AND FIRM PERFORMANCE IN PRIVATE FAMILY OWNED BUSINESSES IN BANGLADESH

MOHAMMAD REZAUR RAZZAK

**FACULTY OF BUSINESS AND ACCOUNTANCY
UNIVERSITY OF MALAYA
KUALA LUMPUR**

2019

SOCIOEMOTIONAL WEALTH, FAMILY COMMITMENT AND FIRM PERFORMANCE IN PRIVATE FAMILY OWNED BUSINESSES IN BANGLADESH

by

Mohammad Rezaur Razzak

Thesis submitted in Partial Fulfillment of the Requirements for the Degree of Doctor of Philosophy

Department of Business Strategy & Policy
Faculty of Business and Accountancy
University of Malaya
Kuala Lumpur, Malaysia

December 2019

DECLARATION OF ORIGINAL LITERARY WORK

Name of Candidate: **Mohammad Rezaur Razzak**

Matric No.: CHA160010 Name of Degree: Doctor of Philosophy

Title of Thesis: *Socioemotional Wealth, Family Commitment and Firm Performance in Private Family Owned Businesses in Bangladesh*

Field of Study: Management and Entrepreneurship (Family Business Studies)

I do hereby solemnly and sincerely declare that:

(1) I am the sole author/writer of this work;
(2) This work is original;
(3) Any use of this work in which copyright exists was done by way of fair dealing and for permitted purposes and any excerptor extract from or reference to or reproduction of any copyright work has been disclosed expressly and sufficiently and the title of the work and its authorship have been acknowledged in this study;
(4) I do not have any actual knowledge nor do I ought reasonably to know that the making of this work constitutes an infringement of any copyright work;
(5) I hereby assign all and every rights in the copyright to this work to University of Malaya who henceforth shall be owner of the copyright in this work and any reproduction or use in any form or by any means whatsoever is prohibited without written consent of University of Malaya having first been had and obtained;
(6) I am fully aware that if in the course of making this work I have infringed any copyright whether intentionally or otherwise, I may be subject to legal action or any other action as determined by University of Malaya.

Candidate's Signature

(*Subscribed and solemnly declared above*)

Date:

Witnesses Signature

Name:

Designation:

Date:

ACKNOWLEDGEMENTS

Firstly, I would like to express my sincere gratitude to my supervisors; Dr. Norizah Mohd. Mustamil and Dr. Raida Abu Bakar, for their continuous support during the entire duration of my PhD work and related activities that have lead to publication of high quality articles related to my doctoral research work in several eminent peer reviewed journals. Their inspiring words, guidance and exemplary demeanor was instrumental in ensuring that I was on the proper track during the research process as well as during writing of this thesis. Additionally, I would like to thank Distinguished Professor T. Ramayah for his insightful suggestions and valuable comments during the doctoral colloquium sessions at University of Malaya.

Secondly, I would like to express gratitude to Prof. James J. Chrisman, Prof. Alfredo De Massis, Prof. Pramodita Sharma and Prof. John. K. Ring for their valuable feedback at pertinent stages of development of this research.

Special gratitude is due to my wife; Khadija Nazmin, for having the patience and for her mental and financial support through the long time it took to pursue and complete this research study. The two beacons of light in my life; my daughter Dr. Humaira Reza and my son Omair Reza Laskar, both deserve special mention for their encouragement and inspiration.

Furthermore, I would like to thank my only sister (Fatema) and my three brothers (Naim, Sami and Inam) and for providing mental and material support during my difficult times. I would also like to make a special mention of my mother; Late Rezia Khanam Laskar and my father; Late Abdul Razzaque Laskar for their values of integrity, hard work and perseverance that they passed on to me, which has enabled me to navigate through a lonely journey that most Ph.D candidates face.

Above all, I owe everything to ALLAH ALMIGHTY for granting me the wisdom, sound health and fortitude to undertake and complete such a challenging research undertaking.

Abstract

Family business literature acknowledges that firms controlled by families are primarily driven by a set of goals that arise from social and emotional needs of the firm-owners that are non-economic in nature. However, the extant literature is yet to reach a nuanced understanding of how different dimensions of such family-centric goals, represented by the phenomenon; scoioemotional wealth (SEW), drive collective behavior of the owners such as family commitment to the firm and outcomes such as firm performance. This research builds on the premise that family firms vary in their goals and argues that the intensity of collective willingness of family firm owners to commit resource, time and effort towards the firm's business goals depend on which of the dimensions of SEW (i.e., *family control and influence*, *family identification with firm*, *binding social ties of the family*, *emotional attachment* and *renewal of family bonds through dynastic succession*) are emphasized by the owners.

The theoretical lens used to propose a conceptual link between dimensions of SEW as antecedents of family commitment and firm performance as its' outcome, lies at the confluence of the socioemotional wealth theory and the stakeholder theory. The study examines how the antecedents and outcome of family commitment interact with each other, where family commitment is posited to be a mediator between SEW and firm performance. The research also considers the moderating effect of generational-in-charge and professionalization in the above relationships. Leveraging arguments from past empirical works, seventeen (17) hypotheses are posited.

The research being a quantitative study relied on self-administered survey method to obtain primary data from 357 medium-to-large privately held family firms involved in manufacturing of ready-made garments in Bangladesh. To conduct multivariate

analysis and to test the hypotheses structural equation modeling (SEM) was deployed using SmartPLS (v.3.2) to examine the structural model and path model. The results indicate that 5 hypotheses out of 17 are not supported by the data. The findings also indicated that among the five dimensions of SEW, only the relationship '*binding social ties of the family*' and family commitment was not significant. The other four dimensions of SEW all had significant association with family commitment.

The mediation analysis indicated that all paths were significant except for the path with binding social ties. The moderating effect of generation in control was determined using multi-group analysis that showed that impact of family identification and binding social ties on family commitment was higher in the subsequent-generation compared to the founder-generation. The moderation analysis for professionalization on the relationship between family commitment and firm performance was strong and significant.

From the theoretical perspective determining a consistent and predictable link between family-centric goals and firm-centric outcomes is currently a major goal of family business scholars seeking to develop a theory of family business. The role of behavior such as family commitment in the aforesaid link shows that the construct may have a vital role in the theoretical discourse. For industry practitioners a finer-grained understanding of how each dimension of SEW interacts with behavior and outcome, presents important clues for owners, investors and policy makers.

Abstrak

Literatur perniagaan keluarga memperakui bahawa firma yang dikawal oleh keluarga terutamanya, adalah didorong oleh satu set matlamat yang timbul daripada keperluan sosial dan emosi pemilik firma dan ianya tidak bersifat ekonomi. Walau bagaimanapun, kajian literatur yang sedia ada masih belum mencapai pemahaman yang memberikan penjelasan yang jelas tentang bagaimana perbezaan dimensi wujud didalam matlamat keluarga, yang diwakili oleh fenomena berikut; kekayaan sosioemosi (SEW), pemanduan tingkah laku kolektif pemilik seperti komitmen keluarga terhadap firma dan hasil seperti prestasi firma. Penyelidikan ini dibina di atas premis bahawa firma keluarga adalah berbeza-beza dari segi matlamat mereka dan mendebatkan bahawa keinginan kesatuan kolektif pemilik firma keluarga untuk menggunakan sumber, masa dan usaha ke arah matlamat perniagaan firma bergantung pada dimensi SEW (iaitu kawalan keluarga dan pengaruh, pengenalan keluarga dengan firma, mengikat hubungan sosial keluarga, emosi yang dilampirkan dan pembaharuan ikatan kekeluargaan melalui perwarisan dinasti) yang lebih ditekankan oleh pemiliknya.

Lensa teori yang digunakan untuk mencadangkan hubungan konseptual di antara dimensi SEW sebagai faktor pendahuluan komitmen keluarga dan prestasi firma sebagai hasilnya, adalah terletak pada pertemuan di antara teori kekayaan sosio-kemanusiaan dan teori pemangku kepentingan. Kajian ini mengkaji bagaimana faktor pendahuluan dan hasil komitmen keluarga berinteraksi antara satu sama lain, di mana komitmen keluarga dijadikan sebagai pengantara antara SEW dan prestasi firma. Kajian ini juga menganggap kesan moderator penjanaan dan profesional dalam hubungan tersebut. Memanfaatkan hujah-hujah daripada kerja-kerja empirikal yang lepas, tujuh belas (17) hipotesis telah dikemukakan.

Penyelidikan ini merupakan kajian kuantitatif yang bergantung kepada kaedah kajian tinjauan diri yang dijalankan untuk memperoleh data primer terdiri daripada 357 firma keluarga persendirian yang bersaiz sederhana dan besar yang terlibat dalam pembuatan pakaian siap-pakai di Bangladesh. Untuk menjalankan analisis multivariat dan untuk menguji hipotesis, persamaan persamaan struktur (SEM) telah digunakan dengan menggunakan SmartPLS (v.3.2) untuk mengkaji model struktur dan model

perhubungan. Keputusan menunjukkan bahawa lima (5) hipotesis daripada 17 adalah tidak disokong oleh data. Penemuan ini juga menunjukkan bahawa di antara lima dimensi SEW, hanya hubungan 'ikatan sosial keluarga dan komitmen keluarga' tidak mempunyai hubungan yang signifikan. Manakala, Keempat-empat dimensi SEW yang lain mempunyai persamaan yang signifikan dengan komitmen keluarga.

Analisis pengantaraan menunjukkan bahawa semua perhubungan adalah penting kecuali hubungan yang mengikat hubungan sosial. Kesan moderator pengawalan generasi ditentukan dengan menggunakan analisis multi-kumpulan yang menunjukkan bahawa kesan pengenalan keluarga dan hubungan sosial yang mengikat komitmen keluarga adalah lebih tinggi pada generasi berikutnya berbanding dengan generasi pengasas. Analisis moderator profesionalisasi terhadap hubungan di antara komitmen keluarga dan prestasi firma adalah kukuh dan signifikan.

Dari sudut pandangan teori, penentuan hubungan yang konsisten dan dapat diramalkan di antara matlamat keluarga dan hasil yang berpusat adalah menjadi matlamat utama para sarjana perniagaan keluarga yang terkini yang turut mengembangkan teori perniagaan keluarga. Peranan tingkah laku seperti komitmen keluarga di dalam hubungan tersebut menunjukkan bahawa konstruk tersebut mungkin mempunyai peranan penting di dalam wacana teori. Bagi pengamal industri, pemahaman yang lebih baik tentang bagaimana setiap dimensi SEW berinteraksi dengan tingkah laku dan hasil, memberikan petunjuk penting kepada pemilik, pelabur dan pembuat dasar.

LIST OF PUBLICATIONS RELATED TO Ph.D FRAMEWORK

No.	Article Title	Journal Name & Category	Status
1	Research Gaps in family Owned Businesses: A Conceptual Link between Socioemotional Wealth, Family Commitment and Firm Performance	**International Journal of Business Excellence** **SCOPUS Indexed**	**Published in 2018**
2	Socioemotional Wealth and Performance in Private Family Firms	**Journal of Entrepreneurship in Emerging Economies** **ISI & SCOPUS Indexed**	**Published in 2019**
3	Socioemotional Wealth and Family Commitment: Moderating Role of Controlling Generation in Family Firms	**Journal of Family Business Management** **ISI & SCOPUS Indexed**	**Published in 2019**

TABLE OF CONTENTS

CHAPTER-2: LITERATURE REVIEW

CHAPTER-4: RESEARCH METHOD

CHAPTER-5: DATA ANALYSIS AND RESULTS

CHAPTER-6: DISCUSSIONS, IMPLICATIONS AND CONCLUSION

LIST OF FIGURES

LIST OF TABLES

LIST OF APPENDICES

CHAPTER 1: INTRODUCTION

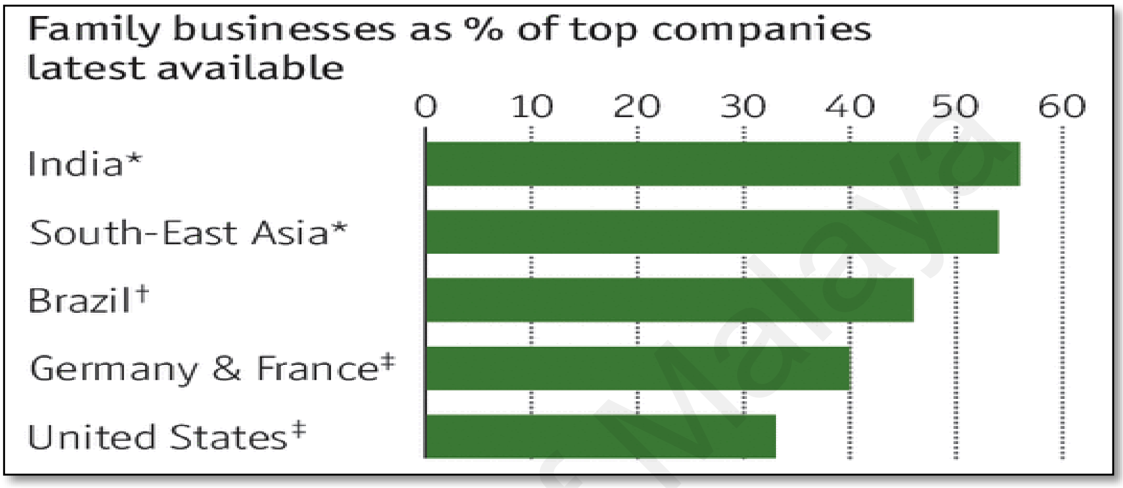
1.1 Introduction

This chapter consists of background of the study and provides a detailed description of the research problem. The practical and theoretical significance of the study are then elaborated upon. Thereafter, the research questions and research objectives are presented, followed by definition of key terms utilized in the study are then presented. Finally, the chapter ends with description of the organization of the remaining chapters in the theses.

1.2.1 Global Importance of Family Owned Businesses

Enterprises owned and/or controlled by families or coalition of families are by far the most dominant form of business organizations across the globe; estimated to range between 60% to 85% of firms according to a report published by Boston Consulting Group (Bhalla and Orglmeister, 2017). Regardless of their scale of operation, legal form, industrial sector they operate in and markets they serve, family businesses have been the backbone of most economies and prime movers of social and economic development. Historically, family enterprises have played a crucial role in most economies around the world. These enterprises are the key drivers of technological advances in the ever-changing market order caused by globalization (Kets Devries, 2017; Miller and Le Bretton-Miller, 2005; Poutziouris, Smyrnios, and Klein, 2006, Wu, 2018).

Family-controlled organizations are among the large and small, old and new business enterprises, in both developed and developing economies (Chua et al., 2004; La Porta et al., 1999; Rousseau et al., 2019). While the list of many family firms that have become gigantic institutions, such as Walmart, IKEA, Samsung, etc., continue to draw interest among industry practitioners and policy makers, research efforts to understand the unique opportunities and challenges of these organizations continue to escalate (De Massis et al., 2018; Eichenberger, 2011; Peterson-Withorn, 2015). Figure 1.0 illustrates the dominant presence of family firms in the global economic landscape.



Source: Boston Consulting Group, 2017

Figure 1-1: Dominant Presence of Family Controlled Businesses

1.2.2 State of Family Business Research

Among the first documented scientific study in family business undertaken was a dissertation on management problems in small family-controlled manufacturing firms in 1953 by Grant Calder. Thereafter, serious academic interest in family business research may be traced back to books such as *Keeping the Family Business Healthy* (Ward, 1987). Nevertheless, growth in family business research was slow to take off as evidenced by the fact that only about 30 peer-reviewed articles on the average were being published in the early 80s (Sharma et al., 2007). However, by the year 2000, the number of publications in top tier academic journals witnessed a dramatic increase to about 565 articles a year, and by 2010 onwards, about 800 articles were published each year (Sharma, 2015). With a dominant global presence, it is hardly a surprise that family business research has drawn the interest of scholars from various disciplines (Daspit et al., 2017; Kosmidou, 2018; Melin et al., 2014).

The most widely accepted definition of family businesses deployed in academic research is based on the work by Chua and colleagues: "*an organization governed and/or managed with the intention to shape and pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families*" (Chua et al., 1999: *pg.25*).

According to Yu, Lumpkin, Sorenson, and Brigham (2012), family involvement in business leads to formation of family-centric goals that determine how family-managers balance between family goals and business goals, thus research on family firms is distinct from study of non-family firms (Gersick et al., 1997; Lafranchinni et al., 2018). Family firms are made up of unique and complex systems driven by collective vision of the controlling family that usually have a strong emotional content, which results in behavior and decisions that often defy economic logic. Furthermore, even among family firms, substantial heterogeneity is visible when it comes to how family members involved in the management, balance between the two systems, namely; the family and the business (Cohen and Sharma, 2016; Compopiano and Rondi, 2018; Stewart, 2003). Given this complexity, a lot needs to be researched and understood about the drivers and outcomes of family firm behavior (De Massis et al., 2018; Dyer et al., 2014; Gagne et al., 2014). Figure 1.2 shows the confluence of family systems (e.g., social and emotional needs of the family) and business systems (e.g., economic performance of the business entity) as the point from where family business research emerges.

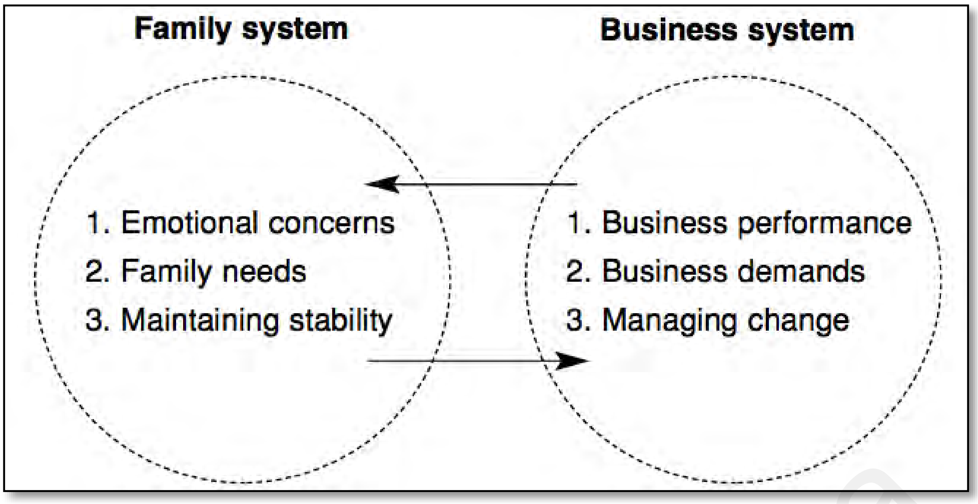


Figure 1-2: Confluence of Family and Business Systems

1.2.3 Current Trend in Family Business Research

Scholarly endeavor of family business researchers is currently focused on developing a unique theory of family business that enables a clear and consistent prediction of how goals interact with behavior and firm level outcomes (Shen, 2018; Torchia et al., 2018). Particularly, emphasis has been given to the attempt to arrive at a more nuanced understanding of how the family contributes to formation of goals that affect firm behavior that in turn translates into strategic choices that impact business outcomes such as firm performance (Dyer and Dyer, 2009; Rousseau et al., 2019). Since this most recent assessment, family business scholars have made compelling cases that family enterprises focus on a multiple set of goals (both economic as well as non-economic goals) to achieve the ultimate objective of sustaining the family enterprise across generations (Colli et al, 2013; Lafranchinni et al., 2018).

Over the last decade, as a result of intense scholarly interest in family business studies, several new theoretical paradigms have been published in leading journals based on the recognition that features that distinguish family firms appear to be a result of differences in goals, behavior, governance mechanisms adopted, and strategic decision processes deployed in these enterprises (Chrisman et al., 2012; Filser et al., 2017). For instance, with respect to goals in family controlled businesses, significant amount of research has been directed to understanding the interaction of family involvement that result in family-centric goals such as socioemotional wealth (SEW) and outcomes such as firm performance (Gomez-Mejia et al., 2007; Llanos and Santos, 2018). Socioemotional wealth has emerged as a dominant paradigm in family business research, which many scholars anticipate will lead to a homegrown 'Theory of Family Business' (Martin and Gomez-Mejia, 2016; Daspit et al., 2017).

In an insightful empirical study, Chrisman et al. (2012) deploy the behavioral agency model (Wiseman and Gomez-Mejia, 1998) and the stakeholder theory (Freeman, 1984), to examine the relationship between family involvement in business and family-centric non-economic goals (in this case: *family harmony, social status, and identity*). The three behavioral outcomes mentioned in the preceding sentence, are components of the dimensions of SEW, theorized by Gomez-Mejia et al. (2007). The extent to which the owner-managers of family firms pursue such SEW goals varies between firms, and depends on the collective vision of the family leaders and the level of commitment of the owners to the firm (De Massis et al., 2016). This collective commitment of the family to the family business is known as 'Family Commitment' (Carlock and Ward, 2001; Chrisman et al., 2012; De Massis et al., 2014).

A fairly recent theorem proposed by De Massis et al., (2013, 2014, 2016); which has been coined as the '*Ability & Willingness Paradox in Family Firms'*, equates family commitment to the owning family's 'willingness' to commit resources, time and effort towards the success and sustainability of the business enterprise. The theorem states that a family's ability to control and influence strategies and operations of the organization does not necessarily guarantee that the family will be willing to do so.

The aforementioned authors go on to further elaborate on this point by alluding to the notion that, willingness to commit depends on the salience of the family towards family-centric non economic goals (i.e., socioemotional wealth), which are formed as a result of the unique vision and varying circumstances of each family (De Massis et al., 2014). Some family firm owners may be reluctant to continue to treat the organization as a family enterprise because of their particular circumstances; such as the family not having capable successors or there being conflicts among the family owners, etc. (Kets De Vries, 1993; Chrisman and Holt, 2016). For example, the founder of TATA Group in India; Jamshedbhai Tata, had no children and as a result his organization was taken over by his nephew; Ratan Tata, who ensured that the businesses under the TATA umbrella all eventually became publicly listed companies, thus transforming the enterprise into a non-family entity so that the organization endures for generations (Ragunathan, 2016).

Summarizing the discourse presented above, the quest for a home-grown theory of family business has lead researchers in the field to suggest that the development of such a theory most likely will emerge from a closer understanding of how family goals interact with collective behavior of the family business owners, and subsequently how such behavior impact performance based outcomes of the business enterprise. Figure 1.3 depicts the goal-behavior-outcome continuum.

Figure 1-3: Goal-Behavior-Outcome Continuum

1.2.4 Synopsis of Current Study

The rationale for this doctoral research is based on five important elements that revolve around the gaps identified by the researcher in the extant literature specifically in the behavioral stream of family business studies. This study proposes a conceptual framework for examining the relationship between socioemotional wealth goals and firm performance goals, and proposes that this relationship is established through the indirect effect of family commitment, which is a construct that reflects the family's willingness to commit resources, time and effort to the family enterprise. Examination of the extant literature indicates that, the relationship between multiple dimensions of SEW, family commitment and firm performance has not been dominant in past research (Hatak, 2016; Prugl, 2019). The research gaps are shown in Figure 1.4 below, and are explained in elaborate detail in Chapter 2.

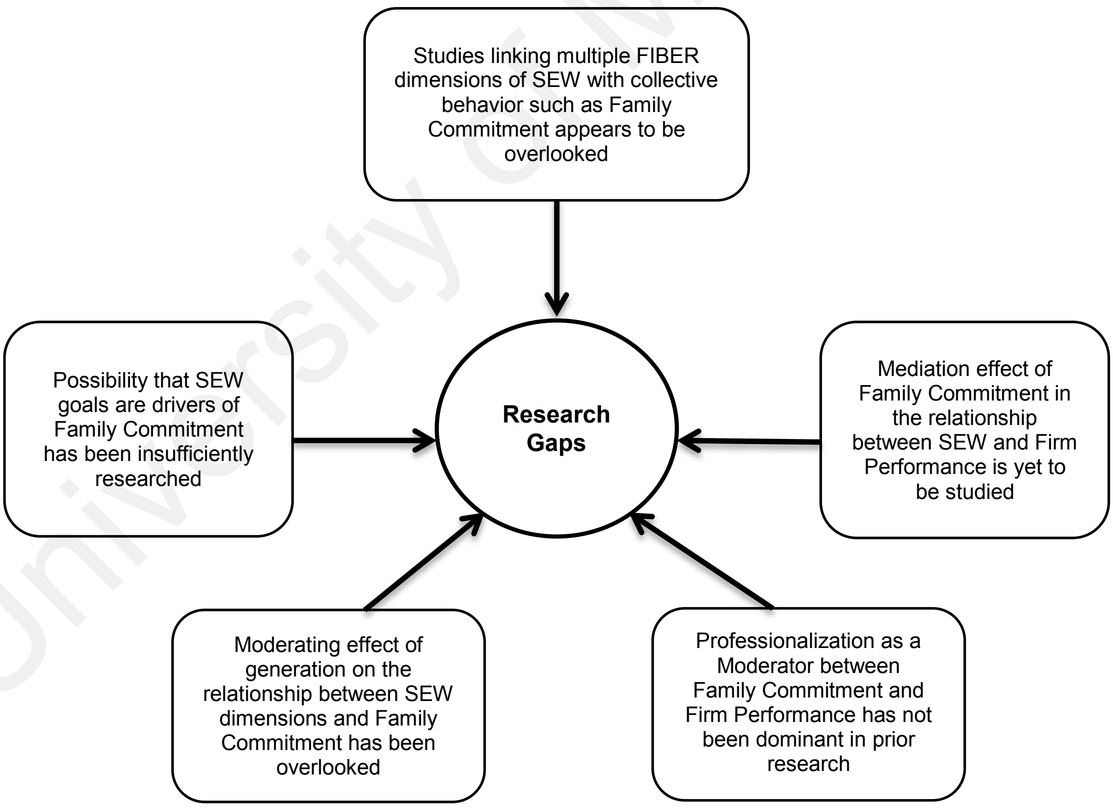


Figure 1-4: Research Gaps

Based on the gaps in the behavioral stream of family business literature, it is theorized that family commitment to the firm has certain unique drivers that vary between firm to firm, and such drivers are antecedents of family commitment. This study extends the literature further by examining the impact of the antecedents of family commitment and the subsequent firm-centric outcome in the form of business performance, and posits that these antecedents are likely to be individual dimensions of socioemotional wealth (SEW).

This doctoral research deploys two theoretical lenses; the Socioemotional Wealth theory (Gomez-Mejia et al., 2007) and an extended application of the Stakeholder theory developed by Zellweger and Nason (2008). A conceptual model is then developed with the help of these theories that relates the multiple dimensions of socioemotional wealth (SEW) to firm performance, with family commitment as a potential mediator between the components of SEW and firm performance. The basic research model proposed in the current study (Figure 1.5) also considers the fact that the relationships proposed in the framework between SEW, Family Commitment and Firm Performance are contingent upon two (2) moderators: '*Generation in Charge*' and '*Professionalization*' of the family firm.

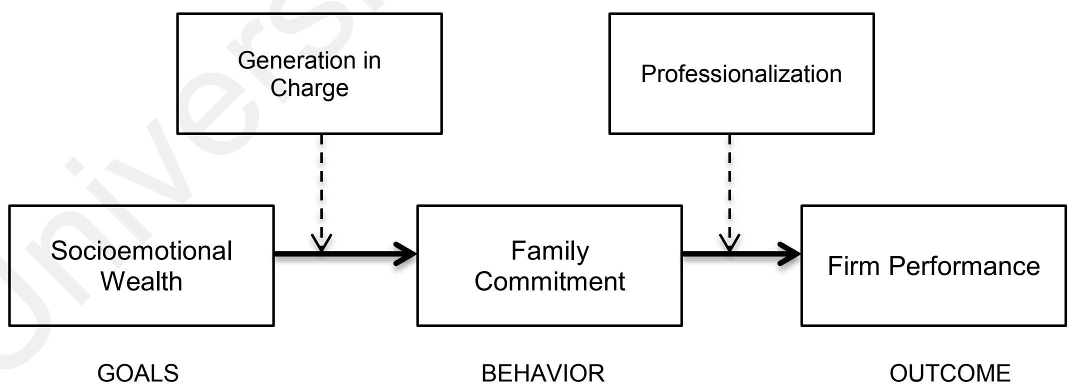
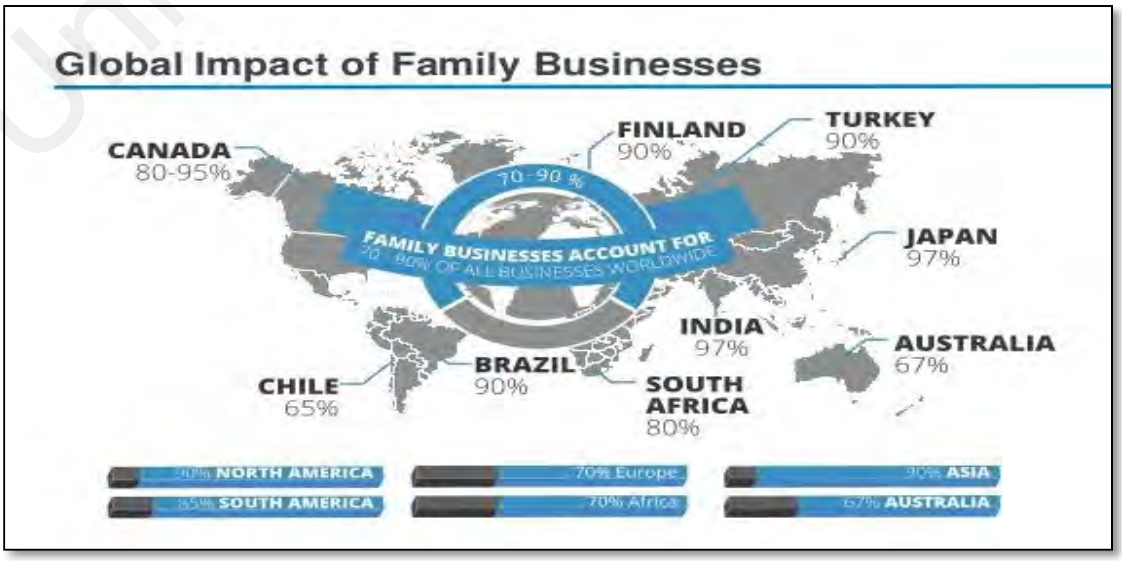


Figure 1-5: Basic Model Proposed in the Current Study

1.3 Problem Statement

The first image that comes to mind with the phrase 'family business' is a small company with a local focus that provides livelihood to the owners. While large number of business entities certainly fit that description, it doesn't reflect the dominant role that family-controlled businesses play in the global economy. Not only do they include some of the recognized transnational business organizations, they are a part of more than 30% of all global companies with revenues exceeding US$1 billion (Bhalla and Orglmeister, 2017).

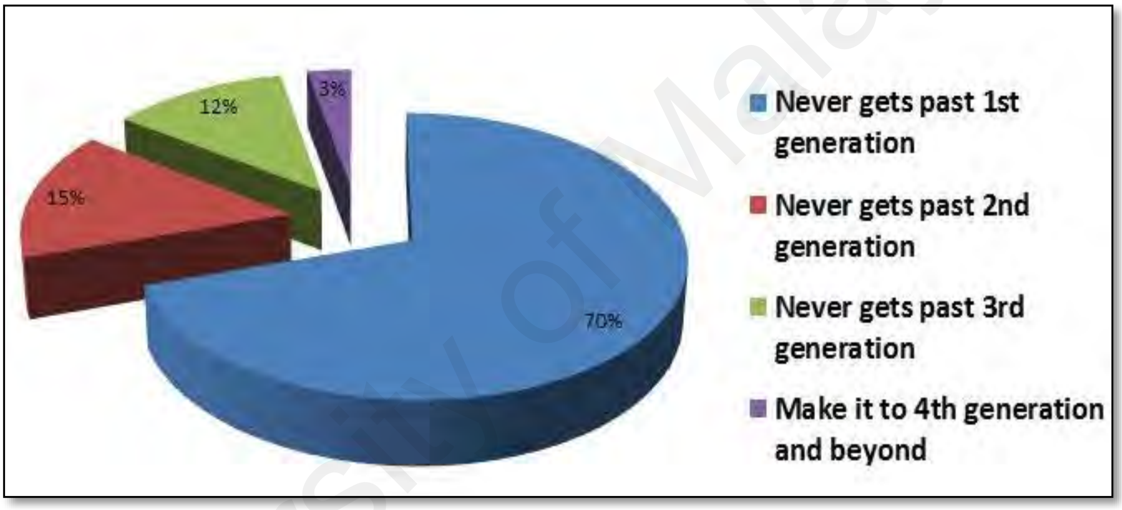
Despite the dominant presence of family owned businesses around the world, majority of the family firms (approximately 70%) don't make it past one generation (Bell, 2017). Due to the fact that such a large portion of businesses across the globe are family-owned, the low rate of survival is likely to have serious consequences for the growing world population, considering the fact that these enterprises are the largest employers in most economies around the world (Groysberg and Bell, 2014). For instance, in the United States alone (currently the largest economy in the world), family-owned enterprises account for approximately 60% of total employment, and are said to generate about 78% of all new jobs (Van Rij, 2018). Furthermore, some of the world's largest multinational companies are family-owned and about a third of Fortune 500 companies are controlled by family coalitions (PwC Family Business Survey, 2016). Figure 1.6 presents a glance at the global impact of family businesses.



Source: Family Firm Institute (2018)

Figure 1-6: Global Impact of Family Business

Groysberg and Bell (2014), tracked the progress of over a 1,000 family owned businesses in 59 countries including companies in developed as well as emerging economies. Based on their findings, their research revealed some useful insights into the rate of survival and causes of failure of family owned businesses. The authors found that some 70% of family-owned businesses fail or are sold before the second generation gets a chance to take over. Figure 1.7 depicts the survival rate of family businesses from the first generation to subsequent generations.



Source: Groysberg & Bell (2014)

Figure 1-7: Family Firm Survival Rates by Generations

In many ways, leading a family-owned business has never been harder. Family enterprises in developing countries are even more challenged because of challenges posed by globalization and weak regulatory frameworks (Bell, 2017). The vulnerability of family enterprises is even more pronounced in developing countries that rely on a single or a few sources in their economic basket (Khan et al., 2015). For instance, Bangladesh an emerging South Asian economy, depends heavily on a single industrial sector (e.g., Ready Made Garments-RMG manufacturing sector, which contributes to about 80% of export earnings of the country) for their main export revenues, often face severe tests in terms of sustainability and long-term survival (Bauman-Pauly, 2017).

The sustainability risks for these firms emerge from various external and internal sources.

External sources such as globalization, tectonic shifts in geo-political environment, weak regulatory frameworks, etc. While internal threats arise from sources such as internal governance issues that emerge due to the fact that most of these organizations are private firms that are owned by single families or a coalition of families (Hasan et al., 2014). Khan et al. (2015) found that ready-made garments manufacturing companies in Bangladesh were mostly family owned private firms. In their study the aforesaid authors state that many family firms were sold off or liquidated after the first generation as the vision of the founding entrepreneurs were not being carried over to the next generation of owners. Subsequent generations are less prepared to commit their resources, time an effort to the family enterprise that was built with the sweat and toil of their predecessors.

The context of family firms in the case of Bangladesh is quite pertinent to this study, because after one of the biggest industrial accidents following a factory building collapse in Bangladesh, known as the Rana Plaza Incident (Bauman-Pauly, 2017), a joint project was launched through public-private partnership by BRAC University (http://www.theindependentbd.com/post/106624) to estimate the number of registered and unregistered RMG factories in the country with the intent of identifying companies that implemented compliance policies related to workplace safety. The project revealed interesting facts about not only RMG companies but also about lack of stability of family owned and controlled firms in the sector. Many businesses were closing down for various reasons, and many new ones were springing up either through acquisition by existing larger companies or completely new ventures. One of the reasons mentioned in their report about business closure is that noticeable change in level of commitment towards the business among the owners, especially when control of the management transitioned from the founders to the next generation of family-managers (Baumann-Pauly, 2017).

Similar to the trend among family owned businesses world-wide, these family owned RMG manufacturing firms in Bangladesh seem to be volatile from the standpoint of continuity. It has been observed that as the family grows from the stage of founding entrepreneurs to the subsequent generation, the level of collective commitment of the family towards the firm appears to shift. This variation in commitment is one of the primary reasons for many of the firms closing down or selling out to other companies (Wadhwa and Winterbottom, 2017).

The preceding arguments in the context of Bangladesh are further augmented by Groysberg and Bell's (2014) study based on 59 countries followed by Bell's (2017) study, where the studies found that among the major causes of failure of family firms, is the variation in continuity of family commitment, especially when the family transitions from founder-generation to subsequent generations. With trans-generational control shifts within the family firm and with the expansion of the family architecture either through blood and/or marriage, baring some exceptions there appears to be a general decline in levels of willingness among subsequent family generations to maintain high levels of commitment to the firm. Therefore the aforesaid arguments necessitate an understanding of how scholars have defined family commitment and how theoretical and empirical works so far help in building a framework that examines the drivers and outcomes of this collective commitment of the family.

The 'Ability and Willingness Paradox' mentioned in the preceding section 1.2.3, may help in detangling the issue of variation of commitment. The aforementioned theorem suggests that in the case of family owned businesses, even if ability to influence a firm's strategic policies exists, it does not automatically ensure that the family owners will have the desire to commit to the firm's business goals (De Massis et al., 2013; Chrisman et al., 2014). The willingness paradox is captured through a construct called '*Family Commitment'* (Klein et al., 2005; Chrisman et al., 2012; De Massis et al., 2016), which reflects a family's collective commitment to the firm in terms of resources, time and effort. Therefore, from a practical viewpoint, a more nuanced understanding of relationships between family firm owners' pivotal reference points such as preservation of socioemotional wealth (Gomez-Mejia et al., 2007) and collective behavior of owner-managers of family firms, may assist policy makers and industry practitioners to devise mechanisms to address the high failure rates of family firms, which are the largest employment generators in majority of the economies around the world (Bell, 2017).

The field of family business research has not been able to reach the same heights as other disciplines of management (Zahra, 2016), one possible reason is that the scientific inquiries in the field are not guided by a home-grown theory of family business which is often referred to as 'Search for the Holy Grail' by family business scholars (Cruz & Arrendondo, 2016). However efforts are underway to find a common thread that ties goals, behavior and outcomes of family firms together leading to the development of this much sought after theory (Gomez-Mejia et al., 2011; Lafrachinni et al., 2018).

Although, the construct socioemotional wealth (SEW), has been operationalized by Berrone et al. (2012) as a multidimensional construct, yet, there appears to be a dearth of studies so far, that examine how the salience of family firm owners towards the different dimensions of SEW impact the collective willingness of the family to commit resources, time and effort to the firm, which in turn is likely to affect firm performance. The extant literature indicates that so far, few studies have examined the association between multiple dimensions of SEW and such collective firm behavior such as family commitment. Among the few studies, Cennamo et al. (2012) theorized effects of the multiple dimensions of socioemotional wealth on pro-active stakeholder engagement. The current research undertaking takes a step further, by deploying the extended application of stakeholder theory proposed by Zellweger and Nason (2008), to develop a theoretical framework and tests a set of hypotheses using data collected from private family firms in an emerging South Asian economy; Bangladesh. By doing so, this study builds upon the scant amount of published works presently available in the body of knowledge that examines the relationship between multiple dimensions of SEW, family firm behavior and firm-centric business outcomes.

In summation, this doctoral study has identified a set of research gaps in the conceptual linkage between family-centric non-economic goals, family-firm behavior and firm performance. These gaps briefly discussed in this chapter (in section 1.2.4) and discussed in extensive detail in Chapter 2 (section 2.13), form the basis of a set of pertinent research questions that are foundations of this study. Furthermore, this research work is also in alignment with the call from family business scholars to develop a more finer-grained understanding of how family-centric non-economic goals interact with firm behavior and performance (Xi et al., 2015; Martin et al., 2016).

1.4 Research Questions & Objectives

This study aims at seeking the answers to the following research questions that emanate from the study framework which looks at family-centered non-economic goals represented by multiple dimensions of socioemotional wealth (SEW), and the impact of each of these SEW goals on family commitment, and the subsequent impact of family commitment on firm-centered business goals represented by firm performance.

Furthermore, the study examines if family commitment mediates the relationships between SEW goals and firm performance.

The study also considers two crucial contingency variables in the association between the constructs mentioned above. The first moderator; *Generation-in-Charge* or generation of family managers in control of the family firm, is being examined to see if the strength of the relationship between the five (5) dimensions of SEW and family commitment is contingent upon the presence of this moderator. This assumption is based on the logic that the founding entrepreneurs and their subsequent successors may not possess the same levels of commitment to the firm. In fact, second and third generation family firm owners have been found to treat the firm as a source of financial benefits and often behave like passive investors (Eddelston and Kellermans, 2013; Llanos and Santos, 2018). This may be due the fact that as the family grows larger several family branches emerge that look out for their own interests, instead of a single family unit during the founder stage. Gersick et al. (1997) labels the family generation cycle as: *Founder-Generation to Sibling-Generation to Cousin-Consortiums*.

The second part of the conceptual framework looks at how different levels of family commitment may impact firm performance. The natural expectation would be that the higher the levels of family commitment the higher the levels of firm performance. However, this relationship may not be strong without the presence of a strong internal governance mechanism in the firm. Effective and efficient results are not guaranteed automatically through good intention alone, results require standard operating procedures and methodical processes for execution. This phenomenon has been called the "Strategy-Execution Gap" in the book; '*The 4 Disciplines of Execution'* (McChesney, Covey, & Huling, 2013). This study considers the above discourse on professionalization of governance and managerial procedures in a firm, and considers '*Professionalization*' as a moderator in the association between family commitment and firm performance. Therefore, the answers to the following research questions are being investigated:

Research Question no.1:

RQ-1: How do each of the five (5) FIBER* dimensions of socioemotional wealth impact family commitment to the firm?

Research Question no. 2:

RQ-2: How does family commitment impact firm performance?

Research Question no. 3:

RQ-3: Does family commitment mediate relationships between each of the five FIBER dimensions of socioemotional wealth and firm performance?

Research Question no. 4:

RQ-4: Is the strength of association between the five FIBER dimensions of SEW and family commitment contingent upon whether the control of the firm is with the founding-generation or with subsequent-generation of family firm owners?

Research Question no.5:

RQ-5: Is the strength of association between family commitment and firm performance contingent upon the level of professionalization adopted in the family firm?

Based on the research questions stated in the preceding section, corresponding research objectives of this study are presented in Table 1.1:

Table 1-1: Summary of Research Questions & Research Objectives

RESEARCH QUESTION	RESEARCH OBJECTIVE
RQ-1: How do each of the five FIBER dimensions of socioemotional wealth (SEW) impact family commitment to the firm?	**RO-1:** (a). To investigate the impact of SEW dimension of 'Family Control and Influence' over the firm on the collective commitment of family to the firm.

***FIBER**- Each letter is an acronym for the 5 dimensions of SEW (Berrone et al. 2012): **F**: Family Control & Influence **I** : Identification of the family with the firm **B**: Binding social ties of the family **E**: Emotional attachment of the family **R**: Renewal of family bonds through dynastic succession	(b). To examine the effect of the SEW dimension of 'Family Identification with the firm' on the collective commitment of the family to the firm. (c). To determine the impact of the SEW dimension of 'Binding social ties of the family through the firm' on the collective family commitment to the firm. (d). To examine the effect of the SEW dimension of 'Emotional attachment of the family' on the collective commitment of the family to the firm. (e). To investigate the impact of the SEW dimension of 'Renewal of family bonds through dynastic succession' on the collective commitment of the family to the firm.
RQ-2: How does family commitment impact firm performance?	**RO-2:** To determine the influence of family commitment on firm performance.
RQ-3: Does family commitment mediate relationships between each of the five FIBER dimensions of socioemotional wealth and firm performance?	**RO-3:** To investigate the indirect relationship between the five FIBER dimensions of SEW and firm performance through family commitment as a potential mediator.
RQ-4: Is the strength of association between the five FIBER dimensions of SEW and family commitment contingent upon whether the control of the firm is with the founding generation or with subsequent generations?	**RO-4:** To examine whether family *generation-in-charge* moderates the relationship between the five FIBER dimensions of SEW and family commitment.
RQ-5: Is the strength of association between family commitment and firm performance contingent upon the level of professionalization adopted in the firm?	**RO-5:** To determine if level of *professionalization* of the firm **moderates** the relationship between family commitment and firm performance.

1.5 Expected Research Contribution

This study proposes to make several theoretical and practical contributions that are explained in the sub-sections below.

1.5.1 Contribution to Theory

In the 1980s and 90s, academic research on family owned enterprises focused primarily on defining what constitutes a 'Family Business'? Including an even more basic question; what is a 'Family'? (Chua et al., 1999). The above questions were explored by several insightful studies (e.g., Kets Devries, 1993; Chua et al., 1999, Sharma, 2001), thereafter, the research quest moved to understanding the difference between family firms and nonfamily firms (Berrone et al., 2012). Since, the proposition of the theory of 'Socioemotional Wealth' by Gomez-Mejia et al. (2007), a general consensus seems to be that the most distinguishing characteristics of family firms is their pursuit of socioemotional wealth (Martin & Gomez-Mejia, 2016; Prugl, 2019), and this goal is important to family firm owners which they appear to pursue along with economic goals (De Castro et al., 2016).

Family business literature acknowledges that family- owned and -controlled business enterprises don't just significantly differ from their non-family counterparts, in fact there is significant heterogeneity among them (Melin & Nordqvist, 2007; Sharma, Chrisman, & Chua, 1997). The observed variation among family firms is natural because each family is different in their collective goals and aspirations (Gersick et al., 1997). As a result, a set of SEW goals play a pivotal role in the calculus of decisions of the family firms owners. Hence, the scholarly quest is now on understanding how these Socioemotional Wealth goals relate to collective family behavior and consequently firm performance (De Castro et al., 2016). Whether there is a consistently predictable association between the two paradigms (SEW and firm performance) is yet to be discerned (Martin & Gomez-Mejia, 2016). Thus current academic research focus has shifted to unraveling the sources of heterogeneity among family firms and understanding the drivers and outcome of socioemotional wealth (Chua et al., 2015; Debicki et al., 2017; Rousseau et al., 2019).

Several review articles on empirical studies on family involvement and firm performance indicate conflicting results (e.g., O'Boyle et al., 2012; Wagner et al., 2014). These mixed findings were addressed by Chua, Chrisman, Steir, & Rau (2012), who suggested that researchers should introduce relevant moderators and mediators, and attempt to measure constructs directly instead of through proxies, to better explain the relationships between family goals, behavior and performance, while recognizing the heterogeneity among family firms (Chrisman, Chua, Pearson, & Barnett, 2012).

Chua et al. (2012) suggest that the main theoretical sources of heterogeneity are related to goals (Barnett, Long, & Marler, 2012), or resources (Verbeke and Kano, 2012), or related to governance issues (Arregle, Naldi, Nordqvist, & Hitt, 2012). On heterogeneity arising due to differences in family goals, Barnett et al. (2012) state that the heterogeneity arises based on which of the particular dimensions of socioemotional wealth that the controlling family emphasizes. However, a likely source of heterogeneity that has been overlooked by researchers, that possibly has an important role, is the controlling family's willingness to translate their goals into firm-centric behavior and outcomes despite having the ability to do so (De Massis et al., 2016; Chrisman & Holt, 2016). In theory, the normal assumption is that execution will automatically follow if the firm is following the right strategy. However, this is not necessarily true because goals, governance, and resources will not lead to the predicted outcomes unless the controlling family has significant will and commitment to translate their goals to behavior and firm-centric outcomes.

Chrisman and Holt (2016) in their insightful conceptual paper on the relationship between socioemotional wealth (family-centered non-economic goals) and firm performance (firm-centered economic-goals), state that the relationship between socioemotional wealth and firm performance may be indirect and possibly mediated by other omitted variables not considered in previous studies. Furthermore, the associations between the constructs may be contingent upon other constructs that bring to the picture age of the organization, current leadership, the internal governance systems in place, etc. Therefore, contribution to theory building is likely to emerge when a more nuanced understanding is developed on how the salience of family firm owners (especially those in senior management of the firm) impact their behavior and strategies with regards to their business enterprise, and how such behavior translates into outcomes that are connected to firm performance. The knowledge of which FIBER dimension of SEW maximizes positive firm performance oriented behavioral outcomes is likely to be the key that unlocks development of this much vaunted theory of family business.

To bridge the gap in the proverbial Darwinian 'missing link' in family business (i.e., a theory of family business), the new theorem suggested by De Massis et al. (2013, 2014, 2016) on the 'Ability and Willingness Paradox' in family firms, may play a crucial role. As discussed earlier, the theorem points out the notion that, ability does not necessarily mean willingness, and hence it is important to consider a construct that reflects the collective willingness of the family owners to commit resources, time and effort to the family firm. The 'Family Commitment' construct has been identified as a suitable reflection of this collective family willingness (De Massis et a., 2013; Chrisman et al., 2012). The study of family commitment will also address the real-world issues faced by family businesses where the rate of failure is alarmingly high.

1.5.1.1 Importance of Studying Family Commitment

In a doctoral dissertation by Andy Yu at Texas Tech University in 2009, the researcher finds 'Family Commitment' as the most important variable that has been understudied and deserves priority research attention in future family business studies. The author presented a typology of seven (7) clusters in family business research, and conducted a hierarchical cluster analysis of all the 259 dependent variables (DV) that have been considered in family business studies from 1987 to 2008. He narrowed down the DVs to 30 most important dependent variables. The author then sought expert panel feedback from thirty (30) eminent family business scholars to rate the DVs in terms of priority for future academic investigation. Based on Yu's rating scale, the panel of experts selected *'Family Commitment'* as the most important construct that should be studied in future business research. Table 1.2 (see next page) shows the list top 10 dependent variables ranked in descending order.

Despite the emphasis of the aforesaid study on the need to further investigate the drivers and outcome of family commitment, surprisingly very few studies have been published thereafter on exploring the family commitment cosntruct. In fact there appears to be two (2) studies publsihed in top tier journals so far that examine family commitment as a variable; one by Hatak et al. (2016) and the other by Koropp et al. (2013). In both these studies, family commitment has been presented as a moderator in the association between other variables. Hence, further examination of this construct is warranted as a primary variable to examine how family-centric goals drive collective commitment of the family towards their firm-centric goals.

Table 1-2: Top 10 Understudied Variables Prioritized for Future Family Business Research based on Ranking by Panel of Family Business Scholars

Quotations about Missing and Understudied DV/ Outcome Variable Categories

Subject	Question 2: In your opinion, were any dependent variable/ outcome variable categories unaccounted for in our set? In other words what, if anything, is missing?	Question 3: In general, what outcome variables (either in the above list or otherwise) deserve more attention in future family business research? Why?
#1	Management of family; family satisfaction with and commitment to the business; effect of business on family life style; family resources available to the business.	Commitment of family members to the family business and family business decisions. This DV will reveal processes that can help explain family management processes (governance) that contribute to both family and firm success.
#2	Affinal ties--that is, role of in-laws and relatives by marriage; comparative kinship systems; legal issues.	Situating businesses in the wider kinship systems and not assuming we know what is meant by "family."
#3	Family unity and decreased or increased family ties in adulthood (in extended families); job creation; community responsibility-sustainability.	All of the above (34 DV categories) because as a result of the lack of sufficient data from private companies, we have only scratched the surface of knowledge.
#5	Cultural impacts.	Family values.
#9	Non-economic goals; succession intentions; family vision; altruism (could be dependent or independent variable).	1. Non-economic goals--influence relative behavior and performance of family firms; 2. Altruism--we've only scratched the surface on that topic.
#11[a]	"Soft performance"--socio-emotional wealth, see Astrachan et al. 2008 in FBR, also Gómez-Mejía ASQ, also family firm ??	Please see above → non-financial performance, as a DV that explains FF behavior, e.g., long-term orientation.
#12	Not on the DV side--lots of IVs are missing but DVs are OK.	Strategy, formal structure, ownership dispersion, management practices--HR/ OB/ Planning.
#13	Next generation issues--what do they want to be attracted to stay/ join family firm--the world/ opportunity from their eyes.	Satisfaction, conflict, entrepreneurial behavior, role of network, learning.
#14	Seems quite complete. I trust "compensation" would include "exit strategies" for family members.	Performance: what is it? How it is perceived/ understood.
#15	Social responsibility; ethical behavior; productivity; employee/ family development; family/ personal success.	Performance of family firm (financial or otherwise). To better understand how family ownership affects performance.

Source: Dissertation by Andy Yu (2009), titled: '*Family Business Outcomes: Dependent Variables, Cultural Differences, and Competing Outcomes in U.S. and Taiwanese Family Businesses*', submitted at Texas Tech University, USA.

1.5.2 Contribution to Practice

The findings of Yu (2009) mentioned earlier, resonates with the real-world issues pointed out by the Harvard Business Review article mentioned earlier (Groysberg & Bell, 2014) and also the study by Khan et al. (2015) in the context of Bangladesh, about the waning family commitment as one of the major causes of family business failures. In fact the general observation is that the collective commitment of the family firm owners begins to digress from the monomaniacal focus of the founders who built the family enterprise with their sweat and toil. In most market driven economies, family owned businesses are the largest employment generators, and hence it is of vital interest to policy makers, financial institutions, industry associations, chambers of commerce and family firm owners and managers to ensure that avoidable causes of failure rate of family firms are addressed to develop preemptive measures. Therefore, in order to understand the phenomenon behind this failure, it's important to understand the causes (antecedents) and effects (outcomes) of the construct; '*Family Commitment'*.

The fact that most family owned businesses fail to survive beyond the generation of the founding entrepreneurs as noted in the Harvard Business Review article mentioned earlier; '*Generation to Generation: How to Save the Family Business*' (Grossberg and Bell, 2014). The situation calls for a deeper look at the likely causes that lead to such failure rate. Some of these causes are due to dynamics of the external business environment that are typically beyond the control of family firm owner-managers. However, many other reasons may be assigned to more internal dynamics of the organization such as lack of family harmony and cohesion, decline in family commitment to the organization, resistance to professionalization of the organizational governance systems, etc. The focus of this research endeavor is on the issues that plague family firms internally that may be addressed by industry practitioners and policy makers with conclusive evidence supported by empirical research.

The selected study population of this research is the export-oriented Ready-Made Garments (RMG) manufacturing industry in Bangladesh, which currently provides the largest source of employment of any industrial sector in the country (World Bank Report, November 2017). Despite the fact that many of these RMG firms were set up more than over 39 years ago and the overall volume of RMG exports from Bangladesh is growing, yet many firms are closing down due to reasons beyond economic logic (Wadhwa and Winterbottom, 2017). Most of these firms are privately held companies, owned and controlled by families, and hence this study population provides a suitable platform to examine the issue of family commitment; it's antecedents and outcome.

The confluence of both gaps in the academic literature and explanations sought by policy makers and industry experts to diagnose the avoidable causes of family business failures necessitate an extensive research undertaking that would examine family commitment and it's precursors and potential fall-outs. Studying how family-centered goals (i.e., SEW) interact with firm level performance outcomes through the intermediation of family behavior (such as family commitment) may reveal interesting information that can provide useful insights to formulate preemptive measures to ensure survival and continuity of the family business enterprise.

In summation this doctoral research undertaking utilizes the socioemotional wealth theory to argue that family firm owners entertain multiple family-centric goals, and uses the stakeholder theory to suggest that emphasis of the family on these SEW goals will impact their collective behavior in terms of the firm (e.g., family commitment to the firm) and subsequently the firm level outcomes (e.g., firm performance). This is due to the fact that the family, as an additional key stakeholder in the picture, will impact behavior and outcome because of their interaction with various internal and external stakeholders that are driven by the salience of family firms owners towards such goals

(Zellweger and Nason, 2008). The intertwining of both these theoretical lenses that constructs the theoretical framework of this study is elaborated in detail in Chapter 3. The study will also consider two moderators into the research framework; '*generation-in-charge'* and '*professionalization*' of the family firm. Both these moderators have important theoretical and practical implications, which are explained in further detail in subsequent chapters.

1.6 Definition of Key Terms

In order to avoid any potential confusion in interpretation of the concepts employed in this research, the definitions of terminologies used in this research are presented below. These definitions are used as guidelines in discussing the findings of the tested hypotheses.

<u>(a) Family-Centered Non-Economic (FCNE) Goals</u>:

This term refers to the utilities derived by family members connected to a family owned business resulting from their involvement with the firm either as owners, managers, or even members of the family without formal ownership who are recognized by their community as part of a successful family business. These utilities are mostly not directly economic in nature, for example the family pride because of social recognition, access to social organizations and country clubs, easier access to government officials, general identification of the family with the brand name of their products or the name of the firm, etc. Furthermore, these utilities can be internal to the family also such as opportunities for family members to get employed by their organization, more family cohesion and harmony, and a general sense of satisfaction for being part of a greater cause. Academic researchers have recognized for a long time that these utilities are very important to the entrepreneurs that created the family enterprise and also their subsequent generations and extend family members like in-laws (Chrisman et al., 2010).

(b) Socioemotional Wealth (SEW):

The concept of Family-Centered Non-Economic (FCNE) was given a more formal structure through the work of Gomez-Mejia et al. (2007) when they proposed the Socioemotional Wealth (SEW) construct. The seminal work by the aforesaid authors was awarded the 'Research Impact Award' by the Academy of Management in 2012, where they showed that the family's prioritization of SEW may be the most important distinguishing characteristics of family owned businesses (Cruz & Arrendondo, 2016).

The aforesaid authors conducted an empirical study on 1,237 olive oil mills in the Cordoba region of Southern Spain. The study reveals that a large number of family owned firms were reluctant to join government sponsored cooperatives where they would have access to benefits such as low cost financing, subsidies for marketing expenses, collaborative supply chain networks that create economies of scale, etc. Most family firms were reluctant because in exchange for economic benefits the family firm owners would have to relinquish control of many policy level and strategic decisions within their respective firms to the management of the regional cooperative. The study indicated that, family businesses were ready to forgo economic gains in order to retain full control over their firm's policies and decisions (control over the firm is a dimension of SEW). The authors proposed the Socioemotional Wealth theory based on the Behavioral Agency Model (Wiseman & Gomez-Mejia, 1998) which in turn has it's roots in three other well established theories; Prospect Theory (Khanemann and Tversky, 1997), Behavioral Theory of the Firm (Cyert and March, 1963), and Agency Theory (Jensen and Meckling, 1976). Table 1.3 presents some of the definitions of SEW popularly used in prior studies:

Table 1-3: Definitions of Socioemotional Wealth in the Literature

Authors	SEW Definition
Gomez-Mejia et al. (2007)	Non-financial aspects of the firm that meet the family's affective needs, such as identity, ability to exercise influence, and perpetuation of the family dynasty
Berrone et al. (2010)	The stock of affect-related value that the family has invested in the firm
Zellweger & Dehlen (2011)	The absolute difference between an owner's subjective value assessment and objective value for the ownership stake of a firm
Cruz et al. (2012)	It represents an "affective endowment" that is intrinsically attached to kinship ties so that its presence affects the performance of the firm

Source: Romero and Ramirez (2017)

(c) Ability and Willingness Paradox:

Ability and willingness paradox is a newly emerging theorem in family business. De Massis et al. (2014) proposed that ability to translate family centered goals into strategic decisions in family firms does not necessarily guarantee that the family owners will have the collective desire and disposition to do so. According to this idea, both ability and willingness are necessary conditions for family based particularistic behavior to be manifested, and presence of either one of them on its' own is insufficient. This phenomenon has been referred to as the 'Ability and Willingness Paradox'.

The theorem digs deep into the psychology of family firm owners and alludes to the idea that family circumstances will dictate whether family firm owners are able and willing to translate their SEW goals into behavior that represents commitment to the business goals of the firm. An example of such circumstances is the absence of any direct legal successors from within the family, or lack of able or willing successors, etc. Such circumstances may influence the family-centric goals of incumbent owner-managers regarding matters such as trans-generational family succession intentions.

Furthermore, many family business owners in today's globalized world find that their legal heirs often display lack of interest in being involved in the family business and consider it as a 'Family Handcuff' (Gomez-Mejia, Laraza-Kintana, and Makri, 2003). The aforesaid authors suggest that researchers looking at succession in the context of family owned business, need to take this matter into their calculus.

(d) Family Commitment:

The family business construct is easy to comprehend and reflects the collective disposition of the family firm owners towards unflinching commitment to the family business enterprise, and has been elaborately discussed by Carlock and Ward (2001) in family business context. However, scientific inquiry into family commitment has been overshadowed by other phenomenon in the realm of family business research such as succession and governance, and appears to be understudied (Hatak et al., 2016; Lafranchinni et al., 2018; Yu, 2009). The proposition by De Massis et al. (2014) suggesting that the family commitment construct reflects the "*Willingness*" of the family (pg. 358) has given a new impetus to this phenomenon, and may open hold important implications for theory building.

(e) Generation-in-Charge:

The founding entrepreneurs of any organization are expected to possess the highest amount of zeal and passion when it comes to building an enterprise. At this stage often there is either a single member of the family, or a small group of family members that drive the process and all decisions and risks belong to them. Subsequently, if and when the family grows larger, and the next generation comes of age and the family develops extended networks through marriage, more individuals become involved in policy and management affairs of the firm. Subsequently, the single family tends to divide into smaller family units with their own goals and aspirations, which may or may not be in line with the aims and objectives of the founders. Therefore, depending on which generation of family members, take key-decision in the firm (i.e., founders or subsequent generations) will fundamentally alter the dynamics of the organization. Hence, many studies (e.g., Sciasca et al., 2014; Marler et al., 2017) have emphasized the need to consider this phenomenon while studying relationships between family goals and behavior.

(f) Professionalization:

Although entrepreneurship studies have dealt at length on the issue of professionalization (Chrisman, Chua, and Litz, 2003; Gedajlovic, Lubatkin, and Schulze, 2004; Zahra and Filatotchev 2004), however, in the context of family business research, the matter has not received the same level of attention. Up until the work by Dekker et al. (2013), professionalization in family business studies was considered as a unidimensional construct where it was measured by considering whether the CEO was a non-family member or a family member. A non-family CEO was an indication of family firm professionalization (e.g., Bennedsen et al., 2007; Klein and Bell, 2007; Lin and Hu, 2007; Zhang and Ma, 2009). Subsequently, Dekker and colleagues, proposed a multidimensional measure of this construct where they included internal governance mechanisms such as existence of formal financial control systems, human resource management systems, inclusion of non-family members in senior management and board, top-level activeness, and decentralization of authority.

Strategic management gurus such as Stephen Covey have discussed the idea of "Strategy-Execution Gap", which alludes to the statement that mere good intentions don't translate into expected results (McChesney et al., 2013). Hence, formal governance mechanisms need to be institutionalized to see commitment translate into tangible positive outcomes such as financial success. Therefore, professionalization may be viewed as an important moderating variable to be considered when examining the relationship between positive behavior such as family commitment and firm performance.

1.7 Structure of Theses

The current chapter introduces the context of the research covering issues such as the background, problem statement, research questions and objectives, and significance of the study in order to give an overview idea of this research. The remaining chapters of the thesis are as follows:

Chapter Two: The literature review chapter examines the main theories and identifies gaps, which formulate the conceptual framework of this research. This chapter also provides a review of the previous literature on the constructs incorporated in this research.

Chapter Three: The theoretical framework and hypotheses development chapter describes the conceptual framework developed in this research and explains the development of hypotheses.

Chapter Four: This chapter explains the research methods and starts with a discussion on the research paradigm and the choice of paradigm that has been employed. This chapter also describes the research process, research design, pilot study, instrument development and data collection procedures.

Chapter Five: The analysis and results chapter explains the suitable structural equation modeling software utilized to analyze the data and presents the results of the statistical analysis of the data.

Chapter Six: The discussion, implications and conclusion chapter summarizes the findings, discusses the implications, describes the limitations of the research and offers suggestions for future research.

CHAPTER-2: LITERATURE REVIEW

2.1 Chapter Introduction

This chapter begins with an overview of the current state of family business research, followed by discussions on the growing interest among family business scholars in the behavioral stream of research in this field, leading to elaboration on the Socioemotional Wealth Model, in order to provide a clear understanding of the main theoretical underpinnings of this research. Thereafter, discussions on application of the Stakeholder Theory in the context of family business research developed by Zellweger and Nason (2008) is presented. The latter theory presents a platform for predicting the relationships between the constructs in the current research framework.

The next portion of this chapter includes an elaborate discussion on '*Ability and Willingness Paradox*' proposed by De Massis et al. (2013), which is an emerging theorem in family business that is relevant to the primary construct that is being studied in this research; i.e., '*Family Commitment'*. This part of the discussion was intentionally placed later as it requires a build-up starting with discussions on socioemotional wealth and stakeholder approach, and ultimately culminating into the focus on family commitment, that defines the willingness (i.e., disposition of the family firms owners) to commit resources, time, and effort to the firm's business goals.

Thereafter, the chapter defines the other constructs used in the research framework, such as firm performance (outcome variable) and the contingency variables such as *family generation-in-charge* and *professionalization of the family firm* as moderators that are likely to impact the strength of the relationships between the study variables. Finally, the research gaps that form the basis of this study are presented.

2.2 Historical Overview of Family Business Literature

In the early period of family business research, scholars focused more on conceptual studies that were often atheoretical (Sharma et al. 1997; Cruz and Arrendondo, 2016). However, from the late 1990s onwards, the trend veered towards more focus on empirical research with extensive coverage of governance issues, which became one of the most common themes in family business research (Debicki et al. 2009). Literature on family business has evolved over the last few decades, and it appears that scholars attempted to reach common grounds on how to define a family business by differentiating between family-owned and family-controlled organizations (e.g., Shanker and Astrachan, 1996; Chua et al., 1999; Sharma, 2004; Astrachan et al., 2002).

The next wave of research shows an interest in unraveling differences between family firms and non-family firms in terms of outcomes such as firm performance (e.g., Anderson and Reeb, 2003; Villalonga and Amit, 2006; Miller and Le Brenton Miller, 2005; Audretsch et al., 2013; Perez-Gonzalez, 2006; Bloom and Reenen, 2007). Several eminent family business scholars have critiqued this stream of studies, suggesting that comparing family firms with non-family firms may not be a significantly useful endeavor, as both forms of organizations are driven by significantly divergent sets of goals (Martin et al., 2016; Cruz and Arrendondo, 2016; Debicki et al., 2017), and it is tantamount to comparing apples with oranges. Scholars suggest that the focus on determining the causes of heterogeneity among family firms would be a more useful endeavor by focusing on the behavioral tradition of family business research (e.g., Chua et al., 2012; Le Bretton-Miller et al., 2015; Daspit et al., 2017). Their assertion is based on the possibility that focusing on family firm heterogeneity and deploying theoretical lenses from the behavioral streams of this field may unravel a way to developing a homegrown; '*Theory of the Family Business*' (Chua et al., 2012).

Starting from the 1990's, and until the end of the first decade of the new millennium, a significant increase in academic articles published in top-tier journals were observed, especially on topics related to strategic choices by family owned and controlled firms. For instance, scholars dealt with internationalization of family enterprises (e.g., Calabro et al., 2013; Cerrato and Piva, 2012; Shen, 2018), on dividend payments by family firms (Michiels et al., 2017), or policies regarding capital structure (e.g., Farinha, 2003; Setia-Atmaja et al., 2009, Hamid, Abdullah, and Kamaruzzaman, 2015), trends in earnings management (e.g., Bhaumik and Gregoriou, 2010), shifting focus from domestic markets to targeting export markets (e.g., Bhaumik et al., 2010; Haar and Ortiz-Buonafina, 1995), engagement in environmentally friendly investments (e.g., Berrone et al., 2010), engaging in corporate social responsibility (e.g., El Ghoul et al., 2016), investment in research and development (e.g., Chrisman and Patel, 2012), proactive stakeholder engagement (Cennamo et al., 2012; Filser et al., 2017; Kellermans et al., 2012), among others.

In response to call from several eminent family business scholars (e.g., Pramodita Sharma, James Chrisman, Jess Chua, Pascal Berrone, Franz Kellermanns, Alfredo De Massis and others), the research focus shifted to studying heterogeneity among family firms, especially after the seminal work by Gomez-Mejia et al., (2007) where they proposed the theory of socioemotional wealth (Carr and Ring, 2017; Debicki et al., 2017; Vandebeek et al., 2016). The new generation of published research work showed a great amount of interest among academic scholars on the concept of socioemotional wealth, and how it relates to financial wealth (De Castro et al., 2016). Yet, despite these developments, the importance and depth of this field warrants a more nuanced view of how socioemotional wealth goals relate to collective behavior of family firm owners and how they impact firm performance goals (Martin and Gomez-Mejia, 2016).

In a rigorous bibliometric citation analysis, Xi, Kraus, Filser, and Kellermans (2015) examined 1,103 publications and 47,295 citations (from top tier journals, works of reputed family business scholars that were under press, and books by leading family business scholars) covering a time horizon that is segmented into two (2) parts; from 1964 to 1998 and then 1999 to 2012. The aforesaid study categorized family business research works into five broad clusters: (i) Definition of Family Business, (ii) Governance, (iii) Competitive Advantage, (iv) Leadership and Management, and (v) Succession. The above mentioned study supplements several previous meta-analysis carried out by authors such as; O'Boyle et al. (2012); Basco (2013); Carney et al. (2013); Stewart and Hitt (2012); and Wagner et al. (2014), which are among the most cited meta-analysis in family business studies.

Two very important contributions of the Xi et al.'s (2015) analysis stand out. First, they identified 25 scholarly pieces of work in family business research that are regarded as seminal works and are considered as the building blocks of subsequent studies. These publications are among the most cited works in the field. Second, in the future directions for family business scholars, they suggest that the next wave of research focus in the family business field should concentrate on the behavioral dimensions of the owning family and family-coalitions that control and influence the business organization. They particularly point to the theory of 'Socioemotional Wealth' proposed by Gomez-Mejia et al., (2007). They go on to suggest that a homegrown theory of family business is likely to emerge from understanding how multiple dimensions of socioemotional wealth relate to behavior and strategic choices adopted by the family firm owner-managers and how these choices influence firm-level outcomes.

2.2.1 Conflict in Empirical Findings

One of the most common research questions in prior scholarly works has been; whether family involvement in management is better or worse for family firm performance? (e.g., Barontini and Caprio, 2006; Chrisman et al., 2004; Dyer, 2006; Miller et al., 2007, Poutziouris et al., 2015). Researchers explored whether family firms performed better or worse than non-family firms. The findings of the previous studies have been mixed and the results are often contradictory (Rutherford et al., Holt, 2008; Pindado and Requejo, 2015). For instance, in one cluster of studies, it is reported that involvement of family firm owners in management is positively and significantly related to financial performance of the firm (e.g., Allouche et al., 2008; Andres, 2008; Barontini & Caprio, 2006; Chu, 2009; Lee, 2006; Martinez et al., 2007; Maury, 2006; Miller et al., 2007; Sraer and Thesmar, 2007; Villalonga and Amit, 2006). While a different set of studies suggest that there appears to be no statistically significant association between family involvement and performance (e.g., Chrisman et al., 2004; Schulze et al., 2001; Sciascia & Mazzola, 2008; Westhead & Howorth, 2006). Whereas, a few studies reveal that non-family firms perform better than organizations controlled by a single family or families (e.g., Giovannini, 2010).

Family business scholars argue that the conflicting findings mentioned in the preceding paragraph come in the way of theory building (Zahra, 2016). Empirically, this may reflect differences in the way family businesses are defined, or how firm performance and involvement of the family are being measured (Chua et al., 2012). Theoretically, this suggests that the association between family involvement and firm performance is not straight forward, and is possibly mediated and/or moderated by variables that have not been considered so far (Chrisman et al., 2012, Chrisman and Holt, 2016; Daspit et al., 2017). For instance, Villalonga and Amit (2006) found that value creation in family firms is impacted by whether the family that controls the management has voting rights that exceed their cash flow rights. Aligned with this thought, Perez-Gonzalez (2006) and Sciascia et al. (2014), find that the family generation-in-charge of the firm's management matters when it comes to performance of the firm.

There is a consensus among scholars that family firms are heterogeneous by nature in terms of their goals and behavior that impact firm-level outcomes (Melin & Nordqvist, 2007; Martin & Gomez-Mejia, 2016), which means that empirical research should be directed to finding the appropriate mediators and moderators of family involvement's effects on goal, behavior and performance (Carr and Ring, 2017; Chrisman and Holt, 2016). This line of argument forms the basis of the primary contribution of this study, which will be addressed in detail under 'research gaps' in section 2.13 of this chapter.

At the end of the first decade of the new millennium, the efforts by family business scholars turned towards developing a homegrown theory of family business that could delineate a common thread that explains how dual goals of the family and the firm interact with each other. With this endeavor in mind, the research focus evolved further from comparing family firms with non-family firms, to trying to explain the heterogeneity among family firms (Chua et al., 2012; Martin and Gomez-Mejia, 2016; Daspit et al., 2017). This shift in research focus brought into limelight the need to understand the behavioral aspects of family-centric non-economic (FCNE) goals, which are often at odds with economic logic (Gomez-Mejía et al., 2011). Some of these FCNE goals are; desire to retain control and influence decisions of the firms by the family, desire to provide employment to family members even if their competency for the job is inferior to experienced non-family professionals, desire to have strong family identity in the community by engaging in charities and community activities with the resources of the firm, etc. Family firms are distinct from non-family firms because of their emphasis on FCNE goals such as socioemotional wealth (Berrone et al., 2010; Chua et al., 2012; Martin and Gomez-Mejia, 2016).

2.3 Definition of Family Owned Business (Family Firm)

What characteristics need to be present in an organization to be considered a 'family business'? Lansberg (1988) posed this question in their insightful article. The response to this key question is vital to understanding the idiosyncrasies of family owned enterprises. Nevertheless, the definition of family business has been a topic of intense debate among scholars in this field (e.g., Chua et al., 1999; Sharma, 2004; Sharma, Chrisman, and Chua, 1996; Distelberg and Sorenson, 2009), this may be partly due to the fact that many researchers are yet to agree on at least two important features that define a family firm: (i) how does the family and the business organization combine to form the family business enterprise? and (ii) how does one define 'family'? (Chua et al., 1999).

