



IE UNIVERSIDAD

TESIS DOCTORAL/ DOCTORAL DISSERTATION

INTRODUCCIÓN DEL CONTEXTO EN LA INVESTIGACIÓN SEW:  
RETOS Y OPORTUNIDADES / INTRODUCING CONTEXT IN SEW  
RESEARCH: CHALLENGES AND OPPORTUNITIES.

MOHAMED MAZEN BATTERJEE

SEGOVIA, 2022



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DOCTORAL THESIS ADVISOR: DR. CRISTINA CRUZ

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## **RESUMEN**

El presente estudio empírico exploratorio, basado en una muestra de empresas familiares de cinco países distintos, investiga el motor no económico representado por la riqueza socioemocional (SEW por sus siglas en inglés) en las distintas culturas. La SEW hace referencia a la búsqueda de la dotación afectiva por parte de las empresas familiares y se ha destacado recientemente como el principal referente para las empresas familiares. A pesar de la popularidad de la SEW, se ha puesto en entredicho su validez como constructo. Dado que la SEW goza de un profundo arraigo en las empresas familiares, se sugiere que está muy expuesta a la influencia de aspectos contextuales. Así, el presente estudio sugiere que una forma de mejorar la investigación de la SEW es contextualizándola. Se obtuvo una muestra aleatoria de empresas familiares de Arabia Saudí, España, México, Vietnam y Canadá a través de una serie de bases de datos relevantes. Los datos se obtuvieron de los presidentes y CEO de las empresas que también eran miembros de la familia. Se realizó una comparación multigrupo y una regresión lineal para explorar las diferencias de SEW entre culturas, así como el efecto moderador de las culturas en la relación entre SEW y rendimiento. Los resultados sugieren que la SEW varía entre culturas. Algunas dimensiones de la SEW resultaron ser diferentes en algunos grupos culturales, mientras que el “apego emocional” mostró diferencias sistemáticas en todos los grupos culturales. La investigación también muestra que la cultura modera la relación entre la SEW y el rendimiento. Se comprobó que era significativo y positivo en las sociedades con elevada distancia de poder y bajo individualismo. En cambio, resultó ser insignificante en las culturas caracterizadas por una baja distancia de poder y un alto

individualismo. El estudio contribuye a la investigación sobre la SEW al explorar la relación entre el contexto, la SEW y el rendimiento, con lo que ayuda a destacar las posibles razones por las que las investigaciones anteriores no han sido concluyentes en cuanto a la SEW y su relación con el rendimiento. Al comparar la SEW entre culturas, observamos la posibilidad de que la lógica subyacente del enfoque de la SEW no sea estándar en todos los contextos. Por lo que sabe el investigador, no se ha hecho una contextualización de la investigación sobre la SEW como forma de mejorar el conocimiento del campo y abordar sus críticas, a pesar de su gran relevancia. La investigación, por tanto, aborda esta laguna percibida. Además, la investigación hace una contribución metodológica al confirmar la invarianza de medición de la conceptualización FIBER de la SEW, lo que confirma así su aplicabilidad universal. Por último, esta investigación contribuye a la comprensión de la heterogeneidad de las empresas familiares al poner de relieve las diferencias de la SEW entre ellas, que son más evidentes en las distintas culturas. Este estudio afirma la importancia de contextualizar la investigación sobre la SEW demostrando la variación de esta y su relación con los resultados de la empresa. También proporciona muestras de cómo llevar a cabo investigaciones de contexto muestral y de contexto comparativo y les ofrece una conceptualización validada del constructo SEW. Abre nuevas vías de investigación al proporcionar una agenda de investigación sobre cómo seguir desarrollando la investigación a través del contexto teórico.

## **ABSTRACT**

Based on a sample of family firms from five diverse countries, this empirical exploratory study investigates noneconomic driver represented by socioemotional wealth (SEW) across cultures. SEW refers to the pursuit of affective endowment by family firms and has been recently emphasized to be the main reference point for family firms. Despite the popularity of SEW, there has been concerns regarding its validity as a construct. Since SEW is deeply rooted in family firms; it is thus suggested to be highly influenced by contextual settings, this study suggests that one way to enhance SEW research is by contextualizing it. A random sample was obtained from family firms in Saudi Arabia, Spain, Mexico, Vietnam and Canada through a number of relevant data bases. The data was collected from chairmen and CEOs of firms who were also family members. A multi-group comparison and a linear regression were performed to explore the differences in SEW across cultures as well as the moderating effect of cultures on the relationship between SEW and performance. Findings suggests that SEW varies across cultures. Some SEW dimensions were found to be different across some cultural groups, while the “Emotional Attachment” showed to be consistently different across all cultural groups. The research also shows that culture moderates the relationship between SEW and performance. It was found to be significant and positive in societies with high power distance and low individualism. It was found to be insignificant in cultures characterized with low power distance and high individualism. The research contributes to the SEW research by exploring the relationship between context, SEW and performance thus helping in highlighting possible reasons of why previous research has been inconclusive regarding SEW and its relationship to performance. By

comparing SEW across cultures, we notice the possibility that the underlying logic of the SEW approach might not be standard across contexts. To the researcher's knowledge, contextualizing SEW research as a way to enhance knowledge of the field and addressing its criticism, has not been done despite its high relevance. Thus, the research addresses this perceived gap. In addition, the research makes a methodological contribution by confirming measurement invariance of the FIBER conceptualization of SEW, thus confirming its universal applicability. Finally, this research contributes to the understanding of the heterogeneity of family firms by highlighting the differences of SEW among them which is more evident across cultures. This study asserts the importance of contextualizing SEW research by demonstrating the variation in SEW and in its relationship with firm's outcomes. It also provides samples of how to conduct context by sampling and context by comparing research and offers them a validated conceptualization of SEW construct. It opens new avenues of research by providing research agenda on how to further develop the research through context by theorizing.

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## LIST OF ABBREVIATIONS

SEW	Socioemotional Wealth
FIBER	Family control and influence Identification of family members with the firm Binding social ties Emotional attachment of family members Renewal of family bonds to the firm through dynastic succession
SEWi	Socioemotional Wealth Importance
CEO	Chef Executive Officer
EFA	Exploratory Factorial Analysis
CFA	Confirmatory Factorial Analysis
NFI	Normed fit index
CFI	Comparative fit index
IFI	Incremental Fit Index
RMSEA	Root mean square error of approximation
AVE	Average Variance Extracted

## **INTRODUCCIÓN**

La relevancia de las empresas familiares para las diferentes economías del mundo se ha convertido en un fenómeno reconocido, lo que destaca el impacto y la prevalencia de estas (Daspit et al., 2017). La mayoría de las empresas, tanto en los países desarrollados como en los que están en vías de desarrollo, son empresas familiares (Astrachan y Shanker, 2003; Zahra y Sharma, 2004). Aproximadamente el 90 % de todas las organizaciones del mundo están controladas por familias (Gedajlovic et al., 2012). Esto ha puesto de relieve la importancia de comprender e investigar las empresas familiares. Los estudios existentes han llegado a la conclusión de que las empresas de propiedad familiar son únicas en cuanto a la asunción de riesgos (Gómez-Mejía et al., 2007), el rendimiento (O'Boyle Jr. et al., 2012), la diversificación (Gómez-Mejía et al., 2010), la internacionalización (Carney et al., 2017) y la innovación (Li et al., 2015), entre otras cuestiones. Para explicar esta singularidad, las primeras investigaciones sobre las empresas familiares “tomaron prestadas” las teorías existentes, como la teoría de la agencia (por ejemplo, Miller y Le Breton-Miller, 2006), la teoría de la administración (por ejemplo, Sharma, 2004) y la visión basada en los recursos (por ejemplo, Sharma y Manikutty, 2005).

En 2007, Gómez-Mejía y su equipo publicaron una nueva formulación teórica “de cosecha propia” en el ámbito de la empresa familiar, que denominaron modelo de riqueza socioemocional (SEW por sus siglas en inglés). La SEW alude a los aspectos no financieros de la familia, lo que cubre las necesidades afectivas de la familia, incluyendo la identidad, la capacidad de ejercer influencia familiar y la perpetuación de la dinastía familiar (Gómez-Mejía et al., 2007). El enfoque de la SEW tiene su origen en

estudios anteriores sobre la empresa familiar y el comportamiento (Wiseman y Gómez-Mejía, 1998) y asume que las empresas familiares suelen estar motivadas y comprometidas con la preservación de su SEW (Berrone, et al, 2012). Según este enfoque, las ganancias o pérdidas de SEW representan el principal punto de referencia que guía las decisiones estratégicas en las empresas familiares. Desde la publicación del artículo seminal en 2007, el enfoque de la SEW se ha popularizado grandemente, convirtiéndose en un “potencial paradigma dominante” en la investigación de las empresas familiares (Berrone et al., 2012) y se argumenta que es “uno de los avances más importantes durante este período de tiempo” (Brigham y Payne, 2019, p. 326)

No obstante, si bien los supuestos del enfoque de la SEW están bien establecidos y se utilizan de forma habitual para predecir las elecciones estratégicas de las empresas familiares, sigue habiendo serias dudas sobre la validez de la SEW como constructo (Brigham y Payne, 2019). Estas preocupaciones son evidentes en la cantidad de artículos publicados sobre los desafíos de conceptualizar la SEW (por ejemplo, Chua et al., 2015; Kellermanns et al., 2012; Le Breton-Miller y Miller, 2013; Miller y Le Breton-Miller, 2014; Schulze y Kellermanns, 2015; Vardaman y Gondo, 2014). Al objeto de hacer frente a estos desafíos, se produjeron varios intentos de desarrollar una medición directa y precisa de la SEW (por ejemplo, Basco, 2012; Berrone et al., 2012, Schepers et al., 2014; Goel et al., 2013, Debicki et al., 2016). Sin embargo, estos intentos no arrojaron resultados concluyentes y la validez de la SEW como un constructo capaz de captar los valores afectivos de los miembros de la familia en todo el mundo sigue poniéndose en entredicho.

Para avanzar en esta dirección, en esta tesis proponemos mejorar la investigación sobre la SEW confirmando teórica y empíricamente que la SEW varía entre culturas y que la relación entre la SEW y los resultados de la empresa está moderada por la cultura. Además, confirmamos la validez universal de la escala FIBER y proporcionamos una agenda clara para la investigación futura que permita a los investigadores realizar estudios de contexto teórico, y así desarrollar o perfeccionar el enfoque teórico de la SEW en función del contexto.

Curiosamente, a pesar del enorme crecimiento en el estudio de las empresas familiares, el papel de la cultura nacional y la forma en que ésta influye en el comportamiento de las empresas familiares ha quedado prácticamente en un segundo plano en la investigación sobre empresas familiares (Gómez-Mejía et al., 2020) y se ha ignorado totalmente en los estudios de SEW. Algunos intentos recientes han subrayado la gran importancia y relevancia del contexto para las empresas familiares y han reclamado una investigación más centrada en el contexto para mejorar nuestra comprensión de las empresas familiares y sus objetivos y resultados (Amato et al., 2021; Gómez-Mejía et al., 2020; Krueger et al., 2021). Sobre la base de esta investigación, sostenemos que la exploración de la relación entre la cultura, la SEW y los resultados de las empresas familiares son cuestiones de gran relevancia en la investigación de las empresas familiares.

Para contextualizar la investigación de SEW, primero realizaremos una revisión sistemática del enfoque de SEW, con un enfoque centrado en la identificación de sus principales desafíos teóricos y empíricos (Capítulo 1). A partir de este capítulo, concluimos que la investigación de SEW es una investigación en la que el contexto está del todo ausente. En el capítulo 2, explicamos por qué es importante realizar una

investigación de SEW contextualizada para el desarrollo del enfoque de SEW y proponemos una agenda de investigación para realizar una investigación de SEW contextualizada. Este capítulo forma parte del capítulo *“Enhancing the Validity of Socio-Emotional Wealth (SEW): Introducing a Context Focused Approach”* (Hacia una mejora de la validez de la riqueza socioemocional (SEW): Presentación de un enfoque centrado en el contexto) desarrollado con la Dra. Cristina Cruz y el Dr. Valeriano Famoso como parte de un libro de próxima publicación que se titulará *“The Field Guide to Family Business Research”* (Guía práctica para la investigación de la empresa familiar) editado por Keith H. Brigham y G. Tyge Payne. En los capítulos 3 y 4, seguiremos algunas de las recomendaciones de la agenda de investigación propuesta en el capítulo 2 y emprenderemos una investigación exploratoria contextualizada para seguir ampliando nuestra comprensión de la SEW mediante su contextualización. Inicialmente, validando la medición de la SEW para comprender su aplicabilidad general, y luego explorando las diferencias de la SEW entre culturas, así como la forma en que la cultura modera la relación entre la SEW y el rendimiento. En concreto, en el capítulo 3 validamos la escala FIBER en el contexto poco investigado de Arabia Saudí y exploramos la singularidad de las empresas familiares en Arabia Saudí a través de la perspectiva de la SEW y conjeturamos por qué son diferentes de otros países y cuáles son las posibles implicaciones. El creciente número de estudios empíricos destinados a investigar el constructo FIBER en diferentes entornos culturales, así como los resultados divergentes de estos estudios mostrados en los tres capítulos, plantean una importante cuestión a los investigadores de SEW: ¿cabe suponer que la dotación afectiva de los propietarios familiares puede captarse universalmente con un único

“constructo de SEW” que sea válido y tenga aplicabilidad transcultural? Por ello, en el capítulo 4, nos proponemos confirmar la invarianza de medición de la escala FIBER y, por tanto, su aplicabilidad transnacional. A continuación, exploramos las diferencias transculturales en las dimensiones de SEW de las empresas familiares, así como la relación entre las dimensiones de SEW y el rendimiento de las empresas familiares en todos los grupos culturales. Esto se hará a través de un proyecto internacional en el que se han recogido datos de empresas familiares de cinco países distintos.

Nuestro estudio busca mejorar la investigación sobre la SEW de muchas maneras. En primer lugar, al confirmar que la SEW es diferente en las distintas culturas y que su relación con el rendimiento está moderada por la cultura, abrimos una nueva agenda para que los investigadores se centren en la contextualización de la investigación sobre la SEW y reconozcan que los supuestos de la SEW no pueden generalizarse y deben modificarse. En segundo lugar, al aclarar la importancia de los estudios centrados en el contexto para el campo de la empresa familiar y la gran relevancia de contextualizar la investigación sobre la SEW, destacamos el papel de la SEW como fuente de la heterogeneidad de las empresas familiares, que es más evidente en los distintos países. En tercer lugar, al sugerir diferentes enfoques para contextualizar la investigación sobre la SEW, proporcionamos a los investigadores y a los responsables de la formulación de políticas una agenda clara sobre cómo mejorar el conocimiento en tres importantes cuestiones de la empresa familiar: 1) la heterogeneidad de las empresas familiares; 2) la claridad y la validez de la SEW; 3) la relación entre las dimensiones de la SEW y los resultados de las empresas familiares. En cuarto lugar, al realizar un estudio en contextos únicos y poco estudiados, mejoramos la validez de la

SEW como constructo y destacamos que las empresas familiares son diferentes en cada cultura. Por último, al confirmar la invarianza de medición de la escala FIBER, ofrecemos a los investigadores un instrumento validado para llevar a cabo comparaciones valiosas de SEW entre países, así como para permitirles desarrollar o modificar los supuestos teóricos subyacentes o la contribución de la SEW. También tiene importantes implicaciones prácticas, ya que el reconocimiento y la comprensión de la relación entre la cultura y la SEW, así como la forma en que la cultura modera la relación entre la SEW y el rendimiento, ayudaría a las empresas familiares a elaborar sus estrategias y a diseñar sus acciones adecuadas para fomentar o mitigar una dimensión SEW o cultural específica.

## **INTRODUCTION**

The significance of family firms for different economies world-wide has become a recognized phenomenon emphasizing their impact and their prevalence (Daspit et al., 2017). The majority of businesses in developed as well as developing countries are family businesses (Astrachan & Shanker, 2003; Zahra & Sharma, 2004). Approximately 90% of all organizations around the world are family controlled (Gedajlovic et al., 2012). This has stressed on the importance of understanding and researching family firms. Existing studies have concluded that family-owned firms are unique regarding their risk taking (Gomez-Mejia et al., 2007), performance (O'Boyle Jr et al., 2012), diversification (Gomez-Mejia et al., 2010), internationalization (Carney et al., 2017) and innovation (Li et al., 2015) among other subjects. To explain such uniqueness, early research on family firms “borrowed” from existing theories including agency theory (e.g. Miller & Le Breton-Miller, 2006), stewardship theory (e.g. Sharma, 2004) and resource-based-view (e.g. Sharma & Manikutty, 2005).

In 2007, Gomez-Mejia and colleagues published a new “homegrown” theoretical formulation within the family business field, which they called the socioemotional wealth (SEW) model. SEW refers to family’s non-financial aspects which addresses the family’s affective needs including identity, the ability to exercise family influence and the perpetuation of the family dynasty (Gomez-Mejia et al., 2007). The SEW approach is rooted in prior family-firm and behavioral studies (Wiseman & Gomez-Mejia, 1998) and assumes that family firms are commonly motivated by and committed to the preservation of their SEW (Berrone, et al, 2012). Under this approach, gains or losses in

SEW represent the main reference point guiding strategic decisions in family firms. Since the publication of the seminal article in 2007, the SEW approach has gained a great popularity becoming a “potential dominant paradigm” in family firm research (Berrone et al., 2012) and argued to be “one of the most important developments during this time period” (Brigham & Payne, 2019, p. 326)

Nevertheless, while the assumptions of the SEW approach are well established and widely used to predict family firm’s strategic choices, there remains serious concerns about validity of SEW as a construct (Brigham & Payne, 2019). These concerns are evident in the amount of articles published on the challenges of conceptualizing SEW (e.g. Chua et al., 2015; Kellermanns et al., 2012; Le Breton-Miller & Miller, 2013; Miller & Le Breton-Miller, 2014; Schulze & Kellermanns, 2015; Vardaman & Gondo, 2014). To address these challenges, several attempts tried to develop a direct and precise measure of SEW (e.g. Basco, 2012; Berrone et al., 2012, Schepers et al., 2014; Goel et al., 2013, Debicki et al., 2016). However, these attempts did not yield conclusive results and the validity of SEW as a construct capable of grasping family members’ affective values worldwide continues to face concerns.

To advance in this direction, in this thesis we propose enhancing the SEW research by theoretically and empirically confirming that SEW varies across cultures and that the relationship between SEW and firm’s outcomes is moderated by culture. Additionally, we confirm the universal validity of the FIBER scale as well as providing clear agenda for future research to enable researchers to conduct context by theorizing studies, hence develop or refine context sensitive SEW theoretical approach.

Interestingly, despite the tremendous growth in the study of family business, the role of national culture and how it shapes family firm behavior has been almost neglected in family business research (Gomez-Mejia et al., 2020) and totally ignored in SEW studies. A few recent attempts have actually emphasized the high importance and relevance of context to family firms and have called for more context focused research to improve our understanding of family businesses and their goals and outcomes (Amato et al., 2021; Gomez-Mejia et al., 2020; Krueger et al., 2021). Building on this research we argue that exploring the relationship between culture, SEW and family firms' outcome are highly relevant topics in family business research.

To contextualize SEW research, we will first conduct a systematic review of the SEW approach, with a particular focus in identifying its main theoretical and empirical challenges (Chapter 1). From this chapter, we conclude that SEW research is completely a contextless research. In chapter 2, we explain why conducting a contextualized SEW research is important for the development of SEW approach and propose a research agenda for conducting context SEW research. This chapter is part of an in-press book chapter titled "Enhancing the Validity of Socio-Emotional Wealth (SEW): Introducing a Context Focused Approach" developed with Dr. Cristina Cruz and Dr. Valeriano Famoso for a book called "The Field Guide to Family Business Research" Edited by Keith H. Brigham and G. Tyge Payne. In chapter 3 and 4, we will follow some of the recommendations of the research agenda proposed in Chapter 2 and undertake exploratory contextualized research to further expand our understanding of SEW through contextualizing it. Initially by validating SEW measurement to understand its general applicability, and then by exploring the differences of SEW across cultures as

well as how culture moderates the relationship between SEW and performance. Specifically, in chapter 3 we validate the FIBER scale in the under-researched context of Saudi Arabia and explore the uniqueness of family firms in Saudi Arabia through SEW lens and speculate why are they different from other countries and what are the possible implications. The increasing number of empirical studies aimed at investigating the FIBER construct on different cultural setting, and the divergent findings from these studies showed in the three chapters, raise an important question to SEW researchers: is it possible to assume that the family owners' affective endowment can be universally captured with a single "SEW construct" that is valid and has cross cultural applicability? This is why in Chapter 4, we aim to confirm measurement invariance of the FIBER scale, hence its cross-national applicability. Then we explore cross-cultural differences in the SEW dimensions of family firms, as well as the relationship between SEW dimensions and Family firms' performance across cultural groups. This will be done through an international project in which the data has been collected from family businesses in five diverse countries.

Our study aims to improve SEW research through many ways. First, confirming that SEW is different in different cultures and that its relationship with performance is moderated by culture, we open a new agenda for researchers to focus on contextualizing SEW research and to acknowledge that SEW assumptions can't be generalized and need to be modified. Second, by clarifying the importance of context-focused studies for the field of family business and the high relevance of contextualizing SEW research, we emphasize the role of SEW as a source of family firms' heterogeneity which is more evident across different countries. Third, by suggesting

different approaches to contextualize SEW research, we provide researchers, and policy makers with a clear agenda of how to improve the knowledge in three important family business topics (1) family firms' heterogeneity (2) SEW clarity and validity (3) the relationship between SEW dimensions and family firms' outcomes. Fourth, by conducting a study in unique and understudied contexts, we improve the validity of SEW as a construct and highlight that family firms are different across cultures. Last by confirming the measurement invariance of the FIBER scale, we offer researchers a validated instrument to conduct meaningful SEW comparisons across countries as well as enabling them to develop or modify the underlying theoretical assumptions or contribution of SEW. It also has important practical implications as acknowledging and understanding the relationship between culture and SEW, as well as how culture moderates the relationship between SEW and performance, would assist family firms in building their strategies and to devise their proper actions to nurture or restrain a specific SEW or cultural dimension.



## **1. CHAPTER ONE: SEW CONCEPTUALIZATION AND FAMILY FIRM'S OUTCOMES.**

### **INTRODUCTION**

It is generally agreed among family business researchers that family firms are not simply unique phenomenological setting but are clearly different when compared to their nonfamily counterparts (see Gomez-Mejia, Cruz, et al., 2011). Accordingly, the debate surrounding the uniqueness of family business and how the family influences the firm has received significant attention in the last decades. As the field evolved, scholars “borrowed” existing paradigms from other disciplines, mainly financial economics and management, to explain the idiosyncratic features of family-controlled firms (Berrone et al., 2012). These included agency theory (Morck & Yeung, 2003; Schulze et al., 2001), stewardship theory (Miller & Le BretonMiller, 2006), and the resource-based view of the firm (Habbershon & Williams, 1999). Despite important insights, these approaches were criticized for falling short in addressing the uniqueness of family owners’ behavior, as they were designed originally for firms where economic instrumentality is assumed (Swab et. al., 2020). In response to these criticisms, Gomez-Mejia and colleagues developed the Socioemotional Wealth (SEW) approach as a “home grown” approach to adequately capture the “essence” of family owners’ preferences. The approach has been applied to a variety of family business topics including CSR and environmental performance (Berrone et al. 2010; Cruz et al., 2014), R&D and innovation (Block et al., 2013; Chrisman & Patel, 2012; Kraiczy et al., 2015; Patel & Chrisman, 2014), divestitures and IPO (Dehlen, 2013; Feldman, et al, 2014; Leitterstorf & Rau, 2014), entrepreneurship (Dehlen, et al., 2014), diversification (Gómez-Mejía et al. 2010) and

performance (Zellweger et al., 2012; Sciascia et al., 2014; Naldi, et al., 2013) and it has been named as “one of the most important developments during this time period” (Brigham & Payne, 2019, p. 326).

Nevertheless, despite the vast amount of research based on socio-emotional wealth (SEW), the SEW approach faced several criticisms that questioned its ability to become a dominant paradigm for the family business field. Most of these challenges are related to the lack of a direct measure of what is essentially a cognitive and affective construct (Berrone et al., 2012; Chua et al., 2015; Miller & Le Breton-Miller, 2014; Schulze & Kellermanns, 2015). This is why in this chapter, after summarizing the foundations of SEW, its different refinements, predictions, impacts and contribution, we conduct a systematic review of existing attempts to develop direct measures of SEW and validate them. Our review shows that there is still a lack of clarity of what constitutes an “affective family endowment” ., i.e. what SEW exactly means. Therefore, our research aims to improve the clarity and validity of the SEW approach through addressing some of the current gaps. In doing this, we emphasize the role of SEW as a construct that captures the essence of family firms but also the need to conduct more SEW research that enable researchers to capture the heterogeneity among family firms (Swab et al., 2020). Our review also concludes that contextualizing SEW research is an essential step to address some of the concerns raised by some researchers regarding the validity of the approach.

## **THEORETICAL BACKGROUND:**

### SEW, Theoretical Foundations and Empirical validations

The SEW approach was developed as an extension to the behavioral agency model (BAM) developed by Wiseman and Gomez-Mejia (1998). This model is based on the notion that strategic choices are influenced by the interests of the firm's dominant principals. Embracing the notion of loss aversion and risk bearing from behavioral models, a common trait among SEW studies, is that the strategic decisions in family-controlled organizations, cannot be explained through the application of risk averse financial logic or economic reference point. Instead, the SEW framework predicts that family owners' decision making is driven by their desire to preserve or enhance the family SEW (Gomez-Mejia et al., 2011), i.e., the non-financial aspect of the firm which enables the family to meet its affective needs (Gomez-Mejia et al., 2007), even if its protection could result in suboptimal financial decisions (Berrone et al., 2010). The SEW approach has been applied to explain how family owners' affective endowment affects strategic decision making in family firms including corporate governance (Gomez-Mejia et al., 2011), risk taking (Kraiczy et al., 2015), environmental and social responsibility (Berrone et al., 2010), performance (Zellweger et al., 2012), innovativeness and entrepreneurship (Chen & Hsu, 2009), diversification decisions (Gómez-Mejía et al., 2010), and exit strategies (Feldman, et al., 2014). For instance, in the case of diversification, researchers suggest two contradictory results. On one hand, some argues that in order to pursue their affective endowment, family firms opt for less diversification to keep control. On the other hand, other researchers concluded that in order to enhance their affective endowment, family owners diversify more as this helps them reduce their risk (Gomez-Mejia et al., 2010).

SEW has also been applied to explain performance outcomes, although results are inconclusive. While some studies confirmed a positive relationship between SEW and performance (e.g., Allouche et al., 2008; Block et al., 2011; Ding et al., 2008; Yuan 2008; Martinez et al., 2007; Bonilla et al., 2010; Chu, 2011; Filatotchev et al., 2011; Ben-Amar et al., 2011), other studies concluded that a high level of SEW would lead to a lower performance (e.g. Achmad et al, 2009; Giovannini, 2010; Hamadi, 2010).

The development of SEW has contributed heavily to family business studies as it was considered a “home grown theory” for family business research addressing the essence of family firms (Swab, 2020).

Nevertheless, as the importance of SEW approach continued to increase, its validity has been questioned with researchers raising conceptual and empirical concerns regarding its applicability in family business research (e.g., Chua et al., 2015; Kellermanns et al., 2012; Miller & Le Breton-Miller, 2014; Schulze & Kellermanns, 2015). At a theoretical level, there has not been an agreement on what actually SEW represents, if existing definitions are adequate (Gomez- Mejia et al., 2011), where SEW resides (Schulze & Kellermanns, 2015), whether it should be considered a flow or a stock (Chua et al., 2015), the co-existence of positive and negative valence to SEW (Kellermanns, et. al, 2012), and about the relationship between the different SEW dimensions to each other and to the construct (Brigham and Payne, 2019). Yet, most important criticism to the SEW approach has been related to the absence of clarity on the validity of the construct and its measurement (Chua et al., 2015; Newbert & Craig, 2017; Brigham & Payne, 2019). As showed in the next section, while there is a general agreement to model the SEW construct as a latent multidimensional construct to

capture the family's affective endowment, many challenges remains and there is a lot of confusion regarding the validity of SEW as a construct.

### Measuring SEW

Different approaches have been developed to measure SEW. Initially, to capture SEW, most empirical research on socioemotional wealth has relied on proxies such as family involvement through ownership, management and succession (e.g. Gómez-Mejía et al., 2007; Stockmans et al., 2010). Table 1.1 summarized the most relevant efforts to capture SEW using indirect measures. For example, as proxies for SEW, Berrone et al. (2010) used family ownership, family CEO, CEO duality and CEO ownership; Zellweger et al. (2012) used family ownership, and Vandemaele et al. (2015) used family CEO, founder CEO, Generation and family board.

(Table 1.1) Studies using proxies to capture SEW, adapted from Hauck et al., (2016)		
Authors	Proxies	Topic
Gómez-Mejía et al. (2007)	Family ownership and management	Risk aversion/ Family Control
Gómez-Mejía et al. (2010)	Family ownership and management.	Diversification decisions
Berrone et al. (2010)	Family ownership and management	Environmental performance
Chrisman & Patel (2012)	Family ownership and management	Variations in investments in R&D
Naldi et al. (2013)	Family management	Performance-effects of SEW preservation choices
Dehlen (2013)	Family ownership	The hindering effect of SEW on divestiture of family firms
Block et al. (2013)	Family ownership and management	Economic and Technological importance of innovations
Cruz et al. (2014)	Family ownership and management	CSR activities
Dehlen et al. (2014)	Firm age	Entrepreneurial exit choices
Leitterstorf & Rau (2014)	Family ownership	IPO underpricing of family firms
Patel & Chrisman (2014)	Family ownership and management	R&D investments, risk abatement
Feldman et. al. (2014)	Family ownership and management	Relationship between divestitures and firm value
Kraiczy et al. (2015)	Ownership by TMT family members and generational stage.	New product portfolio innovativeness, risk-taking

While it is believed that this approach emerged as a natural way to analyze SEW, it has many limitations, and this practice has been criticized by many scholars (Berrone et al., 2012; Chua et al., 2015; Miller & Le Breton-Miller, 2014; Schulze & Kellermanns, 2015). First, proxies are expected to represent the potential drivers of the affective endowments rather than directly relate to them (Schulze & Kellermanns, 2015). Thus, family firms with the same level of involvement can have different affective endowments (Hoy & Sharma, 2010; Miller & Le Breton-Miller, 2014). Hence, there is a “mismatch between the theoretical construct and its empirical correlate” (Schulze & Kellermanns, 2015, p. 451). Second, despite that several scholars argued that SEW may have a negative side (Kellermanns et al., 2012), the use of proxies comes with the assumption that SEW provides positive results that are proportional with family involvement (Schulze & Kellermanns, 2015). Third, the use of proxies leads to neglecting the multidimensional nature of SEW, which makes it impossible to disentangle the nature of interrelationship and value between the different SEW specific dimensions (Chua et al., 2015). In addition, proxies are unable to explain why SEW dimensions may have different relationship with dependent variables, hence they would not account for the heterogeneity of a family’s SEW (Hauck & Prügl, 2015). Therefore, scholars called for empirical precision to measure SEW in a finer grained, rigorous, validated, direct, multidimensional and effective way (Chua et al., 2015; Debicki et al., 2016; Miller & Le Breton- Miller, 2014; Schulze & Kellermanns, 2015).

These scholars argued that such measure would be able to grasp the affective endowments directly and capture the heterogeneity of owning families SEW. It would

also be able to account for negative and positive valence of the socioemotional wealth, as well as disentangling the complex relationships between SEW dimensions and their influence in relation to the family firm (Gómez-Mejía et al., 2011). Answering this call, family firms' researchers have contributed by developing more sophisticated direct measures to capture the essence of family firms. These scholars have mainly developed four instruments to capture SEW: two of them adapted from previous studies (STRATOS and Psychological ownership scale), while the other two were specifically developed to capture the SEW endowment (the FIBER Scale and SEWi). In what follows, we review each attempt in detail.

### *STRATOS*

As shown in table (1.2), there were initial attempts from some scholars (e.g. Schepers et al., 2014; Goel et al., 2013) to directly measure SEW through asking four questions taken from the 'Strategic Orientations of Small and Medium-Sized Enterprises' (STRATOS) questionnaire (Bamberger and Weir 1990, 109; Bamberger 1994, 399). When using STRATOS, respondents were asked to indicate on a 5-point Likert scale the importance they attach to each item (Schepers et al., 2014). The first item "maintaining family traditions/family character of the business" is related to the role of emotions and affection within the firm. The second item "creating/saving jobs for the family" refers to the family dynasty preservation. The third item "independence in ownership" is linked to family control through ownership. The fourth item "independence in management" is concerned with the ability of the family to influence the management of the firm. Then, to capture the elements of SEW, the variables are loaded on one single factor (Schepers et al., 2014). The study by Goel et., al, (2013) attempted to validate the scale using Chronbach Alpha

which demonstrated an acceptable level of internal consistency. In addition, Schepers, et. al, 2014, provided evidence of convergent and predictive validity to show that the scale could adequately capture the SEW construct.

(Table 1.2) Studies using STRATOS to capture SEW				
Authors	Sample	Measure	Validation Method	Results
Goel et al. (2013)	354 Belgian and Dutch Family Firms	STRATOS	Cronbach's alpha	Acceptable level of internal consistency was demonstrated by the scale.
Schepers et. al. (2014)	232 Belgian family firms	STRATOS	Cronbach's alpha	The scale demonstrated internal consistency, convergent validity and predictive validity.