Chua et al. (1999) highlight the definition challenge: "*…all scholars agree that a firm, for example, is owned and managed by a family but disagree whether family-owned but not family-managed, or family-managed but not family-owned, should be included. Regarding the definition of a family, the nuclear/ immediate family (i.e., parents and their children) is generally held as the consensus view with which to define "family"; but others suggest that an extended family, or those people related by blood or marriage, can arguably be considered a family*". (p. 28).

Nevertheless, researchers have more or less moved towards a consensus on definition and presently the most widely accepted definition of a family firm is: "*a business governed and/or managed with the intention to shape and pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families*" (Chua et al., 1999, p. 25).

For the purpose of this study, it is proposed to follow the definition of a family business proposed by Chua et al. (1999), which have also been adhered to in several other studies that looked at privately held family firms (e.g., La Porta et al., 1999; Villalonga and Amit 2006; Chrisman et al., 2007; Debicki et al., 2017). Since this research is based on private family firms, hence, aligning with the operational definition followed in the aforesaid publications, a family owned and controlled business must fulfill the following three criteria:

(i) Founder of the firm is the top decision maker in the organizational chart in positions such as Chief Executive Officer (CEO) or their successor in the same position who is related by blood or marriage to the owning family;

(ii) At least two family members are actively serving on the board of directors or are in the top management team; and

(iii) At least 51% of the firm's stocks (ownership) is controlled by family of the CEO (i.e., top decision maker in the firm).

2.3.1 Justification for having a Family CEO

In order to manage the enterprise in a way that reflects the collective vision of the family and to preserve its' SEW endowment, it is necessary to have a member of the family in the top most decision-making position in the firm (Zellweger, Kellermanns, Chrisman, and Chua, 2011). "*…the CEO of a family firm generally wields power that is disproportionate to his or her share of ownership; this disproportionate power stems from familial sources (for instance, status as the head of the family), hierarchical sources (such as status as the head of the firm), and (because the firm is privately held) freedom from the oversight and discipline provided by the market for corporate control and other sources of external governance*." (Schulze, Lubatkin, and Dino, 2003, pg. 182). Furthermore, it is natural for a family-CEO to pursue SEW goals of the family more than hired CEOs who are not members of the family (Gomez-Mejia et al., 2007).

2.3.2 Need for Family to have Controlling Shares (Ownership)

The basic understanding of what makes family businesses different from non-family ones is that the family or coalition of families are able to influence key decisions over the strategy and operations of the organization. The family firm owners, represented by members involved in the management, utilize their unique set of vision and goals, to steer important decisions in the firm. This indicates that the control of the family determines how the firm's resources are allocated to create competitive advantage in the market or industry it operates in (Carr and Ring, 2017). This implies that the family coalition has the discretion to shape the enterprise in ways that can meet the business goals of the firm while at the same time ensuring the preservation of SEW goals of the family.

Family business literature offers a diverse set of definitions of what qualifies as a family controlled firm (Chrisman et al., 2003; Klein et al., 2005; Mroczkowski and Tanewski, 2007). However, despite the different definitions there is a common thread in the operational nature of these definitions, which is vital for empirical research. Furthermore, all the definitions attempt to capture two basic factors: involvement of the family in the management of the firm (Fiegener, 2010; Van den Berghe and Carchon, 2003) and the family's ability to exert control over strategic and operational decisions of the business enterprise (Carney 2005; Pindado and Requejo, 2015).

Arregle et al. (2012) suggest that family-*influenced* firms and family-*controlled* firms should be differentiated. The authors contend that family-*influenced* firms, are best observed in the domain of publicly traded family firms (Chrisman and Patel, 2012; Gomez-Mejía et al., 2003), which have considerable ownership by non-family shareholders, while a family coalition may be able to influence decisions even with 5% holdings in a publicly listed firm. While Family-*controlled* firms would require complete or majority ownership, which would give the family unfettered discretion over decisions in the firm (Chrisman and Holt, 2016).

In line with the discussions in the preceding paragraph, there seems to be consensus among scholars that involvement of family in ownership and management of a firm is a necessity, but it is not a sufficient condition for a business to be considered a family firm (Chrisman et al., 2005; De Massis et al., 2015). In reality to be considered a family business, an organization requires certain intrinsic quality that reflects the unique nature of family firms, labeled as “particularism” (Carney, 2005). Business enterprises with comparable levels of family involvement in ownership may not behave like family businesses nor like to be considered as family firms, it is crucial to capture their distinctive behaviors (Chua et al., 1999). This particularism often differs from the behavior of non-family businesses, where there are greater scrutiny and stronger governance mechanisms in place (Chrisman et al., 2012).

Taking into account the discourse on the definition of family business in the extant literature and the range of discussions stated above, this study considers private family firms that are “family controlled” and are likely to exhibit strong affinity towards SEW goals. Consequently, the study looks at family firms that are both owned and controlled by a family or a coalition of families. This definition of family firms was also followed by several other highly cited studies in the family business literature (e.g., Anderson and Reeb, 2003; Villalonga and Amit, 2006; Sraer and Thesmar; 2007).

2.4 Family Business Studies: *Demographic* vs *Behavioral Streams*

Family business studies may be categorized into two broad streams: the demographic tradition and the behavioral tradition, whereby scholars have attempted to examine relationships between family involvement in management and its’ consequences on firm-levels outcomes that are connected to performance (Basco, 2013). Over the last few decades, the debate surrounding how the family contributes to family firm performance has received significant attention. In this sense, Chrisman, Steier, and Chu (2006) commented on demographic studies and the studies that attempted to capture family firm behavior, and stated that: ‘‘*any useful theory of family business must include relative statements of how family firms will behave, the conditions that lead to that behavior, and the outcomes of behavior vis-a`-vis both family and nonfamily businesses that possess different sets of fundamental characteristics*’’ (p. 719). This matter of theory building has been further discussed at length in several frequently cited articles (e.g., Chrisman et al., 2005; Gedajlovic et al., 2012; Jiang and Peng, 2011; Mazzi, 2011; Rutherford et al., 2008; Stewart and Hitt, 2012; Yu et al., 2012; Zellweger et al., 2010).

The aforementioned studies reveal that the demographic approach measures family involvement with demographic parameters such as presence of a family CEO, number of family members in top management teams, etc. (Carney et al., 2015). On the other hand, the behavioral approach (also referred to as the "essence" approach) attempts to capture the resultant family-business outcomes based on the intermeshing between the behavioral dimensions of the owning/controlling family and the firm (Miller and Le Bretton-Miller, 2014; Schulz & Kellermans, 2015).

Compared to the behavioral stream of research, the demographic approach has received significantly greater attention in family-business research. Scholars acknowledge the criticism by Zellweger et al. (2010) that the demographic approach: ''*may only depict a family's potential to influence the family firm*'' (p. 56). The current research trend has shifted more towards the behavioral approach and has been lauded as the more appropriate way to capture what happens inside the firm as it recognizes the role of human emotions in the way the firm is managed (Prugl, 2019). Furthermore, the argument for the behavioral stream is that the family's social and psychological parameters definitely impact the way an enterprise is governed (Dyer, 2006; Berrone et al., 2012; Debicki et al., 2017), which affects the family' commitment to the firm's business goals (Chrisman et al., 2012; Daspit et al., 2017). Behavioral outcomes of family firm owners especially of those in key management positions subsequently impacts firm performance (Gomez-Mejia et al., 2011; Debicki et al., 2017). Therefore, the current study adopts the behavioral stream of family business research that is deemed to be suited for exploring the research objectives of this study.

2.4.1 Behavioral Studies in Family Business

A valuable scholarly contribution to the family business field was made by (Chrisman, Kellermanns, Chan, & Liano, 2010), who conducted an exhaustive review of family business articles in top tier journals, and grouped articles into three broad categories. The first cluster of articles are based on the agency theory (Jensen and Meckling, 1976) which was used to explain the ‘‘particularism’’ of family firm behavior (Carney, 2005) through the family-centric non-economic goals that they pursue, leading to the introduction of the socioemotional wealth paradigm (Gomez-Mejia et al., 2007).

The second set of articles deal with the defining family firms, where the emphasis is on family involvement (Astrachan et al., 2002), which lead to advocating for shifting beyond the demographic approach towards a more theoretical definition exemplified by the behavioral approach or "essence of the family" (Chrisman et al., 2005). The third cluster of articles are based on the resource-based view which explain the distinctiveness of family firms based on their resources—also known as '*familiness*' (Habbershon & Williams, 1999). Familiness is basically a phenomenon that emerges from the interaction of specific features of the family and the firm and often become valuable, rare and difficult to imitate and substitute sources of competitive advantage for the firm (Sirmon and Hitt, 2003).

Of the three strands of behavioral research, the SEW has received the highest amount of traction as evidenced from the number of published works in top tier journals (Pindado and Requejo, 2015; Romero and Ramirez, 2017; Cruz and Arrendondo, 2016). Socioemotional wealth theory has been enthusiastically received by a large group of family business scholars, mainly because SEW promises to explain the unique reference point of family firm owners. Furthermore, this paradigm has been viewed as the '*master-key*' that may open the door to development of a general theory of family business (Chrisman and Patel, 2012; Zahra, 2016; Carr and Ring, 2017). Last but not least, the SEW model has a strong theoretical foundation, based on the Behavioral Agency Model-BAM (Wiseman and Gomez-Mejia, 1998).

2.4.2 Behavioral Agency Model and Emergence of SEW Theory

Wiseman and Gomez-Mejia developed the behavioral agency model (BAM) to address the inherent limitations of the agency theory's assumptions about the risk preferences of business executives (Wiseman & Gómez-Mejía, 1998). BAM is a derivative of the prospect theory (Kahneman and Tversky, 1979), which suggests that the behavioral preferences of people are shaped primarily by problem framing and loss aversion (Wiseman & Gomez-Mejia, 1998). Aversion to loss mainly points to the fact that individuals are more focused on avoiding losses compared to potential gains. Framing of problems indicates that choices are viewed by people from a viewpoint of gains or losses, mostly in reference to their current utilities and asset endowments (Kahneman & Tversky, 1979). Therefore, in the case of family firm owners, the loss aversion would be in reference to SEW endowments (Gomez-Mejia et al., 2007).

Problem framing may also be impacted by the way in which choices are presented to individuals (Tversky & Kahneman, 1986). In cases where choices are framed in a negative manner—for instance, if there is an anticipation that the current line of thinking is likely to result in a loss, the decision-maker is likely to engage in riskier behavior even though the expected outcome of the risky option may be lower. On the other hand, if the situation is framed positively, then people are likely to be risk averse and may select the choice that provides a more definite yet smaller gain. Hence, unlike the agency theory, BAM does not automatically imply that executive decision makers are necessarily risk-averse or that their risk-preferences are always constant.

Both BAM and SEW have common roots. Based on the tenets of BAM, Gomez-Mejia and colleagues (2007) expanded the discourse further by stating that that the family business owners are averse to loss with regard to their SEW endowments, which includes dimensions such as emotional attachment of family members, identity of the family in the community as a result of their family enterprise; their desire to continue the family name over generations; preserving the social capital of the family gained through the business, and last but not least the capacity to act altruistically toward family members using the organization's resources. BAM evolved as a need to explain why a family's desire to preserve the socioemotional wealth associated with firm control may result in entrenchment of family-managers (Gomez-Mejia, Nunez-Nickel, & Gutierrez, 2001); or result in key decision-makers preferring to keep the firm independent even if it means exposing the firm to enhanced business risks (Gomez-Mejia et al., 2007; Gomez- Mejia, Larraza-Kintana, & Makri, 2003); superior environmental performance when it is tied to the family's reputation (Berrone et al., 2010); and a possibility of being less interested in diversification of the business that could have reduced business risk to the firm, only because it may reduce the control and influence of the family (Gomez-Mejia et al., 2010).

The studies mentioned in the preceding paragraph suggest that decisions of family members involved in top management indicate behaviors that are primarily driven by their desire to preserve SEW of the family. However, they also seem to assume that behavior of family-managers manifest itself uniformly whereby these decision-makers will always tradeoff business risk for control risk which is tied to SEW preservation. To this point, Martin and Gomez-Mejia (2016) revisit the concept of SEW and state that family firm behavior will depend on which of the dimensions of socioemotional wealth that receives greater weightage among family firm managers, and hence the behavioral outcomes will not be the same.

2.5 SEW Theory: A Dominant Paradigm in Family Business Research

In 2007, Gomez-Mejia and colleagues extended the Behavioral Agency Model to argue that the agency theory based understanding that undiversified wealth makes owners of family businesses averse to risk. The theory has gained great traction within the family business literature (Berrone et al., 2012; Xi et al., 2015, Prugl et al., 2019). A significant amount of research asserts that SEW influences strategic decisions, managerial actions, enterprise governance practices, how family-managers relate to internal and external stakeholders, and performance of the firm (e.g., Berrone et al., 2014; Cruz et al., 2014; Vardaman & Gondo, 2014, Debicki et al., 2017; Samara and Paul, 2018).

The SEW model was proposed in 2007 by Gomez-Mejia and colleagues, when they undertook study of 1,237 Spanish Olive Oil Mills. The authors discovered that family owners of the olive oil mills were willing to sacrifice financial benefits of joining cooperatives in order to preserve control of their firms. The desire to keep control of their management, a dimension of SEW, superseded their desire for access to the opportunity to gain financially by joining cooperatives where they could avail low cost financing, among other benefits such as access to a collaborative supply chain networks, etc. The authors concluded that owners of family firms have a unique reference point in their decision-making calculus, i.e. they are risk-averse to the potential loss of SEW, and are willing to forgo economic benefits if it means preserving SEW (Gomez-Mejia et al., 2011, Chirico et al., 2019). In a recently published study by Gomez-Mejia et al. (2019), the authors augment the above discourse by examining the risk-taking propensity of family CEO's and socioemotional wealth.

By socioemotional wealth, Gomez-Mejia et al. (2007) refer to aspects of the firm that are emotionally tied to the family's affective dimension. Some of these dimensions would be ensuring that the family continues to exert control and influence over the firm, the family's identity in the community going hand in hand with their business enterprise, social bonds with employees, suppliers and customers built through business links, their desire for trans-generational continuity of the family name attached to the firm and so on.

2.5.1 Emotional Value & Socioemotional Wealth: Overlaps & Distinction

Since the proposition of the socioemotional wealth (SEW) model, the SEW approach is emerging as a dominant paradigm in the family business field inviting growing academic interest (Wu, 2018). However, in spite of the SEW theory having great acceptance, researchers have not yet reached a consensus on what exactly SEW is, what its' consequences and implications for family businesses are, and what its' principal challenges are? How does SEW interact with firm performance? and does it interact directly with performance or through potential mediators (Chrisman and Holt, 2016; Jiang et al., 2017; Shen, 2018).

Furthermore, emotions occupy an essential place in the concept of SEW. In consonance with this idea, Kets de Vries (1993) provide examples of how positive emotions of family firms lead to desire for firm's continuity, greater resilience in hard times, and family pride of continuity leadership, among others. On the other hand, negative emotions lead to nepotism, confusing organization, and paternalistic rules. Romero and Ramirez (2017) state that: "*The intrinsic and inextricable emotional endowment that all family businesses have, i.e. the set of feelings, emotions, relationships and binding ties between members of the business family.*" (pg. 97).

Conceptually, SEW is an emotional endowment, and thus, human social and psychological needs have an important role. This would imply that SEW is an intrinsic part of family firms. To assume that emotions are limited to family enterprises only would be inaccurate, in fact major non-family block-holders and employees in non-family firms may also experience some of these emotions (Astrachan and Jaskiewicz, 2008). However, the concept of SEW is not the same thing as 'Emotional Value' (EV), in explaining this essential difference, Berrone et al. (2010) state: ''*the value of socioemotional wealth to the family is more intrinsic, its preservation becomes an end in itself, and it is anchored at a deep psychological level among family owners whose identity is inextricably tied to the organization*'' (pg. 87). While, EV may be visible in both family and non-family enterprises as it implies emotions, and all types of organizations are bound to have emotional content as they are managed by human beings, and emotions are a natural part of human social interaction.

Hence, it may be assumed that all firms (family or nonfamily) are going to have an emotional element. However, this component will have a more profound role in family businesses due to the relationships between their owners and those family members involved in management. Therefore, it is these bonds among family members that determine the difference between SEW and EV. Hence, it is vital to recognize the distinction between emotional value and socioemotional wealth, implying that when SEW is mentioned, the reference is exclusively to family enterprises, while when one EV is referred to, both family or nonfamily firms can display such emotions. Thus SEW encompasses EV, but not the other way around.

2.5.2 Socioemotional Wealth: Stock of Wealth

The extant literature suggests that family-centric non-economic goals mimic a flow-like quality, because family enterprises execute strategies that lead to the accumulation of stocks of affective outcomes, such as social standing of the family in the community, that contain a greater weightage on non-economic utility (Chua et al., 2015). However, Gomez-Mejia et al. (2007) introduced SEW as a stock of family-centric non-economic outcomes, thereby making a distinction between stocks and flows of noneconomic benefits. This finer-grained understanding of SEW is crucial because only stocks lead to values that create competitive advantage for the firm, while flows can be adjusted in the short term to maintain or create value (Chua et al., 2015; Dierickx and Cool, 1989). Prior to proposition of SEW by Gomez-Mejia et al. (2007), family business scholars did not distinguish between the stock and flow aspects of family-centric non-economic goals. Chua et al. (2015) consider this as one of the most vital contributions of the SEW paradigm to the field of family business research.

Gomez-Mejia et al. (2007, pg. 108) stated that SEW includes: "*the ability to exercise authority, the satisfaction of needs for belonging, affect, and intimacy, the perpetuation of family values through the business, the preservation of the family dynasty, the conservation of the family firm's social capital, the fulfillment of family obligations based on blood ties rather than on strict criteria of competence, and the opportunity to be altruistic to family members*," and added fulfilling "*the need for identification*" in the following paragraph. Most of the concepts mentioned in the above quote appear to possess both flow and stock elements and the manner in which they were presented does not clearly distinguish them as stocks or flows. This matter was then discussed threadbare by Berrone et al. (2012), who delineated the five (5) FIBER components of the SEW construct (i.e., family control and influence, family members' identification with the firm, binding social ties, emotional attachment, and renewal of family bonds to the firm through dynastic succession) in terms that are more associated with stock of wealth rather than flow of wealth (Chua et al., 2015).

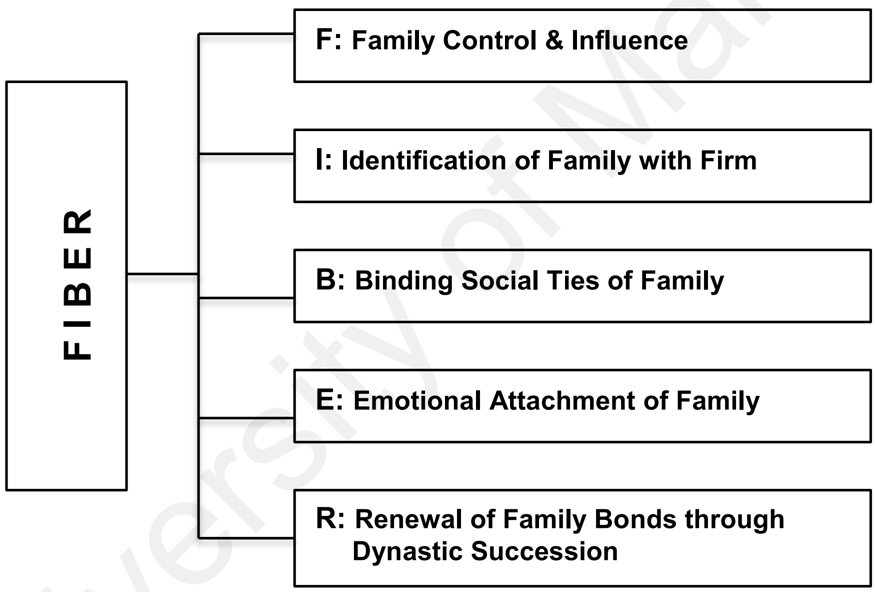
2.5.3 SEW: A Multidimensional Construct

Socioemotional wealth is a construct that captures the 'affective endowment' of owners of family enterprises (Berrone et al., 2012; Shen, 2018; Rousseau et al., 2019). As mentioned earlier, some components of this endowment are family's desire to exercise control and influence, provide employment to family members, appointing trusted family members to key positions, ensuring a strong family social identity, renewal of family bonds through dynastic continuity, and so on (Gomez-Mejia et al., 2007). Hence, SEW is naturally a multidimensional construct. The extant literature indicates that studies on SEW relied mostly on sources based on archival data, in other words SEW was measured using secondary univariate measures that were basically distal proxies (e.g., stock ownership distribution in the firm, percentage or number family members in top management teams or the company board, and whether the CEO was a family member or not) (Berrone et al., 2012; Hauck et al., 2016). Hence, relatively few published works are available till date that have examined the multiple dimensions of the SEW construct in detail. Therefore, it may be assumed that only a small number of studies have attempted to closely explore the various dimensions of SEW (e.g. Naldi et al., 2103; Debicki et al., 2016; Prugl, 2019).

Past empirical studies mostly captured SEW through distal proxies such as stock ownership, number/ratio of family members on board, etc. (Debicki et al., 2016). The justification behind using such proxies measures was that factors such as percentage of stock ownership reflects the family's ability to influence strategic decisions within the firm (Miller et al., 2011), which reinforces the control and influence dimension of SEW. Berrone et al. (2012: pg. 262) state that: "*Although use of secondary proxies (e.g., percentage of shares owned by a family) may be a valid first-degree approximation to SEW, and perhaps the only available alternative when using large archival databases, they are unlikely to capture the full spectrum of what SEW envelopes.*"

Recognizing a need for a closer look at the multi-dimensional conceptualization of SEW, a few family business scholars undertook fairly exhaustive studies to come up with the distinct dimensions of this construct. Among these works, the most notable are by Berrone et al. (2012) who developed the FIBER scale with five (5) dimensions and subsequently the study by Debicki et al. (2016) which culminated into a slightly different measurement scale known as the SEWi (*importance of scoioemtional wealth*) with three (3) dimensions (*family prominence, family enrichment and family* *prominence*).

Family business scholars agree that socioemotional wealth is a multi-dimensional, latent construct (Berrone et al., 2012; Debicki et al., 2016; Hauck et al., 2016; Martin and Gomez-Mejia, 2016; De Castro et al., 2016; Prugl, 2019) that exists in family firms independent of the measure used and not as formative (Borsboom, Mellenbergh, and Heerden, 2003) which is consistent with the conceptualization of the SEW construct as being reflective in nature (Sarstedt, Ringle, Smith, Reams, and Hair, 2014). Figure 2.1 in the next page shows a break up of the FIBER scale.



Source: Berrone et al. (2012)

Figure 2-1: FIBER Scale Dimensions of SEW

2.5.4 Socioemotional Wealth: Potential Pathway to a '*Theory of Family Business*'

A major advantage of the SEW approach is that it derives its' evolution from and mirrors a substantial body of peer reviewed academic research on family businesses (Lafranchinni et al., 2018). When contrasted to other paradigms used in family business studies, the other approaches find it difficult to adjust to the context of family owned enterprises (Gomez-Mejia et al., 2010). Decades of research corroborate with the notion that family business owners are naturally inclined to placing great emphasis on their SEW endowment. Although, SEW was originally derived from the behavioral agency model (Gomez-Mejia et al., 2010; Hernandez-Linares et al., 2019), the SEW model is recognized to be more versatile as a construct, and is well recognized among family business scholars, as evidenced by the increasing number of recently published articles in top-tier journals as a testament to its' analytical adaptability (Dayan et al., 2019).

The development of a homegrown theory of family business is certainly overdue, and family business scholars have recognized that the SEW Model holds promise in paving the path towards such a theoretical development that has been an elusive mirage so far (Cruz and Arrendondo, 2016; Zahra, 2016). This is mainly because the multidimensional conceptualization of SEW provides avenues to unravel a common thread that can explain the idiosyncrasies of family firms. The SEW perspective has now emerged as a dominant paradigm that is being looked at with great interest by family firms researchers in their "*Quest for the Holy Grail*" (i.e., Theory of Family Business) (Carr and Ring, 2017; Rousseau et al., 2019).

There is an intense debate among family business scholars on whether SEW is directly related to firm's business performance or whether they are independent of each other or whether they are related to each other through other behavioral dimensions such as entrepreneurial orientation of the family, family commitment towards the firm, governance systems, etc. (Chrisman and Holt, 2016; Daspit et al., 2017; Prugl, 2019). Chrisman and Holt (2016) elaborated on this issue by stating that the relationship between SEW and firm performance is likely mediated by other variables, not considered so far, that reflect collective family behavior in connection to the firm.

In order to comprehend the above issues, attention is drawn to a relatively new theorem proposed by De Massis et al. (2013, 2014, 2016) about 'Ability' and 'Willingness' being both necessary and sufficient conditions for family-centric non-economic goals to manifest effects on desirable behavior and outcomes such as firm performance. This new discourse known as the '*Ability and Willingness Paradox in Family Firms'* has opened up an interesting prospect for theory building by offering a theoretical link between family-centric goals such as SEW, collective behavior of the family firm owners and firm-centric outcomes (e.g., *Firm Performance*).

2.6 Ability and Willingness Paradox in Family Firms

Divergent views in the literature highlighted in the previous section triggered the emergence of a new theorem labeled as the 'Ability and Willingness Paradox' (De Massis et al., 2013; Chrisman et al., 2014). Family business scholars agree that as a result of highly concentrated family ownership in the firm and the power to exert control over firm's resource allocation, family business owners typically have high levels of ability to exert control and influence over the strategic and operational decisions of family firms. However, the proponents of the 'Ability and Willingness Paradox' postulate that family firms have varying levels of willingness to exercise such ability to influence decisions.

The above idea is expressed in an empirical study by De Massis et al. (2013), where they found that variation in levels of willingness of family business owners to invest in research and development aimed at driving innovation. The lack of willingness to invest in innovation is driven by SEW considerations (Chrisman et al., 2014). The '*Ability and Willingness Paradox'* is an uncomplicated but a powerful theorem that explains the heterogeneity in family firm behavior by integrating family-centric non-economic parameters along with the willingness perspective next to the ability view into existing discourse in family business research. It must be recognized that some of the earlier studies did allude to this variation in willingness and ability dilemma (e.g., Chrisman and Patel, 2012), however, the idea was given shape and introduced to serious academic discourse by De Massis et al., (2013).

The contribution by De Massis et al. (2013) presents a theoretical framework on how behavior of family-managers and their strategic decisions are influenced by involvement of the family members in key decision-making in family owned firms. Using the example of policies regarding investing in R& D in family firms, they examine behaviors based on discretion of the family-managers to act (*Ability*) and their disposition of the family-managers to act (*Willingness*), as the core drivers that create a distinction between family enterprises from non-family ones, and suggest that this variation contributes to heterogeneity among family owned businesses. The word '*paradox*' is used because, while family firm owners usually have superior ability to execute their goals, yet they often manifest lower levels of desire or willingness to engage in firm performance-centric activities such as investing in diversification, technological innovation, venturing into international markets, professionalization of the governance systems, etc. Deciphering this paradox could yield new insights to a better understanding of heterogeneity of family firms and their idiosyncratic behaviors.

In a seminal article on behavior of family business owners by the psychologist Ket Devries (1993), the author points out that the willingness of the family for continued involvement in the firm and future trans-generational control intentions varies between families based on their circumstances and realities. For example, founders that don't have any children or competent legal heirs, may decide to let the business move into the hands of more professional outsiders, and the family gradually starts to resemble a non-family organization. The firm becomes a source of income for the family and not an arena for translating other social or emotional goals of the family. The above discussion was elaborated on subsequently by other scholars, and especially highlighted in an article by Professor Pramodita Sharma (one of the most prominent family business scholars and the founding editor of the prestigious journal; Family Business Review) in the article published in 2004. This '*Ability and Willingness Gap'* was subsequently developed into a theoretical paradigm by De Massis et al. (2013, 2014, 2016). The argument is pertinent to this study and deserves special attention, as it may be a vital piece of information missing in explaining the heterogeneity among family firms.

The paradox is manifested by family firms in firm-oriented strategic choices such as not wanting to invest in R&D (Chrisman and Patel, 2012) or reluctance to internationalize their firms (Calabro, Torchia, Pukall, and Mussolino, 2013), or tendency to avoid joining cooperatives because they may lose control (Gomez-Mejia et al., 2007) despite having the ability to do so. However, the paradox referred to is complex in nature due to the fact that association between ability and willingness varies in types and levels among different family enterprises. As a result the outcome of the interaction between ability and willingness varies between firms and is often challenging to predict.

The above paradoxical phenomenon may be attributed to a certain extant to 'ability to control' and 'capacity to control' by family-managers, since willingness to manifest controllability may depend on the perceived efficacy of taking such actions. Thus, the tendency among family members involved in management of the family firm to commit to the firm to further their family-centric goals may be dependent on the level of importance assigned by the family to their SEW goals (De Massis et al., 2016). For instance, although control is a major concern for most family business organizations, the balance between concerns for short-term control intentions and long-term control intentions may lead to significantly different propensities to remain actively involved in firm's strategic and operational decisions (e.g., Chrisman and Patel, 2012).

Besides points mentioned above, other factors that are likely to contribute to this ability and willingness gap are personal and circumstantial parameters such as environmental inputs, family conflicts, resource availability, succession and control transfer issues, and possibly many other factors that have not been studied yet, which are drivers of such variations in willingness among family business owner-managers and collective vision of family firm owners that change over time much more so than non-family firms. Chrisman et al. (2014) have pointed out two drivers of the ability and willingness gap; '*trans-generational succession intentions*' and '*performance aspirations*'. The following sub-sections further elaborate on *Ability and Willingness* in the family business context.

2.6.1 Discretion to Act (Ability)

"*Ability is defined as the discretion of the family to direct, allocate, add to, or dispose of a firm's resources. It also includes latitude in selecting the goals of the organization and in choosing among the range of feasible strategic, structural, and tactical decisions*" (Chrisman et al. 2014: pg.311).

The authority of the family firm owners to exercise their discretion arises from factors such as family's stock ownership concentration, involvement of the family in top management teams, governance structures, culture and politics that exists in the organization, regulatory framework, etc. (Carney, 2005). For instance, it is often observed that in family firms, the family's control over a firm's resources relative to its voting rights may be enhanced through the establishment of pyramidal structures, establishing cross-holdings, and complex voting structures such as dual-class shares, etc. (Claessens et al., 2002). As a result family business owners are often able to bypass the board of directors when policies are enacted and strategic decisions are taken (Carney 2005). Furthermore, the dominant family coalition may be able to obstruct or expedite managerial actions without being actively involved in direct management functions by controlling the management's access to resources (Finkelstein and Hambrick, 1990, 1996).

However, it must also be acknowledged that the opposite may also be true. For example, powerful non-family block-holders and coalition of institutional shareholders as board members or stakeholders with leverage over the firm such as powerful distributors, customers, financial institutions and regulatory authorities may constrain the ability of family owners and family-managers to exercise unbridled discretionary authority over the firm.

2.6.2 Disposition to Act (Willingness)

"*Willingness is defined as the favorable disposition of the involved family to engage in distinctive behavior. It encompasses the goals, intentions, and motivations that drive the family involved to influence the firm's behavior in directions that are different from those pursued by firms without family involvement*" (Chrisman et al., 2014: p.311).

Founding entrepreneurs of business enterprises that reach sustainable levels of growth at some part of their productive lives start to reflect on passing on the baton to a suitable successor or successors (Gersick et al., 1997). Whether such dynastic succession is on the cards or not depends on the unique personal circumstances of each family. Furthermore, Marler et al. (2017) in their study on proactive planning in incumbent-successor relations, explain how due to absence of proactive planning in the succession processes, often family firms get engrossed in family conflicts, and such disharmony usually discourages able successors from getting involved in the family enterprise. Therefore, willingness of family members to engage in firm performance-centric behavior is not guaranteed by a family's dominant stockholdings or history.

Therefore, it may be stated that willingness is related to, but does not necessarily manifest just because the family is involved in the firm's management (e.g., Litz, 1995). For instance, even with equivalent levels of family involvement, the level of willingness between firms can vary (Schulze et al., 2002). Therefore, it may be deduced from the above arguments that, although ownership concentration and family involvement in the top management is likely to enhance a family's ability (discretion) to act, however, the same conclusion cannot be drawn with regards to willingness (disposition) to act.

2.6.3 Ability and Willingness: Sufficiency Condition

The theory proposed by De Massis and colleagues further addresses the generally held belief that family involvement in the management is sufficient to produce family-centric particularistic behavior. The study suggests that for a firm to exhibit behavior that demonstrates family-centric goal orientation, the presence of both ability and willingness are necessary and presence of one without the other is insufficient (De Massis et al., 2014). The authors demonstrate how the omission of this sufficiency condition in commonly used theoretical models employed to explain how family involvement affects firm behavior can result in theoretical limitations and empirical indeterminacy. They further discuss how considering both ability and willingness can lead to better theory, more generalizable empirical findings, and help explain heterogeneity among firms with family involvement. The need for a general 'theory of family business' will depend on whether the sufficiency condition referred to above influence family enterprises to develop distinctive resources, display particularistic family-oriented behaviors, or manifest varying types and levels of firm performance compared with organizations without such features.

"*This sufficiency condition is intuitively obvious, but we believe is generally ignored in family business research, perhaps because the serious theoretical limitations and* *empirical indeterminacy problems that result when the condition is ignored are not fully understood. Although the constructs are not new to the family business literature and have been used explicitly and implicitly in prior work, the theoretical and empirical problems exist because the constructs have not always been used in combination as theoretically required to satisfy the sufficiency condition*". (De Massis et al., 2014: pg.345).

Several family business scholars have suggested that the disposition to translate ability (discretion to act) into family-oriented particularistic behavior or willingness of the family owners to collectively commit their resources, time, and effort to the firm's business and performance is captured through a construct labeled as '*Family Commitment'* (De Massis et al., 2014, pg. 358; Hatak et al., 2016). This particular construct is likely to be a key link between socioemotional wealth goals and firm performance goals, and may even mediate the relationship. So far the literature has been silent on the issue of exploring whether family commitment offers a viable link between SEW and firm performance. This may be possibly due to the fact that the Ability and Willingness Paradox theorem is a fairly new idea. Therefore, this study looks at the family commitment construct and the antecedents of this construct as SEW goals, and the firm performance as outcome. This line of argument leads up to the research gaps being explored in this doctoral research endeavor (see section 2.13 for research gaps). The next section discusses the family commitment construct in further detail.

2.7 Family Commitment

Carlock and Ward (2001), through their seminal piece of work on strategic planning in family business, elaborately laid out the concept of "*Family Commitment*" in the context of family firms. The process for exploring family commitment requires the family to consider two questions. Firstly, does the family have a collective interest in remaining a family controlled firm? Secondly, is the controlling family able and willing to accept the responsibilities that go with being the dominant owners of a business organization? Presence of family commitment requires an affirmative response to both questions, because it entails continuous commitment of resources, effort and time to the enterprise. The arguments made in the previous section on 'Ability and Willingness Paradox' supports the likelihood that a family may continue to have controlling ownership of the firm, and yet decide not to fully commit to the firm's business goals. Extant literature on family ownership and involvement indicates that absence of active participation in effective governance, leads to decline in financial performance (Carlock and Ward, 2001).

Family commitment to the firm is what makes the enterprise a family business. Without a commitment to simultaneously strategize and follow up on the family-centric goals and firm-centric goals, there would be no difference between a family firm and a non-family one (Klein et al., 2005). Without a shared commitment of the family to invest resources, time and effort to the business, subsequent generations of family members may be inclined to selling or liquidating their holdings in the family firm (Lafranchinni et al., 2018). Ensuring that family members are dedicated to the family enterprise beyond the founder-generation is a daunting task and probably one of the key success factors in keeping the flavor of family owned business still alive in the organization. It demands visionary family leadership from the family principals to develop such collaborative vision and pass it on to subsequent generation of family members. However, as the family grows and the family network expands along with marital ties, the cohesion of the family faces challenges, especially when the organization becomes removed from the founding entrepreneurs.

The example of the Ford family is an excellent anecdote of strong commitment to the business that bears their family name and how the family managed to perpetuate their vision and values through generations of family firm owners and managers. Henry Ford is known as the founder of the modern mass production automobile industry and the company he founded; the Ford Motor Company, that has transformed into a giant transnational company with presence in many regions of the world. Despite the fact that they are among the largest industrial corporation in the world, the Ford family still owns about 40 percent stock holdings and therefore dominant voting rights, which is enough to ensure their control of one of the largest publicly listed firms (Forbes, May 2017).

After a lean patch in Ford's market share and unsatisfactory financial performance in the struggling U.S. automobile industry, the great-grandson of Henry Ford; William Clay Ford Jr., was nominated as the Chairman of the company. William Ford was not just named chairman for his family's significant voting rights, but he had played a key role in the restructuring of the organization in the 1980s to 1990s as head of the firm's finance committee. Prior to that, he had field level management experience serving as the General Manager of Ford Switzerland and also as Vice President of the Commercial Truck Center. In 1999, shortly after being named chairman, one of the company's major manufacturing facility was decimated by explosions and fire. As one of the first executives on the scene, William was emotion choked and described the incident as one of the saddest days ever for the Ford family.

William Ford shared the entrepreneurial flare and commitment of his great-grandfather and quickly recognized the unique challenges he will face. He was often seen driving around in newly designed prototypes such as the electric truck, which is expected to be in production soon. When elevated to position of chairman, he articulated his vision and personal commitment to the family firm by saying, '*I want to serve this company to the best of my ability. The Ford Motor Co. is my heritage and has always been a part of my life*.' (Forbes, May 2017).

From the above example, we note that commitment calls for something beyond mere pledge of loyalty to the enterprise. In fact it involves a deep and active connection with the firm such that family-managers are willing to give a good part of their lives in order to contribute to the firm's well being (Klein et al., 2005). Family commitment is an important variable in comprehending behavior and organizational relationships. According to Astrachan et al. (2002), commitment to the family firm is based on at least three (3) key factors:

(i) Passionate belief and connection to the goals and visions of the family enterprise.

(ii) A strong desire and willingness to contribute to the family firm.

(iii) Intention for a life-long connection with the organization.

The above definition indicates that a crucial element of commitment is behavior supportive of the organization's business goals, not mere passing loyalty.

Carlock and Ward (2001) state: "*Family commitment is based on exploring core values, clarifying a family business philosophy and creating a future vision of the family. There are two equally important elements in the commitment decision: maintaining enough ownership to control the firm (ability) and the willingness to participate and accept the responsibilities of active ownership" (pg. 55)*. The latter part of the above quote refers to presence of 'willingness' of the family to commit to the organizations' business performance goals, which has been elaborately presented in the preceding section while discussing the discourse on the 'Ability and Willingness Paradox'.

According to Carlock and Ward (2001), family commitment comprises of three key elements: (i) the core values the family adheres to with regards to their firm, (ii) the philosophy to be followed in the business and (iii) the shared future vision of the family. The authors state that these elements are not static, as they are continually influenced by changes within the family and business environment. The family's consensus on these three elements forms the basis for long-term commitment to the family enterprise (Klein et al., 2005). The following sub-sections present an overview of the 3 elements of family commitment mentioned above:

(i) Family Core Values:

The family's core values determine shared beliefs about the goals of the family and how they would interact with their business organization. The family's commitment and vision of itself are determined by what the principles of the family collectively hold as important. The manner in which the family intends to see their employees and customers being treated and how the family principles perceive their responsibilities towards other stakeholders of their enterprise will guide the development of business plans, policies and family agreements. Therefore, core shared values of the family especially among the key decision-makers are the foundations for developing a commitment to the firm.

(ii) Philosophy adopted by the Family with regard to the Firm:

A tacit agreement among family principles on business philosophy to be adopted in governing the firm is closely related to the core values discussed earlier. During family meetings regarding the business, family members often follow a consistent pattern of narratives on issues related to the family's interaction with the firm. Family business philosophy is related to establishing a guiding compass for decision-making such as whether the family considers 'family first' or 'business first' within the organization.

The business-first approach would obviously prioritize decisions that will be in the best interest of the organization, which includes firm's customers, employees and other stakeholders. In such instances, the family is likely to adopt a more professional approach to governance and management in matters such as recruitment, compensation, promotion, supplier selection, quality control, etc. The expected reasoning would be that principles based on fairness and accountability would be for the long-term sustainability of the firm, where tough decisions taken may affect short-term interests of the family. The family members are collectively willing to abide by these principles and show tolerance even if they lead to perceptions of unfairness.

On the other hand, the family-first approach is based on the premise that the family's priorities such as happiness, harmony, economic wellbeing, etc., should dominate all other considerations. This would mean that business decisions consistently favor family-centric priorities, even if there is a trade-off with the firm's financial interests. The outcome of such philosophy is that despite contributions to the business and individual performance, all family members will be provided more or less similar benefits. Such family firms will allow almost every interested family member to be employed by the organization and be given priority over non-family employees. Practically it would be rare to see any family member terminated or removed from management no matter how they behave. Such family firm owners believe that their family-first philosophy is important, even if they have negative long-term implications for the firm. The source of this philosophy is that the enterprise cannot stay healthy, unless the family members are content and are united in supporting the current family-managers in leadership of the firm.

The research framework in this study aims to shed light on the apparent conflict between the two, and attempts to pave the path for family firm decision-makers to balance between the 'business first' and the 'family first' camps. The idea is holds that any decision must provide for both the wellbeing of the family and the health of the business. Only under such conditions can a company thrive and stay in the family well into the future. Only an appropriate balance between the two will win the commitment of the family and support for the business. Family members who hold this view believe that abusing the needs of either family or business will damage the future. Therefore, family enterprises require an approach that implies a long-term commitment to the future of the business and family goals, requiring the family principles to search creative compromises between the two interests.

(iii) Shared Future Vision:

Shared future vision among family firm owners is an important factor because it brings focus of the family decision-makers to future goals rather than on current challenges. "*For family firms, the shared future vision of the family and business is a linkage between the systems, which expresses their mutual interdependence and the power of their combined efforts*" (Carlock and Ward, 2001: pg.55).

The family's shared future vision serves multiple functions such as providing new information about future directions, induces motivation and optimism, gives impetus to the strategic planning process, provides guidelines for policy decisions, leading to a broad consensus among family principles on the shared future vision (Chrisman et al., 2012). As a result, the business plans drawn up by family-managers reflect these broad expectations of the family's ensuring long-term support. When the family network grows larger and the number of family members in ownership and/or management functions increases, it then becomes imperative to organize formal strategic planning and policy meetings among family members and top management teams to forge and maintain a mutually supported future vision.

Commitment to the family organization in the form of family control facilitates stewardship behavior (Kraiczy, Hack, and Kellermanns, 2014). This stewardship behavior of family-managers results from a sense of psychological ownership, resulting in deep commitment to the mission and vision of the firm, which creates a frame of mind that the success of the family enterprise must be achieved even at the cost of personal sacrifices (Davis, Allen, and Hayes, 2010). Consequence of such deep emotional ties to the firm may lead to alignment of the family goals with the goals of the business enterprise (Corbetta and Salvato, 2004). To understand the link and alignment between family-centric goals and firm-centric goals, an expanded explanation of the stakeholder theory developed by Zellweger and Nason (2008) presents feasible grounds for predicting relationships between family-centric non-economic goals (i.e., socioemotional wealth) and family behavior such as family commitment and outcomes such as firm performance.

Several family business scholars suggest that an approach based on stakeholder theory is a good fit for the needs of family business research (Chrisman et al., 2005; Lubatkin et al., 2007; Sharma, 2004). Barring a few exceptions (e.g., Chrisman et al., 2012; Debicki et al., 2017; Zelllweger and Nason, 2008), however, the theory has been seldom applied to the family business context in academic research. Laplume, Sonpar, and Litz (2008, pp. 1174) conducted a review of the deployment of stakeholder theory in family business studies state that: "*Although family firms offer a particularly interesting research context given the overlap between firm and family values, there is a conspicuous absence of scholarship on stakeholder management of family firms*." (Laplume et al., 2008: pg.1174). In fact, most references to stakeholders in family business research appear to be indirect and often simplistic.

Therefore, the next section elaborates on the stakeholder theory and how it converges with socioemotional wealth theory to assist in building the research framework for this study.

2.8 Stakeholder Theory

"*The stakeholder idea is alive, well and flourishing. The relevant question now is not 'if' but 'how' stakeholder theory will meet the challenges of its success*" (Agle et al., 2008, pg. 153).

Grounded in the realm of strategic management, the stakeholder theory suggests that organizations serve multiple stakeholders, that are both primary and secondary, with the aim of maximizing value for all stakeholders (Freeman et al., 2010). Organizations interact with a vast array of primary stakeholders such as the firm's investors, employees, customers, financial institutions, supply chain partners and communities it resides in. This category of stakeholders is essential for the survival of the enterprise (Freeman, 1984). In contrast, secondary or external stakeholders may include regulatory authorities of the government, direct and indirect competitors of the firm, and other more peripheral interest groups (Clarkson, 1995).

Freeman's (1984) seminal work on stakeholder theory found broad appeal in academia as it "*taps into deep emotional commitment of most individuals to the family and tribe*" (Jensen 2002, p.243). Based on the above, the theory has been widely received in strategic management studies and continues to generate a wide range of research streams with practical implications for organizations (Laplume et al., 2008).

Freeman (2004a) argues that examining stakeholder concerns is important for sound strategic choices and superior organizational performance. He goes on to suggest that: "*stakeholder groups should be understood in terms of behavior, values, backgrounds/contexts, including the societal context*" (Freeman, 2004a, pg. 231). A closer look at the stakeholder approach expanded upon by Zellweger and Nason (2008) helps to provide a holistic foundation for developing a theoretical framework for proposing the relationships between the constructs in this study and formulation of relevant hypotheses.

Zellweger and Nason (2008) make a powerful argument that proposes deploying the stakeholder theory to predict relationships between goals, behavior and outcome. The authors suggest that the family firm owners interact with internal as well as external stakeholders at four distinct levels: *individual*, *family*, *firm* and *society*. In the entire equation, the '*family*' is the fundamentally most vital stakeholder in the dynamics of these relationships between the family-managers at the helm of affairs in family firms and the various internal and external stakeholders. Furthermore, Zellweger and Nason (2008) propose a typology of relationships between the various stakeholders, which are: *overlapping*, *causal*, *synergistic* and *substitutional*. These relationships provide a lens through which a set of relationships can be predicted between the dimensions of socioemotional wealth, family commitment and firm performance. This matter is extensively covered in Chapter-3.

2.8.1 Convergence of Socioemotional Wealth and Stakeholder Theory

Scholars have begun to question whether the idiosyncratic nature of family businesses is reflected in how they relate to external environments (i.e., stakeholders); in other words, in how family members involved in the firm manage the extended set of stakeholders that constitutes the firm (Gomez-Mejia et al., 2011). Using a socioemotional wealth argument, this study attempts to explain why family ownership and involvement may lead to an emphasis on particular categories of stakeholders and a particular type of behavioral outcome.

A stakeholder is: "*any group or individual who can affect or is affected by the achievement of the organization's objectives*" (Freeman, 1984, pg. 46). Therefore, stakeholders would include financiers, customers, employees, supply chain partners, communities, government, and the environment. At the core of the stakeholder approach is the notion that the family principal (i.e., family member who leads the family firm) faces the never-ending task of balancing and integrating multiple relationships and multiple objectives (Freeman and McVea, 2001).

Generally two perspectives of stakeholders have been employed in the context of family businesses. The first one is where the family unit itself is considered as the single most important stakeholder group. The members of the family are viewed as internal stakeholders because they are associated with the firm through ownership, involvement as employees, or family connections. The family (individual members or a coalitions of individuals) interacts and struggles with other internal stakeholders to gain greater power, and legitimacy within the organization (Mitchell, Agle, and Wood, 1997) in pursuit of their objectives.

Research undertaken in the past included other family stakeholders such as inactive founders, subsequent generation of family members not involved in the firm, spouses, and employees related to in-laws, etc. For example, Marler et al. (2017) examined the stakeholder associations between family members currently leading the firm (incumbents) and those that have been earmarked to succeed them (successors) in the trans-generational succession processes within family enterprises. The authors argue that all family members whether by blood or marriage are pertinent stakeholders in the succession process, because they can affect or be affected by such leadership transitions to varying degrees. They note that successors and incumbents mostly hold divergent perspectives, and the success of the transition process depends on various factors, which may be related to firm performance or may be affective in nature. It is also stated in the above study that the propensity of the incumbent to handover the helm of affairs, the willingness of the successor to take over the leadership role, and a general consensus within the family to continue family involvement in the business, are among the drivers of '*Family Commitment*' to the firm.

In a study by Gomez-Mejia et al. (2011), the authors explain the inclination of family enterprises towards proactive stakeholder engagement as a combination of two motives that are intrinsically connected to the preservation of socioemotional wealth endowment. The first motive is instrumental in nature, whereby the family derives gains in social legitimacy and enhanced community reputation resulting from proactive stakeholder engagement. The second motive is a more normative one arising from a sense of obligation to society it resides and interacts in. The normative motive arises from the fact that unlike the typical shareholder of a non-family firm, the family owned company is not a faceless entity, and their actions impact their binding ties with the community they live in and the social identity of the family, which are all dimensions of socioemotional wealth.

The fact that family business owners have been found to be more sensitive to stakeholder expectations are due to several reasons. The first reason is related to reputation and family identity, where social reputation impacts not only the firm but also the family's image (Adams et al., 1996; Dyer and Whetten, 2006). Family firm owners are particularly concerned about their credibility and reputation in the community they reside in. Hence, family firm owners are more likely to be sensitive to external stakeholder demands to avoid being labeled as irresponsible corporate citizens, even if there are no immediate financial benefits in maintaining the strong social legitimacy. Therefore, Zellweger and Nason (2008) argue that the level of analysis when understanding stakeholder relationships in family businesses should include not only the individual and family but also the society at large.

The second argument is that, family organizations have a natural inclination to develop and maintain long-term relationships with their external stakeholders like suppliers and customers in order to accumulate social capital and reserves of goodwill (Carney, 2005). Such ties are also considered as a form of social insurance for protecting the firm during times of crisis (Godfrey, 2005), so that when unforeseen circumstances bring challenges to the firm, their stakeholders are expected to give the family firm owners benefit of the doubt.

The third reason is that family organizations typically hold a long-term perspective and are mostly not deterred by short-term outcomes, they are more likely to adopt patient strategies that involve building relationships with stakeholders (Miller and Le Breton-Miller, 2005).

Although most of the studies cited above do not formally use the term; socioemotional wealth, however, they all explain the family firm's responsiveness to stakeholder expectations, and these responses are driven by family-centric non-economic utilities derived by family firm owners. Furthermore, in line with a SEW perspective, they all suggest that the family being the dominant stakeholder are more likely to engage in proactive stakeholder engagement activities, even when these offer no immediate economic returns (Cennamo et al., 2012).

Therefore, both the stakeholder perspective and the socioemotional wealth perspective converge and provide reasonable justifications for predicting relationships between SEW goals and behavior of the family that results due to the interaction with stakeholders that are effected by the salience of the family towards the various dimensions of SEW. This study relies on the convergence of the two theories to propose a conceptual framework (Figure 2.2) elaborated upon in Chapter 3.

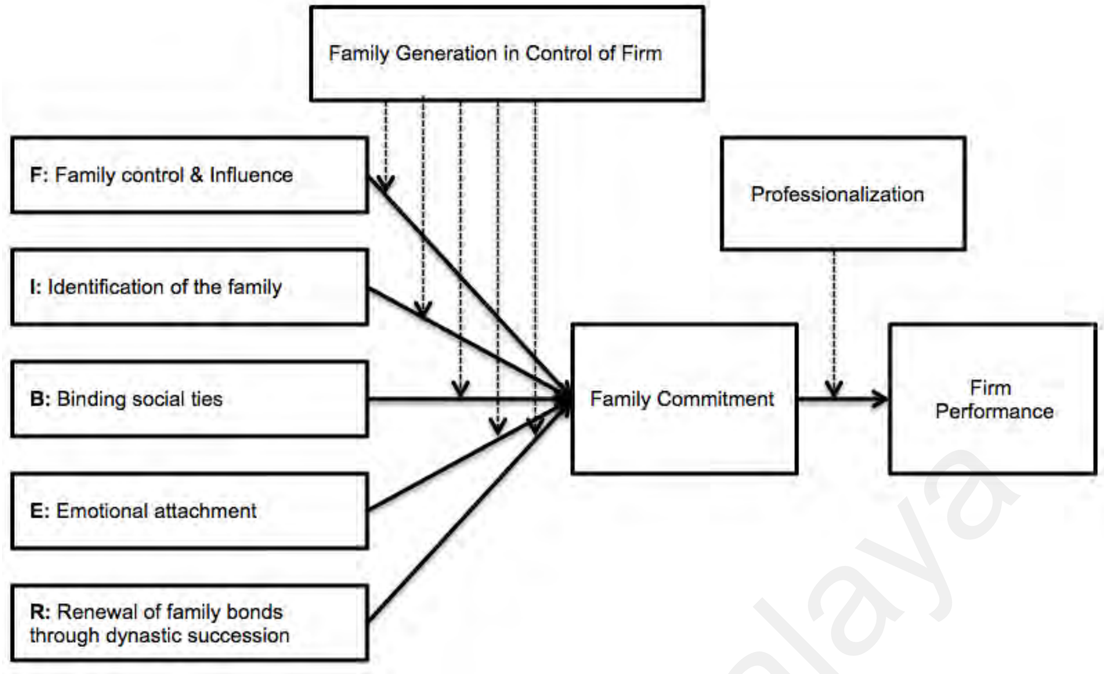


Figure 2-2: Conceptual Framework

2.9 Other Constructs used in the Research Model

The research model involves the following additional constructs: Firm Performance *(outcome)*, Generation-in-Charge *(moderator)* and Professionalization *(moderator)*. The constructs are discussed in detail in the following sub-sections.

2.9.1 Measurement of Firm Performance: Historical Overview

Measurement of organizational performance has been a topic of intense interest to academic researchers and industry practitioners (Taticchi et al., 2010). Neely (2005) conducted a citation analysis of articles on performance and showed that the top ten most highly cited articles appeared in academic journals between 1978 and 1996, with eight of these articles published in the 1990s, which indicates that academic interest in family business performance picked up steam towards the end of the last millennium. However, it must be acknowledged that scientific inquiry into organizational performance measures is nothing new and can be traced to the late nineteenth and early twentieth century (Kaplan, 1984).

With growth in industrialized societies, performance measurement began to shift focus to productivity management (Bitici et al., 2012). For instance, DuPont Chemicals developed return on investment (ROI) as a financial performance measurement ratio (Kaplan, 1984, Neely et al., 1995). ROI is a metric based on profit generated on invested capital (Kaplan, 1984). In early nineteenth century, DuPont developed two other ratios; asset turnover ratio and total sales divided by total assets employed, which were metrics that showed how efficiently the management was utilizing firm's assets to generate sales (Kaplan, 1984). After the First World War, almost all the organizational performance measures in vogue today had already been developed, and since that time a handful of new organizational performance measures have been introduced (Kaplan, 1984; Napier, 2001).

By the end of 1990s and early 2000s, organizational sustainability became the primary goal of their stakeholders, and corporate leaders recognized the importance of non-financial metrics, and how those non-financial measures translate into organizational sustainability (Ghalayini and Noble, 1996). Furthermore, exponential growth in adaptation of information technology facilitated the use of non-financial measures (Eccles, 1991). Although non-financial measures were in use before, but in the late 1990s and onwards, non-financial metrics gained popularity in business organizations relative to financial measures, and corporate leaders recognized that non-financial measures provided a more holistic picture of organizational performance (Clark, 1999).

One of the proponents of the 'Balanced Scorecard' as a performance measurement tool, Kaplan (1984) stated: "*The option to include nonfinancial measures in the firm's planning and control system will be more unfamiliar, more uncertain, and, consequently, less comfortable for managerial accountants. It will require them to understand those factors that are most critical to the company's long-term success. Financial goals will be among these but they will not be the only critical success* *factors, and probably will not be the most important short-term indicators of long-term success*." (pg. 414).

Aligned with the above thought, Kaplan and Norton (1992) went on to develop the widely acclaimed and popular performance measurement tool; the *balanced scorecard*. The original balanced scorecard framework is based on four perspectives (i.e., financial, customer based, operational excellence, and people development) focusing on both non-financial and financial metrics, and takes into account both internal and external stakeholders (Kaplan and Norton, 1992). Although many other performance measurement frameworks have also been developed, nevertheless, the balanced scorecard appears to be the most popular performance measurement framework among industry practitioners (Neely et al., 2000). In a global survey among Fortune 500 companies, more than forty percent of respondents reported using the balanced scorecard in their organizations (Bain and Company, 2010; Davis-Peccoud, 2016).

New trends emerging in business performance measurement are focusing on: performance measurement in non-profit organizations such as public sector and NGOs, performance measurement that cover environmental issues; performance measurement that encompass enterprise risk management, performance measurement in private family firms, etc., have lead to development of new frameworks such as the Sustainability Balanced Scorecard (Bitici et al., 2012; Hansen and Schaltegger, 2016). Given the aim of the present study is to develop a framework that shows the relationship between socioemotional wealth, family commitment to the firm and firm performance, subsequent sections describe challenges in measuring family business performance.

2.9.2 Firm Performance in Family Business

For any organization, performance represents the measure of outcomes that result from governance policies, strategic decisions and operational actions based on the goals and aspirations of key stakeholders; hence organizational performance is a vital research variable (Seijts, Latham, Tasa, and Latham, 2004). The three most cited meta-analysis on family involvement in management and performance are mentioned below that reveal a plethora of information on research work done on performance in family enterprise:

(i) O'Boyle, Pollack, and Rutherford's (2012) meta-analysis of family involvement;

(ii) Mazzi's (2011) review of past research related to financial performance;

(iii) Basco's (2013) study of the family's effect on firm performance.

Researchers need to distinguish family firms from other types of business entities, because family firms possess unique family-centric goals and these goals lead to collective behavior that interact to form a unique family business system. The desired family-centric and firm-centric outcomes are based on particular goals and aspirations of each family enterprise, and the business sub-systems that exist are a product of the organizational culture that develops because of the idiosyncrasies of the family (Gomez-Mejia et al., 2017). Thus, in the case of family owned businesses, especially privately held firms, performance measurement is a more complex issue, and is of particular interest to academic studies since families can set their goals in their own ways, which may go well beyond financial outcomes. Literature shows that current approaches to measuring performance in private family business are mostly based on traditional financial measures that fall short of acknowledging the non-economic goals of family business owners (Basco, 2013).

Researchers studying private family businesses often attempt to measure firm performance using conventional measures across firms, meaning that they automatically assume that family firms are homogeneous, and that all family businesses pursue similar goals (Hoopes & Miller, 2006; Garcia-Alvarez & Lopez-Sintas, 2001). The reality is that each family firm has idiosyncratic goals that reflect the owning family's unique aspirations for their firm, and these goals are the outcome of the unique circumstances and experiences of each family (Tapies & Moya, 2012; Zellweger et al., 2013). Employing conventional financial metrics to measure family firm performance is a misconceived premise that all family enterprises pursue the same goals. Empirical studies in family business often use common (financial) measures across firms to measure family firm performance, ignoring the idiosyncrasy of family business goals (Kotlar et al., 2018; Baros et al., 2017).

2.9.3 Challenges in Measuring Private Family Firm Performance

Organizational performance has received wide attention in academic research, however there is a lack of unified definition when it comes to its' measurement (Venkatraman & Ramanujam, 1986) possibly due to the multifaceted nature of this theme. This issue is reflected in the complexities observed in the definitions used in past academic works, which includes not just the organizational accomplishments in terms of targets but also efficient utilization of resources (Dyer, 2006). In the family business context, the complexity of firm performance measurement is even more acute due to the multifaceted nature of behavior and decisions in family firms (Danes et al., 2008; Sciascia and Mazzola, 2008). In case of private family firms, the unbridled control and influence of the family over the enterprise makes it even more challenging to measure the actual performance of the firm. The most daunting challenge for academic researchers is the problem associated of gathering and interpreting financial data obtained from private family firms. As the research framework in this study requires the measurement of performance in private family businesses, this challenge is relevant to the present study.

Although a substantial portion of the economic landscape comprises of private family firms (Astrachan and Shanker, 2003), majority of past studies on family firm performance have been based on publicly listed companies (Basco, 2013). Primary reason for this asymmetry is that financial performance data from private family firms are challenging to obtain and interpret (Dess and Robinson Jr., 1984; Ling and Kellermanns, 2010; McKenny et al., 2012; Westhead and Howorth, 2006). Business owners of private firms see themselves as gatekeepers of their organizations, and are usually reluctant to divulge objective financial performance information even for academic research (Dess and Robinson Jr., 1984; Ling and Kellermanns, 2010). This dilemma is aptly illustrated by the low response rate (4.1%) obtained in Sciasca et al.'s (2014) study of privately held family businesses even in a developed economy such as Italy. The low response rate in the study by Sciasca et al. (2014) shows the potential obstacles associated with obtaining financial data from private family businesses. In the case of developing and emerging economies, the challenge would likely be far greater (Wadhwa and Winterbottom, 2017).

Even if objective financial data is acquired from private family firms, policies and strategies such as compensation of family members involved in management can make objective financial information from private family businesses difficult to compare and interpret (Westhead and Howorth, 2006). For example, such firms may intentionally report lower profits relative to its industry; however the low profits may actually be transferred as owners' compensation and thus be inaccurately reported (Khan et al., 2015). In other words the compensation paid to the family-managers could have been reported as net income and paid out as dividends instead of recording as an expense. Furthermore, such business owners tend to manage their income reporting to reduce their tax liabilities by investing into immediate expenses to pay lower amounts in taxes (Mazzi, 2011). Additionally, the accounting procedures among private firms vary, thus posing a pertinent challenge in interpreting objective financial data provided by private family firms (Ling and Kellermanns, 2010).

In line with the preceding arguments several family business scholars have opted for measuring family firm's business performance based on subjective data (e.g., Gupta and Govindarajan, 1984; Dess and Robinson, 1984; Covin et al.,1990; Ling and Kellermans, 2010; Richards et al., 2009). Similarly, the current study which focuses on private family firms, will not seek objective financial information from the respondents, but instead will gather subjective reports of financial performance relative to the targets set by the family principles. Through the use of subjective responses to measure financial performance, the measurement scale developed here will avoid the issues associated with interpreting financial data from private family firms mentioned above. Researchers have found statistically significant correlations between subjective measures of financial performance and objective financial performance measures (Ling and Kellermanns, 2010).

2.10 Generation in Charge

The incongruences in the findings in empirical studies have led researchers to explore contingency factors that moderate and thus explain the source of heterogeneity in family firms (Cruz and Nordqvist, 2012; García-Castro and Aguilera, 2014; Melin and Nordqvist, 2007). In line with this thought, the *generational stage* or family generation in control of the firm is likely a major source of heterogeneity among family firms (Eddleston et al., 2013; Lopez-Delgado and Dieguez-Soto, 2015).

Generation in charge is defined as the family generation (i.e., founder generation or subsequent generations) that governs and manages the business policies, strategies and operations of the enterprise (Kellermanns and Eddleston, 2006; Kellermanns et al., 2008). A good number of studies indicate that the role of generation-in-charge in family business organizations is an important contingency variable (Arosa et al., 2010; Bammens et al., 2008). Literature appears to focus on the behavioral differences between founder generation, second generation, and later generations with a larger family network (e.g., McConaughy and Phillips, 1999; Sonfield and Lussier, 2004).

Furthermore, several studies found that involvement of later generations of family members, as having a negative association with firm performance (e.g., McConaughy and Phillips, 1999; Miller, Breton-Miller, and Lester, 2011; Villalonga and Amit, 2006), the exception however is in cases where there is high degree of information exchange between family members (Ling and Kellermanns, 2010). Among the causes identified by scholars for the decline in performance with subsequent generational involvement may be attributed to the relatively lower quality of the relationships among family members involved in management especially at later stages of the family generation stage. Compared to the founding generation, where fewer people are involved in ownership rights, higher levels of family conflicts are observed as the family expands through blood and marriage subsequently (Davis and Harveston, 1999; Ensley and Pearson, 2005) thus fostering reduced levels of intentional trust among family-managers (Steier, 2001).

The stage of the family firm generation also influences the salience of the family members on the need to preserve socioemotional wealth (Miralles-Marcelo, Miralles-Quiros, and Lisboa, 2014; Stockmans, Lybaert, and Voordeckers, 2010). At later generational stages the identification with the family business and their emotional bonds to the firm are likely to be lower, as family bonds tend to weaken and differences arises among different branches of the family (Le Breton-Miller and Miller, 2013; Sciascia et al., 2014). The intensity of family identification with the firm, personal investment in the family enterprise and behavior evolve as the firm transforms from one generation to the next (Cruz and Nordqvist, 2012). In subsequent stages of the family generation, the priority of preserving socioemotional wealth diminishes, while the priority of family members shifts to financial benefits, and outcomes such as dividend payouts become more important (Gomez-Mejia et al., 2007; Lubatkin, Schulze, Ling, and Dino, 2005; Sciascia et al., 2014).

As the family transforms into several family units, there is a declining propensity to commit the necessary investments to support firm growth, possibly leading to lower levels of collective family commitment to the firm, and this factor may play a primary role in the low family business survival rates across generations (Eddleston et al., 2013). Studies find that typically in the second-generation, stagnation in growth are common, when sibling rivalry comes into play and conflicts over control and influence causes them to block each another's initiatives (Eddleston et al., 2013; Miller, Steier, and Le Bretton-Miller, 2003). Furthermore, involvement of passive shareholders who may or may not be related to the family, are prominent in third generation and beyond, may also obstruct or deter the firm’s long-term growth and investment initiatives because such shareholders are typically focused on short-term outcomes and immediate returns such as dividend payouts (Eddleston et al., 2013; Schulze et al., 2003). During periods of crisis, the weaker levels of commitment to the enterprise is likely to manifest itself more profoundly, especially if the company is a privately held firm, because publicly listed firms are typically under close scrutiny of regulatory authorities.

Gersick et al. (1997) proposed a taxonomy of family generations and divided them into three broad stages of ownership:

(i) Controlling or founding owner or owners, in which phase most of the ownership is held by a single or a handful of individuals;

(ii) Sibling partnerships, in which distributed portions of firm ownership are held by members of a single generation; and

(iii) Cousin consortium, in which ownership is further dispersed to include the third generation and beyond.

The above taxonomy suggests that family enterprise ownership becomes dispersed with the passage of time in generational stages, starting from parents to their immediate children and thereafter relatives by blood and marriage (Schulze et al., 2001). For purpose of this study, and for consistency with the literature, this study uses 'generation-in-charge' to refer to the generation that holds the majority of the ownership, and thus directs the firm's strategies.

Gersick et al.'s (1997) study suggests that in later generations, the family members who sit on the board belong to different family units and, as each of them must first satisfy the needs of her or his own family units, therefore they are likely to pursue their own parochial interests. In later generations, even the goals of individuals within each family unit may no longer be aligned with those of other family units; and even if there is apparent alignment of goals, it tends to be transient (Corbetta and Salvato, 2004). Generational stage of the family is likely to have a moderating effect on family commitment to the firm, and while, in the founder generation, even with the presence of multiple family members, commitment of the family to the business is expected to be high, but in the generations which follow the family fragments and this commitment is likely to decline.

Prior studies have examined differences in behavior of between first-, second-and later-generation family firms (e.g., Dyer, 1989; McConaughy and Phillips, 1999; Sonfield and Lussier, 2004). The founding generation set the initial vision and mission of the enterprise, set goals and objectives, and painstakingly develop the strategic pathways for the firm (Jayaraman et al., 2000), therefore, it is natural for the firm's founding-entrepreneurs to have a different sense of commitment compared to subsequent generations that take over helm of affairs in the firm (Miller et al., 2008).

Furthermore, the knowledge, experiences and insights into the business of the owners that started the firm will vary from that of the next generations, since businesses are usually created in industries of which the founding-entrepreneurs are most knowledgeable (Duchesneau and Gartner, 1990). Lastly, the first generation of owners tend to have deeper levels of firm commitment, not only because ownership is in the hands of a few individuals, but also due to the financial and reputational stakes that the founders invest in the firm during the start-up phase (Gersick et al., 1997).

The preceding arguments suggest that as the control of the firm transitions first to a later generation, the subsequent generation of family firm leaders are likely to bring a different set of perspectives and behavioral orientation to the organization (Salvato, 2004; Zahra, 2005). Such shifts in behavioral orientation are likely to impact the policies and strategic directions adopted in top management circles of the firm. Therefore, it is plausible that when control of the family firm is transferred across generations, the effects on intensity of commitment will change. Consequently, the impact of SEW dimensions on family commitment will vary as the firm transits from founder-generation to subsequent-generations.

2.11 Professionalization

As organizations mature and scale of their operations grow, professionalization of the firm's governance and management systems becomes an important theme (Dekker et al., 2013). With the evolution of the family firm, complexity of its operations increases, which necessitates more methodical and sophisticated management and control systems. Therefore family businesses need to professionalize in order to advance to the next level and cope with the enhanced scale of operation (Flamholtz and Randle, 2007;

Gabrielsson, 2007; Gedajlovic, Lubatkin, and Schulze 2004). Scholars refer to the adoption of formal systems as the professionalization process, which has become a major research area especially in the fields of entrepreneurship and small and medium enterprise governance (e.g., Chrisman, Chua, and Litz, 2003; Gedajlovic et al., 2004; Zahra and Filatotchev, 2004).

The process involved in professionalization of private family firms encompasses many different aspects that need to be addressed. The process starts with the development of a governance structure that includes formation of formal committees and other required governance bodies to institutionalize supervision and control over the organization's activities (Songini 2006). Additionally, literature suggests other measures such as empowerment of subordinate managers by delegating decision-making authority, the enactment of formal control mechanisms to evaluate behavior and output of the company, inclusion of external directors in the board, development of formal and transparent human resources practices, etc. (Dekker et al., 2013; Flamholtz and Randle 2007). Therefore, professionalization may be viewed as a multifaceted and multidimensional construct (Dekker et al., 2015).

In recent times, professionalization has started receiving scholarly attention in family business research (Michiels et al., 2017). The quantity of family involvement in the senior decision-making positions of the firm and the balance between family-managers and non-family managers is considered a special aspect of professionalization in the context of private family businesses. Past empirical research that studied professionalization in the family firm context, considered the presence of a non-family CEO as a professionalized family enterprise (e.g., Bennedsen et al., 2007; Klein and Bell, 2007; Lin and Hu, 2007; Zhang and Ma, 2009).

However, several family business scholars have argued that a unidimensional approach in most empirical studies in the past on professionalization within the family business context seems to solely focus on the presence or absence of a non-family CEO, thus neglecting other vital governance related dimensions of firm professionalization (Dekker et al., 2013; 2015; Michiels et al., 2017). Nevertheless, it must be acknowledged that, the inclusion of a non-family member as CEO of the family firm is definitely a major step for family firm owners, as it signals willingness to loosen their control over management for the sustainability and growth of their firm into a professionally managed institution that will endure for generations (Stewart and Hitt, 2012).

Extant literature recognizes differences in the processes involved in professionalization between family firms and non-family ones. When professionalization is conceptualized as both the inclusion of qualified non-family managers and the integration of formalized governance and management systems (Dyer, 1989), the literature indicates that owners of family firms are hesitant in adopting professionalization measures in their organization. For example, Kets de Vries (1993) held in-depth interviews with more than 300 family firm owners and discovered that delegating authority to non-family members is not a desirable option for them. Similar findings are documented in several other studies (e.g., Schulze, Lubatkin, and Dino, 2003; and Jones, Makri, and Gomez-Mejia, 2008). This tendency is more pronounced in private family firms as compared to publicly listed ones which are mandated by law to be more transparent, accountable and more process-oriented (Gomez-Mejia et al., 2010).

The greater reluctance of family owned enterprises to adopt professionalization measures is possibly rooted in their inclination to preserve socioemotional wealth endowment of the family. Hiring non-family managers from outside and granting them authority leads to a governance structure where the family is likely to loosen their control over strategic decisions. In particular, recruiting a qualified professional who has specialized knowledge and competencies beyond the experience of the current family owners may lead to information asymmetry (Gomez-Mejia et al., 2011). It also increases uncertainty in behavior, since predicting how non-family employees are likely to behave is more difficult (Cruz et al., 2010). Finally, it may create goal conflicts due to the divergent motivations and career goals of family and non-family managers (Gersick et al., 1997).

Dekker et al. (2015) conducted an empirical study on the impact of five (5) dimensions of professionalization (financial control systems, human resources control systems, non-family involvement in governance, decentralization of authority, and top-level activeness) on firm performance, based on data collected from 532 Belgian private family firms. Their findings showed that three of the dimensions (decentralization of authority, human resource control systems, and non-family involvement) had a positive and significant effect on firm performance. The other two dimensions (financial control systems and top level activeness) were found to be statistically non-significant. The authors commenting on their findings suggest that the study needs further validation with a different set of data in different geographical context, to check for significant effect of all five dimensions of the construct. This matter is discussed in further detail in Chapter 4 under measurement scale for professionalization.

2.12 Research Gaps

Family business literature has been trying to determine if outcomes such as firm performance differs between family-firms and nonfamily firms (O'Boyle et al., 2012). Several studies found results in favor of family-firms (Anderson and Reeb, 2003; Essen et al., 2015), while others determined that non-family firms were better performers (Giovannini, 2010) or that there was no significant difference between either (Jiang and Peng, 2011; Sciascia and Mazzola, 2008). Amit and Villalonga (2014) reviewed the empirical literature on financial performance of family firms, and suggested that the observed variation may be due to how family-firms have been defined, or due to other contextual parameters such as location and industry, and possibly due to missing mediators and moderators that have not been considered in prior studies.

When firm performance in family owned and controlled businesses is greater than non-family counterparts, the justifications point towards the long-term outlook of family-firms, reduced agency costs because of presence of family-managers, etc. (Anderson and Reeb, 2003; Villalonga and Amit, 2006). When non-family enterprises outperform family-firms, reasons such as nepotism towards family members, family-centric non-economic consideration taking priority in decisions, etc. (De Castro et al., 2016; Kellermans et al., 2012).