### Psychological Ownership

Psychological Ownership is a reflective first-order construct which is rooted in individuals' internal motives of self-efficacy, identity and sense of belonging. It was first developed by Avey et al. (2009) and used in the fields of Economics (e.g. Kirk et al., 2015), Marketing (e.g. Karahanna et al., 2015), HR (e.g. Mehmood et al., 2021) and Family Business (e.g. Broekaert et al., 2018). In their article, Pitino et al (2018) suggest that the PO dimensions of belongingness and self-identity are important non-economic benefits that family members derive from business ownership and these benefits have been identified as core components of socioemotional wealth. Accordingly, they use a scale comprising 5 items that account for family members' feelings of (1) perceiving the firm as part of the family, (2) Dedicating the necessary time to the family firm, (3) identifying themselves with the family firm (4) feeling that the family firm's problems are their own and (5) The family firm has great personal meaning for them. Based on a sample of 93 Spanish family firms, the scale has exhibited a high reliability based on the results of Cronbach's alpha. Nevertheless, just like STRATOS, Psychological

Ownership scale has received criticisms as it was not intentionally developed to capture SEW and consequently fails to capture its multifaceted nature. Hence, further attempts were taken to capture the multidimensionality of SEW (e.g. SEWi & FIBER).

(Table 1.3) Studies using Psychological Ownership to capture SEW				
Author	Sample	Measure	Validation Method	Results
Pittino et al. (2018)	93 Spanish family firms	Psychological Ownership	Cronbach's alpha	This scale has exhibited high reliability and PO was modeled as a reflective first-order construct.

### *FIBER*

Berrone et al. (2012) proposed five dimensions for the FIBER conceptualization to capture the multidimensional nature of SEW. The five FIBER dimensions of SEW are: (1) Family control and influence; (2) Identification of family members with the firm; (3) Binding social ties; (4) Emotional attachment of family members; and (5) Renewal of family bonds to the firm through dynastic succession (Berrone et al., 2012).

Family control and influence refers to the control and influence exerted by family members over the firm and its strategic decisions. Control and influence are exercised through formal positions, as well as informal control mechanism such as access to informal decision-making arenas, status, charisma and experience.

Family members' identification with the firm reflects the tight association that family members feel with their firm. Working in, growing up around and owning a family firm tend to create a bond between the family members and the firm (Zellweger et al., 2013).

The firm is viewed by family members as an extension of the family, and as an important part of its identity (Tagiuri & Davis, 1996). When the firm carries the family name, this identification becomes even stronger (Dyer & Whetten, 2006).

Binding social ties refers to family firms' social relationships. It is believed that loyalty, trust and interpersonal solidarity are created as a result of close kinship-ties (Arregle et al., 2007; Pearson et al., 2008). These close ties exist between the family and the firm, its customers, suppliers and the community (Miller & Le Breton-Miller, 2005).

Emotional attachment captures the role that emotional attachment plays in decisions and behavior to addresses the affective nature of family businesses. It refers to the deep and affective ties of family members to the firm. Emotional attachment is common in organizations dominated by family relationships since it has a long history, knowledge, shared experiences and values which influence the decisions of the firm (Berrone et al., 2012).

Renewal of family bonds to the firm through dynastic succession addresses one of the most important characteristics of family firms which is the long-term orientation (James, 1999; Zellweger et al., 2013). It refers to the intention of the owning family to maintain its control and influence across generations (Chua et al., 1999). Hence, renewing close bonds within the family by sharing or handing over control and influence on the next generation. The intention is to sustain family firm's tradition and heritage as well as increasing the family's financial wealth over time (Zellweger et al., 2012). They suggested a 27 items scale questionnaire to collect the data regarding the 5 dimensions (Refer table 1.4).

(Table 1.4) the FIBER items (berrone et al., 2012)	
Dimension	Item questions
F (family control and influence)	
F1	In our business, most shares are owned by members of the owning family
F2	In our business, mainly family members exert control over the business's strategic decisions
F3	In our business, family members occupy most of the executive positions
F4	In our business, managers and directors are mainly named by a member of the owning family
F5	Our board of directors is mainly composed of family members
F6	Preservation of family control and independence are important goals for our family business
I (identification of family members with the firm)	
I1	Family members have a strong sense of belonging to our business
I2	Family members feel that the business' success is their own success
I3	Our business has a great deal of personal meaning for family members
I4	Being a member of the family business helps define who we are
I5	Family members are proud to tell others that they are part of the family business
I6	Customers often associate the family name with the family business's products and services
B (binding social ties)	
B1	Our family business is very active in promoting social activities at the community level
B2	In our family business, non-family employees are treated as part of the family
B3	In our business, relationships are mainly based on trust and norms of reciprocity
B4	Building strong relationships with other institutions (e.g., other companies, professional associations, and government agents) is important for our family business
B5	Contracts with suppliers are based on enduring long-term relationships in our family business
E (emotional attachment of family members)	
E1	Emotions and sentiments often affect decision-making processes in our family business
E2	Protecting the family wellbeing is critical to us
E3	In our family, the emotional bonds between family members are very strong
E4	In our business, affective considerations are often as important as economic considerations
E5	Emotional relationships among family members help us maintain a positive self-concept
E6	In our family business, family members feel warmth for one another
R (renewal of family bonds through dynastic succession)	
R1	Continuing the family legacy and tradition is an important goal for our family business
R2	Family owners are less likely to evaluate their investment on a short-term basis
R3	Family members will be unlikely to consider selling the family business
R4	Successful business transfer to the next generation is an important goal for us

The FIBER scale has become the most popular instrument to capture SEW as judged by the number of cites with around 2200 citing of Berrone et al., (2012) as of January 2022 according to google scholar. Table (1.5) shows some of the most relevant attempts to validate FIBER. As the table shows, despite increasing number of empirical attempts, there is no consensus among scholars regarding the dimensions of the FIBER scale as well as the relationship between the different dimensions and firm outcomes. For instance, in one of the first and most popular attempts to validate FIBER, Hauck, et.

al, 2016 studied 216 family owned and managed firms with up to 500 employees in Austria and Germany. The scale was validated, refined and shortened to be REI, with three items from each dimension being consistent throughout the iterations. This has been confirmed by the recent paper of Gomez-Mejia & Herrero (in press) which concluded a 3-dimensions REI scale with 8 items. Another attempt conducted by Bratnicka-Myśliwiec, et. al, 2019 confirmed a 3 factors scale but shortening the scale to be FBE, with Family Control and Identification with the firm become as one dimension of 11 items. In contrast, the study by Vandekerckhof et al., 2018 revealed a single SEW factor. On the other hand, other studies have recommended a multidimensional scale with 5 dimensions (e.g. Angulo et al., 2016; Filser et al., 2017; Gast et al., 2018; Ng et al., 2019).

(Table 1.5) Studies using FIBER to capture SEW

Authors	Sample	Validation Method	Results
Angulo et al. (2016)	250 family firms from Mexico	Factorial Analysis, Cronbach's alpha, KMO & Bartlett's test, Explained Variation	The scale was validated with five dimensions. Some items were removed name F6 and I6.
Hauck, et al. (2016)	216 family in Austria and Germany	Checking for dimensionality through EFA. Determining number of factors MAP test. Assessing reliability and validity CFA, AVE, AVS. Assessing model fit: AIC, BIC, AICc, AIC3, CAIC, SRMR. Chi2/df test and the RMSEA	The results suggest non-unidimensionality. The scale was validated, refined and shortened to be REI, with three items from each dimension being consistent throughout the iterations R1, R2, R4, E3, E5, E6, I1, I3, I5
Filser et al. (2017)	103 SMEs from Finland	Exploratory factor analysis Cronbach's alpha; AVE; CMIN/DF; RMSEA, CFI, IFI	Scale was validated with 5 dimensions and 18 items. F 1, 2, 3; I 1, 2,3,4; B 1,2,3; E1, 2, 3, 4; R1, 2, 3, 4
Gast et al. (2018)	452 Swiss family SMEs	Exploratory factor analysis Factor Loadings/ Accumulative variance Explained/ Cronbach's Alpha	The scale was validated with 5 dimensions with 1 item from each dimension was removed.
Laffranchini et al. (2018)	416 firm-observations from US	Not an empirical validation. They used CATA performed through DICTION to analyze letters to shareholders	It suggested two types of SEW – Extended SEW and Restricted SEW
Vandekerckhof et al. (2018)	300 top managers from 55 Belgian firms	One item per dimension was used. Principle component factor analysis. Cronbach's Alpha.	It revealed a single SEW factor. The items included F6, I1, B3, E3, R4
Bratnicka-Myśliwiec et al.. (2019)	193 family owned firms from Poland	EFA (removing 10 from the original scale) CFA to confirm there are 3 factors RMSEA, CFI and TLI Cronbach's alpha	The scale was validated and shortened to be FBE, with Family Control and Identification with the firm become one dimension of 11 items (all F & I items except I6). For B (B2, B3, B4) and for E (E2, E4, R2)
Razzak et al. (2019)	357 family firms in Bangladesh	Convergent validity: AVE Reliability: CR and Cronbach's Alpha) Discriminant validity: HTMT Multicollinearity: VIF Assess construct Validity: PLS-SEM	It concluded that all 27 items of the FIBER model had a high loading.
Dayan et al. (2019)	150 SMEs from UAE	PLS; CR; AVE	Mindful SEW measure was suggested which includes only 4 dimensions (I, B, E, R). I6 and R4 were removed from the scale.
Ng et al. (2019)	150 SMEs from UAE	EFA CR AVE	The results favored a four-dimensional solution. However, it was decided to maintain five dimensions. From the 27 items, 4 items were removed F1, 2, 3, 4, 5; I 1, 2, 3, 4, 5; B1, 2, 3, 4; E1, 2, 3, 4, 5; R1, 2, 3, 4
Gomez-Mejia & Herrero (in press)	480 firms from Spain	CFA GFI, CFI, TLI, RMSEA, SRMR AVE, CR.	The scale was validated: REI with 8 dimensions. I1, I3, I5 E3, E5, E6 R1, R4

*Socioemotional wealth Importance (SEWi)*

Debicki et al., 2016 argue that the reference point of SEW is likely to shift based on the importance of a particular dimension to the decision maker. They suggest that it is the importance of specific SEW dimensions that is imperative because it reflects a family’s preference for some affective outcomes over others and is the actual determinant of whether SEW will influence firm behavior (Kellermanns et al., 2012). Accordingly, they developed a comprehensive instrument to measure the importance of SEW dimensions in family firms, which they labelled Socioemotional wealth Importance (SEWi). The measure yielded three dimensions: (1) Family Prominence; (2) Family Continuity; and (3) Family Enrichment. Check questionnaire in Table (1.6).

(Table 1.6) SEWi 9 items questionnaire developed by Debicki et. al, 2016
ITEM
<b>Family Prominence</b>
Recognition of the family in the domestic community for generous actions of the firm
Accumulation and conservation of social capital
Maintenance of family reputation through the business
<b>Family continuity</b>
Maintaining the unity of the family
Preservation of family dynasty in the business
Maintaining our family values through the operation of our business
<b>Family enrichment</b>
Happiness of family members outside the business
Enhancing family harmony through operating the business
Consideration of the needs of our family in our business decisions

Family Prominence is concerned with building and maintaining the image of the family. The fact that the family operates a business and that way it presents itself to community through its business create an image of the family. The family prominence dimension is consistent with the identification of family members with the firm and binding social ties dimensions of FIBER (Debicki et al., 2016).

Family Continuity is oriented toward unification and continuation of the family's involvement in the business over the long term. This dimension contains information about the importance of establishing a family dynasty in the business, family unity and the continuation of the family legacy and values through the family business. Hence, it encompasses both the family control and the renewal dimensions of FIBER (Debicki et al., 2016).

Family Enrichment differs from family continuity factor in that it is related to ensuring family happiness and satisfaction in the short run. It is believed to build harmony and enhances the well-being of the family. It relates to fulfilling the general family obligations through the day-to-day operation of the business. While this factor has no corollary with any FIBER dimensions, it is relevant to family harmony as discussed by Chrisman et al. (2012).

Debicki, et al., 2016 developed and validated SEWi scale on the data of 17 companies from the US and 30 companies from Poland. The process of developing the measure started with literature review presented to a group of family business scholars. As summarized in table (1.7), Socioemotional Wealth Importance (SEWi) measure was validated with three dimensions which are family prominence, continuity and enrichment, with three items for each of the dimensions. The study indicated the model's reliability, convergent validity and discriminant validity. In 2017, Debicki et al., attempted to validate SEWi using the data of 133 firms from Poland. Moreover, multidimensionality of the SEWi construct considered in this study was tested. While the results of these tests may suggest some overlap between the dimensions, most notably

the predilection of family enrichment items, the effects of this convergence bias are marginal, with no noticeable impact on overall model fit. Moreover, Marett, et. Al, 2017, with a sample of 41 family firms from the US have indicated that the results demonstrate that SEW dimensions present within internal results and variables associated with all SEWi dimensions (prominence, continuity, and enrichment) were found to be significantly different between companies. Finally, Alonso-Dos-Santos et al., 2019, have attempted to validate SEWi measure using a data of 307 family firms in Chile. The scale was generally reliable with results supporting convergent validity and discriminant validity.

(Table 1.7) Studies using SEWi to capture SEW

Authors	Sample Country	Measure	Validation Method	Results
Debicki et al. (2016)	17 firms from the US and 30 firms from Poland	SEWI	Literature review; Presented to a group of family business scholars. EFA. Kaiser–Mayer–Olkin measure of sampling adequacy The Bartlett test of sphericity; CFA, CFI, NFI, IFI, RMSEA; Cronbach alpha, composite reliability.	SEWi measure was developed and validated with three dimensions which are family prominence, continuity and enrichment, with three items for each of the dimensions.
Debicki et al. (2017)	133 firms from Poland	SEWI	CFA. Multidimensionality was tested through a series of paired and three-way effect models with covaried error terms of three independent variables.	The scale was validated with overlap among the dimensions, namely enrichment items to load with continuity. The effects are marginal, with no noticeable impact on overall model fit or AVE.
Alonso-Dos-Santos, et. Al, 2019	307 family firms in Chile	SEWI	PLS – SEM AVE. HTMT.	The scales were generally reliable. Convergent validity and discriminant validity were supported.

The review conducted in this section shows that using adapted scales to capture SEW may result in a limited view of family firm uniqueness. It also suggests that compared to SEWi, FIBER has become the most popular instrument to capture family owners' affective endowment. Indeed, the article by Debicki et al. (2016) got 234 cites in Google

scholar as of January 2022, while Berrone et al. (2012) got 2182 cites. This is why, while the aim of the thesis is to highlight the importance of contextualizing SEW research to enhance the validity of the construct conceptualized through any measure and understand its relationship with firms' goals and outcomes, we focus on introducing context to SEW conceptualized through FIBER scale in both, our theoretical and empirical discussions.

### Challenges in measuring the SEW construct

The variety of existing measures to capture SEW as well as the lack of consensus regarding the validity of these instruments explains why in their recent editorial, Brigham and Payne (2019; Pp. 326) called for additional efforts to address the “lack of clarity on the validity of SEW as a construct”. Specifically, there remains a lot of confusion regarding the following aspects:

1. Whether SEW is a uni or a multidimensional construct. Following a multidimensional conceptualization, the construct of SEW would exist as a group of independent dimensions. It can be treated as a single overarching theoretical concept which represents various distinct but related dimensions (Johnson et al., 2011; Edwards, 2001; Law et al., 1998). If conceptualized as unidimensional construct, the latent construct would only exist to the extent that the relevant subdimensions or components are present (Brigham, et. al, 2019).

In response to the question of SEW dimensionality, Swab et. al, (2020) applied a systematic literature review to examine past SEW research to improve our understanding of how the FIBER framework has captured the original concept of SEW (Gómez-Mejía et al., 2007). Their findings indicate SEW multidimensionality supporting

the work of other previous researchers (e.g., Berrone et al., 2012; Hauck et al., 2016). Nevertheless, a recent study by Vandekerckhof et al., 2018 modeled SEW as a unidimensional construct. This has created a confusion of whether SEW is a multidimensional or unidimensional construct. Hence, the multidimensionality of SEW remains an empirical question. The importance of addressing this concern is emphasized by MacKenzie et al. (2005, p. 726) who stated that “failure to think carefully about the dimensionality of constructs is one of the primary causes of measurement model misspecification”.

2. The ambiguity related to SEW dimensions and their relationship to the construct and to one another. It is unclear if different SEW dimensions carry a uniform weight or equal importance across family businesses and nations. It is also unclear if the presence of one dimension means that the whole SEW is present. This must be addressed as some studies assume that the presence of family control suggests that SEW is present despite having multiple dimensions with inherent variability (Debicki et al., 2017; Brigham & Payne, 2019). Addressing this challenge, by drawing upon (NCA) necessary condition analysis, Swab et al., (2020) proposed a shift in the assumptions related to the SEW. Following (Dul, 2016), they indicate that for the existence of SEW, some dimensions are necessary, yet not sufficient. However, it is still an empirical question.