Decision-making processes in family-firms, is argued to differ from that of non-family firms due to the priority given to SEW goals over business performance goals (Gomez-Mejia et al., 2011). It appears that, the literature alludes to the notion that the pursuit of SEW almost always takes priority over firm performance goals in the calculus of most family-firm owners; yet, interestingly, numerous studies indicate that family controlled firms appear to outperform firms that are not dominated by families or family coalitions (Villalonga and Amit, 2006; Amit and Villalonga, 2014; Van Essen et al., 2011).

Therefore, the above arguments necessitate the quest for answers to the following questions:

. Do all aspects of SEW goals and firm performance goals reinforce each other?

. Do firm-centric business performance goals take priority within family controlled businesses more than what has been acknowledged by SEW literature so far?

. Is it likely that some elements of SEW are negatively related to financial performance (e.g., emotional aspects of family ties that lead to nepotism, favoritism), while others are positively related to the achievement of financial goals (e.g., connection between the public image of the family and the firm)?

. So far very few studies have shed light on the preceding questions. Could it be possibly because SEW was difficult to measure directly and empirical works in the past have been looking at it as a monolithic construct? or possibly the combined effect of negative and positive effects of the multiple components of SEW within the same construct are leading to inconsistent conclusions?

In addition to the exploring the unresolved issues mentioned above, it needs to be recognized that little is known about how SEW goals and firm performance in family firms inter-relate (Martin and Gomez-Mejia, 2016). Although, most of the extant literature assumes that the pursuit of SEW translates into lower levels of firm performance, meaning that SEW gains and firm performance are substitutional in nature (Miller and Le Breton-Miller, 2014; Schulze and Kellermanns, 2015), yet, Martin and Gomez-Mejia (2016) have outlined a set of propositions that don't agree to this premise. The authors state that relationship between SEW and firm performance is yet to be explicitly included in theorizing in studies that examine family firm behavior and decision-making processes. An extract from Berrone et al. (2010, p. 89) explains this paradigm:

"*The foregoing discussion is not meant to imply that family firms are self-sacrificial, pay exclusive attention to socioemotional wealth, and/or ignore financial issues. Our key point is that when family interests predominate, firms are more likely to bear the cost and uncertainty involved in pursuing environment-friendly policies, driven by a belief that such a risk is counterbalanced by noneconomic utilities rather than the potential for current or future financial gains*".

The above quote implies that family businesses are well aware of the importance of financial wellbeing of the firm, yet there is an implicit assumption that priority to SEW will dominate in any the decision-making calculus of family-firm owners. Martin and Gomez-Mejia (2016) draw attention to this prevailing view about the relationship between SEW and firm performance, and suggest that this leads to some misconceptions about SEW, such as:

(a) Pursuing socioemotional wealth by family firm-owners is always at the cost of firm performance;

(b) Pursuit of firm's financial wealth will always lead to a trade-off with socioemotional wealth endowment of the family;

(c) Each dimension of SEW interacts with firm performance in the same manner.

This study builds on these prevailing views and the counter arguments made by Martin and Gomez-Mejia (2016), and attempts to theorize a more nuanced look at the association between SEW, family firm behavior and consequently firm performance. Thus, the rationale for this study is based on five (5) key issues that revolve mainly around the gaps in the extant literature on behavioral stream of family business research. Furthermore, this research work aims to provide a framework for examining the relationship between SEW goals and firm performance goals, and proposes that this relationship is established through the indirect effect of family commitment. Examination of the extant literature indicates that, the relationship between SEW, family commitment and firm performance has not been dominant in past research endeavors.

This study also responds to call by several family business scholars (e.g., Chrisman and Holt, 2016, Daspit et al., 2017) to contribute to theory building by considering how indirect effects of family firm behavior such as willingness (disposition to act) links family-centric non-economic goals to firm-centric outcomes such as firm performance. Willingness of the family is represented through the construct; '*Family Commitment'* (De Massis et al., 2013; 2016) and hence, dimensions of socioemotional wealth are considered as antecedents of family commitment, while firm performance as the outcome variable. Therefore, the **first research gap** that this study addresses is that, the extant literature appears to have overlooked the possibility that, family-centric non economic (FCNE) goals such as socioemotional wealth are likely to drive family commitment, and consequently influence outcomes such as firm performance.

The second issue that deserves attention is that among the reasons for the conflicting results in the past literature is possibly due to the assumption of SEW as a unidimensional construct measured through distal proxies such as presence of family CEO or through quantity of stocks held in the firm, etc. (Berrone et al., 2012, Hauck et al., 2016; Debicki et al., 2016). This approach has drawn criticism from several family business scholars for being an over-simplification and falling short of capturing the true conceptualization of SEW (e.g., Berrone et al., 2012; Chua et al., 2015; Miller & Le Breton-Miller, 2014; Schulze & Kellermanns, 2015). These authors contend that SEW needs to be considered in it's various dimensions that capture the goals and aspirations of family principals who are key decision-makers in the firm, and the indirect proxies used so far have produced mixed results and created confusion about the holistic conceptualization of socioemotional wealth (Miller & Le Breton-Miller, 2014; Berrone et al., 2012).

"*The use of proxies inevitably leads to the treatment of SEW as one collective whole*" (Chua et al., 2015; p. 179). If all the dimensions of SEW dimensions are considered to be of equal weightage to the family firm owners, then it will be impossible to ascertain how these dimensions are related to each other (Chua et al., 2015; Miller & Le Breton-Miller, 2014). In reality, many of the dimensions of SEW are possibly in conflict to each other (Vardaman and Gondo, 2014). Therefore, measuring a multidimensional variable such as SEW with proxies and reaching reliable conclusions is open to question.

Majority of the studies on SEW and outcomes, have measured SEW as a unidimensional construct (Hauck et al., 2016), only recently after the proposition of the multi-dimensional FIBER scale for measuring SEW by Berrone et al. (2012), did empirical studies begin to start looking at SEW as a multi-dimensional construct. The number of empirical studies published in top tier journals that measure socioemotional wealth as a multi-dimensional construct are very few in number (e.g., Debicki et al., 2017). Even the original proponents of the Socioemotional Wealth Theory, state that: "*We contend that this view greatly simplifies the complex relationship between socioemotional and financial outcomes and the family firm decision-making process*" (Martin and Gomez-Mejia, 2016: pg. 218). Therefore, based on the above arguments, the **second research gap** that this study addresses is to consider all the dimensions of SEW separately and establish a conceptual link between the multiple FIBER dimensions of socioemotional wealth (i.e., 5 FIBER dimensions of SEW where each letter in FIBER signifying a dimension), family commitment and consequently firm performance.

Ensley and Pearson (2005) found that the involvement of several generations of family members in decision-making processes contributes to greater harmony and dynamism within the firm. This group dynamism is likely to translate effects of SEW goals on collective family commitment for sustainable control of the firm, and consequently contributing towards firm's business and economic goals. Therefore, SEW goals are likely to impact family commitment which in turn should have a direct association with the firm’s performance goals. Commitment implies that the family has the desire and willingness to steer the business towards realization of a collective vision that will sustain this vision over subsequent generations. As such, it is likely to be a strong signal that the current family-managers have the passion to create and preserve their socioemotional wealth endowment for family members and ensure sustainable future for the firm through superior business performance (Gomez-Mejia et al., 2007).

“*As long as the family exercises its influence in a goal-oriented manner, the behaviors exhibited by the firm should be linked to the adopted goals, which are likely to include SEW goals and firm level performance goals that provide intrinsic reinforcement and rewards for family commitment*” (Zellweger and Astrachan, 2008, pg. 207). Family commitment is considered as a key success factor (Kellermanns et al., 2005) and therefore will impact firm performance. The argument is that adoption of SEW goals should influence commitment of the family to the firm, which in turn would affect firm performance. Consequently, this implies that the extent to which SEW goals effect firm performance will be accounted for by the level of family commitment. Therefore, family commitment is possibly a mediating variable between SEW and firm performance.

Therefore, the **third research gap** that this study draws attention to is the possibility that *Family Commitment* is likely to mediate the relationship between FIBER components of *Soicoemotional Wealth* and *Firm Performance*. Family involvement alone may not be enough to predict the extent to which a family may be willing to commit to the firm’s growth and sustainability. In some cases, despite family involvement in the family-firm it may be difficult to discern behavior and decision processes of family-firms from that found in nonfamily firms. However, because family involvement is a precondition to presence of FCNE goals such as SEW (Chrisman et al., 2012), as family involvement increases, the family’s salience towards SEW goals will be at a higher level and consequently the intensity of family commitment is likely to rise (Chrisman et al., 2012). Prior studies seem to have overlooked the likelihood that family commitment may account for the relationship between SEW and Firm Performance by at least partially mediating the association between family-centric non-economic goals and firm-centric performance goals.

Lastly, this study proposes some potential moderators that are likely to play a role in the explanation for the causes in heterogeneity among family firms. Arguably, contingencies impacting the relationship between SEW and firm performance are important to understanding heterogeneity in family firm decision-making (Martin and Gomez-Mejia, 2016). It may be further argued that to have a finer-grained understanding of these contingencies, it is imperative to examine the relationship between multiple dimensions of family SEW (Berrone et al., 2012; Miller and Le Breton-Miller, 2014; Schulze and Kellermanns, 2015) and family commitment (Chrisman et al., 2012) and the relationship between family commitment and firm performance (Chrisman and Holt, 2016). Furthermore, this is aligned with studies that direct future research to examine the impact of different sources of SEW (Miller and Le Breton-Miller, 2014; Schulze and Kellermanns, 2015), to build theory regarding how changes in SEW are likely to influence collective behavior of family-firms which consequently affect firm performance.

Based on the preceding arguments, this paper introduces two (2) moderators to the research framework; first, *generation-in-charge* (also referred to as generational stage or controlling generation in other studies) as moderator between SEW dimensions and family commitment. In previous studies, generation-in-charge or generational stage has been used as a moderator to study associations between behavior and outcomes, for instance between level of family control and firm performance (Eddleston and Kellermans, 2013; Sciascia et al., 2014), however, as far as this researcher is able ascertain, this appears to be the first study to propose it as a moderator between all the five FIBER dimensions of SEW and family commitment. This potential moderator is advanced by this study as **the fourth research gap** in the extant literature.

The second moderator; family-firm *professionalization*, which was operationalized as a multi-dimensional construct by Dekker et al., (2013), and has been used in prior empirical studies to measure impact on firm performance (Dekker et al., 2015) and dividend payout (Michiels et al., 2017). This study proposes that commitment of the family to the firm may have an association with performance of the enterprise, however the strength of this association will depend on how well the governance mechanisms are institutionalized in the firm (i.e., level of professionalization). Therefore, the **fifth and final research gap,** addressed by this study is to propose that this moderator (i.e., *Professionalization*) is likely to strengthen the relationship between family commitment and firm performance.

The research gaps discussed above appear to have been overlooked in the behavioral stream of family business literature that attempts to determine a predictable set of relationships between family-centered non-economic goals, collective family behavior and firm-centered performance goals. The emerging theorem on "Ability and Willingness Paradox" was used to derive the key study construct (i.e., Family Commitment), which is posited to provide a predictable and consistent relationship between SEW Goals and Firm Performance. The above research gaps are the foundation of the set of research questions being addressed by this doctoral research undertaking.

2.13 Chapter Summary

This chapter provides an overview of the literature on family-centric non-economic goals in the context of family owned and managed business organizations from the socioemotional wealth perspective, and lays out the foundation for proposing association between the multiple dimensions of SEW, Family Commitment and Firm Performance by deploying the Stakeholder Approach proposed by Zellweger and Nason (2008).

The chapter begins with a broad outline of the field of family business research, followed by presentation of scholarly discourse on what constitutes a 'Family Business'. The discussions then focus on the growing interest among family business scholars in the behavioral stream of research in this field, leading to elaboration on the theories deployed in building the theoretical framework.

The next portion of this chapter delves on the '*Ability and Willingness Paradox*' that is relevant to the primary construct that is being studied in this research; i.e., '*Family Commitment'*. The discussions on the above culminate into the discourse on family commitment that defines the willingness to commit resources, time, and effort to the firm's business goals.

Thereafter, the chapter defines the other constructs used in the research framework, such as *firm performance* (outcome variable) and the contingency variables such as *family generation-in-charge* and *professionalization of the family firm* as moderators that are likely to impact the strength of the relationships between the study variables. The next chapter of the theses explains the theoretical framework and arguments that lead to the development of the hypotheses connected to the research framework.

CHAPTER-3: THEORETICAL FRAMEWORK & HYPOTHESES

3.1 Chapter Introduction

This chapter presents the theoretical framework and builds up a set of hypotheses to be tested in this study. The chapter is in two major parts, the first part explains the theoretical framework, while the second discusses the development of hypotheses. A short summary concludes this chapter.

3.2 Deploying Stakeholder Approach to link Family Commitment with Antecedents (SEW goals) and Outcome (Firm Performance)

This study responds to Sharma's (2004) clarion call to apply stakeholder theory to examine relationships between family-centric non-economic goals, family firm behavior, and family firm performance outcomes. In three important conceptual papers by one of the most eminent scholars in family business research, Sharma (2001, 2003, & 2004), the author suggests that stakeholder theory offers the opportunity to classify family firms and distinguish them from non-family firms. This is because, in the context of family controlled firms, the family is the primary stakeholder, creating an important distinction between family and non-family firms.

While literature recognizes the emphasis by family firms on family-centric outcomes, the effect of these family-centric goals on firm-centric performance outcomes are not as well understood (Sharma, 2004). Whereas researchers have attempted to explain business performance of family firms as it relates to family involvement in management, yet there is insufficient theoretical explanation on how family-centric non-economic goals such as SEW relate to family firm behavior and business performance of the firm. In this attempt to shed some light on the nonfinancial performance dimensions, First, Litz (1997) followed by Sharma (2004), suggest that the stakeholder theory might be helpful in debunking the conceptual link.

In alignment with suggestions of the authors mentioned in the preceding paragraph, Zellweger and Nason (2008) demonstrate the relevance of applying stakeholder theory to the family firm context. The aforementioned study makes two major contributions to this context; first, they suggest that the multiple stakeholders connected to family firms may be classified into four distinct levels; *individual*, *family*, *firm*, or *society*. Second, they propose a typology of relationships between and among stakeholders levels; *overlapping*, *causal*, *synergistic* and *substitutional*. The seminal work of Zellweger and Nason (2008) has opened up a much clearer path for proposing conceptual linkages between family-centric goals, behavior and firm-centric outcomes. It also provides a useful framework to evaluate the breadth and the relationships between different constructs such as family commitment and firm performance. Outcomes in family firms have been broadly categorized as business outcomes related to the firm and non-economic or family-centric outcomes (Olson et al., 2003; Sorenson, 1999).

There appears to be good reasons to believe that family firms have a natural inclination to meet expectations of multiple stakeholders. Nevertheless, so far a holistic view of how family related goals and performance outcomes interact in family firms taking all stakeholders groups into account seems to have been overlooked.

3.2.1 Four Levels of Stakeholder Analysis

Freeman's original work on stakeholder theory states that stakeholders are: "*any group or individual who can affect, or is affected by, the achievement of a corporation's purpose*" (1984, p.6). Zellweger and Nason (2008) follow the observation that different stakeholders will have different sets of expectations, and firms will attempt to meet those stakeholder demands with different behavioral manifestations and performance outcomes. In line with this thought, Davidsson and Wiklund (2001) and Scott and Rosa (1996), suggest that impact of entrepreneurial behavior should be studied at different levels of analysis simultaneously. Considering such arguments in favor of multiple levels of analysis, Zellweger and Nason (2008) consider four distinct stakeholder levels of analysis, which are as follows:

(1) <u>Individual Level (owner (s) and/or family-manager (s))</u>

The owners or family members involved in management of the firm (also known as family-managers) not only derive financial benefits from the business, but also enjoy the autonomy of being their own boss that allows them to structure the working conditions according to their own desire (Douglas and Shepherd, 2000, 2002, Gimeno, Folta, Cooper and Woo, 1997). Furthermore, they derive other non-economic benefits such as social prestige and personal reputation (Baumol, 1990), a sense of ownership and belonging (Naughton, 1997), and an overall nostalgia of knowing that they carry the legacy of the family name (Sharma and Manikutty, 2005; Ward, 1997). Therefore, emotional bonds with other family members or ties with the society they reside in, makes owners or family-managers as an 'individual' an important stakeholder level of analysis.

(2) <u>Organizational Level (the family firm)</u>

The business organization (i.e., family firm) is a crucial stakeholder because without sufficient levels of performance outcomes, the organization would cease to exist. This point is clearly explained by Penrose (1952): "*positive profits can be treated as the criterion of natural selection—the firms that make profits are selected or 'adopted' by the environment, others are rejected and disappear*" (p.810). Some of these critical performance outcomes include outcomes such as: ability to provide job security for employees and pay their salaries and compensations; revenue growth and adequate market share, profits that are at par with industry benchmarks, reputation of the firm; meeting payment obligations of suppliers; maintaining differentiation in products and customer or brand loyalty. Therefore, it is critical that stakeholders at the organizational level are considered in any analysis.

(3) Society Level

Such a stakeholder group may be connected to the family firm as any individual or external organization or group that are affected by the purpose of the organization or have an interest in the organization's work. Examples include the regulatory authority the organization interacts with, community the firm resides in, taxation and licensing authorities, rights activists, media, NGOs and government in general. Organizations undertake strategies to satisfy such societal stakeholders by undertaking activities that may include CSR activities through philanthropy, environmental initiatives, support of nonprofit organizations, and creating employment for the residents in the areas where the firm operates its' businesses. Compared to non-family firms, family enterprises are expected to be more particular about these societal level stakeholders, because the family's reputation is at stake (Berrone et al., 2010).

(4) Family Level (the other family members)

The family-managers that controls the strategies and direction of the business enterprise need to consider remainder of the family members, whether they are involved in ownership of the firm or not, as an additional crucial set of stakeholders (Chua et al., 1999). This additional set of stakeholders will determine the ability of the family-managers to commit resources, time and effort to the family enterprise. Several scholars have attempted to capture the overlap between business and family and the conflicts that result from the overlapping goals (e.g., Habbershon et al., 2003; Schulze et al., 2003; Tagiuri & Davis, 1996). Literature suggests that family firm performance is a function of the collective goals set by the owning family (Ward, 1997; Vos and Forlong, 1996).

Other performance related outcomes that attempt to meet the expectations of the family-level stakeholders are often beyond financial parameters and may include socioemotional wealth parameters, such as control and influence, trans-generational succession in leadership of the enterprise, family reputation, family harmony, and sense of loyalty (Zellweger and Nason, 2008). Therefore, the posture of family members can impact autonomy of the family-managers in setting of goals and deciding how benefits derived from the business will be distributed and shared, and are thus a powerful stakeholder category.

In summation, it is important to distinguish between the different stakeholder levels of analysis while examining the corresponding outcomes on family commitment and firm performance.

3.2.2 Typology of Relationships

In addition to the four stakeholder levels of interactions mentioned above, Zellweger and Nason (2008) also propose a typology of relationships between and within the stakeholder groups. The four types of relationships are: *overlapping*, *causal*, *synergistic* and *substitutional*. These relationships provide a lens through which a set of relationships can be predicted between dimensions of SEW, family commitment and firm performance. These relationships are further discussed as follows:

(i) Overlapping Relations between Variables

Overlapping relations between FIBER components of SEW, family commitment and firm performance implies that one outcome may satisfy several stakeholder groups. For instance, goal of enhancing positive image and reputation of family firm can be a source of satisfaction as well as economic benefits, for the family that owns the business, for individual family members, the organization itself, and the society in which the firm operates in (Zellweger and Nason, 2008). Therefore, the fallout of pursuing a goal such as; positive social image and reputation, can overlap and impact stakeholders across different levels.

(ii) Causal Relations between Variables

Causal relations signify a situation where one set of outcomes cause a different set of outcomes, which in turn, satisfy a single or multiple stakeholder groups. In a family business context, strong emotional ties among family members fosters family harmony which has been considered to stimulate outcomes such as trust among family-managers, which in turn leads to stronger efforts to contribute to the organization (Corbetta and Salvato, 2004). Such harmonious relations within the family firm lowers agency costs in the firm by reducing expenses related to control and audit and consequently enhance firm's business performance (Zellweger and Nason, 2008).

(iii) Synergistic Relations between Variables

Synergistic relationships are said to occur when two different outcomes are observed in the same direction – either positively or negatively. Pursuing SEW goals such as binding social ties with stakeholder groups such as suppliers or lenders, for example, are likely to enhance family commitment to the firm and economic benefits (and vice-versa) due to synergistic effects, such positive social ties bring intrinsic benefits to the individual, organization and society by achieving superior financial results. Synergistic effects can arise between various stakeholder groups or within the same unit, but also between economic and non-economic performance outcomes (Zellweger & Nason, 2008).

(iv) Substitutional Relationships between Variables

The final type of relationship highlighted by Zellweger and Nason (2008) is substitutional relationship between goals and behavior or performance outcomes that would indicate a situation of trade-offs between outcomes and at different stakeholder levels. For example, the desire to retain control and influence over the firm may encourage appointment of less qualified family members instead of hiring more qualified nonfamily executives from outside. Such behavior may be at the cost of commitment to the firm and business performance. Such decisions are typically taken by family business leaders in order to keep the family happy and also to ensure control over decisions in the firm. Non-family stakeholders connected to the firm often view such behavior as nepotism and injustice towards non-family employees and detrimental to the firm's business goals, hence a reflection of lower commitment to the business enterprise.

This doctoral study proposes to deploy the levels of stakeholder analysis and typology of relationships articulated by Zellweger & Nason (2008) to build a theoretical framework that links individual components of SEW, family commitment and firm performance.

3.2.3 Theoretical Framework

Considering the family as an additional stakeholder category and the connectivity (i.e., *overlapping, casual, synergistic, or substitutional*) between the family and the other three stakeholder levels (i.e., *individual, family, organization, and society*), this study argues that family owned and controlled business organizations exhibit innate incentives to satisfy the demands of multiple stakeholders. Through the lens of socioemotional wealth theory and stakeholder theory based on the Nason and Zellweger's (2008) typology of performance relationships discussed is the preceding section, the study delves into arguments that presents a deeper understanding of the relationships between SEW goals, family commitment and firm performance. The relationships are based on the premise that outcomes of business activities do not exist independent of each other, and are hence related.

A similar approach has been undertaken in a study by Chrisman et al., (2102) where the researchers use Behavioral Theory of the Firm (Cyert & March, 1963) and Stakeholder Theory (Freeman, 1984) to explain a relationship between Family Centered Non-Economic (FCNE) goals Family Essence. Family Essence is a broad umbrella construct where 'Family Commitment' to the firm is one of the key measureable constructs (Chua et al., 1999). The authors discuss how the understanding about the proposed performance relationships may help increase the family firm's effectiveness in satisfying strategic stakeholders. The study finds that making use of overlapping and causal relationships proposed by Nason & Zellweger, (2008), they have the capacity to satisfy multiple stakeholders with one performance outcome, thus increasing organizational effectiveness of family firms. The study also shows that synergistic associations between two positive performance relationships increase organizational effectiveness since they positively impact the satisfaction of one or multiple stakeholders.

Therefore, the current study suggests that the two theoretical perspectives—Socioemotional Wealth Theory and Stakeholder Theory— together, suggest that family firms may be particularly likely to emphasize SEW goals, and these goals will impact family commitment and subsequently firm performance. The first theory (socioemotional wealth theory) is used to argue that family firms entertain multiple family-centric non-economic goals, and depending on which of these goals is emphasized by the family will reflect on their collective behavior in terms of the firm (Gomez-Mejia et al., 2007). The second theory (stakeholder theory) is used to argue that each of the FIBER goals of SEW will interact with stakeholders at one or more levels (individual, family, firm, society) within the framework of typology of relationships (overlapping, causal, synergistic and substitutional) defined by Zellweger and Nason (2008), to impact family commitment and subsequently firm performance.

Since the family is the most powerful set of stakeholders in a family enterprise, it may be derived from stakeholder theory that the relationship of a family with the ownership and management of a business organization will provide them with the authority and legitimacy to influence goals of the organization (Mitchell et al., 1997). Family business scholars suggest that emphasis on family-centric non-economic goals will lead to distinctive behaviors, and performance outcomes (Chrisman et al., 2005; Dyer, 2006).

The stakeholder approach complements predictions about SEW in family firms (Chrisman et al., 2012; Debicki et al., 2017). From this perspective family firms are likely to emphasize SEW goals because of the presence of a dominant stakeholder group (i.e., the family) that has family-centric non-economic goals (e.g., family identity and social status, desire to provide employment to new generation of family members, emotional wellbeing and harmony within the family, etc.). Due to the close association between the family and the firm and the desire of the family to protect the identity of both entities, family businesses are likely to adopt SEW goals and such goals may be significant drivers of behaviors and performance (Zellweger and Nason, 2008).

To explain the convergence of the two theories (Socioemotional Wealth Theory and Stakeholder Theory), although this study acknowledges that all firms (family owned or not) develop and pursue certain non-economic and also financial goals through a process of stakeholder interaction, however, it is only family owned/controlled businesses that prioritize SEW goals as a reflection of the unique interests of the controlling family (Lee and Rogoff, 1996; Zellweger and Nason, 2008). Furthermore, studies indicate that the higher the salience towards family-centric goals, the more these goals will impact behavior and outcomes manifested by the controlling family (Astrachan and Jaskiewicz, 2008; Zellweger and Astrachan, 2008).

Another aspect to consider is that when family members from subsequent generations get involved in the firm, the perspective towards SEW goals vis-a-vis firm-centric economic outcomes are likely to shift (Sciascia et al., 2014). New family entrants into the management from different generations often carry significantly different views from their predecessors that may fuel significantly diverse approach towards leadership within the firm (Grote, 2003; Lafranchinni et al., 2019). In a study by Kellermanns and Eddleston (2004) on family firm cross generational conflicts, the authors suggest that as long as the basis of such conflicts are focused on governance policies, strategies, and operational tasks rather than power struggles and relationships, such conflict can be beneficial for the firm's long-term sustainability. Therefore, family involvement and need for broad consensus among family members about the family's collective vision and aspirations regarding the family enterprise, suggests that goals such as family cohesion and harmony, will become crucial as the subsequent generations of family members involved in the firm rises. Hence, any conceptual link between goals, behavior and outcomes must consider the impact of such shifts in generational perspectives.

Increased family involvement in ownership and management, and rising involvement of number of family members from later generations, enhances the power and legitimacy of the family to adopt SEW goals. However, ability to adopt such goals does not automatically ensure that a family firm will be willing to do so (De Massis et al, 2016). This point is further substantiated by stakeholder theory which suggests that, along with authority and legitimacy to influence goals, there needs to a sense of urgency with respect to the importance of adopting such goal by the firm (Freeman, 1984; Mitchell et al., 1997). The implication here is that, the application of the family's power and legitimacy to adopt SEW goals is likely to vary among family firms, depending on the urgency felt by the family-managers or importance of adopting such goals by the family (Westhead and Howorth, 2007).

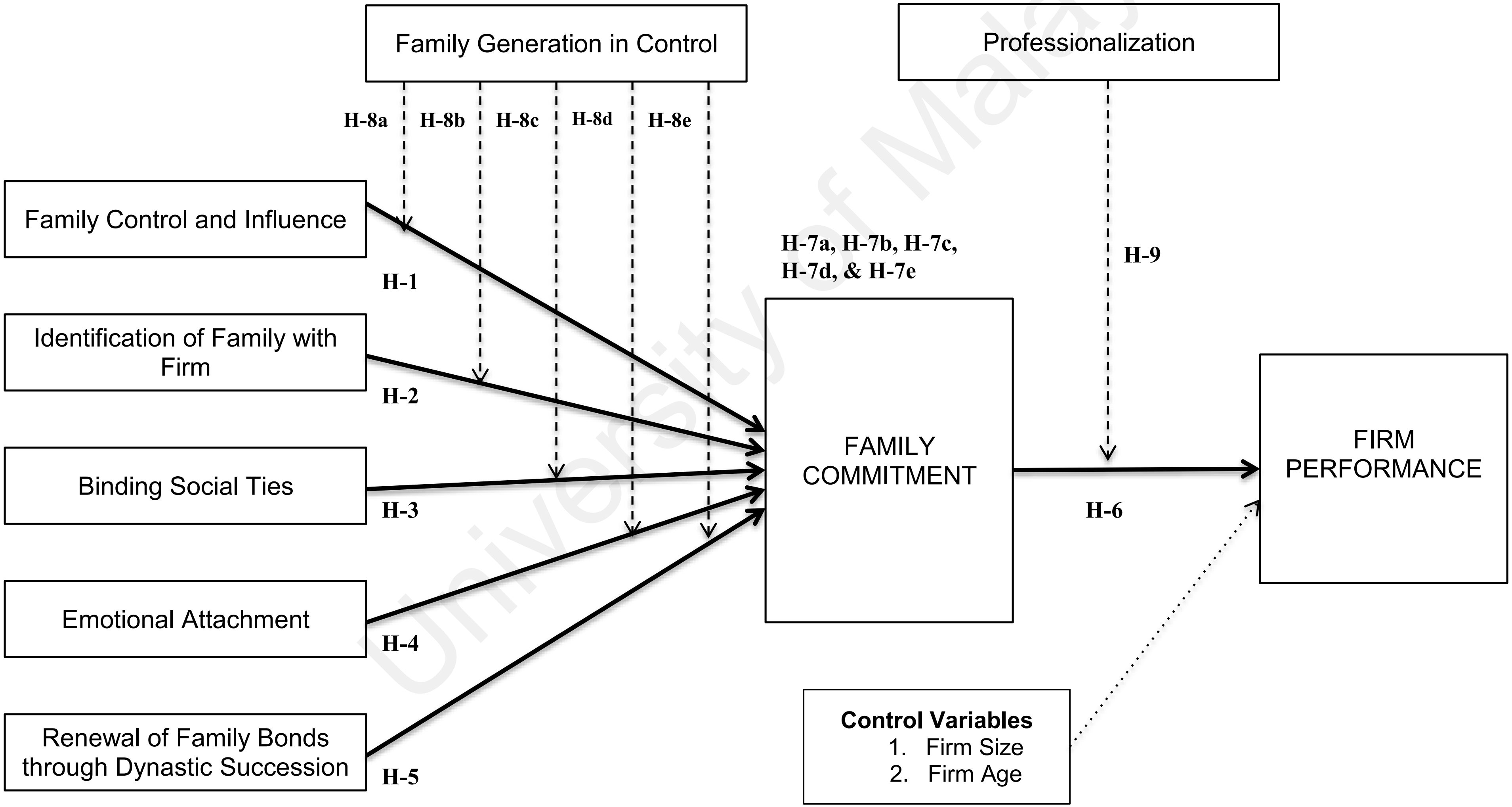
The discourse in the preceding paragraph is aligned with the ability and willingness paradox discussed in Chapter-2 of under section 2.6. The controlling family's willingness to commit resources, time and effort to the business has been referred to as '*Family Commitment*' (Chrisman et al., 2012; De Massis et al., 2014). Although, willingness could be also captured through other indicators, yet the construct; family commitment, stands out due to the theoretical and practical value it carries and also use in prior literature (e.g., Klein et al., 2005). The commitment of the family to the firm indicates access to resources of the family and a broad consensus of the vision held by the family members in top management of the firm (Habbershon et al., 2003).

The literature on socioemotional wealth argues that the importance attached by family-managers to such family-centric non-economic goals drives strategic decisions and firm behavior, which in turn are likely to effect firm performance. Therefore, a theoretical framework is proposed (Figure 3.1) that indicates that the FIBER components of SEW are drivers of family commitment as its' antecedents, and family commitment forms a link between its' antecedents and its' outcome in the form of firm performance.

The links between the constructs in the framework are based on the premise that the salience placed on the FIBER dimensions of SEW will determine the level of impact on family commitment and firm performance outcomes for different stakeholder categories in family firms. Family-managers are expected to develop appropriate strategies that conform to expectations from the four distinct stakeholder categories (i.e., *individual, firm, family*, and *society*), and the outcome of such interactions will be based on the four typology of relationships (i.e., *overlapping, causal, synergistic,* and *substitutional*) between and across stakeholder groups with respect to managerial decisions that impact stakeholders (Zellweger and Nason, 2008).

The theoretical framework (Figure 3.1) will also consider the possible mediating effect of family commitment on the relationship between the five FIBER dimensions of SEW and firm performance. Finally, two moderating variables are included to determine if the strength of association between the SEW dimensions and family commitment, and family commitment and firm performance, are contingent upon these moderators. Firstly, it is posited that the strength of the relationship between each of the five FIBER dimensions of SEW and family commitment are moderated by the family generation in charge of the firm (Sciascia et al., 2014), and that the relationship between family commitment and firm performance is contingent upon the level of professionalization adopted by the firm's owners (Dekker et al., 2015).

FIGURE 3.1: THEORETICAL FRAMEWORK



3.3 FIBER Dimensions of SEW

Family control and influence over the firm (F) is one of the key features that distinguish family firms from non-family ones. Ensuring that the family is able to control and influence governance policies and strategic decisions taken within the family enterprise is often given priority over economic benefits derived from it. Exerting family authority over the firm can be exercised directly by appointing a family member in the position of CEO or indirectly by ensuring senior executives are mostly from the family (Berrone et al., 2012).

Identification of family members with the firm (I) is a natural result of the close association between the family and business. Family name attached to a successful organization can provide a sense of identity to the family members and many family members see the firm as an extension of the family itself (Dyer, 2006). The brand-value of products or even the firm's name (positive or negative) gives perceptions of identity to the family and are driven not only by the family context but also by a broader social context (Berrone et al., 2012).

Binding social ties of the family (B) refer to the firms' social relationships with various stakeholders, such as employees, vendors, financiers, government authorities, etc. As a result of their frequent and close interactions with stakeholders such as employees or customers, they often develop strong bonds with the firm owners. Similarly, relationships with suppliers can also result in close ties to the extant that the success of both entities are so inter-linked that relationships with suppliers become mutually beneficial ties. Especially when suppliers have been satisfactorily dealing with the family firm for a long time, these relationships transcend to personal friendships. Furthermore, family firms are often deeply embedded in their (local) communities, and they tend to support community activities to the extent that the firm and the family become important entities in the community they reside in (Berrone et al., 2012).

Emotional attachment of family members (E) refers to the role played by emotions in the family firm context. The family enterprise may serve as a platform where a sense of belonging, feeling of a shared vision, family harmony and financial security are met (Berrone et al., 2012). Therefore, these emotional ties may include the intention to provide employment to family members within the firm, or to give preference to relatives when selecting vendors, or to overlook mistakes made by family-managers which would have normally resulted in call for discipline if committed by non-family employees, etc. Hence, emotions may play a strong role in the strategic choices and operational decisions in the family firm.

Renewal of family bonds to the firm through dynastic succession (R) relates to the long-term vision of keeping the firm under the family's control over generations. This trans-generational vision and sense of dynastic succession are important concerns of in most family firms (Berrone et al., 2012). Such intentions imply that the family has a long-term orientation in terms of family name and involvement in their organization and this value comes from ensuring continued family control (James, 1999). Family business scholars suggest that socioemotional wealth and trans-generational family control intentions are both conceptually linked, since maintaining family control is related to outcomes such as family harmony and social status and identity (Gomez-Mejia et al., 2007; Zellweger and Astrachan, 2008). Put differently, SEW goals increases the urgency of adopting and achieving trans-generational family control goals. A family's intention for the trans-generational continuity of control is considered a defining feature of a family controlled business (Chrisman et al., 2004).

3.4 Rationale for Hypothesizing Effects of SEW on Family Commitment

Family businesses may have managers both from within the family and from outside the family. As managers of a business enterprise, they are expected to be empowered with authority and legitimacy to act on behalf of the firm owners, and are thereby charged to support the owners in setting firm-centric performance goals and planning and executing strategies to achieve such goals. Therefore, managers are expected to have significant power and influence on goal setting and strategies adopted by the family firm (Agle, Mitchell, and Sonnenfeld, 1999; Mitchell et al., 1997). Nevertheless, the greater the level of involvement of family members as managers in the organization, the greater the family's influence and legitimacy over the firm's policies and strategies, and consequently the family's ability to adopt and pursue SEW goals.

The ability and willingness paradox suggests that mere ability of family-managers to adopt SEW goals, does not automatically ensure that family firms will pursue such family-centric goals. Furthermore, this notion is supported by the stakeholder theory also, which argues that in addition to discretion to influence goals in an organization, there needs to be a sense of urgency regarding the importance and timing of the goals to be adopted by the firm (Freeman, 1984; Mitchell et al., 1997). This means that the extent to which the family's legitimacy and influence is applied to adopt SEW goals may differ among family firms (Westhead and Howorth, 2007), and this would depend on the urgency felt by family-managers in pursuing adoption of such goals.

Therefore, both the stakeholder theory perspective on organizational urgency to implement goals (Mitchell et al., 1997) and the ability and willingness gap (De Massis et al., 2014), suggest that despite having ability to implement SEW goals, family firm owners may have different levels of 'willingness' to translate their SEW goals towards firm-centric behavior such as family commitment. Family commitment to the firm implies a broad consensus among family firm managers about the vision held by the dominant coalition of family firm owners (Chrisman et al., 2012)

The relationship between socioemotional wealth goals and family commitment to the firm will depend on which of the SEW dimensions is prioritized by the family-managers (Martin and Gomez-Mejia, 2016; Debicki et al., 2017). Therefore, it may be argued that both the strength of association between SEW dimensions and family commitment to the firm, depends on the salience of the family-managers regarding the FIBER dimensions of SEW (Chrisman et al., 2012; Martin & Gomez-Mejia, 2016).

This study theorizes that the extent to which the family exhibits commitment to the firm depends on which of the five (5) FIBER dimensions of SEW (Berrone et al., 2012) are being emphasized by the family-owners, and the degree of association with family commitment will vary accordingly. The following sub-sections present arguments that lead to proposition of set of hypotheses linking the constructs in the framework.

3.4.1 Impact of Family Control & Influence on Family Commitment

Family business scholars suggest that the desire for control and influence over operations is a major priority in family enterprises, as family-managers view control as directly connected with the family's SEW agenda (Chrisman et al., 2012; Chrisman and Patel, 2012). As an example, the tendency for family controlled firms to maintain loosely structured and less formalized human resources policies (De Kok et al., 2006), and the higher likelihood of selecting a potential successor to retiring managers from among the family members (Kets de Vries, 1993; Marler et al., 2017), and to be hesitant with regards to professionalizing the family firm (Gómez-Mejía et al., 2011, Dekker et al., 2015) are a few instances of decisional outcomes observed in family firms where the motive is to maintain control and influence to preserve the family's SEW.

The preceding arguments imply that family businesses would avoid any actions that could put the family's control and influence in the firm in jeopardy (Cruz et al., 2014). Literature recognizes that retaining control and influence is the most salient factor that is likely to impact behavior in family firms (Chrisman and Patel, 2012; Cruz et al., 2014). Therefore, the expected default script for family owned business owners would be maintaining control and influence over day-to-day decisions within the organization.

This study assumes that higher levels of '*family control and influence'* dimension of SEW is likely to translate into negative consequences for family commitment. This assumption suggests that high intensity of family's desire for control and influence over the firm at any cost is likely to have negative impact on commitment and subsequently performance. When the typology of Zellweger and Nason's (2008) stakeholder approach are applied to this issue, the benefits of pursuing family control and influence goals may be classified as *substitutional* in nature with regards to family commitment. The *substitutional* outcomes may be either or both within the same stakeholder unit or across various stakeholder units. For instance, emphasis on family control may give priority for employment to family members over hiring an outsider with much superior qualifications and experience (Jones et al., 2008), as a result of such decisions the satisfaction of the individual family member will be met at the expense of firm's performance and sustainability (Debicki et al., 2017).

Other examples of negative fallouts of control and influence dimensions may be identified in the case of compensations and promotions. Often family members are rewarded or their mistakes are overlooked because they belong to the family while non-family employees are held to more stringent standards. Such behavior as a result of desire for legitimacy needed from family members for unfettered control over the firm may lead to discontent and disengagement among non-family employees that have consequences for performance. This matter is further exacerbated by the variety of stakeholder roles that senior level family-managers as individuals have to assume in a family firm. Jones et al. (2008) find that family individuals in top leadership positions set the direction and pace of the organization, but due to the duality of their roles (i.e., family concerns and business concerns), such dual roles may lead to rigidity in terms of the firm's growth and diversity (Anderson and Reeb, 2003; Kets de Vries, 1993; Thomsen and Pedersen, 2000).

Family members that hold leadership of the family enterprise have a complex role where their need for control and authority places them in a dilemma of balancing between commitment to their role in the firm in one hand and the family on the other hand. Such firm leaders seek support of the family to maximize their control and influence over the firm, while doing so they often face conflicts of interest with the possible negative outcomes for the organization as a stakeholder that may substitute short-term utility of the family in place of long-term interests of the firm.

Gomez-Mejia et al. (2010, p.95) stated that: "*in their pursuit of SEW, family firms give preference to family members with regard to promotion, which carries an inherent business risk and therefore a hazard to performance*". This implies that family control and influence is mainly motivated by desire for utility and enrichment of the family members even at the cost of the organization's business goals. Therefore, Zellweger and Nason's (2008) **substitutional** effect is characterized as an outcome, leading to the conclusion that family control and influence primarily benefits the family at the expense of firm, which would imply that high intensity of desire for control is likely to have negative consequences for commitment to the firm.

However, it needs to be acknowledged that the above arguments do not suggest that family control and influence is always at the expense of the firm's interest, as there may be instances where the relationship between family control and influence positively impacts family commitment. For example, outcomes such as family harmony will lead to cohesion within the family, improved standard of living, and forge positive relationships among members of the family. Such positive outcomes can alter outlook of family members towards the firm and the leaders of the firm and see the firm as a platform for wellbeing of the family (Debicki et al., 2017; Dobbins and Zaccaro, 1986; Kidwell et al., 1997). In turn, such positive emotions may lead to enhanced commitment to the family business, that positively impact firm performance.

Nevertheless, the indirect benefits mentioned above are most likely overshadowed by the cost to the firm due to nepotism that are at conflict with the expectations of non-family stakeholder groups such as employees, financiers and non-family shareholders. Thus, while it is recognized there may be exceptions and side benefits to family control and influence, this study posits that its' effect on family commitment to the firm is likely to be negative: In line with the aforesaid arguments, the following hypotheses is stipulated:

H-1: *Higher degrees of 'Family Control and Influence' will lead to lower levels of 'Family Commitment' to the firm.*

3.4.2 Impact of Family Identification on Family Commitment

Members of the owning family often identify with their family enterprise, especially if the firm's brand-value bears a positive social reputation, and the family members value the public image of the company because it reflects on the family's social identity (Dyer and Whetten, 2006). Family-managers also try to infuse the values of their family among their personnel and other stakeholders in society (Gomez-Mejia et al., 2011). With passage of time, such family values diffuse into the firm's management culture.

Literature indicates that, the preservation of the SEW dimension of 'family identity with the firm' plays an important role in the dynamics of decision making in family enterprises (Deephouse and Jaskiewicz, 2013). Studies have shown that family members often develop strong enduring ties with the firm, especially if the firm bears the family name (Dyer and Whetten, 2006). The family firm owners derive sense of self worth through close identification with the family enterprise (Westhead, Cowling, and Howorth, 2001), therefore they are likely to be sensitive to matters that impact the image that they try to uphold with regards to their external stakeholders (Craig and Dibrell, 2006). Furthermore, due to the personal association of family members to the firm, they are typically more exposed to risks of damage to their of public image compared to non-family investors or shareholders if the firm is accused of indulging in irresponsible social behavior (Berrone et al., 2010; Cruz et al., 2014). Hence, it would be expected that family firms are likely to avoid being involved in any activities that could dent their public image and reputation (Deephouse and Jaskiewicz, 2013). The salience of family firm owners on family identification with the firm is likely to have a positive impact on their level of commitment to the firm.

The SEW dimension of '*Family Identification*' refers to the importance of perceptions about the family by external stakeholders in the overall community the firm operates in, and is associated with the family's reputation and social support within the community (Debicki et al., 2016). From Nason and Zellweger's (2008) stakeholder perspective, 'Family Identification*'* satisfies the demands of all the four stakeholder groups (*individual, family, organization* and *society*) simultaneously, and the benefits of pursuing such goals may be considered **overlapping**. For instance, an individual may derive personal benefits from being part of an organization known for its ethical business practices, generosity to the community through CSR, and being an overall good corporate citizen.

Carmeli et al. (2007) suggest that the extent to which family-managers identify with their family enterprise is somewhat comparable to the concept of 'employee engagement', and such identification tends to positively impact task performance. Based on the above discourse, it may be argued that when family business owners assign high priority to deriving positive family identity because of their association with the firm, they will be engaged with the mission and the collective goals of the organization, and are therefore expected to exert more effort and time to the organization, and ensure that the firm's reputation is enhanced through it's business activities. This suggests that enhancements in this dimension of SEW – family identification to the firm – are likely to be positively related to commitment. Therefore, it is posited that:

H-2: *Higher degrees of 'Family Identification' with the firm will lead to higher degrees of 'Family Commitment' to the firm.*

3.4.3 Impact of Binding Social Ties on Family Commitment

Family business owners who assign high priority to goals of social prominence are likely to indulge in actions that are recognized by external stakeholders as initiatives that contribute to the utility of the community in which they family firm resides in. This may culminate into s social support network for the family and the firm that can be disseminated throughout the society (Corbetta and Salvato, 2004; Tagiuri and Davis, 1996). Therefore, this implies that goals related to social acceptance, such as binding social ties of the family firm, can meet the expectations of the all the four levels of stakeholders. Furthermore, applying the family firm stakeholder relationship typology from Zellweger and Nason (2008), the outcome of pursuing the SEW goal of binding social ties may be considered as overlapping.

The positive outcome from such social prominence goal is not limited to the family alone, in fact the firm will also benefit simultaneously. The family firm's enhanced levels of strong social bonds and community networks – including the regulatory authority, financiers and business community as a whole – benefits the firm's reputation as a trustworthy name and a reliable business partner. Having such binding social ties and positive image will induce many benefits for the firm such as access to more contracts, softer financing terms and a support network in the time of crisis (Arya and Salk, 2006). Additionally, it will lead to improved employer brand-value and thus attract high-quality job applicants to the firm (Connelly et al., 2010). Therefore, such binding social networks are advantageous for the firm, and may be leveraged across the firm's entire value-chain (Sirmon and Hitt, 2003).

Therefore, the SEW dimension of 'binding social ties' will create positive outcomes at all four stakeholder levels (*individual, family, firm* and *society*). For example, family firms can bank on their positive market reputation to bring in new customers through the family's social networks. In line with this thought, Arregle et al. (2006) notes that family connections often help the family to conduct beneficial business activities and may be a source of competitive advantage for the firm. Customers are likely to be inclined to conduct business with a company managed by a family that is known for their good corporate citizenship and are considered a trusted name in the community. Therefore, applying Zellweger and Nason's (2008) relationship typology, the association between 'binding social ties of the family' and family's commitment to the firm may be causal, overlapping and synergistic. In summation, the advantages gained by pursuing goals aimed at pursuing prominent social status of the family as well as the firm, are expected to reduce costs, create short-term and long-term benefits for the family and the firm and enhance family commitment and consequently firm performance. Therefore, it is hypothesized that:

H-3: *Higher degrees of 'Binding Social Ties' with the firm will lead to higher degrees of 'Family Commitment' to the firm.*

3.4.4 Impact of Emotional Attachment on Family Commitment

"*Emotional attachment of family members relates to the role of emotions in the family firm context. The family firm may serve the family by becoming a place where the* *affective needs for belonging, cohesion, and security are satisfied*" (Berrone et al., 2012, pg. 263).

Owners of family firms are likely to derive emotional utilities from several sources. For example, members of the family that are involved in the firm as managers or employees, may feel a sense of satisfaction when they walk into their work places everyday that bears the family name and a place where that was built with the toil and sweat of their family. This is indeed a very powerful emotion, and the family members feel a strong connection with the family business; thus forming an emotional bond with the firm (Kets de Vries, 1993; Tagiuri and Davis, 1996). This emotional tie between the firm and the family impacts the behavior of family members that are managing the organization (Baron, 2008).

The urge to focus on improving the wellbeing of the family coalition is a powerful motivator in family owned businesses (Gomez-Mejia et al., 2011). Family-owners in senior management roles derive gratification from the knowledge that their family members work for the firm. Such an emotion may be even stronger in the case of founders of the firm, who feel gratified by providing an opportunity for their children and siblings to work for the family business they created, thus developing strong emotional bonds among the family firm owners. Founding entrepreneurs that help create such successful business entities are treated with great respect and admiration within the family circle (Baron, 2008).

Therefore, from the stakeholder perspective, emotional attachment of the family to the firm leads to enhanced focus on reputation, which will generate **synergistic** association between the SEW dimension of 'emotional attachment of the family with the firm' and family commitment to the firm. Therefore, the preceding arguments suggest that strong emotional attachment of family members as a result of their association with the firm is likely to positively influence commitment to the firm and consequently firm performance. Thus, it is hypothesized that:

H-4: *Higher degrees of 'Emotional attachment of the family to the firm' will lead to higher degrees of 'Family Commitment' to the firm.*

3.4.5 Impact of Renewal of Family Bonds through Dynastic Succession on Family Commitment

Desire for continuity of the family dynasty in the firm is very important distinction between family and non-family firms. This dimension of socioemtional wealth is related to the intrinsic satisfaction that family members derive from being able to contribute to the trans-generational sustainability of family influence over the firm. The priority of this dimension to owners of family firms leads to the development of an environment in which family members tend to be united in their vision, take decisions with this goal in the back of their minds, and work together towards family consensus on vital issues (Chrisman et al., 2012). This SEW dimension of 'renewal of family bonds through dynastic succession' is about the preserving the family dynasty in the business organization (Jones et al., 2008), and continuity of values of the family articulated by the founders and improved upon by subsequent generations through the operation of the business. Family business owners value the benefits of the above SEW dimension which allows them maintain family name and influence of across several generations (Shen, 2018).

Benefits of pursuing this SEW dimension of dynastic continuity, will ensure satisfaction and accomplishment at both family and individual stakeholder levels. Of course any desire to preserve trans-generational continuity will first and foremost depend on the continued success of the business itself. This could indicate that the pursuit of family's trans-generational continuity in the firm is strongly connected to longer term performance goals, and therefore, families that prioritize this SEW dimension may be focused on strategies over a long-term time horizon and would be prepared to downplay the short-term performance motivations of non-family stakeholders (Zellweger, 2007). Therefore, the possible impact of priority of family continuity on family commitment and firm performance is complex and multi-faceted, requiring a more nuanced understanding of the consequences for various stakeholder units.

Based on Zellweger and Nason's (2008) stakeholder levels of analysis, it may be argued that the relationship between the SEW dimension of 'renewal of family bonds through dynastic succession' and family commitment may be characterized as **causal** and **synergistic**, and in some instances **overlapping**. As an example, because of the family continuity goal in the business, family members involved in management of the firm tend to cultivate relationships with societal stakeholders and maintain effective relations with organizations that are part of the firm's support network, such as supply chain partners, banks, regulatory authorities, etc. Such relationships ensure the firm's and family's legitimacy within the society (Lounsbury and Glynn, 2001). Such positive networks with external stakeholders tend to lead to manifestation of higher levels of commitment to the firm and further enhance performance (Arregle et al., 2007), for instance, through absorbing the cost of managing complex cooperative relationships (Mohr and Puck, 2013).

However, it is plausible that certain aspects of pursuit of family's trans-generational continuity in the firm may also generate negative impact on commitment and performance. Due to a family's focus on the continuity dimension of SEW, the family's default script would be behavior and decisions that over-ride short-term outcomes over long-term targets (Zellweger, 2007). This approach applied consistently throughout the operation of the firm, may preclude the exploitation of short-term opportunities, which have potential for immediate windfall financial gains for the firm. This point was emphasized by Gomez-Mejia et al. (2007) who found that family owned firms were reluctant to join cooperatives that provided access to economic benefits for their firms in exchange for relinquishing some control over their firms. Hence, the prioritization of the SEW dimension of dynastic continuity of family influence over the firm may, in certain situations, have a negative impact on commitment and consequently performance (Chrisman et al., 2008; Jones et al., 2008).

The arguments in the preceding paragraph suggests that monomaniacal salience of family members on family's dynastic continuity in the firm may have negative consequences for the firm, as rigid focus on long-term goals over short-term opportunities may not augur well for the firm in many instances. This is due to the fact that longer-term horizons also expose firms to environmental risks that are not obvious right away and typically emerge over long-term time horizons. Nevertheless, the potential commitment and performance benefits of pursuing family continuity for these other stakeholders are expected to outweigh short-term firm level hazards as family firms tend to attract stakeholders that prioritize long-term stability, preservation of family control, and survival of the firm (Poza et al., 1997; Berrone et al., 2014).

Goals pertaining to the preservation of family control and influence over the business through multiple generations and thus the perpetuation of family values are associated to the long-term orientation of family enterprises (Zellweger, 2007; Ward, 1987). Empirical findings indicate that long-term orientation is the main reason why family firms consistently outperform non-family firms (e.g., Miller and LeBreton-Miller, 2005). Family firms have been found to outperform non-family ones in other areas such as sales growth (Chrisman et al., 2002; Zahra, 2003; Lee, 2006), traditional profitability measures (Anderson and Reeb, 2003; Villalonga and Amit, 2006; Martinez et al., 2007), etc. Therefore, the long-term perspective of family firms is a source of competitive advantage for these organizations (Habbershon and Williams, 1999; James, 1999; Gomez-Mejia et al., 2007). Based on the above arguments, it is hypothesized that:

H-5: *Higher degrees of emphasis on 'Renewal of Family Bonds through Dynastic Succession' will lead to higher degrees of 'Family Commitment' to the firm***.**

3.5 Linking Family Commitment to Firm Performance

In line with the arguments made in the preceding sections (3.4.1 to 3.4.5), family commitment should have a direct association with the adoption of strategies that positively impact firm performance. As such, high levels of family commitment to the firm, represents a strong signal that the family will exercise its' discretionary authority to ensure firm's growth and sustainability (Martin and Gomez-Mejia et al., 2016). This behavior basically translates to the notion that owners of family businesses view their firms as a family institution rather than an expendable instrument (Chrisman et al., 2012), and such a view should inhibit behavior that generates sound managerial strategies that positively impact firm performance. Therefore, it may be stated that a family's willingness to commit resources, time and effort to the firm suggests that the interests and the values of both the family and the business organization are aligned by a collective vision that will lead to positive firm-centric outcomes, implying that such family commitment should be positively associated with the firm's performance goals.

When commitment is translated to business goals and strategies, the values of the family firm owners are expected to include ethical and sustainable business practices that lead to positive firm performance outcomes. For instance, studies have shown that when family firms instituted ethical norms within the organization, it lead to the development of social capital in such firms, and in turn it improved firm performance (Sorenson and Bierman, 2009). Similarly, Handler (1990) found that family firms that emphasize preservation of family values, such as how customers and business partners are to be treated, and intend to perpetuate such values across generations of family owner-managers, it had a positive impact on firm performance.

Other family business scholars have also substantiated the findings of the aforementioned studies, suggesting that strategies based on developing trustworthy and sustainable relationships with stakeholders such as customers, suppliers and society are positively related to performance (Fink, 2010; Mohr and Puck 2013; Robson et al., 2006). Consequently, behavior such as family commitment will impact stakeholders at various levels (family, firm and society), and will also generate positive performance outcomes. This position is aligned with the findings of Berrone et al. (2010) where the authors showed that when family firms indulge in sustainable business practices involving considerations for the environment, it contributes to long-term positive firm performance. From the Zellweger and Nason (2008) typology of stakeholder relationships, the association between family commitment and firm performance may be considered as **synergistic**, as the behavior simultaneously benefits the family, firm and society.

Family commitment may also generate more intrinsic benefits to the family enterprise as a stakeholder, by creating an environment in which the family firm owners feel a sense of cohesion, and make transparent and inclusive decisions geared towards long-term goals of the family and the firm (Debicki et al., 2016). Pursuit of such long-term goals may involve seeking inputs from family members involved in the business to create a culture of collaborative decision-making, and minimizing hazards of information asymmetry, which should lead to positive firm performance outcomes (Howorth et al., 2004). Family organizations that encourage collaborative goal setting and inclusive decision-making have been found to foster high levels of cooperation within the members of the family involved in the firm, which have been found to be beneficial to both the firm in terms of performance (Debicki et al., 2017).

Family commitment fosters strong sense of ownership and belonging to the institution, and the family tends to see the firm as an extension of the family (Chrisman and Patel, 2012). The empirical works discussed in the previous paragraphs show a proven link between positive collective behavior and firm performance. Based on the above arguments, the following hypotheses is stipulated:

H-6: Higher Levels of *Family Commitment* to the Firm will lead to Higher Levels of *Firm Performance*.

3.6 Considering Mediation Effect

Mediation is said to occur when an intervening variable transmits the effect of an antecedent variable on an outcome variable (Aguinis, Edwards, and Bradley, 2016; Ndofor, Sirmon, and He, 2011). However, it must be acknowledged that mediation is not limited to intervening variables only, as they are also applicable in models without intervention. For example, Mackinnon, Coxe, and Baraldi (2012) suggest that an observational variable can serve as a predictor or antecedent variable in a mediation model. However, the decision to investigate mediation effect or moderation effect depends entirely on the research question of interest (Mackinnon et al., 2012).

"*Mediation is important because it allows us to conduct scientific investigations; that is, the interesting part of science is to explain how something comes about. A mediation analysis provides the researcher with a story about a sequence of effects that leads to something*." (Kenny, 2008, pg. 353).

Therefore, tied to research question no. 4 (i.e., *Does family commitment mediate the relationship between the five FIBER dimensions of socioemotional wealth and firm performance?*), this study posits that mediation is captured by the notion that the effect of family centered non-economic goals (i.e. socioemotional wealth) on firm performance is transmitted by family commitment, such that the SEW dimensions influence behavior (family commitment) that in turn effects the outcome (firm performance).

3.6.1 Mediating Effect of Family Commitment between Dimensions of Socioemotional Wealth and Firm Performance

Scholars agree that the primary distinguishing factor between family and non-family firms is the presence of family-centric non-economic goals (e.g., socioemotional wealth) but to what extent such SEW goals influence firm-centric outcomes such as firm performance is yet to be fully understood (Martin and Gomez-Mejia, 2016; Nemeth and Nemeth, 2018). In some studies family involvement in the business is focused solely on aspects of behavior that are also common to non-family firms (Sluhan, 2018), therefore firm behavioral studies that examine behavior that are more likely to be observed in family controlled firms would yield more meaningful findings. For instance, since involvement of family members in management is a precondition to SEW (Chrisman et al., 2012), as the salience of the family-managers towards SEW increases, the controlling family's importance of commitment to the firm should rise. Zellweger and Astrachan (2008) find that enhanced levels of family involvement tends to create psychological attachments to the firm, thus enhancing the levels of family commitment to the firm. Therefore, higher levels of family involvement in management would translate into higher levels of salience to SEW goals that should correspond to increased levels of commitment to the business organization. The preceding assumption seems logical because, the personal career progression of family-managers are tied to the firm (Sharma et al., 2001), and such family-managers tend to have higher residual stakes in its success of the firm compared to non-family managers (Schulze et al., 2001).

Literature suggests that SEW goals do provide intrinsic rewards to the family firm owners, but are not necessarily directly related to firm performance (Zellweger and Astrachan, 2008; De Castro et al., 2016), this relationship may be indirectly connected through a commitment towards the firm's growth and sustainability. Such family commitment develops a need and desire to ensure that the economic needs of the three stakeholder groups (individual, family and the firm) are met (Astrachan and Jaskiewicz, 2008; Zellweger and Nason, 2008).

Therefore, it may be argued that family involvement, or the family's ability to influence, should positively affect commitment to the firm and that such intention and commitment in turn will lead to a stronger desire to translate SEW goals to firm level performance outcomes. It has been mentioned earlier that while ability is a necessary condition, implementation requires both ability and willingness and it is intention and a sense of urgency that leads to commitment (De Massis et al., 2016). Therefore, it can be argued that the extent to which family's SEW goals influences the adoption of firm-centric performance goals will, in some measure, be determined by extent of family commitment, which is an indicator of a family's willingness to use its influence in a particularistic fashion (Carney, 2005). As expressed in the set of hypotheses presented below (Table 3.1), family commitment should at least partially mediate the relationship between SEW dimensions and firm performance.

Consistent with the theoretical framework (Figure 3.1), it is theorized that family commitment may have a mediating role in the relationship between the antecedent variables (dimensions of SEW) and the outcome variable (firm performance). Five mediation hypotheses are developed to test this proposition. A variable is considered as a mediator when it creates the indirect effect through which the focal independent variable is able to influence the criterion variable of interest (Baron and Kenny, 1986).. The Table 3-1 shows the mediation hypotheses.

Table 3-1: Mediation Hypotheses

H-7-a	Family commitment mediates the relationship between SEW dimension *Family Control and Influence* and Firm Performance.
H-7b	Family commitment mediates the relationship between SEW dimension *Family Identification with the Firm* and Firm Performance.
H-7c	Family commitment mediates the relationship between SEW dimension *Binding Social Ties* and Firm Performance.
H-7d	Family commitment mediates the relationship between SEW dimension *Emotional Attachment* and Firm Performance.
H-7e	Family commitment mediates the relationship between SEW dimension *Renewal of Family Bonds through Dynastic Succession* and Firm Performance.

3.7 Considering Moderating Variables

Generally stated, a moderator is any variable that impacts the relationship between two or more other variables; moderation is the effect the moderator has on this relationship (Sekaran, 2003). Uma Sekaran further terms it as one that has a strong contingent effect on the independent-dependent variable relationship. A moderator effect occurs when the moderator (an independent variable or construct) changes the strength or even the direction of a relationship between two constructs in the model (Hair et al., 2014). It can be in two (2) forms, first is it changes the strength of the relationship, second it changes the form of the relationship. It is also called as a contingent variable, which points to the fact that the relationship between the independent and the dependent variable is contingent on the moderator variable.

Therefore, moderation represents the idea that the magnitude of the effect of an antecedent (e.g., socioemotional wealth) on firm behavior (e.g., family commitment) depends on contingency factors (e.g., family generation-in-charge). This study takes special note of the suggestions made by Aguinis and colleagues "*integrating moderation and mediation can lead to important and useful insights for strategic management theory and practice*" (Aguinis, Edwards, and Bradley, 2016, pg. 2).

In the realm of family business studies, several scholars have alluded to the idea that many of the conflicting findings in the study of relationships between non-economic goals of the family and firm performance goals are due to missing moderators (e.g., Chua et al., 2012; Chrisman and Holt, 2016). Therefore, this study examines the effect of two separate moderators; (i) the moderating effect of *Generation-in-Charge* on the relationship between SEW dimensions and family commitment, (ii) the moderating effect of *Professionalization* on the association between family commitment and firm performance.

3.7.1 Hypothesizing the Moderating Effect of "Generation-in-Charge" on relationships between SEW Dimensions and Family Commitment

Aligned with studies on generation in control in the context of family owned business (e.g., Beck et al., 2011; Casillas et al., 2010; Cruz and Nordqvist, 2012; Eddleston et al., 2013; Ling and Kellermanns, 2010; Mazzola et al., 2012; Sciascia et al., 2014), it is assumed that the family generation in charge, that is the generation of the founder's family that owns and control's the management of the firm as suggested by Ling and Kellermanns (2010), serves as an important moderator. The literature on generation in control of the firm suggests that the founding entrepreneurs have distinctive knowledge and endowments which they attempt to pass on to subsequent generations, however as the torch is passed on, different patterns of interpersonal relationships develop among family members that lead to different approaches to management (Marler et al., 2017). Therefore, it may be argued that as the family expands and evolves into separate family units, the collective intentions and vision of the family may alter from that which was held by the founders. This change is likely to impact how the family units in subsequent generations behave with regards to SEW and commitment to the firm.

Following this logic, it may be argued that the relationship between the five FIBER dimensions of SEW and family commitment to firm, is moderated by the generation in charge of the family firm. The relationship between the variables are likely to be stronger while the founder generation are still in control of strategic and operational decisions of the firm, and are expected to weaken as the control shifts to subsequent generations. In family business organizations controlled by the founding generation, the likelihood of adopting behaviors that expose the firm to risks are expected to be lower compared to subsequent generations of family-managers. Furthermore, family creativity and entrepreneurial spirit are typically high when founding generations of owner-managers are in control and therefore the degree of family commitment of this generation of family firm leaders are expected to be higher than subsequent generations (Salvato, Chirico, and Sharma, 2010).

In family enterprises where later generations come into control of the organization, the expanding number of family members begin to manifest divergent views due to the self-interest of different individuals and family units, and such interests often overshadow the interest of the business organization (Le Breton-Miller et al., 2011). Furthermore, internal politics takes root when family branches emerge both from blood and marriage, which may magnify relationship conflicts and reduce the motivation of later generation of family firm leaders to behave as stewards (Eddleston et al., 2013; Gersick et al., 1997; Lubatkin et al., 2005). Under such circumstances, it is possible that family members that take over control of the business immediately after the founder generation are likely to manifest lower levels of commitment to the firm.

The above arguments suggest that as the generation in charge transitions from founder to next, the salience of SEW goals of the family may evolve, thus affecting the strength of relationships between SEW goals and family commitment. For example, the SEW goal of 'emotional attachment of family members' may decrease at later generational stages, because differences in agendas of different emerging family branches increase likelihood of internal conflicts (Davis and Harveston, 1999; Ensley and Pearson, 2005;

Schulze et al., 2003), which may pose challenges in maintaining positive emotions among family members. Furthermore, subsequent generations of family-managers are likely to induce more formal governance mechanisms into the organizational processes that may make it difficult for family members to draw family-centric private benefits from the firm, thus the firm starts to resemble non-family firms in many aspects (Shepherd and Haynie, 2009; Zellweger and Dehlen, 2012).

In addition to the theoretical rationale for proposing the modertaor; generational control, prior empirical studies that examined SEW as a uni-dimensional construct (measured through ownership concentration or presence of a family CEO) indicate that the relationship between family-centric goals and collective family behavior with regards to the firm, are not consistent (Berrone et al. 2012; Lafranchinni et al., 2018; Murphy et al., 2019; Prugl, 2019). In fact a cluster of studies show that SEW has a positive and significant impact on behavior, strategic choices and performance (e.g., Barontini and Caprio, 2006; Chrisman et al., 2004; Miller et al., 2007; Poutziouris et al., 2015). While another set of studies suggest that the relationship is negative (e.g., Allouche et al., 2008; Chu, 2009; Villalonga and Amit, 2006; Debicki et al., 2017). Furthermore, a few studies also indicate that there is no statistically significant association between the above variables (e.g., Chrisman et al., 2004; Sciascia and Mazolla, 2008; Westhead and Howarth, 2006). Hence, the conflicting empirical results stated above allude to the possibility that the relationship between family-centric goals such as SEW and behavior such as family commitment are possibly influenced by missing moderators (Chua et al., 2012).

Based on the above arguments, it is suggested that firms controlled by later generations, will show a weaker association between SEW Goals and Firm Commitment, leading to the stipulation of the following hypotheses and set of sub-hypotheses (Table 3.2):

TABLE 3-2: Hypotheses for Moderation Effect of Generation in Charge

H-8-a	Family *Generation-in-Charge* moderates the relationship between SEW dimension of Family Control and Influence and Family Commitment.
H-8-b	Family *Generation-in-Charge* moderates the relationship between SEW dimension of Family Identification with firm and Family Commitment.
H-8-c	Family *Generation-in-Charge* moderates the relationship between SEW dimension of Binding Social Ties and Family Commitment.
H-8-d	Family *Generation-in-Charge* moderates the relationship between SEW dimension of Emotional Attachment and Family Commitment.
H-8-e	Family *Generation-in-Charge* moderates the relationship between SEW dimension of Renewal of Family Bonds through Dynastic Succession and Family Commitment.

3.7.2 Moderating Effect of "*Professionalization*" on the Relationship between Family Commitment and Firm Performance

Commitment of the family to the firm may already have a positive association with firm performance, however, mere positive intentions and behavior may not be adequate to forecast strong positive business performance of the family enterprise. A study conducted by Michiels, Uhlaner and Dekker (2017) showed that dividend payouts by family firms were higher in firms with higher levels of professionalization. Since higher levels of dividend payments may be attributed to enhanced levels of business performance, it may be assumed that in order for positive behavior such as family commitment to have a stronger association with firm performance, the introduction of formal governance and management systems within the organization may be a necessity.

The process of firm professionalization involves many different aspects of governance and systematic managerial procedures that a firm must consider, such as formal financial controls, methodical human resource management mechanisms, inclusion of non-family members in decision making roles, etc. (Songini, 2006). Many other aspects of professionalization have been discussed in the extant literature that encompass delegation of authority to middle and lower-level managers, maintaining proper records of committee meetings, supervision and follow-up of decisions taken among others (Flamholtz and Randle 2007; Hofer and Charan, 1984). Hence, the literature on firm professionalization depicts a multifaceted view of this construct.

When family businesses introduce measures to professionalize the firm's governance and management systems, it stimulates positive outcomes such as trust among managers, which in turn leads to positive efforts on their part to focus on firm level outcomes such as higher performance (Corbetta and Salvato, 2004). Studies have also shown that trust-based relations among managers in family enterprises are likely to reduce agency costs, and consequently improve business performance and enhance value of the ownership of the family firm (Zellweger and Nason, 2008; Chrisman et al., 2012; Carr and Ring, 2017).

Chua et al. (1999) state that: "*formal governance structures in family firms imply a shared vision and responsibility to implement that vision throughout the organization that institutionalizes transparency and accountability in the organization. These families hold a vision to create a better future for their family and they use the business as a vehicle to achieve the vision*" (pg. 25). In situations where firms don't have professionalized governance mechanisms in place, almost all decisions are referred back to the CEO, and such organizations are driven by the vision of a single individual instead of developing a collective family vision. Over time such management culture induces dissatisfaction with the family enterprise and often leads to disharmony among the family members, which may result in ad-hoc decision-making, unilateral use of power and feeling of detachment from the firm among other family owners that may lead to lack of interest in taking any active role in the family business (Sharma et al., 2001; Michiels et a., 2017).

On the other hand, actions taken to professionalize the family firm fosters a more harmonious environment within the firm and inculcates family satisfaction and strong interpersonal relationships because of significant amounts of frequent face-to-face interactions and open discussions among managers whether they belong to the family or not. Frequent interactions among managers and other decision-makers in the family firm, creates a transparent platform whereby such decision-makers understand each other and are able to transfer and integrate a shared vision which is imperative for creating a culture of harmony and trust that may become a source of competitive advantage for the firm, leading to enhanced firm performance and long-term sustainability of the organization (Poza et al., 2004; Sharma, 2004).

Professionalized family firms tend to keep records of official meetings with formal records of discussions, which demonstrates the intent of strengthening transparency, accountability, inclusiveness and senior management level activeness, which consequently signals unified focus and vision of family firm owners and managers. Such documented meetings among decision-makers that suggest top-level activeness, along with actions such as decentralization of authority, can facilitate the development of codified standard operating procedures in managerial processes which are measures to overcome family conflict and thereby enhancing family harmony (Poza et al., 2004). The preceding arguments are also supported by a study by Kelly et al. (2000), where they find that repeated formal meetings among decision-makers in business organizations have also been found to increase firm performance. Furthermore, formalized financial control and human resource management mechanism creates transparency and accountability which promotes an organizational culture based on justice and fairness (Dekker et al., 2015). All the above are likely to contribute to better firm performance.

From the methodological perspective, the proposition of a moderator requires that inconcistencies in the prior findings exist in relationships between the predictor and criterion variables (Hair et al., 2007). On this issue, family business scholars argue that the direct realtionship between family involvement in management and firm performance may have a weak association and is possibly moderated by missing mediators (Chrisman et al., 2012; Chrisman and Holt, 2016; Daspit et al., 2017).

Furthermore, Dawson et al. (2015) published an article in Entrepreneurship Theory and Practice where they indicate that relationships between collective commitment of family members and business goals of the family enterprise have been inconsistent and the relationship may be contingent upon missing moderators such as strategic orientation, entrepreneurial culture, formal governance structures, and other variables not considered in the past.

Based on the above theoretical and methodological arguments, it is posited that the strength of association between family commitment and firm performance will be contingent upon the presence of professionalized management set-up and documented standard operating procedures. Therefore, it hypothesized that:

H-8: *The relationship between family commitment and firm performance is moderated by professionalization.*

The multiple dimensions of professionalization are: financial control systems, human resource control systems, non-family involvement, top-level activeness, and decentralization of authority (Dekker et al., 2013; 2015). Table 3-3 lists the five dimensions of professionalization:

TABLE 3-3: Five Factors of Professionalization

Factor no.	Title	Explanation
1	Financial Control Systems	Financial control involves use of formal budgets, financial planning, performance evaluation systems, auditing, etc.
2	Human Resource Control Systems	Formal human resource control systems comprise of documented procedures for recruitment, training, performance evaluation, reward and punishment.
3	Non-Family Involvement	Encompasses the presence of non-family board members, non-family managers in top management teams, and even a non-family CEO.
4	Top Level Activeness	Top-level activeness of both the board and management team refers to whether these groups meet on a regular basis and fulfill an "active" role in advising and supervising the firm's activity. This suggests presence of accountability based on standards applied uniformly across the firm.
5	Decentralization of Authority	Concept refers to whether other managers (whether family or nonfamily) are empowered to take decisions without clearance from family-managers.

Source: Dekker et al. (2015)

3.8 Control Variables

In alignment with prior research (Kellermanns and Eddleston, 2006; Kellermanns et al., 2008; Zahra, 2005; Debicki et al., 2017), this study proposes to consider two control variables relevant to the context of this study that may influence family firm performance.