3. Lack of clarity regarding how SEW influences firm outcomes. Contrary to assumptions that SEW has a uniform valence with an absolute value, it is suggested that its components can concurrently be either positive or negative in relation to performance (Martin & Gomez-Mejia, 2016). Previous literature emphasizes SEW has mixed valence and is conceptualized as both positive and negative influence on family

goals and outcomes (Naldi et al., 2013). Other researchers suggest an additive/substitutable component to SEW dimensions, with countervailing influences on one another (Debicki et al., 2016). For instance, Cennamo et al., (2012) suggest that SEW is positively related with proactive stakeholder engagement. However, it is argued that SEW might lead to a self-serving behavior (Kellermanns et al., 2012). This also applies to studies discussing the relationship of SEW with innovation, entrepreneurial orientation, corporate social responsibility, R&D, innovation etc. (e.g. Berrone et al., 2011; Block et al., 2013; Chrisman et al., 2012; Cruz et al., 2014; Dehlen, 2013; Dehlen et al., 2014; Feldman et al., 2014; Gómez-Mejía et al., 2007; Gómez-Mejía et al., 2010; Kraiczy et al., 2015; Leitterstorf et al., 2014; Naldi et al., 2013; Patel et al., 2014; Berrone et al., 2010; Hauck and Prügl; 2015).

4. Whether SEW is a dispositional or a behavioral construct. It can be conceptualized as behavioral since it has a strong behavioral element with the ability to explain family firms' behavior and decisions making (Berrone et al., 2012). On the other hand, it might also be conceptualized as dispositional since it is intangible and psychological as families are expected to be predisposed to make strategic decisions in predictable ways (Debicki et al., 2016). Clearly, SEW is being conceptualized in both way which can be problematic due to misalignment between dispositions and behavior which is expected to create issues for SEW theorizing, dimensionality and measurement.

5. Suitable level of analysis and the specificity of SEW context. It is important to address the appropriate level of analysis (i.e. where does SEW endowment resides) and how it influences decisions and behaviors. Currently, the focus is on the family, however, for greater generalizability it is important to consider other levels such as communities,

organizations and individuals. If other levels are considered, SEW might require a different conceptualization. Looking at similar constructs, the level of analysis for EO has been always the firm, however, Social Capital has been applied to individuals and groups (Payne et. al., 2011). Finally, it is possible to develop different levels of analysis for different SEW dimensions. For instance, recent works suggested that there might be dimensions at the family-level such as Family Control and influence, while some other dimensions are at firm-level such Emotional Attachment (Jiang et al., 2018).

### **Conclusion**

This chapter emphasize SEW as the main approach to capture the uniqueness of family firms. Nevertheless, it also emphasizes the necessity to further investigate SEW as there remains serious concerns mainly related to the validity of SEW as a construct. The review of existing studies aimed at capturing SEW reveals that despite increasing efforts to improve the clarity of the SEW construct and its measurement, there is still a lack of consensus regarding how to capture the family owner's affective endowments. In this thesis, we suggest that introducing context into SEW research could help to advance in this direction, given that , as a construct that is based on family owners' behavior and emotions, it is highly embedded in context. In the coming chapters we propose that context-focused research is vital in the research of SEW, its measurement, its antecedents and its goals and outcomes.

## **2. CHAPTER TWO: INTRODUCING CONTEXT IN SEW RESEARCH**

### **INTRODUCTION**

As mentioned in the previous chapter, SEW has faced serious criticisms threatening its generalizability as the central theory of family business research (Brigham and Payne, 2019; Swab et al, 2020) with researchers highlighting the confusion resulting from the ambiguity concerning the nature, the dimensions, and the outcomes of SEW (Miller and Le Breton-Miller, 2013; Brigham and Payne, 2019). Among others, researchers raised concerns regarding where or in whom SEW resides (Schulze & Kellermanns, 2015), the co-existence of negative and positive valence to SEW (Kellermanns, et. al, 2012), the dimensionality of the SEW construct (Swab et al., 2020), and about how the different dimensions relate to each other and to the overall construct (Brigham and Payne, 2019). Several alternatives were proposed to overcome these challenges including the development of a direct measure to capture the different dimensions of SEW (Berrone, et. al, 2012), conceptualizing SEW as a function of stocks and flows (Chua, et. al., 2015) or further investigating interrelatedness and variance of different SEW dimension (Swab et al, 2020).

Interestingly, while many have warned against the problems of conducting context free family firm research (Wright, et. al. 2014), none of the aforementioned studies include in its discussion of SEW challenges and potential advancement the need to incorporate situational and/or temporal boundaries that may shape the SEW approach. This is problematic since families, that represent the focal decision-making group with regard to SEW (Swab et al, 2020), may operate differently based on cultural norms and

institutional differences (Basco, et. al., 2018). Ample family firm research suggests the existence of important differences between family owners' goals and family firms' behavior in different countries (Gupta et. al, 2010; Howorth et al., 2010). Moreover, recent research suggests that SEW is a construct that is deeply influenced by the institutional and cultural settings of the country where the construct is measured (Razzak, 2019). Ignoring these differences may create numerous problems, including overall threats to validity (Hackman, 2003) as well as insufficient theory testing (Rousseau & Fried, 2001). As Zahra (2016; Pp. 3) puts it: "context- free research can overlook those variables that really make family firms unique". If SEW is argued to be a differentiating factor which makes each family firm unique, (Holt et al., 2018), SEW research should be contextualized.

To advance in this direction, this chapter sets out to identify challenges researchers may face in conducting context sensitive SEW research and offer ways forward. The manifold facets of context, that include business, social, spatial and even a temporal dimension (Wright et. al., 2014), renders this a difficult task. This is why, following recent works that call for more research unveiling the contextual specificities which make family owners unique in specific regions such as Latin America (Gomez-Mejia et al 2020) or the Arab world (Krueger et al, 2021), we focus on discussing challenges involved in incorporating the national context into SEW research. Following previous works (Wright et. al., 2014), we use the national context as a proxy that includes the institutional, cultural, and historical contextual aspects that are found to influence family owners and family firms' behavior and thus, the family SEW.

We first define national context and its relevance to management studies. Then provide support to our claim about the risk of conducting (national) context-free SEW research. We do so by reviewing cross-country family business research as well as existing attempts to directly measure the SEW construct in different countries. Next, following the suggestions by Bamberger (2008) - recently applied to family firm studies by Amato et al., 2021; Gomez-Mejia et al.'s, 2020 and Krueger et al., 2021- we encourage researchers to enhance SEW research by progressively introducing (national) context research in family business studies in different stages: First, by conducting more SEW studies in diverse national settings (context by sampling). Next, by developing more comparative SEW studies across countries (context by comparing). Last, we encourage researchers to introduce context into theoretical arguments of the SEW approach, i.e. adopt a context by theorizing research strategy. By understanding the challenges of contextualizing, conceptualizing and measuring SEW across national contexts and proposing future areas of research, we hope our work may improve the clarity to the construct fostering robust SEW research in the future.

## **THEORETICAL BACKGROUND**

### **Context and Management Studies**

Context is defined as “the institutional, organizational, and temporal factors that impinge on the behaviors and decisions of organizational stakeholders” (Wright, et al, 2014; 1247). Although research on cross-national variations in Family business is limited, there is evidence that the way firms and their members do business are contingent on their national settings. The relevance of context is clear as institutional settings and cultural expectations vary widely across nations with profound implications on the

interrelationship between work, family and business (Bardoel & DeCieri, 2006; Kossek & Ollier-Malaterre, 2013; Lambert & Kossek, 2005; Ollier- Malaterre, 2009). Powell et. al, 2009 argue that many of these management concepts are deeply seated in cultural assumptions and socioinstitutional regimes such as M&A (Stahl et al., 2012), use of professional advisors (Angwin, 2001), firm ownership concentration (Goldschmidt & Schwartz, 2005; Stulz & Williamson, 2003), board independence, gender composition, corporate governance (Grosvold & Brammer, 2011;Humphries & Whelan, 2017; Chan & Cheung, 2012; Morck & Steier, 2005), compliance decisions (Zengin & Guneri, 2016; Rejchrt & Higgs, 2015), and work teams (McGrath, 1984). The acknowledgment of the effects of national context are essential to meaningful understanding of challenges and opportunities of businesses in different countries. E.g. how differences in investors' protection can be explained by national culture and religious beliefs (Goldschmidt & Schwartz, 2005; Stulz & Williamson, 2003); religion and national culture explain the differences in the positive relationship governance score has with individualism and negative relationship with uncertainty avoidance (Griffin et. al., 2018). Researchers have looked at cultural characteristics as well as broader institutional environment and suggested that they form the context in which managerial practices are developed and applied (Calori et al., 1997). It is evident that institutional context represented in legal protection affect governance structure (Desender et al., 2013). The formal context includes political systems, laws, economic regulations and nature of contracts. Its influence on other management studies namely economic-finance is evident. Studies considered a number of dimensions such as labor laws (Van Essen, et. al, 2013), legal environment and protection (Durney & Kim, 2006; Burkart, et al., 2006; Doidge et. al.,

2007; La Porta et al., 1998), political systems (Roe, 2003), securities laws (Guedhami & Pittman, 2006). Bardoel & DeCieri (2006) suggests that context at the macro level, and the needs and expectations of individuals and groups at the micro level are closely linked. Macro-level contextual factors include economic, societal, institutional and cultural influences. Geographic regions influence the formal institutional context and economic activities (Audretsch, 2001). Therefore, government practices and economic conditions can determine the prosperity of family businesses. As indicated by (Chrisman et al., 2012), national culture and geography are useful boundaries for examining entrepreneurship in family firms as national culture is highly relevant to the subject as well as being closely linked to economic success (Landes, 1998; Shane et al., 1995). Actually, studies show despite its existence in family firms across the globe, entrepreneurship is greatly influenced by institutional context (Steier, 2009). Discussion about work teams has addressed context indicating that it plays a dual role by embedding individuals as well as being embedded in the bigger system. It suggests how team and context interact (Kozlowski & Bell, 2003). More often, the discussion of context in team refers to external conditions, features or entities (e.g. Kirkman et al, 2006; Bosch-Sijtsema et al, 2011; Hempel et al, 2012; Savelsbergh, et al., 2009; Stewart, 2010). Actually, external context (e.g. national culture, institutional context) is more clearly identified than internal context of the team (e.g. leadership). In addition to the studies that have explored formal institution, it is important to address informal institution (e.g. culture). Cultural dimensions were developed in studies by

Hofstede<sup>1</sup> (1980) and Hofstede (2005), Trompenaars (1998) and the GLOBE project (House et. al, 2004). Cultural differences do not affect managerial practices only, but also modify expectations about behavior and provide frame for interpreting these behaviors (Hofstede 1980; House et al., 2004). Extant research argues that culture influences different individual and firm behaviour such as , competitive advantages of the firm (van den Bosch & van Prooijen, 1992), perception of individuals (Neyer & Harzing, 2008) and innovation strategies of the firm (Waarts & van Everdingen, 2005). This is highlighted in the differences that exist between European countries despite high similarities in formal institution due to EU project (Faccio & Lang, 2002; Holderness, 2016, 2017). North (1990) suggests that similar formal rules introduced on different societies lead to different outcomes. In other words, the operation of formal institutions is influenced by informal institutions (Helmke & Levitsky, 2004; Williamson, 2000). Researchers suggest that the impact of formal and informal context is not isolated from each other, but may be considered simultaneously (Estrin & Prevezer, 2011; Helmke & Levitsky, 2004). Peng et al., (2009) suggests that informal context is more important when formal institutions are weak. The relationship between formal and informal context has been explored in a few studies. Stulz and Williamson (2003) indicate that informal context influences formal context. Additionally, Helmke and Levitsky (2004) argue that how formal institution works is underpinned by informal context. Therefore, it was suggested by (North, 1990) that imposing functioning formal institutions to another cultural context may not yield the same results. Therefore, we focus on national context

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<sup>1</sup> Hofstede's cultural dimensions theory is a framework to understand cross-country cultural differences. It is consisted of six dimensions (power distance, individualism, masculinity, uncertainty avoidance, long term orientation and indulgence).

which can be categorized as informal or formal to establish boundaries for the interaction between social, economic and political dimensions (North, 1990). In short, national context is highly relevant in family business research as it encompasses both formal and informal context that influence the family, the firm and the relationship between the family and the firm. Family firms face this complex context to which they respond differently (Steier, 2009). This complexity lies in the fact that both formal and informal context may overlap, and it impacts family firms differently both in comparison with nonfamily firms and with one another (Greenwood et al. 2010). This has been recently confirmed by (Sacristan-Navarro et al., 2021) which concluded both informal and formal contexts affect firm's outcome when considered independently from each other. However, once considered together, the influence of informal context remains significant, while the influence of formal context disappears. Additionally, it is important to emphasize that the lack of consideration of contextual variation might lead to reversed causal directions, range restriction, sign reversal, insufficient theory testing and overall threats to validity as well as overlooking important research question and producing biased or invalid conclusions (Hackman, 2003; Johns, 2006; Rousseau & Fried, 2001). Actually, applying theories that were developed in one country, to conduct research in other countries without addressing context is expected to result in misinterpretation of findings. In a number of management studies field, a prevailing weakness is the lack of cross-national research which integrate cultural assumptions and contexts in the studies. This lack of attention is problematic and apparent to everyone, yet not addressed.

### Why does the national context matter for SEW research?

After conducting a review of international studies on family business, Wortman (1995; Pp. 56) concluded that: “presently, there are essentially no comparative studies of family business across cultural boundaries, ethnic boundaries, and country borders. Are there really differences in the ways in which family businesses operate sub-nationally, nationally, or globally?” (p. 56). Almost twenty-five years later, some attempts have taken place to develop our knowledge on cross-national comparisons of family firms, following several calls for the national aspects to be woven into the study of family businesses (Basco, et. al., 2018; Hoy et al., 2003; Wright, et al., 2014). Table (2.1) summarizes some of the most representative cross-cultural comparative studies on family firms in the last three decades. The table shows two sets of studies: (1) those focused on examining the importance of culture in explaining family firms’ heterogeneity across countries, and (2) those focused on showing differences in family owners' behaviors across countries. The first set of studies often used dimensions adopted from Hofstede or from the GLOBE project – Global Leadership and Organizational Behavior Effectiveness<sup>2</sup>- to examine how national level attributes affect family business outcomes (e.g. Carr & Bateman, 2010; Dow & McGuire, 2016; Gupta & Levenburg, 2010a; Welsh & Raven, 2006). These studies show differing patterns in family firms’ outcomes across countries. For instance, when examining performance differences between family and nonfamily businesses, Carr & Bateman (2010) showed that both are equally profitable in "high trust countries" such as North America and Europe, they outperform in "low trust countries" such as Thailand and China. Similarly, Dow and McGuire (2016) found a positive relationship between family

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<sup>2</sup>Globe project is a large-scale study conducted with over 500 researchers in excess of 160 countries regarding cultural practices and leadership ideals

ownership and firm performance in countries with higher uncertainty avoidance. An important endeavor in cross-cultural studies in family firms is the work led by Gupta and Levenburg (2010a). The authors developed the CASE project (Culturally Sensitive Assessment Systems and Education<sup>3</sup>), to examine cross-cultural variations between family businesses within 10 cultural regions in nine cultural dimensions. The project revealed interesting differences among family firms in different countries. For instance, it shows that inter-generational succession process is much more competitive in Anglo-Saxon regions than in Nordic regions, suggesting that these differences could be due to the rejection of institutional collectivism by Anglo family firms, and the cooperative behavior of Nordic family firms. The second set of studies compare family owners' attitudes and goals across countries (e.g. Corbetta, & Montemerlo, 1999; Howorth et al., 2010; Lussier & Sonfield, 2012; Porfírio et al., 2019). For instance, the study by Howorth et al., (2010) showed a different predisposition to sell the business between family firm owners in European countries (Spain, Greece and Italy) and US. While European family firms are generally reluctant to sell a business which is viewed as an extension to their family, US family firms would be more comfortable selling their firms at the right price. Differences in transgenerational intentions among family owners are also confirmed by Corbetta & Montemerlo (1999). The authors showed that the percentage of US family owners who would sell their company or pass their shares on to someone outside the family was much higher than for Italian family owners.

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<sup>3</sup> The CASE project systematically reviewed and analyzed 110 articles by of family busines literature published about different regions of the world.

(Table 2.1) Cross-country studies on family firms		
Author	Context	Topic investigated
Poza (1995)	Latin America and the United States	Family firms' strategies
Gundry & Ben-Yoseph (1998)	Romania, Poland, and America	Women in family firms
Corbetta & Montemerlo (1999)	Italy and the United States	Family involvement through ownership, management, strategic decisions and succession.
Welsh & Raven (2006)	Kuwait and Lebanon	Behavior of managers and employees of family firms.
Howorth, et. al (2010)	Editorial of different articles including multiple countries	Family firms' diversity, assets, liabilities, definition, context, culture, types, role of women and ownership transfer.
Carr & Bateman (2010)	North America, Europe, high trust countries, Anglo-Saxon, low trust and long-termist Asian countries	Performance.
Gupta & Levenburg (2010a)	10 regional clusters	Cross-cultural comparisons of: Regulated boundary, Business reputation, Bridging relationships, Organizational professionalism, Regulated family power, Competitive succession, Gender-centered leadership, Operational resiliency, Contextual embeddedness.
Gupta & Levenburg (2010b).	Latin America, Eastern Europe, and Southern Europe	
Gupta et al. (2011)	Anglo, Germanic and Nordic nations	
Mueller & Philippon (2011)	12 countries	Family ownership
Lussier & Sonfield (2012)	Croatia, Egypt, France, India, Kosovo, Kuwait, and USA	Family business succession planning.
Van Essen et al. (2015)	27 European countries	Downsizing
Galve-Górriz & Hernandez-Trasobares (2015)	Spain, Mexico, Argentina, Brazil, Chile, Honduras, Costa Rica, Peru and Colombia	Family firms' ownership and performance
Pittino et al. (2016)	Austria and Hungary	Employee retention.
Dow & McGuire (2016)	33 countries	Family ownership and firm performance.
Ellul et al. (2018)	United States, Canada, Germany, United Kingdom, Japan and South Korea	Employment stability.
Basco et al. (2018)	Europe, Latin America, Asia, and North America	Transgenerational entrepreneurship
Arijs et al. (2018)	U.S.A & Belgium	Family firms' brand.
Porfírio et al. (2019)	Portugal and Greece	Succession
Bennedsen et al. (2019)	8 countries	Performance and labor volatility of family firms.
Block et al. (2019)	40 Countries.	Family firms' employment
Verbeke et al. (2019)	Confucian influenced, South Asian, English- speaking, West European, Latin American, East European, , African and Middle Eastern.	Bifurcation bias
Briano-Turrent et al. (2020)	Argentina, Brazil, Chile and Mexico	Family firms' dividend policy

Overall, the reviewed studies suggest that both, cultural norms and institutional settings vary across countries and may have significant implications for explaining the behavior of family owners, the heterogeneity of family firm across societies and the impact of family ownership on firm outcomes (Dow & McGuire, 2016). Hence, the absence of awareness regarding effects of the national settings presents a hurdle to a nuanced comprehension of family owners and family firms. Recent works (Amato et al., 2021; Gomez-Mejia et al. 2020; Krueger et al. 2020) warned researchers from the oversight of context in family business studies. These studies claimed that insufficient focus on context can cause wrong interpretations about the link between family and business, as well as to a “one-size-fits-all” approach to family business around the globe.

Conducting context free research is specially challenging in the case of SEW research. While where “does SEW reside” is still debatable (Schulze & Kellermanns, 2015), families represent the focal decision-making group with regard to SEW (Swab et al, 2020). These families may operate differently based on the cultural norms and institutional differences across national boundaries (Wright, et. al., 2014)), so it is expected that the national context would influence the relative importance family owners give to the different SEW dimensions. Further, building on the behavioral agency model (Wiseman & Gomez-Mejia 1998), the SEW approach argues that family firms decide based on the framing of the problem and reference point at the moment of decision-making (Kotlar et al., 2013). The reference point would be strongly shaped by situational aspects that occur at the family and/or the business level (Llanos-Contreras et al., 2019), so a context-free research may threaten the generalizability of the SEW approach. For instance, using a sample of Italian family firms Calabrò et al. (2018) suggest that a SEW is positively related with

primogeniture. Nevertheless, they emphasized that context matters as succession strategies are deeply embedded in the context in which it takes place (Bertocchi, 2006; Colli et al., 2003; Colli & Rose, 1999). Hence, it could be the case that their results may not hold in other national contexts with a different treatment towards firstborn.

The aforementioned discussion raises two fundamental questions for SEW researchers: Is it possible to have a universal way to capture the affective endowment of family owners across the world? It also questions whether SEW would impact firm outcomes in a similar way across national boundaries.

A review of empirical studies using the FIBER scale as a proxy for the family SEW evidenced that these questions are still unsolved. The most representative empirical studies that attempted to validate the FIBER scale and/or investigate its relationship with family firm outcomes are summarized in Table 2.2. As it shows, the majority of the studies validated the existence of five dimensions to capture SEW, as Berrone et al (2012) proposed. However, they found differences in the items included in the different dimensions and the importance given to each dimension. For instance, while the study of Razzak et al., (2019) on family firms in Bangladesh concluded that all 27 items of the FIBER model load into the FIBER scale, the one by Filser, et. Al, (2017) with Finnish family firms revealed only 18 items. Moreover, some articles concluded that the original FIBER scale should be refined. Using sample of 216 family firms in Austria and Germany, Hauck et al. (2016) proposed that the FIBER dimension should be reduced to a three-dimensions-REI scale. This is consistent with the most recent validation attempt by Gomez-Mejia & Herrero (in press), which has refined the scale to REI as well. Bratnicka-Myśliwiec et al. (2019) with 193 family-owned firms from Poland proposed a three-

dimensions FBE scale. Finally, Dayan et al. (2019) with 150 family firms from United Arab Emirates proposed a four-dimensions IBER scale.

(Table 2.2) The most relevant articles using FIBER Scale			
Authors	Sample	Topic	Scale
Hauck et al. (2016)	216 family firms in Austria and Germany	Validating and refining the FIBER scale	The scale was validated, refined and shortened to be REI
Angulo et al, (2016)	250 family firms from Mexico	The relationship between SEW and Family firm's outcomes	5 dimensions scale
Filser et al. (2017)	103 Family Firms from Finland	The relationship between SEW and innovativeness	5 dimensions scale
Gast et al. (2018)	452 Swiss family firms	The relationship between SEW and innovativeness	5 dimensions scale
Laffranchini et al. (2018)	416 family firm-observations from US	The relationship between SEW type and strategic preferences.	It suggested two types of SEW – Extended SEW and Restricted SEW
Vandekerckhof et al. (2018)	300 top managers from 55 Belgian firms	The relationship between SEW separation and decision making.	It revealed a single SEW factor
Bratnicka-Myśliwiec et al. (2019)	193 family firms from Poland	The relationship between SEW and competitive advantage.	5 dimensions scale
Razzak et al. (2019)	357 family firms in Bangladesh	The relationship between SEW and firm performance.	5 dimensions scale
Ng et al. (2019)	150 family firms from United Arab Emirates	The relationship between SEW and firm performance.	5 dimensions scale
Dayan et al. (2019)	150 SMEs from United Arab Emirates	The relationship between SEW and sustainability	Mindful SEW measure was suggested which includes only 4 dimensions IBER
Gomez-Mejia & Herrero (in press)	480 family firms from Spain	Validating and refining the FIBER scale	The scale was validated, refined and shortened to be REI

The lack of consensus regarding the validity on the construct and its measurement across national contexts and its impact on firm outcomes limits the general applicability of SEW as the central home-grown theory of family business. We believe that contextualizing SEW research would help shedding new light on the why, when and where the emergence of dark or bright valences of SEW may occur. Hence, to enhance the validity of the SEW approach, researchers should incorporate the interdependence of cultural

aspects as well as formal and informal institutions within national boundaries as important issues to capture family owner's affective endowments.

Following the literature review by Basco (2018), recent editorials (Amato et. al., 2021; Gomez-Mejia et. al., 2021; Krueger et. al., 2021) have taken steps to emphasize the importance of contextualizing family business research.

Nevertheless, these papers have taken two approaches; one that has focused on the importance of contextualizing a specific family firm's topic (e.g. Amato et. al., 2021), while the other has focused on exploring the different family business topics in specific regions in order for us to learn more about family firms in different parts of the world (e.g. Gomez-Mejia et. al., 2021; Krueger et. al., 2021).

Amato et. al., (2021) addressed the role of context in family firms' employment outcomes. The study of 67 articles conclude that current research (1) is context-less (2) lacks the understanding of the relevant context. (3) needs to explore, analyze and theorize the aggregate effect of family firms on employment. The above could explain the contradictory results among the existing studies and the absence of theoretical predictability.

Gomez-Mejia et. al., 2021 called for papers to contextualize what is known about Latin American family business (Müller et al., 2018) and what are the areas of future research. The majority of the articles focused on firm familiness adopting context by sampling approach. These papers used a single Latin American country and focused on the family influence on firm performance and behavior (e.g. Esparza Aguilar, 2018; Duran & Ortiz Muñoz, 2019). Mainly they investigated the relationship between ownership/board composition and performance (e.g. Martínez et al., 2007; González et

al., 2012; San Martin-Reyna & Duran-Encalada, 2012). Other studies focused on family firm strategic behavior with subjects related to diversification (Espinosa-Méndez et al., 2018), family firms internationalization (Herrera-Echeverri et al. 2016), branding, (Alonso-Dos-Santos et al. 2019) entrepreneurial behavior (Duarte Alonso, 2016), financing (González et al. 2013). Despite the importance of these articles as they explore the studied phenomena in the Latin American context, they do not consider comparative approaches to interpret variation across context. Therefore, a few articles have adopted a context by comparing approach investigating phenomena in more than one country in Latin America or with other countries. or more Latin American countries or with countries outside this region. These studies have explored subjects such as corporate governance (San Martin-Reyna et. al., 2012; Briano-Turrent et al., 2017; Briano-Turrent et al. 2020) gender management (Curimbaba, 2002; Sonfield & Lussier, 2012), learning and knowledge (Duarte Alonso and Kok 2018). Despite the importance of creating such comparisons, this approach does not predict how, when and where the context can influence the studied phenomenon. Accordingly, very few articles adopted context by theorizing to address this challenge by considering the effect of context on firm behaviour and performance (e.g. Marino et al., 2002) with subjects include corporate governance (Pagliarussi & Rapozo 2011; Galve-Górriz et al., 2015), ownership management (Lansberg & Perrow, 1991). Such articles are considered to be the most developed stage, and researchers have begun to recognize the importance of this approach. The articles also highlight that Latin America is not a uniform region in terms of informal and formal settings. Differences among different nations within Latin America in quality of institutions, property rights, judiciary systems, corruption levels,

religions and work ethics must be considered (Florensa et al., 2015; Levenburg & Gupta, 2012).

Krueger et al. (2021) proposed an initial exploration of how family firms in the Arab world is influenced by family emotions and goals, and entrepreneurial mindsets. The high level of collectivism, uncertainty avoidance and masculinity increase the importance of family emotions for Arab family firms (Hofstede, 2001). The strong emotional bond tying Arab families lead to high level of commitment and loyalty (Lalonde, 2013). According to Barakat (1985; 1993), the success of a family member reflects on the whole family, and family members cooperate to ensure family continuation and improvement within the community. Moreover, Arab families are known to enjoy the transfer of an entrepreneurial spirit across generations (Field, 1985). Family firms are considered to be highly important in the Arab context as they give a great meaning for family members (Binz Astrachan et al., 2017). The editorial also included articles that have conducted a systematic literature review of articles that investigate family business behavior and performance in Arab world (Samara, 2021), explored the role of religion in developing the perception of fairness among non-family employees (Azouz, et. al, 2020), discussed the legitimacy aspect of female entrepreneurs (Hashim, et. al., 2020). The editorial concludes by emphasizing that the different approaches taken to consider context are highly important to understand and interpret the different family business studies within the region. It also highlights that despite the Arab world sharing many similarities, it is still highly diverse in terms of existence of different languages, dialect, religions, culture, history, art, political and economic systems. (Basco, 2017).

These recent editorials highlight the importance of incorporating context in family business research whether when studying a specific region or a specific phenomenon.

### **INTRODUCING THE NATIONAL CONTEXT IN SEW STUDIES**

Following the literature review by Basco (2018), the recent editorials (Amato et. al., 2021; Gomez-Mejia et. al., 2021; Krueger et. al., 2021) has taken steps to emphasize the importance of contextualizing family business research. These editorials highlight the importance of incorporating context in family business research whether when studying a specific region or a specific phenomenon. Moreover, they highlight that regions do not form a homogenous group which indicates the importance to address the cross-national differences. More importantly, following the approach by Bamberger (2008) they encourage family business researchers to contextualize family firm research through three different approaches: context by sampling, context by comparing and context by theorizing. In what follows, we will adopt such approach to offer suggestion to contextualize SEW research in the future.

#### Context by sampling

This approach refers to the applied strategy when investigating a phenomenon in a specific context. It is a strategy followed by most of existing empirical work on SEW (e.g. Berrone et al. 2010; Chrisman & Patel, 2012; Dehlen 2013). Studies that adopt context by sampling approach range from those that consider context to be tangential (e.g. Berrone et al. 2010), to those that emphasize the importance of the context (e.g. Calabrò et al., 2018). Nevertheless, even in the later cases, these studies fail to provide information as to how the research setting might create boundary conditions for their research. An additional challenge is related to borrowing theories and concepts that were

developed in a specific context to another context, under the impression that “one size fits all”.

Following studies that attempted to contextualize research in other fields (e.g. Welter et al., 2011; Maloney et al., 2016), we offer researchers some practical suggestions to enhance SEW research by providing more contextual knowledge from the field research where the study is conducted, even when it is not specifically focused on context.

- Include more thorough description of the national context of the research setting. For instance, scholars may share detailed information about the unique cultural aspects of the country studied (e.g. mention the level of power distance, individualism, masculinity, uncertainty avoidance, long term orientation and indulgence of Angola).
- Identify and investigate contextual settings that are underrepresented in current SEW research (e.g. understand how SEW works in emerging economies).
- Provide deeper discussions about the dependence of the study’s result on the national setting, and about the level of confidence regarding the generalizability of findings to other contexts (Aguinis & Edwards, 2014; Cook et al., 1979). (e.g. the results of this research showing the relationship between SEW dimensions and performance in the USA might not be applicable to countries with a low level of performance orientation such as Argentina).

We acknowledge that encouraging researchers to describe external context details when it is not the main research focus may be a challenge, given page constraints in most journals. Nevertheless, many journals include online appendices that could be used to include this information.

While context by sampling is highly encouraged as it aids in building consistency to SEW research, it does not enable researchers to understand the causal or moderating relationship between national context and SEW. This is why we encourage researchers to move forward in their strategies, further incorporating context in SEW studies. First, by developing comparative SEW studies across countries (context by comparing). Second, by theorizing context to enhance the SEW approach (context by theorizing). In what follows, we propose a research agenda for each of the two research strategies.

### Context by comparing

This research strategy implies conducting comparative SEW studies in different geographical/contextual areas to highlight the heterogeneity of SEW across nations. Conducting context by comparing SEW research poses a major challenge to SEW researchers as it makes imperative to examine if available scales to measure SEW are valid across nations. The lack of valid measures across nations threatens the overall reliability of any study and its conclusion. It also limits the confidence of researchers in assuming that SEW is understood in the same way across nations.

To overcome this challenge, we encourage researchers to test the cross-national measurement invariance of the instruments used to capture the SEW construct, as measurement invariance is believed to be a prerequisite to establish the validity of a survey instrument (Cheung, 2002; Knight et al., 2003; Riordan & Vandenberg, 1994; Steenkamp & Baumgartner, 1998; Vandenberg & Lance, 2000). Confirming measurement invariance implies probing that the set of indicators measure the same latent variables across contexts (Kline, 2005). Hence, assessing the cross-national measurement invariance of the SEW scale would enable a meaningful comparison across

countries, as it would ensure that the instruments used to measure the SEW construct can be conceptualized in the same way across countries (Steenkamp & Baumgartner, 1998). The invariance of the SEW construct should be confirmed following the steps recommended by Steenkamp and Baumgartner (1998), that entails confirming the configural, metric and scalar invariance of the scale. Configural and metric invariance allow researchers to use the scale in studying relationships among values, attitudes, behavior, and socio-demographic characteristics across countries. Scalar invariance enables researchers to compare the mean values across countries (Davidov et al., 2008) Once the measurement invariance of the SEW scale is confirmed, scholars could focus on creating comparative knowledge and showing the characterization of the SEW construct across nations. The validated cross-national SEW scale could be used to:

- 1- Explore whether national culture influences how family owners prioritize the different SEW dimensions. (e.g. do Latin American family firms give more weight to family control than US family firms?).
- 2- Explore the antecedents of SEW across countries, especially those with divergent cultures (e.g. Does the presence of the founder increase the level of identification with the family more in Arab countries than in Western cultures? Do fragmented ownership challenge the family's desire to keep family control differently in the Anglo-Saxon and Latin countries? Is family ownership and/or management a better predictor of SEW in one country than in others?)
- 3- How does the relationship between SEW and performance vary across countries? Do the different SEW dimensions impact performance differently across national boundaries? (e.g. Does the level of binding social ties influence the performance

of Canadian and Mexican family firms differently?).

- 4- How does SEW relate to firm outcomes (i.e. governance, innovativeness, entrepreneurship, internationalization, diversification, sustainability) across nations? (e.g. Does the level of family owners' identification with the family firms influence the sustainability of Vietnamese and Spanish family firms differently?).

Conducting comparative SEW studies would help researchers to unveil the specificities of the SEW approach across countries, creating comparative knowledge that would move SEW research forward. In this sense, comparative SEW studies would help to identify sources of family firms' heterogeneity. However, it would not help researchers to address how context may modify, alter or constrain the SEW approach. To do so, researchers should move forward to incorporate context in SEW studies and embrace a context by theorizing strategy.