Firm Size: Most family business scholars consider firm size as an important variable that impacts managerial decisions made by family firms. Wasserman (2006) suggests that as a firm grows in size and its' founders are forced to share influence with others, their intensity of psychological ownership may diminish and they may become more inclined to pursue self-interests over the welfare of the entire organization. When firms become larger in size, they often rely on bureaucratic controls (Scott, 2003), which can alter the culture of the firm, creating a rift between the firm's identity and the owning family's identity. In other words, as the family enterprise grows in size, the priority of SEW preservation as a primary point of reference for guiding managerial choices is expected to vary. The moderating role of firm size has been demonstrated in the case of firm behavior and performance. For example, Gomez-Mejia et al. (2007) found that compared to smaller family firms, the larger ones were more likely to join cooperatives, which means that the decision dynamics change when firms become larger in size. Similarly, Martin et. al (2013) while studying S&P 500 companies, found that larger family firms are more likely to use income-increasing accruals to manage earnings. Furthermore, Miller et al. (2010) found a positive correlation between family firm size and growth through acquisitions.

It is therefore proposed to control for family firm size, as larger firms may possess more slack that allows them to invest in development and growth-oriented initiatives. Natural logarithm of the number of employees will be applied to control for firm size (Fiegener et al., 2000; Kellermans et al., 2008; Debicki et al., 2017).

Firm Age: Also to be controlled is family firm age for account for newness concerns (Debicki et al., 2017), and also to address the tendency for higher growth rates in younger organizations compared to older ones. This control seems necessary since the firm age in the study sample for this research ranges from 2 years to 39 years (Labowitz and Bauman-Pauly, 2014).

3.8.1 Variables Not Controlled in this Study

There is a need to mention the fact that certain variables that have been used as control variables in prior empirical studies in family business research are excluded from this study. The most common of such variables are: industry type, whether sales are local or international, and governance context (i.e., public firms or private firms) (Basco, 2013).

However, in this study the above variables do not need to be controlled for, and the explanations are given below.

While other researchers have controlled for industry type/category as prior research stresses that industry can affect the planning– growth relationship (e.g., Miller and Cardinal, 1994), however, in this study control for industry will not be applied because the population being surveyed are all from the same industry (i.e. export-oriented ready-made garments manufacturing). This survey is similar to the single industry survey conducted by Gomez-Mejia et al. (2007) when they studied 1,237 olive oil mills in Southern Spain. Additionally, there will not be any need to control for domestic sales vs international sales, as all the firms being surveyed are 100% export oriented.

Lastly, the industry governance context on whether it is a publicly listed firm or private is also not considered because, the study will only look at private limited companies.

3.9 Summary of Hypotheses

Table 3.4 below, presents a summary of all the hypothesized relationships:

Table 3-4: List of Hypotheses

Hypotheses Linking Primary Variables
H-1: Higher degrees of 'family control and influence' will lead to lower levels of 'family commitment'.
H-2: Higher degrees of 'family identification' will lead to higher degrees of 'family commitment.
H-3: Higher degrees of 'binding social ties' will lead to higher degrees of 'family commitment'.
H-4: Higher degrees of 'emotional attachment' will lead to higher degrees of 'family commitment'.
H-5: Higher degrees of emphasis on 'renewal of family bonds through dynastic succession' will lead to higher degrees of 'family commitment'.
H-6: Higher levels of family commitment will lead to higher levels of firm performance.

Hypotheses for Mediation
H-7-a: Family commitment mediates the relationship between family control & influence and firm performance.
H-7b: Family commitment mediates the relationship between family identification and firm performance.
H-7c: Family commitment mediates the relationship between binding social ties and firm performance.
H-7d: Family commitment mediates the relationship between emotional attachment and firm performance.
H7-e: Family commitment mediates the relationship between renewal of family bonds through dynastic succession and firm performance.

Hypotheses for Moderation
H-8-a: Family generation in charge moderates the relationship between family control and influence and family commitment.
H-8-b: Family generation in charge moderates the relationship between family identification and family commitment.
H-8-c: Family generation in charge moderates the relationship between binding social ties and family commitment.
H-8-d: Family generation in charge moderates the relationship between emotional attachment and family commitment.
H-8-e: Family generation in charge moderates the relationship between renewal of family bonds through dynastic succession and family commitment.
H-9: Professionalization moderates the relationship between family commitment and firm performance.

3.10 Chapter Summary:

This chapter presented the theoretical framework and hypotheses developed for this research. The framework leverages the theoretical lens provided by the socioemotional wealth theory (Gomez-Mejia et al., 2007) and stakeholder theory (Nason and Zellweger, 2008) to propose linkages between the constructs deployed in the research model. With support from theory and based on prior empirical evidence in the literature, a set of hypotheses are posited linking the variables in the framework.

This study also tests for the mediating effect of family commitment on the relationship between the antecedents and outcomes variables**.** Furthermore, the research framework examines the moderating effect of family 'Generation-in-Charge' on the relationship between socioemotional wealth goals and family commitment, and the moderating effect of 'Professionalization' on the relationship between firm commitment and firm performance. A total of seventeen (17) hypotheses are developed to reflect the predicted relationships between the constructs. The research method used to test the hypotheses is presented in the next chapter.

CHAPTER-4: RESEARCH METHOD

4.1 Chapter Introduction

The chapter begins with the explanation of research paradigms followed by a description of the research process deployed in the current study. Next section presents the research design of the study, followed by a description of the process used to assemble the survey instrument (i.e., survey questionnaire). Discussions on the results of the instrument pre-tests and pilot study are explained in the subsequent section. Thereafter, detailed description of the population, sampling frame, sample size and the justification of the selected sample are laid out. The final section describes the data collection procedure ending with a summary of the chapter.

This research is based on data collected from private family-owned and-managed firms that are manufacturers of export-oriented ready-made garments (RMG) based in Bangladesh. This study focuses on privately held family owned companies because, compared to publicly listed firms, private family firms have comparatively been less researched mostly due to the difficulty in collecting data from such organizations (Basco, 2013).

The business context is very important in analyzing family firm behavior, and hence the study leaves out publicly listed firms from the study, as listed firms have been widely studied (Andersen and Reeb, 2003; Villalonga and Amit, 2006) and have more structured governance mechanisms that impedes the family coalition's discretion to translate their socioemotional wealth goals upon the firm's strategic choices (Villalonga and Amit, 2014). Hence, family centered particularistic behavior (Carney, 2005), may not be fully manifested in publicly listed firms as in the case of private firms, which are usually dominated by coalitions comprising of family members.

4.2 Research Paradigm

Thomas Kuhn is credited for introducing the concept of research paradigm in a sense of *contest* in the early 1960s, and has been referred as: '*people's value judgments, norms, standards, frames of reference, perspectives, ideologies, myths, theories, and approved procedures that govern their thinking and action*' (Gummesson, 2000, pg.18). Research study design commences with two main elements: first, the selection of a topic, and second, a research paradigm (Creswell and Creswell, 2018). Scholars have viewed paradigm as a basic set of beliefs, a set of assumptions that researchers are willing to make, which serve as touchstones in guiding research activities (Guba and Lincoln, 2005).

Thomas Kuhn's reference to the word '*contest*' between schools of thought divided along lines of research paradigms are most evident from the critique leveled against each other by adherents of positivism and constructivism. Scholars inclined towards constructivist paradigm argue against positivism as an inappropriate approach for social science research (Erickson, 1986). A major rationale of their criticism is based on the premise that the positivist paradigm is only an effective approach when issues are known and can be counted as facts, objects or other measurable entities (Onwuegbuzie, 2002; Smith, 1983). The assertion being that most of the social science research deals with intention and behavior, which originate from within people's minds and therefore need to be interpreted by the respondent(s). As a result of such critique, the constructivist paradigm emerged as an alternative approach to social science research (Guba and Lincoln, 2005).

However, positivist research still maintains a wide level of support from academic researchers as a potent approach to reaching rationale conclusions. Thinking in terms of epistemology, the objectivity and impersonality that contributes to validity and reliability claims made by scholars in positivist research are generally not possible as in the interpretive epistemology, as it is impossible to separate the interrelationship between the researcher and what is being investigated. With passage of time, both paradigms have become common approaches in the realm of social science research, especially by scholars who advocate 'mixed methods' approaches (Creswell and Creswell, 2018). Although a combined approach is possible, challenges in applying both approaches remain a subject for debate (Creswell and Tashakkori, 2007; Schultz and Hatch, 1996). Table 4.1 depicts some features that contrast both the paradigms.

Table 4-1: Contrasting Positivist and Constructivist Paradigm

Type of Assumption	Positivist Paradigm	Constructivist Paradigm
The nature of reality	Reality exists; there is a real world driven by real, natural causes.	Reality is multiple and subjective, mentally constructed by individuals.
Relationship between researcher and those being researched	The researcher is independent from those being researched.	The researcher interacts with those being researched; findings are the creation of the interactive process.
The role of values in the inquiry	Values and biases are to be held in check; objectivity is sought.	Subjectivity and values are inevitable and desirable.
Best methods for obtaining evidence	• Deductive processes → hypotheses testing • Emphasis on discrete, specific concepts • Focus on the objective and quantifiable • Corroboration of researchers' predictions • Fixed, prespecified design • Controls over context • Measured, quantitative information • Statistical analysis • Seeks generalizations	• Inductive processes → hypothesis generation • Emphasis on the whole • Focus on the subjective and nonquantifiable • Emerging insight grounded in participants' experiences • Flexible, emergent design • Context-bound, contextualized • Narrative information • Qualitative analysis • Seeks in-depth understanding

Source: Creswell and Creswell (2018)

4.2.1 Quantitative and Qualitative Methodologies

Based on a clear understanding of the contrasts between the qualitative and quantitative methods, the first and foremost step for the researcher would be to decide on the appropriate research paradigm that fits the nature of the study undertaken. The researcher needs to closely examine the underlying assumptions that help to differentiate between the quantitative and the qualitative methodologies (Zikmund, 2010). Table 4.2 is borrowed from Zikmund (2010) where the contrast in key features between the quantitative and qualitative methodologies are presented.

Table 4-2: Qualitative and Quantitative Methodologies

Research Aspect	Quantitative	Qualitative
Common Purpose	Test Hypotheses or Specific Research Questions	Discover Ideas, used in Exploratory Research with General Research Objects
Approach	Measure and Test	Observe and Interpret
Data Collection Approach	Structured Response Categories Provided	Unstructure, Free-Form
Research Independence	Researcher Uninvolved Observer. Results Are Objective.	Researcher Is Intimately Involved. Results Are Subjective.
Samples	Large Samples to Produce Generalizable Results	Small Samples – Often in Natural Settings
Most Often Used	Descriptive and Causal Research Designs	Exploratory Research Designs

Source: Zikmund (2010)

Positivism is viewed as a research philosophy assuming the phenomena being studied have a stable reality measurable from the outside by an objective observer (Guba and Lincoln, 2005). The ontological assumption is that the researcher sees reality as objective and out there independent of the researcher. Since, this research is about the antecedents and outcomes of family commitment in family firms, it therefore follows the same approach applied by numerous studies over several years that have been produced by recognized scholars in the field of family business research (e.g., Anderson and Reeb, 2003; Villalonga and Amit, 2006; Miller and Le Brenton Miller, 2005; Audretsch et al., 2013; Perez-Gonzalez, 2006; Bloom and Reenen, 2007). The researcher assumes that these factors could be identified and measured objectively and as for this study a survey approach is proposed to meet that purpose.

Epistemology is concerned with the study of knowledge and what is assumed as being valid knowledge (Collis and Hussey, 2003). Only phenomena, which are observable and measureable, can be validly regarded as empirical knowledge. In this research, all the variables were measured using selected psychometric constructs and quantitative data. From the axiological assumption point of view, the researcher's personal values are kept out of the study in a quantitative project, although it must be mentioned that Knorr-Cetina (1999) have sparked a critical debate on this approach. The phenomena under research are regarded as objects in the sense that they have already been identified and studied as such. The researcher is interested in the interrelationship of the objects and believes that these objects were present before the researcher took an interest in them.

4.2.2 Justification on the Choice of Paradigm

This doctoral study deploys the positivist ontology, empirical epistemology and quantitative methodology. The first reason for the choice is that positivist studies are commonly applied in family business research and have been conducted in this area by recognized scholars in this field (Romero and Ramirez, 2017). As suggested by Remenyi et al. (1998) a methodological framework could be derived from a review of the relevant literature that will provide a researcher a clear expectation of how a particular phenomenon is likely to behave, from which a researcher can formalize a model.

A review of studies published in top-tier journals, that look at interaction between family-centric non-economic goals and firm-centric outcomes, indicates that a significant quantity of these studies apply the quantitative approach (e.g., Anderson and Reeb, 2003; Audretsch et al., 2013; Perez-Gonzalez, 2006; Debicki et al., 2017). As a result there appears to be a sizeable body of knowledge with known variables and existing theories to support the work undertaken in this research. This study, rather than exploring in an interpretive way, sought to fill gaps that were overlooked in prior empirical literature and to confirm a research model developed with the help of established theories and supported by previous works of family business scholars. Therefore, the positivist paradigm is deemed appropriate for this research.

The second reason is related to the advantages of applying the scientific method as the foundation for positivist research. Wicks and Freeman (1998, p.125) state that such approach; "*allows researchers to test their hypotheses and rely on objective measures (data) to support their findings' avoiding problems of speculation and bias that occur in interpretive research*". Similarly, Amaratunga (2002) and Cavana (2001) stressed that a quantitative approach entailed verification of hypotheses providing strong reliability and validity.

Third advantage of using the approach proposed in this study is that data could be replicated for validation and further verification in future studies, as replication of results of empirical studies is crucial for theory testing (Flew, 1979). Therefore, in the context of this study, the positivist approach offers a feasible avenue of research, especially in getting better understanding of antecedents and outcomes of family commitment.

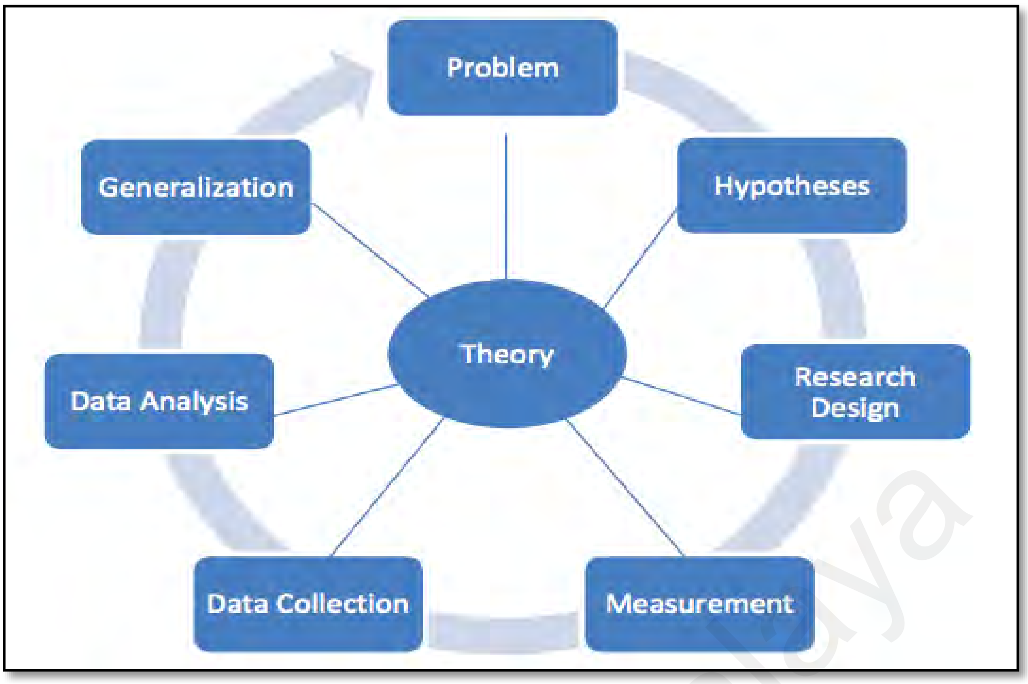
The last and final reason for considering this approach is the focus on the potential audience of this doctoral research initiative. As most of the previous studies related to the topic of family business studies employed the quantitative approach, it is logical to assume that the potential audience (e.g., examiners, doctoral supervision committee members, journal editors, reviewers, academic readers, policy makers and industry experts) have tended to approach this topic from a quantitative perspective; hence, it seemed appropriate to apply the quantitative approach for this research.

To summarize, this research undertaking adopts a positivist, empirical, quantitative approach based on three main principles. First, the researcher assumes that there are underlying laws and principles, which govern how things work in the world. The researcher plays a main role to discover these laws and principles primarily by distancing himself from respondents. Secondly, once the laws and principles have been discovered, the next step is to document and describe the facts. Finally, in analyzing the data, established and justified statistical techniques are deployed to ensure that likelihood of speculation and bias are mitigated.

4.3 Research Process

This study follows research processes that are commonly applied in scientifically based investigations. Most studies have been found to deploy the following seven main stages (see Figure 4.1): problem identification, hypothesis, research design, measurement, data collection, data analysis and generalization (Frankfort- Nachmias and Nachmias, 1992).

Following these guidelines, this study started with an exhaustive and thorough review of family business literature in which the problem or research questions were developed by identifying gaps in the literature. Review of relevant literature is detailed out in Chapter-2 and the research questions and objectives of this study are listed in Chapter-1. Review of literature further led to the identification of the relevant theories, which acted as a platform in developing the theoretical framework and hypotheses for this research. Chapter-3 describes the theoretical framework and theoretically justified hypotheses of this research.



Source: Frankfort-Nachmias & Nachmias (1992)

Figure 4-1: Stages of the Research Process

The next phase is to determine the most suitable research design to be employed in this research. First, the researcher needed to identify the suitable research paradigm as described in the earlier section of this chapter. Having decided on the research paradigm, the appropriate research design was then decided upon and deployed.

In the measurement phase, careful attention was given to the process of developing the survey questionnaire. Once the survey instrument was assembled, pre-testing of the instrument was conducted through expert validation and a pilot study, to examine the face and content validity of the items and reliability of the scales used in questionnaire.

The results from the expert validation and pilot study were used to make necessary adjustments to the survey instrument. Most of the measurement scales were adopted from measurements used in previous studies published in peer-reviewed journals. Only in the case of measuring one construct; '*Professionalization*' several items were re-phrased to suite the context of the study. Subsequently, the content and face validity of the modified items were ascertained through deployment of an expert panel comprising of well-known academics in the field of family business research. Once the survey questionnaire was revised and finalized, the instrument was used to collect data from the sample.

Data were then analyzed following two subsequent phases. First, preliminary data analysis was employed to examine characteristics of the raw data and to get the overall view of the features of the respondents. In the second phase, structural equation modeling was employed for analysis of the data, which are thoroughly elaborated in Chapter-5.

The final stage involved the interpretation of the findings and the discussion on the implication of the findings. Chapter-6 discusses all of these issues. In giving a clear explanation and detail discussion of the findings, the researcher needed to confer with relevant theories and literature.

4.4 Research Design

This study employs a cross-sectional sample survey (field study) as the research data were collected at a single point in time. Field study refers to non-experimental scientific inquiries designed to discover the relationship among variables in real social structures, such as communities, institutions and organizations (Kerlinger, 1992). Applying a sample survey field study provides a few advantages. First, this approach enables the researcher to gather a sizeable amount of information from a relatively large sample (Kerlinger, 1992). Secondly, this approach could maximize the representative sampling of population units studied and thus help to improve the generalizability of the results (Scandura and Williams, 2000). Finally, literature suggests that information obtained in sample survey research is often accurate, because the instrument is designed specifically to address the research questions (Dess and Robinson, 1984; Slater, 1995).

4.4.1 Survey Method

Asking respondents (in this study respondents are key informants in top management positions who are also members of family coalitions that own and control the firm, e.g., in positions of Chairman, CEO, CFO, Director, etc.) on their socioemotional wealth endowment, level of family commitment to the firm, firm performance, levels of professionalization in their organizations and disclosing other details on their family and firm are issues that respondents may find sensitive. Hence it was deemed suitable to deploy the survey method in collection of data.

Survey could work as an accurate means of assessing information about the sample and enables the researcher to draw conclusions about generalizing the findings from a sample of responses to a population (Chisnall, 1992; Creswell, 1994). Besides, this method is suitable for a research with a large sample size (Hair, Bush, and Ortinau, 2003) as surveys are deemed to be quick and inexpensive, and may be administered quite efficiently (Churchill, 1995; Sekaran, 2003; Zikmund, 2003). Finally, a survey is suitable when asking about respondents' thoughts, opinions and feelings (Shaughnessy and Zechmeister, 1997) as well as collecting data relating to beliefs, goals, attitudes, motives and behavior (Burns and Bush, 2000).

Hair et al. (2014) has laid out several precautions that must be taken when using surveys such as difficulties in determining the truthfulness of the answers, lack of detail and in-depth information and lack of control over the timeliness. Keeping the above challenges in mind, the researcher has adopted some guidelines recommended by scholars (Aguinis and Vandenberg, 2014; Hair et al., 2014) in order to mitigate the impact of any drawbacks of applying survey method.

4.5 Survey Questionnaire

For most of the items utilized in this survey, a combination of existing validated measurements based on the extensive review of literature was utilized to develop the instrument for this research. The selected validated measurements were then tailored slightly to accommodate the sample of this research. This is a common approach used in developing a survey instrument as it would bring two major advantages such as the existing instruments have already been assessed for validity and reliability and also by using the existing instruments, it enables comparison to be made between the new results with the previous results from other studies (Kitchenham and Pfleeger, 2002). The survey instrument (shown in Appendix A-2) consisted of measurements previously developed and validated from the literature.

Only exception was in the case of selecting items for measuring '*professionalization*' which is a moderator in the research framework. For measuring this variable, existing items developed by Dekker et al. (2013) were taken into consideration as a starting point. However, several of the items of were re-phrased to suit this study, because of some apparent inconsistencies (discussed later in section 4.6.2.1 later in this chapter) that were detected in the original scale development by Dekker et al. (2013). These re-phrased items were sent to relevant experts for face and content validity. After receiving response from seven (7) well-known researchers in the field of family business studies, appropriate statistical tests suited for binary items were applied and the reliability of the items were examined once again. This matter is described in further detail in section 4.6.2.1 of this chapter.

Careful attention has been paid in designing the instrument especially in the wordings used and ordering of the questions. Questionnaires should be simple, straight to the point and easy to read (Rowley, 2014). As such, the language used was simplified for easy comprehension. Questions were also neatly organized and conveniently spaced to minimize strain to the eyes. The maximum words used in most of the questions did not exceed 20 words as suggested by Oppenheim (1986) and Rowley (2014). The overall length of the questionnaire was limited to 10 pages (excluding the cover letter shown in Appendix A-1), that is less than the recommended length for survey instruments of not exceeding 12 pages (Frazer and Lawley, 2000; Rowley, 2014). Respondents' likelihood of fatigue as a result of trying to carefully read and comprehend the questions and response options was taken into consideration (Rowley, 2014). The most vital questions connected to the constructs were placed earlier and the relatively less important questions (e.g., demographic details) were placed in the later part of the research instrument (Alreck and Settle, 1995).

The draft of the instrument was presented to a number of experts in the field to identify any potential problems. These experts were from the industry of the intended respondents and also members of the Institute of Cost Management Accountants (ICMA) in Bangladesh. Most of the experts were chartered accountants who were serving as CFO or Finance Directors in medium to large companies that were part of the population to be sampled from. This was done with the aim of removing any ambiguity or unclear words from the questionnaire. This process also could help in improving validity and reliability of the questionnaire (Churchill, 1995; Frazer and Lawley, 2000). On top of that, the questionnaire has been designed with easy to follow instructions in order to increase response rate (Babbie, 1990; Sanchez, 1992) and to minimize measurement error (Aguinis and Vandenberg, 2014).

4.5.1 Assembly of Measurement Scales

A variety of validated scales were used to measure constructs illustrated in the theoretical framework. Most of the validated scales were adopted or adapted to fit in the sample of the research. A total of 65 scale items were used to measure the constructs in this research. Table 4.3 lists scales and sources used to measure each construct.

Table 4-3: Total of Scale Items used to Measure Each Construct

CONSTRUCTS	NO. OF ITEMS	SOURCE OF ITEMS
FAMILY COMMITMENT *7-Point Likert Scale (1= Strongly Disagree to 7 = Strongly Agree)*		
Family Commitment (FC)	7 items	Klein et al. (2005) Cliff & Jennings (2005) & Chrisman et al. (2012)
FIBER SCALE (5 DIMENSIONS of SEW) *5-Point Likert Scale (1= Strongly Agree to 5= Strongly Disagree)*		
F: Family control and influence over firm	6 items	Berrone et al. (2012)
I: Identification of family members with the firm	6 items	Berrone et al. (2012)
B: Binding social ties of the family through the firm	5 items	Berrone et al. (2012)
E: Emotional attachment of family members	6 items	Berrone et al. (2012)
R: Renewal of family bonds to the firm through dynastic succession	4 items	Berrone et al. (2012)
FIRM PERFORMANCE *6-Point Likert Scale (1= Much lower than our target…to…6 = Much higher than our target)*		
Firm Performance	8 items	Kellermanns & Eddleston (2006) Covin et al. (1990); Gupta & Govindarajan (1984)
TWO (2) MODERATOR VARIABLES		
Generation-in-Charge *Categorical scale*	Dummy Variable (1= Founder-generation; 2= Subsequent-generation)	Eddleston et al. (2013)
Professionalization *(5 factors)*	Binary Items (Yes or No) 22 items (for 5 factors)	Dekker et al., (2013; 2015)
	Total: 65 items	

The selection of the items was based on three main criteria. First, item reliability (where reported) were examined to ensure that the items chosen met the minimum acceptable threshold (e.g., Cronbach Alpha of 0.70 or greater) based on Hair et al. (2014). Next, construct validity namely the convergent and discriminant validity were examined (where reported) to determine if the items predicted to measure what it is supposed to measure. Finally, theoretical guidance and judgment were used in making the final selection of items that best meet the domain of the specific construct as defined in this research.

4.5.2 Operationalization of Constructs

In this study, except for one of the two moderators all the other constructs have been operationalized using Likert type scales. The Likert type scale is a common approach used to measure a wide variety of latent constructs (Kent, 2001). For each construct, different anchors points have been used in the scales based on the use of similar scales in previous literature. Furthermore, methodology scholars (e.g., Podsakoff et al., 2003; 2012) have suggested that by applying variation in the number of points in the Likert scales for each variable, may serve as a pre-emptive remedy for mitigating the possible impact of common method bias. Hence, the Likert scales were structured as: family commitment (7-point scale), FIBER dimensions of SEW (5-point scale), and firm performance (6-point scale without a neutral answer).

In measuring the outcome variable (i.e., firm performance), a 6-point Likert scale was used. The rationale of applying the 6-point scale was to overcome the central tendency error (Cooper and Schindler, 2003). This error could occur when respondents especially in the Asian countries ended up ranking their priority in the neutrality dimension (Trompenaars and Hampden-Turner, 1997). Thus, the middle response namely 'neutral' was excluded when designing the instrument. For performance measures in private family firms, this is common practice (e.g., Covin et al., 2009; Kellermans and Eddleston, 2006; Richard et al., 2009; Dekker et al., 2015).

The primary reason for using multi-item constructs was to ensure a comprehensive evaluation and at the same time to avoid the drawbacks of using single item measures (Churchill, 1979; Nunnally, 1978; Peter, 1979).

4.5.2.1 Measuring Family Commitment

Among the first scales to measure commitment was originally developed as a 15-item scale by Mowday, Steers, and Porter (1979) to measure organizational commitment. However, Carlock and Ward (2001) adapted the scale as a 10-item measure for use in family firms, which was then revised by Astrachan et al. (2002) into a 13-item scale. Later, Klein et al. (2005) revised it into a 12-item scale; known as the F-PEC (Family Power, Emotions and Culture) Scale. Finally, Chrisman et al., (2012) shortened the F-PEC culture sub-scale specifically to measure family commitment in the context of family owned business organizations with a 7-item scale.

Chrisman et al.'s (2012) seven items are: (1) "family members feel loyal to my business," (2) "my family and my business have similar values," (3) "family members publicly support my business," (4) "family members are proud to be part of my business," (5) "family members agree with the goals, plans, and policies of my business," (6) "family members really care about the fate of my business," and (7) "family members are willing to put in extra effort to help my business be successful." Chrisman et al. (2012) used these items in their study where the scale was based on a 5-point Likert type scale ranging from strongly agree (5) to strongly disagree (1).

For the purpose of this study, two adaptations were deemed necessary to the Chrisman et al. (2012) scale:

(i) The word '*my*' in the items of the existing scale were replaced with the word '*our*' (as commitment was being looked at as a collective family commitment),

(ii) The existing Likert scale was expanded to a 7-point scale from of a 5-point scale. Studies have found that the 5- and 7-point scales produced the same mean-score as each other, once they were rescaled (Dawes, 2008). The expansion of the anchor points was applied to deploy procedural remedy for potential common method variance (CMV) that may be prevented during cross-sectional studies if anchor points of constructs in a framework are different (Podsakoff et al., 2012).

Chrisman et al. (2012) reported Cronbach's alpha values for the above items as 0.96, that is superior to that reported for the original 12-item scale (0.93) developed by Klein et al. (2005). The values of Cronbach's alpha, suggest that the revised and reduced scale is acceptable for use in further statistical tests. Indeed, the numerous validated versions of the original commitment scale developed by Mowday et al. (1979) suggest that the measurement scale is highly robust. The 7-item scale with a few minor adaptations is shown in Table 4.4

Table 4-4: Items used for Measuring Family Commitment

Strongly Disagree	Disagree	Slightly Disagree	Neither Agree nor Disagree	Slightly Agree	Agree	Strongly Agree
1	2	3	4	5	6	7
Family Commitment (FC)						
FC1	Our family members feel loyal to the business (firm).					
FC2	Our family and the business (firm) have similar values.					
FC3	Our family members publicly support the business (firm).					
FC4	Our family members are proud to be part of the business (firm).					
FC5	Our family members agree with the goals, plans, and policies of the business (firm).					
FC6	Our family members really care about the fate of our business (firm).					
FC7	Our family members are willing to put extra effort to help our business (firm) be successful.					

Source: Chrisman et al. (2012)

4.5.2.2 Measuring Socioemotional Wealth (FIBER Dimensions)

Most of the research endeavors that undertook empirical studies in the past have used proxies such as ownership or presence of family CEO as a proxy to measure of SEW. This approach has been severely criticized by many scholars (e.g., Chua et al., 2015; Kellermanns et al., 2012; Le Breton-Miller & Miller, 2013; Miller & Le Breton-Miller, 2014; Schulze and Kellermanns, 2015; Vardaman and Gondo, 2014). Specifically, Schulze and Kellermanns (2015) have criticized the existing measures of SEW, which predominantly relate to indirect proxies (e.g., percentage of family ownership), and authors have contended that studies show a "*mismatch between the theoretical construct and its empirical correlate*" (Schulze and Kellermanns, 2015; p. 451). Hence, several scholars have called for the development of a finer-grained, precise, and multidimensional measure of SEW that is able to grasp the diversity and valence of affective values derived from family control (e.g., Chua et al., 2015).

The first published work in a top tier journal on a multidimensional scale to measure SEW was undertaken by Berrone et al. (2012). Berrone and colleagues contributed a great deal to the theoretical development and operationalization of SEW by structuring SEW into several dimensions which they labeled as the 'FIBER Scale', thus emphasizing the multidimensional nature of SEW. Berrone et al. (2012) provided the field with an alternative to the predominantly applied distal proxies of indirectly measuring SEW, which certainly have limitations (Miller and Le Breton-Miller, 2014). However, only an empirically validated and, consequently, theoretically developed direct measure is able to solidly grasp the affective values of family-centric non-economic goals in a multidimensional way (Hinkin, 1995; Pearson and Lumpkin, 2011).

The items used in the FIBER Scale are shown in Tables 4.5 to 4.9. It is a Likert type scale with anchor points from 1= Strongly Disagree to 5 = Strongly Agree.

Table 4-5: SEW Dimesnion-1: Family Control and Influence

Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
1	2	3	4	5

Family Control and Influence (F)	
F1	In our family firm, family members involved in the business exert control over the firm's strategic decisions.
F2	In our family firm most executive positions are filled by our family members.
F3	In our family firm, non-family management level appointees are selected by family members.
F4	In our family firm, the board of directors are mainly composed of family members.
F5	Majority of the shares in our family firm are owned by family members.
F6	Preservation of family control and independence are important goals of our family members.

Source: Berrone et al. (2012)

Table 4-6: SEW Dimesnion-2: Family Identification with the Firm

Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
1	2	3	4	5

Identification of Family with Firm (I)	
I1	Family members have a strong sense of belonging to the family business.
I2	Family members feel that the firm's success is their own success.
I3	Our family business has a great deal of personal meaning to the family members.
I4	Being a member of the family business defines who we are.
I5	Family members are proud to tell others that we are part of the family business.
I6	Customers often associate the family name with the firm's products and services.

Source: Berrone et al. (2012)

Table 4-7: SEW Dimension-3: Binding Social Ties of Family

Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
1	2	3	4	5

Binding Social Ties of the Family (B)	
B1	Our family business is very active in promoting social activities at the community level.
B2	In our family firm, non-family employees are treated as part of the family.
B3	In our family firm, contractual obligations are based on mostly trust and mutual understanding.
B4	Building strong relations with other institutions (other firms, banks, government agencies, community, etc.) are important for our family firm.
B5	Contracts with suppliers are based on mutually beneficial long-term relationships in our family business.

Source: Berrone et al. (2012)

Table 4-8: SEW Dimesnion-4: Emotional Attachment of the Family

Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
1	2	3	4	5

Emotional Attachment of the Family (E)	
E1	Emotions and sentiments often affect decision-making processes in our family business.
E2	Protecting the welfare of family members is critical to us, apart from contribution to the firm.
E3	In our family firm, the emotional bonds between family members are very strong.
E4	In our family business, emotional family considerations are often as important as economic considerations.
E5	Strong emotional ties among family members help us maintain a positive self-concept.
E6	In our family business, the family members feel a sense of warmth for each other.

Source: Berrone et al. (2012)

Table 4-9: SEW Dimension-5: Renewal of Family Bonds through Dynastic Succession

<table>
<tr><td colspan="2">Strongly Disagree</td><td>Disagree</td><td>Neither Agree nor Disagree</td><td>Agree</td><td>Strongly Agree</td></tr>
<tr><td colspan="2">1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr>
<tr><td colspan="6">Renewal of Family Bonds through Dynastic Succession (R)</td></tr>
<tr><td>R1</td><td colspan="5">Continuing the family legacy and tradition is an important goal for our family business.</td></tr>
<tr><td>R2</td><td colspan="5">Family members are less likely to evaluate their investment in the firm on a short-term basis.</td></tr>
<tr><td>R3</td><td colspan="5">Family members would be unlikely to consider selling the family business.</td></tr>
<tr><td>R4</td><td colspan="5">Successful business transfer to the next generation is an important goal for the family members.</td></tr>
</table>

Source: Berrone et al. (2012)

4.5.2.3 Measuring Firm Performance

Venkatraman and Ramanujam (1986) proposed that measuring a firm's business performance are centered around three core areas. First, as strategy related theories have performance implications, business performance measurement is applied in theory development. Second, researchers measure business performance to empirically test strategy theories through their effect on performance outcomes. Third, practitioners weigh the effectiveness of decisions by considering performance outcomes.

The first domain, financial performance, is the most basic of the three and includes financial measures such as sales growth, profitability, return on investment, and earnings per share. The second domain, business performance, focuses on factors that drive financial performance, including measures such as market share, new product introduction, and manufacturing value add. Conflict can exist between the financial performance domain and the business performance domain (Venkatraman & Ramanujam, 1986). For example, investments needed to improve quality or service (the business performance domain) may impede short-term profitability (the financial performance domain). An accounting firm considering an increase in staff to provide quicker service would incur the immediate cost of additional personnel; while increased revenue, the benefit of providing faster service, would later occur. Thus, short-term profitability may suffer.

The organizational effectiveness performance domain is the broadest of the three domains (Venkatraman and Ramanujam, 1986). The organizational effectiveness performance domain includes elements from the first two domains, but also incorporates the effect of business activities on various stakeholders. For instance, a firm engaging in a global outsourcing strategy may assess the organizational effectiveness (performance) of the strategy by measuring employee productivity and commitment, measuring the associated costs and savings, and measuring the time required to provide customers with products (Elmuti and Kathawala, 2000). In this case, the firm's measures would consider the effect of the strategy on the firm's employees, the firm's owners, and the firm's customers.

For this study, firm performance is measured using an 8-item Likert type scale (Cronbach's α = 0.980) that considers multiple performance outcomes, including returns, profitability, and growth, by comparing them to self-imposed targets. The scale has been adapted from previous studies that utilized subjective performance measures (e.g., Kellermanns and Eddleston, 2006; Richards et al., 2009). The responses were recorded on a 6-point Likert-type scale ranging from "1" (Much lower than our target) to "6" (Much higher than our target). The rationale of applying the six-point scale was to overcome the central tendency error (Cooper and Schindler, 2003). Thus the 'neutral' option was excluded when designing the instrument. For performance measures in private family firms, this is common practice (e.g., Kellermans and Eddleston, 2006; Richard et al., 2009; Dekker et al., 2015).

Subjective measures of eight (8) performance indicators were utilized due to the fact that all the firms in the sample are privately owned family businesses, which are typically reluctant to divulge objective financial information (e.g., Sciasca and Mazolla, 2013). As such, subjective measures are often more effective in terms of obtaining a satisfactory response rates (Droge et al., 2004). Furthermore, studies suggest a relatively high level of correspondence between subjective and objective measures of firm performance (Dess and Robinson, 1984; Venkatraman and Ramanujam, 1986). The multi-factor performance assessment is preferred considering the geographically restricted nature of the sample, its size, as well as the firm industry and age of firms in the sample (Lechner and Gudmundsson, 2014; Liozu et al., 2014). Table 4.10, shows all the items used in the firm performance measurement scale, with anchor points (1 = Much lower than target to 6 = Much higher than target) with no neutral answer.

Table 4-10: Scale Items for Subjectively Measuring Firm Performance in Comparison to Self-imposed Targets

<table>
<tr><td>Much Lower than Target</td><td colspan="2">Lower than Target</td><td>Slightly Lower than Target</td><td>Slightly Higher than Target</td><td>Higher than Target</td><td>Much Higher than Target</td></tr>
<tr><td>1</td><td colspan="2">2</td><td>3</td><td>4</td><td>5</td><td>6</td></tr>
<tr><td colspan="7">FIRM PERFORMANCE (PF)</td></tr>
<tr><td>PF1</td><td colspan="6">Compared to our firm’s expected targets in terms of our growth in sales (or revenue) we are…</td></tr>
<tr><td>PF2</td><td colspan="6">Compared to our firm’s expected targets in terms of our growth in market share, we are…</td></tr>
<tr><td>PF3</td><td colspan="6">Compared to our firm’s expected targets in terms of our growth in number of employees working in our organization, we are…</td></tr>
<tr><td>PF4</td><td colspan="6">Compared to our firm’s expected targets in terms of our growth in sales (or revenue) we are…</td></tr>
<tr><td>PF5</td><td colspan="6">Compared to our firm’s expected targets in terms of our growth in profits, we are…</td></tr>
<tr><td>PF6</td><td colspan="6">Compared to our firm’s expected targets in terms of our growth in return on assets, we are…</td></tr>
<tr><td>PF7</td><td colspan="6">Compared to our firm’s expected targets in terms of our growth in profit margin, we are…</td></tr>
<tr><td>PF8</td><td colspan="6">Compared to our firm’s expected targets in terms of our growth in our ability to fund growth from business profits, we are…</td></tr>
</table>

Source: Kellermanns and Eddleston (2006)

4.6 Moderating Variables

In general terms, a moderator is any variable that affects the association between two or more other variables; moderation is the effect the moderator has on this association. Baron and Kenny (1986, pp. 1174, 1178) describe a moderator variable as the following:

"A qualitative (e.g., sex, race, class) or quantitative variable . . . that affects the direction and/or strength of a relation between an independent or predictor variable and a dependent or criterion variable . . . a basic moderator effect can be presented as an interaction between a focal independent variable and a factor (the moderator) that specifies the appropriate conditions for its operation… Moderator variables are typically introduced when there is an unexpectedly weak or inconsistent relation between a predictor and a criterion variable".

When the moderator variable is categorical as in the case of generation-in-charge in the current study, the traditional data-analytic approach is sub-grouping analysis, which consists of comparing correlation or regression coefficients across the various sub-groups or categories (Aquinis et al., 2016; Aguinis and Pierce, 1998).

4.6.1 Measuring Generation-in-Charge

Family generation that governs and manages the family business, are referred to as '*Generation-in-Charge'* in this study (also referred to as the generational stage or controlling generation in other studies) (e.g., Cruz and Nordqvist, 2012; Kellermanns and Eddleston, 2006; Kellermanns et al., 2008). Several studies have provided insights into the differences between first, second, and multigenerational family firms (e.g., Eddleston et al., 2013; Gersick et al., 1997; McConaughy and Phillips, 1999; Sonfield and Lussier, 2004). Most findings indicate that later generational stages are associated with a decrease in performance (e.g., Miller, Breton-Miller, and Lester, 2011;

Villalonga and Amit, 2006), except in cases where there are high levels of information exchange frequency (Ling and Kellermanns, 2010).

The first-generation of family firm owners (i.e., founding-generation) are referred to when a family firm has one or more family member working in the business, and all key decision-makers involved in the management are from the generation of the founding entrepreneurs. Second-generation firms are those in which the second generation of the family is primarily in control of the management of the business, most of whom are children of the founders. Third-and-beyond-generation firms are those in which family members from the third or later generation control the management of the business, by this stage it is likely that family-managers are cousins related through marriage (Gersick et al., 1997). The current study categorizes generation in charge into two (2) groups; the founder-generation and all generations thereafter referred to as subsequent-generation.

For measuring the moderating effect of generation-in-charge on the association between SEW dimensions and Family Commitment, this study utilizes procedures employed in previous studies to measure "generational control" (e.g., Chrisman et al., 2009; Eddleston et al., 2013; Sciasca et al., 2014), where generation in charge will be measured as a categorical dummy variable; the founder-generation will be assigned a value of "1", while subsequent-generation will be assigned value of "2".

4.6.2 Measuring Moderating Effect of Professionalization

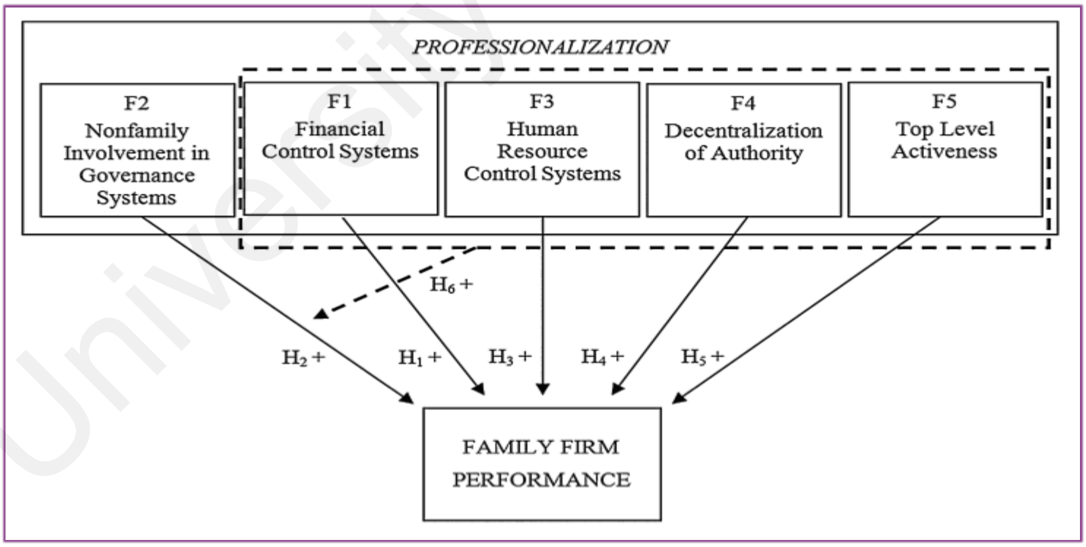
In the previous section it was argued that the emotional attachment of family members is likely to decrease at later generational stages for several reasons. First, because of the differences in needs, agendas and commitment of the family branches, the risk of conflicts is likely to increase (Davis and Harveston, 1999; Ensley and Pearson, 2005; Schulze et al., 2003), creating difficulties in maintaining positive emotions among family members. Managing these conflicting situations requires establishing more formal governance mechanisms (Jaffe and Lane, 2004; Voordeckers, Van Gils, and Van den Heuvel, 2007) and adopting more objective and formal control systems (Brun De Pontent and Wrosch, 2002). Which brings the discourse to the discussion on how existence of formal governance mechanisms (i.e., *Professionalization of the Firm*) is likely to impact firm outcomes such as performance, in spite of having significant levels of family commitment. As shown in the research framework in this study, professionalization is considered as a moderator between family commitment and firm performance. In other words, it is being posited that the level of professionalization will impact the strength of relationship between family commitment and firm performance.

Empirical studies in the past that looked at family firm professionalization employed a unidimensional categorical variable; presence or absence of a non-family CEO as indication of professionalization in the family firm context (e.g., Bennedsen et al. 2007; Klein and Bell 2007; Lin and Hu 2007; Zhang and Ma 2009). However, Dekker et al. (2013) suggest that the sense of equating professional managers with only presence of external, non-family managers leads to the outdated assumption that family members are inherently unprofessional, and that family-managers must be replaced so that the firm can grow. The authors further state that the tendency in the current family business literature to simplify the professionalization concept into something binary, that is the presence/absence of an external non-family CEO, is a matter of concern. The results of empirical studies that adopt such categorical unidimensional measure to assess the impact of the family business professionalization level on the firm's performance are not consistent Dekker et al. (2015). They go on to suggest that the inconsistency in these results might be due to the misconception or content reduction of the professionalization construct. As prior studies tend to treat professionalization as something unidimensional solely focusing on the non-family CEO attribute, thus overlooking the possible linkage that this feature has with other dimensions of professionalization.

Dekker and colleagues went on further and developed a multidimensional scale to measure family firm professionalization that includes formal governance mechanisms such as financial controls and human resource management controls within the firm among others factors. This study adapts the multi-dimensional scale developed by Dekker et al. (2015) to measure professionalization comprising of following 5 factors:

1. Financial Control systems
2. Human Resource Control systems
3. Non-Family Involvement in governance systems
4. Decentralization of Authority
5. Top Level Activeness

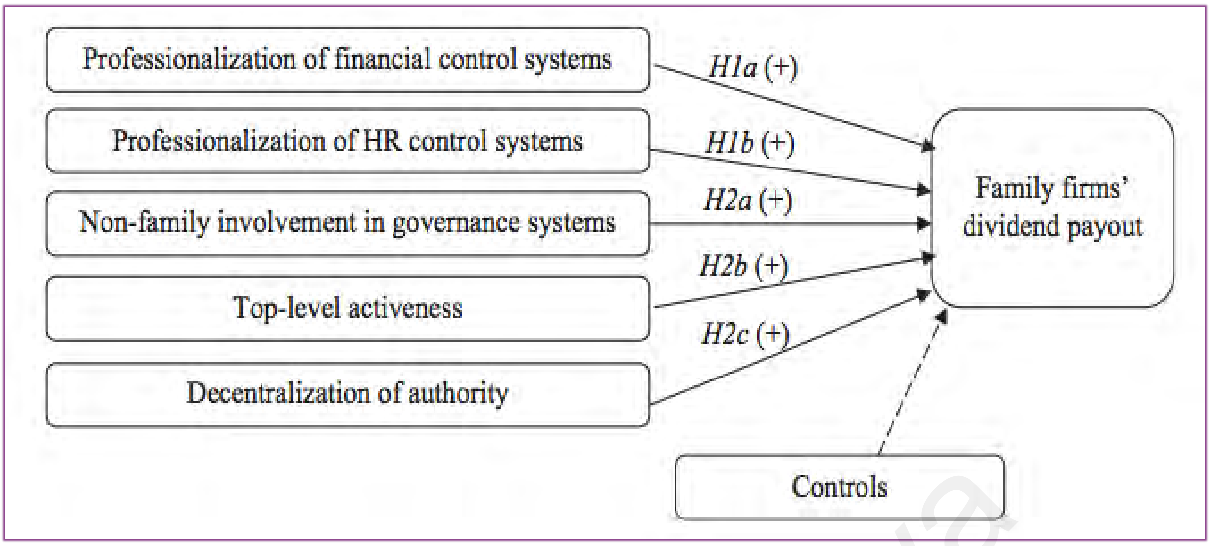
Dekker et al. (2013) used a 22 item binary scale (shown in Appendix B-1) to measure the five (5) factors mentioned above. Using a sample of 523 private family firms, Dekker et al. (2015) conducted an empirical study measuring the impact of professionalization on firm performance (see Figure 4-2 below).



Source: Dekker et al. (2015)

Figure 4-2: Five (5) Factors of Family Firm Professionalization

Furthermore, Michiels, Uhlaner, and Dekker (2017) used the same scale to determine how the five factors of professionalization impact dividend payouts in private family firms. See Figure 4.3 below:



Source: Michiels et al. (2017)

Figure 4-3: Empirical Validation of Professionalization Scale

In both the studies mentioned above, the binary items of the original Dekker et al. (2013) scale were used. For the purpose of measuring professionalization, this study will also uses the same scale as a baseline, however, the study proposes to make some modifications in the items (questions) for reasons discussed in the next sub-section 4.6.2.1.

4.6.2.1 Changes to the Professionalization Scale

Upon close examination of the scale developed by Dekker et al. (2013; 2015) and based on the feedback from the panel of industry experts who reviewed the survey instrument before the pilot study, the following issues raised some concerns in the mind of this researcher:

(i) All the items used in the three factors; *Financial Control Systems*, *HR Control Systems*, and *Decentralization of Authority* use binary/dichotomous items with either a YES or NO answer as options, where yes and no have been coded as "1" and "0" respectively, and in some cases reverse coded. However, in the other two factors; *Decentralization of Authority* and *Top-level Activeness*, some of the items sought definite answers (e.g., "*how many* *managers are part of the management team?"*) instead of YES or NO response. According to the panel of experts, there is a lack of uniformity in the way the items are laid out and this approach will create some confusion during the data collection process.

Keeping with suggestions of methodology scholars, items generated should be simple and short, avoid ambiguity, and be formulated in language familiar to target respondents (Churchill, 1979; DeVellis, 2011; Hinkin, 1998). Hence, it was deemed necessary to re-phrase several items for this study without altering the content of the items.

(ii) The re-phrased items were then placed to an expert panel of family business researchers in order to determine 'Face Validity' and 'Content Validity' of the newly phrased items. Sub-section 4.6.2.2 explains how the expert panel was conducted and the corresponding feedback received from the experts.

Appendix B-1 shows the original scale developed by Dekker et al. (2013), and Appendix B-2 shows the professionalization scale with modification to the relevant items.

4.6.2.2 Administration of Expert Panel for Feedback on Re-phrased Items of Professionalization

Survey design with modifications from established scales should incorporate domain expert feedback, and ensure ease of use and response pattern considerations to maximize variance (Hair et al., 2010; Hair, Celsi, Money, Samouel, and Page, 2011; Hinkin, 1998). Therefore, keeping at par with suggestions from methodology experts, after re-phrasing the questions the newly phrased items were placed to domain experts for content and face validity (Hair et al., 2011).

Content or face validity assesses the relevance of the scale items to the latent concept being investigated based on expert judgment (Hair et al., 2010). In order to confirm the face validity and content validity of the newly phrased items of the scale, eleven (11) eminent family business (FB) scholars were identified from around the world that have measured professionalization in their publications over the last decade. Some of these scholars currently serve on the editorial boards of top tier journals. These FB experts are known to have a strong grasp of the FB literature and are able to provide appropriate judgment on the face and content validity of the rephrased items. Furthermore, most of these academic experts have many years of consulting experience with family firms and can provide insights from to enrich this study. The experts were approached through e-mail along with a cover letter and a table with previous items and the re-phrased items.

Based on suggestions from previous studies feedback from at least of five (5) experts is recommended (Priem et al., 2002). Therefore, it was reasonable for to approach at least eleven (11) FB scholars for this expert panel. For the purpose of the expert panel feedback, a form was composed (shown in Tables 4.11 and 4.12) which provided background of the study and provided a comparison between the original and new items, along with options for the experts along with a remarks column. The e-mails were sent in the month of October 2017, and by middle of November 2017, seven (7) responses (i.e., 63.6%) were received. Table 4.11 below shows the comparison between the items that were on the original scale of Dekker et al. (2013) and the newly phrased items for "*Non-Family Involvement*", while Table 4.12 shows the comparison between original items and re-phrased items for "*Top Level Activeness*".

Table 4-11: Original and Re-phrased items for: *Non-Family Involvement*

Please rate each modified question compared to the original question in terms of relevance and clarity in the table below, using the following scale:

1= not at all, 2= very little, 3= somewhat, 4= quite

Item no.	Original Question *(Dekker et al., 2015)*	Modified Question	Relevance	Clarity	Comments
2	How many non-family managers are part of the top management team (including CEO)?	Our top management team includes individuals who are not related to the firm owners, either by blood or marriage. **(Yes=1, No=0)**	1 2 3 4	1 2 3 4	
3	How many managers of the top management team are connected by blood bonds? (*reverse coded*)	Majority of the members of the management team are related by blood or marriage. (*reverse coded*) **(Yes=1, No=0)**	1 2 3 4	1 2 3 4	
4 & 5	How many board members are connected by blood bonds? How many (natural individuals) are part of the board of directors? *(originally 2 questions)*	Our board of directors comprises of individuals who are not related to the owners of the firm, either by blood or marriage. (*merged into one question*) **(Yes=1, No=0)**	1 2 3 4	1 2 3 4	
6	How many external people (non-relatives and not working for the company) are there in this board?	There are at least two external directors on our board, who are not related to the firm owners either by blood or marriage. *(justification for two external directors taken from Chua et al., 1999)* **(Yes=1, No=0)**	1 2 3 4	1 2 3 4	

Source: Author's own work

Table 4-12: Original and Re-phrased items for-*Top Level Activeness*

Please rate each modified question compared to the original question in terms of relevance and clarity in the table below, using the following scale:

1= not at all, 2= very little, 3= somewhat, 4= quite

Item no.	Original Question *(Dekker et al., 2015)*	Modified Question	Relevance	Clarity	Comments
1	How often does the top management team meet on an official basis? *(originally one question)*	Our top management team meets frequently (at least once each month) **(Yes=1, No=0)** Our top management team reviews decisions recorded in the minutes of the previous meeting and takes decisions accordingly. **(Yes=1, No=0)** *(converted to two separate questions)*	1 2 3 4	1 2 3 4	
2	How often does the board of directors meet officially on an annual basis? *(originally one question)*	Our board of directors meets frequently (at least once each quarter). **(Yes=1, No=0)** Our board of directors reviews decisions recorded in the minutes of the precious meeting and takes decisions accordingly. **(Yes=1, No=0)** *(converted to two separate questions)*	1 2 3 4	1 2 3 4	

Note: For each of the original items for this factor, two (2) new questions have been proposed, therefore, instead of 2 questions, finally this factor will have 4 items.

Source: Author's own work

Based on the feedback from the expert panel, the content validity index (CVI) and Kappa values were calculated to follow the best practices of other researchers (Natalio, Faria, Teixeira-Salmela, and Michaelson, 2014). The CVI and Kappa values were determined for the eight (8) re-phrased items for "*Relevance*" and "*Clarity*", shown in Table 4.13 below:

Table 4-13: Content Validation of Eight (8) Re-phrased Items of Non-family Involvement and Top-level Activeness

ITEMS	RELEVANCE CVI	RELEVANCE KAPPA	CLARITY CVI	CLARITY KAPPA	RESULTS
Factor: Non-Family Involvement					
1. Our top management team includes individuals who are not related to the firm owners either by blood or marriage.	0.857	0.849	0.857	0.849	Corrected
2. Majority of the members of the management team are related by blood or marriage.	1.000	1.000	1.000	1.000	Validated
3. Our board of directors comprises of individuals who are not related to the firm owners, either by blood or marriage.	0.857	0.849	0.857	0.849	Corrected
4. There are at least two external directors on our board, who are not related to the firm owners either by blood or marriage.	0.857	0.849	0.857	0.849	Corrected
Factor: Top-Level Activeness					
5. Our top management team meets frequently (at least twice a month).	1.000	1.000	1.000	1.000	Validated
6. Our top management team reviews decisions recorded in the minutes of the previous meetings and take decisions accordingly.	0.857	0.849	0.857	0.849	Corrected
7...Our board of directors meet frequently (at least once each quarter).	1.000	1.000	1.000	1.000	Validated
8...Our board of directors reviews decisions recorded in the minutes of the previous meetings and take decisions accordingly.	0.857	0.857	0.857	0.857	Corrected

Acceptable range for CVI and Kappa are > 0.7000 (Natalio, Faria, Teixeira-Salmela, & Michaelson, 2014).
Out of 4 options on the rating scale where 3 = somewhat, 4 = quite, the number of experts out of a total of seven (7) persons that selected options 3 or 4 were considered in calculating CVI & Kappa (Natalio et al., 2014).

Source: Author's own work

The items were rephrased and corrected based on the suggestions from the panel of academic experts. Appendix B-2 shows the complete scale with original Dekker scale items for 3 factors (*Financial control systems, HR control systems*, and *Decentralization of Authority*) and the newly phrased items for 2 factors *Non-Family*

Involvement in governance systems and *Top-level activeness*) for measuring professionalization. The moderating effect of professionalization will be studied as a second order construct, where the items will be measured for each first order construct (5 dimensions of professionalization), and the final mean-score will be considered as the net effect of professionalization on the relationship between family commitment and firm performance.

4.7 Demographic Variables

Demographic variables of interest include gender, age, educational level, number of family members involved in the management, whether firm is fully export-oriented or also involved in domestic sales, which industry association they are registered with, years of working experience and current position in the company. The demographic information was used to determine if significant individual demographic differences existed between the respondents.

4.8 Control Variables

In order to safeguard the analysis against the impact of factors other than those investigated, several control variables were used. Following previous studies (Chrisman et al., 2009; Chrisman et al., 2012; Debicki et al., 2017), firm size was assessed using the natural logarithm of total number of employees in the firm. This control was necessary due to the fact that size may affect performance (e.g., Chu, 2011; Samiee and Walters, 1990). In addition, in larger firms there may be a greater disparity between the number of family and non-family employees, which may make it more difficult to pursue SEW- related goals and translate them to performance outcomes for various stakeholders.

Second, older and more established firms may enjoy a higher reputation within their communities, have more experience in sustaining family control of the business, and have more opportunities within the organization to fulfill the family obligations related, for instance, to family enrichment needs. To account for this potential effect, firm age was assessed by asking the respondents to indicate the year in which the firm was established and subtracting this number from the year in which the survey was administered (e.g., Chrisman et al., 2012).

In many empirical studies on private family firms, two (2) control variables are commonly deployed; industry type and industry context (e.g., whether publicly listed or private). Since, the respondents in this study are all from the same industry and the study looks at private family firms only, these two control variables are omitted from this study. This matter has been explained earlier in Chapter-3.

Other commonly observed control variables are total assets, total debt, etc., which are likely to have an impact on firm performance. However, in this study objective financial information from the respondents are not being sought as they are not likely to divulge such data, hence these variables are also not considered.

4.9 Questionnaire Structure

The questionnaire could be defined as '*a reformulated written set of questions to which respondents record their answers usually, within rather closely defined alternatives*' (Sekaran, 2003, pg.233). This research deploys questionnaires as an instrument of data gathering. This method has been recognized as an effective means of gathering data from large samples (McCelland, 1994; Creswell and Creswell, 2018) and could be considered as the most common method applied in collecting data (Rowley, 2014).

The questionnaire comprises of six sections. The first section has several screening questions to determine if the firms being surveyed fall under the definition of family firm that follows the definition of family firm based on guidelines by Chua et al. (1999).

The next four sections consist of items relating to the constructs while the last section consists of mostly demographic questions and a few questions related to data needed for the control variables. It was anticipated that each respondent would require about 20 to 25 minutes in completing the questionnaire. Following is a detailed discussion of each section.

Section A: This section includes five (5) questions which will assist the researcher in determining whether the firm being surveyed qualifies as a family owned business organization. The questions cover all three criteria suggested by Chua et al. (1999). This pattern is also followed in other studies on private family firms (e.g., Chrisman et al., 2007; 2009; 2012). This definition has been operationalized in previous studies (e.g., Chrisman et al., 2007) by measuring the following:

(i) Percentage of shares of the company owned by family members,

(ii) Number of family members involved in senior management roles, and

(iii) The expectation related to a family member being the future successor as leader of the business.

Section B: In this section, the researcher is interested in assessing perceived level of family commitment in the respondent's organization. The respondents being key informants within their respective family organization should have a holistic view of the family's collective vision and goals. For example one of the items states; '*Our family members agree with the goals, plans, and policies of the business (firm)*'.

Section C: The questions in this section are in five (5) subsections, each subsection containing items related to the five (5) FIBER dimensions of socioemotional wealth (SEW). In total there are 27 items in this section adopted from Berrone et al., (2012).

Section D: This section comprises of 8 items that measure the respondent's perception of the firm's performance against self-imposed targets. The questions seek subjective assessment of the firm's performance on key performance areas based on the performance areas suggested by Venkatraman and Ramanujam (1986). This approach has been used in several studies that look at private family owned firms (e.g., Chrisman et al., 2012; Richard et al., 2009).

Section E: This section contains 22 questions that are based on the scale developed by Dekker et al. (2013) to measure family firm professionalization. However, several items were re-phrased to suite this study and the re-phrased items were validated through a panel of academic scholars. The responses to each question are dichotomous with either a YES or NO. In some cases the questions are reverse coded intentionally.

Section F: This section contains 19 questions asking respondents about their gender, age, educational level, working experience in number of years, position in the company, status of their employment, number of employees in their company, etc. Furthermore, there were questions pertaining to generation-in-charge of the firm and also questions that sought data related to the control variables. The final part in this section allows respondent to make any relevant comments regarding the questionnaire.

A cover letter containing research ethics approval from the University of Malaya, purpose of the study and researcher contact information was included on the front page of the instrument. A cover letter is essential as it is the only opportunity to anticipate and answer respondents' questions and it helps to improve the response rate (Bourque and Fielder, 1995; Dillman 2009; Singleton and Straits, 2005). The cover letter was personalized by having a signature of the researcher and an appeal to the respondents by highlighting the importance of their participation in this research and the assurance of anonymity.

Respondents were not compensated for their participation, as most of them were senior managers of established business organizations, and were mostly happy to support in academic research. Further, in exchange for their participation, a summary of the findings will be sent to them upon their request. These were done with the aim to induce a higher response rate (Church, 1993).

4.10 Brief History of the Study Population: RMG Sector in Bangladesh

The Ready-Made Garments (RMG) industry in Bangladesh started in early 1980s through the effort of a few pioneering entrepreneurs in collaboration with foreign companies such as Daewoo Group of South Korea. Thereafter, other local entrepreneurs followed suite and soon local manufacturers started acquiring the technical knowhow and global network needed to cater to international apparel brands. From its' nascent stage in 1980s, currently Bangladesh is the second largest apparel exporter in the world ranking after China (Bauman-Pauly, 2017). The total export value of apparel from Bangladesh was over US $ 28 Billion in the fiscal year 2016/2017 (Source: BGMEA Website). This sector is the single largest source of foreign exchange earner for Bangladesh, which is driving a GDP growth recorded at 7.24% in the year 2016/2017 (Source: The Daily Star Bangladesh, May 14, 2017).

Bangladesh's RMG industry is one of the most important source for the global apparel supply chain, and almost all the large brands such as Walmart, GAP, SEARS, C&A, ZARA, etc. are sourcing their garments from the Bangladesh RMG industry mainly because of it's price competitiveness and quick lead-time developed due to the experience gained and an abundant supply of low cost skilled labor (Labowitz and Bauman-Pauly, 2014; Wadhwa, 2017).

4.10.1 Size of the Study Population

The data for this study is drawn from a sample population of 4,365 companies that are registered as export-oriented ready-made garments (RMG) manufacturing firms in Bangladesh. RMG manufacturers that are registered members of Bangladesh Garments Manufacturing and Exporters Association (BGMEA) were selected for this study. Registered members of these this association are approved by the Ministry of Commerce under the Government of Bangladesh and the International Labor Organization (ILO) as apparel producing firms compliant with globally accepted safety standards (Bauman-Pauly, 2017; Wadhwa, 2017). A sampling frame of this study is available because all the members are listed and registered on an official website, hence details of the total population is known. The study sorted out only firms that are owned and controlled by families from based on the response to the survey questions in Section-A of the questionnaire.

4.10.2 Sampling Frame

A sampling frame is said to be available when the researcher has a complete list of the population from which they plan to draw a sample for their survey. Hence a sampling frame is used when the researcher is able to observe a finite population of interest (Sarndal, Swensson, and Wretman, 2003)

The sampling frame for this research is based on a publicly available list of export-oriented textile and apparel manufacturing companies in Bangladesh. The list of companies registered as garments manufacturers under the Bangladesh Garments Manufacturing and Exporters Association (BGMEA) which has a membership of 4,365 active manufacturing companies (Source: BGMEA Website).

Figures of actual registered membership of companies under the association on the website of BGMEA shows a total of 5,976 firms. However, the comprehensive figure includes companies that are not manufacturers such as firms involved in trading of apparel (buying and selling of garments). Furthermore, firms that have closed down or have been added to the list are not accurately reflected. The New York University, Center for Business & Human Rights under the Stern School of Business, has been publishing reports each year since 2014 on the exact list of active manufacturing companies under both associations, and hence the figure reflected in their report is deemed to be more updated (Bauman-Pauly, 2017). Furthermore, a factory digital mapping project undertaken by BRAC University in Bangladesh (http://ced.bracu.ac.bd/official-drfmb-launching/) actively updates the data on garment factories in Bangladesh that corroborates the BGMEA list.

The textile and apparel manufacturing sector in Bangladesh is the single largest employer in the country that involves over 5 million employees that brought in a combined export revenue of about USD $ 28 Billion to the Bangladesh economy in 2017/2018 (Source: BGMEA website). Furthermore, most of these garments production firms are privately held companies dominated by family coalitions, thus providing an ideal setting for conducting this research work (Khan et al., 2015; Labowitz and Bauman-Pauly, 2014).

The complete list of the companies involved in the production and export of garments in Bangladesh was provided for this research work by the Center of Entrepreneurship Development (CED) at BRAC University, Dhaka (Link: http://ced.bracu.ac.bd/pfmr/). The data available with CED has details on the number of employees in each factory, types of products being made, location of the factories, etc. Therefore, it would be proper to assume that there is an available sampling frame for this study.

4.10.3 Justification for Selecting Bangladesh RMG Industry as Study Sample

The export oriented ready-made garments industry in Bangladesh provides an ideal setting to conduct this research because of the following reasons:

(a) Most of the registered RMG firms in Bangladesh are private family owned companies that are controlled by either a single family or a coalition of families (Khan et al., 2015). Hence, we have a population from which we can draw a fairly homogeneous mix of firms in the nature of their business. Therefore, the impact of type of industry does not need to be controlled.

(b) The firms that are registered with BGMEA as producers and exporters of RMG, and are classified mostly in the category of medium to large companies by the Government of Bangladesh (World Bank Report, 2017). In order to be registered with the association as a producer with direct export permit, the firms must have a minimum production capacity that allows them to have a full-fledged in-house production operation. In other words, at least a medium sized operation is needed to have a cutting to packing (end-to-end) operation. Hence, to a great extent impact of firm size is minimized, as dynamics of smaller firms differs from that of medium to large companies.

(c) The owner-managers of the RMG firms have frequent interaction among themselves through their associations mostly to have a common platform to ensure policy makers continue to support their business growth. This sort of interaction between family business owners allows them to share each other's experiences, and as a result common behavioral patterns are likely to emerge. This also provides an advantageous context to study how family centered non-economic goals (e.g., SEW) impacts behavior (e.g., family commitment) and outcome (e.g., firm performance).

(d) The original founders of these companies built these firms with their social capital, patient capital, sweat and toil. However, once subsequent generation of family members get involved, commitment to the firm may or may not be at the same level. Many of the firms are over 25 years old (considered an inflexion point where the family firms typically transitions from founder generation to next (Sciasca et al., 2014)). In almost 45% of the firms the next generation of family members are already involved in the business, and in some cases have taken over the management. This again provides a setting from where the study can look at how association between SEW and family commitment are impacted by generation in charge.

(e) With the pressure from financial institutions, regulatory authorities and globally recognized brands that procure from these firms, many family firms have transitioned into more professionally managed organizations compared to the start-up authoritarian management styles that existed when the business was in it's fledgling state. This again offers the researcher to look at how professionalization of the firm has impacted the association between family commitment and firm performance.

The above justifications provide an ideal context to consider the RMG industry in Bangladesh as a suitable population for this research.

4.10.4 Determination of Sample Size Adequacy

The determination of sample size adequacy is a common task for many organizational researchers. Inappropriate, inadequate, or excessive sample sizes continue to influence the quality and accuracy of research (Agunis and Vandenburg, 2014; Bartllet et al., 2001). "*One of the real advantages of quantitative methods is their ability to use smaller groups of people to make inferences about larger groups that would be prohibitively expensive to study*" (Holton and Burnett, 1997, p. 71).

The question then is, how large of a sample is required to make meaningful inferences in the case of multiple regression analysis?

The issue of targeting an appropriate sample size in multiple regression models in behavioral studies with the aim of achieving meaningful inference has been a matter of debate, and different scholars have provided different suggestions on this issue. The traditional approach observed in numerous empirical studies has been to refer to the table based on Krejcie and Morgan (1970) formula which uses a Z-score (e.g. 1.96 for α= 0.05) based on margin of error (α value) that is typically 0.05 for social science research, and an estimate for population proportion 0.5 for an infinite population.

The Krejcie and Morgan table shows a sample size of 384 subjects for a population of 1,000,000. Based on this approach, for this study the sample size can be re-adjusted to fit the actual population since we are looking at a finite population. Similarly, Cochran's (1977) sample size formula for both continuous and categorical data is another option applied by many researchers (Bartlett, Kotrik, and Higgins, 2001). A table developed by Bartlett et al. (2001) shows the suggested sample sizes based on whether the primary variable of interest are continuous or categorical.

In an insightful article by Green (1991), which is also among frequently cited paper used by behavioral study researchers on the issue of number of subjects to collect data from. Green talks about the two different approaches to determine sample size in a multiple regression model: '*The Rule of Thumb Approach*' or '*Sample size based on Statistical Power Analysis'*.

The rules-of-thumb are evaluated by comparing their results against those based on power analyses for tests of hypotheses of multiple and partial correlations. Rules of thumb also vary, for example Hair et al. (2006) and Tabachnick and Fidell (1989) have suggested at least a 5:1 ratio between number of observations and number of predictors. Whereas other scholars; such as Miller and Kunce (1973) and Halinski and Feldt

(1970), have suggested at least a 10:1 ratio.

Green (1991) introduces a more complex rule-of-thumb that estimates minimum sample size as function of effect size as well as the number of predictors, suggesting that researchers should use methods to determine sample size that incorporate effect size. Hence, statistical power needs to be incorporated in the sample size calculation.

Green (1991) examines whether the empirical studies based on these rule-of-thumb recommendations have adequate statistical power. Based on Cohen's (1988) review of the literature, it appears that most of the studies have insufficient statistical power. Green provides a guideline on a minimum sample size calculation based power of 0.8 and α =0.05 (standard for business research studies), and determines that that f^2 = 0.15 is standard for a medium sized effect. Therefore, based upon the table presented by Green (1991), for this study there are 14 predictors in all (includes all moderators) and hence the table indicates a minimum of 138 subjects for a medium sized effect.

Harris (1975) proposed a difference based rule of thumb instead of a ratio approach; $N \geq A + B\ m$ for multiple regressions, where A=50 and B=1, while m is the number of predictors in the model. Green (1991) proposed a modification to this formula by $N \geq 50 + 8\ m$ for multiple correlation based on his analysis of the work of Cohen (1988). Applying Green's modified version of Harris (1975) formula; $N \geq 50 + 8\ m$, yields a sample size of 50+ 8 x 14 = 162 subjects to be observed.

Although, Nunnally (1978) in a completely different approach to sample size calculation, has suggested to collect data on a minimum of 300 or 400 subjects, Green (1991) comments that researchers would likely have collected more data than necessary if the number of predictors are few and the effect size of medium value or greater. Nunnally (1978) made his recommendation based on the amount of bias (shrinkage) in sample multiple correlations rather than power. However, according to Green (1991) it is unclear why researchers should collect data from 300 or 400 subjects to minimize shrinkage rather than determine sample size based on power analysis that may yield N-values substantially less than 300 or 400.

Considering the variation in discourse on the topic of adequate sample size selection to achieve desirable statistical power, this study relies on the use of G*Power 3.0 software (Faul, Erdfelder, Lang, and Buchner, 2007) available free online to determine the minimum number of subjects from whom data needs to be collected. The computed value from G*Power 3.0 indicated 225 respondents was adequate for the number of predictors in the study model.

4.10.5 Characteristics of Respondents

In this study, the unit of analysis is the 'family' that controls the family business organization. The survey questionnaires are self-administered (Dillman, 2009) and are to be filled out by a single 'key informant' (e.g., CEO) from each family firm, with sufficient knowledge about their family's collective goals with regards to their business enterprise, their firm's mission and vision, strategic and operational objectives, and firm's business and financial performance. The key-informant approach is frequently employed in family business research (e.g., Kellermanns, Eddleston, Barnett, and Pearson, 2008; Zahra, 2005), and senior level family-managers are considered reliable sources in upper-echelon research (Glick, Huber, Miller, Doty, and Sutcliffe, 1990; Kellermans et al. 2008).

Where there are multiple family members involved in the business, it may be feasible to consider any senior top-level executive (e.g., *family members who are either in position of Chairman, Chief Executive Officer or Managing Director, Chief Financial Officer, Chief Communications Officer, Executive Members of the Board or Top Management Team, or any family member who is in the rank of General Manager/Vice President or* *above in the firm*). According to the definition of family firm based on Chua et al. (1999), one of the criteria is that there should be at least two (2) family members who are in the top management team in the firm.