#### Context by Theorizing

Bamberger (2008) defines this approach as "those theories that specify how surrounding phenomena or temporal conditions directly influence lower-level phenomena, condition relations between one or more variables at different levels of analysis or are influenced by the phenomena nested within them" (p. 841). This approach attempts to measure context and goes beyond contextualizing the phenomena. Conducting context by theorizing SEW research would help in connecting SEW variables and national culture variables at different levels to explain family firm's goals and outcomes. This line of research could challenge the current status quo of SEW knowledge, as it may provide evidence on the relationship between different cultural settings and specific family firm behaviors because of SEW heterogeneity. Hence, context by theorizing approach in SEW

research is challenging, as researchers should specify how, when and where the instrument used to capture SEW (e.g., SEW measured through FIBER scale or SEWi scale) is altered, modified, or constrained due to national culture. Inspired by studies done in other fields of research (e.g. Maloney et al, 2016; Ollier-Malaterre et al. 2013), we recommend researchers to incorporate the national context into SEW research through one of the following mechanisms:

- As a direct influence. Future SEW studies should investigate how much of the heterogeneity among family owners resulted from how the different SEW dimensions are influenced by the national context. For instance, previous research shows that family ownership concentration is common in higher power distance societies where families may exploit their dominant position in society by holding large shareholdings (Dow & McGuire, 2016). Does this imply that family owners put more weight on the “F” dimension in countries with high power distance?
- As a moderator or mediator. In addition to direct influence, researchers should theorize about how the national context may shape the way SEW influence family firm’s outcomes. For instance, previous research shows that differences in property rights and other formal institutions influence the development and exit of family business (Carney et al., 2014). Further, SEW research suggests that transgenerational intentions (a key SEW dimension) decrease family owners’ willingness to sell the family firm (Howorth et al., 2010). Hence, the following question arises: How do differences in institutional contexts across countries moderate the influence of SEW on family firms exit strategies? Moreover, future research should examine the moderating role of informal institutions. For instance, in regions such as

Latino America characterized by strong religious influence (Gupta & Levenburg, 2010b), researchers should investigate how religion may shape the influence of SEW on firm outcomes such as corporate social responsibility or even firm performance.

- Multilevel construct domain. While major studies have focused on exploring SEW at the level of family firms, recent family business research calls for investigating the impact of SEW at different levels, including how it affects non-family employees (Vandekerckhof et al., 2015) or even how it influences family owners' activities beyond the family firm boundaries (Nason et al., 2019). These studies acknowledge the complexity of the SEW construct, that operates at multiple levels including the family, the firm and a variety of stakeholders. Future research should incorporate the multilevel domain of the SEW construct in context by theorizing SEW studies. For instance, SEW motives would drive family owners to engage in philanthropic activities through the firm (corporate philanthropy) but also beyond the firm boundaries (i.e. by establishing a family foundation). To what extent is this choice determined by the national culture in which the family firm operates?
- As an outcome. If as mentioned earlier, SEW is a construct that is inextricably intertwined with context, then not only context would shape the SEW construct, but the reverse should also hold. That is, it may be the case that SEW modifies or shapes particular aspects of the geographical area in which family firms operate. For instance, acknowledging the importance of transgenerational intentions for European family owners, the European family business association (EFB) has consistently lobbied for regulations that do not negatively affect family firms when a transfer is done. This raises the question of whether the different evolution of succession laws

across countries could be partially explained by differences in the family SEW?

Moreover, we encourage researchers to reexamine empirical family firms' studies where the "national context control variable" was reported to be statistically significant. This indicates that national context maybe an interesting predictor of the variable under study. A thorough review of the variance explained by national context as a control variable in SEW research especially in areas where no context theorizing has been done, maybe an excellent place to start identifying potential research areas.

Future research avenues could also look into mixed findings or inconsistencies which can indicate potential contextual influences. As we have seen in studies shared above, there has been mixed findings regarding the relationship between SEW and family firm's goals and outcomes. This calls for attention, as the divergent findings may be due to contextual influence. Hence future research should investigate whether there are cultural or institutional differences among countries that shape how SEW influences family firm behavior. If this is the case, the SEW approach should be redefined by incorporating contextual elements that explain family firm heterogeneity across countries.

Lastly, in terms of methods, following Bamberger (2008), we encourage researchers to adopt grounded and/or case based qualitative research methods in the early stages of context by theorizing SEW research. The insight from these studies could be used to better understand how specific aspects of the context would shape SEW as well as to refine existing SEW models to include potential cross-country effects in large scale SEW studies.

## **CONCLUSION**

Our work attempts to address the limitation of context-less research on SEW studies by showing the existence of important differences across countries and cultures in family firms' behavior that questioned the cross-national applicability of the SEW approach. Our proposed research agenda encourages SEW researchers to continue exploring their respective national contexts in specific SEW studies. We also encourage more SEW research that highlights differences and similarities of family owners and family firms across countries, while proposing robust methodologies to conduct SEW context by comparing research with rigor. More importantly, we urge SEW researchers to incorporate contextual measures into their studies as well as to clarify what are the determinants of SEW differences among family owners that can be explained because of the national context where the family firm operates.

By shifting the research effort from a context-less approach to context-sensitive investigation, we hope our work encourages future researchers not only to account for contextual nuances of family firms in different countries, but also to revisit the SEW approach based on how national context aspects may determine how SEW is conceptualized and measured.



### **3. CHAPTER THREE: CONDUCTING CONTEXT BY SAMPLING SEW RESEARCH: TESTING AND VALIDATING THE SEW SCALE IN SAUDI ARABIA**

#### **INTRODUCTION**

In chapter 1, we highlighted the criticism towards SEW related to the confusion regarding SEW construct, its dimensions, outcomes, measurement, and generalizability (Brigham & Payne, 2019; Swab et al., 2020). In chapter two, we argued that one way to enhance SEW research is to conduct additional studies adopting context by sampling approach, this is to say testing how SEW works in different contexts, more specifically in under-researched and unique contexts (Basco, 2018). In this chapter, we argue that the Arab context offers an interesting and relevant dimension for the study of SEW, as families are considered to be among the most important form of organization in the region (Barakat, 1993) and SEW research in these countries is scarce compared to studies conducted in other parts of the world (Basco et al 2017). Nevertheless, as Basco (2017) suggested, the Arab context does not represent a homogenous group of countries. It is rather a mosaic of identities shaped by socio-economic system, different institutional contexts, and cultures. We focus our study in the case of Saudi Arabia, as it is the largest economy among Arab countries by far amounting to about 30% of the region's total output (Akoum, 2009), as well as being the birthplace of Islam and hence, it is highly influenced by religion on all aspects.

The goals of our study are to explore the uniqueness of SEW in Saudi family firms and speculate the reasons behind it and the potential implications. Accordingly, we evaluate

the validity of the FIBER scale as a robust instrument for directly capturing the SEW construct by conducting its validation in our under-researched context. We argue that Saudi Arabia represents a very different cultural context from others where the FIBER scale has been previously validated. Using a sample of 400 family firms from Saudi Arabia, we conclude that SEW measured through FIBER is valid as a second order multidimensional construct with five dimensions consisted of 27 items, i.e. the ones originally proposed by Berrone et al (2012). Next, under the assumption that SEW captures the essence of family business, we aim to understand what makes family businesses in Saudi unique by exploring how the different SEW dimensions operate in the Saudi context.

Our article contributes to the empirical and theoretical development of a vital and notable concept in the field of family business research in several ways. First, by exploring the uniqueness of Saudi family firms in relation to SEW, we enhance the fields of SEW and family firm's heterogeneity as it challenges the traditional notion that family firms are similar across contexts because they prioritize SEW, by suggesting that family firms are different in their essence across nations because they have different SEW. We also speculate that Saudi firms prioritize positive family image and excellent relationship within the family and the community. We also suggest that they try to balance between financial performance and their SEW. . This alerts researchers to the importance of re-thinking the underlying assumptions of SEW which suggests that family firms prioritize the preservation and enhancement of SEW, and further investigate if that fits all, or if SEW underlying assumptions are context-sensitive and their implications differ across

nations. Third, by emphasizing on the context, we provide researchers with examples of how to improve context by sampling studies.

Fourth, by validating the FIBER scale in Saudi, we confirm the validity of SEW construct in Saudi Arabia conceptualized by the multidimensional FIBER scale with five dimensions measured through 27 items as suggested initially by Berrone et al., (2012).

Confirming that FIBER is a multidimensional construct means that the different dimensions of SEW have their own unique influence on the overall measure, which would provide future areas of research to focus on a specific dimension and understanding the influence of this dimension to the overall SEW, and to family business outcomes and behavior. Finally, we contribute to policy makers and family firms by providing them information regarding the uniqueness of family firms in terms of SEW, the possible reasons behind that and the potential implications. With this knowledge they would be able to design better policies and strategies to enhance specific goals and outcomes that are important for the nation (e.g. innovation, entrepreneurship and corporate social responsibilities) and to the firm (e.g. performance, reputation and survivability).

## **THEORETICAL BACKGROUND**

### Unique cultural aspects of Saudi Arabia and their implications for the behavior of family firms

The uniqueness of family business in the Arab world indicates the importance of considering it as a research context, yet family business studies regarding the region is still scarce (Samara, 2021). Practitioners led the early efforts to research family business in the region emphasizing their significant economic impact on capital flow, international business, investments and employment (Carter, 1984; Field, 1985; Netton, 1986; Fahim,

1995). In the last two decades, there has been an increasing interest from the scientific community to understand the behavior of family business in the Arab world (e.g. Alaya et al., 2017; Basly, 2017). Scholars focused on the challenges they face (e.g. Azzam, 2002; Speakman, 2002; Barrak, 2004), entrepreneurship and innovation (e.g. Zgheib, 2017; Aloulou, 2018), role of women (Al-Dajani & Marlow, 2010), innovation (Fahed-Sreih & Djoundourian, 2006), and governance (Samara & Berbegal-Mirabent, 2018) among others. Nevertheless, research of family business in Arab region is still very limited. This was highlighted by the recent study by Krueger et al. (2020), that emphasized the need for additional effort to advance family business research through contextualizing it in the Arab world. Their conclusions are aligned with Basco (2017: Pp. 247) acknowledging that the Arab context does not represent a homogenous group of countries, but rather “a mosaic of incredible identities formed by religions, cultures, languages, traditions, faiths, political systems, geographies, history, and artistic expressions”. This emphasizes the importance of getting one step further and exploring specific national contexts within the region. Saudi Arabia is an important context within the Arab world as it represents over 80% of the area of the Arabian Peninsula, it is the largest Arab Economy, the only Arab country that is a member of the G20 (A summit that comprises the most important economies of the world), and the world’s largest oil exporter. Important for our research, the top family companies within the Arab world comes from Saudi, with 36 Saudi family companies in the Forbes list of the top 100 Arab family businesses. Despite its importance, only a fraction of family business studies that were done in Arab countries contextualized Saudi Arabia as shown in (Table 3.1) adapted from (Samara, 2021). This

emphasizes the urgency to conduct more research in Saudi as it represents a very important, yet understudied context.

(Table 3.1) Number of family business studies in different Arab countries. Adapted from Samara (2020)

Country	Number of Studies	Country	Number of Studies
Lebanon	21	Saudi Arabia	5
Kuwait	14	Oman	4
Egypt	11	Qatar	3
Tunisia	11	Bahrain	2
Jordan	10	Palestine	2
Morocco	5	GCC	5
UAE	5	Arab Middle East	3

Culture is unique in Saudi Arabia in many fronts but probably the most important one is the influence of religion on society and laws. The general view in the society is that religion and state are inseparable, so that the government is responsible for protecting religious values (Al-Atawneh, 2009). In addition, religion affects educational system with various mandatory religious studies in schools and universities (Jamjoom, 2010; Elyas & Picard, 2013), as well as family relationship and business practices (Nevo; 1998). Actually, religion provides guidelines to Muslims in many personal, cultural and commercial aspects that has made the majority of the banks to follow Islamic financing practices (Dadfar et al., 2003). Moreover, it is a common practice to see retail stores customize their opening hours around prayer times (Rambo et al., 2009), and according to the reduced Ramadan timing (Rice, 2004). Religion also influences work values, which emphasizes honesty and integrity (Hassi, 2012). For instance, in a study by Kayed & Hassan (2010), the majority of Saudi entrepreneurs have identified themselves as committed and faithful Muslims conducting their business according to religious principles. The Islamic principles and tribal values of Saudi Arabia emphasizes the importance of generating halal (lawful) income and contributing to the falah (well-being)

of the community (Kayed & Hassan 2010). These principles also emphasize the value of familial relationships and reputation. The strong family ties within the Saudi culture remains emphasized, as the tribal culture is vital to the society (Ayoob & Kosebalaban, 2009; Pharaon, 2004). This understanding has been interwoven in the culture for centuries as evidenced in the writing of Ibn Khaldun who emphasized that groups with a strong sense of solidarity were destined to success. Hence, family members have the strongest ties since they are based on kinship (Katsiaficas, 2014). This culture implies a high level of long-term commitment to family and extended family, with loyalty being more important than other rules or regulations (Long, 2005). It also indicates that decision making emphasizes consensus (Ali et al., 2010) and prioritizes familial relationships to professional aspects (Ali & Azim, 1996). Hence, people are interdependent, committed to each other and their social and business exchanges are based on trust, connections, and favors. Not surprisingly, as table (3.2) shows, in the studies done by Hofstede (2001, 2010), Saudi Arabia scored very low in the individualism dimension, which indicates that the Saudi society is a highly collective one with “social life revolving around the family and close relations” (Field, 1985, p.87).

(Table 3.2) Cultural Dimensions Scores – taken from Hofstede (2015)

Country	Power Distance	Individualism	Masculinity	Uncertainty Avoidance	Long Term Orientation	Indulgence
Saudi Arabia	95	25	60	80	36	52
Egypt	70	25	45	80	7	4
United Arab Emirates	90	25	50	80		
Algeria	80	35	35	70	26	32
United States	40	91	62	46	26	68
Austria	11	55	79	70	60	63
Spain	57	51	42	86	48	44

The table also shows that Saudi Arabia scored very high in power distance, suggesting that Saudis highly accept and respect authority and hierarchy (Sidani, & Showail, 2013). This may also be influenced by religious teachings that emphasize the importance of respecting parents (Khan, 2001) and being grateful and obedient to them (Hussain, 2004). Therefore, seeking parents and family approval is common in personal as well as in business decisions (Altorki, 1986). Regarding the masculinity dimension of culture, Saudi scored 60, the highest among other important Arab countries. This indicates that Saudi society is driven by competition, achievement, and success, and emphasizes on the importance of work, decisiveness, and assertiveness. Nevertheless, it also scores relatively high in uncertainty avoidance (80 vs 46 in the US) suggesting their respect for tradition and their hesitance to accept sudden changes. Further, while Saudi Arabia has a low score of 36 in the long-term orientation dimension, it is still much higher than other Arab countries such as Egypt that has a score of 7. The low score implies a tendency to focus on short-term results, as well as exhibiting respect for traditions, and an insignificant tendency to save for the future. Finally, Saudi scores 52 in the indulgence dimension, which is in the middle, yet it is much higher than other Arab countries such as Egypt with a score of 4. This might be due to the interplay between being a rich country that values leisure and optimism, but also influenced by social norms which create perception to the society that their actions are restrained and witness personal guilt when indulging themselves (Hofstede, 2001, 2010). The unique cultural aspects of the Saudi context may influence SEW since as we mentioned it is a construct deeply embedded in the family. Being a society with a high level of power distance, it is expected that the control of the family over family firms in Saudi Arabia is very tight, important, respected and accepted

by different family members so maintaining family control (a key SEW dimension) maybe highly valuable by Saudi family owners. Additionally, the strong emphasis on collectivism may influence the high involvement of family owners within the society, supporting other local businesses, and taking the lead in corporate social responsibilities, thus influencing the “Binding Social ties dimension” of SEW. Moreover, while cultural norms imply that the first-born is the natural successor and future leader of the family firm in the Saudi context, their relatively low long-term orientation may imply that they would not place a high importance on the “Renewal of family ties through succession” dimension of SEW. Similarly, as a high masculinity culture it may rate lower compared to other countries regarding the “Emotional Attachment” dimension of SEW. To explore whether these cultural differences impact SEW it is imperative to have a valid construct to capture SEW in the Saudi context. This is why in the next sections we validate the FIBER scale, the most widely used measure for SEW, in the context of Saudi Arabia.

#### Previous attempts to validate the FIBER scale

To do so, we first conduct a detailed review of exiting attempts to validate the FIBER scale. Table 3.3. shows existing attempts outside the Arab world. These studies can be grouped in two types. The first group include articles that validated a five-dimensions FIBER scale. For instance, using a sample of 452 Swiss family SMEs, Gast et al., 2018, validated the FIBER scale with five-factors as initially suggested by Berrone et al., 2012. The study suggests a high internal consistency and reliability for all FIBER five factors. Moreover, the study by Angulo et al., 2016 with 250 privately held family firms from Mexico, suggested a five-dimensional scale as well despite observing that Binding Social Ties (which they named Social Linkage) and Renewal (which they referred to as

transgenerational succession) were less reliable compared to the other three dimensions, namely Family Control, Identification with Family Firm and Emotional attachment. Furthermore, Filser et al., 2017 conducted a study of 103 SMEs from Finland using FIBER scale. Accordingly, the FIBER scale was validated to include five dimensions with 18 items. Finally, in a study that included 357 family firms in Bangladesh, Razzak et al., 2019, validated the scale confirming that all 27 items had a high loading.