4.11 Instrument Pre-Testing

Reynolds and Diamantopoulos (1998) maintain that there is wide agreement among scholars that pre-testing is an integral part of the questionnaire development process. The pre-testing in this study comprised of two (2) parts:

(i) Obtaining feedback from relevant experts to determine the face validity of the items, in order to assess, whether the way the questions were phrased would be easily comprehended by the intended respondents (Hardesty and Bearden, 2004).

(ii) Conducting a pilot study before commencing the actual data collection process (Zikmund, 2003).

4.11.1 Pre-Testing for Face Validity of the Instrument

A group of ten (10) senior executives who serve as the top financial executive in family firms (e.g., *Chief Financial Officer or Finance Director*) connected to the Ready Made Garments Industry in Bangladesh were asked to comment on the questionnaires. These executives are also members of the Institute of Cost Management Accountants (ICMA) in Bangladesh, and can be considered as industry experts who can also understand the perspective of the family firm owners in the industry. They were available during a board meeting of ICMA in May 2017, and the researcher approached them to participate in the pre-testing process on which they agreed.

Most of the comments from the expert panel were targeted at demographic information. For instance, it was suggested that questions pertaining to the name of the organization and number of other businesses under the same group should be omitted from the questionnaire. Some of the respondents suggested that some of the items under professionalization, need to be re-phrased to bring consistency between the questions. They noted that although most of the questions under professionalization had 'Yes' or 'No' options, yet eight (8) of the questions out of 22 were seeking definite numbers and figures. They suggested that there should be consistency in the way the questions are presented, and hence suggested that all the eight (8) questions that sought definite answers, should be re-written to binary options with 'Yes' or 'No' responses.

Other than the above observations, the panel opined that the questions were easy to understand, and that it should not take too long to complete the survey. However, they suggested that the data collection should be done by seeking appointments with the CEOs of each firm, so that the questionnaire are filled out by the appropriate individual who represents the family and the firm in a leading role. They also appreciated the relevance and importance of the research topic.

4.11.2 Pilot Study

"*A pilot study is a trial run with a group of respondents used to screen out problems in the instructions or design of questionnaire*" (Zikmund, 2003, p.229) The pilot study was conducted to identify consistency of the questions and an understanding of the respondents to the questionnaire. According to Cooper and Schindler (2003, p.91) "*pilot study has saved countless survey studies from disaster by using suggestion of the respondents to identify and changing confusing, awkward, or offensive questions and technique*s".

The pilot study was conducted during the period of November 2017 to December 2017. Convenience sampling was used in selecting the sample in the pilot study. Following suggestion made by (Luckas, Hair, and Ortinau, 2004), fifty (50) respondents were approached, out of which after several follow up visits by the researcher, finally thirty six (36) respondents returned complete questionnaires. A minimum of 30 is recommended to allow the running of proper statistical testing procedures to determine the level of stability and internal consistency of the instrument measured through reliability tests (Sekaran, 2003). The reliability of this questionnaire was examined to ensure whether the items used in this study are consistent in terms of measuring the constructs that they are supposed to measure (Hair, Black, Babin and Anderson, 2009). Respondents were reasonably aware about the objectives of the research and familiar with the industry dynamics.

4.11.3 Discussion on Pilot Study Results

Based on the comments made by respondents in the pilot study, several weaknesses of the questionnaire were identified. For instance, it was suggested that providing more space between each group of questions within the same part would make the questionnaire easier to read. The respondents also suggested that the instructions written to each group of questions should be further simplified and for questions, which cover more than one page, the scale should be provided on each page. The questionnaire was modified and refined before the data collection was carried out.

The internal consistency reliability of the measures was assessed based on the Cronbach's α coefficient. According to Churchill (1979), reliability should be the first measure referred in assessing the quality of the instrument. Generally, the lower acceptance limit of Cronbach's α is 0.60 to 0.70 (Hair et al., 2017). In this respect, Nunnally (1978) has suggested that for established scales alpha (α) values should be between: 0.8 to 0.9, while for new scales an alpha value of 0.7 is acceptable. For this research, the reliability of the constructs range from 0.797 to 0.924 (Table 4.14) indicating that all values were within the acceptable range as described in the literature.

Following the reliability test, the convergent and discriminant validity should be conducted using confirmatory factor analysis. However, this assessment was not feasible in this case due to the small sample size.

Table 4-14: Internal Consistency Reliabilities of Variables from Pilot Survey

Variable Name	Cronbach's α
Family Commitment	0.924
SEW: Family Commitment & Influence	0.879
SEW: Identification of Family with Firm	0.857
SEW: Binding Social Ties of the Family	0.818
SEW: Emotional Attachment of the Family	0.812
SEW: Renewal of Family Bonds through Dynastic Succession	0.797
Firm Performance	0.873

4.12 Data Collection

This study applied self-administered survey questionnaire in collecting the data. Self-administered questionnaire refers to 'a data collection technique in which the respondents reads the survey questions and records his or her responses without the presence of a trained interviewer' (Hair, Bush, and Ortinau 2003, p. 265). Dillman (2009, pg.38) argued that: '*considerable evidence suggests that people are more likely to give honest answers to self-administered questions than to interview questions*'. Furthermore, a self-administered survey helps to minimize the tendency of social desirability bias to take place whenever sensitive data are requested (Dillman, 1978).

A drop-off and collect method has been applied in this research. This method involves the researcher travelling to the respondents' location and the researcher or a representative of the researcher hand-delivering survey questionnaires to respondents. Then, the completed surveys are collected after the respondents complete the survey questionnaire (Hair et al., 2003; Rowley, 2014).

This method allows respondents to complete the questionnaire at their own time and convenience. Thus, respondents can take time to think and answer the questions and look for further information when necessary (Aaker and Day, 1990; Emory and Cooper, 1991). This procedure ensures the availability of a person to answer questions, as questionnaires are hand delivered by the researcher or a representative of the researcher. This method also helps to stimulate interest of the respondents in completing the questionnaire through interaction between the researcher or representative and the respondents (Rowley, 2014).

4.13 Chapter Summary

This chapter justified the need to employ a positivist paradigm in gathering answers to the research questions with the aim of testing the hypotheses in the model. In addition, the chapter has detailed the methods used in this research, including the research design, constructing and administrating the instruments and the pilot study.

In the process of preparing the survey instrument and conducting pre-tests, guidance from methodology scholars was followed. Some concerns that are common with survey type data collection were taken into consideration to take preemptive measures to mitigate them. For example, common method bias is a potential problem when the predictor and criterion variables are obtained from the same source, as is the case for this study. Therefore, attempt was made to control for method bias through procedural remedies, specifically when the questionnaires were prepared.

Furthermore, the face validity of the questions in the survey instrument needed to be ascertained through validation by domain experts. The validation process was reinforced by the critical analysis of family business scholars and industry professionals (industry professionals included CFOs and Finance Directors who helped during the pre-test). By following this procedure it was possible to remove ambiguities in the terms, vague questions, and repeated questions. Additionally, asking for sensitive data was avoided. Lastly, all necessary procedures were undertaken to ensure the confidentially of the data and the identity of the respondents.

The next chapter (Chapter 5) covers data analyses and results of the analysis.

CHAPTER 5 : DATA ANALYSIS AND RESULTS

5.1 Chapter Introduction

In this chapter data analysis is presented in five parts: data preparation process, demographic information and response rate, analysis of multivariate assumptions, assessment of measurement model, and analysis of the structural model. Data preparation was done using SPSS (version 23) that includes coding, cleaning of data, dealing with of missing data, monotone response pattern analysis and examination of outliers. The analysis of multivariate assumptions included test for normality, multi-collinearity and common method bias.

Thereafter, PLS-SEM was applied using SmartPLS (v.3.2) to assess the outer model or measurement model. Confirmatory Factor Analysis (CFA) was performed to test for internal consistency reliability and validity of the measures. Items that were below the recommended benchmarks were deleted one by one. Finally, discriminant validity of the constructs was determined.

The path or structural model was evaluated using bootstrapping (for significance, strength and sign) to test the hypotheses posited in this study. Additionally, the coefficient of determination, effect size and predictive relevance were computed. Thereafter, mediation analysis was performed to asses the hypothesized mediating role of family commitment on the impact of each FIBER dimensions of SEW (socioemotional wealth) and firm performance. Lastly, two moderators proposed in this research; one categorical variable (generation-in-charge) and other a continuous variable (professionalization) were assessed. Finally a summary of the results of the hypotheses tests are presented and the chapter concludes with a summary that is prelude to the next chapter which is the last and final chapter of this theses.

5.2 Data Collection and Response Rate

To test the model, data was collected from private family firms in the ready-made garments (apparel) manufacturing industry in Bangladesh. In the first stage, survey questionnaires were sent by e-mail to CEOs of all the 4,365 firms listed on the BGMEA (Bangladesh Garments Manufacturing and Exporters Association) website (http://www.bgmea.com.bd). The sampling frame was available because all the export oriented ready-made garments manufacturers in Bangladesh are required to be registered members of Bangladesh Garments Manufacturing and Exporters Association (BGMEA) to be able to get "Utilization Permits" for exporting their products (Labowitz & Bauman-Pauly, 2014; Bauman-Pauly, 2017).

E-mails with a cover letter introducing the study along with the survey questionnaire were sent by e-mail to all the firms listed on the sampling frame. Three waves of e-mails were sent in intervals of 15 days spread over 45 days to the same recipients. Out of this list of 4,365 firms, finally 695 of them responded to the e-mails and indicated that they may agree to give appointments to the researcher to collect data, and asked the researcher to contact their offices for an appointment to be set at a mutually agreed upon time.

In the second stage, appointments were sought by telephone to meet the 695 CEOs or anyone nominated by the CEO who qualified as a key informant in the context of this study. As a key informant, the participant had to be members of the owning family and at the same time in senior management roles in their respective firms such as in position of: Chairman, CEO, CFO, COO, Director, General Manager, etc. After several attempts, eventually 416 participants actually gave physical appointments to allow the researcher to meet them at their work settings. During the meetings, the survey instruments were hand carried and presented to each respondent. Personally meeting the participant was a way to ensure that questions were being answered by individuals with holistic perspective of the goals of the family and the firm.

The researcher informed each respondent that they had the option of completing the self-administered survey questionnaire immediately, or alternately complete it later at their convenience, to be collected by the researcher. Finally, 364 questionnaires were completed and returned, out of which 357 surveys were useable and met the criteria of family owned business as defined by Chua *et al.* (1999), indicating a response rate of 8.18% (Table 5.1). This is a common experience with researchers collecting data from private family firms; e.g., Sciascia *et al.* (2014) reported an effective response rate of 4.1% from Italian private family firms.

Table 5-1: Response Rate

Total Companies Contacted	Agreed Participants	Total Collected	Dropped (Unrelated)	Useable Questionnaires	Response Rate
4,365	416	364	7	357	8.18 %

5.3 Data Analysis Process

In this study, the following two software were deployed for data analysis: SPSS (Version 23) and SmartPLS (Version 3.2). The analysis was conducted in distinct two phases. In the first phase, SPSS was used to complete the following tasks: (i) Data preparation (e.g., coding, checking and treating missing data, monotone response, test for outliers, etc.), (ii) to generate demographic characteristics of the respondents, (iii) to compute frequencies, means and standard deviations of the data against each variable in the model (univariate analysis), and (iv) to conduct analysis for Common Method Bias (CMB). SPSS is widely used by researchers for data analysis technique (Ramayah et al., 2018).

In the second phase, Partial Least Squares-Structural Equation Modeling (PLS-SEM) using SmartPLS was used to assess confirmatory factor analysis (CFA), reliability and validity of the measurements and to test the hypotheses by evaluating the structural model.

5.4 Data Preparation

Data preparation includes coding of the data, cleaning of data, handling missing data, monotone response analysis and testing for outliers.

5.4.1 Data Coding and Cleaning

Coding data is the first step in the process of preparation of data for empirical research. Data coding refers to feeding the raw data collected into a statistical software package, which in this case is SPSS (v.23). As noted in chapter 4, a 65-item survey questionnaire was utilized for this study. Each item was assigned a code for identification, and entries into the SPSS columns were made according to these codes. A total of 364 respondents returned their self-administered questionnaire.

Once the respondents returned the survey questionnaire, the appropriate responses were initially visually checked for missing data. With the possibility that there may be some missing information, if the respondent had provided their contact data, they were reached out to get the required data. For situations where no contact information was available, the missing data were dealt as missing values. The following section describes the way missing data was handled.

5.4.2 Missing Data

Missing information is an issue that social science researchers frequently have to deal with. When a respondent intentionally or inadvertently does not answer to an inquiry in the survey, missing data occurs. Hair et al. (2017) expressed that when missing information in one record exceeds 15% then the record is said to be inappropriate for consideration.

Two options are available for dealing with missing data; (a) mean replacement, or (b) case-wise deletion (Henseler et al., 2014). This study has utilized the mean replacement method to deal with missing data, keeping in mind the sample size. A lot of useful data may be discarded by utilizing case-wise deletion leading to lesser efficiency (Temme, Kreis, and Hilderbrandt, 2006).

5.4.3 Monotone Response

Monotone data occurs when respondents answers all the questions by selecting the same option. For example, in a 5-point Likert type scale a particular respondent may have marked 4 for all the questions. In such situations the answer is considered biased and is recommended to be discarded (Hair et al., 2014). In the original data set for this study, two respondents were found to have filled out the same response for every question. Hence, both these cases were discarded.

5.4.4 Test for Outliers

Outlier's present an observation that is considerably different from other observations due its high or low scores (Hair et al., 2006). Therefore, scholars assert that outliers can have an impact on normality (Kline, 2015). Outliers take place when the standard score is larger than ±4 (Tabachnick and Fidell, 2001). Based on the outlier test carried out for each of the variable, the range (Min-Max) of Z-score for all research constructs were -3.760 to 3.675. The result indicated that all Z-score were in acceptable range. Table 5.2 presents the outlier results of all research variables in this study.

Table 5-2: Result of Outlier Test

Standardized Variable	Minimum	Maximum
Z-score(F)	-2.741	2.397
Z-score(I)	-3.009	1.863
Z-score(B)	-3.760	2.049
Z-score(E)	-3.146	2.058
Z-score(R)	-2.509	1.496
Z-score(FC)	-3.070	1.514
Z-score(FP)	-2.641	3.675
Z-score(FCS)	-2.147	0.702
Z-score(HCS)	-2.845	0.731
Z-score(NFI)	-1.991	0.983
Z-score(TLA)	-2.439	0.854
Z-score(DOA)	-1.851	0.914

F: Family Control and Influence, I: Family identification, B: Binding Social Ties of the Family, E: Emotional Attachment, R: Renewal of Family Bonds, FC: Family commitment, FP: Firm performance, FCS: Financial Control Systems, HCS: Human Resource Control Systems, NFI: Non-family Involvement, TLA: Top-level Activeness, DOA: Decentralization of Authority

5.4.5 Common Method Variance

Since this study was completed as a cross-sectional study, a test was done to examine the possible existence for common method variance. Common Method Variance (CMV) is the simulated "variance that is attributable to the measurement method rather than to the constructs the measures are assumed to represent" or equivalently as "systematic error variance shared among variables measured with and introduced as a function of the same method and/or source". This can be measured by conducting a single factor analysis for models that propose to measure multiple constructs (Podsakoff and Organ, 1986). In this study Harman's (1976) single-factor test was applied to assess the common method variance. The first factor accounts for 22.713 % of the overall variance, which shows that common method variance likely does not affect the results (see Table 5.3) (Podsakoff and Organ, 1986).

Table 5-3: Test for Common-Method Variance

Extraction Sums of Squared Loadings		
Total	% of Variance	Cumulative %
14.537	22.713	22.713

It is worth reiterating the fact that this study followed procedural remedies prescribed by Podsakoff et al. (2003; 2012) to minimize likelihood of the effects of CMV during the data collection stage. In chapter-4, it is mentioned that the Likert scales for the exogenous and endogenous variables were marked on 5-, 6- and 7- point scales with anchor points that had different wordings. This may have played a role in minimizing the impact of CMV.

5.4.6 Normality Test

Examination of normality of the data is a necessary check prior to using certain multivariate data analysis methods including regression analysis and structural equation modeling (SEM). In this regard, when a normality assumption is violated, another technique should be employed (Henseler, Ringle and Sinkovics, 2009). In this study, the normality of data was evaluated as a basic assumption and results of normality test for all variables in the model are presented in Table 5.4 (A & B). Byrne (2010) stated that if the skewness value is between -2 to +2, and the kurtosis value is between -7 to +7, the data are considered normal. As shown in following table, the skewness ranged from -1.473 to 0.773 and the kurtosis ranged from -0.777 to 1.515 that revealed all variables are normally distributed.

Table 5-4(A): Result of Univariate Normality Test

Variable	Skewness	Std. Error	Kurtosis	Std. Error
F	-0.110	0.129	-0.243	0.257
I	-0.667	0.129	0.483	0.257
B	-0.880	0.129	1.121	0.257
E	-0.715	0.129	0.417	0.257
R	-0.529	0.129	-0.458	0.257
FC	-1.229	0.129	0.933	0.257
FP	0.773	0.129	1.515	0.257
FCS	-1.204	0.129	0.058	0.257
HCS	-1.473	0.129	1.203	0.257
NFI	-0.700	0.129	-0.728	0.257
TLA	-1.159	0.129	0.417	0.257
DOA	-0.747	0.129	-0.777	0.257

Table 5-4(B): Mardia's Multivariate Skewness and Kurtosis

	b	z	p-Value
Skewness	27.857	165.502	0.000
Kurtosis	192.606	12.682	0.000

5.5 Demographic Features of Respondents

Demographic data of the participants was collected to explore their backgrounds. Table 5.5 shown below, presents the respondent's distribution for demographic features. According to these results on gender, overwhelmingly most of the respondents were males (89.9%). Results of respondent's age showed that the respondents who aged between 36 to 45 years had the highest frequency (31.7%) followed by respondents aged between 46 to 55 years (30.8%) and the lowest frequency was observed for respondents aged less than 25 years (3.1%). For marital status, the percentage belonged to respondents who married with children was (79.8%) and lowest frequency was observed for respondents who divorced without children (0.3%). The results for "number of family members actively involved in the management of the organization" revealed that the highest frequency belonged to "6 to 9 persons" (37.9%), followed by "3 to 5 persons" (32.5%), and the lowest frequency was observed for "10 persons and more" (2.5%). Based on the analysis of educational background of respondents, most of them had a Master's degree or MBA (75.4%), followed by bachelor's degree (15.7%).

The analysis also indicated that all the companies that participated in this research were incorporated as private limited companies (100%). Regarding the current designation of the respondents in the organization, the highest frequency was observed for "CEO" (65.5%), followed by member of board of directors (24.1%), and only 10.4% of respondents were serving as general managers. According to these results 54.3% of respondents were among the original founders of firm, while 45.7% of the respodents were from the subsequent generation of family members. The results also indicated that

61.3% of them stated that key decisions in organization are now taken by the next generation of family members.

Table 5-5: Frequency Distribution of Demographic Characteristics

Variable	Level	Frequency	Percent
Gender	Male	321	89.9
	Female	36	10.1
Age	25 years or less	11	3.1
	26 - 35 years	87	24.4
	36 - 45 years	113	31.7
	46 - 55 years	110	30.8
	More than 55 years	36	10.1
Marital Status	Single	27	7.6
	Married without children	33	9.2
	Married with children	285	79.8
	Unmarried	11	3.1
	Divorced w/o children	1	0.3
Number of family	Up to 2 persons	98	27.5
	3 to 5 persons	116	32.5
	6 to 9 persons	134	37.5
	10 persons or more	9	2.5
Education	SSC/O Levels or lower	1	0.3
	Diploma	19	5.3
	Bachelor degree/ hons.	56	15.7
	Master Degree/MBA	269	75.4
	Ph.D	10	2.8
	Others (please specify)	2	0.6
Type of Company	Private Limited Company	357	100
	Public Limited Company	0	0
Designation	CEO	234	65.5
	General manager	37	10.4
	Board member	86	24.1
Respondent is Founder	No	163	45.7
	Yes	194	54.3
Key decisions taken by	Founder	138	38.7
	Next Generation	219	61.3

5.6 Descriptive Statistics

This section presents the descriptive statistics of the constructs in the model evaluation. Descriptive statistics were employed in the initial stage of the data analysis process, i.e. by computing all the central tendencies (mean) and standard deviation (dispersion from the mean) of the data for each variable in the model, namely; family control and influence, family identification, binding social ties of the family, emotional attachment, renewal of family bonds, family commitment, firm performance, financial control, human resource control, non-family involvement, top-level activeness and decentralization of authority.

5.6.1 Descriptive results of Family Commitment

Table 5.6 shows the descriptive statistical results of family commitment. Each scale is based on a 7-point Likert scale. The mean value for "*Our family members feel loyal to the business (firm)*" has the highest value with (M = 5.56, S.D = 1.31), the lowest mean value belongs to "*Our family members publicly support the business (firm)*" with (M = 5.10, S.D = 1.22). The overall mean for all the indicators was 5.35 on a scale of 7, indicating that the level was higher than the median of scale (4), which revealed a more than moderate level for this indicator among the respondents.

Table 5-6: Descriptive Statistics for Family Commitment

Item	**Mean**	**SD**
Our family members feel loyal to the business (firm)	5.56	1.31
Our family and the business (firm) have similar values	5.34	1.27
Our family members publicly support the business (firm)	5.10	1.22
Our family members are proud to be part of the business (firm)	5.33	1.31
Our family members agree with the goals, plans, and policies of the business (firm)	5.20	1.22
Our family members really care about the fate of our business (firm)	5.38	1.26
Our family members are willing to put extra effort to help our business (firm) be successful	5.52	1.34
Total	**5.35**	**1.09**

5.6.2 Descriptive results of Family Control and Influence

The respondents' feedback for family control and influence were studied using a 5-point Likert scale with six items with anchor points ranging from "strongly disagree" to "strongly agree". As shown in Table 5.7 with regards to family control and influence, the statement "*Preservation of family control and independence are important goals for our family members*" had the highest mean score with (M = 3.57, S.D = 0.80), while the statement "*In our firm, non-family management level appointees are selected by family members*" had the lowest mean score with (M = 3.38, S.D = 0.75). The overall mean for family control and influence was M = 3.46 on a scale of 5, which was higher than the median of scale of 3, which revealed an almost moderate level for this variable.

Table 5-7: Descriptive Statistics related to Family Control and Influence

Item	Mean	SD
In our firm, family members involved in the business exert control over the firm's strategic decisions	3.54	0.85
In our firm, most executive positions are filled by family members	3.40	0.78
In our firm, non-family management level appointees are selected by family members	3.38	0.75
In our firm, the board of directors is mainly composed of family members	3.42	0.83
Majority of the shares in our firm are owned by family members	3.45	0.75
Preservation of family control and independence are important goals for our family members	3.57	0.80
Total	**3.46**	**0.63**

5.6.3 Descriptive results of Family Identification

Table 5.8 provides the descriptive statistics on the ratings related to the family identification. With regards to family identification, the statement "*Family members feel that the firm's success is their own success*" recorded the highest mean score with (M = 4.06, S.D = 0.82). The lowest mean belonged to "*Being a member of the family business defines who we are*" with (M = 3.55, S.D = 0.78). The overall mean for family identification was M = 3.85 on a scale of 5, which was higher than the median of scale of 3, which revealed a high level for this component.

Table 5-8: Descriptive Statistics related to Family Identification

Item	Mean	SD
Family members have a strong sense of belonging to the family business	3.97	0.83
Family members feel that the firm's success is their own success	4.06	1.01
Our family business has a great deal of personal meaning to the family members	3.58	0.78
Being a member of the family business defines who we are	3.55	0.78
Family members are proud to tell others that we are part of the family business	4.05	0.82
Customers often associate the family name with the firm's products and services	3.91	0.76
Total	**3.85**	**0.62**

5.6.4 Descriptive results of Binding Social Ties

Table 5.9 presents the descriptive statistics on the ratings related to binding social ties of the family. Each scale was based on a 5-point Likert scale. The overall mean for all five indicators was 3.88 on a scale 5. According to the descriptive statistics of related items to the binding social ties of the family, the highest mean belongs to "*Our family business is very active in promoting social activities at the community level*." with (M = 4.10, S.D = 0.75). The lowest mean belongs to "*Building strong relationships with other institutions (i.e., other companies, associations, government organizations, etc.) are important for our family business*" with (M = 3.49, S.D = 0.85). The overall mean of 3.88 on a scale of 5 for all the indicators showed that the level of binding social ties of the family was more than the median of scale of 3, which revealed a high level for this factor among the respondents.

Table 5-9: Descriptive Statistics related to Binding Social Ties of the Family

Item	Mean	SD
Our family business is very active in promoting social activities at the community level	4.10	0.75
In our family business, non-family employees are treated as part of the family	3.72	0.79
In our family business, contractual relationships are mainly based on trust and mutual understanding	3.69	0.81
Building strong relationships with other institutions (i.e., other companies, associations, government organizations, etc.) are important for our family business	3.49	0.85
Contracts with suppliers are based on mutually beneficial long-term relationships in our family business	3.99	0.80
Total	**3.88**	**0.64**

5.6.5 Descriptive results of Emotional Attachment

To address the measurement of emotional attachment of the family to the firm, six items were designed utilizing the 5-point Likert scale ranging from strongly disagree to strongly agree. Table 5.10 shows the overall mean of all the indicators at 3.69 on a scale of 5, indicating that the level of emotional attachment of the family to the firm is higher than the median of scale of 3. As shown in Table 5.10, the highest mean belongs to " *In our family business, the family members feel a sense of warmth for each other*" with (M = 3.82, S.D = 0.88) followed by "*In our family business, the emotional bonds between family members are very strong*." with (M = 3.75, S.D = 0.85), while "*In our family business, emotional family considerations are often as important as economic considerations*." with (M = 3.23, SD = 0.96) had the lowest mean score.

Table 5-10: Descriptive Statistics for Emotional Attachment of Family

Item	Mean	SD
Emotions and sentiments often affect decision-making processes in our family business	3.61	0.97
Protecting the welfare of family members is critical to us, apart from contribution to the firm	3.57	0.86
In our family business, the emotional bonds between family members are very strong	3.75	0.85
In our family business, emotional family considerations are often as important as economic considerations	3.23	0.96
Strong emotional ties among family members help us maintain a positive self-concept	3.72	0.90
In our family business, the family members feel a sense of warmth for each other	3.82	0.88
Total	**3.69**	**0.72**

5.6.6 Renewal of Family Bonds through Dynastic Succession

To address the measurement of family bonds through dynastic succession which includes four items on a 5-point Likert scale ranging from strongly disagree to strongly agree. Table 5.11 shows that the overall mean for all the indicators is 3.88 on a scale of 5, which indicates that the level of family bonds through dynastic succession is higher than the median of scale of 3. According to the descriptive statistic of related items to family bonds through dynastic succession, the highest mean belongs to "*Successful business transfer to the next generation is an important goal for the family members*" with (M = 4.08,S.D = 0.92) followed by "*Continuing the family legacy and tradition is an important goal for our family business*" with (M = 3.94, S.D = 0.84), the lowest mean belong to "*Family owners are less likely to evaluate their investment in the firm on a short-term basis*" with (M = 3.67, S.D = 0.90).

Table 5-11: Renewal of Family Bonds through Dynastic Succession

Item	Mean	SD
Continuing the family legacy and tradition is an important goal for our family business	3.94	0.84
Family owners are less likely to evaluate their investment in the firm on a short-term basis	3.67	0.90
Family members would be unlikely to consider selling the family business	3.83	0.94
Successful business transfer to the next generation is an important goal for the family members	4.08	0.92
Total	**3.88**	**0.75**

5.6.7 Descriptive results of Firm Performance

Table 5.12 provides the descriptive statistics on the ratings related to firm performance. As mentioned earlier, the responses of the participants were recorded with the use of eight items based on a 6-point Likert scale (ranging from 1= "Much Lower than our target" to 6= "Much higher than our target"), with no neutral option. The overall mean for firm performance was (M=4.09) on a scale of 6, which was higher than the median of scale of 3.5. With regards to firm performance, the statement "*Compared to our firm's expected targets in terms of our growth in sales (or revenue)*, *we are.."* recorded the highest mean score with (M=4.32, S.D=0.75) on a scale of 6, followed by "*Compared to our firm's expected targets in terms of our growth in profits, we are*.." with (M=4.24, S.D=0.70) and "*Compared to our firm's expected targets in terms of our growth in market share, we are...*" with (M= 3.80, SD=0.75) had the lowest mean score.

Table 5-12: Descriptive Statistics related to Firm Performance

Item	Mean	SD
Compared to our firm's expected targets in terms of our growth in sales (or revenue), we are.....	4.32	0.75
Compared to our firm's expected targets in terms of our growth in market share, we are.....	3.80	0.75
Compared to our firm's expected targets in terms of our growth in number of employees working in our organization, we are.....	4.00	0.76
Compared to our firm's expected targets in terms of our growth in profits, we are.....	4.24	0.70
Compared to our firm's expected targets in terms of our growth in return on equity, we are.....	3.92	0.68
Compared to our firm's expected targets in terms of our growth in return on assets, we are.....	4.17	0.72
Compared to our firm's expected targets in terms of our growth in profit margin on sales (revenue), we are.....	3.98	0.91
Compared to our firm's expected targets in terms of our ability to fund growth from business profits, we are.....	4.17	0.65
Total	**4.09**	**0.52**

5.6.8 Descriptive results on Professionalization

The construct; Professionalization, includes five sub-dimensions: financial control systems with 4 items, human resource control systems with 5 items, non-family involvement in firm governance systems with 4 items, top-level activeness with 6 items and decentralization of authority with 3 items. It must be noted that the response of participants were recorded using these items in terms of binary options: "Yes=1' and "NO=0". Table no. 5.13 shows that on a range of (0 to 1), the overall mean score related to '*Human resource control systems*' subscale was the highest at (M = 0.76) followed by '*Financial control systems*' at (M = 0.75).

Among items related to '*Financial control systems*' the highest mean score belonged to, "*Is there a report or document in which the company objectives with reference to next year's sales are fully and accurately computed?* " with (M = 0.86, S.D = 0.35) and the lowest mean was observed for "*Does management prepare quarterly financial performance reports?* ." with (M = 0.53 ,SD = 0.50).

Among related items to '*Human resource control systems*' the highest mean score was observed for last item "*Does the company provide formal internal or external training program for their employees?* " with (M = 0.92, S.D = 0.27) and the lowest mean score belonged to "*Are the periodical performance reviews with the managers of the company drawn up in reports?* " with (M = 0.69, S.D = 0.46). As shown in Table 5.13, for the third subscale of professionalization '*Non-family involvement in firm governance systems*' the highest mean score belongs to "*Is the CEO or MD of the firm part of the family?* " with (M = 0.76, S.D = 0.43) and the lowest mean belongs to "*The directors of our board are all related by blood or marriage to firm owner(s).*" with (M = 0.60, S.D = 0.49).

Among items related to '*Top-level activeness*' the highest mean score belonged to "*Our board of directors officially meet at least twice a year*" with (M = 0.86, S.D = 0.35) and the lowest mean was observed for "*Board reviews management actions taken based on board decisions recorded in previous minutes*." with (M = 0.68, SD = 0.47). For the last subscale of professionalization "*Decentralization of authority*" the highest mean score belongs to "*Are all major decisions within the company autonomously made by the CEO, and then communicated downwards?*" with (M = 0.71 S.D = 0.45) and the lowest mean belongs to "*Do all employees within the company directly report to the CEO/MD (without using an intermediary)?* " with (M = 0.63, S.D = 0.48).

Table 5-13: Descriptive Statistics related to Professionalization

	Item	Mean	SD	% Yes
Financial control system	Is there a report or document in which the company objectives with reference to next year's sales are fully and accurately computed?	0.86	0.35	86.3
	Does the company generate reports in which the proposed budgets of the company are compared with the actual figures?	0.71	0.45	71.4
	Are the deviations from the budgeted targets monitored to undertake future actions?	0.68	0.47	68.3
	Does management prepare quarterly financial performance reports?	0.53	0.50	53.2
	Total	**0.75**	**0.35**	
Human resource control system	Are the staff meetings usually formally prepared and planned in advance?	0.83	0.37	83.5
	Does the company use incentive payments based on performance?	0.75	0.43	75.1
	Are the periodical performance reviews with the managers of the company drawn up in reports?	0.69	0.46	69.5
	Are the procedures regarding the recruitment of new staff noted down and documented?	0.78	0.42	77.6
	Does the company provide formal internal or external training program for their employees?	0.92	0.27	92.2
	Total	**0.76**	**0.33**	
Non-Family Involvement	Is the CEO or MD of the firm part of the family?	0.76	0.43	76.5
	Our top management team includes individuals who are not related by blood or marriage to the firm owner(s).	0.64	0.48	63.9
	The directors of our board are all related by blood or marriage to firm owner(s).	0.60	0.49	60.2
	Our firm has other non-family shareholders who have significant influence on policy and management decisions.	0.67	0.47	67.2
	Total	**0.67**	**0.34**	
Top-level Activeness	Our top management team officially meets at least once a month.	0.69	0.46	69.5
	Key decisions taken in the top management team meetings are documented.	0.81	0.39	81.2
	The top management team reviews decisions taken in the previous meetings.	0.70	0.46	69.7
	Our board of directors officially meet at least twice in a year.	0.86	0.35	86.3
	Minutes of the board meetings are kept on record.	0.77	0.42	76.8
	Board reviews management actions taken based on board decisions recorded in previous minutes	0.68	0.47	68.1
	Total	**0.74**	**0.30**	
Decentralization of Authority	Does the CEO/MD of the company individually decide which organizational strategy must be followed?	0.67	0.47	66.9
	Do all employees within the company directly report to the CEO/MD (without using an intermediary)?	0.63	0.48	62.7
	Are all major decisions within the company autonomously made by the CEO, and then communicated downwards?	0.71	0.45	71.1
	Total	**0.67**	**0.36**	

5.7 Structural Equation Modeling (SEM)

SEM is a combination of factor analysis and multiple regressions that comprises a series of statistical methods that allow complex relationships between one or more independent variables and one or more dependent variables. SEM can practically be used to answer any research question concerning the indirect or direct observation of one or more independent variables or one or more dependent variables. However, the primary goal of SEM is to test the validity of a proposed causal process and/or model. Therefore, SEM is a confirmatory technique. The structural equation modeling process centers around two steps: validating the measurement model and fitting the structural model. The earlier is accomplished primarily through Confirmatory Factor Analysis (CFA), while the second is accomplished primarily through Path Analysis with latent variables.

The main objective of SEM is to explain the validity of a suggested measurement model and also causal model (Carvalho and Chima, 2014). The SEM procedure comprises of two steps: validating the measurement model and fitting the structural model (Schumacker and Lomax, 2004). The validation of the measurement is accomplished primarily through confirmatory factor analysis, while the structural model is done through path analysis based on causal relationship among latent variables (Schumacker and Lomax, 2004).

5.7.1 Partial Least Squares-Structural Equation Modeling (PLS-SEM)

This doctoral research utilized Partial Least Square (PLS) analysis of path modeling which is a branch of structural equation modeling (SEM) (Hair et al., 2017). SEM is considered as a second generation multivariate data analysis method that gained popularity among social scientists because of its ability in testing theoretically supported and additive causal models (Chin, 1998; Haenlein and Kaplan, 2004).

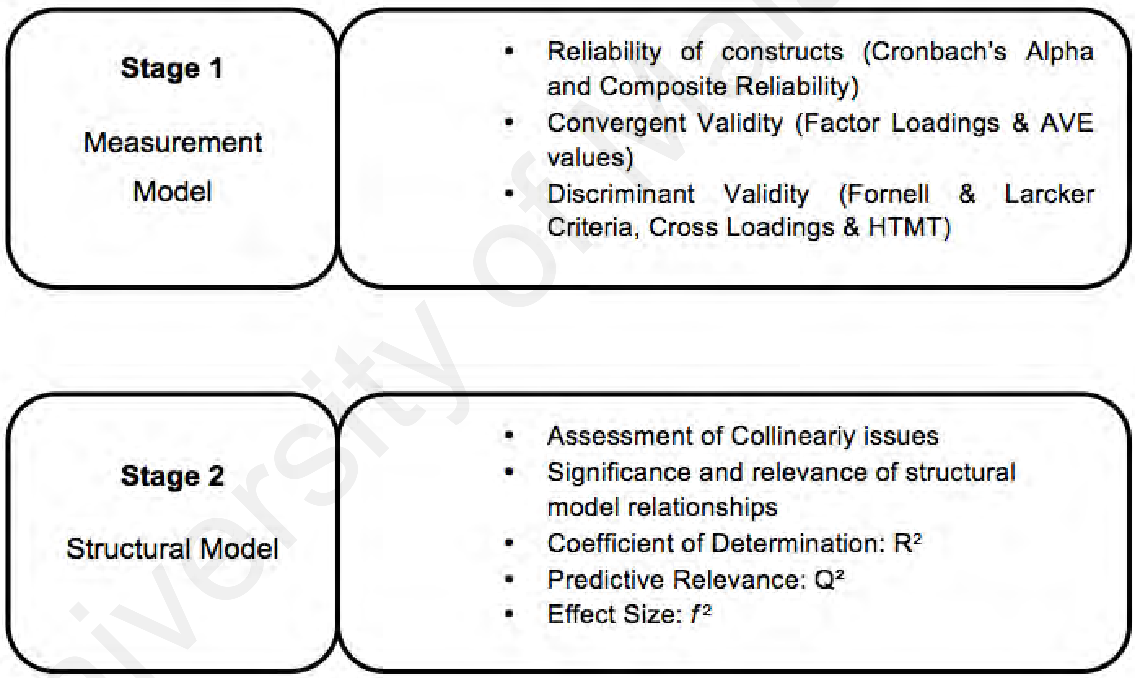
According to Ghozali (2008), "*SEM is classified as a second generation multivariate analysis that has higher flexibility compared to first generation multivariate analysis such as principal component analysis, factor analysis, discriminant analysis or multiple regression*" (pg.32). According to Hair et al. (1998), "*SEM can also examine multiple relationships simultaneously as compared to other techniques that can examine a single relationship between dependent and independent variables one at a time*" (pg.86). For instance, a dependent variable in a condition may turn into an independent variable in another condition. SEM has the ability to analyze these associations simultaneously at the same time in one model. Hair et al. (1998) go on further to define SEM: "*a multivariate technique that combines aspects of multiple regression and factor analysis to estimate a series of interrelated dependence relationships simultaneously*" (pg.87).

There are two main streams of SEM models that are broadly utilized as part of management research, namely; (a) CB-SEM: Covariance based SEM and (b) PLS-SEM that are Variance or Component based SEM. The objective of CB-SEM is to reproduce the theoretical covariance matrix without focusing on the explained variance (Hair et al., 2017). CB-SEM is primarily used to confirm (or reject) theories.

The objective of PLS-SEM on the other hand is to maximize the explained variance of the endogenous latent constructs (dependent variables) (Hair et al., 2104). PLS-SEM is primarily used to develop theories in exploratory research or for predicting purposes in a study. The estimation procedure for PLS-SEM is an ordinary least square (OLS) regression-based method, whereas the estimation method for CB-SEM is the maximum likelihood (ML). In this light, the main objective of PLS-SEM is to estimate the coefficient (path coefficient) that maximizes the R-square values of the target endogenous constructs. Hence, PLS-SEM is the preferred technique when the research objective is theory development and explanation of variation (prediction of construct) (Hair et al., 2017), which is the case in the current study.

5.7.2 Stages of Assessment with PLS-SEM

Chin (1998) has identified benchmark criteria to assess partial model structures. This structure is analyzed deliberately in two stages: (i) evaluation of the measurement model (also known as outer model), and (ii) assessment of the structural model (also known as the inner or path model). Figure no. 5.1 below, displays the two-step process of PLS-SEM analysis taken from Hair et al. (2017).



Source: Hair et al. (2017)

Figure 5.1: Two-Stage Process of PLS-SEM Analysis

Since the research model of this study deploys all reflective measures, Hair et al. (2017) suggest that reflective measurement models should be examined with respect to their reliability and validity based on following indices. Table no. 5.14 shows benchmarks for assessing reflective measurements suggested by Hair et al. (2017).

Table 5-14: Summary of Indices for Measurement Model using PLS-SEM

No	Assessment	Index Name	Guidelines
1	Internal Consistency	Composite Reliability (CR)	CR> 0.9 (not desirable) CR bet. 0.7-0.9 (Satisfactory) CR>0.6 (acceptable for exploratory research)
2	Indicator Reliability/Factor Loadings	Indicator Loadings	Loading of 0.708 or higher is recommended, but >0.7, 0.6, 0.5, and even >0.4 is adequate if other items have high loading scores to complement AVE & CR values
3	Convergent Validity	Average Variance Extracted (AVE)	AVE > 0.50
4	Discriminant Validity	Fornell & Larcker's Criterion	The square root of AVE of a construct should be larger than correlations between the construct and other constructs in the model
		Cross Loading	Loadings of each indicator are the highest for their designated constructs.
		HTMT Criterion	• HTMT 0.85 (Kline, 2011)- Stringent Criterion • HTMT 0.90 (Gold et al., 2001)- Conservative Criterion • HTMT inference using bootstrapping technique (Henseler et al., 2015). Does HTMT include the value of -1<HTMT<1 (Liberal Criterion)

Source: Hair, Hult, Ringle, & Sarstedt (2017)

5.7.3 Measurement Model

The measurement model requires the rules governing how the latent variables are measured in terms of the observed variables, and it describes the measurement properties of the observed variables. That is, measurement models are concerned with the relations between observed and latent variables. Such models specify hypotheses about the relations between a set of observed variables, such as ratings or questionnaire items, and the unobserved variables or constructs they were intended to measure. The measurement model is important as it offers a test for the reliability of the observed variables employed to measure the latent variables. A measurement model that offers a poor fit to the data proposes that at least some of the observed indicator variables are unreliable, and precludes the researcher from moving to the analysis of the structural model.

5.7.3.1 Confirmatory Factor Analysis (CFA)

At this stage of the evaluation, it is necessary to first conduct Confirmatory Factor Analysis (CFA). CFA is applied to test the extent to which a *priori theoretical* pattern of factor loadings on pre-specified constructs represents the actual data (Hair et al., 2010). With PLS-SEM, to assess CFA for the measurement model, metrics applied are internal consistency reliability, convergent validity and discriminant validity (Hair et al., 2017).

5.7.3.1.1 Internal Consistency Reliability

In the past empirical works, Cronbach's alpha (α) was predominantly used to measure internal consistency reliability of the data (Hair et al., 2017). A construct with high Cronbach's alpha value indicates that the items within the construct have similar range and meaning (Cronbach, 1971). In other words it provides an estimate of the reliability based on inter-correlation of the observed indicators. The minimum recommended level of reliability based on Cronbach's alpha is 0.7 (Hair et al., 2017). Although, Nunnally (1978) suggested that for established scales Cronbach's alpha should be between (0.7 to 0.8), while for new scales 0.7 may be acceptable.

However, more recent studies published by methodology scholars (e.g., Hair et al. 2017; McNeish, 2017) have expressed concern regarding use of Cronbah's alpha, because it assumes that all indicators have equal factor scores related to the construct and also it tends to underestimate the internal consistency reliability. Due to these drawbacks, it has been advised to use Composite Reliability (CR) to measure internal consistency reliability (Gefen, Straub, and Boudreau, 2000). CR takes into account the loadings of the indicators, and is a better measure of reliability. Although different scholars have proposed different benchmarks for CR values, Hair et al. (2017) recommend CR > 0.6 (acceptable for exploratory research), CR < 0.7-0.9 (satisfactory), and CR > 0.9 (not desirable) as shown earlier in Table 5.14.

5.7.3.1.2 Convergent Validity

Convergent validity is considered as a subcategory of construct validity, and is used to determine the degree to which individual indicators reflect a construct converging in comparison to indicators measuring other constructs (Urbach and Ahlemann, 2010). Therefore, convergent validity is measured to validate the measurement model. Convergent validity adopts the measure of Average Variance Extracted (AVE) to measure the percentage of explained variance by indicators relative to measurement errors. The convergent validity of the constructs can be assessed by examining the average variance extracted (AVE), which tries to measure the amount of variance that a latent variable component took from its indicators relative to the amount due to measurement. The minimum recommended level of average variance extracted (AVE) is 0.5 (Fornell and Larcker, 1981; Gefen et al., 2000; Hair et al., 2017).

High outer loadings on a construct indicates that the related item of each construct have strong association with the construct, and this characteristic is also usually called indicator reliability that can be assessed by outer loadings. A general rule of thumb is that the (standardized) outer loadings should be 0.708 or higher (Hair et al., 2017). Indicators with very low outer loadings (< 0.40) should, however, always be removed from the scale (Hair, Ringle, and Sarstedt, 2011). Generally, indicators with outer loadings between 0.40 and 0.70 should be considered for removal from the scale only when deleting the indicator leads to a substantial increase in the composite reliability and AVE (Henseler et al., 2009; Hair et al., 2017; Ramayah et al., 2018).

Hair et al. (2017) suggest that items with loading above 0.40 should not be deleted unless the deletion significantly impacts AVE and composite reliability. Furthermore, items are not to be deleted all at a time. Therefore, based on the suggestions, items with loadings of < 0.40 were deleted one at a time.

Table 5.15A, 5.15B, & 5.15C below show the outer loadings of all items for all variables in initial and modified measurement model. According to these results all outer loadings except the following items: one item related to "*Firm Performance (PF7)*", and one item related "*Financial Control Systems (FCS4)*", and lastly one item related to "*Top-Level Activeness (TLA2)*" were deleted from initial measurement model due to low indicator loadings which were less than 0.4, suggesting their low contribution to measurement of related constructs.

Table 5-15 A: Measurement Model Values for FIBER & Family Commitment

	Item	Initial model loading	Modified model loading	Cronbach's Alpha	CR	AVE
Binding Social Ties	B1	0.789	0.789	0.875	0.909	0.667
	B2	0.804	0.804			
	B3	0.849	0.849			
	B4	0.791	0.791			
	B5	0.847	0.847			
Emotional Attachment	E1	0.715	0.715	0.842	0.887	0.573
	E2	0.812	0.812			
	E3	0.831	0.831			
	E4	0.479	0.479			
	E5	0.807	0.807			
	E6	0.834	0.834			
Family Control and Influence	F1	0.826	0.826	0.902	0.924	0.668
	F2	0.837	0.837			
	F3	0.777	0.777			
	F4	0.841	0.841			
	F5	0.783	0.783			
	F6	0.839	0.839			
Family identification	I1	0.703	0.703	0.835	0.879	0.548
	I2	0.749	0.749			
	I3	0.722	0.722			
	I4	0.687	0.687			
	I5	0.816	0.816			
	I6	0.757	0.757			
Renewal of Family Bonds through Dynastic Succession	R1	0.806	0.806	0.855	0.902	0.698
	R2	0.809	0.809			
	R3	0.863	0.863			
	R4	0.861	0.861			
Family Commitment	FC1	0.874	0.875	0.939	0.95	0.732
	FC2	0.847	0.849			
	FC3	0.814	0.814			
	FC4	0.851	0.851			
	FC5	0.842	0.841			
	FC6	0.871	0.87			
	FC7	0.885	0.886			

Table 5-15 B: Measurement Model Values for Firm Performance

Item Code	Initial Model Loadings	Modified Model Loadings	Cronbach's Alpha	CR	AVE
PF1	0.728	0,728			
PF2	0.706	0.708	0.85	0.886	0.527
PF3	0.772	0.771			
PF4	0.748	0.749			
PF5	0.659	0.661			
PF6	0.772	0.771			
PF7	0.028	delete			
PF8	0.685	0.684			

Table 5-15 C: Measurement Model Values for Professionalization

	Item Code	Initial Model Loadings	Modified Model Loadings	Cronbach's Alpha	CR	AVE
Financial control	FCS1	0.848	0.878			
	FCS2	0.823	0.832	0.783	0.874	0.698
	FCS3	0.78	0.794			
	FSC4	0.249	deleted			
Human resource control	HCS1	0.824	0.826	0.74	0.829	0.503
	HCS2	0.781	0.781			
	HCS3	0.706	0.713			
	HCS4	0.738	0.742			
	HCS5	0.428	0.408			
Decentralization of authority	DOA1	0.722	0.717	0.658	0.813	0.593
	DOA2	0.76	0.761			
	DOA3	0.825	0.828			
Non-family involvement	NFI1	0.821	0.823	0.694	0.813	0.522
	NFI2	0.694	0.694			
	NFI3	0.65	0.648			
	NFI4	0.715	0.715			
Top-level activeness	TLA1	0.695	0.7	0.749	0.833	0.501
	TLA2	0.292	deleted			
	TLA3	0.628	0.632			
	TLA4	0.78	0.786			
	TLA5	0.764	0.763			
	TLA6	0.629	0.645			
Professionalization*	DOA	0.51	0.519	0.845	0.872	0.57
	FCS	0.677	0.679			
	HCS	0.656	0.663			
	NFI	0.686	0.692			
	TLA	0.835	0.838			

**2nd Order construct*

Figure no. 5.2 (see next page) shows all values computed for the measurement model with all indicator loadings except the three items (PF7, FCS4 and TLA2) with low loadings (<0.40) that have been deleted.

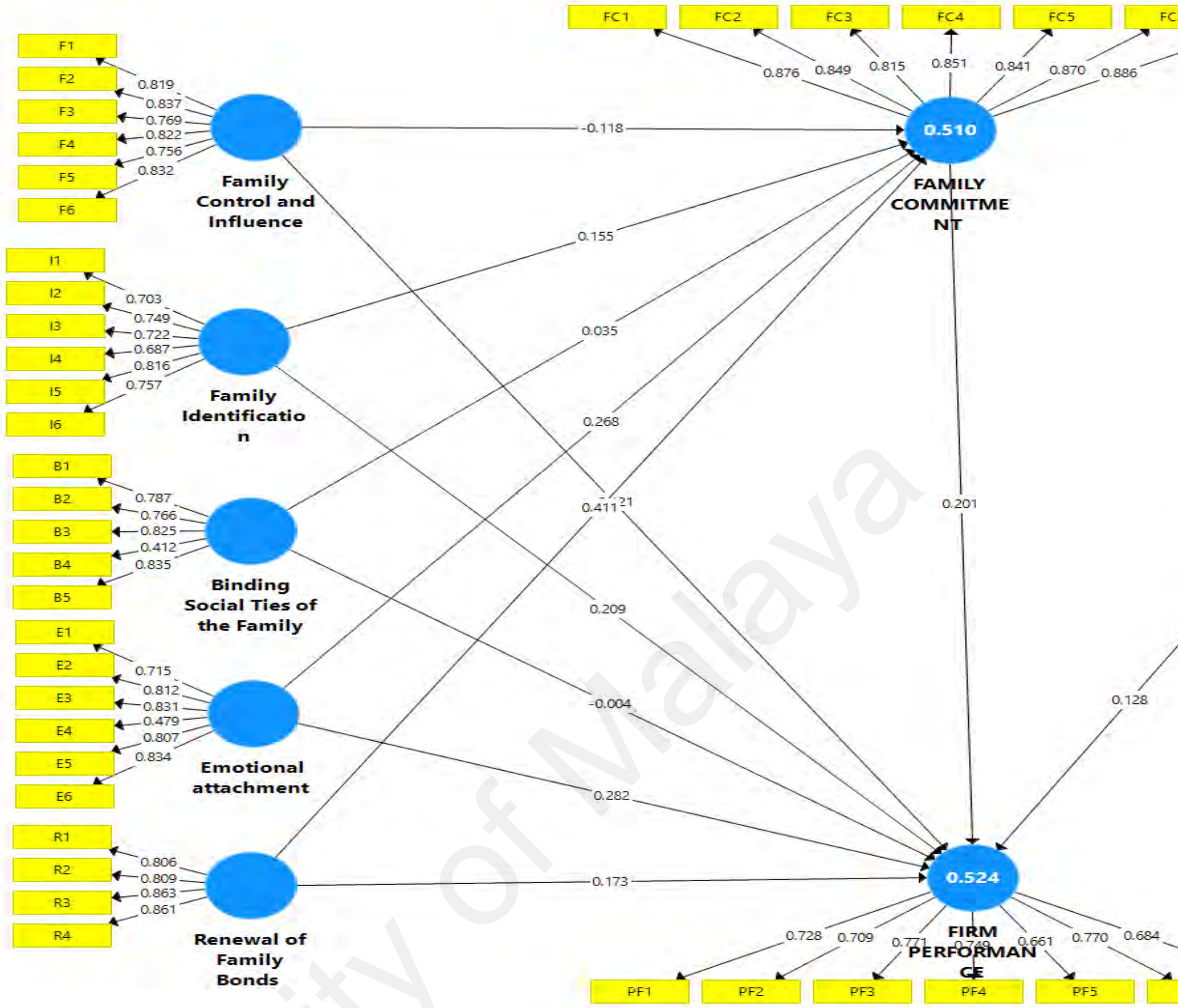


Figure 5-2: Measurement (Outer) Model with Indicator Loadings after Deletion of Items with Indicator Loadings < 0.40

5.7.4 Discriminant Validity

Discriminant validity is defined when a construct is rightly different from other constructs by empirical standards. Thus, establishing discriminant validity proposes that a construct is distinctive and captures phenomena not described by other constructs in the model (Hair et al., 2014). To determine discriminant validity, the following three methods are widely used:

- Fornell and Larcker's (1981) criterion
- Cross Loading criterion
- HTMT (Hetrotrait-Monotrait ratio of correlations) criterion

To establish discriminant validity the square root of the AVE of each construct can be compared with the correlations of this construct to all other constructs. For determining the discriminant validity, the Average Variance Extracted (AVE) values were calculated. The AVE for all variables exceeded the suggested value of 0.50 implying that the variance captured by the construct was significantly greater than that attributable to error. According to Fornell and Larcker's (1981) criterion, the square root of AVE should be greater than the corresponding correlations among the latent constructs. The results shown in Table no. 5.16 confirms that the measurement model has discriminant validity (Chin, 1998).

However, several methodology scholars have criticized the Fornell Larker's (1981) criterion for detecting discriminant validity. As such Henseler, Ringle and Sarstedt (2015) suggested Hetrotrait-Monotrait ratio of criterion (HTMT) as an alternative approach to assess discriminant validity. HTMT is a relatively newer approach to assess discriminant validity in variance-based SEM, and it estimates what would be the true correlation between two constructs if they were perfectly measured (i.e., if they are perfectly reliable with no error). For the purpose of this study, HTMT was also performed for the model to assess discriminant validity.

Hair et al. (2010) suggested that the HTMT value has to be in the range of 0.85 to 0.90, meaning that the two constructs were distinct. Table 5.17 reveals the HTMT values and Table 5.18 displays results using Cross Loadings criterion for all of the constructs in this research. In all three methods, the constructs displayed sufficient discriminant validity.

Table 5-16: Correlation of Latent Variables and Discriminant Validity (Fornell-Larcker Criterion)

	1	2	3	4	5	6	7	8	9	10	11	12
Binding Social Ties of the Family	**0.812**											
Decentralization of authority	0.015	**0.77**										
Emotional attachment	0.492	0.096	**0.812**									
Family commitment	0.407	0.018	0.602	**0.855**								
Firm performance	0.379	-0.015	0.586	0.588	**0.726**							
Family Control and Influence	0.255	0.151	0.341	0.163	0.156	**0.792**						
Family identification	0.493	0.071	0.635	0.525	0.569	0.382	**0.74**					
Financial control	0.176	0.294	0.11	0.084	0.223	0.117	0.204	**0.835**				
Human resource control	0.042	0.196	0.088	0.107	0.204	0.065	0.163	0.321	**0.775**			
Non-family involvement	0.049	0.19	0.135	0.066	0.148	0.231	0.174	0.284	0.284	**0.723**		
Renewal of Family Bonds	0.485	0.051	0.643	0.654	0.586	0.277	0.557	0.156	0.164	0.089	**0.835**	
Top-level activeness	0.045	0.338	0.075	0.048	0.181	0.135	0.15	0.422	0.372	0.524	0.082	**0.708**

Bold numbers are square root of AVE

Table 5-17: Correlation of Latent Constructs and Discriminant Validity (HTMT Method)

	1	2	3	4	5	6	7	8	9	10	11
1. Binding Social Ties of the Family											
2. Decentralization of authority	0.075										
3. Emotional attachment	0.561	0.132									
4. Family commitment	0.433	0.074	0.678								
5. Firm performance	0.437	0.109	0.737	0.651							
6. Family Control and Influence	0.305	0.181	0.341	0.148	0.163						
7. Family identification	0.571	0.101	0.74	0.579	0.662	0.462					
8. Financial control	0.203	0.41	0.131	0.097	0.275	0.177	0.256				
9. Human resource control	0.079	0.292	0.12	0.147	0.264	0.098	0.214	0.415			
10. Non-family involvement	0.112	0.277	0.176	0.11	0.216	0.28	0.236	0.362	0.42		
11. Renewal of Family Bonds	0.522	0.103	0.75	0.726	0.683	0.298	0.655	0.192	0.218	0.135	
12. Top-level activeness	0.101	0.461	0.133	0.1	0.237	0.164	0.206	0.538	0.507	0.696	0.161

The third method; cross loading criterion were also used in this study to evaluate discriminant validity. This method tries to determine that the loading of indicators on assigned latent construct, which should be higher than the loading on all other constructs by row and by column. In other words, the indicators' (items) loading of their own construct should be higher than the loading on other construct. The results in Table 5.18 demonstrated that all the indicators' loadings of assigned latent construct are higher than the cross loading on other constructs (by row and by column). The result indicated that discriminant validity was met.

Table 5-18: Loadings and Cross Loadings of Constructs

	binding social ties of the family	emotional attachment	family control and influence	family identification	renewal of family bonds	family commitment	firm performance	financial control	human resource control	decentralization of authority	non-family involvement	top-level activeness
B1	0.79	0.39	0.28	0.39	0.34	0.31	0.22	0.10	0.01	-0.05	-0.03	-0.03
B2	0.80	0.39	0.18	0.42	0.35	0.27	0.35	0.12	0.04	0.02	0.07	0.01
B3	0.85	0.49	0.24	0.47	0.45	0.37	0.37	0.19	0.04	0.05	0.06	0.06
B4	0.79	0.33	0.22	0.35	0.30	0.27	0.30	0.12	0.03	0.03	0.12	0.10
B5	0.85	0.39	0.22	0.38	0.41	0.39	0.32	0.15	0.06	0.05	0.04	0.07
E1	0.31	0.72	0.26	0.46	0.47	0.39	0.35	0.05	-0.01	0.10	0.04	-0.04
E2	0.39	0.81	0.24	0.52	0.51	0.48	0.51	0.14	0.10	0.03	0.11	0.06
E3	0.43	0.83	0.30	0.57	0.52	0.54	0.52	0.14	0.02	0.06	0.14	0.11
E4	0.23	0.48	0.03	0.25	0.24	0.29	0.45	0.04	0.04	-0.04	0.02	-0.01
E5	0.39	0.81	0.27	0.53	0.59	0.49	0.47	0.03	0.09	0.11	0.11	0.06
E6	0.44	0.83	0.29	0.50	0.54	0.53	0.50	0.08	0.13	0.11	0.13	0.09
F1	0.28	0.32	0.83	0.36	0.27	0.17	0.10	0.11	0.03	0.09	0.13	0.09
F2	0.20	0.30	0.84	0.32	0.24	0.13	0.18	0.13	0.12	0.16	0.24	0.18
F3	0.19	0.18	0.78	0.29	0.21	0.10	0.09	0.16	0.07	0.13	0.22	0.14
F4	0.25	0.22	0.84	0.33	0.19	0.09	0.12	0.10	0.03	0.11	0.17	0.08
F5	0.14	0.20	0.78	0.27	0.14	0.06	0.10	0.12	0.03	0.10	0.19	0.11
F6	0.27	0.26	0.84	0.35	0.24	0.13	0.09	0.08	0.04	0.09	0.16	0.06
I1	0.33	0.39	0.38	0.70	0.37	0.35	0.27	0.16	0.13	0.10	0.13	0.11
I2	0.37	0.49	0.33	0.75	0.42	0.40	0.29	0.12	0.14	0.08	0.08	0.07
I3	0.35	0.41	0.31	0.72	0.40	0.27	0.51	0.18	0.17	0.04	0.20	0.16
I4	0.29	0.42	0.29	0.69	0.34	0.26	0.48	0.20	0.18	0.05	0.20	0.18
I5	0.45	0.53	0.24	0.82	0.47	0.53	0.45	0.14	0.08	0.05	0.09	0.10

I6	0.38	0.54	0.25	0.76	0.45	0.48	0.47	0.12	0.05	0.01	0.09	0.07
R1	0.40	0.48	0.24	0.43	0.81	0.55	0.45	0.10	0.16	0.06	0.11	0.12
R2	0.37	0.54	0.26	0.50	0.81	0.48	0.49	0.18	0.15	0.08	0.12	0.08
R3	0.37	0.54	0.24	0.48	0.86	0.55	0.51	0.15	0.11	-0.01	0.04	0.03
R4	0.39	0.58	0.17	0.45	0.86	0.60	0.51	0.10	0.16	0.05	0.04	0.05
FC1	0.37	0.50	0.15	0.45	0.56	0.88	0.50	0.10	0.11	-0.01	0.10	0.08
FC2	0.30	0.49	0.14	0.44	0.54	0.85	0.44	0.07	0.11	0.08	0.08	0.05
FC3	0.35	0.49	0.08	0.46	0.49	0.81	0.50	0.10	0.12	0.02	0.05	0.03
FC4	0.34	0.52	0.09	0.40	0.56	0.85	0.49	0.09	0.11	0.04	0.04	0.07
FC5	0.29	0.52	0.10	0.45	0.54	0.84	0.51	0.06	0.03	-0.05	0.00	-0.02
FC6	0.33	0.53	0.12	0.47	0.58	0.87	0.51	0.02	0.13	0.01	0.03	0.03
FC7	0.40	0.60	0.18	0.48	0.63	0.89	0.57	0.07	0.08	0.02	0.09	0.04
PF1	0.37	0.50	0.07	0.42	0.48	0.48	0.73	0.16	0.21	0.04	0.13	0.16
PF2	0.24	0.38	0.14	0.42	0.38	0.32	0.71	0.24	0.17	-0.06	0.17	0.12
PF3	0.29	0.44	0.05	0.42	0.40	0.35	0.77	0.19	0.17	-0.09	0.11	0.13
PF4	0.29	0.47	0.14	0.42	0.47	0.46	0.75	0.16	0.13	0.04	0.13	0.20
PF5	0.20	0.44	0.18	0.41	0.35	0.39	0.66	0.15	0.06	0.05	0.12	0.10
PF6	0.29	0.47	0.07	0.40	0.44	0.46	0.77	0.13	0.10	0.00	0.06	0.15
PF8	0.26	0.45	0.11	0.40	0.43	0.49	0.68	0.13	0.09	-0.06	0.05	0.05
FCS1	0.17	0.11	0.10	0.19	0.13	0.09	0.19	0.88	0.35	0.26	0.23	0.40
FCS2	0.14	0.08	0.08	0.13	0.15	0.05	0.22	0.83	0.22	0.28	0.25	0.37
FCS3	0.13	0.09	0.19	0.19	0.11	0.06	0.15	0.79	0.23	0.20	0.23	0.27
HCS1	0.04	0.08	0.05	0.13	0.12	0.06	0.14	0.31	0.83	0.22	0.26	0.31
HCS2	0.07	0.14	0.03	0.12	0.21	0.14	0.23	0.24	0.78	0.15	0.25	0.31
HCS3	0.02	0.02	0.12	0.15	0.10	0.03	0.19	0.23	0.71	0.09	0.16	0.26
HCS4	-0.02	0.02	0.05	0.10	0.08	0.10	0.08	0.21	0.74	0.13	0.21	0.28
HCS5	0.05	0.00	-0.01	0.03	0.10	0.09	-0.06	0.13	0.41	0.06	0.19	0.19
DOA1	-0.01	0.04	0.13	0.05	0.08	0.05	-0.04	0.23	0.19	0.72	0.08	0.16
DOA2	0.03	0.05	0.09	0.03	-0.02	-0.03	0.02	0.23	0.14	0.76	0.19	0.26
DOA3	0.04	0.10	0.11	0.08	0.06	0.03	-0.02	0.22	0.13	0.83	0.17	0.35
NFI1	0.09	0.14	0.19	0.22	0.08	0.11	0.18	0.34	0.24	0.15	0.82	0.52
NFI2	0.05	0.06	0.15	0.07	0.05	0.00	0.04	0.15	0.24	0.10	0.69	0.30
NFI3	0.07	0.13	0.14	0.18	0.10	0.09	0.19	0.11	0.19	0.13	0.65	0.31
NFI4	-0.02	0.04	0.16	0.01	0.02	-0.02	-0.01	0.16	0.19	0.17	0.72	0.34
TLA1	0.11	0.04	0.11	0.11	0.11	0.00	0.19	0.24	0.22	0.23	0.32	0.70
TLA1	0.11	0.04	0.11	0.11	0.11	0.00	0.19	0.24	0.22	0.23	0.32	0.70
TLA3	0.02	0.04	0.08	0.15	0.04	0.02	0.14	0.30	0.20	0.23	0.35	0.63
TLA3	0.02	0.04	0.08	0.15	0.04	0.02	0.14	0.30	0.20	0.23	0.35	0.63
TLA4	0.01	0.14	0.12	0.18	0.20	0.16	0.13	0.36	0.35	0.28	0.46	0.79

5.8 Assessing the Structural Model

Following the procedures shown earlier in Figure 5.1, the steps recommended by Hair et al., (2017) for evaluating the structural (inner) model. The first step is to address issues related to lateral collinearity. According to Kock and Lynn (2012), although the criteria for discriminant validity (vertical collinearity) are met, lateral collinearity issues (predictor-criterion collinearity) also referred to as multi-colinearity may sometimes mislead the findings because it often masks the strong causal effect in the model. Thereafter, the following criterion (Table 5.19) are assessed to evaluate the structural model.

Table 5-19: Criterion for Assessing Structural Model

Criterion	Description
Endogenous latent variables R^2 values	• According to Chin (1998, p.323), for endogenous latent variable in the inner path model R^2 values of 0.67, 0.33, 0.19 are termed as substantial, moderate, weak by Chin (1998, p.323)
Effect Size f^2	• $f^2 = (R^2\ included - R^2 excluded)/(1-R^2 included)$: *values of 0.02*, 0.15 and 0.35 can be viewed as a gauge for whether a predictor latent variable has a weak, medium or large effect at the structural level.
Path coefficient estimates	• The estimated values for path relationships in the structural model should be evaluated in terms of sign, magnitude and significance (the later via bootstrapping)

Source: Henseler et al (2009)

5.8.1 Multicollinearity Analysis

Multicollinearity occurs when two or more variables are not independent, which is a matter of degree and is identifiable. With the presence of multicollinearity, there will be issues in understanding the pure effect of each independent variable in explaining the variance in the dependent variable. As a rule, it is suggested that two variables with a bivariate correlation in the middle 0.8s or higher must not be useful in the same analysis (Tabachnick et al., 2007).

Variance Inflation Factors (VIFs) are typically used to measure the influence of multicollinearity. Two endogenous variables were applied in this research and as shown in table 5.20, for the first endogenous variables (Family Commitment) the highest VIF was 2.155 and for second endogenous variables (Firm Performance) the highest VIF was 2.303, which were far below the cut-off of 5.0 (Hair et al., 2017), and also below the conservative cut-off of value of 3.3 (Diamantopolous and Sigauw, 2006).

Table 5-20: Collinearity Assessment based on VIF

	Family Commitment	Firm Performance
Binding Social Ties of the Family	1.467	1.470
Emotional attachment	2.155	2.303
Family commitment	-----	2.045
Family Control and Influence	1.201	1.250
Family identification	1.991	2.079
Renewal of Family Bonds	1.858	2.212
Professionalization		1.077

As shown below in Table 5.21, the correlation coefficients among all exogenous constructs in this study were also evaluated, and were found to be less than 0.8 in all cases indicating that multicollinearity was not an issue in this case.

Table 5-21: Multicollinearity Test based on Correlation Coefficients

	F	I	B	E	R	FC
F	1					
I	.404**	1				
B	.273**	.488**	1			
E	.295**	.618**	.481**	1		
R	.263**	.553**	.452**	.636**	1	
FC	.139**	.512**	.394**	.601**	.651**	1

F: Family Control and Influence, I: Family Identification, B: Binding Social Ties of the Family, E: Emotional Attachment, R: Renewal of Family Bonds, FC: Family Commitment

5.8.2 Path Analysis

Path analysis is a statistical method based on linear regression and is a powerful way to examine all of the complex relationships simultaneously (Tabachnick and Fidel, 2001). The structural model can be evaluated by examining the relationships among the research constructs. The structural model provides details on the relations between the variables and illustrates the specific information of the relationship between the independent or exogenous variables and dependent or endogenous variables (Hair et al., 2006; Ho, 2006). Evaluation of the structural model focuses firstly on the overall model fit, followed by the size, direction and significance of the hypothesized parameter estimates, (Hair, et al., 2006).

The research framework in this study also includes one mediator and two moderators. The moderating effect of the continuous scale moderator (professionalization) may be tested as an interaction term between independent variables and the moderator, while for the categorical moderator (generation in charge), multiple group analysis for testing of moderating effect may be deployed. By considering mediation it is possible to study the direct effects of one or more variables on another variable, and the indirect effect of variables by mediation of variables set in path analysis model. The final part involved the confirmation of proposed relationship of the study based on the research hypotheses shown in table 5-22.

Table 5-22: List of Hypotheses and Relative Paths

Hypothesis	Path
H-1: Higher degrees of 'family control and influence' will lead to lower levels of 'family commitment'.	F------> FC
H-2: Higher degrees of 'family identification' will lead to higher degrees of 'family commitment.	I------> FC
H-3: Higher degrees of 'binding social ties' will lead to higher degrees of 'family commitment'.	B------> FC
H-4: Higher degrees of 'emotional attachment' will lead to higher degrees of 'family commitment'.	E------> FC
H-5: Higher degrees of emphasis on 'renewal of family bonds through dynastic succession' will lead to higher degrees of 'family commitment'.	R------> FC
H-6: Higher levels of family commitment will lead to higher levels of firm performance.	FC------> PF
H-7-a: Family commitment mediates the relationship between family control & influence and firm performance.	F---> FC---> PF
H-7b: Family commitment mediates the relationship between family identification and firm performance.	I---> FC---> PF
H-7c: Family commitment mediates the relationship between binding social ties and firm performance.	B---> FC---> PF
H-7d: Family commitment mediates the relationship between emotional attachment and firm performance.	E---> FC---> PF
H7-e: Family commitment mediates the relationship between renewal of family bonds through dynastic succession and firm performance.	R---> FC---> PF
H-8-a: Family generation in charge moderates the relationship between family control & influence and family commitment.	Gen F-----------------> FC
H-8-b: Family generation in charge moderates the relationship between family identification and family commitment.	Gen I-----------------> FC
H-8-c: Family generation in charge moderates the relationship between binding social ties and family commitment.	Gen B-----------------> FC
H-8-d: Family generation in charge moderates the relationship between emotional attachment and family commitment.	Gen E------------------> FC
H-8-e: Family generation in charge moderates the relationship between renewal of family bonds through dynastic succession and family commitment.	Gen R-----------------> FC
H-9: Professionalization moderates the relationship between family commitment and firm performance.	Profn. FC----------------> PF

The software SmartPLS (v.3.2) was used to test the research hypotheses. According to the research framework in the first model the effects of all five FIBER dimensions socioemotional wealth (SEW), including family control and influence, family identification, binding social ties of the family, emotional attachment and renewal of family bonds on family commitment as well as the effect of family commitment on firm performance were evaluated. Furthermore, the mediating effect of family commitment in the relationship between socioemotional wealth (SEW) and firm performance was evaluated, and Figure 5.3 shows the path model with standardized β-values and p-values (after deleting items with low indicator loadings).

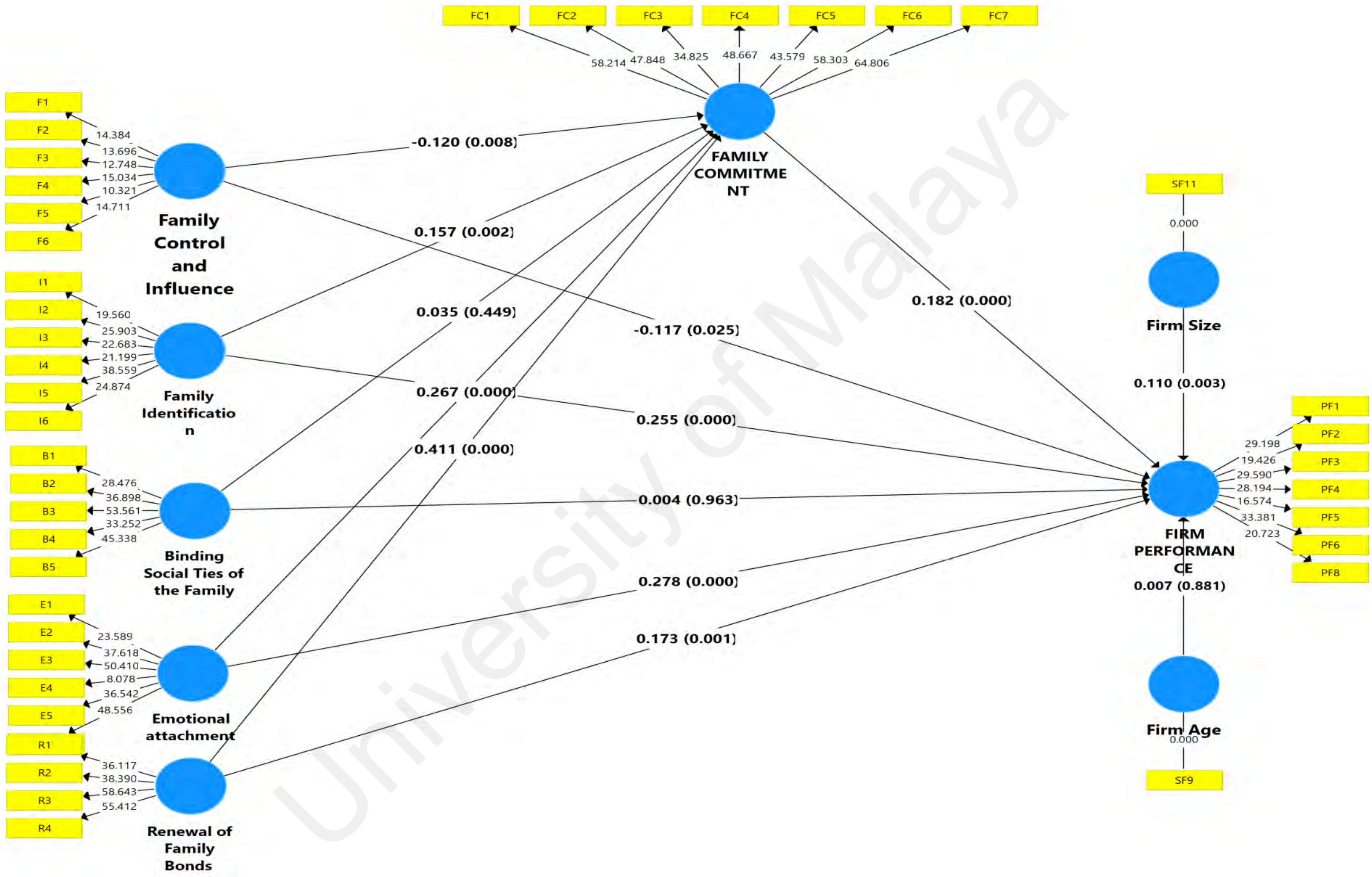


Figure 5-3: Path Model with Standardized Path Coefficients & p-values

Bootstrapping approach was used to evaluate the significance of the proposed research hypotheses for the path model. Bootstrapping includes the random re-sampling of the original dataset to generate new samples of the same size as the original dataset. This technique tests not only the reliability of the dataset but also assessing the statistical significance of these coefficients and subsequently the error of the estimated path coefficients (Chin, 1998). In bootstrapping procedure, a large number of subsamples (e.g., 5,000) are taken from the original sample with replacement to determine bootstrap standard errors, which in turn gives approximate t-values for significance testing of the structural path (Wong, 2013). As shown in Figure 5.3 the standardized path coefficients (β-values) and significance of the paths (p-values) were computed, and also the values of R^2 for each endogenous construct were determined.

The result of boot strapping method has been shown in Table 5.23 (below), where it demonstrates t-values, p-values along with confidence intervals (CI) for each path. According to the results, the effect of all the five (5) FIBER dimensions of SEW (*except binding social ties of the family*) on family commitment were statistically significant (referred to as **path a**). According to these results the effect of *family control and influence* on family commitment was negative and significant ($\beta = -0.120$, $p = 0.008$). Similarly, *emotional attachment of the family* had a positive and significant impact ($\beta = 0.267$, $p < 0.001$) on family commitment. The results also showed that both *family identification* ($\beta = 0.157$, $p = 0.002$) and *renewal of family bonds through dynastic succession* ($\beta = 0.411$, $p < 0.001$) had positive and significant impact on family commitment. As mentioned earlier, only in the case of one of the FIBER dimensions of SEW; *binding social ties of the family* ($\beta = 0.035$, $p = 0.449$) the results indicated a positive but a statistically non-significant effect on family commitment.

Results of bootstrapping also indicated that family commitment had a positive and significant ($\beta = 0.182$, $p < 0.001$) impact on firm performance (referred to as **path b**).

Finally, the bootstrapping results also showed that the direct effect (referred to as **path c**) of all the FIBER dimensions of SEW (except for *binding social ties of the family*) on firm performance are statistically significant. Therefore, effect of family control and influence on firm performance was negative and significant ($\beta = - 0.117$, $p = 0.025$), while emotional attachment of the family also had a positive and significant ($\beta = 0.278$, $p < 0.001$) impact on firm performance. Similarly, results showed that both family identification ($\beta = 0.255$, $p < 0.001$) and renewal of family bonds through dynastic succession ($\beta = 0.173$, $p = 0.001$) had a positive and significant effect on firm performance. Only in the case of binding social ties of the family ($\beta = 0.004$, $p = 0.963$) do we observe statistically non-significant impact on firm performance.

Furthermore, it needs to be mentioned that in all the three paths (a, b, & c), none of the values of Confidence Intervals (CI) straddled "zero" values except in the case of '*binding social ties*' to '*family commitment*' and '*binding social ties*' to '*firm performance*', thus confirming that both these paths were statistically non-significant, while the remaining paths were significant. Table 5.23 shows all the values computed through bootstrapping using 5000 subsamples based on suggestion by Wong (2013).

Table 5-23: Results of Bootstrapping (using 5000 subsamples)

	β	SE	t-value	p-value	95%CI LB	95%CI UB
Path 'a'						
B -> FC	0.035	0.046	0.7571	0.449	-0.04	0.111
E -> FC	0.267	0.055	4.857	<0.001	0.176	0.356
F -> FC	-0.120	0.045	2.647	0.008	-0.193	-0.043
I -> FC	0.157	0.05	3.124	0.002	0.072	0.238
R -> FC	0.411	0.047	8.740	<0.001	0.332	0.493
Path 'b'						
FC -> FP	0.182	0.050	3.618	<0.001	0.107	0.278
Path 'c'						
B -> FP	0.004	0.082	0.046	0.963	-0.111	0.167
E -> FP	0.278	0.053	5.211	<0.001	0.184	0.357
F -> FP	-0.117	0.052	2.247	0.025	-0.196	-0.025
I -> FP	0.255	0.056	4.553	<0.001	0.131	0.32
R -> FP	0.173	0.053	2.997	0.001	0.091	0.265
Control Variables						
Firm Age -> FP	0.007	0.049	0.150	0.881	-0.192	0.175
Firm Size -> FP	0.110	0.037	2.997	0.003	0.112	0.422

Significant at $p < 0.05$

F: Family Control and Influence, I: Family identification, B: Binding Social Ties of the Family, E: Emotional Attachment, R: Renewal of Family Bonds, FC: Family Commitment, FP: Firm Performance

5.8.2.1 Coefficient of Determination (R^2)

The R^2 value shows the amount of variance in dependent variables that is explained by the independent variables (Hair et al., 2017). Thus, a larger R^2 value increases the predictive ability of the structural model. In this study, Smart-PLS algorithm function is used to obtain the R^2 values. As shown in Table 5.24, the R^2 for family commitment in this model was 0.511 that indicated 51.1% of variation in family commitment could be explained by the five FIBER dimensions of socioemotional wealth (SEW). The R^2 for firm performance in the model was 0.523, which means 52.3% of variations in firm performance can be explained by socioemotional wealth (SEW) components and family commitment.

Table 5-24: Coefficient of Determination (R^2)

Endogenous Latent Variable	R^2	Adj R^2
Family Commitment	0.511	0.504
Firm Performance	0.523	0.512

Chin (1998) suggests that R^2 values of 0.67, 0.33, 0.19, respectively represent substantial, moderate and weak levels of predictive accuracy. While Hair et al. (2017) suggest R^2 values of 0.75 (substantial), 0.50 (moderate), and 0.25 (weak). Therefore, based on both the benchmarks, the coefficient of determination appears to be moderate.

5.8.2.2 Effect Size (f^2)

The change in the R^2 value while a particular independent construct is eliminated from the model can be used to evaluate whether the omitted construct has a basic influence on the dependent constructs. This measure indicates the f^2 or effect size (Cohen, 1988). The calculation of the effect size is as below:

$$f^2 = \frac{R^2_{\text{included}} - R^2_{\text{excluded}}}{1 - R^2_{\text{included}}}$$

Recommended guidelines for assessing effect size are: $f^2 \geq 0.02$, $f^2 \geq 0.15$ and $f^2 \geq 0.35$, respectively representing small, medium and large effects size of exogenous construct (Cohen, 1988). According to Table 5.25 the result of f^2 indicated that effect size of all exogenous constructs for family commitment indicate small effect size except for renewal of family bonds through dynastic succession with $f^2 = 0.186$, which is considered as medium effect size. For firm performance the highest effect size belonged to emotional attachment with ($f^2 = 0.070$) and family identification ($f^2 = 0.065$) ranging between small and medium effect size.

Table 5-25: Results of Effect Size f^2 for both Endogenous Variables

Exogenous constructs	**Family Commitment**	**Firm Performance**
Binding social ties of the family	0.002	0
Emotional attachment	0.068	0.070
Family commitment	-	0.034
Family control and influence	0.024	0.023
Family identification	0.025	0.065
Renewal of family bonds	0.186	0.028
Firm Age	-	0
Firm Size	-	0.019

5.8.2.3 Predictive Relevance (Q²) of Structural Model

An important aspect of a structural model is its capability to determine the predictive relevance of the model. Stone and Geisser's Q^2 (Geisser, 1975; Stone, 1974) are often used to assess predictive relevance. Blindfolding procedure (Chin, 2010) was employed to establish cross-validated redundancy measures for each construct. The results (Table 5.26) revealed that the Q^2 values of family commitment with value (0.351) and Q^2 values of firm performance with value (0.250) both are larger than zero, indicating that the independent constructs have predictive relevance for the both endogenous constructs under consideration in this study (Hair et al., 2017).

Table 5-26: Results of Predictive Relevance (Q^2)

Endogenous Latent Variable	Q^2
Family Commitment	0.351
Firm Performance	0.250

Based on the results presented in the preceding sections, the following summary of the first six primary hypotheses (**H-1** to **H-6**) related to the structural model are displayed in Table 5.27 below:

Table 5-27: Summary of Results of Six Primary Hypotheses

Hypotheses	Relationship	Std. Beta	Std. Error	t-value	Decision	R^2	f^2	Q^2
H-1	F➔FC	-0.12	0.045	2.647	Supported	0.511	0.024	0.347
H-2	I ➔ FC	0.157	0.05	3.124	Supported		0.025	
H-3	B➔FC	0.035	0.046	0.757	Not Supported		0.002	
H-4	E➔FC	0.267	0.055	4.857	Supported		0.061	
H-5	R➔FC	0.411	0.048	8.740	Supported		0.186	
H-6	FC➔FP	0.182	0.047	3.618	Supported	0.523	0.034	0.241

F: Family Control and Influence, I: Family identification, B: Binding Social Ties of the Family,
E: Emotional Attachment, R: Renewal of Family Bonds, FC: Family Commitment,
FP: Firm Performance

5.9 Test of Mediation

Mediation analyses are employed to understand a known relationship by exploring the underlying mechanism or process by which one variable influences another variable through an intervening variable (Cohen et al., 2003). Mediation analysis facilitates a better understanding of the relationship between the independent and dependent variables when the variables appear to not have a definite connection (Hayes, Slater and Snyder, 2008).

Empirical studies in the past followed mediation analysis based on the 4-step process recommended by Baron and Kenny (1986). This approach was later criticized by methodology scholars for various shortcomings such as method does not measure the magnitude and mediation effect, nor does it accommodate models with inconsistent mediation (MacKinnon et al., 2000; Preacher and Hayes, 2008; Rungtusanatham et al., 2014). Furthermore, several contemporary scholars have argued that the direct effect does not have to be significant while testing for mediation (Hayes, 2013; Zhao, Lynch, and Chen, 2010), because for small sample sizes or for extraneous factors (e.g., moderation) or there may not be enough power to test the effect that actually exists.

The other commonly applied method is the Sobel's Test (Sobel, 1982), however, Hair et al. (2017) and Preacher and Hayes (2012) do not recommend using this method either. Hayes and Rockwood (2017) argue that what matters in mediation analysis is the indirect effect. Therefore, the most suitable mediation analysis method is called "bootstrapping the indirect effect" (Preacher and Hayes, 2004; 2008). The authors point out that the indirect effect in the path a*b (See figure 5.4) will not be normally distributed even if a and b are normally distributed, and since the online Sobel's Test is based on normal distribution, the results are likely to lead to wrong conclusions. Therefore, the bootstrapping (a non-parametric resampling procedure) has been recognized as the most powerful and rigorous method for determining mediation effect (Hayes, 2009; Hayes and Rockwood, 2017).

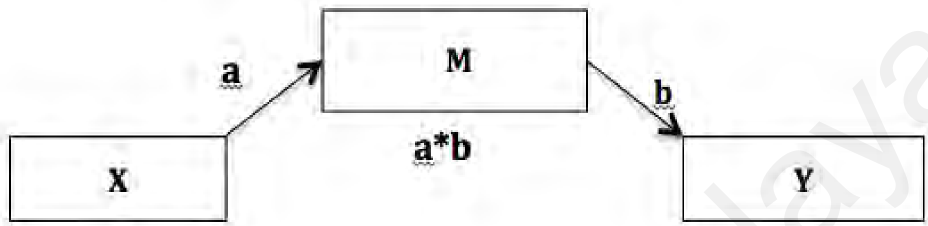


Figure 5.4: Bootstrapping for the Indirect Effect for Mediation Analysis (Hayes, 2009)

Mediation analysis was done based on to Hair et al.'s (2017) suggestions, and Table 5.28 represents the indirect effect of family commitment on the relationships between the five (5) FIBER components of SEW and firm performance using bootstrapping. According to these results, family commitment significantly mediated the relationship between family control and influence and firm performance (β_{ab} = - 0.023, p = 0.023). The relationship between family identification and firm performance also was significantly mediated through family commitment (β_{ab} = 0.031, p = 0.01), and similarly the relationship between emotional attachment and firm performance was significantly mediated through family commitment (β_{ab} = 0.052, p = 0.001).

Only in the case of one component of SEW (i.e., *binding social ties of the family*), it appears that family commitment <u>does not mediate</u> the relationship between binding social ties of the family and firm performance (β_{ab} = 0.007, p = 0.236). All paths were considered significant at p-values < 0.05.

Furthermore, the value of VAF (Variance Accounted For), the highest mediation was reported in case of '*renewal of family bonds through dynastic succession*' (VAF= 30.65%) followed by '*family control and influence*' (17.16%), which can be interpreted as mediation (Hair et al., 2017).

Table 5-28: Test of Indirect Effects using Bootstrapping

Path	a*b	SE	t value	p value	VAF%	95%CI	
						LB	UP
B---> FC---> FP	0.007	0.009	0.718	0.236	-	-0.008	0.023
E---> FC---> FP	0.052	0.017	3.157	0.001	16.11	0.027	0.080
F---> FC---> FP	-0.023	0.012	2.005	0.023	17.16	-0.044	-0.006
I---> FC---> FP	0.031	0.013	2.318	0.01	11.74	0.011	0.054
R---> FC---> FP	0.080	0.022	3.673	<0.001	30.65	0.044	0.116

Significant at p < 0.05

F: Family Control and Influence, I: Family identification, B: Binding Social Ties of the Family, E: Emotional Attachment, R: Renewal of Family Bonds, FC: Family Commitment, FP: Firm Performance

The results of *Total Effect*, *Direct Effect* and *Indirect Effect*; are also presented in the table 5.29 below. According to these results it was found that both direct and indirect effect of the FIBER components of SEW components (except *binding social ties of the family*) on firm performance were statistically significant. Therefore, it may be asserted that <u>family commitment</u> mediates the relationship between <u>four out of five dimensions of SEW</u> (*family control and influence, family identification, emotional attachment of the family* and *renewal of family bonds through dynastic succession*) and <u>firm performance</u>.

Table 5-29: Total, Direct and Indirect Effects for Mediation Analysis

Path	Total Effect	Direct Effect	Indirect Effect	Results
B---> FC--->FP	0.0013 (p=0.436)	0.007 (p=0.469)	0.007 (p=0.236)	No Mediation
E---> FC---> FP	0.326 (p<0.001)	0.267 (p<0.001)	0.052 (p=0.001)	Partial Mediation
F---> FC---> FP	-0.135 (p=0.005)	-0.111 (p=0.0171)	-0.023 (p=0.023)	Partial Mediation
I---> FC---> FP	0.263 (p<0.001)	0.233 (p<0.001)	0.031 (p=0.01)	Partial Mediation
R---> FC--->FP	0.261 (p<0.001)	0.181 (p<0.001)	0.080 (p<0.001)	Partial Mediation

Significant at p < 0.05

F: Family Control and Influence, I: Family identification, B: Binding Social Ties of the Family,
E: Emotional Attachment, R: Renewal of Family Bonds, FC: Family Commitment, FP: Firm Performance

5.10 Multi-Group Analysis for Moderating Effect of Generation-in-Charge (*Categorical Variable*)

The research model under study, hypothesizes that the relationships between the Five (5) FIBER dimensions of SEW and family commitment are moderated by family generation-in-charge of the firm. As explained in chapter-4, this proposed moderating variable is measured as a categorical dummy variable, where it is treated as such that when data reveals that the founder of the company is still in control the number '1' is assigned to it, while if the subsequent generation of family members are in control then the number '2' is assigned. Fortunately, the data revealed that the ratio of founder to next generation of family-managers was fairly proportionate; 54.3% to 45.7%, which allows a reasonable comparison between both groups.

Therefore to test the moderating effect of generation-in-charge (i.e., founder-generation and subsequent-generation) and comparing the path weight between the two generations, partial least squares multi-group analysis (PLS-MGA) was used to test the moderating effect of generation-in-charge. This method is a non-parametric significance test for the difference of group-specific results based on bootstrapping results. The result will be significant at the 5% probability of error level, if the p-value is smaller than 0.05 or larger than 0.95 for a certain difference of group-specific path coefficients. The PLS-MGA method (Henseler et al., 2009), as implemented in SmartPLS, is an extension of the original nonparametric Henseler's MGA method. Henseler et al. (2016) suggest that before applying MGA, it is recommended to do examine the measurement invariance, which is discussed in the next sub-section.

5.10.1 Measurement of Invariance

Measuring invariance is an important issue when conducting PLS-SEM multi-group analyses (MGA). The study by Henseler et al. (2016) introduces a procedure to assess measurement invariance of composite models (MICOM). The MICOM test procedure is aimed to establish whether the measurement of the (outer) model is the same between groups. The indicators in the outer model determine the meaning of the constructs in the structural (inner) model, so that a lack of measurement invariance would suggest that the same constructs had significant differences in the different groups under analysis (Garson, 2016; Henseler et al., 2016).

However, if the composites of the different groups under analysis were almost identical and each group in the structural model obtained the same coefficients, it would be more precise to group the data together rather than perform a MGA. The MICOM process, performed with SmartPLS 3.2 software was generated through 5000 permutations (Ringle et al., 2018). The results of permutation analysis indicated that the measurement model in both groups (i.e., founder and subsequent generation) were not statistically different. In this study, the SmartPLS 3.2 software automatically established the configural invariance (step 1) (Garson, 2016). In step 2, the composite or measured invariance was analyzed, where all the 'C-values' in the original data are within the confidence interval; which is not significantly different from 1, assuming the compositional invariance of this model. Step 3 evaluates the equality of means and cross-group variances. In these analyses, the differences between the measures and the variances of the composite also were not significant (results shown in Table 5.30).

Table 5-30: MICOM results of the Model between Generations (Founder & Next)

Composite	**C-value (C1)**	**95% confidence interval**	**Compositional Invariance?**
Binding Social Ties of the Family	0.993	[0.983-1]	Yes
Emotional attachment	0.998	[0.995-1]	Yes
Family commitment	1	[1-1]	Yes
Family Control and Influence	0.939	[0.759-1]	Yes
Family identification	0.997	[0.993-1]	Yes
Renewal of Family Bonds	0.999	[0.998-1]	Yes
Composite (Step 3a)	**Mean - Original Difference (F - N)**	**95% confidence interval**	**Equal Mean Values?**
Binding Social Ties of the Family	-0.209	[-0.221-0.208]	Yes
Emotional attachment	-0.176	[-0.226-0.196]	Yes
Family commitment	0.068	[-0.229-0.203]	Yes
Family Control and Influence	-0.139	[-0.22-0.211]	Yes
Family identification	-0.203	[-0.234-0.209]	Yes
Renewal of Family Bonds	0.053	[-0.23-0.21]	Yes
Composite (Step 3b)	**Variance - Original Difference (F - N)**	**95% confidence interval**	**Equal Variances?**
Binding Social Ties of the Family	0.003	[-0.375-0.373]	Yes
Emotional attachment	0.006	[-0.355-0.305]	Yes
Family commitment	-0.208	[-0.36-0.341]	Yes
Family Control and Influence	-0.005	[-0.299-0.257]	Yes
Family identification	-0.161	[-0.357-0.365]	Yes
Renewal of Family Bonds	-0.208	[-0.26-0.254]	Yes

5.10.2 Path Model for Founder-Generation

The structural model was evaluated to observe impact of founder-generation on the relationships between FIBER components of SEW and family commitment, presented below in Figure 5.5.

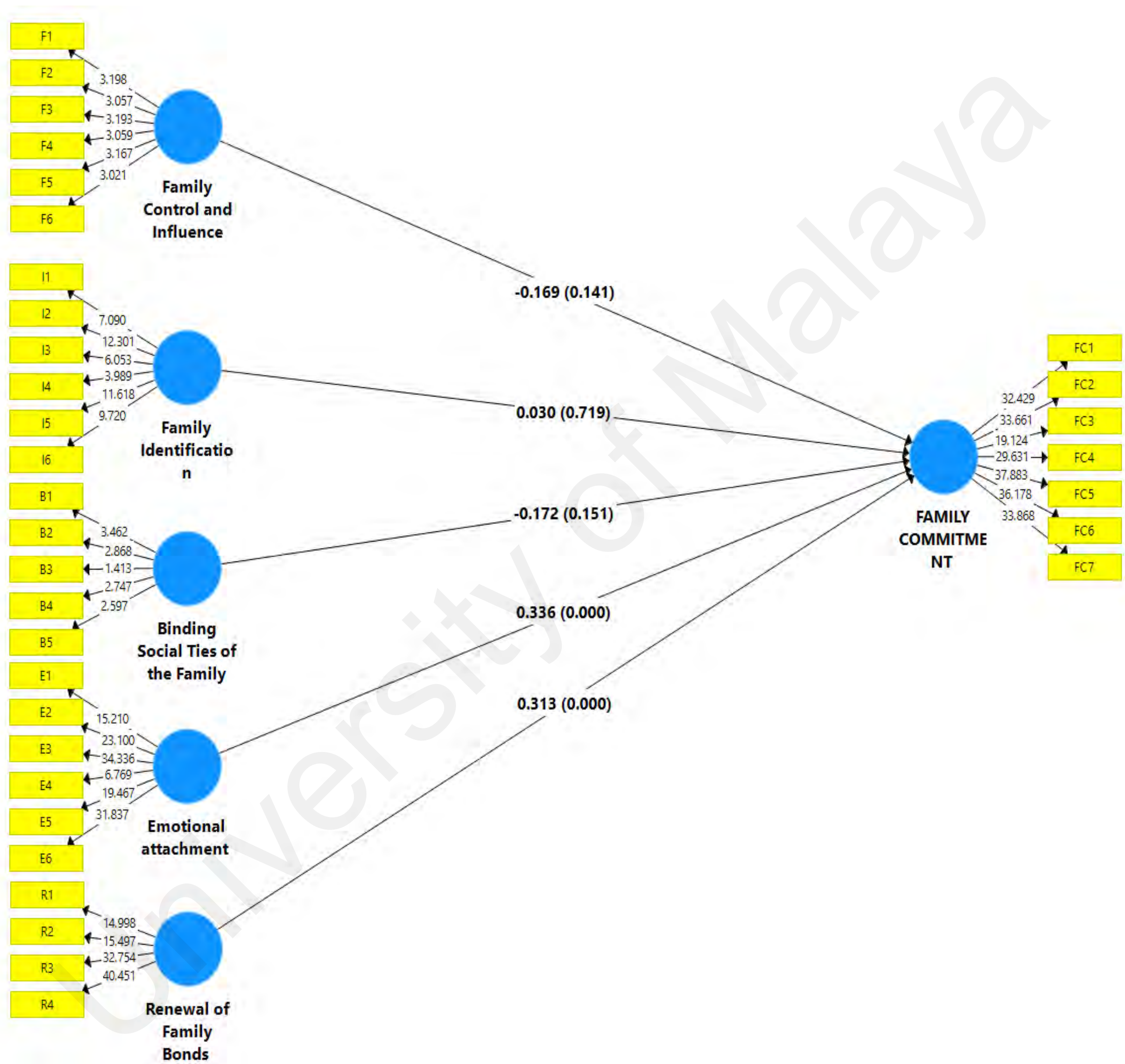


Figure 5-5: Path Model for Founder-Generation

The results of boot strapping method (see Table 5.31), demonstrates t-value and p-value for each path, along with confidence intervals (CI). All structural model relationships would be considered significant for founder-generation based on a maximum p-value = 0.05. In this model among the five (5) FIBER components of SEW, only two components were found to be statistically significant. The results indicate that the effect of *emotional attachment of family* on family commitment was positive and significant (β = 0.336, p < 0.001), and similarly *renewal of family bonds through dynastic succession* (β = 0.313, p < 0.001) also indicated a positive and significant effect on family commitment. However, the other three components; binding social ties of the family (β = -0.172, p = 0.151), family control and influence (β = -0.169, p = 0.141) and family identification (β = 0.030, p = 0.719) show statistically non-significant effect on family commitment. The R^2 value for family commitment in this model was 0.319, meaning that 31.9% of family commitment could be explained by SEW components in the case of founder-generation being in control of the firm.

Table 5-31: Test of the total effects using bootstrapping for Founder-Generation

Path	**β**	**SE**	**t-Value**	**p-Value**	95%CI	
					LB	**LB**
B -> FC	-0.172	0.12	1.435	0.151	-0.333	0.102
E -> FC	0.336	0.081	4.155	<0.001	0.18	0.5
F -> FC	-0.169	0.115	1.472	0.141	-0.378	0.064
I -> FC	0.03	0.084	0.36	0.719	-0.11	0.22
R -> FC	0.313	0.087	3.608	<0.001	0.142	0.486

Significant at p < 0.05

F: Family Control and Influence, I: Family identification, B: Binding Social Ties of the Family,
E: Emotional Attachment, R: Renewal of Family Bonds, FC: Family Commitment

5.10.3 Path Model for Subsequent-Generation

The structural model was evaluated to observe the impact of subsequent-generation on the relationships among the five (5) FIBER components of SEW and family commitment, presented in Figure 5.6.

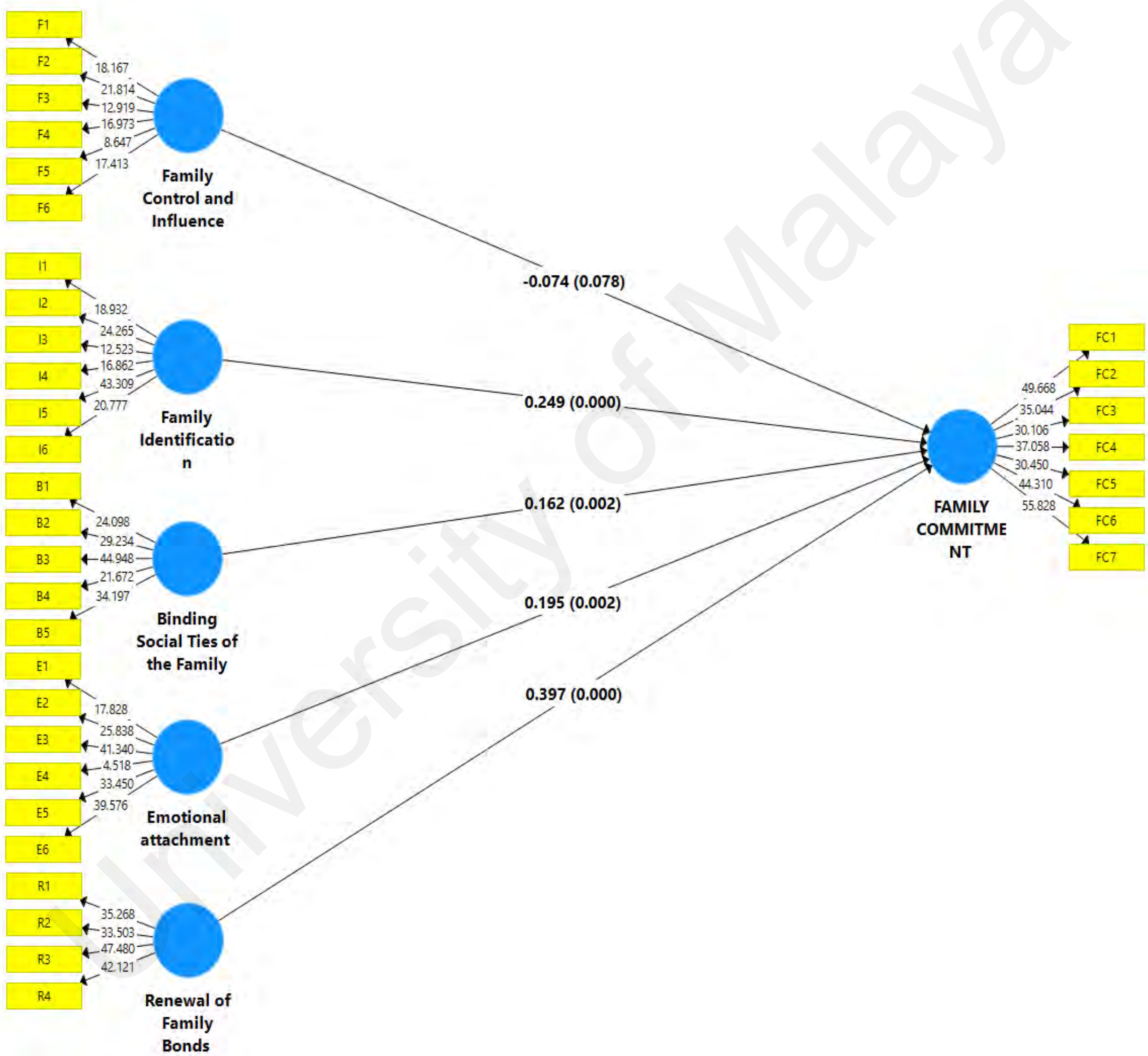


Figure 5-6: Path Model for Subsequent-Generation

The results of boot strapping method (see Table 5.32) demonstrate p-value and t-value for each path, along with confidence intervals (CI). All structural model relationships would be considered significant for subsequent-generation based on a maximum p-value = 0.05. In this model among all the five (5) components of SEW, four paths were found significant and only one component was found to be statistically non-significant, unlike the founder-generation where three components appear to be non-significant.

According to the results, the effect of '*binding social ties of the family*' on family commitment was positive and significant (β = 0.162, p = 0.002), and so was the case for '*emotional attachment of the family*' showing positive and significant impact on family commitment (β = 0.195, p = 0.002). Similarly, *family identification* (β = 0.249, p < 0.001) and *renewal of family bonds through dynastic succession* (β = 0.397, p < 0.001) also had a positive and significant effect on family commitment.

However, only in the case of *family control and influence* (β = -0.074, p = 0.078), the results indicated that the effect of this dimension of SEW on family commitment was non-significant, when the firm control was in the hands of subsequent generation of family-managers. The R^2 value for family commitment in this model was 0.680 indicating that 68% of family commitment could be explained by the five (5) FIBER components of SEW in the case of subsequent-generation being in charge of the firm.

Table 5-32: Test of the Total Effects using Bootstrapping for Subsequent-Generation

Path	β	SE	t-Value	p-Value	95%CI	
					LB	UB
B -> FC	0.162	0.053	3.061	0.002	0.052	0.26
E -> FC	0.195	0.063	3.082	0.002	0.072	0.32
F -> FC	-0.074	0.042	1.761	0.078	-0.153	0.011
I -> FC	0.249	0.054	4.653	<0.001	0.137	0.348
R -> FC	0.397	0.05	7.995	<0.001	0.304	0.499

Significant at $p < 0.05$

F: Family Control and Influence, I: Family identification, B: Binding Social Ties of the Family,
E: Emotional Attachment, R: Renewal of Family Bonds, FC: Family Commitment

5.10.4 Path Model Comparison between Founder and Subsequent Generations

In multi-group comparison differences in path coefficients between sub-samples are interpreted as moderating effects (Henseler et al., 2016). The moderating effect was tested using a t-test with pooled standard errors (Table 5.33). This method is described as the parametric approach differences between the paths estimators that are tested for significance with a t-test. (Chin, 2010). In the context of this study, based on suggestion of Chin (2000; 2010), these structural differences can, furthermore, be tested for significance with pair-wise t-tests using following formula.

$$t = \frac{Path_{sample1} - Path_{sample2}}{\sqrt{s.e._{sample1}^{2} + s.e._{sample2}^{2}}}$$

Which:

Path $_{Sample}$: original sample estimate for the path coefficient in both sub-samples respectively

s-e:$_{Sample}$: standard error of the path coefficient in both sub-samples respectively The degrees of freedom (df) of the t-test's would then have to be computed as follows.

$$df = \frac{\left(s.e._{sample1}^{2} + s.e._{sample2}^{2}\right)^{2}}{\left(\frac{s.e._{sample1}^{2}}{m+1} + \frac{s.e._{sample2}^{2}}{n+1}\right)} - 2$$

Investigation of the path weight and significance level for each structural weight was done using multi-group analysis (MGA). The results of model comparison for latent variables constraint showed that only two paths: relationship between *binding social ties of the family* with family commitment and the relationship between *family identification* with family commitment were significantly different between the founder-generation and subsequent-generation. In other words, category of generation-in-charge significantly moderated the above two relationships (B->FC & I->FC) only and both path coefficients were observed to be higher among subsequent-generation compared to the founder-generation.

Table 5-33: Comparison between Standardized Structural Weights for both Groups

Path	Path Coefficients-diff. (| founder - next |)	t-value	p-value
B -> FC	0.334	2.902	0.004
E -> FC	0.141	1.378	0.169
F -> FC	0.095	0.895	0.372
I -> FC	0.219	2.263	0.024
R -> FC	0.084	0.914	0.361

Significant at $p < 0.05$

F: Family Control and Influence, I: Family identification, B: Binding Social Ties of the Family, E: Emotional Attachment, R: Renewal of Family Bonds, FC: Family Commitment

5.11 Moderating Effect of Professionalization: *Continuous Variable*

To explore whether professionalization significantly moderates the relationship between family commitment and firm performance, professionalization was added to the model as a second order construct to observe its' interaction with family commitment as moderating effect on firm performance (Figure 5.7).

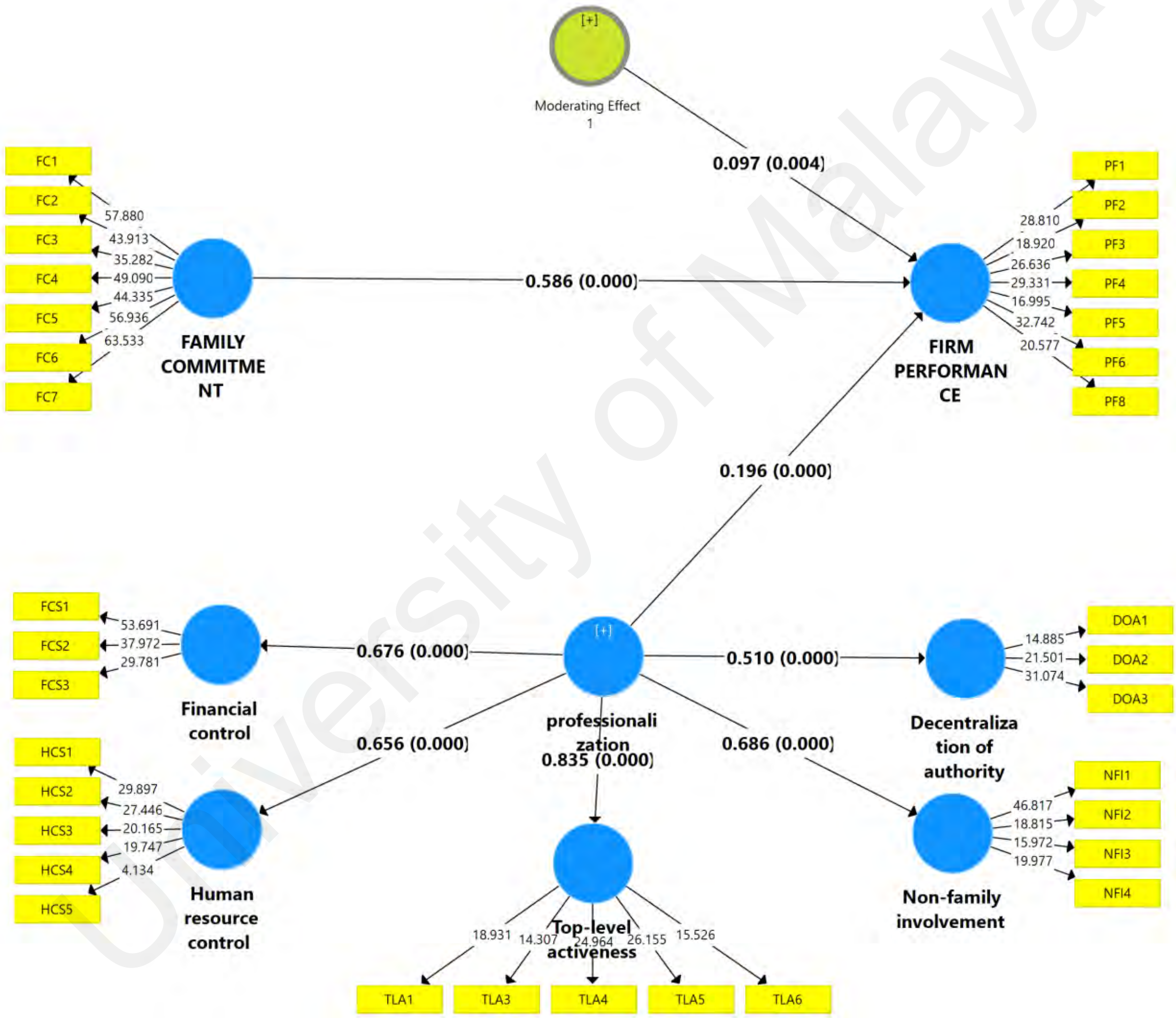


Figure 5.7: Path Model for FC-to-FP with Professionalization as Moderator

Result of boot strapping method (see Table 5.34) for moderator variables in the model showed that professionalization had a positive and significant effect on firm performance (β = 0.196, p = < 0.001) and also the moderating effect (i.e., the interaction between professionalization and family commitment), on the relation between and family commitment and firm performance was also statistically significant (β = 0.097, p = 0.004). The results indicated that professionalization positively moderates the relationship between family commitment and firm performance.

Table 5-34: Moderating Effect of Professionalization on relationship between Family Commitment and Firm Performance

Path	β	SE	t-Value	p-Value	95%CI	
					LB	UB
FC -> FP	0.586	0.032	18.611	<0.001	0.521	0.646
PROF. -> FP	0.196	0.035	5.587	<0.001	0.127	0.265
FC*PROF. -> FP	0.097	0.035	5.587	0.004	0.027	0.161

Significant at p < 0.05

FC: Family Commitment, Prof.: Professionalization, FP: Firm Performance

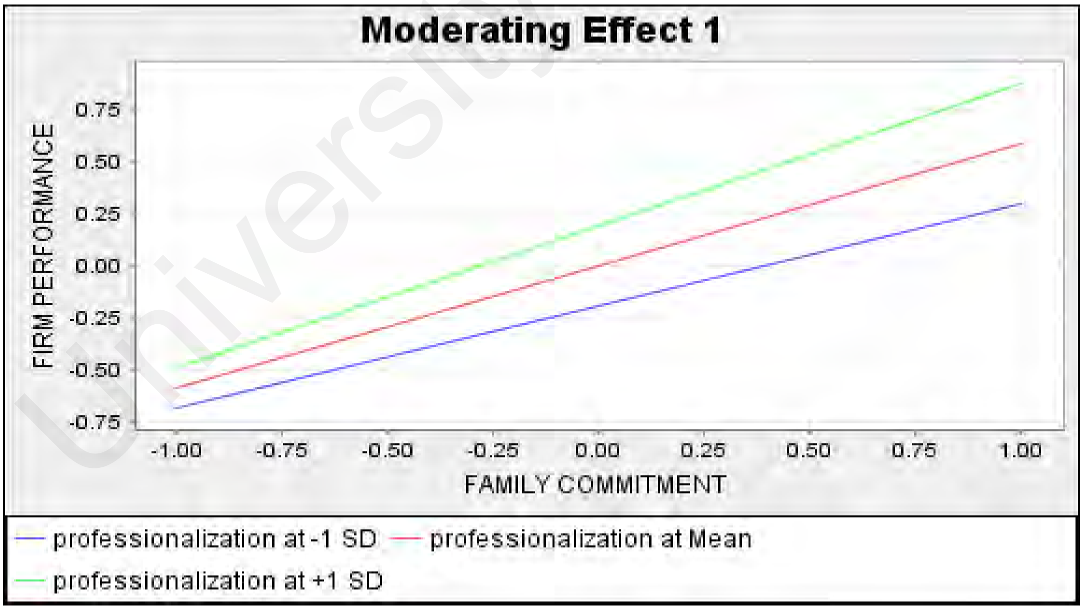


Figure 5.8: Visual Representation of Moderating Effect of Professionalization

Table 5-35: Final Summary of Results of Hypotheses Testing

Hypothesis	Path	β	p-value	Results
H-1: *Higher degrees of family control and influence will lead to lower levels of family commitment.*	**F------> FC**	-0.120	0.008	Supported
H-2: *Higher degrees of family identification with the firm will lead to higher degrees of family commitment.*	**I------> FC**	0.157	0.002	Supported
H-3: *Higher degrees of 'binding social ties of the family' will lead to higher degrees of family commitment.*	**B------> FC**	0.035	0.449	Not Supported
H-4: *Higher degrees of emotional attachment of the family to the firm will lead to higher degrees of family commitment.*	**E------> FC**	0.267	<0.001	Supported
H-5: *Higher degrees of emphasis on renewal of family bonds through dynastic succession will lead to higher degrees of family commitment.*	**R------> FC**	0.411	<0.001	Supported
H-6: *Higher levels of family commitment to the firm will lead to higher levels of firm performance.*	**FC------> PF**	0.182	<0.001	Supported
H-7-a: *Family commitment mediates the relationship between family control & influence and firm performance.*	**F---> FC---> PF**	-0.023	0.023	Supported
H-7b: *Family commitment mediates the relationship between family identification and firm performance.*	**I---> FC---> PF**	0.031	0.01	Supported

H-7c: *Family commitment mediates the relationship between binding social ties and firm performance.*	**B---> FC---> PF**	0.007	0.236	Not Supported
H-7d: *Family commitment mediates the relationship between emotional attachment and firm performance.*	**E---> FC---> PF**	0.052	0.001	Supported
H7-e: *Family commitment mediates the relationship between renewal of family bonds through dynastic succession and firm performance.*	**R---> FC---> PF**	0.080	<0.001	Supported
H-8-a: *Family generation moderates the relationship between family control & influence and family commitment.*	**Gen** **F-----------------> FC**	0.095	0.372	Not Supported
H-8-b: *Family generation moderates the relationship between family identification with firm and family commitment.*	**Gen** **I-----------------> FC**	0.219	0.024	Supported
H-8-c: *Family generation moderates the relationship between binding social ties and family commitment.*	**Gen** **B-----------------> FC**	0.334	0.004	Supported
H-8-d: *Family generation moderates the relationship between emotional attachment and family commitment.*	**Gen** **E------------------> FC**	0.141	0.169	Not Supported
H-8-e: *Family generation moderates the relationship between renewal of family bonds through dynastic succession and family commitment.*	**Gen** **R-----------------> FC**	0.084	0.361	Not Supported
H-9: *The relationship between family commitment and firm performance is moderated by professionalization of the family firm.*	**Prof** **FC----------------> PF**	0.097	0.004	Supported

5.12 Chapter Summary

In this chapter data analysis is presented in five parts: data preparation process, demographic information and response rate, analysis of multivariate assumptions, assessment of measurement model, and analysis of the structural model. Data preparation was done using SPSS (version 23) that includes coding, cleaning of data, managing missing data, monotone response pattern analysis and examination of outliers. The analysis of multivariate assumptions included test for normality, multicollinearity and common method variance.

Thereafter, PLS-SEM was applied using SmartPLS (v.3.2) to assess the outer model or measurement model. Confirmatory Factor Analysis (CFA) was performed to test for internal consistency reliability and validity of the measures and validity. Items that were below the recommended benchmarks were deleted one by one.

Finally, the inner or structural model was evaluated using bootstrapping (for significance, strength and sign) to test the hypotheses posited in this study. Additionally, the coefficient of determination, effect size and predictive relevance were computed. Thereafter, mediation analysis was performed to asses the hypothesized mediating role of family commitment on the impact of each FIBER dimensions of SEW (socioemotional wealth) and firm performance. Lastly, two moderators proposed in this research; one categorical (generation-in-charge) and other continuous (professionalization) were assessed.

A summary of all the hypotheses is presented at the end, which shows that most of the hypotheses were supported except the relationship of '*Binding Social Ties*" on '*Family Commitment*', and also the mediating effect of '*Family Commitment*' in the relationship between '*Binding social ties*' and '*Firm performance*' was found to be non-significant. Furthermore, only two out five hypotheses on moderating effect of family generation-in-charge on the relationship between SEW dimensions and family commitment were found to be significant, while the other three hypotheses were not supported. The details of these findings and their implications are discussed in the next chapter.

C H A P T E R 6

DISCUSSIONS, IMPLICATIONS AND CONCLUSION

6.1 Chapter Introduction

This chapter discusses the findings derived in Chapter 5, and also presents the implications and conclusions of this doctoral research work. This chapter is divided into seven sections. Following this section, the second section presents an overview of the research. The third section presents elaborate discussions on the findings. The subsequent sections explain the theoretical, methodological and practical implications of the findings. Section five highlights the limitations of this research work. The signposts for future research directions are suggested in section six, followed by a conclusion to end this chapter.

6.2 Overview of the Research

The primary objective of this doctoral study is to determine the antecedents and outcomes of '*Family Commitment*' in the context of family owned business organizations. Furthermore, the study attempts to reveal whether family commitment accounts for the relationship between the antecedents (components of socioemotional wealth) and outcome (firm performance) as a mediator. Lastly, two moderating variables are included in the research framework to examine whether the strength of relationships stipulated in the model are contingent upon these constructs. The first moderator is a situational variable where, the relationships between the FIBER dimensions of SEW and family commitment are posited to be contingent upon whether the management of the business is in the hands of the founding owners of the firm or subsequent generation of family members. The second moderator represents existence of formal governance systems in place in the organization, known as 'professionalization'. This moderator is examined to see if the strength of relationship between family commitment and firm performance is impacted by professionalization of the firm.

The rationale for this study, are based on both practical as well as theoretical considerations. From the standpoint of managerial implications, the output of this research is expected to provide important clues to industry practitioners and policy makers to design decline-stemming strategies to ensure growth and sustainability of family owned businesses. From a theoretical perspective, this research is based on five important elements that revolve mainly around the gaps in the extant literature on family firm goals, behavior and performance outcomes. Furthermore, this study lead to the proposition of a framework for examining the relationship between socioemotional wealth goals and firm performance goals, and proposes that this relationship is established through the indirect effect of collective *willingness* of the family owners to commit their resources, effort, and time to the firm's business goals. Examination of the extant literature indicates that, the relationship between SEW, family commitment and firm performance has not been dominant in past research.

The research framework is developed with two primary theoretical lenses. The first is the theory of Socioemotional Wealth (Gomez-Mejia et al., 2007) that suggests that family firm owners have multiple family-centric goals that dominate the decision calculus of family members that are involved in key managerial roles, and these goals drive their collective vision, behavior and strategic policies and decisions in terms of the business organization. The second theory that is deployed to propose a relationship between the variables is an expanded explanation of the Stakeholder

Theory that was developed by Zellweger and Nason (2008) to fit the family business context. This theory allows the proposition of relationships between family commitment and its' antecedents and outcome, based on a typology of stakeholder relationships in family firms suggested by the aforesaid authors, namely; *overlapping*, *causal*, *synergistic* and *substitutional*. Therefore, the relationships between the variables in the model are posited based on the one or more than one of the above relationships.

Hence, this study revolves around addressing a set of research questions and objectives (see Table 6.1). Based on the above research objectives, this study investigated the influence of socioemotional wealth (a set of family-centric non-economic goals) on family commitment (a collective family behavior in connection the business enterprise) and subsequently firm performance (a firm-centric economic outcome) as shown in figure 6.1.

Figure 6.1: Antecedents and Outcome of Family Commitment

This study was conducted in three primary phases. In the first phase, a systematic literature review of past and recent peer reviewed articles, books, journals and dissertations was conducted to examine the current state of knowledge related to family business research and especially in the stream of academic studies focused on specifically on the goals-behavior-outcome triad in the realm of family owned businesses. Five research gaps were identified from examination of the literature, which formed the basis of the justification to pursue this research endeavor.

Thereafter, a theoretical framework emerged leveraging on the support of two theories; the Socioemotional Wealth Theory and the Stakeholder Theory. Finally, past empirical studies were deployed to support the development of seventeen hypotheses linking the variables in the research model.

In the second phase of the research, a survey questionnaire for collecting data to test the model was assembled. The measurement scales of the questionnaire were adopted/adapted from existing scales published in top tier journals. Thereafter, the instrument was pretested for face and content validity with the assistance of domain experts both from academia as well industry. Next, the instrument was pre-tested in a pilot study comprising 36 respondents that fit the criteria for being suitable participants in the main study. Based on outcome of the pilot study and expert panel feedback, the survey instrument was refined before commencing the data collection process. Prior to commencing the data collection work, ethical clearance was obtained from the University of Malaya's Research Ethics Committee.

The sample for this study was drawn from a population that comprises of private family firms that are engaged in the manufacturing of ready-made garments (apparel) for export from Bangladesh. The sampling frame available from the Bangladesh Garments Manufacturers & Exporters Association indicated a population of 4,365 registered firms on the list. After mailing survey questionnaire along with cover letters to all the firms in the sampling frame, followed up by attempts to meet the CEOs of each of these family firms, finally 364 self-administered questionnaires were returned. After sorting and data cleaning, finally 357 cases were useable for the study, indicating a net response rate of 8.18%.

In the third and final phase of the research work, the data was analyzed using SPSS (version 23) and SmartPLS (version 3.2) for partial least squares-structural equation modeling. SPSS was used to compute demographic features of participants, descriptive statistics and to check for normality. PLS-SEM was deployed to analyze the measurement model through Confirmatory Factor Analysis (CFA) to determine internal consistency reliability and validity of the measure. Thereafter, the structural model was evaluated to test the research hypotheses including mediation and moderation.

Out of 17 hypotheses stipulated in this study, all were found to be significant except 5 of them. Table 6.1 below shows a summary of all research questions and objectives and hypotheses and findings.

RESEARCH QUESTION	RESEARCH OBJECTIVES	HYPOTHESES	FINDINGS
RQ-1: How do each of the five FIBER dimensions of socioemotional wealth (SEW) impact family commitment to the firm? **F**: Family Control & Influence **I** : Identification of the family with the firm **B**: Binding social ties of the family through the firm **E**: Emotional ties of the family due to the family firm **R**: Renewal of family ties to the firm through dynastic succession	**RO-1:** (a). To investigate the impact of the SEW dimension of 'Desire for Family Control & Influence' over the firm on the collective commitment of the family to the firm. (b). To examine the effect of the SEW dimension of 'Family Identification' with the firm on the collective commitment of the family to the firm. (c). To determine the impact of the SEW dimension of 'Binding social ties of the family through the firm' on the collective family commitment to the firm. (d). To examine the effect of the SEW dimension of 'Emotional ties of the family' on the collective commitment of the family to the firm. (e). To investigate the impact of the SEW dimension of 'Renewal of family ties to the firm through dynastic succession' on the collective commitment of the family to the firm.	**H-1:** *Higher degrees of family control and influence will lead to lower levels of family commitment.* **H-2:** *Higher degrees of family identification with the firm will lead to higher degrees of family commitment.* **H-3:** *Higher degrees of 'binding social ties of the family' will lead to higher degrees of family commitment.* **H-4:** *Higher degrees of emotional attachment of the family to the firm will lead to higher degrees of family commitment.* **H-5:** *Higher degrees of emphasis on renewal of family bonds through dynastic succession will lead to higher degrees of family commitment.*	**SUPPORTED** **SUPPORTED** **NOT SUPPORTED** **SUPPORTED** **SUPPORTED**
RQ-2: Does family commitment impact firm performance?	**RO-2:** To determine the influence of family commitment on firm performance.	**H-6:** *Higher levels of family commitment to the firm will lead to higher levels of firm performance.*	**SUPPORTED**

RESEARCH QUESTION	RESEARCH OBJECTIVES	HYPOTHESES	FINDINGS
RQ-3: Does *family commitment* **mediate** relationships between each of the five FIBER dimensions of socioemotional wealth and firm performance?	**RO-3:** To investigate the indirect relationship between the five FIBER dimensions of SEW and firm performance through family commitment as a potential mediator.	**H-7a:** *Family commitment mediates the relationship between family control & influence and firm performance.*	**SUPPORTED**
		H-7b: *Family commitment mediates the relationship between family identification and firm performance.*	**SUPPORTED**
		H-7c: *Family commitment mediates the relationship between binding social ties and firm performance.*	**NOT SUPPORTED**
		H-7d: *Family commitment mediates the relationship between emotional attachment and firm performance.*	**SUPPORTED**
		H-7e: *Family commitment mediates the relationship between renewal of family bonds through dynastic succession and firm performance.*	**SUPPORTED**

RESEARCH QUESTION	RESEARCH OBJECTIVES	HYPOTHESES	FINDINGS
RQ-4: Is the strength of association between the five FIBER dimensions of SEW and family commitment contingent upon whether the control of the firm is with the founding generation or with subsequent generations?	**RO-4:** To examine whether family '*generation-in-charge*' **moderates** the relationship between the five FIBER dimensions of SEW and family commitment.	**H-8a:** *Family generation moderates the relationship between family control & influence and family commitment.*	**NOT SUPPORTED**
		H-8b: *Family generation moderates the relationship between family identification with firm and family commitment.*	**SUPPORTED**
		H-8c: *Family generation moderates the relationship between binding social ties and family commitment.*	**SUPPORTED**
		H-8d: *Family generation moderates the relationship between emotional attachment and family commitment.*	**NOT SUPPORTED**
		H-8e: *Family generation moderates the relationship between renewal of family bonds through dynastic succession and family commitment.*	**NOT SUPPORTED**
RQ-5: Is the strength of association between family commitment and firm performance contingent upon the level of professionalization adopted in the family firm?	**RO-5:** To determine if level of Professionalization of the firm moderates the relationship between family commitment and firm performance.	**H-9:** *The relationship between family commitment and firm performance is moderated by professionalization.*	**SUPPORTED**

6.3 Discussions on the Research Findings

In this section all the findings presented in the preceding table are discussed at length. The aim of the discussions is to bind together the research objectives to the findings and compare them to comments of other studies that appear to be closely related to the research objectives wherever available. Furthermore, the discussions also present the understanding derived by the author from the findings of this doctoral study.

6.3.1 SEW Dimensions as Antecedents of Family Commitment

Family-centric non-economic goals such as pursuit and preservation of socioemotional wealth manifest in the values, attitudes, intentions and behaviors of the dominant family coalitions in the firm (Debicki et al., 2017). Conceptual developments made in the behavioral stream of family business research, suggests that SEW goals arise from the social and emotional value generated due to family firm ownership (Astrachan and Jaskiewicz, 2008; Zellweger and Astrachan, 2008), and the family firm owners assign significant levels of importance to social capital and emotional well-being compared to financial objectives (Arregle, Hitt, Sirmon, and Very, 2007; Pearson, Carr, and Shaw, 2008).

The results presented in Table 6.1 in the preceding section suggest that four out of five of the FIBER components of SEW have statistically significant impact on family commitment to the firm. These dimensions are (F, I, E, & R): (i) Family control and influence, (ii) Identification of the family with the firm, (iii) Emotional attachment of the family, and (iv) Renewal of family bonds through dynastic succession. The only dimension that showed a statistically non-significant association with family commitment was 'B' (Binding social ties of the family). The following sub-sections discuss each proposed relationships based on the results of the data analysis.

6.3.1.1 Relationship between '*Family Control & Influence'* and '*Family Commitment*'

Family firm owners exert control over their family enterprise by ensuring that key decisions taken in the organizations are not without approval of the family principals. Such control may be implemented by means such as appointing the CEO from the family, ensuring that majority if not all senior management including board members are from the family, or by recruiting family members into key strategic and operational positions, etc.

The study by Gomez-Mejia et al. (2007) goes deep into this issue when they studied the behavior of owners of family businesses involved in production of olive oil in Southern Spain. The local government in Cordoba region of Spain organized local cooperatives for supporting olive oil mills. By becoming members of such cooperatives, the mill owners were offered access to collaborative supply chain networks to source raw materials at stable prices, common marketing support to export their products, soft loans for expansion of their production facilities, working capital financing at low rates of interest, etc. In exchange for such facilities, the members were to allow the cooperative board to exert influence over policies and strategies adopted by the member firms, including implementing transparent human resource and financial management practices. Gomez-Mejia (2007) found that family owned mills were reluctant to join the cooperatives as they viewed loss of control over their business as a pivotal issue, and were prepared to forgo economic benefits that would come to their organization if they have acquiesced to the terms and conditions of the cooperatives.

The findings of Gomez-Mejia (2007) reinforces the idea that generally family business owners prioritize preservation of SEW over any other benefits. Although, Martin and Gomez-Mejia (2016) have suggested that this behavior needs to be tested in situations of economic hardship and to see if the propensity to preserve SEW over economic goals has an inflexion point from where the decision calculus may alter. This may be an avenue for future research endeavor.

The hypotheses proposed in this study posited that family control and influence will have a negative impact on family commitment. Previous studies such as Hauck et al. (2016) studied the effect of family control and influence on firm performance with a sample of 216 family-owned and managed small to medium sized firms in Austria and Germany. Furthermore, Debicki et al. (2017) used a different scale known as the SEWi (importance of SEW with 3 dimensions: *Family Prominence, Family Continuity, and Family Enrichment*) to measure relationship between SEWi on firm performance. The third component of SEWi (Family Enrichment) contains the family control and influence over the firm. In their study, Debicki et al. (2017) find that family enrichment is negatively associated with firm performance. The current study is possibly the first study that examines the impact of family control and influence on a collective family resolve in supporting the firm with resources, time and effort; *family commitment*.

The current research finds that family control and influence has a negative and significant impact on family commitment, however the beta coefficient value is quite low ($\beta = -0.120$), indicating that all aspects of family control and influence may not be negatively impacting family commitment, although the overall impact is negative. Some positive outcomes from high levels of family control and influence will generate opportunities for family members to get employment in the family firm and get preferential treatment with regards to compensation and other benefits. This is likely to foster harmony and cohesion among family members. Such positive outcomes can alter outlook of family members towards the firm and the leaders of the firm and see the firm as a platform for wellbeing of the family (Debicki et al., 2017; Dobbins and Zaccaro, 1986; Kidwell et al., 1997; Samara and Paul, 2018). In turn, such positive emotions may lead to enhanced commitment to the family business, that positively impact firm performance.

Nevertheless, the indirect benefits mentioned above are overshadowed by the cost to the firm due to factors such as nepotism and entrenchment that may conflict with the expectations of non-family stakeholder groups such as employees, financiers and non-family shareholders. For instance, emphasis on family control may give priority for employment to family members over hiring an outsider with much superior qualifications and experience (Jones et al., 2008), as a result of such decisions the satisfaction of the individual family member will be met at the expense of firm's growth and sustainability. Similar instances may be identified in the case of compensations and promotions, where family members are rewarded because they belong to the family, which may lead to discontentment and disengagement among non-family employees. This matter is further exacerbated by the variety of stakeholder roles that senior level family-managers (e.g., CEO) as individuals have to assume in a family firm. Jones et al. (2008) find that family individuals in top leadership positions set the direction and pace of the organization, but due to the duality of their roles (i.e., family concerns and business concerns), such dual roles may lead to assigning priority to family goals over the firm's best interest (Anderson and Reeb, 2003; Kets de Vries, 1993; Thomsen and Pedersen, 2000).

Thus, while it is recognized there may be exceptions and side benefits to family control and influence, the overarching impact of higher degrees of family control and influence over the firm leads to a net negative impact on firm-centric positive behavior such as family commitment. The results of this study therefore, support this deduction.

6.3.1.2 Relationship of *Family Identification* and *Family Commitment*

This study hypothesized that higher intensity of family identity with the firm will lead to higher levels of family commitment to the firm. The results generated through data analysis supported this hypotheses and showed that in fact family identity had strong and significant impact on family commitment.

Family identification with the firm suggests a close identification between the family and the firm, to the extent that when reference is made to a certain family firm, it automatically draws in the family name into the picture and vise versa. Dyer and Whetten (2006) suggest that the intermeshing between the family and the business entity creates circumstances where many family members see the firm as an extension of the family. Family members involved in managing the business spend a major portion of their productive lives strategizing and governing the operational activities of the business, as a result of the close association between the family and business, the family attaches great amount of importance to this overlap between the family name and the firm.

The wellbeing of the business impacts the lives and reputation of the family members. Family name attached to a successful organization enhances the positive image of the family as well as the firm that can provide a sense of pride and satisfaction to the family members. When family members employed by the firm, walk into their place of work that projects their family name and reputation, they feel a strong sense of connection to the family institution. Furthermore, because of the firm, the family enjoys a high level of social capital from the community where the firm and the family reside, because their business provides employment to people in the community, provides business opportunities to suppliers and service providers who are part of the supply chain network, etc. Firms that manifest good corporate citizenship through ethical behavior and CSR activities are valued by customers, vendors, financiers and society in general.

Therefore, the findings of this study are in agreement with the arguments made above, that higher levels of family identity with the firm leads to higher levels of family commitment.

6.3.1.3 Relationship between *Binding Social Ties* and *Family Commitment*

Binding social ties refer to the social relationships that the family firm owners develop with various stakeholders, such as employees, customers, suppliers, financiers, government agencies, elected officials, community interest groups, etc. As a result of their frequent and close interactions with internal stakeholders such as employees or external ones like customers, they often develop mutually beneficial relationships with such entities. Similarly, relationships with suppliers can also result in close ties to the extent that the success of both the buyer and seller become closely inter-linked leading to close collaboration. When supply chain partners have been satisfactorily dealing with the family firm for a long time, these relationships often transcend to personal friendships (Uhlaner, 2006; Samara and Paul, 2018).

Furthermore, family firms are often deeply embedded in their (local) communities and support associations, and community activities, and hence, their involvement with the firm permeates to the society and community they reside in (Berrone et al., 2012). Connection with the surrounding community becomes an integral part of a family firm's goodwill that they try to maintain though good and bad times. Family firm owners tend to pursue actions that benefit their community at large even if there are no immediate economic benefits to it (Brickson, 2007). For instance, Berrone et al. (2010) found that family firms were more environmentally conscious compared to non-family owned organizations even though the firms had to incur substantial costs on environmental measures.

The hypothesized association between binding social ties and family commitment in this study was posited to be significant and positive. However, the findings from the analysis revealed that although the coefficient was positive, yet the relationship was not statistically significant. Hence, this issue calls for a closer look at the likely causes of such result and the possible inferences that may be drawn from the outcome. The reason for such a finding may be attributed to theoretical issues, measurement of the construct, cultural and contextual circumstances. Hence the following possibilities may explain why this hypotheses was not supported:

<u>Theoretical Issues</u>:

From a theoretical perspective, family business scholars have addressed inconsistent findings between family-centric goals and firm-centric outcomes by suggesting that previous empirical works possibly omitted important variables that come into play and account for the relationships (Chua et al., 2012, Chrisman and Holt, 2016), hence:

(a) The relationship between binding social ties and family commitment may be mediated by some other variable that was not taken into consideration in the research framework. Possibly factors such as organizational culture, entrepreneurial orientation, family harmony, etc., may account for the link between binding social ties and family commitment. This may be considered as an avenue for future research endeavor.

(b) The relationship has been proven to be moderated by ‘family generation-in-charge” as shown by the results of multi-group analysis in this study, that showed that when subsequent generation of family-managers were in control of the firm, binding social ties had a significant impact on family commitment as well as on firm performance.

Therefore, from a theoretical perspective it may be inferred that the relationship between binding social ties and family commitment is either linked through other intervening variables not considered in this study, or the relationship is contingent on generation-in-charge.

<u>Measurement issues</u>:

In a study by Hauck et al. (2016) the authors examined the impact of all the FIBER dimensions directly on firm performance, they also found that binding social ties had a non-significant association with firm performance. In their justification of the findings, the authors suggest that there is the possibility of a gap between the conceptualization and operationalization of the construct. Binding social ties defines social embededdness of the owning family and is a result of interactions with stakeholders, whereas the other four dimensions of SEW are all derivative of affective needs of the family. Hence, Hauck and colleagues suggest that the conceptualization of the construct needs to be aligned with its’ operationalization. This matter also warrants further investigation under a separate study.

Cultural and Contextual Issues:

Cultural bias often impacts relationships between study variables (Wright, Chrisman, Chua, and Steir, 2014). For example, countries or the industry in which the firms operate may develop their own business culture due to circumstances such as legal regulations (House, Hanges, Javidan, Dorfman, and Gupta, 2004). The cultural influences of a developing economy such as Bangladesh is likely to be significantly different from a Western economy where other studies of similar nature may have been conducted.

Similarly, contextual factors also influence such associations (Welter, 2011). For instance, presence of non-family owners or independent boards members or prevailing practices within the industry influence behavior of the firm owners. This may be particularly the case with the RMG sector in Bangladesh. For instance, the companies are mostly export-oriented and as a result there are fewer interactions between family members and the primary stakeholders. Most interactions with direct stakeholders such as international customers and suppliers are limited to a few key individuals within the family. Thus the benefits of close interaction with key stakeholders may be limited to a few family members. Therefore there is the possibility that cultural and contextual factors came into play in measuring the perceptions of the respondents while measuring binding social ties.

6.3.1.4. Relationship between *Emotional Attachment of Family* and *Family Commitment*

In this study, the hypotheses for impact of emotional attachment of the family on family commitment, was posited to be positive and significant, and the results support the hypotheses. This indicates that emotional attachment of the family has a strong role in forming bonds between family firm owners that foster cohesion and harmony between them, and the family forms a common vision of solidarity that leads to enhanced commitment towards the business entity (family firm) that is a primary source of their strong emotional attachment. All the key decision-makers in the family come together and support each other for a common cause that is perceived to bring benefit to the entire family. Their feeling of belonging to something greater than themselves fosters a collective disposition to support the growth and survival of the family business organization through times of ease and adversity.

Emotional attachment of the family refers to the role played by emotions in the family firm context. The family enterprise may serve as a platform where a sense of belonging, feeling of a shared vision, family harmony and financial security are met (Berrone et al., 2012). Therefore, these emotional ties may include the intention to provide employment to family members within the firm, or to select vendors who are relatives and can be relied on during times of adversity. Hence, emotions may play a strong role in the strategic choices and operational decisions in the family firm. The following anecdote illustrates how emotions play powerful role in family owned businesses.

Wanda Ferragamo (former chairperson of the fashion company '*Salvatore Ferragamo*') decided to acquire a chain of hotels. When asked about the reason for making such a completely unrelated diversification, she replied that: "*I bought the business to provide employment for my grandchildren*" (Cruz et al., 2012). The above story is a very pertinent example of how emotions come into play in strategies adopted in family owned businesses that are not often guided by pure economic logic.

Strong emotional attachment nurtures family harmony which has been considered to stimulate outcomes such as trust among family-managers, which in turn leads to stronger efforts to focus on organization level outcomes (Corbetta and Salvato, 2004).

Such harmony-based relations within the family firm, however, may also reduce agency costs, that would allow the firm to forgo costly control mechanisms and consequently improve firm performance and increase family wealth (Zellweger and Nason, 2008; Chrisman et al., 2012; Carr and Ring, 2017). When family firms lack harmony, it is less likely that these firms will be persistent in the pursuit of the shared vision of the company. Prolonged dissatisfaction with the family firm and growing family disharmony may result in rudderless decision-making, dysfunctional uses of power, and a lack of interest in continuing the business (Sharma *et al.*, 2001).

Creating a harmonious atmosphere and developing family satisfaction requires strong interpersonal relationships and significant amounts of repeated face-to-face interactions among family-managers and other family members. With quality, repeated interactions amongst family members, the ability to understand, transfer, and integrate a shared vision necessary to create family harmony and satisfy family members may result in a competitive advantage leading to enhanced probability of firm survival (Poza et al., 2004; Sharma, 2004). Very often, family firm advisors encourage frequent family meetings that have the intent of strengthening communication and personal relationships, as well as unify the focus and vision of members of the controlling family. These meetings, along with additional actions taken by the family, can serve as a means to facilitate the development of specific, codified ways to overcome family conflicts and thereby increase family harmony. Not surprisingly, frequent family meetings have also been found to increase family commitment (Kelly et al., 2000).

Therefore, the findings of this study are in unison with the scholarly discourse in the literature, suggesting that high levels if emotional attachment of the family leads to high levels of family commitment to the firm.

6.3.1.5 Relationship between *Renewal of Family Bonds through Dynastic Succession* and *Family Commitment*

This study hypothesized that higher degrees of salience of family firm owners towards renewal of family bonds through dynastic succession will lead to higher degrees of family commitment. The results of the analysis supported the hypotheses, and the relationship was strong, positive and significant, indicating that indeed trans-generational control intentions of the family firm owners enhances the levels of willingness of the family firm owners to commit resources, time and effort to their family enterprise.

Renewal of family bonds to the firm through dynastic succession relates to the long-term vision of keeping the firm under the family's control over generations. This trans-generational vision and sense of dynastic succession are important concerns of in most family firms (Berrone et al., 2012). Such intentions imply that the family has a long-term orientation in terms of family name and involvement in their organization and this value comes from ensuring continued family control (James, 1999). Family business scholars suggest that socioemotional wealth and trans-generational family control intentions are both conceptually linked, since maintaining family control is related to outcomes such as family harmony and social status and identity (Gomez-Mejia et al., 2007; Zellweger and Astrachan, 2008). A family's intention for the trans-generational continuity of control is considered a defining feature of a family owned business (Chrisman et al., 2004; Chua et al., 1999; Litz, 1995), and a major indicator of desire to preserve their socioemotional wealth (Gomez-Mejia et al., 2007).

In this study, renewal of family bonds through dynastic succession was hypothesized to have a positive and significant impact on family commitment, and accordingly the results support the hypotheses. This finding mirrors to some extent the results of the study by Hauck et al. (2016) who found that this dimension has a significant effect on firm performance. The above arguments indicate that family firm owners who have a high intensity of focus on passing on the family business control to future generations and ensure that the family name remains tied to the organization are also expected to be highly committed to their firm. The logic is quite obvious, if the firm continues to flourish and sustain, the new generation of family members who are coming of age will have a platform to carry on the family torch and forge ahead with ensuring that they are committed to support the family enterprise with their resources, time and effort. Without such unflinching commitment, trans-generational continuity of the family legacy in the firm will not be possible, and with the passage of time the family name will be just a part of history.

Continuity of family control is not just about having control over the board of directors or ensuring that the CEO is from the family in fact the origin of such a goal is much more deeply rooted. Founding entrepreneurs of successful family businesses develop values and cultures within their organization that are reflected in the way they conduct their business, the way they treat customers and employees, or the manner in which they take pride in the quality of their product of service. Family firm principals desire to see such values and culture being carried on in the organization by their successors, and hence renewal of family bonds through dynastic succession is a vital goal for many family firm owners.

Therefore, in consonance with the above arguments, the findings of this study support the hypothesized relationship between renewal of family bonds through dynastic succession and family commitment.

6.3.2 Relationship between *Family Commitment* and *Firm Performance*

Zahra et al. (2004; 2008) coined family commitment as a family-specific collective resource that creates competitive advantage for family firms and enhances organizational responsiveness to entrepreneurial activities that lead to innovation in processes, products and services. Family commitment tends to create strong familial bonds among the key decision makers in the firm (Zahra, 2008) that translate into strategic decisions that are geared towards superior business outcomes such as performance (Eddleston et al., 2008; Gast, Filser, Rightering, Rainer, Kraus and Chang, 2018).

The hypotheses posited in the study suggest that higher levels of family commitment will lead to higher levels of firm performance. The results indicate that this assertion is supported and that in fact family commitment does have a positive and significant impact on family firm performance. The result alludes to the inference that, strong family commitment creates strategic behavior that motivates family-managers to more flexibility and willingness to adapt to changes in order to generate higher levels of firm performance (Carnes and Ireland, 2013; Gast et al., 2018). This ability translates into enhanced levels of tacit knowledge of family-managers on how to sustain competitive advantage and superior business performance. This type of tacit knowledge as a result of the continuous interaction between the family and the firm makes the family organization "*better able to extend capabilities and produce more novel innovations*" (Carnes and Ireland, 2013, pg.1409).

Family commitment may be viewed as social endowment that acts as a resource that is positively connected to the intensity and focus of the family-managers to continuously create novel ways of managing their business processes, approaches to customer satisfaction, higher quality products and services, and induce overall efficiency in the business enterprise that lead to superior firm performance (Koenig et al., 2013). Such behavior and attitude of family firm owners tends to be contagious, and it transmits on to non-family employees within the organization (Zahra, 2008). Strong family commitment to the firm creates a culture that is emulated by non-family employees, thus a strong commitment to the firm's business tends to create high levels of commitment among non-family employees also, positively impacting performance (Barsade, 2002; Lansberg, 1999). Zahra et al. (2008; p.1008) state that: "..*among the strongest influencers of employee affect are the organizations' leaders*".

Family commitment to the organization fosters long-term orientation, sense of ownership to the firm and an ardent desire to contribute to the organization among non-family employees. Such behavior suggests that family commitment tends to permeate into non-family employees who take pride in contributing to the wellbeing of the business organization. In summary, higher levels of family commitment contributes to a united front and synergy between family firm owners and other non-family members in the organization leading to innovative mindset, enhanced desire to satisfy customers, more cost consciousness and an overall sense of harmony in the organization that leads to higher business performance.

6.3.3 Mediation Effect of *Family Commitment*

The findings of this study provide evidence that family commitment acts as a mediator in the relationship between the FIBER dimensions of socioemotional wealth and firm performance. In the case of four out of the five FIBER dimensions (F, I, E & R), family commitment partially mediates the relationship between these components (i.e., *F: family control and influence, I: identification of family with the firm, E: emotional attachment of the family and R: renewal of family bonds through dynastic succession*) and firm performance. However, in the case of 'B' (i.e., *B: binding social ties*) the mediation effect was not observed.