(Table 3.3) Attempts to validate FIBER scale out of the Arab world

Article	Sample	AVE	Cronbach Alpha	SEW Dimensions
Angulo et al. (2016)	250 privately held family firms from Mexico	N/A	F 0.86 I 0.90 B 0.7 E 0.85 R 0.75	F1, 2, 3, 4, 5 I 1, 2, 3, 4, 5 B 1, 2, 3, 4, 5 E 1, 2, 3, 4, 5, 6 R 1, 2, 3, 4
Hauck et al. (2016)	216 family firms in Austria and Germany	I .474 E .659 R .556	I 0.7 E 0.85 R 0.77	REI, only three items from each dimension I1, I3, I5 E3, E5, E6 R1, R2, R4
Filser et al. (2017)	103 SMEs from Finland	F .729 I .639 B .569 E .530 R .596	F .807 I .836 B .727 E .716 R .693	The below were the 18 items that were kept F 1, 2, 3 I 1, 2,3,4 B 1,2,3 E1, 2, 3, 4 R1, 2, 3, 4
Gast et al. (2018)	452 Swiss family SMEs	N/A	F .7; I .89; B .67; E .85; R .84	1 item from each dimension was removed.
Vandekerckhof et al. (2018)	300 top managers from 55 Belgian firms	N/A	N/A	It revealed a single SEW factor. The items included F6, I1, B3, E3, R4
Laffranchini et al. (2018)	416 firm-observations from US	N/A	N/A	It suggested two types of SEW – Extended SEW and Restricted SEW
Bratnicka-Myśliwiec et al. (2019)	193 family owned firms from Poland	N/A	FI .947 B .675 E .721	The scale was validated and shortened to be FBE, with F & I become one dimension of 11 items F1,2,3,4,5,6; I 1, 2, 3, 4, 5; B2, B3, B4; E2, E4,
Razzak et al. (2019)	357 family firms in Bangladesh	F .668 I .548 B .667 E .573 R .698	F .902 I .835 B .875 E .842 R .855	It considered all 27 items
Gomez-Mejia & Herrero (in press)	480 family firms from Spain	I .549 E .634 R .666	N/A	REI with 8 dimensions. I1, I3, I5 E3, E5, E6 R1, R4

The other group includes attempts which suggest a refinement to the FIBER scale. For instance, the validation attempt by Bratnicka-Myśliwiec et al., 2019 in Poland proposed a three-factor scale (FBE) with Family Control and Identification with the firm become as one dimension of 11 items. Moreover, the study by Laffranchini et al. (2018) conducted on 416 firms' observations from the US suggested that SEW comprises two separate dimensions which are: (1) restricted SEW (SEWr) and (2) extended SEW (SEWe). Restricted SEW comprised of Family Control, while SEWe encompasses the remaining four SEW dimensions (IBER). Vandekerhof et al., 2018 have decided to choose one item per dimension from FIBER scale when studying SEW through 300 top managers from 55 Belgian firms. A single SEW factor was revealed. Finally, in one of the first and most popular attempts to validate FIBER, Hauck et al., 2016 studied 216 family controlled firms with up to 500 employees in Austria and Germany. The scale was validated, refined and shortened to be REI with three items from each of the dimensions. This was recently supported by the study of Gomez-Mejia & Herrero (in press) in which they have confirmed the REI scale but suggested that it is better captured with 8 items.

#### Previous attempts to validate the FIBER scale in the Arab world.

Only two studies have attempted to directly measure SEW thorough the FIBER scale in the Arab world as shown in table 3.4 (Dayan et al., 2019) and (Yen Nget al., 2019). Both articles used the same sample and data collected from 150 family business in the UAE. The study of Dayan et. al., (2019) did not attempt to validate the FIBER scale, but rather validating a model focusing on the relationship between a scale adapted from FIBER firm capabilities. This adapted scale which was referred to as “mindfulness SEW dimensions” (MSEW) excluded “Family Influence and Control” and considered only four

dimensions (IBER) (Dayan, et. al., 2019). The overall research model was analyzed via structural equation analysis using the techniques of partial least square (PLS). This technique was used due to the exploratory nature of the study for a complex model and to the small sample size (Hair et al., 2010; Reinartz, 2009). The results showed that all measurement fulfilled the requirements and that the model fits the data well. Moreover, the study considered MSEW variable to be first-order construct.

Additionally, the study of Yen Ng et al. (2019) which main purpose was to examine the influence of each SEW dimension on managerial capabilities and the ways these interactions affect the performance of family firms, conducted an Exploratory Factor Analysis (EFA) when empirically validating FIBER scale. This validation attempt suggested SEW to be a first order multidimensional construct with five independent dimensions.

(Table 3.4) Attempts to validate FIBER scale in the Arab world				
Article	Sample	AVE	Cronbach Alpha	SEW Dimensions
Yen Ng et al. (2019)	150 SMEs from United Arab Emirates	F .616 I .622 B .587 E .489 R .507	F .848 I .847 B .767 E .753 R .678	The results favored a four-dimensional solution. However, it was decided to maintain five dimensions. From the 27 items, 4 items were removed F1, 2, 3, 4, 5 I 1, 2, 3, 4, 5 B1, 2, 3, 4 E1, 2, 3, 4, 5 R1, 2, 3, 4
Dayan et al. (2019)	150 SMEs from United Arab Emirates	I.62 B.62 E.58 R.66	I .85 B .77 E .75 R .72	Mindful SEW measure was suggested which includes only 4 dimensions (I, B, E, R). I6 and R4 were removed from the scale.

Despite the abovementioned attempts, there are a few gaps, which our study aims to address. Initially, the first article has validated an alteration of the FIBER scale, and not

the FIBER scale itself which our article intends to validate. Moreover, since validating the scale was not the main goal of the two articles above, there are a few gaps which we aim to overcome through applying a rigorous method to thoroughly validate the scale. Furthermore, instead of empirically testing whether the measurement scale is better represented as unidimensional/multidimensional or first order/second order, they assumed it to be a first order multidimensional. Our study is going to take the necessary steps to empirically confirm this. Finally, while our article emphasizes on the context and its relevance, both previous articles didn't acknowledge or address their context, its importance or its relevance to the studies conducted. In fact, the UAE context in which the aforementioned studies were conducted is very unique for two main reasons: 1- It is majorly represented by expats who represent 89% of the population and represent a high percentage of companies' owners. 2- Family businesses in the UAE are relatively young, since the country was established in 1971. We therefore aim to enhance SEW research by testing FIBER scale in the unique context of Saudi Arabia under the premise that Context matters.

## **METHODS**

### Sample

We used the databases provided by Jeddah Chamber of Commerce, the Family Business Council in the council of Saudi Chambers, the Family Business Forum and the national center for family business to identify family firms in Saudi Arabia. Following previous studies on privately owned family firms, we consider a firm to be family owned if at least 51% of their shares are owned by a single family, (e.g., Neckebrouck et al., 2018). The targeted respondents were the CEO and the Chairman of the board of

directors (or other senior executives/directors), who were also members of the owning family, as family members who hold key positions are the most qualified persons to answer questions related to SEW (Cruz et al., 2010; Gomez-Mejia et al., 2011). We first contacted all the potential participants by email to invite them to participate in the study, and then did phone calls follow up. Our questionnaire included 18 questions covering different subjects from information about the organization, its age, ownership, governance, industry, performance, family involvement, business environment, SEW measure as well as questions about the respondents themselves. We structured the measurement scale as a consent task in which respondents were requested to express their “disagreement” or “agreement” on a 5-point Likert scale. We used the 27 original items developed by Berrone et al. (2012) to measure SEW. The research team adopted a back-translation approach in which the items were translated from English to Arabic, translated back to English, and then finalized into Arabic. The few differences found between the original and back-translated versions were discussed until agreement was reached (Lam et al., 2011; Oreg et al., 2008).

The majority of the respondents completed the survey online using a web address that we sent via email, while others printed the survey and filled a hard copy. Within a period of three months from July to October, we received 400 completed questionnaires on all the variables of interest out of 1,189 family firms that were contacted (33.64% response rate).

### Measures

We used the scale developed by Berrone et al. (2012) to measure SEW. The FIBER scale as detailed in chapter (1) consisted of five dimensions measured through 27 items

provided earlier in table (1.4). The five dimensions are: 1- Family control and influence, 2- Identification of the family members with the firm, 3- Binding social ties, 4- Emotional attachment, and 5- Renewal of family ties through dynastic succession. We included other variables in the questionnaire to characterize family firms in the region as well as to establish the convergent validity of the construct. Specifically, we collected information regarding proxies that are used to indirectly measure SEW such as family ownership: the percentage of shares owned by one family, family members in TMT: the number of family members working in top management team (Kraiczy et al., 2015), and generational involvement: the number of generations involved in the business through working, managing or ownership (Le Breton-Miller et al., 2011).

### Descriptive

Table (3.5) shows the main descriptive of the sample. On average, the responding firms were 37.68 years old, they were in their second generation and had on average 39 employees. The average family ownership was 88%. Out of our respondents 62 were females representing 15.5% of the total respondents.

(Table 3.5) Descriptive of our sample	
	Saudi Arabia
Number of Responders	400
Male	338
Female	62
Company Size Mean	39
Ownership Mean (%)	88
Family in TMT (%)	48
Generation in Charge	2
Average Firm Age	37.68
Average Size	39

## RESULTS

To validate the scale, we build on Hinkin's (1995) and Churchill's (1979) seminal works as well as examples from the family business field (Holt et al., 2010) and other related fields (Brown et al., 2001; Cardon et al., 2013; Colquitt, 2001). We first check sampling adequacy by investigating KMO (Kaiser-Meyer-Olkin) which is used as an index to test whether there are linear relationships between the variables and thus the data is adequate to conduct Factor Analysis. The result showed in Table 3.6 indicates the usefulness of Factor Analysis (Kaiser, 1974). Moreover, the Bartlett's test of sphericity is highly significant (4296.902,  $p < 0.000$ ) confirming the multivariate normality of the data (Bartlett, 1954).

Test		Score
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.909
Bartlett's Test of Sphericity	Approx. Chi-Square	4296.902
	Df	351
	Sig.	.000

Next, we conduct an exploratory factor analysis (EFA) using SPSS. The results in table (3.7) shows that a five factors solution was favored with items loading on their relevant SEW dimension satisfying the required threshold.

(Table 3.7) Exploratory Factor Analysis					
F1	.545				
F2	.723				
F3	.773				
F4	.719				
F5	.750				
F6	.655				
i1		.632			
i2		.681			
i3		.723			
i4		.790			
i5		.826			
i6		.648			
B1			.736		
B2			.765		
B3			.763		
B4			.702		
B5			.618		
E1				.728	
E2				.793	
E3				.716	
E4				.749	
E5				.506	
E6				.574	
R1					.797
R2					.621
R3					.770
R4					.729

We use AMOS to conduct a CFA using the 5-factor structure for the FIBER scale as suggested by Berrone et al., (2012). We use several criteria to assess model fit (see Byrne, 2010; Hu & Bentler, 1995; Lado et al., 2008; Marsh et al., 2004). For NFI (normed fit index), CFI (comparative fit index) and IFI (Incremental Fit Index), the values have to be greater than 0.9. For RMSEA (root mean square error of approximation) values should be lower than 0.08. As showed in Table 3.8, the CFA exhibits an

acceptable level of fit, as the CFI (0.921), IFI (0.921), NFI (0.911) and RMSEA (0.060) are all within the acceptable levels . Additionally, to check the validity and reliability of the all the dimensions we measured average variance extracted (AVE) and Cronbach's Alpha. All AVE results satisfy the threshold of 0.5 and Cronbach Alpha values surpass the minimum of 0.7, with F (0.86), I (0.88), B (0.87), E (0.85) and R (0.84) (See Table 3.9). For additional confirmation, we use SmartPLS to cross check the findings of factor loadings, AVE (Average Variance Extracted) and Cronbach Alpha. The results are consistent with those provided through AMOS and SPSS which further confirms the validity and reliability of the FIBER scale. Next, we find that the composite reliability (CR) of the different items is above 0.7 and below 0.95. Finally, we confirm discriminant validity through heterotrait-monotrait (HTMT) criterion which is a conservative approach (Hair et al., 2019). As its value is below the threshold of 0.85 as shown in table (3.10), discriminant validity is supported. All these indicators enable us to confirm the reliability of the different FIBER dimensions.

(Table 3.8) Model Fit						
	Chi-Square Test	Degrees of Freedom	NFI	CFI	IFI	RMSEA
FIBER scale in Saudi Arabia	762.277	314	0.911	0.921	0.921	0.060

We thus conclude that we have five empirically distinct factors as suggested by Berrone et al. (2012) measured through 27 items.

(Table 3.9) Measurement model values for fiber			
Saudi Arabia			
Dimension	Indicator	Standardized Loading	
F	Item 1	0.681	CA = 0.86 CR = 0.86 AVE = 0.51
	Item 2	0.795	
	Item 3	0.683	
	Item 4	0.673	
	Item 5	0.705	
	Item 6	0.743	
I	Item 7	0.768	CA = 0.88 CR = 0.88 AVE = 0.56
	Item 8	0.797	
	Item 9	0.836	
	Item 10	0.729	
	Item 11	0.737	
	Item 12	0.580	
B	Item 13	0.656	CA = 0.87 CR = 0.87 AVE = 0.58
	Item 14	0.731	
	Item 15	0.763	
	Item 16	0.828	
	Item 17	0.807	
E	Item 18	0.730	CA = 0.085 CR = 0.85 AVE = 0.50
	Item 19	0.777	
	Item 20	0.814	
	Item 21	0.707	
	Item 22	0.479	
	Item 23	0.677	
R	Item 24	0.818	CA = 0.84 CR = 0.84 AVE = 0.58
	Item 25	0.674	
	Item 26	0.796	
	Item 27	0.745	

(Table 3.10) HTMT Criterion					
HTMT Criterion					
	F	I	B	E	R
F					
I	0.550				
B	0.394	0.386			
E	0.134	0.230	0.208		
R	0.438	0.454	0.458	0.222	

Finally, we assess convergent validity of the second-order FIBER scale. Convergent validity is defined as the extent to which constructs that are supposed to be associated theoretically are actually interrelated (Campbell & Fiske, 1959). To confirm convergent

validity, the following criteria shall be met (1) the correlations between the latent factors are high and significant (2) Composite reliability shall be between 0.7 and 0.95 for all dimensions (Fornell & Larcker, 1981) and (3) All standardized loadings shall be high and significant. As table (3.11) shows, high and significant correlations between the latent factors were found, composite reliability was higher than 0.7 for all dimensions and all standardized loadings were higher than threshold (as shown in table 3.9).

(Table 3.11) Correlations

	F	I	B	E	R	SEW
F	1					
I	.602**	1				
B	.419**	.549**	1			
E	.417**	.460**	.502**	1		
R	.408**	.451**	.423**	.592**	1	
SEW	.742**	.792**	.758**	.780**	.755**	1

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Additionally, we further confirm convergent and predictive validity by confirming that our measure is related to other established indirect measures of SEW (Proxies) which theoretically should be related (Schepers et al., 2014). Based on existing research, we assume that FIBER scale to be significantly and positively correlated with different family involvement variables such as family ownership (Zellweger et al., 2012), generational involvement (Le Breton-Miller et al., 2011), and family members in TMT (Kraiczy et al., 2015). While these suggested family involvement variables do not directly measure the essence of SEW, they are represented by Gomez-Mejia et al. (2011) as the finest demographic proxies for SEW endowment and they have been used in the majority of empirical SEW studies previously as mentioned in chapter (1). We found as shown in table (3.12) that SEW captured through FIBER is significantly

and positively correlated with family ownership (0.302,  $p=.000$ , at 0.01 level), family members in the TMT (0.364,  $p=.000$ , at 0.01 level), and generational involvement (0.213,  $p=.000$ , at 0.01 level). Hence, we can conclude that our scale has convergent validity. It is understood that the level of correlation is not high despite being significant, which is going to be discussed in the next section.

(Table 3.12) Test of Convergent validity: Correlations with FIBER for the convergent validity analysis and descriptive statistics				
	Correlation	One-tailed P	M	SD
Ownership	0.302	0.00	88.33	17.05
Family on the TMT	0.364	0.00	4.92	4.02
Generational involvement	0.213	0.00	2.06	0.77

Our results demonstrated that in the context of Saudi Arabia, SEW is better understood as a second order multidimensional construct with five dimensions of FIBER: Family Control, identification with the firm, binding social ties, emotional attachment and renewal of family bonds through dynastic succession. This scale has shown a high level of fit, validity and reliability. This is in line with studies that validated the SEW construct as a five dimensions scale, such as Gast et al. (2018); Angulo et al. (2016); Filser et al. (2017), Razzak et al. (2019) and Yen Ng et al. (2019).