The results of mediation analysis suggest that the four components (F, I, E, & R) named above both have significant direct effect on firm performance as well indirect effect through the intervention of family commitment. Although the original set of hypotheses posited in this study was a fully mediated model, however the results indicated that there were significant direct effects of the four components of SEW on firm performance also. The final model indicated that these substantive direct effects were at play in the mediated relationships.

Family control and influence has a negative impact on family commitment as well as on firm performance, where the indirect effect is stronger than the direct effect suggesting that the relationship is strengthened when accounted for by family commitment. Excessive focus on maintaining control and influence over the firm's operational activities creates family entrenchment and altruistic behavior towards family members to the extent that decisions made by family-managers often display nepotism in favor of family members that carry an inherent threat to other stakeholders of the firm. For instance, they send negative signals to productive non-family employees that no matter how much they contribute, family members will always be given preferential treatment (Schulze et al., 2002; Debicki et al., 2017). Such negative signals lead to employee demotivation (Detert, Trevino, and Sweitzer, 2008) and moral disengagement (Bandura, 1986; 2002), thus leading to lower levels of commitment and performance. Gomez-Mejia et al. (2010) state that excessive inclination of family owners on control aspect of socioemotional wealth carries inherent risks and performance hazards.

In the cases of identification of the family with the firm (I), emotional attachment of the family (E) and renewal of bonds through dynastic succession (R), the direct effect appears to be stronger than the indirect effect. This finding resonates with the findings of Hauck et al. (2016) where the authors found positive and significant association between R, E, & I and firm performance based on a study with Austrian and German private family firms. The result indicates that the above three dimensions of SEW which are derivatives of affective needs of the family, are more strongly related to firm-centric business outcomes such as performance as compared to indirect effect of behavior such as family commitment. For instance, high intensity of family identification with the firm creates a sense of pride of belonging among family members and such feelings tend to permeate to non-family employees, that in turn tend to be more creative and engaged (Hardagon and Becky, 2006), thus contributing to business centric outcomes such as product quality, customer satisfaction and eventually higher revenue and profitability (Carrigan and Buckley, 2008).

Similarly emotional attachment of family members fosters an environment of harmony and cohesion (Beehr, Drexel, and Faulkner, 1997). Since the boundary between family and the firm often overlap (Berrone et al., 2010) such emotions permeate into the organization's culture and decision-making processes. Family firm owners that unite to a collective vision tend to translate their efforts towards enhancing the efficiency of the business processes (Koenig et al., 2013).

The SEW dimension of renewal of family bonds through dynastic succession is about trans-generational family continuity in the firm, which typically indicates a long-term outlook of the family where they aspire to pass on the torch to their successors who will not only be in control of the firm's management but also carry on the values and culture of the firm through generations (James, 1999; Chrisman et al., 2012). From the perspective of family firm owners, the family enterprise is not viewed just as an asset that can be sold, since the firm symbolizes the family's heritage and traditions

(Taguiri and Davis, 1996), and hence the firm is like a priceless family heirloom that is to be bequeathed to future generations. The result of such a perspective nurtures longer-term outlook (Miller, Le Breton-Miller and Scholnick, 2008), and thus family principals understand that in order to pass on the family business to their successors, they must ensure sustainability of the business through enhanced performance. The above arguments lend support to the findings of this study where the direct effect of the three components of SEW (i.e., R, E, & I) discussed above are stronger than the indirect effect through family commitment as a mediator.

The case of the FIBER dimension; B: *binding social ties of the family*, resulting in no mediation effect, calls for a more nuanced examination. In section 6.3.1.3, the non-significant relationship between binding social ties and family commitment was elaborated upon. The results of direct effect also indicates that this component of SEW does not have a significant impact on firm performance. Binding social ties of the family refer to close and personal ties with various stakeholders such as employees, customers, suppliers, society, etc. Such close relationships can be a double-edged sword (Hatak et al., 2016). In the case of the RMG sector in Bangladesh, where family-managers maintain close relationship with entities such as customers the result of such ties can bring positive benefits to the firm such as easier access to contracts or favorable considerations when customers decide to select their products in comparison to competitors. Similarly, close ties with suppliers can grow into generous credit terms or priority when lead times are tight, etc.

However, all aspects of such ties may not be beneficial for the firm. For example, in the case of family companies in developing economies such as Bangladesh where this survey was conducted, family firm owners receive requests from government officials, bankers, social organizations, media, etc. to employ their friends and relatives in the firm, which puts pressure on the family firm to employ people who are not needed or they don't have any particular skill set to fit into the organization. This is a common practice in developing countries such as Bangladesh, and puts a lot of strain on the company's business and profitability (Khan et al., 2015). Furthermore, such hiring policies can disrupt morale of productive employees.

Similarly, when family firm owners develop personal friendship with suppliers, they often put themselves in positions where they have to overlook more competitive offers from new suppliers because they feel the pressure to honor requests of their existing suppliers. Such practices tend to create inefficiencies in the business operations, and often the family firms have to tolerate any slack shown by the current suppliers. The business culture within the garments industry in Bangladesh has yet to reach levels of professionalization that is more prevalent in western economies where firm owners can separate their personal relationships from business relationships. Therefore, the net effect of binding social ties of family business owners may be such that it has no significant impact on their commitment to the firm or firm performance.

6.3.4 Moderating Effect of Family Generation in Charge

This study proposed that family generation-in-charge (generation in control) of the firm will moderate the relationships between the FIBER dimensions of SEW and family commitment. The results were obtained through multi-group analysis, and it was discovered that there was significant difference between the founder-generation and subsequent-generation only in the case of two (2) out of five (5) of the FIBER dimensions which are: *identification of the family with the firm* (I) and *binding social ties of the family* (B). For the other three dimensions of SEW (F, E, & R) there was no significant difference between the founder- and subsequent-generation of family members in terms of which generation controlled the firm. The non-significance of the moderator on relationship between F, E and R, and family commitment may be attributed to contextual factors arising from the nature of the RMG companies in Bangladesh. There is a possibility that the salience of the founder and next generation towards family control and influence, emotional attachment and renewal of family bonds do not shift significantly as the power over the firm is transferred from one generation to the next.

The results suggest that the strength of association between two paths *identification of the family with the firm* and *family commitment* and *binding social ties* and *family commitment* was stronger when the subsequent generation of family firm owners were in control of the firm. Hence, family generation has a significant moderating effect on the above relationship. This is an interesting discovery that unravels an important finding when it comes to designing mechanisms to keep the successors of family businesses engaged and committed to the family business. The following extract from a recent Harvard Business Review article illustrates the idea of keeping future family members engaged and committed.

'Henry knew that family businesses last across generations only if they have "*engaged owners*". Even Henry's best independent, nonfamily board members lacked the long-term perspective that great owners instinctively have. "*I never treat a rental car like one I own*," Henry would say. But even though his children may someday "*own*'' the car, it wasn't yet obvious to Henry how to develop their talents within the business — and how to make sure they all found their highest and best use. "*What role can my artist daughter possibly have in our family business?*" Henry pondered. "*And my sons have a fierce sibling rivalry*." (Bruehl and Lachenauer, 2018).

The above paragraph touches at the nerve of a pressing concern of founding entrepreneurs of family business enterprises. Founders of family businesses at some time face the dilemma of whether the subsequent generation of family owners will demonstrate the level of commitment that the founders brought to the organization. While many examples of organizations exist where the subsequent generations have successfully scaled up and diversified the family business (e.g., Ford Motor Company, Reliance Group-India, etc.), the vast majority of family firms are challenged by the possibility of diminishing levels of commitment to the firm by subsequent generation of family members (Groysberg and Bell, 2014).

Collective family commitment to the business enterprise is likely a dynamic phenomenon and may decline as the control of the firm transitions from founders to the next generation. This brings to fore the specter of the possibility of decline or even disintegration of the family enterprise or transfer of ownership through sale at some stage of the generational cycle (Walsh and Lachenauer, 2018), thus control of the firm changes hands and transforms the firm from a family to a non-family owned enterprise.

Therefore, a possible strategy for stemming decline of the family firm as the management is passed on to family successors is to recognize the possibility that when founders of the family enterprise focus on nurturing two particular aspects of SEW goals (i.e., *identification of family with firm* and *binding social ties*) among their potential successors, they may be able to ensure higher intensity of commitment to the family business when the control is passed on to the next generation.

Identification of family members with their family firm brings about a sense of pride and belonging (Corbetta and Salvato, 2004). The values created by the founding entrepreneurs can be a powerful emotional capital for all the family firm owners and also rest of the family members who are not directly connected through ownership or employment (Arregle *et al.*, 2006). This emotional capital leads to social capital in terms of being regarded by their community with respect for the contributions being made by their family enterprise. The feedback family members receive from their interaction with the community reinforces their connectivity with their family firm, thus ensuring a higher degree of affective endowment (Carmeli *et al*., 2007).

Similarly, when family members interact with various stakeholders of their family firm, such as customers, suppliers, financial institutions, etc., they can sense the presence of their social and emotional capital generated through their family organization. The ties with stakeholders often gives them access to additional social and economic benefits that enhances their willingness to be part of something that is greater than the individual. Therefore, the discovery that subsequent generation of family firm owners are more engaged and committed to the firm if their energy is channelized through these two dimensions of SEW reveals important clues for existing firm owners to design strategies to keep their successors motivated and engaged in the family enterprise.

6.3.5 Moderating Effect of *Professionalization*

The professionalization process encompasses many different aspects that a firm must address, such as the development of a sound corporate governance structure including an active board of directors and other required governance bodies to supervise and control the company (Songini, 2006). Other features that have been discussed in the related literature include a delegation of decision-making authority to subordinate managers, the implementation of formal control systems to assess organizational output and behavior, changes in the decision-making process, and/or possible modification of organizational structure (Flamholtz and Randle, 2007). As such, general business literature portrays a multifaceted perception of the professionalization process.

In this study it was assumed that the impact of family commitment on firm performance is strengthened by the moderating effect of professionalization. Professionalization was considered as a second order construct with five components (*financial control systems, human resources control systems, non-family Involvement in management, decentralization of authority and top-level activeness*) that were measured as first order constructs through relevant indicators. The results of the analysis support the assumption, and in fact the presence of higher intensity of professionalization strengthened the association between family commitment and firm performance.

The above finding resonates with a study done by Michiels, Uhlaner and Dekker (2017) who looked at the direct impact of professionalization on dividend payouts by private family firms. Michiels et al. (2017) found that family firms that maintained high levels of professionalization were paying out more dividends to their shareholders. Since dividend payouts are related to the profitability of business organizations (Gonzalez et al., 2014; Michiels et al., 2015), this would also suggest that in the presence of higher degrees of professionalization, the impact of family commitment on overall business performance of the firm should be higher.

In a seminal study done by Covey, McChensey and Huling (2013) on the gap between strategy and execution in business organizations, the authors argue that high levels of desire to see the organization succeed does not ensure that the organization will perform well. They state that mere good intentions does not guarantee desired outcomes, what is needed is systematic governance and management procedures in place in order to see aspired firm performance. Therefore, in consonance with the aforesaid study, for family commitment to translate into a high probability of superior firm performance, family firms would have to institutionalize formal managerial processes in place as reflected professionalization.

6.4 Significant Implications of the Research

This research endeavor presents a more finer-grained understanding about family commitment and its' antecedents in the form of socioemotional wealth goals of the family and outcome in the form of firm performance. The theoretical, methodological and practical implications of this study are presented next.

6.4.1 Implications for Theory

This research has several implications for theory. **First**, the family business literature on goals-behavior-outcome has been expanded through this study, which investigated family commitment in the organizational context in a South Asian country, namely Bangladesh. Although, the association between family commitment and outcomes have been studied previously by family business scholars, such as firm performance (e.g., Eddelston et al., 2008), strategic flexibility (e.g., Zahra et al., 2008), organizational responsiveness (e.g., Corbetta and Salvato, 2004; Miller and Le Bretton-Miller, 2006), employee commitment (Meyer and Allen, 1997; Rousseau, 1995), however, little is known about the antecedents of family commitment.

Carlock and Ward's (2001) conceptual work was among the first study to suggest that probable sources of shared commitment among family firm owners possibly emerges from family specific goals that act as drivers of such a collective behavior. The authors argue that family goals will determine the formation of a collective family vision that are likely to manifest in forms of behavior of the family principals in their interaction with regards to their family enterprise. In a doctoral dissertation by (Yu, 2009), the author examined 259 dependent variables (DVs) used in empirical studies on family business published in peer reviewed journals on family business literature, and short-listed them to 30 variables. Yu (2009) presented the constructs to a panel of 30 of the most cited scholars in family business research to rank them in order of importance for future studies. The consensus of the experts suggested that 'Family Commitment' as the most important construct that needs to be investigated. Therefore, this study makes a significant contribution to the stream of literature that attempts to delineate the linkage between family-centric goals, collective family behavior and firm-centric outcomes.

Second, majority of the previous empirical works on socioemotional wealth have measured this construct with proxies and treated the constructed as a monolithic unidimensional construct (Berrone et al., 2012; Debicki et al., 2016). The development of direct measuring scales for SEW are a result of more recent efforts by family business scholars (Prugl, 2019), and the multiple dimensions of SEW such as FIBER is a fairly recent development (Hauck et al., 2016). This study is among the few studies that have considered the multi-dimensional operationalization of SEW in measuring family-centric non-economic goals. Recent studies that have used the FIBER scale have isolated each dimension of FIBER and examined effects on various outcomes such as innovation, R&D investment, Diversification, CSR, etc. (Daspit et al., 2017; Chrisman and Holt, 2016).

This study is possibly among the first studies that have taken an integrated approach and considered impact of each of the FIBER dimension on behavior and performance. Therefore, the relationships between each factor of SEW and family commitment reveal the differences and similarities in the association between each of the FIBER dimensions of SEW and family commitment and consequently firm performance.

Third, this study combines socioemotional wealth theory and the stakeholder theory to establish conceptual links between the FIBER components of SEW and family commitment and subsequently firm performance. The expanded application of Zellweger and Nason's (2008) of the stakeholder theory in the context of family firms has enabled proposition of linkages between the variables in the model, based on the four typology of relationships between stakeholders (i.e., *overlapping, causal, synergistic and substitutional*). Deployment of both the theories has lead to the development of a set of hypotheses that attempt to provide a clear and predictable linkage between family-centric goals, collective behavior of family firm owners, and firm-centric business outcomes.

Fourth, the investigation of family commitment as a potential mediator between the antecedents and the outcome have also revealed pertinent information on how the SEW dimensions interacts with family commitment to impact firm performance as well directly having association with firm performance. In case of one of the dimensions of SEW (*family control and influence*) the indirect effect accounted for by family commitment was stronger than the direct effect. While in the case of three of the dimensions (*identification with firm, emotional attachment and renewal of family bonds through dynastic succession*), the direct effect was stronger than the indirect effect. Lastly, the association between *binding social ties* and family commitment as well as firm performance was statistically non-significant both for direct as well the indirect effect. The relationships stated above will enable future theoretical linkages between each of the dimensions of SEW with behavior and outcomes to be examined differently based on which dimension is being looked at.

Fifth, examining the moderating effect of family generation in control of the firm's management on the relationships between the components of SEW and family commitment, revealed that in the case of two of the FIBER dimensions (*identification of family with the firm* and *binding social ties*), there was a significant difference in the strength of association between the founder-generation and the subsequent-generation. The findings indicated that when the next generation was in control of the firm, the association between these dimensions and family commitment was stronger.

It was possible to conduct this study and derive such a finding from the study population of this research because the firms ranged from 1 year in age to 39 years since commencement of their operations. The range provides a window for observing both generations (i.e., founders and next generation). The demographic data shows that 54.3% of the firms were being controlled by the founders of the company, while 45.7% of the firms in the sample were by their subsequent generations. The more or less equal distribution allowed a fair comparison between the founder and subsequent generations. This information may also be quite pertinent for theory development.

Sixth, the moderating effect of family firm professionalization on the association between family commitment and firm performance showed that higher levels of professionalization resulted in a stronger relationship between behavior (family commitment) and outcome (firm performance). The finding indicates that the relationship between willingness to commit (collective behavior) and performance (firm-centric goal) is enhanced through formal governance and procedural mechanisms. Therefore, future research models may integrate governance mechanisms such as professionalization to test relationships between behavior and outcomes.

6.4.2 Practical Significance

The practical significance of this study may be divided into three categories: managerial implications for the family firm owners, for investors and financiers of family owned businesses and for policy makers and industry regulators that emphasize development of family businesses and SMEs for economic development of their nations. The significances for each category are explained below:

6.4.2.1 Implications for Family Business Owners

Firstly, Family business owners often struggle to keep their subsequent generations engaged in the family enterprise for various reasons. For instance in a study by Florent-Treacy, Korotov and Rook (2017), the authors make reference to the idea of 'family handcuff', which is how many successors of family business owners view their future involvement in the business. Children of many family business owners have witnessed the struggles faced by their predecessors in terms of sacrificing time and effort for the family business by sacrificing quality family time. As a result their children are reluctant to join the family organization and are less motivated by the same incentives as their parents were, such as family control and influence. They often choose different career options and professions that digress from any interest in the family enterprise.

The findings of this study offer a possible solution to the above dilemma by showing a pathway for the incumbent to create interest among their successors in taking over the mantle. This may be done by ensuring that the *family identification* and *binding social ties* dimensions of socioemotional wealth are emphasized to the extent that before their potential successors are involved in the organization, they could be exposed to the benefits generated to the individual because of identification and social ties through the firm. The social and emotional benefits that family members get from their community through their identity as family members of a successful business firm and the personal networks they develop in the society they reside in, can serve as major incentives for the next generation to consider their options of whether to commit to the family firm and continue the legacy or not. For newer generation of family members to re-create such social and emotional capital may be a daunting challenge.

Secondly, the impact of professionalization shown by this research on positive intentions of the family to see their business flourish, will also be an incentive for family business owners. Typically, privately owned family businesses are not known to have transparent and inclusive business structures (Whittington, Hautz, and Seidl, 2017), in fact most private family firms are known to have less structured and less formal managerial processes (Traunt, Broccardo and Culasso, 2017). The results of this study, supported by the study by Dekker et al. (2015) and Michiels et al. (2017) indicate that having methodical financial control systems through formal budgets and proper control and audit systems contribute to higher business performance by lowering costs and increasing operational efficiencies. Additionally, having a structured, transparent and fair human resource system in the organization fosters a sense of organizational justice that leads to more productivity among non-family employees.

Similarly, the other three factors of professionalization; non-family involvement, decentralization of authority and top-level activeness, nurtures an organizational culture based on accountability and inclusiveness. Such cultures are known to create sense of harmony among the internal stakeholders. Social contagion effect (Burgess, Riddell, Fancourt and Muryama, 2018), suggests that positive culture also permeates to non-family actors within the organization. Such outcomes will increase the likelihood of survival and sustainability of the family firm.

6.4.2.2 Implications for Investors and Financiers

Pricewaterhouse Coopers (PwC) Family Business Survey (2016) delved into the reasons for which financial institutions and private investors are often reluctant in making investments in privately owned family businesses. Besides the issue of opaque financial disclosures and less structured governance mechanisms, the PwC report specifically highlighted three areas that need special attention in the realm of private family businesses. The report focuses on the following three primary issues:

(a) Lack of leadership succession planning within family firms.
(b) Lack of professionalization in the governance and managerial processes.
(c) Inability of private family firms to attract quality middle managers into the organization.

The PwC report goes on to suggest that considering the fact that most financial institutions and private investors are competing for investment opportunities with established publicly listed global companies, there is a need to open the 'black box' of private family firms in order to make them more attractive for institutional investors. They suggest that initiatives should be launched to assist family businesses to become more transparent and attractive as investment options.

Results of this doctoral research provides several indications that may support efforts to assist family firms to have more access to capital from mainstream financial institutions rather than venture capitalists who tend to take a large portion of their equity holdings. For instance, the issue of ensuring commitment of family members from one generation to the next is an issue that concerns investors on the long-term sustainability of family firms, given that many of them are controlled by either a single individual or a small group of family members giving the business entity a vulnerable image.

Institutional investors can investigate the governance structure of family businesses and examine which dimension of SEW have the highest salience among the current family firm owners, to determine their value as potential investment destinations. If the owners over-emphasize family control and influence over other dimensions of SEW, then it may indicate a possibility of negative long-term outcomes such as lack of continued family commitment and declining firm performance. This would imply that decision-making processes would be biased towards family members in the management, and thus act as a disincentive in recruiting and retaining qualified non-family executives into the firm. Institutional efforts may be directed to encouraging family firm owners to focus more on other dimensions of SEW that have positive outcomes for the firm.

With regards to professionalization of the firm by making the operational procedures in the business processes more transparent and accountable, family firms may be incentivized to initiate formal financial control systems or having independent non-family directors (i.e., non-family involvement) which would then attract institutional investors to fund the growth of family businesses at financial costs which are lower than those offered through venture capitalists or higher interest loans from commercial banks.

The issue of attracting qualified non-family managers to take employment in family businesses may be addressed through developing formal human resource systems as part of the professionalization process. Transparent and methodical human resource practice signals existence of organizational justice and growth opportunities for non-family managers thus opening up possibilities for bringing in more talented and experienced individuals into the family organization. This would be a positive signal to institutional investors.

6.4.2.3 Implications for Policy Makers and Industry Regulators

Family businesses dominate the global socioeconomic scene as the largest source of new employment generation (PwC 9th Global Family Business Survey, 2018). Families control about 85% of the large (worth more than $1 billion) businesses in Southeast

Asia (with the notable exception of China), and 65%-75% of large businesses in the Middle East, Latin America, and India (PwC Report, 2018). According to the Family Firm Institute, about two-thirds of all business around the world are family-run. However, the average life of family private firms is 24 years according to the Conway Center for Family Business (Kets De Vries, 2017).

Knowing that family businesses are the largest source of employment generation in most economies around the world requires special initiatives from policy makers and regulatory bodies to ensure sustainability of family businesses. Unfortunately, most government initiatives to this effect are geared towards small and medium enterprise (SME) development, and most of these programs don't have specific programs or guidelines to support family institutions (Bell, 2017). Therefore, enterprise development and support initiatives must first comprehend the idiosyncrasies of family owned businesses. Policy frameworks for family firms need to incorporate the fact that family businesses are driven by family-centric goals such as socioemotional wealth, and these goals are just as important to the family owners as financial performance goals.

Recognizing how family firms prioritize each dimension of SEW and their subsequent impact on commitment and performance will enable government authorities involved in such work to develop initiatives that take such realities into cognizance. Government bodies and NGOs involved in nurturing enterprise development can then customize policies that will attract family firms to be more flexible and incorporate changes in their organizations which will bring benefit to them. The study by Gomez-Mejia et al. (2007) showed that family firm owners were reluctant to join cooperatives set up to help olive oil mill owners by the regional government in Southern Spain. The hesitation to be part of a government initiative was because the family firm owners were more inclined on retaining control over their organizations (a dimension of SEW) and were willing to forgo economic benefits offered to them. Therefore, initiatives by policy makers can fail if they do not take into consideration that family firm owners are motivated by their desire to preserve their socioemotional wealth as much as their financial wealth if not more.

Simultaneously, industry regulators can devise propositions to protect non-family investors from the fallout of unstructured and opaque financial systems of private family firms. Family business owners can be invited to take part in capacity building initiatives organized by industry regulators to encourage and incentivize family firms through schemes such as special tax-breaks to incorporate professionalized governance and managerial procedures in their respective organizations, by showing them the benefits that will come to their family enterprise when they become more system-oriented and transparent in their operations.

6.4.3 Methodological Contribution of the Study

This study also makes a methodological contribution to the family business literature. The scale used to measure professionalization was based on five factors (*financial control systems, human resource systems, non-family involvement in firm governance, decentralization of authority* and *top-level activeness*). The scale was developed by Dekker et al. (2013; 2015) where the factors are latent first order variables that are measured through 22 binary items. On careful examination of the items of the scale, it appeared that most of the 22 items on the scale sought YES or NO responses from the participants. However, out of the 22 items on the scale, 7 items (5 items under Non-family involvement and 2 items under Top-level activeness) sought direct response from the participants with definite answers.

For example under non-family involvement, item no. 2 states: "*How many* *managers are part of the management team (including CEO)?*", which requires a definite number in response. The pattern of questions in the item showed lack of uniformity with rest of the items measuring non-family involvement with binary items with YES/NO options. Hence, it was decided to completely re-phrase such items to conform to the pattern of the other binary items on the scale. Therefore, item no.2 under non-family involvement was worded as: "*Our top management team includes individuals who are not related to the firm owners, either by blood or marriage*" (YES/NO).

Similarly under top-level activeness, item no.1 states: "*How often does the management team meet on an official basis?*" which seeks a definite number, instead of a YES/NO response. Furthermore, seeking information on how frequently the management teams meet without any follow-up procedures stipulated renders the task less significant. Therefore, this item was split into two separate questions seeking YES/NO responses, as follows:

(i) "*Our top management team meets frequently (at least once each month)*".

(ii) **"***Our top management team reviews decisions recorded in the minutes of previous meetings and takes decisions accordingly*".

The other five items were also re-phrased and some of them were split into more than one question where deemed appropriate. To validate the newly phrased items for 'face validity' and 'content validity', the original items along with the newly phrased items were sent to a panel of eminent family business scholars. Seven (7) family business researchers whose publications are among the most cited studies in family business reviewed the changes and gave their feedback on the re-worded items (shown in Appendix B-2). Based on the feedback received from the panel of experts, the content validity index (CVI) and Kappa values were computed for content validation.

The above exercise brings about uniformity in the original professionalization scale developed by Dekker et al. (2013), and hence the improvement in the scale may be considered as a methodological contribution of this study.

6.5 Limitations of the Study

This research work suffers from several limitations. **First**, the cross sectional nature of this study based on data collected on all the variables at the same time poses risks of common method bias, even though the Harmon's single-factor test indicated otherwise. Although procedural remedies suggested by Podsakoff et al. (2003) were applied at the instrument design stage, the hazard of common method variance cannot be completely ruled out.

Second, the self-administered questionnaire was filled up by a single key informant from each organization, with the assumption that the respondent's views reflect the collective view of the entire family that owns the firm. Ideally, a better option would have been to collect data from more than one individual from each organization and to cross-match their inputs, or even better to collect data from different family-managers at different levels of the organization. However, this was deemed difficult to accomplish especially from participants that are extremely busy with day-to-day operational functions. Furthermore, the CEOs of each firm were approached to fill out the survey questionnaire, and many of them nominated another family-manager in a senior position to fill it out instead. Once, the CEO nominates someone, it will be a challenge to approach any other individual in the organization to be a willing participant in the survey, especially in the context of an Asian country like Bangladesh, such an approach would be considered culturally insensitive.

Third, another important consideration is that the model tested in this study assumes that only FIBER dimensions of SEW act as drivers (antecedents) of family commitment, which then impacts firm performance as its' output. There are possibilities that the stated relationship may be impacted by other variables not considered in this study. Therefore, it was not possible to completely control for possible endogeneity or causality issues.

Fourth, there are possibilities that the relationship between the individual components and family commitment may be accounted for by missing mediator variables that were not considered in the model. For example, the impact of binding social ties and family commitment may be mediated by variables such as organizational culture, and in such cases the results would likely be different.

Fifth, the strength of the relationships between the variables may also be contingent upon other moderating variables not considered in this study, for instance strategic flexibility or entrepreneurial orientation. Therefore, future researchers may be able to provide a more robust understanding by reexamining the model that includes pertinent mediators and moderators that reflect behavior, strategic choices, and governance mechanisms.

Sixth, the study was based on data from firms in a single industry with similar products and business models, and hence may not be generalizable. Whether the findings would be different if the study was conducted across several types of industrial or business sectors warrants investigation. Lastly, the context of the study was based in a single South Asian country; Bangladesh, and therefore, a better understanding may be derived if the data covered several countries to see how association of family-centric goals, behavior and firm-centric goals vary across different geographical and social settings.

6.6 Signposts for Future Research

This research has presents a nuanced understanding of how family commitment is driven by socioemotional wealth, and how each of the dimensions of SEW interacts in a unique way with the collective will of the family firm owners to commit resources, time and effort to the family business, which subsequently impacts firm performance. Despite the significant output of this study, it was not possible to encompass all aspects of goal-behavior-output link that need to be understood for a predictable and consistent relationship that will lead to development of a theory of family business.

Therefore, much remains to be understood about how family commitment to the firm is enhanced by family-centric goals that lead to superior firm performance, in order to ensure growth and sustainability of family firms. For instance, future research endeavors could be dedicated to investigating stability of family commitment over time. There is a possibility that family commitment will alter over time, even without change in controlling generation, and this may be due to the social context in which the individual operates.

Kets De Vries (1993) studied how changing personal circumstances over time within the family impacts the goals of the family principals that manage the firm. For example, when the person leading the family firm does not have any legal heirs or even if they do have such heirs, they may not be able or willing to follow in the footsteps of their predecessors. In such circumstances, the incumbent may develop a different vision of their future relationship with the firm. They tend to design succession plans that lead to situations where the family business is passed on to loyal non-family employees and the firm begins to resemble a non-family firm. In other cases, firm owners consider selling stakes in the company to outsiders and bequeath their liquid wealth to their successors in the form of a trust. Hence, with passage of time, the personal circumstances of family business leaders may alter their relationship with their firm. This may be an interesting avenue for future researchers.

Gersick et al. (1997) studied generations of family businesses and classified them as founder-generation, sibling-generation and cousin coalitions. The authors point out that as the family tree branches out and becomes wider through blood and marriage, often rivalries between family units emerge and may adversely impact the firm's stability. Typically such conflicts are resolved through intervention of outsiders (e.g., non-family investors, consultants, etc.) who either divide up the assets of the company among the family coalitions or try to negotiate amicable solutions through transfer of ownership from one family unit to another. Therefore, family commitment may also be affected by such generational dynamics, and future researchers could take such factors into consideration.

The data for this study was obtained from a single respondent in each firm. There are possibilities that the collective perception of the family may not be accurately reflected through a single key informant. Hence, future studies may attempt to obtain data from multiple individuals and also at different levels.

The data for this study was collected from export-oriented ready-made garments industry in Bangladesh. The single industry data set impedes the possibility of generalizability of the findings. Therefore, future research efforts may focus on testing the same model across different industrial sectors and also across different geographical and cultural contexts. The findings of such studies may demonstrate different results from that revealed in the current study.

The construct used in this study to gauge impact on outcome was firm performance, which was measured through subjective self-reported indicators against targets set by the firm's management. Although past studies have argued that there is no statistically significant difference between objective and subjective measures of firm performance in private firms (Dess and Robinson, 1984; Venkatraman and Ramanujam, 1986), yet it would be more interesting if the firm performance could be measured through directly observable indicators such as revenue growth, net profit, return on equity, etc. Future efforts may be directed towards obtaining objective data from private family firms where available.

Finally, in the future a mixed-method approach (Creswell and Creswell, 2018) could be deployed to investigate the antecedents and outcome of family commitment. The integration of both qualitative and quantitative methods could provide more insights into the willingness of family firm owners to commit resources, time and effort to their family enterprise. An important use of such a method could support a better recalibrating the operationalization of the variable; binding social ties of the family, which showed non-significant association with family commitment and firm performance. Hauck et al. (2016) argued that there could be gaps between conceptualization and operationalization of this variable. Hence, a qualitative component in the research method could untangle this issue and provide a more robust finding.

6.7 Conclusion

Family firm leaders often face the dilemma of ensuring continued commitment of family members to the business enterprise, especially as the control of the firm transitions from founders to subsequent generation of family-managers. Although family business literature asserts that family-centric non-economic goals such as pursuit of socioemotional wealth affects family firm behavior, yet there appears to be a dearth of studies that provide a clear understanding of how collective willingness of family firm owners to provide the firm with resources, time and effort are driven by different components of socioemotional wealth, and how each dimension of SEW as antecedents of family commitment differ in their aforesaid association from founder-generation to subsequent-generations.

This doctoral research attempted to provide a finer-grained view of how different components of socioemotional wealth impacts family commitment to the business organization as antecedents, and how family commitment in turn impacts firm performance. The conceptual linkage between SEW, family commitment and firm performance was established by deploying two theories. First, the socioemotional wealth theory (Gomez-Mejia et al., 2007) was used to suggest that family firm owners have multiple family-specific non-economic goals, and the salience of the family towards these goals will determine how they impact behavior, policies, and strategic decisions of the family firm leaders.

Second, an expanded explanation of the stakeholder theory developed by Zellweger and Nason (2008) for the context of family firms, was deployed to propose links between the FIBER dimensions of SEW and family commitment, and then family commitment and firm performance. The stakeholder theory enabled the research to suggest that family as a key stakeholder in the family firm interact with stakeholders at different levels (*individual, family, firm* and *society*), and their interaction will produce behavior and outcomes that will be based on four types of relationships (*overlapping, causal, synergistic* and *substitutional*). Therefore, by leveraging the two theories, the research model developed in this study suggests that multiple dimensions of socioemotional wealth act as antecedents of family commitment that in turn impacts firm performance.

The model also included two pertinent moderating variables. The first variable was generation-in-charge of the firm to assess whether the strength of association between the antecedents and family commitment change depending on which family generation controls the management of the firm. The second moderator was professionalization of the firm, which was deployed to examine if the strength of association between family commitment and firm performance was contingent upon the level of professionalization of the firm.

Utilizing support from previous empirical studies in the literature, a total of seventeen (17) hypotheses were developed to suggest relationships between the variables in the model. The hypotheses were tested through structural equation modeling (SEM) based on data collected by the researcher from 357 private family firms in the garments manufacturing sector in Bangladesh. The data analysis was primarily done through the use of SmartPLS (version 3.2.2) to compute the strengths, directions and significance of each relationship. The results indicated that out of the seventeen hypotheses, twelve (12) were supported and five (5) of them were not supported.

For the five (5) proposed antecedents of family commitment (*family control and influence, identification of family with the firm, binding social ties of the family, emotional attachment of the family and renewal of family bonds through dynastic* *succession*), four (4) out of five (5) relationships were found to be significant, while one of them; '*binding social ties*' was found to be statistically non-significant, suggesting that this dimension does not have any impact on family commitment. Out of the remaining four paths that were found to be significant, the impact of '*family control and influence*' on family commitment was found to be negative, which meant that this dimension of SEW had a net adverse effect on family commitment.

The impact of family commitment on firm performance was tested and showed significant and positive relationship as expected. Thereafter, mediation analysis was also conducted to investigate if family commitment served as a significant mediator between the antecedents and outcome. The results indicated that family commitment partially mediated the relationships between four (4) components of SEW (*family control and influence, identification of the family with the firm, emotional attachment of the family and renewal of family bonds through dynastic succession*) and firm performance. The results also showed significant direct effects of the above components of SEW of firm performance. However, the relationship between '*binding social ties*' of the family and firm performance was non-significant both in the case of direct as well as indirect effect, suggesting no mediation. In terms of theoretical significance, the above findings may enable researchers to discern a more consistent and predictable link between family goals, behavior and outcome especially if they consider each dimension of socioemotional wealth separately instead of viewing SEW as one monolithic construct.

When the moderator; family generation-in-charge was applied to the model, the findings showed that only two dimensions of SEW (*identification of the family with the firm* and *binding social ties of the family through the firm*) were significantly different in their association with family commitment when comparison was made between the founder- and subsequent-generation. Interestingly, for the above two paths: (i) impact of identification of family on family commitment and (ii) impact of binding social ties on family commitment, the relationships were stronger in the case of the subsequent-generation compared to the founder-generation. This discovery could have important managerial implications because the family firm owners could leverage these two aspects of family goals to keep their successors engaged and committed to the family enterprise.

The second moderator; professionalization of the firm, was applied to the path between family commitment and firm performance. The results indicated the relationship was significantly stronger when formal governance mechanisms and managerial procedures that make up professionalization were present. This result may provide incentives to family firm owners, industry regulators and investors to encourage institutionalization of organized and structured managerial processes within the realm of family owned businesses.

Family businesses dominate the economic landscape around the world, and are among the key drivers of economic activities in most societies. When family businesses thrive, they generate more employment opportunities, more demand for goods and services, enhancement in quality of goods and services through more competition, more innovation in products and processes and an overall positive impact on the gross domestic product of the economy they operate in. Therefore, to ensure survival of family owned businesses across generations makes sense both in terms of economic and social development.

The findings of this research work are expected to provide important clues to industry practitioners, governments and non-government organizations and financial institutions that aim to nurture and foster growth and sustainability of business organizations that create such large economic and social impact. Policies and strategies may be designed with the specific understanding of the key drivers of positive family behaviors such as family commitment that lead to superior firm performance. Such initiatives based on a nuanced understanding of how important family-specific goals impact positive behavior, will enable development of successful strategies to stem the decline of the family enterprise.

In terms of bringing the family business research field to higher levels of prominence parallel to the prominence achieved by areas such as entrepreneurship, it is necessary to provide enhanced legitimacy to this field by developing a homegrown theory unique to family business. The outcome of this doctoral research endeavor may lay another brick into the pavement that leads to the development of the coveted goal of developing a unified 'theory of family owned business'.

REFERENCES

Aaker, D. A., and G. S. Day. (1990). *Marketing Research*. New York: John Wiley & Sons.

Adams, J.S., Taschian, A., & Shore, T.H. (1996). Ethics in family and non-family-owned firms: An exploratory study. *Family Business Review*, Vol. 9, No. 2, p.157–170.

Agle, B.R., Donaldson, T., Freeman, R.E., Mitchell, C., and Jensen, B. (2008). Dialogue: Toward Superior Stakeholder Theory. *Business Ethics Quarterly*, Vol. 18, No. 2, p.153-190.

Agle, B.R., Mitchell, R.K., & Sonnenfeld, J.A. (1999). Who matters to CEOs? An investigation of stakeholder attributes and salience, corporate performance, and CEO values. *Academy of Management Journal*, Vol. 42, p.507–525.

Aguinis, H. and Vandenberg, R.J. (2014). An Ounce of Prevention Is Worth a Pound of Cure: Improving Research Quality Before Data Collection. *Annual Review Organizational Psychology Organizational Behavior*, Vol.1, No.1, p.569–595.

Aguinis, H., Edwards, J.R., & Bradley, K.J. (2016). Improving Our Understanding of Moderation and Mediation in Strategic Management Research. *Organizational Research Methods*, p.1-21.

Allouche, J., Amann, B., Jaussaud, J., & Kurashina, T. (2008). The impact of family control on the performance and financial characteristics of family versus nonfamily businesses in Japan: A matched-pair investigation. *Family Business Review*, Vol.21, No. 4, p.315–329.

Alreck, P. R., and R. B. Settle. (1995). *The survey research handbook*. 2nd ed. Chicago: Irwin Professional Publishing.

Amaratunga, D., D. Baldry, M. Sashar, and R. Newton. (2002). Quantitative and qualitative research in built environment: Application of "mixed" research approach. *Work Study,* Vol. 51, No. 1, p.17-31.

Amit, R. and Villalonga, B. (2014). Financial performance of family firms, in Merlin, L., Nordqvist, M. and Sharma, P. (Eds), *The Sage Handbook of Family Business*, Sage Publications, Thousand Oaks, CA, pp. 157-178.

Anderson, R. and Reeb, D. (2003). Founding-family ownership and firm performance: evidence from the S&P 500. *Journal of Finance*, Vol. 58, No. 3,p.1301-1327.

Anderson, R. and Reeb, D. (2004). Board Composition: Balancing family influence in S&P500 firms. *Administrative Science Quarterly*, Vol. 49, No. 2, p.209-237.

Andres, C. (2008). Large shareholders and firm performance: An empirical examination of founding family ownership. *Journal of Corporate Finance,* Vol. 14, No. 4, p.431-445.

Arosa, B., Itturalde, T. & Maseda. A. (2010). Ownership structure and firm performance in non-listed firms: Evidence from Spain. *Journal of Family Business Strategy*, Vol. 1, No. 2, p.88-96.

Arregle, J. L., L. Hebert, and P. W. Beamish. (2006). Mode of International Entry: The Advantages of Multilevel Methods. *Management International Review,* Vol. 46, No. 5, p.597-618.

Arregle, J.L., Hitt, M.A., Sirmon, D.G., & Very, P. (2007). The development of organizational social capital: Attributes of family firms. *Journal of Management Studies*, Vol. 44, No.1, p.73–95.

Arregle, J.L., Naldi, L., Nordqvist, M., & Hitt, M.A. (2012). Internationalization of family-controlled firms: A study of the effects of external involvement in governance. *Entrepreneurship Theory and Practice,* Vol. 36, No. 6, p.1115–1143.

Arrondo-Garcia, R., Fernandez-Mendez, C., & Menendez-Requejo, S. (2007). The growth and performance of family businesses during the global financial crisis: The role of the generation in control. *Journal of Family Strategy*. Vol. 7, p.227-237.

Arya, B., and Salk, J.E. (2006). Cross-sector Alliance Learning and Effectiveness of Voluntary Codes of Corporate Social Responsibility. *Business Ethics Quarterly,* Vol. 16, No. 2, p.211-234.

Astrachan, J. H., & Jaskiewicz, P. (2008). Emotional returns and emotional costs in privately held family businesses: Advancing traditional business valuation. *Family Business Review,* Vol. 21, No. 2, p.139-149.

Astrachan, J. H., & Shanker, M. C. (2003). Family businesses' contribution to the U.S. economy: A closer look. *Family Business Review,* Vol. 16, No. 3, p.211-219.

Astrachan, J.H., Klein, S.B., & Smyrnios, K.X. (2002). The F-PEC scale of family influence: A proposal for solving the family business definition problem. *Family Business Review*, Vol. 16, No. 1, p.45–58.

Audretsch, D. B., Hulsbeck, M., & Lehmann, E. E. (2013). Families as active monitors of firm performance. *Journal of Family Business Strategy*, Vol. 4, No. 2, 118–130.

Austin, J., Stevenson, H., & Wei-Skillern, J. (2006). Social and commercial entrepreneurship: Same, different, or both? *Entrepreneurship Theory and Practice*, Vol.30, No. 1, p.1–22.

Babbie, E. (1990). *Survey research methods*. 2nd ed. Belmont, California: Wadsworth.

Bammens, Y., Voordeckers, W. and Van Gils, A. (2011). Boards of directors in family businesses: a literature review and research agenda. *International Journal of Management Reviews*, Vol.13, p.134–152.

Bandura, A. (1986). *Social foundations of thought and action: A social cognitive theory*. Prentice Hall, Englewood Cliffs, NJ.

Bandura, A. (2002). Selective moral disengagement in exercise of moral agency. *Journal of Moral Education*, Vol. 31, p.101-119.

Barnett, T., Long, R.G., & Marler, L.E. (2012). Vision and exchange in intra-family succession: Effects on procedural justice climate among nonfamily managers. *Entrepreneurship Theory and Practice*, Vol. 36, No. 6, p.1207– 1225.

Barney, J. (1991), Firm resources and sustained competitive advantage. *Journal of Management*, Vol. 17, No. 1, p.99-120.

Baron, R. M., & Kenny, D. A. (1986). The moderator-mediator variable distinction in social psychological research: Conceptual, strategic, and statistical considerations. *Journal of Personality and Social Psychology*, Vol. 51, p.1173-1182.

Baron, R.A. (2008). The role of affect in the entrepreneurial process. *Academy of Management Review*, Vol.33, No. 2, 328–340.

Barros, I, Hernangomez, J., and Martin-Cruz, N. (2017). Familiness and socioemotional wealth in Spanish firms: An empirical examination. *European Journal of Family Business*, Vol.7, No. 1-2, p.14.

Barontini, R. & Caprio, L. (2006). The effect of family control on firm value and performance: Evidence from continental Europe. *European Financial Management*, Vol.12, p.689–723.

Barsade, S.G. (2002). The ripple effect: Emotional contagion and its influence on group behavior. *Administrative Science Quarterly*, Vol. 47, No. 4, p.644-675.

Bartlett, J.E., Kotrlik, J.W. and Higgins, C.C. (2001) Organizational Research: Determining Appropriate Sample Size in Survey Research. *Information Technology, Learning, and Performance Journal*, Vol.19, p.43-50.

Basco, R. (2013). The Family's Effect on Family Firm Performance: A Model Testing the Demographic and Essence Approaches. *Journal of Family Business Strategy,* Vol.4, No.1, p.42-66.

Basco, R., and Voordeckers, W. (2015). The relationship between the board of directors and firm performance in private family firms: a test of the demographic versus behavioral approach. *Journal of Management and Organizations*, Vol. 21, No. 1, p.411-435.

Baumann-Pauly, D. (2017, August). Assessing the true size of the garment industry in Bangladesh and why it matters. NYU Stern Center for Business and Human Rights Report. Retrieved from https://bhr.stern.nyu.edu/blogs/assessing-size-garment-industry-bd

Baumol, W. J. (1990). Entrepreneurship: Productive, unproductive, and destructive. *Journal of Political Economy*, Vol. 98, No. 5, p.893–921.

Beck, L., Janssens, W., Debruyne, M., & Lommelen, T. (2011). A Study of the Relationships Between Generation, Market Orientation, and Innovation in Family Firms. *Family Business Review,* Vol. 24, No. 3, p.252-272.

Beehr, T.A., Drexel, J.A., and Faulkner, S. (1997). Working in small family businesses: Empirical comparisons to non-family businesses. *Journal of Organizational Behavior*, Vol.18, No.3, p.297-313.

Bell, D. (October, 2017). Saving the Family Business. *Harvard Business Review*, (online version). Retrieved from https://hbr.org/webinar/2017/10/saving-the-family-businesses

Bennedsen, M., K. M. Nielsen, F. Pérez-González, and D. Wolfenzon (2007). Inside the Family Firm: The Role of Families in Succession Decisions and Performance. *Quarterly Journal of Economics,* Vol. 122, No. 2, p.647– 691.

Bentler, P. (2009). Alpha, dimension-free, and model-based internal consistency reliability. *Psychometrika,* Vol.74, p.137-143.

Berenbeim, R.E. (1990). How business families manage the transition from owner to professional management. *Family Business Review*, Vol. 3, No.1, p.69-110.

Berrone, P., C. Cruz, and L. R. Gómez-Mejía. (2014). Family-Controlled Firms and Stakeholder Management: A Socioemotional Wealth Preservation Perspective. *The Sage Handbook of Family Business,* p.179-195.

Berrone, P., Cruz, C. and Gomez-Mejia, L.R. (2012), Socioemotional wealth in family firms theoretical dimensions, assessment approaches, and agenda for future research. *Family Business Review*, Vol.25, No. 3, p.258-279.

Berrone, P., Cruz, C., Gomez-Mejia, L.R. and Larraza-Kintana, M. (2010), Ownership structure and corporate response to institutional pressures: do family-controlled firms pollute less? *Administrative Science Quarterly*, Vol. 55, No.1, p.82-113.

Bhalla, V. & Orglmeister, C. (2017). *A Founder's Guide to Professionalizing a Family Business*. Retrieved from Boston Consulting Group website: https://www.bcg.com/publications/2017/family-business-people-organization-founders-guide-professionalizing-family-business.aspx.

Bhaumik, S.K. and Gregoriou, A. (2010). Family ownership, tunneling and earnings management: A review of the literature. *Journal of Economic Surveys*, Vol. 24, No. 4, p.705-730.

Bhaumik, S.K., Driffield, N.L., and Pal, S. (2010). Does ownership structure of emerging-market firms affect their outward FDI? The case of the Indian automotive and pharmaceutical sectors. *Journal of International Business Studies*, Vol. 41, No. 3, p.437-450.

Bitici,U., Garengo. P., Dorfler, V., and Nudurupati (2012). Performance management: Challenges for tomorrow. *International Journal of Management Reviews*, Vol. 14, No. 3, p.305-327.

Block, J. (2011). How to pay nonfamily managers in large family firms: A principal–agent model. *Family Business Review*, Vol.24, p.9-27.

Bloom, N. and Van Reenen, J. (2007), Measuring and explaining management practices across firms and countries. *Quarterly Journal of Economics*, Vol. 122, No. 4, p.1351-1408.

Borsboom, D., Mellenbergh, G.J., and Van Heerden, J. (2003). The Theoretical status of latent variables. *Psychological Review*, Vol. 110, No. 2, p.203-219.

Bourque, L. B., and E. P. Fielder. (1995). *How to conduct self-administered and mail surveys*. Sage, Thousand Oaks, CA.

Brickson, S.L. (2007). Organizational identity orientation: The genesis of the role of the firm and distinct forms of social value. *Academy of Management Review*, Vol. 32, p.864-888.

Bruehl, S. & Lachenauer, R. (2018, July). How Family Business Owners Should Bring Next Generation into the Company. *Harvard Business Review*, (online version). Retrieved from: https://hbr.org/2018/07/how-family-business-owners-should-bring-the-next-generation-into-the-company

Brun de Pontet, S., & Wrosch, C.G. (2002). An exploration of the generational differences in levels of control held among family businesses approaching succession. *Family Business Review*, Vol. 20, No. 4, p.337–355.

Burgess, L.G., Riddell, P.M., Fancourt, A. and Murayama, K. (2018). The Influence of Social Contagion Within Education: A Motivational Perspective (online version). *Mind, Brain and Education*. Retrieved from: https://onlinelibrary.wiley.com/doi/full/10.1111/mbe.12178.

Burns, A.C. and Bush, R.F. (2000). *Marketing Research*. 3rd Ed. Prentice Hall, New Jersey.

Byrne, B. M. (2010). *Structural equation modeling with AMOS: Basic concepts, applications, and programming*. 2nd Edition. Routledge Taylor & Francis Group.

Cadieux, L. (2007). Succession in Small and Medium-Sized Family Businesses: Toward a Typology of Predecessor Roles During and After Instatement of the Successor. *Family Business Review*, Vol. 20, No.2, p.95-109.

Calabro, A., Torchia, M., Pukall, T., and Mussolino, D. (2013). The influence of ownership structure and board strategic involvement on international sales: The moderating effect of family involvement. *International Business Review*, Vol. 22, No. 3, p.509-523.

Cain, M.K., Zhang, Z., and Yuan, Ke-Hain (2017). Univariate and multivariate skewness and kurtosis for measuring nonnormality: Prevalence, influence and estimation. *Behavioral Resources*, Vol. 49, No. 5, p. 1716-1735.

Compopiano, G. & Rondi, E. (2018). Heirarchical Dyadic Congruence in Family Firms: The Interplay of Supervisor and Supervisee Socioemotional Wealth Importance and Familial Status. *Entrepreneurship Theory and Practice*, Vol. 58, p.1-8.

Carlock, R.S. & Ward, J.L. (2001). *Strategic planning for the family business: Parallel planning to unify the family and business*. Houndsmill, NY: Palgrave.

Carmeli, A., Gilat, G. and Waldman, D.A. (2007). The role of perceived organizational performance in organizational identification, adjustment and job performance. *Journal of Management Studies*, Vol. 44, No. 6, p. 972-992.

Carnes, C. and Ireland, R. (2013). Familiness and Innovation: Resource Bundling as the Missing Link. *Entrepreneurship Theory and Practice*, Vol. 37, No. 6, p.1399-1419.

Carney, M. (2005). Corporate governance and competitive advantage in family-controlled firms. *Entrepreneurship Theory and Practice*, Vo. 29, No.3, p.249–265.

Carney, M., Essen, M.V., Gedajlovic, E.R., and Heugens, P.P. (2015). What Do We Know About Private Family Firms? A Meta-Analytical Review, *Entrepreneurship Theory and Practice*, Vol. 39, No. 3, p.513-544.

Carr, J.C., and Ring, J.K. (2017). Family Firm Knowledge Integration and Noneconomic Value Creation. *Journal of Managerial Issues*, Vol. 29, No.1, p.30-56.

Carrigan, M. and Buckley, J. (2008). 'What's so special about family business? An exploratory study of UK and Irish consumer studies. *International Journal of Consumer Studies*, Vol. 32, No. 6, p.656-666.

Carvalho, J. d., & Chima, F. O. (2014). Applications of Structural Equation Modeling in Social Sciences Research. *American International Journal of Contemporary Research,* Vol. 4, No. 1, p.6-11.

Casillas, J. C., Moreno, A. M., & Barbero, J. L. (2010). A configurational approach of the relationship between entrepreneurial orientation and growth of family firms. *Family Business Review,* Vol. 23, No. 1, p.27-44.

Cavana, R. Y., B. L. Delahaye, and U. Sekaran. (2001). *Applied business research: Qualitative and quantitative methods,* 3rd ed. Milton, Qld: John Wiley & Sons.

Cennamo, C., Berrone, P. C., & Gómez-Mejia, L. R. (2012). Socioemotional wealth and proactive stakeholder engagement: Why family controlled firms care more about their stakeholders. *Entrepreneurship Theory and Practice, Vol.* 36, No. 6, p.1103-1253.

Cerrato, D. and Piva, M. (2012). The Internationalization of Small and Medium-Sized Enterprises: The Effect of Family Management, Human Capital and Ownership. *Journal of Management and Governance*, Vol. 16, No. 4, p.617-644.

Cepeda-Carrion, G., Cegarra-Navarro, Juan-Gabriel, and Cillio, V. (2019). Tips to use partial least squares structural equation modeling (PLS-SEM) in knowledge management. *Journal of Knowledge Management*, Vol. 23, No. 1, p. 67-89.

Chin, W.W. (1998). Commentary: Issues and Opinion on Structural Equation Modeling. *MIS Quarterly*, Vol.22, No. 1, pp.7-16.

Chin, W.W. (2010). How to Write Up and Report PLS Analyses. *In Handbook of Partial Least Squares* (p. 655-690). Berlin, Springer Berlin Heidelberg.

Chirico, F. and Bau, M. (2014). Is the Family an "Asset" or "Liability" for Firm Performance? The Moderating Role of Environmental Dynamism. *Journal of Small Business Management*, Vol. 52, No. 2, p.210-225.

Chirico, F., Gómez-Mejia, L. R., Hellerstedt, K., Withers, M., & Nordqvist, M. (2019). To Merge, Sell, or Liquidate? Socioemotional Wealth, Family Control, and the Choice of Business Exit. *Journal of Management*. https://doi.org/10.1177/0149206318818723.

Chrisman, J. J., and Patel, P. C. (2012). Variations in R&D investments of family and non- family firms: Behavioral agency and myopic loss aversion perspectives. *Academy of Management Journal*, Vol. 55, No. 4, p.976–997.

Chrisman, J. J., Chua, J. H., Pearson, A. W., & Barnett, T. (2012). Family involvement, family influence, and family-centered non-economic goals in small firms. *Entrepreneurship Theory and Practice*, Vol. 36, No. 2, p.267–293.

Chrisman, J. J., J. H. Chua, and F. W. Kellermanns. (2009). Priorities, Resource Stocks, and Performance in family and Nonfamily Firms. *Entrepreneurship Theory and Practice,* Vol. 33, No.3, p.739-760.

Chrisman, J. J., J. H. Chua, F. W. Kellermanns, and E. P. Chang. (2007). Are Family Managers Agents or Stewards? An Exploratory Study in Privately Held Family Firms. *Journal of Business Research,* Vol. 60, No.10, p.1030-1038.

Chrisman, J. J., P. Sharma, L. P. Steier, andj. H. Chua. (2013). The Influence of Family Goals, Governance, and Resources on Firm Outcomes. *Entrepreneurship Theory and Practice,* Vol. 37, No. 6, p.1249-1261.

Chrisman, J.J., and Holt, D.T. (2016). Beyond socioemotional wealth: taking another step toward a theory of the family firm. *Management Research: Journal of the Iberoamerican Academy of Management*, Vol. 14, No. 3, p.279 – 287.

Chrisman, J.J., Chua, J.H. and Litz, R.A. (2004). Comparing the agency costs of family and non-family firms: conceptual issues and exploratory evidence. *Entrepreneurship Theory and Practice*, Vol. 28, No. 4, p.335-354.

Chrisman, J.J., Chua, J.H., & Sharma, P. (2005). Trends and directions in the development of a strategic management theory of the family firm. *Entrepreneurship Theory and Practice*, Vol. 31, p.555–575.

Chrisman, J.J., Chua, J.H., & Steier, L.P. (2002).The influence of national culture and family involvement on entrepreneurial perceptions and performance at the state level. *Entrepreneurship Theory and Practice*, Vol. 26, No. 4, p.113-131.

Chrisman, J.J., Chua, J.H., De Massis, A., Farittini, F., & Wright, M. (2015). The ability and willingness paradox in family firm innovation. *Journal of Product Innovation Management*. Vol. 32, No. 3, p.310-318.

Chrisman, J.J., Steier, L.P., & Chua, J.H. (2006). Personalism, Particularism, and the Competitive Behaviors and Advantages of Family Firms: An Introduction. *Entrepreneurship Theory and Practice*, Vol. 30, No. 6, p.719-729.

Chrisman, J.J., Steier, L.P., & Chua, J.H. (2008). Toward a theoretical basis for understanding the dynamics of strategic performance in family firms. *Entrepreneurship Theory and Practice*, Vol. 32, No. 2, p.935-947.

Chrisman, JJ., Kellermanns, F.W., Chan, K.C., and Liano, K. (2010). Intellectual foundations of current research in family business: An identification and review of 25 influential articles. *Family Business Review*, Vol. 23, No. 1, p.9-26.

Chu, W. (2009). The influence of family ownership on SME performance: Evidence from public firms in Taiwan. *Small Business Economics,* Vol. 33, No. 3, p.353-373.

Chu, W. (2011). Family Ownership and Firm Performance: Influence of Family Management, Family Control, and Firm Size. *Asia Pacific Journal of Management,* Vol. 28, No. 4, p.833-851.

Chua, J. H., Chrisman, J. J., Sharma, P. (2003). Succession and non-succession concerns of family firms and agency relationships with nonfamily managers. *Family Business Review*, Vol. 16, p.89-107.

Chua, J.H., Chrisman, J.J. and De Massis, A. (2015). A closer look at socio emotional wealth: its flows, stocks, and prospects for moving forward. *Entrepreneurship Theory and Practice*, Vol. 39, No. 2, p.173-182.

Chua, J.H., Chrisman, J.J., & Sharma, P. (1999). Defining the family business by behavior. *Entrepreneurship Theory and Practice*, Vol.23, No. 4, p.19–39.

Chua, J.H., Chrisman, J.J., and Chang, E.P.C. (2004). Are family firms born or made? An exploratory investigation. *Family Business Review*, Vol. 17, No. 1, p.37-54.

Chua, J.H., Chrisman, J.J., Steier, L.P. and Rau, S.B. (2012). Sources of heterogeneity in family firms: an introduction. *Entrepreneurship Theory and Practice*, Vol. 36, No. 6, p.1103-1113.

Church, A. H. (1993). Estimating the effect of incentives on mail survey response rates: A meta-analysis. *Public Opinion Quarterly,* Vol. 57, p.62-79.

Churchill, G. A. (1979). A paradigm for developing better measures of marketing constructs. *Journal of Marketing Research,* Vol. 16, No. 1, p.64-73.

Churchill, G.A. (1995). *Marketing research methodological foundation*. 6th ed. Orlando, Florida: The Dryden Press.

Claessens, S., Djankov, S., Fan, J.P., and Lang, L.H. (2002). Disentangling the incentive and entrenchment effects of large shareholdings. *Journal of Finance*, Vol. 57, No. 6, p.2741-2771.

Clarke, A. (1999). *Evaluation research: An introduction to principles, methods and practice*. Thousands Oaks, CA: Sage Publication.

Clarkson, M.B.E. (1995). A stakeholder framework of analyzing and evaluating corporate social performance. *Academy of Management Review*, Vol. 20, No. 1, p.92–117.

Cochran, W.G. (1977). *Sampling Techniques* (3rd Ed.), John Wiley & Sons, New York.

Cohen, A. R., and P. Sharma. (2016). *Entrepreneurs in Every Generation: How Successful Family Businesses Develop Their Next Leaders.* Oakland, CA: Berrett-Koehler.

Cohen, J. (1988). *Statistical power analysis for the behavioral sciences* (2nd ed.), Erlbaum, Mahwah, NJ.

CohenJ., Cohen, P., West, S. and Aiken, L. (2003). *Applied Multiple Regression Correlation Analysis for the Behavioral Sciences* (3rd ed.). Erlbaum, Mahwah, NJ.

Colli, A., M. Rose, and C. Howorth. (2013). Long Term Perspectives on Family Business. *Business History,* Vol. 55, No. 6, p.841-854.

Collis, J. and Hussey, R. (2003). *Business research: A practical guide for undergraduate and postgraduate students* (2nd ed.). Palgrave Macmillan, New York.

Connelly, B. L., Tihanyi, L., Certo, S. T., & Hitt, M. A. (2010). Marching to the beat of different drummers: The influence of institutional owners on competitive actions. *Academy of Management Journal*, Vol. 53, No.4, p.723-742.

Cooper, D.R. & Schindler, P.S. (2003). *Business Research Methods*. 8th Edition, McGraw-Hill Irwin, Boston.

Corbetta, G. and Salvato, C.A. (2004). Self-serving or self-actualizing? Models of man and agency costs in different types of family firms: A commentary on "Comparing the agency costs of family and nonfamily firms: Conceptual issues and exploratory evidence". *Entrepreneurship Theory and Practice*, Vol.28, No. 4, p. 355–362.

Corbetta, G. and Salvato, C.A. (2004). The board of directors in family firms: one size fits all? *Family Business Review*, Vol.17, *No. 2*, p.119–134.

Covin, J.G., Prescott, J.E., and Selvia, D.P. (1990). The effects of technological sophistication on strategic profiles, structure and firm performance. *Journal of Management*, Vol. 27, No.5, p.485-510.

Craig, J. and Dibrell, C. (2006). The natural environment, innovation, and firm performance: A comparative study. *Family Business Review*, Vol. 19, No.4, p.275-288.

Creswell, J.W. (1994). *Research design: Qualitative and quantitative approaches*. Sage, Thousand Oaks.

Creswell, J.W. (2003). *Research design: Qualitative, Quantitative and Mixed Methods Approaches*, 2nd ed. Sage, Thousand Oaks.

Creswell, J.W. and Tashakkori, A. (2007). Differing perspectives on mixed methods research. *Journal of Mixed Methods Research*, Vol. 1, No. 4, p.303-308.

Creswell., J.W. (2012). *Educational research: Planning, conducting and evaluating quantitative and qualitative research*. 4th ed., Pearson, Boston.

Creswell, J.W., and Creswell, J.D. (2018). *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches (5th)*. Sage Publications, Michigan, USA.

Cronbach, L.J. (1971). Test validation. In R.L. Thorndike (Ed.), *Educational Measurement* (2nd ed., pp. 443-507). Washington, DC: American Council on Education.

Cruz, C. and Arredondo, H. (2016). Going back to the roots of socioemotional wealth. *Management Research: Journal of the Iberoamerican Academy of Management*, Vol.14, No. 3, p.234 – 243.

Cruz, C., & Nordqvist, M. (2012). Entrepreneurial orientation in family firms: A generational perspective. *Small Business Economics Journal,* Vol. 38, No. 1, p.33-49**.**

Cruz, C., Gomez-Mejia, L.R. and Becerra, M. (2010). Perceptions of benevolence and the design of agency contracts: CEO-TMT relationships in family firms. *Academy of Management Journal*, Vol. 53, No.1, p.69-89.

Cruz, C., Justo, R., & De Castro, J. (2012). Does family employment enhance MSEs performance? Integrating socioemotional wealth and family embeddedness perspectives. *Journal of Business Venturing*, Vol.27, p.62-76.

Cruz, C., Larraza-Kintana, M., Garcés-Galdeano, L. and Berrone, P. (2014). Are family firms really more socially responsible? *Entrepreneurship Theory and Practice*, Vol. 38, No.6, p.1295-1316.

Cruz, C.C., Gomez-Mejia, L.R., and Becarra, M. (2000). Perceptions of benevolence and the design of agency contracts: CEO-TMT relationships in family firms. *Academy of Management Journal*, Vol. 53, No. 1, p.69-89.

Cyert, R.M. and March, J.G. (1963), *A Behavioral Theory of the Firm*, Englewood Cliffs, NJ.

Daily, C.M. & Near, J.P. (2000). CEO satisfaction and firm performance in family firms: Divergence between theory and practice. *Social Indicators Research*, Vol. 51, p.125–170.

Daily, C.M. and Dollinger, M.J. (1992). An empirical examination of ownership structure in family and professionally managed firms. *Family Business Review*, Vol. 5, No. 2, p.117-136.

Danes, S.M., Lee, J., Stafford, K., & Heck, R.K.Z. (2008). The effects of ethnicity, families and culture on entrepreneurial experience: An extension of sustainable family business theory. *Journal of Development Entrepreneurship*, Vol.13, No.3, p.229-268.

Daspit, J.J., Chrisman, J.J., Sharma, P., Pearson, A.W., and Long, R.G. (2017). A Strategic Management Perspective of the Family Firm: Past Trends, New Insights, and Future Directions. *Journal of Managerial Issues*, Vol. 29, No.1, p.6-29.

Davidsson, P. & Wiklund, J. (2001). Levels of analysis in entrepreneurship research: Current research practice and suggestions for the future. *Entrepreneurship Theory and Practice*, Vol. 25, No. 4, p.81–100.

Davis, J.H., Allen, M.R., and Hayes, H.D. (2010). Is Blood Thicker Than Water? A Study of Stewardship Perceptions in Family Business. *Entrepreneurship Theory and Practice*, Vol. 34, No. 6, p.1093-1116.

Davis, P. S., & Harveston, P. D. (1998). The influence of family on the family business succession process: A multi-generational perspective. *Entrepreneurship Theory and Practice,* Vol. 22, No. 3, p.31-54.

Davis-Peccoud, J., Stone, P., and Tovey, C. (2016). Achieving breakthrough results in sustainability. Available at: http://www.bain.com/publications/articles/achieving-breakthroughresults-in-sustainability.aspx,(Zugriff 5.5.2018).

Dawes, J. (2008). Do data characteristics change according to the number of scale points used? *International Journal of Market Research*, Vol. 50, No.1, p.61-77.

De Castro, K.L.R., Crespi-Cladera, R., & Aguilera, R.V. (2016). An organizational economics approach on the pursuit of socioemotional and financial wealth in family firms Are these competing or complementary objectives? *Management Research: Journal of the Iberoamerican Academy of Management*, Vol.14, No. 3, p.267 – 278.

De Kok, J., Uhlaner, L., & Thurik, A. (2006). Professional HRM practices in family- owned-managed enterprises. *Journal of Small Business Management*, Vol. 44, No. 4, p.441–460.

De Massis, A, Frattini, F., Majocchi, A., and Piscitello, L. (2018). Family firms in the global economy: Towards a deeper understanding of internationalization determinants, processes, and outcomes. *Global Strategy Journal*, Vol. 8, No. 1, p.3-21.

De Massis, A., Di Minin, A., & Frattini, F. (2015). Family-Driven Innovation: Resolving The Paradox in Family Firms. *California Management Review*, Vol. 58, No. 1, p.5-19.

De Massis, A., Kotlar, J., Campopiano, G., & Cassia, L. (2013). Dispersion of family ownership and the performance of small-to-medium size private family firms. *Journal of Business Strategy*, Vol. 4, No.3, p.166-175.

De Massis, A., Kotlar, J., Chua, J.H. and Chrisman, J.J. (2014), “Ability and willingness as sufficiency conditions for family-oriented particularistic behavior: implications for theory and empirical studies”, *Journal of Small Business Management*, Vol. 52, No. 2, p.344-364.

De Massis, A., P. Sieger, J. H. Chua, and S. Vismara. (2016). “Incumbents’ Attitudes towards Intra-family Succession: An Investigation of its Antecedents.” *Family Business Review,* Vol. 29, No. 3, p.278-300.

De Visscher, F.M., Aronoff, C.E., and Ward, J.L. (2011). *Financing transitions: managing capital and liquidity in the family business*. Palgrave McMillan, New York.

Debicki, B. J., F. W. Kellermanns, J. J. Chrisman, A. W. Pearson, B. A. Spencer. (2016). Development of the Socioemotional Wealth Importance (SEWi) Scale for Family Business Research. *Journal of Family Business Strategy,* Vol. 7, No. 1, p.47-57.

Debicki, B.J, Randolph, R.V.D.G., Sobczak, M. (2017). Socioemotional Wealth and Family Firm Performance: A Stakeholder Approach. *Journal of Managerial Issues*, Vol. 29, No.1, p.82-111.

Debicki, B.J., Matherne, C.F., Kellermanns, F.W., and Chrisman, J.J. (2009). An overview of the who, the where, the what and the why. *Family Business Review*, Vol. 22, No. 2, p. 151-166.

Deephouse, D. L., & Jaskiewicz, P. (2013). Do family firms have better reputations than non-family firms? An integration of Socioemotional Wealth and Social Identity theories. *Journal of Management Studies*, Vol.50, No.3, p.337–360.

Dekker, J. C., N. Lybaert, T. Steijvers, B. Depaire, and R. Mercken (2013). Family Firm Types Based on the Professionalization Construct: Exploratory Research. *Family Business Review,* Vol. 26, No. 1, p.81–99.

Dekker, J., Lybaert, N., Steijvers, T. and Depaire, B. (2015). The effect of family business professionalization as a multidimensional construct on firm performance. *Journal of Small Business Management*, Vol. 53, No. 2, p.516-538.

Dess, G. G., & Robinson Jr., R. B. (1984). Measuring organizational performance in the absence of objective measures: The case of the privately-held firm and conglomerate business unit. *Strategic Management Journal,* Vol. 5, No. 3, p.265-273.

Detert, J.R., Trevino, L.K., and Sweitzer, V.L. (2008). Moral disengagement in ethical decision making: A study of antecedents and outcomes. *Journal of Applied Psychology*, Vol. 93, No. 2, p.374-391.

Detienne, D.R., & Chirico, F. (2013). Exit Strategies in Family Firms: How Socioemotional Wealth Drives the Threshold of Performance. *Entrepreneurship Theory and Practice*, Vol. 37, No. 6, p.1297-1318.

DeVellis, R. F. (2011). *Scale development: Theory and applications*. Thousand Oaks: Sage.

Diamantopoulos, A., Sarstedt, M., Fuchs, C., Wilczynski, P., & Kaiser, S. (2012). Guidelines for choosing between multi-item and single-item scales for construct measurement: a predictive validity perspective. *Journal of the Academy of Marketing Science*, Vol. 40, No. 3, p.434–449.

Dierckx, I., and Cool, K. (1989). Asset Stock Accumulation and Sustainability of Competitive Advantage. *Management Science*, Vol. 35, No. 12, p.1504-1511.

Dillman, D. A. (1978). *Mail and telephone surveys: The total design method*. New York: John Wiley & Sons.

Dillman, D. A., Smyth, J.D., and Christian, L.M. (2009). *Internet, Mail, and Mixed-Mode Surveys: The Tailored Design Method*. New York, NY: John Wiley & Sons.

Dimanatopoulos, A. & Siguaw, J. (2006). Formative versus reflective indicators in organizational measure development: A comparison and empirical illustration. *British Journal of Management*, Vol.17, No.4. p.263-282.

Distelberg, B. and Sorenson, R.L. (2009). Updating Systems Concepts in Family Businesses: A Focus on Values, Resource Flows and Adaptability. *Family Business Review*, Vol. 22, No. 1, p.65-81.

Dobbins, G. H., and S. J. Zaccaro. (1986). The Effects of Group Cohesion and Leader Behavior on Subordinate Satisfaction. *Group and Organization Studies,* Vol. 11, No. 3, p.203-219.

Donaldson, L., & Davis, J. H. (1991). Stewardship Theory or Agency Theory: CEO governance and shareholder returns. *Australian Journal of Management*, Vol.16, No. 1, p.49-65.

Douglas, E. J., & Shepherd, D. A. (2000). Entrepreneurship as a utility maximizing response. *Journal of Business Venturing*, Vol. 15, No. 3, p.231–251.

Douglas,E.J.,& Shepherd, D. A. (2002). Self-employment as a career choice: Attitudes, entrepreneurial intentions, and utility maximization. *Entrepreneurship Theory and Practice*, Vol.26, No.3, p.81–90.

Droge, C., J. Jayaram, and S. Vickery. (2004). The Effects of Internal versus External Integration Practices on Time-based Performance and Overall Firm Performanc*e. Journal of Operations Management,* Vol. 22, No. 6, p.557-573.

Duchesneau, D.A. and Gartner, W.B. (1990). A profile of new venture success and failure in merging industries. *Journal of Business Venturing*, Vol. 5, No.1, p.297-312.

Duran, P., Kammerlander, N., Van Essen, M. and Zellweger, T. (2015). Doing more with less: innovation input and output in family firms. *Academy of Management Journal*, Vol. 59, No. 4, p.1244-1264.

Dyer, G.W. & Whetten, D.A. (2006). Family firms and social responsibility: Preliminary evidence from the S&P 500. *Entrepreneurship Theory and Practice*, Vol. 30, No. 4, p.785–802.

Dyer, W. G., and W. J. Dyer. (2009). Putting the Family into Family Business Research. *Family Business Review,* Vol. 22, No. 3, p.216-219.

Dyer, W. G., E. Nenque, and E. J. Hill. (2014). Toward a Theory of Family Capital and Entrepreneurship: Antecedents and Outcomes. *Journal of Small Business Management,* Vol..52, No. 2, p.266-285.

Dyer, W.G. (1989), Integrating professional management into a family owned business. *Family Business Review*, *Vol. 2*, No. 3, p.221-235.

Dyer, W.G., Jr. (2006). Examining the "family effect" on firm performance. *Family Business Review*, Vol.19, p.253–273.

Eddleston, K. A., & Kellermanns, F. W. (2007). Destructive and productive family relationships: A stewardship theory perspective. *Journal of Business Venturing*, Vol.22, p.545–565.

Eddleston, K. A., Kellermanns, F. W., Floyd, S. W., Crittenden, V. L., & Crittenden, W. F. (2013). Planning for growth: Life stage differences in family firms. *Entrepreneurship Theory and Practice, Vol. 37*, No. 5, p.1177-1202.

Eddleston, K. A., Kellermanns, W., F., & Sarathy, R. (2008). Resource configuration in family firms: Linking resources, strategic planning and technological opportunities to performance. *Journal of Management Studies,* Vol. 45, No. 1, p.26-50.

Eichenburger, S. (2011). "*In Pictures: 15 Oldest Family Companies*.". Forbes (June 17). Retrieved from: http://www.forbes.com/2011/06/17/oldest-family-business-slide.html

El Ghoul, S., Guedhami, O., Wang, H., and Kwok, C.C.Y. (2016). Family control and corporate social responsibility. *Journal of Banking and Finance*, Vol. 73, p.131-146.

Elmuti, D. and Khathawala, Y. (2000). The effects of global outsourcing strategies and participants' attitudes and organizational effectiveness. *International Journal of Manpower*, Vol.21, No.2, p.112-128.

Emory, C. W., and D. R. Cooper. 1991. *Business research methods*. Fourth ed. Boston: Irwin.

Ensley, M. D., & Pearson, A. W. (2005). An exploratory comparison of the behavioral dynamics of top management teams in family and nonfamily new ventures: Cohesion, conflict, potency, and consensus. *Entrepreneurship: Theory and Practice*, Vol.29, No.3, p.267–284.

Ensley, M. D., Pearson, A. W., & Sardeshmukh, S. R. (2007). The negative consequences of pay dispersion in family and non-family top management teams: An exploratory analysis of new venture, high-growth firms. *Journal of Business Research, 60*(10), 1039-1047.

Erickson, F. (1986). *Qualitative methods in research on teaching*. Edited by M.C. Whitlock, 3rd Ed., Handbook of research teaching by a project of American Educational Research Association, MacMillan, NY.

Essen, M.V, Carney, M., Gedajlovic, E.R. and Heugens, P.P. (2015). How does family control influence firm strategy and performance? A meta-analysis of US publicly listed firms. *Corporate Governance: An International Review*, Vol. 23, No. 1, p.3-24.

Fabrigar, L. R., Wegener, D. T., MacCallum, R. C., & Strahan, E. J. (1999). Evaluating the use of exploratory factor analysis in psychological research. *Psychological Methods*, Vol. 3, p.272-299.

Faccio, M. and Lang, L.H. (2002). The ultimate ownership of Western European corporations. *Journal of Financial Economics*, Vol. 65, No.3, p.365-395.

Farinha, J. (2003). Dividend Policy, Corporate Governance and Managerial Entrenchment Hypothesis: An Empirical Analysis. *Journal of Business Finance and Accounting*, Vol. 30, No. 9-10, p.1173-1209.

Faul, F., Erdfelder, E., Lang, A., and Buchner, A. (2007). G*Power 3.0: A flexible statistical power analysis program for the social, behavioral, and biomedical sciences. *Behavioral Research Methods*, Vol. 39, No. 2, p.175-191.

Fernandez, Z. and Nieto, M.J. (2005). Internationalization strategy of small and medium sized family business: Some influential factors. *Family Business Review*, Vol. 18, No. 1, p.77-89.

Fiegener, M. K., Brown, B. M., Dreux, D. R., & Dennis, W. J. (2000). CEO stakes and board composition in small private firms. *Entrepreneurship Theory and Practice*, Vol. 24, p.5-24.

Fiegner, M.K. (2010). Locus of Ownership and Family Involvement in Small Private Firms. *Journal of Management Studies*, Vol. 47, No. 2, p.296-321.

Filser, M., De Massis, A., Gast, J., Kraus, S., and Niemand, T. (2017). Tracing the Roots of Innovativeness in Family SMEs: The Effect of Family Functionality and Socioemotional Wealth. *The Journal of Product Innovation Management*, Vol. 35, No. 4, p.609-628.

Fink, M. (2010). Trust-based Cooperation Relationships between SMEs - Are Family Firms Any Different? *International Journal of Entrepreneurial Venturing,* Vol.1, No.4, p.382-397.

Finkelstein, S. and Hambrick, D.C. (1990). Top-management-team tenure and organizational outcomes: The moderating role of managerial discretion. *Administrative Science Quarterly*, Vol. 35, No. 3, p.484-503.

Finkelstein, S. and Hambrick, D.C. (1996). *Strategic leadership: Top executives and their effects on organizations*. New York, NY:West.

Flamholtz, E. and Randle, Y. (2007). *Growing Pains: Transitioning from an Entrepreneurship to a Professionally Managed Firm*. Jossey-Bass, San Francisco, CA.

Fleiss, J. L. (1981) *Statistical methods for rates and proportions*. 2nd ed. (New York: John Wiley).

Fletcher, D. (2002). A network perspective of cultural organising and 'professional management' in the small, family business. *Journal of Small Business and Enterprise Development*, Vol. 9, No. 4, p.400-415.

Flew, A. (1979). *A dictionary of philosophy*. 2nd ed. New York, NY: St. Martin's Press.

Flora, D.B. & Curran, P.J. (2004). An empirical evaluation of alternative methods of estimation for confirmatory factor analysis with ordinal data. *Psychology Methods,* Vol. 9, No. 4, p.466-491.

Florent-Treacy E., Korotov K., Rook C. (2017). *Manfred F. R. Kets de Vries: Playing the Morosoph*. In: Szabla D., Pasmore W., Barnes M., Gipson A. (eds) The Palgrave Handbook of Organizational Change Thinkers. Palgrave Macmillan, Cham

Fombrun, C. J., and M. Shanley. 1990. What's in a Name? Reputation-building and Corporate Strategy. *Academy of Management Journal,* Vol. 30, p.33-50.

Frankfort-Nachmias, C., and D. Nachmias (1992). *Research methods in the social sciences*. 4th ed. New York: St. Martin's Press.

Frazer, L., and M. Lawley (2000). *Questionnaire design and administration*. Brisbane, Australia: John Wiley & Sons.

Freeman, E.R. (1984), *Stakeholder Management: Framework and Philosophy*, Pitman, Mansfield, MA.

Freeman, E.R. (2010). *Strategic Management: A Stakeholder Approach*. Cambridge University Press, U.K.

Freeman, E.R., & McVea, J. (2001). A stakeholder approach to strategic management. In M. Hitt, E.R. Freeman, & J. Harrison (Eds.), *Handbook of strategic management* (pp. 189–207). Oxford: Blackwell.

Gabrielsson, J. (2007). Correlates of board empowerment in small companies. *Entrepreneurship Theory and Practice*, Vol. 31, No. 5, p.687-711.

Gagliardi, P. (1986). The creation and change of organizational cultures: A conceptual framework. *Organization Studies*, Vol. 7, p.117-134.

Gagne, M., Sharma, P. and De Massis, A. (2014). The Study of Organizational Behavior in Family Business. *European Journal of Work and Organizational Psychology,* Vol. 23, No. 5, p.643-656.

Garcia-Castro, R., & Aguilera, R. V. (2014). Family involvement in business and financial performance: A set-theoretic cross-national inquiry. *Journal of Family Business Strategy*, Vol.5, No.1, p.85–96.

Garcia-Alvarez, E., & Lopez-Sintas, J. (2001). A taxonomy of founders based on values: The root of family business heterogeneity. *Family Business Review*, Vol. 14, No. 3, p.209- 230.

Garson, G.D. (2016). *Partial Least Squares: Regression & Structural Models*. (online version). Retrieved from: https://www.smartpls.com/resources/ebook_on_pls-sem.pdf.

Gast J., Filser, M., Rigtering, J.P.C., Rainer, H., Kraus, S. and Chang, M. (2018). Socioemotional Wealth and Innovativeness in Small and Medium Sized Family Enterprises: A Configuration Approach. *Journal of Small Business Management*, Vol. 56, No. 1, p.53-67.

Gedajlovic, E., Carney, M., Chrisman, J.J., and Kellermanns, F.W. (2012). The adolescence of family firm research taking stock and planning for the future. *Journal of Management*, Vol. 38, No. 4. P.1010-1037.

Gedajlovic, E., Lubatkin, M.H., and Schulze, W.S. (2004). Crossing the Threshold from Founder Management to Professional Management. *Professional Management: A Governance Perspective*, Vol. 41, No. 5, p.899-912.

Geffen, D., Straub, D., D & Boudreau, M.C. (2000). Structural equation modeling and regression: Guidelines for research perspective. *Communication for the Association for Information Systems*, 4(1), 7.

Geisser, S. (1975). A predictive approach to random effect model. *Biometrika*, Vol. 61, No. 1, p.101-107.

Gersick, K.E., Davis, J.A., Hampton, M.M., & Lansberg, I. (1997). *Generation to generation: Life cycles of the family business*. Boston, MA: Harvard Business School Press.

Ghalyani, A.M. and Noble, J.S. (1996). The changing basis of performance measurement. *International Journal of Operations and Production Management*, Vol. 16, No. 8, p.63-80.

Ghozali, I. (2008). *Structural equation modeling: Metode alternative dengan partial least square (pls*). Badan Penerbit Universitas Diponegoro.

Giovannini, R. (2010). Corporate governance, family ownership and performance. *Journal of Management and Governance*, Vol. 14, No. 2, p.145–166.

Glick, W.H., Huber, G.P., Miller, C.C., Doty, D.H., Sutcliffe, K.M. (1990). Studying Changes in Organizational Design and Effectiveness: Retrospective Event Histories and Periodic Assessments. *Organization Science*, Vol. 1, No. 3, p.293-312.

Godfrey, P.C. (2005). The relationship between corporate philanthropy and shareholder wealth: A risk management perspective. *The Academy of Management Review*, Vol. 30, No. 4, p.777–798.

Gomez-Mejia, L. R., C. Cruz, P. Berrone, and J. De Castro. (2011). The Bind that Ties: Socioemotional Wealth Preservation in Family Firms. *Academy of Management Annals*, Vol. 5, No. 1, p.653-707.

Gomez-Mejia, L. R., Haynes, K.T., Nunez-Nickel, M., Jacobson, K.J.L., and Moyano-Fuentes, J. (2007). Socioemotional Wealth and Business Risks in Family-Controlled Firms: Evidence from Spanish Olive Oil Mills. *Administrative Science Quarterly, Vol. 52*, No. 1, p.106-137.

Gomez-Mejia, L.R., Cruz, C., and Imperatore, C. (2014). Financial Reporting and the Protection of Socioemotional Wealth in Family-Controlled Firms. *European Accounting Review*, Vol. 23, No. 3, 387–402.

Gomez-Mejia, L.R., Neacsu, I, and Martin, G. (2017). CEO Risk-Taking and Socioemotional Wealth: The Behavioral Agency Model, Family Control, and CEO Option Wealth. *Journal of Management*, Vol. 45, No. 4. Available at: https://doi.org/10.1177/0149206317723711

Gomez-Mejia, L.R., Larraza-Kintana, M., & Makri, M. (2003). The determinants ofexecutive compensation in family-controlled public corporations. *Academy of Management Journal*, Vol. 46, No. 2, p.226–237.

Gomez-Mejia, L.R., Makri, M. and Kintana, M.L. (2010), "Diversification decisions in family controlled firms", *Journal of Management Studies*, Vol. 47 No. 2, pp. 223-252.

Gomez-Mejia, L.R., Nunez-Nickel, M. and Gutierrez, I. (2001), The role of family ties in agency contracts. *Academy of Management Journal*, Vol. 44 No. 1, pp. 81-95.

Gomez-Mejia, L. R., Neacsu, I., & Martin, G. (2019). CEO Risk-Taking and Socioemotional Wealth: The Behavioral Agency Model, Family Control, and CEO Option Wealth. *Journal of Management*, *45*(4), 1713–1738. https://doi.org/10.1177/0149206317723711.

Gonzalez, M., Guzman, A., Pombo, C. and Trujillo, M.A. (2014). Family involvement and dividend policy in closely held firms. *Family Business Review*, Vol. 27, No. 4, p.365-385.

Green, S. B., & Yang, Y. (2009a). Reliability of summed item scores using structural equation modeling: An alternative to coefficient alpha. *Psychometrika,* Vol.74, p.155-167.

Green, S.B. (1991). How Many Subjects Does It Take To Do A Regression Analysis. *Multivariate Behavioral Research*, Vol. 26, No. 3, p.499-510.

Grote, J. (2003). Conflicting generations: A new theory of family business rivalry. *Family Business Review*, Vol.16, p.113–124.

Groysberg, B. & Bell, D. (2014, April). Generation to Generation: How to Save the Family Business. *Harvard Business Review* (on-line version). Retrieved from: https://hbr.org/2014/04/generation-to-generation-how-to-save-the-family-business.

Guba, E.G. and Lincoln, Y.S. (2005). *Paradigmatic controversies, contradictions and emerging confluences*. The Sage Handbook of Qualitative Research, ed. N.K. Denzin and Y.S. Lincoln, Thousand Oaks, CA.

Gulbrandsen, T. (2005). Flexibility in Norwegian family-owned enterprises. *Family Business Review*, Vol.18, No. 1, p.57-76.

Gummesson, E. (2000). *Qualitative methods in management research*.2nd ed. Sage Publications, London.

Gupta, A.K. and Govindarajan, V. (1984). Business unit strategy, managerial characteristics, and business unit effectiveness at strategy implementation. *The Academy of Management Journal*, Vol. 27, No. 1, p.25-41.

Haar, J. and Oritz-Buonafina, M. (1995). The internationalization process and marketing activities: The case of Brazialian export firms. *Journal of Business Research*, Vol. 32, No. 2, p.175-181.

Habbershon, T. G., & Pistrui, J. (2002). Enterprising families domain: Family-influenced ownership groups in pursuit of transgenerational wealth. *Family Business Review*, Vo. 15, No. 3, p.223-238.

Habbershon, T.G. & Williams, M. (1999). A resource-based framework for assessing strategic advantage of family firms. *Family Business Review*, Vol. 12, No. 1, p.1-25.

Habbershon, T.G., Williams, M. and MacMillan, I.C. (2003). A unified systems perspective of family firm performance. *Journal of Business Venturing*, Vol. 18, No. 4, p.451-465.

Haenlein, M. and Kaplan, A.M. (2004). A beginner's guide to partial least squares analysis. *Understanding Statistics*, Vol.3, No. 4, p.283-297.

Hair, J. F., Anderson, R.E., Tatham, R.L., and Black, W.C. (1998). *Multivariate data analysis*. 5th ed. New Jersey: Prentice-Hall International Inc.

Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2010). *Multivariate data analysis* (7th ed.). Upper Saddle River: Pearson.

Hair, J. F., Hult, G. T. M., Ringle, C. M., & Sarstedt, M. (2014). *A primer on partial least squares structural equation modeling (PLS-SEM*). Thousand Oaks: Sage.

Hair, J. F., R. B. Bush, and D. J. Ortinau. (2003). *Marketing research within a changing information environment*. New York,NY: McGraw-Hill.

Hair, J. F., Ringle, C. M., & Sarstedt, M. (2011). PLS-SEW: Indeed a Silver Bullet. *The Journal of Marketing Theory and Practice*, Vol. 19, No. 2, p.139-152.

Hair, J.E., Hult, T.M., Ringle, C.M., & Sarstedt, M. (2017). *A primer on partial least square structural equation modeling (PLS-SEM)*. Sage Publications, Thousand Oaks, CA, USA.

Hair, J.F., Black, W.C., Babin, B.J., Anderson, R.E., and Tatham, R.L. (2006). *Multivariate data analysis*. 6th Ed. Prenctice-Hall Internationa, NJ.

Halinski, R.S. and Feldt, L.S. (1970). The selection of variables in multiple regression analysis. *Journal of Educational Measurment*, Vol. 7, No. 3, p.151-158.

Hall, A. and Nordqvist, M. (2008), "Professional management in family businesses: toward an extended understanding", *Family Business Review*, Vol. 21 No. 1, pp. 51-69.

Hamid, M.A., Abduallah, A., and Kamaruzzaman, N.A. (2015). Capital Structure and Profitability in Family and Non-Family Firms: Malaysian Evidence. *Procedia Economics and Finance*, Vol. 31, p.44-55.

Handler, W. C. (1990). Succession in owner-managed and family firms: a mutual role adjustment between entrepreneur and the next generation. *Entrepreneurship Theory and Practice*, Vol.15, p.37–51.

Hardagon, A. and Becky, B.A. (2006). When collections of creative become creative collectives: A field study of problem solving at work. *Organizational Science*, Vol. 17, No. 4, p.484-500.

Hardesty, D. & Bearden, W. (2004). The Use of Expert Judges in Scale Development. *Journal of Business Research*, Vol*. 57,* No.2, p.98-107.

Harman, H.H. (1976). *Modern Factor Analysis*. 3rd Edition, University of Chicago Press. USA.

Harris, R.J. (1975). *A primer of multivariate statistics*. Academic, New York.

Hasan, M.S., Rahman, A.R., Hossain, S.Z. (2014). Monitoring family performance: family ownership and corporate governance structure in Bangladesh. *Procedia-Social and Behavioral Sciences,* Vol. 145, p.103-109.

Hatak, I., Kautnen, T., Fink, M., & Kansikas, J. (2016). Innovativeness and family-firm performance: The moderating effect of family commitment. *Technological Forecasting & Social Change,* Vol. 102, p.120–131.

Hauck, J., & Prugl, R. (2015). Innovation activities during intra-family leadership succession in family firms: An empirical study from a socioemotional wealth perspective. *Journal of Family Business Strategy*, Vol. 6, No. 2, p.104-118.

Hauck, J., Suess-Reyesm, J., Beck, S., Prügl, R., & Hermann, F. (2016). Measuring socioemotional wealth in family-owned and -managed firms: A validation and short form of the FIBER Scale. *Journal of Family Business Strategy*, Vol. 7, No. 3, p.133–148.

Hayes, A.F. (2009). Beyond Baron and Kenny: Statistical mediation analysis in the new millennium. *Communication Monographs*, Vol. 76, p.408-420.

Hayes, A.F. and Rockwood, N.J. (2017). Regression-based statistical mediation and moderation analysis in clinical research: Observations, recommendations, and implementation. *Behavioral Research and Therapy*, Vol. 98, p.35-57.

Hayes, A.F., Slater, M.D., and Snyder, L.B. (2008). *The SAGE Sourcebook of Advanced Data Analysis Methods for Communication Research*, Sage, USA.

Hayes, R.H. and Abernathy, W.J. (1980). Managing our way to economic decline. *Harvard Business Review*, Vol. 61, No. 7, p.67-77.

Hayton, J.C., Allen, D.G. & Scarpello, V. (2004) Factor Retention Decisions in Exploratory Factor Analysis: A Tutorial on Parallel Analysis. *Organizational Research Methods, 7*, 191-205.

Henseler, J., Hubona, G., and Ray, P.A. (2016). Using PLS path modeling in new technology research: updated guidelines. *Industrial Management ad Data Systems*, Vo. 116, No. 1, p.2-20.

Henseler, J., Ringle, C.M., & Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of the Academy of Marketing Science*, Vol. 43, No.1, p.115-135.

Henseler, J., Ringle, C.M., and Sinkovics, R.R. (2009). The use of partial least squares path modeling in international marketing: New Challenges to International Marketing. *Advances in International Marketing,* Vol. 20, p.277-319.

Henseler,J., Dijkstra, T.K., Sarsstedt, M., Ringle, C.M., Diamantopolous, A., Straub, D., and Calantone, R.J. (2014). Common beliefs and reality about PLS: Comments on Ronkko and Evermann (2013). *Organizational Research Methods*, Vol. 17, No. 2, p.182-209.

Hinkin, T. R. (1998). A brief tutorial on the development of measures for use in survey questionnaires. *Organizational Research Methods*, Vol.1, No. 1, p.104–121.

Hitt, M., Freeman, E.R., & Harrison. J.S. (2001). *Blackwell Handbook of Strategic Management*. Wiley.

Hoinville, G., and R. Jowell. 1978. *Survey research practice*. London: Heinemann Educational Books.

Holt, D.T., Rutherford, M.W., and Kuratko, D.F. (2010). Advancing the field of family business research: further testing the easurement properties of F-PEC. *Family Business Review*, Vol. 23, p.76-88.

Hoopes, D. G., & Miller, E. (2006). Ownership preferences, competitive heterogeneity, and family-controlled businesses. *Family Business Review,* Vol. 19, No. 2, p.89-101.

Horst, P. 1968. *Personality: Measurement of Dimensions*. San Francisco: Jossey- Bass.

House, R.J., Hanges, P.J., Javidan, M., Dorfman, P.W. and Gupta, V. (2004). *Leadership, culture and organizations: The GLOBE study of 62 nations*. Sage, Thousand Oaks, CA.

Howorth, C., Westhead, P. and Wright, M. (2004). Buyouts, information asymmetry and the family management dyad. *Journal of Business Venturing*, Vol.19, p.509– 534.

Hoy, F., & Sharma, P. (2010). Entrepreneurial family firms. Family businesses dominate: International family enterprise research academy (IFERA). *Family Business Review*, Vol.16, No.4, p.235–240.

Hussey, J. and Hussey, R. (1997). *Business research: A practical guide for undergraduate and postgraduate students*. Macmillan Press, London.

Ittner, C.D. & Larcker, D.F. (2003). Coming up short on nonfinancial performance measurement. *Harvard Business Review*, Vol. 81, No. 1, p.81-89.

Jacquemin, A. & De Ghellinck, E. (1980). Familial control, size, and performance in the largest French firms. *European Economic Review*, Vol.13, p.81–91.

Jaffe, D.T. & Lane, S.H. (2004). Sustaining a Family Dynasty: Key Issues Facing Complex Multigenerational Business and Investment-Owning Families. *Family Business Review*, Vol. 17, No.1, p.81-89.

James, H. (1999). Owner as manager, extended horizons and the family firm. *International Journal of Economics of Business*, Vol. 6, No.1, p.41–56.

Jaskiewicz, P. & Combs, J.G. (2015, November). How to Keep Family Business Alive for Generations. *The Wall Street Journal*, 19-21. Retrieved from https://www.wsj.com/articles/how-to-keep-a-family-business-alive-for-generations-1448045760

Jayaraman, N., Khorana, A., Nelling, E., and Covin, J. (2000). CEO Founder Status and Firm Financial Performance. *Strategic Management Journal*, Vol. 21, No. 1, p.1215-1224.

Jensen, M.C. and Meckling, W.H. (1976). Theory of the firm: managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, Vol. 3, No. 4, p.305-360.

Jiang, D.S., Kellermanns, F.W., Munyon, T.P., & Morris, M.L. (2018). More than meets the eye: A review and future directions for the social psychology of socioemotional wealth. *Family Business Review*, Vol. 31, No.1, p.125-157.

Jiang, Y., & Peng, M. W. (2011). Are family ownership and control in large firms good, bad, or irrelevant? *Asia Pacific Journal of Management*, Vol. 28, No.1, p.15–39.

Jones, C.D., Makri, M., & Gomez-Mejia, L.R. (2008). Affiliate directors and perceived risk bearing in publicly traded, family-controlled firms: The case of diversification. *Entrepreneurship Theory and Practice*, Vol. *32*, No. 6, p.1007–1026.

Kahneman, D. and Tversky, A. (1979). Prospect theory: an analysis of decision under risk. *Econometrica*, Vol. 47, No. 2, p.263-292.

Kaplan, R.S. (1984). The evolution of management accounting. *Accounting Review*, Vol. 59, No. 3. p. 390-418.

Kaplan, R.S. and Norton, D.P. (1992). The balanced scorecard-measures that drive performance. *Harvard Business Review*, Vol. 70, No. 1, p.71-79.

Kellermanns, F. W., & Eddleston, K. (2006). Feuding families: The management of conflict in family firms. In P. Poutziouris, K. Smyrnios & B. Klein (Eds.), *Family Business Research Handbook* (pp. 358-368). Northampton, MA: Edward Elgar Publishing.

Kellermanns, F. W., & Eddleston, K. A. (2007). A family perspective on when conflict benefits family firm performance. *Journal of Business Research*, Vol. 60, No. 10, p.1048–1057.

Kellermanns, F. W., and K. A. Eddleston. (2006). Corporate Entrepreneurship in Family Firms: A Family Perspective. *Entrepreneurship Theory and Practice,* Vol. 30, No. 6, p.809-830.

Kellermanns, F. W., Eddleston, K. A., Barnett, T., & Pearson, A. (2008). An exploratory study of family member characteristics and involvement: Effects on entrepreneurial behavior in the family firm. *Family Business Review,* Vol. 21, No. 1, p.1-14.

Kellermanns, F. W., Eddleston, K. A., Sarathy, R., & Murphy, F. (2012). Innovativeness in family firms: A family influence prospective. *Small Business Economics,* Vol. 38, No. 1, p.85-101.

Kellermanns, F. W., Walter, J., Lechner, C. and Floyd, S. W. (2005). 'The lack of consensus about strategic consensus: advancing theory and research'. *Journal of Management*, Vol. 31, p.719–37.

Kellermanns, F., Eddleston, K., & Zellweger, T. (2012). Extending the socioemotional wealth perspective: A look at the dark side. *Entrepreneurship Theory and Practice,* Vol. 36, No. 6, p.1175-1182.

Kellermanns, F.W. & Eddleston, K.A. (2004). Feuding families: When conflict does a family good. *Entrepreneurship Theory and Practice*, Vol. 28, p.209–228.

Kellermanns, F.W., (2005). Family firm resource management: commentary and extensions. *Entrepreneurship Theory and Practice*, Vol. 29, p.313–319.

Kelly, L. M., Athanassiou, N., & Crittenden, W. F. (2000). Founder centrality and strategic behavior in the family-owned firm. *Entrepreneurship Theory and Practice,* Vol. 25, No. 2, p.27-42.

Kenny, D.A. (2008). Reflections on mediation. *Organizational Research Methods*, Vol. 11, p.353-358.

Kent, R. 2001. *Data construction and data analysis for survey research*. Palgrave, New York.

Kerlinger, F. N. 1992. *Foundations of behavioural research*. Fortworth, Texas, USA: Harcourt Bruce Publishers.

Kets de Vries, M. F. R. (1993). The dynamics of family controlled firms: the good and the bad news. *Organizational Dynamics*, *21*(3), 59–71.

Kets de Vries, M.F.R. (2017, February). Saving a Family Business from Emotional Dysfunction. *Harvard Business Review* (online version). Retrieved from: https://www.dropbox.com/s/60rujlbx3o2e90q/Screenshot%202018-11-28%2012.48.21.png?dl=0

Khan, A., Muttakin, M.D., & Siddiqui, J. (2015). Audit fees, auditor choice and stakeholder influence: Evidence from a family-firm dominated economy. *The British Accounting Review*, p.1-17.

Kidwell, R. E., Mossholder, K.W., and Bennet, N. (1997). Cohesiveness and Organizational Citizenship Behavior: A Multilevel Analysis Using Work Groups and Individuals. *Journal of Management,* Vol. 23, No. 6, p.775-793.

Kim, N. (2015). Tests Based on Skewness and Kurtosis for Multivariate Normality. *Communications for Statistical Applications and Methods*, Vol. 22, No. 4, p.361-375.

Kitchenham, A. B. & Pfleeger. L.S. (2002). Principles of survey research: Part 3: Constructing a survey instrument. *ACM SIGSOFT Software Engineering Notes,* Vol. 27, No. 2, p.20-24.

Klein, B. & Leffler, K.B. (1981). The role of market forces in assuring contractual performance. *The Journal of Political Economy*, Vol. 89, No. 4, p.615-641.

Klein, S., and F. A. Bell (2007). "Non-Family Executives in Family Businesses: A Literature Review," *Electronic Journal of Family Business Studies,* Vol. 1, No. 1, p.19–37.

Klein, S.B., Astrachan, J.H., & Smyrnios, K.X. (2005). The F-PEC scale of family influence: Construction, validation, and further implication for theory. *Entrepreneurship Theory and Practice*, *Vol. 29, No.3, p.321–339.*

Kline, R. B. (2005). *Principles and practices of structural equation modeling* (2nd ed.). New York: Guildford Press.

Knor-Cetina, K. (1999). *Epistimic cultures: How the sciences make knowledge.* Harvard University Press, Cambridge, MA.

Kock, N. and Lynn, G.S. (2012). Lateral Collinearity and Misleading Results in Variance-based SEM: An Illustration and Recommendations. *Journal of the Association for Information Systems*, Vol. 13, No. 7, p.546-580.

Koenig, A., Kammerlander, N., and Enders, A. (2013). The family innovator's dilemma: How family influence affects the adoption of discontinuous technologies by incumbent firms. *Academy of Management Review*, Vol. 38, No. 3, p.418-441.

Koropp, C., Grinchnik, D., and Kellermanns, F. (2013). Financial attitudes in family firms: The moderating role of family commitment. *Journal of Small Business Management*, Vol. 51, No. 1, pp. 114-137.

Kosmidou, V. (2018). A socioemotional wealth perspective on innovativeness and performance of family businesses (doctoral dissertation). University of Louisville, USA.

Kotlar, J., and A. De Massis. (2013). Goal Setting in Family Firms: Goal Diversity, Social Interactions, and Collective Commitment to Family- Centered Goals. *Entrepreneurship Theory and Practice 37*(6), 1263-1288.

Kotlar, J., Signori, A., De Massis, A., and Vismara, S. (2018). Financial Wealth, and IPO Underpricing in family Firms: A Two-stage Gamble Model. *Academy of Management Journal*, Vol.61, No.3 (in print). Available at: https://doi.org/10.5465/amj.2016.0256

Kraiczy, N. D., Hack, A. & Kellermanns, F. W. (2015). CEO innovation orientation and research and development intensity in small and 85medium-sized firms: The moderating role of firm growth. *Journal of Business and Economics,* Vol. 85, p.851-872.

Krejcie, R.V. and Morgan, D.W. (1970). Determining sample size for research activities. *Educational and Psychological Measurement*, Vol. 30, p.607-610.

La Porta, R., Lopez-de-Silanes, F., and Shleifer, A. (1999). Corporate ownership around the world. *Journal of Finance*, Vol. 54, No. 2, p.471-517.

Labowitz, S. (2016, June). New Data on Number of Factories in Bangladesh. NYU Stern Center for Business & Human Rights. Retrieved from https://bhr.stern.nyu.edu/blogs/-data-on-number-of-factories-bd

Labowitz, S. & Baumann-Pauly, D. (2014, December). Beyond the Tip of the Iceberg: Bangladesh's forgotten Apparel Workers. NYU Stern Center for Business & Human Rights, 1-41. Retrieved from http://people.stern.nyu.edu/twadhwa/bangladesh/downloads/beyond_the_tip_of_the_iceberg_report.pdf

Laffranchini, G., Hadjimarcou, J.S., & Kim, S.H. (2018). The Impact of Socioemotional Wealth on Decline-Stemming Strategies of Family Firms. *Entrepreneurship Theory and Practice*, Vol. 100, No. 6, p.1-26.

Lansberg, I. (1988). The succession conspiracy. *Family Business Review*, Vol. 1, No. 2, p.119–143.

Laplume, A., Sonpar, K., & Litz, R.A. (2008). Stakeholder theory: Reviewing a theory that moves us. *Journal of Management*, Vol. 34, No. 6, p.1152–1189.

Le Breton-Miller, I. L., Miller, D., & Lester, R. H. (2011). Stewardship or agency? A social embeddedness reconciliation of conduct and performance in public family businesses. *Organization Science,* Vol. 22, No. 3, p.704-721.

Le Breton-Miller, J., Miller, D., & Steve, L. (2004). Toward an integrative model of effective FOB succession. *Entrepreneurship Theory and Practice*, Vol. 28, No. 4, p.305–328.

Le Bretton-Miller, I., & Miller, D. (2013). Socioemotional Wealth Across the Family Firm Life Cycle: A Commentary on "Family Business Survival and the Role of Boards". *Entrepreneurship Theory and Practice*, Vol. 37, No. 6, p.1391-1397.

Le Bretton-Miller, I.L., Miller, D., and Lester, R.H. (2011). Stewardship or agency? A social embeddedness reconciliation of conduct and performance in public family business. *Organization Science*, Vol. 22, No. 3, p. 704-721.

Lechner, C., and S. V. Gudmundsson. (2014). Entrepreneurial Orientation, firm Strategy and Small Firm Performance. *International Small Business Journal,* Vol. 32, No. 1, p.36-60.

Lee, J. (2006). Family firm performance: Further evidence. *Family Business Review,* Vol. 19, No. 2,p.103-114.

Lee, M.S. and Rogoff, E.G. (1996). Research note: Comparison of small businesses with family participation versus small businesses without family participation: An investigation of differences in goals, attitudes, and family/business conflict. *Family Business Review*, Vol. 9, No. 4, p.423-437.

Lin, S.H., and Hu, S.Y. (2007). A Family Member or Professional Management? The Choice of a CEO and Its Impact on Performance. *Corporate Governance: An International Review*, Vol. 15, No. 6, p.1348–1362.

Ling, Y., & Kellermanns, F. W. (2010). The effects of family firm specific sources of Top Management Team diversity: The moderating role of information exchange frequency. *Journal of Management Studies,* Vol. 47, No. 2, p.322-344.

Liozu, S., A. Hinterhuber, and T. Somers. (2014). Organizational Design and Pricing Capabilities for Superior Firm Performance. *Management Decision,* Vol. 52, No. 1, p.54-78.

Litz, R. (1995). The family business: Toward definitional clarity. *Family Business Review*, Vol. 8, No.2, p.71–81.

Litz, R.A. (2008).Two Sides of a One-Sided Phenomenon: Conceptualizing the Family Business and Business Family as a Mobius Strip. *Family Business Review*, Vol. 21, No. 3, p.217-236.

Llanos, O. and Santos, M.A.D. (2018). Exploring the asymmetric influence of socioemotional wealth priorities on entrepreneurial behaviour in family businesses. *European Journal of International Management* (online version) Retrieved from: DOI: 10.1504/EJIM.2018.10014757.

Lopez-Delgado, P., & Dieguez-Soto, J. (2015). Lone founders: Types of private family businesses and firm performance. *Journal of Family Businesses Strategy*, Vol. 6, p.73–85.

Lounsbury, M., & Glynn, M. A. (2001). Cultural entrepreneurship: Stories, legitimacy, and the value of acquisition of resources. *Strategic Management Journal*, Vol. 22, No. 6–7, p.545–564.

Lubatkin, M.H., Durand, R., & Ling, Y. (2007). The missing lens in family firm governance theory: A self-other typology of parental altruism. *Journal of Business Research*, Vol. 60, No. 10, p.1022-1029.

Luckas, B., J. Hair, and D. Ortinau. (2004). *Marketing research*. North Ryde, N.S.W: McGraw-Hill.

Lumpkin, G. T., K. H. Brigham, and T. W. Moss. (2010). Long-term Orientation: Implications for the Entrepreneurial Orientation and Performance of Family Businesses. *Entrepreneurship and Regional Development*, Vol. 22, No. 3-4, p.241-264.

MacKinnon, D.P., Coxe, S., & Baraldi, A.N. (2012). Guidelines for the Investigation of Mediating Variables in Business Research. *Journal of Business and Psychology*, Vol. 27, No. 1, p.1-14.

Marett, E., Marler, L., and Marett, K. (2018) Socioemotional wealth importance within family firm internal communication. *Journal of Family Business Management*, Vol. 8, No. 1, p.22-37.

Marler, L.E., Botero, I.C., & De Massis, A. (2017). Succession-Related Role Transitions in Family Firms: The Impact of Proactive Personality. *Journal of Managerial Issues*, Vol. 29, No. 1, p.57-81.

Martin, G. and Gomez-Mejia, L., (2016). The relationship between socioemotional and financial wealth Re-visiting family firm decision making. *Management Research: Journal of the Iberoamerican Academy of Managemen*t, Vol. 14, No. 3, p.215 – 233.

Martin, G., Campbell, J.T., and Gomez-Mejia, L.R. (2016). Family Control, Socioemotional Wealth and Earnings Management in Publicly Traded Firms. *Journal of Business Ethics*, Vol. 133, p.453–469.

Martin, G.P., Gomez-Mejia, L.R. and Wiseman, R. (2013). Executive stock options as mixed gambles: revisiting the behavioral agency model. *Academy of Management Journal*, Vol. 56, No. 2, p.451-472.

Martínez, J. I., Stöhr, B. S., & Quiroga, B. F. (2007). Family ownership and firm performance: Evidence from Chile. *Family Business Review,* Vol. 20, No. 2, p.83-94.

Mathieu,J.E., DeShon, R.P., & Bergh, D.D. (2008). Mediational inferences in organizational research: Then, now, and beyond. *Organizational Research Methods*, Vol. 11, No. 2, p.203-223.

Maury, B. (2006). Family ownership and firm performance: evidence from Western European corporations. *Journal of Corporate Finance*, Vol. *12*, No. 2, p.321–341.

Mazzi, C. (2011). Family business and financial performance: Current state of knowledge and future research challenges. *Journal of Family Business Strategy*, Vol. *2*, No.1,1p.66–181.

Mazzola, P., Sciascia, S., and Kellermanns, F.W. (2013). Non-linear effects of family sources of power on performance. *Journal of Business Research*, Vol. 66, No. 4, p.568-574.

McCelland, S. (1994). Training needs assessment data-gathering methods: Part 4, survey questionnaire. *Journal of European Industrial Training,* Vol. 18, No.5, p.22-26.

McChesney, C., Covey, S, and Huling, J. (2013). *The 4 Disciplines of Execution*. Simon and Schuster, Canada.

McConaughy, D. L., & Phillips, G. M. (1999). Founders versus descendants: The profitability, efficiency, growth characteristics and financing in large, public, founding-family-controlled firms. *Family Business Review,* Vol. 12, No. 2, p.123-131.

McGuire, J. B., Sundgren, A., & Schneeweis, T. (1988). Corporate social responsibility and financial firm performance. *Academy of Management Journal*, *31*(4), 854–872.

McKenny, A. F., Short, J., Zachary, M., & Payne, T. (2012). Assessing espoused goals in private family firms using content analysis. *Family Business Review,* Vol. 25, No. 3, p.298- 317.

McNeish, D. (2017). Thanks Coefficient Alpha, We'll Take It From Here. *Psychological Methods*, Vol.23, No.3, p.412-433.

Melin, L., & Nordqvist, M. (2007). The reflexive dynamics of institutionalization: The case of the family business. *Strategic Organization*, Vol. 5, No. 4, p.321–333.

Melin, L., Nordqvist, M., & Sharma. P. (2014). *The SAGE Handbook of Family Business.* Thousand Oaks, CA: SAGE Publishers.

Meyer, J.P. and Allen, N.J. (1997). *Commitment in the workplace: Theory, research, and application*. Thousand Oaks, CA.

Michiels, A., Uhlaner, L., & Dekker, J. (2017). The effect of family business professionalization on dividend payout. *Journal of Small Business and Enterprise Development*, Vol. 24, No. 4, p.971-990.

Michiels, A., Voordeckers, W., Lybaert, N., and Steijvers, T. (2015). Dividends and family governance practices in private family firms. *Small Business Economics*, Vol. 44, No. 2, p.299-314.

Milgrom, P. and Roberts, J. (1986). Price and advertising signals of product quality. *The Journal of Political Economy*, Vol. 94, No. 4, p.796-821.

Miller, C.C., & Cardinal, L.B. (1994). Strategic Planning and Firm Performance: A Synthesis of More than Two Decades of Research. *The Academy of Management Journal*, Vol. 37, No. 6, p.1649-1665.

Miller, D. and Le Breton-Miller, I. (2014). Deconstructing socioemotional wealth. *Entrepreneurship Theory & Practice*, Vol. 38, No. 4, p. 713-720.

Miller, D. and Le Bretton-Miller, I. (2011). Governance, social identity and entrepreneurial orientation in closely held public companies. *Entrepreneurship Theory and Practice*, Vol. 35, No. 5, p.1051-1076.

Miller, D., & Le Breton-Miller, I. (2005). *Managing for the long run. Lessons in competitive advantage from great family businesses.* Boston: Harvard Business School Press.

Miller, D., Le Breton-Miller, I., & Lester, R.H. (2010). Family ownership and acquisition behavior in publicly-traded companies. *Strategic Management Journal*, Vol. 31, No. 2, p.121–136.

Miller, D., Le Breton-Miller, I., Lester, R., & Cannella Jr, A.A., (2007). Are family firms really superior performers? *Journal of Corporate Finance,* Vol. 13, No. 1, p.829–858.

Miller, D., Le Bretton-Miller, I. and Lester, R.H. (2011). Family and lone founder ownership and strategic behavior: Social context identity and institutional logics. *Journal of Management Studies*, Vol. 48, No. 1, p.1-25.

Miller, D., Le Bretton-Miller, I., and Scholnick, B. (2008). Stewardship vs. stagnation: An empirical comparison of small family and non-family businesses. *Journal of Management Studies*, Vol. 45, No. 1, p.51-78.

Miller, D., Steier, L., Le Bretton-Miller, I. (2003). Lost in time: Intergenrational sucession, change, and failure in family business. *Journal of Business Venturing*, Vol. 18, No. 4, p.513-531.

Miller, D.E., and Kunce, J.T. (1973). Prediction and statistical overkill revisited. *Measurement and Evaluation in Guidance*, Vol. 6, No. 3, p.157-163.

Milton, L.P. (2008). Unleashing the relationship power of family firms: Identity confirmation as a catalyst for performance. *Entrepreneurship Theory and Practice*, Vol.32, p.1063–1081.

Miralles-Marcelo, J. L., Miralles-Quirós, M. M., & Lisboa, I. (2014). The impact of family control on firm performance: Evidence from Portugal and Spain. *Journal of Family Business Strategy*, Vol. 5, p.156–168.

Mitchell, R.K., Agle, B.R., & Wood, D.J. (1997). Toward a theory of stakeholder identification and salience: Defining the principle of who and what really counts. *Academy of Management Review*, Vol. *22*, p.853–886.

Mohr, A., and J. Puck. (2013). Revisiting the Trust-Performance Link in Strategic Alliances. *Management International Review,* Vol. 53, No.2, p.269-289.

Mowdy, R.T., Steers, R.M., and Porter, L.W. (1979). The measurement of organizational commitment. *Journal of Vocational Behavior*, Vol. 14, No. 2, p.224-247.

Mroczkowski, N.A., and Tanewski, G. (2007). Delineating Publicly Listed Family and Nonfamily Controlled Firms: An Approach for Capital Market Research in Australia. *Journal of Small Business Management*, Vol. 45, No. 3, p.320-332.

Murphy, L., Huybrechts, J., and Lambrechts, F. (2019). The Origins and Development of Socioemotional Wealth Within Next-Generation Family Members: An Interpretive Grounded Theory Study. *Family Business Review* (in press). Retreived from: https://journals.sagepub.com/doi/abs/10.1177/0894486519890775.

Naldi, L., Cennamo, C., Corbetta, G., & Gómez-Mejía, L. (2013). Preserving socioemotional wealth in family firms: Asset or liability? The moderating role of business context. *Entrepreneurship Theory and Practice*, Vol. 37, No. 6, p.1341–1360.

Napier, C.J. (2001). Accounting history and accounting progress. *Accounting History*, Vol. 6, No. 2, p.7-31.

Natalio, H.A., Faria, C.D., Teixeira-Salmela, L.F., & Michaelsen, S.M. (2014). Content validation of a clinical assessment instrument for stair ascent and descent in individuals with hemiparesis. *Brazilian Journal of Physical Therapy*, Vol.18, No. 4, p.353-363.

Naughton, T. J. (1987). Quality of working life and the self-employed manager. *American Journal of Small Business*, Vol. 12, No. 2, p.33–40.

Ndofor, H. A., Sirmon, D. G., & He, X. (2011). Firm resources, competitive actions and performance: Investigating a mediated model with evidence from in-vitro diagnostics industry. *Strategic Management Journal*, Vol. 32, p.640-657.

Neely, A. (2005). The evolution of performance measurement research: Developments in the last decade and a research agenda for the future. *Journal of Operations and Production*, Vo. 25, No. 12, p.1264-1277.

Neely, A., Mills, J., Platts, K.R., Gregory, M., and Bourne, M.K. (2000).Performance measurement system design: Developing and testing process-based approach. *International Journal of Operations and Production Management*, Vol. 20, No. 10, p.1119-1145.

Nemeth, K., and Nemeth, S. (2018). *The Relationship Between Socioemotional Wealth and Family Business Sustainability*. International Conference on Technology, Innovation and Industrial Management, May 16-20, 2018, Naples, Italy. Retrieved from: http://www.toknowpress.net/ISBN/978-961-6914-23-9/papers/ML2018-133.pdf

Nunnally, J. C. (1978). *Psychometric Theory*. 2nd ed. New York: McGraw-Hill.

O'Boyle, E. H., Pollack, J. M., & Rutherford, M. W. (2012). Exploring the relation between family involvement and firms' financial performance: A meta-analysis of main and moderator effects. *Journal of Business Venturing, Vol.* 27, No. 1, p.1-18.

Olson, P.D., Zuiker, V.S., Stafford, K., Heck, R.K., and Duncan, K.A. (2003). The impact of the family and the business on family business sustainability. *Journal of Business Venturing*, Vol. 18, No. 5, p.639-666.

Onwuegbuzie, A. (2002). Why can't we all get along? Towards a framework for unifying research paradigms. *Education*, Vol. 122, No. 3, p.518-530.

Oppenheim, A. N. (1986). *Questionnaire design and attitude measurement*. Great Britain: Gower Publishing.

Pearson, A. W., & Lumpkin, G. T. (2011). Measurement in family business research: how do we measure up? *Family Business Review*, Vol. 24, No. 4, p.287–291.

Pearson, A.W., Carr, J.C., Shaw, J.C. (2008). Toward a theory of family involvement: a social capital perspective. *Entrepreneurship Theory and Practice,* Vol. 32, p.949–969.

Penrose, E. T. (1952). Biological analogies in the theory of the firm. *American Economic Review*, Vol. *42*, No. 5, p.804– 819.

Perez-Gonzalez, F. (2006). Inherited control and firm performance. *American Economic Review*, Vol. 96, No. 5, p.1559–1588.

Peter, P. J. (1979). Reliability: A review of psychometric basics and recent marketing practices. *Journal of Marketing Research,* Vol. 16 , No. 1, p.6-17.

Peterson-Withorn, C. (2015). *New Report Reveals the 500 Largest Family Owned Companies in the World*. Forbes (April 20). Retrieved from: https://www.forbes.com/sites/chasewithorn/2015/04/20/new-report-reveals-the-500-largest-family-owned-companies-in-the-world/#119a3f5d3602

Pindado, J., & Requejo, I. (2015). Family Business Performance from a Governance Perspective: A Review of Empirical Research. *International Journal of Management Reviews, Vol.* 17(1), 279–311.

Podsakoff, P. M., MacKenzie, S. B., & Podsakoff, N. P. (2012). Sources of method bias in social science research and recommendations on how to control it. *Annual Review of Psychology*, Vol.63, p.539–569.

Podsakoff, P. M., S. B. MacKenzie, J. Y. Lee, and N. P. Podsakoff. (2003). Common method biases in behavioural research: A critical review of the literature and recommended remedies. *Journal of Applied Psychology,* Vol. 88, No. 5, p.879-903.

Podsakoff, P.M. & Organ, D.W. (1986). Self-Reports in Organizational Research: Problems and Prospects. *Journal of Management*, Vol. 12, No. 1, p.531-544.

Poutziouris, P., Savva, C.S., and Hadjielias, E. (2015). Family involvement and firm performance: Evidence from U.K. Listed Firms. *Journal of Family Business Strategy*, Vol. 6, No. 1, p.14-32.

Poutziouris,P.Z., Smyrnios, K.X., & Klein, S.B., (2006), *Handbook of Research in Family Business,* Edward Elgar, Cheltenham, pp. 269-297.

Poza , E.J. (2004). Does the Family Business Interaction Factor Represent a Resource or a Cost? *Family Business Review*, Vol. 17, No. 2, p.99-118.

Poza, E. J., Alfred, T., & Maheshwari, A. (1997). Stakeholder perceptions of culture and management practices in family and family firms—A preliminary report. *Family Business Review*, Vol.10, No. 2, p.135–155.

Preacher, K. J., & Hayes, A. F. (2004). SPSS and SAS procedures for estimating indirect effects in simple mediation models. *Behavior Research Methods, Instruments, and Computers*, Vol.36, p.717-731.

Preacher, K. J., & Hayes, A. F. (2008). Asymptotic and resampling strategies for assessing and comparing indirect effects in multiple mediator models. *Behavior Research Methods*, Vol.40, p.879-891.

PwC Global Family Business Survey (2018). *How to build a lasting competitive advantage through your values in a digital age*. Retrieved from: https://www.pwc.com/gx/en/family-business-services/assets/pwc-global-family-business-survey-2018.pdf

PwC Family Business Survey (2016). *The Missing Middle: Bridging the Strategy Gap in Family Firms*. Retrieved from: https://www.pwc.com/my/en/assets/publications/2016-family-business-survey-malaysian-chapter.pdf

Priem, R. L., Love, L. G., & Shaffer, M. A. (2002). Executives' Perceptions of Uncertainty Sources: A Numerical Taxonomy and Underlying Dimensions. *Journal of Management*, Vol. *28*, No. 6, p.725-746.

Prugl, R. (2019). Capturing the Heterogeneity of Family Firms: Reviewing Scale to Directly Measure Socioemotional Wealth, *in print*. In: Memili, E., Dibrell C. eds. *The Palgrave Handbook of Heterogeneity Among Family Firms*, Palgrave Macmillan, pp. 461-484, *in print*.

Raghunathan, A. (2015). "*Tata Is India's Number One Brand.*" Forbes (July 31). Retrieved from: https://www.forbes.com/sites/anuraghunathan/2015/07/31/tata-is-indias-number-one-brand/#572a884b459f.

Ramayah, T., Cheah, J., Chuah, F., Ting, H., and Memon, M.A. (2018). *Partial Least Squares Structural Equation Modeling (PLS-SEM) using SmartPLS 3.0*. 2nd Edition, Pearson, Malaysia.

Raykov,T., Dimitrov, D.M., & Asparouhov, T. (2010). Evaluation of Scale Reliability With Binary Measures Using Latent Variable Modeling. *Structural Equation Modeling: A Multidisciplinary Journal*, Vol. *17*, No. 2, p.265-279.

Remenyi, D., B. Williams, A. Money, and E. Swartz. (1998). *Doing research in business and management: An introduction to process and method*. London: Sage Publication.

Reynolds, N. and Diamantopoulos, A. (1998). The effect of pretest method on error detection rates: Experimental evidence. *European Journal of Marketing*, Vol. 32, No. 5-6. P.480-498.

Richard, P.J., Devinney, T.M., Yip, G.S., & Johnson, G. (2009). Measuring Organizational Performance: Towards Methodological Best Practice. *Journal of Management,* Vol. 35, No. 3, p.718-804.

Ringle, C.M., Sarstedt, M., Mitchell, R., and Gudergan, S.P. (2018). Partial Least Squares Structural Equation Modeling in HRM Research. *The International Journal of Human Resources Management*. Retrieved from: https://doi.org/10.1080/09585192.2017.1416655.

Roberts, P. W., and G. R. Dowling. (2002). Corporate Reputation and Sustained Financial Performance. *Strategic Management Journal,* Vol. 23, p.1077-1093.

Robson, M. J., Skarmeas, D. & Spyropoulou. S. (2006). Behavioral Attributes and Performance in International Strategic Alliances: Review and Future Directions. *International Marketing Review*, Vol. 23, No. 6, p.585-609.

Romero, M.J.M., & Ramirez, A.A. (2017). SEW: Looking for a definition and controversial issues. *European Journal of Family Business*, Vol. 6, No. 1, p.1-9.

Rousseau, D.M. (1995). *Psychological Contracts in Organizations: Understanding Written and Unwritten Agreements*. Sage Publications, USA.

Rousseau, M.B., Kellermanns, F.W., Zellweger, T., & Beck, T.E. (2019). Relationship Conflict, Family Name Congruence, and Socioemtoional Wealth in family Firms. *Family Business Review*, Vol.31, No.4, pp. 397-416.

Rowley, J. (2014). Designing and using research questionnaires. *Management Research Review*, Vol. 37, No. 3, p.308-330.

Rungtusanatham, M., JW Miller, J.W., and Boyer, K.K. (2014). Theorizing, testing, and concluding for mediation in SCM research: Tutorial and procedural recommendations. *Journal of Operations Management*, Vol. 32, No. 3, p.99-113.

Rutherford, M.W., Kuratko, D.F., Holt, D.T. (2008). Examining the link between family involvement and performance: can the F-PEC untangle the family business theory jungle? *Entrepreneurship Theory and Practice,* Vol. 32, p.1089–1109.

Salvato, C., Chirico, F., & Sharma, P. (2010). A farewell to the business: Championing exit and continuity in entrepreneurial family firms. *Entrepreneurship and Regional Development*, Vol. 22, p.1-28.

Samara, G. and Paul, K. (2018). Justice versus fairness in the family business workplace: A socioemotional wealth approach. Business Ethics: *A European Review* (online version). https://onlinelibrary.wiley.com/doi/full/10.1111/beer.12209.

Samiee, S., and P. G. Walters. 1990. Influence of Firm Size on Export Planning and Performance. *Journal of Business Research,* Vol. 20, No. 3, p.235-248.

Sanchez, M. E. (1992). Effects of questionnaire design on the quality of survey data. *The Public Opinion Quarterly,* Vol. 56, No. 2, p. 206-217.

Sarndal. C, Swensson. B., & Wretman. J. (2003). *Model Assisted Survey Sampling*. Springer-Verlag New York.

Sarstedt, M., Ringle, C. M., Smith, D., Reams, R., & Hair, J. F. (2014). Partial least squares structural equation modeling (PLS-SEM): A useful tool for family business researchers. *Journal of Family Business Strategy,* Vol. 5, No. 1, p.105-115.

Scandura, T. A., and E. A. Williams. (2000). Research methodology in management: Current practices, trends and implications for future research. *Academy of Management Journal, Vol. 43*, p.1248-1264.

Schulze, B., & Kellermanns, F. W. (2015). Reifying socioemotional wealth. *Entrepreneurship Theory and Practice*, Vol. 39, No. 3, p.447–459.

Schulze, W. S., Lubatkin, M. H., & Dino, R. N. (2003). Exploring the agency consequences of ownership dispersion among the directors of private family firms. *The Academy of Management Journal*, Vol. 42, No. 2, p.179-194.

Schulze, W. S., Lubatkin, M. H., Dino, R. N., and Buchholtz, A. K. (2001). Agency relationships in family firms: Theory and evidence. *Organization Science*, Vol. 12, No. 2, p.99–116.

Schumacker, R. E., and Lomax, R. G. (2004). *A beginner's guide to structural equation modeling* (2nd ed.), Lawrence Erlbaum Associates Publishers, Mahwah, NJ, USA.

Sciascia, S., and Mazzola, P. (2008). Family involvement in ownership and management: Exploring non-linear effects on performance. *Family Business Review,* Vol. 21, No. 4, p.331-345.

Sciascia, S., Mazzola, P., and Chirico, F. (2013). Generational involvement in the top management team of family firms: Exploring nonlinear effects of entrepreneurial orientation. *Entrepreneurship Theory and Practice*, Vol. 37, No.1, p.69-85.

Sciascia, S., Mazzola, P., and Kellermanns, F. W. (2014). Family management and profitability in private family-owned firms: Introducing generational stage and the socioemotional wealth perspective. *Journal of Family Business Strategy*, Vol. 5, No. 2, p.131–137.

Scott, M., and Rosa, P. (1996). Has Firm Level Analysis Reached its Limits? Time for a Rethink. *International Small Business Journal: Researching Entrepreneurship,* Vol. 1, No. 4, p.81-89.
Scott, W. (2003). *Financial accounting theory* (3rd ed.). Toronto: Prentice Hall.

Seijts, G. H., Latham, G. P., Tasa, K., & Latham, B. W. (2004). Goal setting and goal orientation: An integration of two different yet related literatures. *The Academy of Management Journal*, Vol. 42, No. 2, p.227-239.

Sekaran, U. (2003). *Research methods for business: A skill building approach*. 4th ed. New York: John Wiley & Sons.

Setia-Atmeja, L., Tanewski, G.A., and Skully, M. (2009). The Role of Dividends, Debt and Board Structure in Governance of Family Controlled Firms. *Journal of Business Finance and Accounting*, Vol. 36, No. 7-8, p.863-898.

Sharma, P. (2001). Stakeholder management concepts in family firms. *Proceedings of International Association of Business and Society (IABS)*, p.254–259.

Sharma, P. (2004). An overview of the field of family business studies: Current status and directions for the future. *Family Business Review*, Vol. *17*, No. 1, p.1–36.

Sharma, P. & Sharma, S. (2011). Drivers of proactive environmental strategy in family firms. *Business Ethics Quarterly*, Vol. 21, No. 2, p.309–334.

Sharma, P., & Manikutty, S. (2005). Strategic divestments in family firms: Role of family structure and community culture. *Entrepreneurship Theory and Practice*, Vol. 29, No. 3, p.293–311.

Sharma, P., Chrisman, J.J., Pablo, A.L., & Chua, J.H. (2001). Determinants of initial satisfaction with the succession process in family firms: A conceptual model. *Entrepreneurship Theory and Practice*, Vol. 25, No. 3, p.17–35.

Sharma, P., Hoy, F., Astrachan, J.H., and Koiranen, M. (2007). The practice-driven evolution of family business education. *Journal of Business Research*, Vol. 60, No. 10, p. 1012-1021.

Sharma, P., J. J. Chrisman, and J. H. Chua. (1997). Strategic Management of the Family Business: Past Research and Future Challenges. *Family Business Review*, Vol. 10, No. 1, p.1-35.

Sharma. P. (2003). A typology of family firms using internal stakeholders. *Proceedings of the Administrative Sciences Association of Canada's Annual Conference in Halifax. Entrepreneurship Division*, Vol. 24, p.149– 163.

Sharma, P. (2015). Editor's Notes: 2014 – A Year in Review. *Family Business Review*, Vol. 28, No.1, p.4-9.

Shen, Na. (2018). Family business, transgenerational succession and diversification strategy: Implication from a dynamic socioemotional wealth model. *Cross Cultural and Strategic Management*, Vol. 25*, No.* 4, p.628-641.

Shepherd, D.A. and Haynie, M.A. (2009). Family business, identity conflict, and an expected entrepreneurial process: A process of resolving identity conflict. *Entrepreneurship Theory and Practice*, Vol. 33, No. 6, p.1245-1264.

Simon, H. A. (1964). On the concept of organizational goal. *Administrative Science Quarterly,* Vol.9, No.1, p.1-22.

Singleton, R. A. J., and B. C. Straits. (2005). *Approaches to social research*. 4th ed. New York: Oxford University Press.

Sirmon, D.G. and Hitt, M.A. (2003). Managing resources: linking unique resources, management, and wealth creation in family firms. *Entrepreneurship Theory and Practice*, Vol. 27, No. 4, p.339-358.

Slater, S. F. (1995). Issues in conducting marketing strategy research. *Journal of Strategic Marketing,* Vol. 3, p.257-270.

Sluhan, A. (2018). *Non-Financial Dimensions of Family Firm Ownership* (doctoral thesis). Copenhagen Business School, Denmark.

Smith, R.M. (1983). The learning how to learn concept: Implications and issues. *New Directions for Adult and Continuing Education*, Vol. 19, p. 97-103.

Sonfield, M. C., & Lussier, R. N. (2004). First-, Second-, and Third-Generation Family Firms: A Comparison. *Family Business Review*, Vol. 17, No. 3, p.189-202.

Songini, L. (2006). "The professionalization of family firms: theory and practice", in Poutziouris, P.Z., Smyrnios, K.X. and Klein, S.B. (Eds), *Handbook of Research on Family Business*, Edward Elgar, Cheltenham, pp. 269-297.

Sorenson, R. L. (1999). Conflict strategies used by successful family businesses. *Family Business Review*, Vol. 12, No. 4, p.325–339.

Sorenson, R. L., & Bierman, L. (2009). Family Capital, Family Business, and Free Enterprise. *Family Business Review*, Vol. 22, No. 3, p.193–195.

Spector, P.E. (1992). *Summated rating scale construction: An introduction*. Sage Publications, Newbury Park.

Sraer, D., & Thesmar, D. (2007). Performance and behavior of family firms: Evidence from the French stock market. *Journal of the European Economic Association,* Vol. 5, No. 4, p.709-751.

Stalk, G. Jr., & Foley. H. (2012, January-February). Avoid the Traps That Can Destroy Family Businesses. *Harvard Business Review*, 25-2. Retrieved from https://hbr.org/2012/01/avoid-the-traps-that-can-destroy-family-businesses

Stavrou, E., Kassinis, G., and Filotheou, A. (2007). Downsizing and Stakeholder Orientation Among the Fortune 500: Does Family Ownership Matter? *Journal of Business Ethics*, Vol. 72, No. 2, p.149-162.

Steier, L. P. (2001). Next-generation entrepreneurs and succession: An exploratory study of modes and means of managing social capital. *Family Business Review*, Vol. 14, No. 3, p.259-276.

Stewart, A. (2003). Help One Another, Use One Another: Toward an Anthropology of Family Business. *Entrepreneurship Theory and Practice,* Vol. 27, No. 4, p.383-396.

Stewart, A. and Hitt, M.A. (2012). Why can't a family business be more like a nonfamily business? Modes of professionalization in family firms. *Family Business Review*, Vol. 25, No. 1, p.58-86.

Stewart, A., and Hitt, M.A. (2012). Why Can't a Family Business Be More Like a Nonfamily Business?: Modes of Professionalization in Family Firms. *Family Business Review*, Vol. 25, No. 1, pp. 58-86.

Stockmans, A., Lybaert, N. and Voordeckers, W. (2010). Socioemotional wealth and earnings management in private family firms. *Family Business Review*, Vol. 23, No. 3, p.280-294.

Stone, M. (1974). Cross-validatory choice and assessment of statistical predictions. *Journal od the Royal Statistical Society*, Vol. 36, No. 2, p.111-147.

Tabachnick, B. G., & Fidell, L. S. (1989). *Using Multivariate Statistics*. Harper & Row, New York.

Tabachnick, B.G. and Fidell, L.S. (2001) *Using Multivariate Statistics*. 4th Edition, Allyn and Bacon, Boston.

Tabachnick, B.G., & Fidell, L.S. (2007). *Using multivariate statistics.* 5th Edition, New York.

Tagiuri, R. & Davis, J. (1996). Bivalent attributes of the family firm. *Family Business Review*, Vol. 9, No. 2, p.199–208.

Tapies, J., & Moya, M. F. (2012). Values and longevity in family business: evidence from a cross-cultural analysis. *Journal of Family Business Management*, Vol. 2, No. 2, p.130-146.

Tarbox, K. and Clark, M.B. (2015). Family business is the world economy's secret driver of success, Ernst and Young Report (April, 30), New York. Retrieved from: https://www.ey.com/us/en/newsroom/news-releases/news-ey-family-business-is-the-world-economys-secret-driver-of-success

Taticchi, P., Tonelli, F., and Cagnazzo, L. (2010). Performance management and management: A literature review and research agenda. *Measuring Business Excellence*, Vol. 14, No. 1, p.4-18.

Thompson, B. and Daniel, L. G. (1996). Factor Analytic Evidence for the Construct Validity of Scores: A Historical Overview and Some Guidelines. *Educational and Psychological Measurement,* Vol. 56, No. 2, p.97 - 208

Thomsen, S., and T. Pedersen. (2000). Ownership Structure and Economics Performance in the Largest European Companies. *Strategic Management Journal,* Vol. 21, No. 6, p.689-705.

Torchia, M., Rautianen, M., Calabro, A., Ikaheimonen, T., Pihkala, T., and Ikavalko, M. (2018). Family Ownership Goals and Socioemotional Wealth: Evidence from Finnish Family Firms. *Journal of Enterprising Culture*, Vol. 26, No. 2, p.207-224.

Traunt, E., Boccardo, L., and Culasso, F. (2017). Management control practices and benefits: evidence from Italian family and non-family firms. *World Review of Entrepreneurship, Management and Sustainable Development*, Vol. 13, No. 5-6, p.612-634.

Trompenaars, F., and Hampden-Turner, C. (1997). *Riding the waves of culture: Understanding cultural diversity in business*. 2nd ed. London: Nicholas Brealey.

Tversky, A. and Kahneman, D. (1986). Rational Choice and the Framing of Decisions. *The Journal of Business*, Vol. 59, No. 4, Part 2: The Behavioral Foundations of Economic Theory. (Oct., 1986), pp. 251-278.

Uhlaner, L.M. (2006). Business family as a team: Underlying force for sustained competitive advantage. *Handbook of Research on Family Business*, p.125-144, Edward Elgar Cheltenham, England.

Urbach, N., and Ahlemann, F. (2010). Structural equation modeling in information system rsearch using partial least squares. *Journal of Information Technology Theory and Application*, Vol. 11, No. 2, p.5-40.

Van den Berghe, L.A.A. and Carchon, S. (2003). Agency Relations within the Family Business System: An Exploratory Approach. *Governance: An International Review*, Vol. 11, No. 3, p.171-179.

Van Essen, M., Carney, M., Gedajlovic, E., & Heugens, P. (2011). Do U.S. Publicly-Listed Family Firms Differ? Does it Matter? A Meta-Analysis. *In Academy of Management Best Papers Proceedings*, San Antonio, Texas.

Van Rij, M. (2018, July). *Why Family Businesses are Growing Faster than their Peers* ? (Ernst & Young Report). Retrieved from: https://www.ey.com/en_gl/growth/growth-barometer-family-business.

Vandekerkhof, P., Steijvers, T., Hendriks, W., & Voordeckers, W. (2015). The effect of organizational characteristics on the appointment of non-family managers in private family firms. The moderating role of socioemotional wealth. *Family Business Review*, Vol. *28*, No. 2, p.104–122.

Vandenbeek, A., Voordeckers, W., Labrechts, F., and Huybrechts, J. (2016). Board role performance and faultlines in family firms: The moderating role of formal board evaluation. *Journal of Family Business Strategy*, Vol. 74, No. 4, p.249-259.

Vardaman, J. M., & Gondo, M. B. (2014). Sociomeotional Wealth conflict in family firms. *Entrepreneurship Theory and Practice*, Vol. 38, No. 6, p.1317-1322.

Venkatraman, N., and V. Ramanujam. (1986). Measurement of Business Performance in Strategy Research: A Comparison of Approaches. *Academy of Management Review*, Vol. 11, No. 4, p.801-814.

Verbeke, A. & Kano, L. (2012). The transaction cost economics theory of the family firm: Family-based human asset specificity and the bifurcation bias. *Entrepreneurship Theory and Practice*, Vol. *36*, No. 6, p.1183–1205.

Villalonga, B. & Amit, R. (2006). How do family ownership, control and management affect firm value? *Journal of Financial Economics*, Vol. 80*,* No. 2, p.385-417.

Voordeckers, W., Van Gils, A. and Van den Heuvel, J. (2007). Board composition in small and medium-sized family firms. *Journal of Small Business Management*, Vol.45, p.137–156.

Vos, E., and Forlong, C. (1996). The agency advantage of debt over the lifecycle of the firm. *Journal of Entrepreneurship and Small Business Finance*, Vol. 5, No. 3, p.193-212.

Wadhwa, T. & Winterbottom, M. (2017, September). *Determining the True Cost of Remediating Bangladesh's RMG Sector*. NYU Stern-Center for Business and Human Rights, 1-6. Retrieved from https://bhr.stern.nyu.edu/blogs/2017/9/7/determining-the-trust-cost-of-remediating-bangladeshs-rmg-sector

Wagner, D., J. H. Block, D. Miller, C. Schwens, and G. Xi. (2015). A Meta analysis of the Financial Performance of Family Firms: Another Attempt. *Journal of Family Business Strategy,* Vol. 6, No.1, p.3-13.

Walsh, J.L. and Lachenauer, R. (2018, June). Should you join the family business? *Harvard Business Review*, p.22-29. Retrieved from: https://hbr.org/2018/06/should-you-join-the-family-business.

Ward, J. L. (1987). *Keeping the Family Business Healthy: How to Plan for Continuing Growth, Profitability, and Family Leadership*. San Francisco, CA: Jossey-Bass.

Ward, J.L. (1997). Growing the Family Business: Special Challenges and Best Practices. *Family Business Review*, Vol.10, No. 4, p.323-337.

Wasserman, N. (2006). Stewards, agents, and the founder dis- count: Executive compensation in new ventures. *Academy of Management Journal*, Vol. 49, p.960-976.

Welter, F. (2011). Contextualizing entrepreneurship-conceptual challenges and ways forward. *Entrepreneurship Theory and Practice*, Vol. 35, No. 1, p.165-184.

Westhead, P. and Howorth, C. (2006). Ownership and management issues associated with family firm performance and company objectives. *Family Business Review*, Vol. 19, No. 4, p.301-316.

Westhead, P., & Howorth, C. (2007). Types of private family firms: An exploratory conceptual and empirical analysis. *Entrepreneurship and Regional Development,* Vol. 19, No. 5, p.405-431.

Westhead, P., Cowling, M., & Howorth, C. (2001). The Development of Family Companies: Management and Ownership Imperatives. *Family Business Review*, Vol. 14, No. 4, p.369-385.

Whittington, R., Hautz, J., and Seidl, D. (2017). Open Strategy: Transparency and Inclusion in Strategy Processes. *Long Range Planning*, Vol.50, No. 3, P.297-426.

Wicks, A. C., and Freeman, R.E. (1998). Organization studies and the new pragmatism: Positivism, anti-positivism, and the search for ethics. *Organization Science,* Vol. 9, No. 2, p.123-140.

Wiseman, R.M. and Gomez-Mejia, L.R. (1998). A behavioral agency model of managerial risk taking. *Academy of Management Review*, Vol. 23, p.33-153.

Wong, K.K. (2013). Partial Least Squares Structural Equation Modeling (PLS-SEM). *Techniques Using SmartPLS. Marketing Bulletin*, Vol. 24, No. 1, p.1-32.

Woods, J. A., Dalziel, T., & Barton, S. L. (2012). Escalation of commitment in private family businesses: The influence of outside board members. *Journal of Family Business Strategy*, Vol. 3, No. 1, p.18-27.

World Bank Report (2017, November). Creating Jobs and Diversifying Exports in Bangladesh. Retrieved from http://www.worldbank.org/en/news/feature/2017/11/14/creating-jobs-and-diversifying-exports-in-bangladesh.

Wu, J. (2018). The Theoretical Framework and Application Frontier of Socioemotional Wealth Theory: A Literature Review from the Perspective of Family Firm. *Scientific Research*, Retrieved from: DOI: 10.4236/me.2018.91012

Xi, M., Kraus, S., Filser, M., & Kellermans, F. W. (2015). Mapping the Field of Family Business Research: Past Trends and Future Directions. *International Entrepreneurship and Management Journal*, Vol. 11, No. 1, p.113-132.

Yu, A. (2009). '*Family Business Outcomes: Dependent Variables, Cultural Differences, and Competing Outcomes in U.S. and Taiwanese Family Businesses*' (doctoral dissertation). Texas Tech University, USA.

Yu, A., Lumpkin, G. T., Sorenson, R. L., & Brigham, K. H. (2012). The landscape of family business outcomes. *Family Business Review*, Vol. 25, No. 1, p.33–57.

Zahra, S. A. (2005). Entrepreneurial risk taking in family firms. *Family Business Review,* Vol. 18, No. 1, p.23-40.

Zahra, S. A., & Newey, L. R. (2009). Maximizing the impact of organization science: theory-building at the intersection of disciplines and/or fields. *Journal of Management Studies*, Vol. 46, No. 6, p.1059–1075.

Zahra, S.A. (2003). International expansion of US manufacturing family businesses: The effect of ownership and involvement. *Journal of Business Venturing*, Vol. 18, No. 4, p.495-512.

Zahra, S.A. (2016). Developing theory-grounded family business research: Some suggestions. *Journal of Family Business Strategy*, Vol. *7*, No.1, p.3-7.

Zahra, S.A. and Filatotchev, I. (2004). Governance of the entrepreneurial threshold firm: A knowledge-based perspective. *Journal of Management Studies*, Vol. 41, No. 5, p.883-895.

Zellweger, T. (2007). Time horizon, costs of equity capital and generic investment strategies of firms. *Family Business Review*, Vol. *20,* No.1, p.1–15.

Zellweger, T. M., & Astrachan, J. (2008). On the emotional value of owning a firm. *Family Business Review,* Vol. 21, No. 4, p.347-363.

Zellweger, T. M., & Dehlen, T. (2012). Value is in the eye of the owner: Affect infusion and socioemotional wealth among family firm owners. *Family Business Review*, Vol*.* *25,* No. 3, p.280–297.

Zellweger, T. M., Eddleston, K. A., & Kellermanns, F. W. (2010). Exploring the concept of familiness: Introducing family firm identity. *Journal of Family Business Strategy*, Vol. 1, No. 1, p.54–63.

Zellweger, T. M., Kellermanns, F. W., Chrisman, J., Chua, J. (2011). Family control and family firm valuation by family CEOs: The importance of intentions for transgenerational control. *Organization Science*, Vol. 23, No. 3, pp.851-868.

Zellweger, T. M., Nason, R. S., Nordqvist, M., & Brush, C. G. (2013). Why do family firms strive for nonfinancial goals? An organizational identity perspective. *Entrepreneurship Theory and Practice,* Vol. 37, No. 2, p.229-248.

Zellweger, T.M. & Dehlen, T. (2011). Value is in the eye of the owner: Affect infusion and socioemotional wealth among family firm owners. *Family Business Review*, Vol. 25, No. 3, p.280–297.

Zellweger, T.M. & Nason, R.S. (2008). A stakeholder perspective on family firm performance. *Family Business Review*, Vol. 21, No.3, p.203–216.

Zhang, J., and Ma, H. (2009). Adoption of Professional Management in Chinese Family Business: A Multilevel Analysis of Impetuses and Impediments. *Asia Pacific Journal of Management, Vol. 26*, No.1, p.119–139.

Zhao, X., Lynch, J.G., and Chen, Q. (2010). Reconsidering Baron and Kenny: myths and truths about mediation analysis. *Journal of Consumer Research*, Vol. 37, p.197-206.

Zikmund, W.G. (2003). *Exploring marketing research*. Cincinnati, Ohio: Thomson/South-Western, USA.

Zikmund, W. G. (2010). *Business Research Methods (8th)*. Mason, OH: South-Western Cengage Learning, USA.