### **The Uniqueness of Saudi Family Business from a SEW perspective**

Following the scale validation and highlighting the main differences between previous scale validation attempts, we proceed by discussing some of our findings and investigating how context may help explain the uniqueness of Saudi family businesses in comparison with other family firms in different contexts. While we have confirmed the convergent validity through finding significant correlations between SEW and other indirect proxies that were traditionally used to measure SEW, we found out that the

correlations were small. This emphasizes the complexity of Saudi family firms' SEW which cannot be captured through proxies since they are influenced by different contextual aspects (religion, culture, institutional settings, economic, political etc.). Additionally, we compare the results from our study with the two FIBER validation attempts that disclosed the scores of SEW and its dimensions (Yen Ng et al., 2019; Filser et al., 2017), conducted in UAE and Finland (see table 3.13). To facilitate the discussion about how national context may impact SEW, we also show in the table the scores for the different Hofstede cultural dimensions in each country.

(Table 3.13) comparison between SEW dimensions and cultural dimensions

	Our study 400 firms from Saudi Arabia	Yen Ng et al. (2019) 150 firms from UAE	Filser et al. (2017) 103 firms from Finland
SEW	3.92	3.81	4.19
F	3.88	3.77	4.36
I	4.08	4.03	4.54
B	3.95	3.81	3.69
E	3.82	3.56	4.23
R	3.87	3.88	4.16
Hofstede Cultural Dimensions			
Power Distance	95	90	33
Individualism	25	25	63
Masculinity	60	50	26
Uncertainty Avoidance	80	80	59
Long-term Orientation	36		38
Indulgence	52		57

Not surprisingly, the table clearly shows more similarities in SEW between families in Saudi Arabia and the UAE than in Finland. The national contexts of the two countries share many similarities, as both are part of the Gulf Cooperative Council (GCC), follow a similar political system and are oil rich. They score exactly the same in two of the Hofstede cultural dimensions, namely individualism and uncertainty avoidance and are

considered to be collectivist societies. A relatively high level of masculinity coupled with a high level of uncertainty avoidance in the two countries is expected to increase the importance of profits, financial gains, growth and competition which in turn may reduce the importance of emotional attachment; hence it was the item with the lowest importance. Moreover, we see that they both put the highest importance on the Family identification dimension, that emphasizes the importance of protecting family image in countries where religion strongly affect behavior.

Nevertheless, they also have some cultural differences that may partly explain the differences in the FIBER score among the two countries. Binding social ties has a higher importance for Saudi families than the UAE families. This may be due to the very high percentage of expats (over 89%) in the UAE. It might also be related to the sizes of extended families in Saudi, which does not only include cousins, but second cousins and beyond. Moreover, regarding the dimension of renewal of family ties through dynastic succession, it is the 4<sup>th</sup> importance in Saudi, while it is the second important in the UAE. This can be related to the relatively young age of family firms in the UAE and lower number of generational involvement in comparison with Saudi family firms. This can also be related to ongoing transformation in the Saudi economy which has proven challenging to SMEs that represent the majority of the family firms. Generally, businesses show vulnerability to potential risks resulted from sudden changes in public policy which leads to economic challenges.

On the other hand, we see more differences with the study conducted in Finland. For instance, while Binding social ties is the second most important dimension for Saudi families, it was the least important for family businesses in Finland. This may be related

to the high level of individualism in Finland compared to Saudi (check table 3.12). Surprisingly, the score of SEW and the majority of the dimensions in Finland were higher than Saudi. This can be explained by the fact that family firms in stable business environments place a high importance on SEW, while others try to balance between SEW and financial objectives which might reduce the level of their SEW. Nevertheless, we can see that both studies have prioritized identification with the family firm which may be related to a similar level of long-term orientation, and that firms within such societies place a high role on the identification with the firm as it inspires immediate benefits.

Accordingly, we can describe family firms to have a moderate SEW. Being an oil rich country that is going into a massive transformation and being part of a developing region with variety of sociopolitical and economic challenges, create pressure on family firms to balance between SEW goals and financial goals. While SEW is assumed to be the most significant feature of a family firm's essence separating it from other organizations (Gomez-Mejia et al., 2007), it does not necessarily mean that the underlying logic follow the same pattern universally (Gomez-Mejia et al., 2020). Saudi families, prioritize "Identification of family members with the firm dimension" which indicates that they would usually call the firm after their family's name. They also participate in a variety of CSR activities as this would enhance family image. It also enables them to create better network, help people find jobs and support the community through the family firm. Competing in a region with many instabilities, family firms are expected to prioritize the importance of "I" dimension. Reputation and positive image are essential as they increase the trust of employees, customers and creditors (Khoury

et al., 2015; Noor et al., 2020; Sklair, 2018). This is also related to the second important dimension which is binding social ties. This indicates that Saudi family firms emphasize the importance of building a large network and consider it essential for their success. For instance, they consider the presence of a network of high trust and the existence of social capital to be vital to develop entrepreneurship within the family firm (Sieger et al., 2011). They believe that supporting other businesses within the community is essential for their success, and that is why you would see amicable competition within the market rather than fierce aggressive competition in comparison with Anglo-Saxon communities. As they are interested to create a great image of themselves and supporting the community, they would like to keep control of their family firms. However, the family business group concept has become very common in Saudi, where families would keep control of their main holding, while being open for other partners in subsidiary companies whether to gain experience or just as a way of extending their network. The family business groups structure is expected to have evolved as a natural solution as it harmonizes between their interest to keep control, and at the same time being interested in partnerships as a way for growth has made “Family control and influence” to be the third most important SEW dimension. It is expected to provide a reasonable balance between image, control and network. While it was surprising to see that Saudi family has a low priority for “renewal of family ties through dynastic succession”, it is mostly related to the large size of extended families which create a challenge for succession and there are many examples of family firms either going public or dividing the wealth at an early stage rather than ensuring the continuity of the firm. This indicates that family firms in Saudi would rather to protect family relationship and their

wealth, rather than preserving the company. Finally, “Emotional Attachment” was the item of the lowest score. This indicates that family firms in Saudi prioritize their emotional attachment to their family members rather than the firm and place a higher importance on keeping their wealth and reputation. Therefore, you will see more and more families going public, bringing in professional management, going towards separation between ownership and management, participate in CSR activities, support the community as these activities are the ones that would improve their image, network, intra-family relationships and wealth.

## **Conclusion**

This article provides a systematic validation to FIBER, the most relevant conceptualization of SEW. We have demonstrated that in the context of Saudi Arabia, SEW is a multidimensional second order construct with five dimensions (FIBER) as originally proposed by Berrone et al. (2012). Conducting context by sampling SEW research in an under-researched context, we facilitate theory development and knowledge accumulation on one of the most influential theoretical approaches in the field of family business.

Our exploratory analysis also suggests that family firms in Saudi Arabia are complex and influenced by several contextual dimensions which emphasizes the importance of psychometric scale to capture its SEW. We also conclude that Saudi family are unique as their SEW dimensions, which are believed to be the main point of reference for family firms, are different from those of family firms in other countries. We speculate that these differences maybe driven by cultural dimensions, emphasizing the importance of introducing context in SEW studies. This discussion has suggested Saudi family firms to

be concerned mostly with improving their image and building an excellent network and relationship within the community. This implies their interest on keeping good family relationships, participate in philanthropic activities, create partnerships, go public and others. These findings contribute to research and provides practical implications. First, it enhances SEW research through contextualizing and create further knowledge about SEW highlighting that in some countries, family firms aim to balance between SEW and financial goals rather than prioritizing SEW completely. This suggestion shall be investigated further by researchers. We also encourage future researchers to investigate further the differences within group of the same culture or national context and try to understand whether there are significant differences based on gender, age or others. Future researchers are encouraged to collect data about other SEW measurement scale and compare between the different scales as well as different models to build a better understanding on the different models and provide recommendations regarding the most suitable conceptualization of SEW and whether context matter in the selection of the model. Additionally, understanding about the priorities and nature of family firms in Saudi, practitioners and policy makers can identify the challenges and develop policies and strategies to address them. Understanding that family firms have philanthropic tendencies, the proper platforms as well as the development of the charitable sector becomes highly important goals of policy makers. Moreover, acknowledging their willingness to publicly list part of their family business, regulators shall address the main challenges to motivate successful partial exits of these families which might keep amicable family relationships and enhance family wealth. Once family firms recognize their natures and priorities, they can accordingly

plan, develop their structure and strategies. For example, having an interest in philanthropic activities, might indicate the importance for them to set up philanthropic organizations and identify the areas of interest they have. Moreover, by realizing that they want to balance between family control and partnership and family image, they can ensure to structure the business in a way where they can keep control over the core business and maybe publicly list other non-core business. Nevertheless, this cross-country comparison should be taken with caution, and additional comparative research shall be encouraged as we are still unsure about the SEW differences across countries as well as the general applicability of SEW and its measurement across countries. As our speculation in this study was done without empirically compare between countries and conduct significance test since we do not have the data of each firm on these studies and we only have the aggregate results. This is to say, we cannot conclude that SEW is different across cultures, or if it is actually measured and understood in the same way across nations.

Following the guidance provided in the previous chapter, in the next chapter we conduct a context by comparing study to improve our understanding of SEW across cultures and to confirm the measurement invariance, hence the universal applicability of SEW conceptualized through FIBER dimensions.



#### **4. CHAPTER FOUR: CONTEXT BY COMPARING SEW RESEARCH: EXPLORING SEW DIFFERENCES ACROSS CULTURES**

##### **INTRODUCTION**

In the previous chapter, following one of our recommendations in Chapter 2, we advanced SEW research by adopting a context by sampling approach to SEW, exploring the FIBER validity in an under researched context (Saudi Arabia) as well as highlighting the uniqueness of this context and how this may affect the SEW predictive validity. We also speculated about SEW differences induced by context in the SEW across countries. Nevertheless, as advanced in Chapter 2 such speculations could not be confirmed without ensuring the general applicability of the FIBER scale across countries. Respondents to the FIBER scale in the different countries are embedded in diverse cultural settings, speak different languages and may understand certain concepts differently depending on their cultural background. Therefore, one can rightfully question the validity of the responses that interviewees provide when comparing FIBER results across nations (Jowell, 1998). Without ensuring that the measure of FIBER is similar across national cultures, it is difficult to assess whether divergent results reported in FIBER studies are due to cultural differences in interpreting the items or to actual differences in the level of the latent construct. Indeed, the increasing number of empirical studies aimed at investigating the FIBER construct on different cultural setting, and the divergent findings from these studies, raise an important question to SEW researchers: is it possible to assume that the family owners' affective endowment are different across cultures and can it be universally captured with a single "SEW construct" which is valid and has cross cultural applicability?

As explained in Chapter 2, to answer this question it is imperative to establish the measurement invariance across countries of the instrument used to capture SEW. This is why the first goal of this chapter is to test the measurement invariance of the FIBER scale. We selected five countries with highly diverse cultural settings: Saudi, Canada, Mexico, Spain and Vietnam. Overall, the project has surveyed 1464 family owners in the five countries.

Once we confirm that family owners' responses to the FIBER scale can be meaningfully compared across countries (i.e. that the FIBER scale shows measurement invariance) we engage in context by comparing SEW research by conducting two types of exploratory analyses: First, we conduct a multi-group comparison of FIBER dimensions using PLS multi-group analysis (PLS-MGA), to explore how culture may impact the different SEW dimensions. Second, we test how culture may moderate the relationship between SEW and performance by exploring how this relationship varies across family firms in societies having different level of power distance and individualism. Our results confirm the existence of significant differences in SEW dimensions in different cultures. For example, we witness a significant difference in the level of Identification of family members with the firm between cultures with a high and low level of masculinity, long term orientation and indulgence. We also notice that the difference in binding social ties and renewal of family bonds through dynastic succession is significant between cultures of high and low uncertainty avoidance. Interestingly, the Emotional Attachment dimension has shown to be consistently different across all cultural groups. Finally, we notice that SEW is significantly and positively related with performance in firms operating in high power distance cultures, and those with low individualistic cultures.

With this chapter, we aim to contribute to the contextualized SEW research in several ways. First, by following a rigorous methodological procedure to validate the measurement invariance of the FIBER scale we respond to incessant calls for the need of sound construct validation in the field of family business research in general and for addressing the clarity for the SEW as a construct in particular (Brigham & Payne, 2019). Our results suggest that researchers and practitioners can use this instrument to measure and compare the family owners' affective endowment across different cultures. This should improve the reliability, validity and comparability of research findings. It should also help in improving the precision, quality and validity of conclusions of future international research conducted which needs valid constructs and scales equivalent across context (Mullen, 1995). This is expected to assist researchers in advancing the context by theorizing approach which is expected to develop SEW research further by refining some of its underlying assumptions as well as developing further context-sensitive theoretical contribution. More importantly, the family business literature benefits from confirming that SEW dimensions are different across cultures as we empirically test that in our exploratory study. Additionally, it proves that cultural dimensions also moderate the relationship between SEW and performance which aids in our quest towards understanding the relationship between SEW and performance referred to as the "search of the holy grail" (Gomez-Mejia et al., 2011). Our results contribute to better understanding SEW through contextualizing the research and emphasizing the relevance of the cultural context in affecting the dimensions. Our findings reveal emerging evidence regarding how the heterogeneity of family firms could be explained by SEW differences that are determined by the context in which family firms operate. In short, it would enhance

SEW research as it is contextualized, and enable us to understand whether family businesses are different across cultures or not which is an important finding for researchers, practitioners and policy makers.

## **THEORETICAL BACKGROUND**

### SEW and Culture

Extant comparative family firms research suggests that cultural norms differ across countries. These studies imply that cultural differences aid in explaining family firms' heterogeneity and outcomes (Dow & McGuire, 2016). SEW approach indicates that family' decision making is influenced by the reference point during decision-making (Kotlar et al., 2013), which is strongly shaped by context (Llanos-Contreras et al., 2019). The relationship between SEW and culture is evident as feelings are linked with normative values and principles (Mesquita & Markus, 2004). For example, some studies have indirectly highlighted the R dimension by comparing the concept of succession in family firms across cultures. For example, it has been suggested that Anglo-Saxon regions are more competitive when it comes to intergenerational succession in comparison to Nordic regions. It was speculated to be resulted from the cooperative behavior of Nordic families and the Anglo-Saxon's rejection of collectivism (Gupta, et al., 2010). Additionally, it was found out that US family owners have a higher tendency to sell their firms in comparison with their European counterparts (Howorth et al., 2010; Corbetta & Montemerlo., 1999). Similarly, in a study comparing successor's attributes in Indian and Canadian family firms, Sharma and Rao (2000) found that whereas it was extremely important for Indian family owners that the successor should be from their bloodline, this is not that important for Canadian owners. Further, the study of the relationship between emotions within family

firms have shown different behavior in Western cultures when compared with Confucian cultural contexts (Chen & Moosmayer, 2018).

Nevertheless, despite the importance of SEW as the central theory in studying family firms, previous research has not addressed how SEW differs across cultures. The absence of knowledge regarding how SEW is influenced by culture, presents a challenge to a proper understanding of family firms. Understanding heterogeneity among SEW dimensions across countries may be important also to understand differences in how SEW influences firm outcomes. For instance, it could be the case that certain cultures provide more fertile grounds for the prosperity of family business (e.g., Markus & Kitayama, 1991). Therefore, cultural dimension may also act as moderators on the relationship between SEW and performance. As moderators.

### SEW and performance

Evidence regarding the relationship between SEW and performance has been contradictory. A few researchers emphasized that negative emotions could hinder entrepreneurship (Doern & Goss, 2012), and can provoke struggles for control (Kellermanns, et al., 2012). On the other hand, other researchers suggested that within family firms, SEW is expected to improve the process of venture creation (Foo, et al., 2008), and enhance opportunity recognition and creativity in risky environments (Baron, 2008). Filser et al. (2017), emphasized the importance of maintaining strong SEW in both the family and the firm in order to create well-functioning families. Such families enjoy a sense of continuity and family bonds which leads to enhancing the commitment of the family, and thus advancing its agenda. In their study, Filser et al. (2017) empirically confirmed that SEW had a significant and positive effect on innovativeness

of the family business. SEW dimensions are transferred to the firm and develop similar organizational values (O'Reilly & Chatman, 1991), which consequently result in a shared vision (Khazanchi, et al., 2007), consistent behavior expectations and cohesive culture (Qinn & Rohrbaugh, 1983). Family members with strong interests to pursue SEW have a higher sense of responsibility and commitment to the firm's long term success, hence are more likely to invest in innovation (Filser, et al., 2017). This is consistent with earlier suggestions that a high sense of responsibility incline family members to prioritize the firm's interest (Corbetta & Salvato, 2004), which results in goals fulfillment and performance improvement (Davis, et al., 1997).

In summary, the relationship between SEW and firm performance in family firms is still a major concern. The "search of the Holy Grail" as called by Gomez-Mejia, et al. (2011) has been continuously pursued, yet not well understood and inconclusive (Amit & Villalonga, 2014; Essen, et al., 2015). Further scrutiny is needed to question the assumption that SEW and financial goals are mutually exclusive. A few studies have suggested an inverse relationship between SEW and economic considerations referring to negative financial implications resulted from SEW preservation (Gómez-Mejía, et al., 2007). Other studies argue that unique family-centered goals have a wide range of impact on family firms performance and outcome (Debicki, et al., 2017). This emphasizes the importance to continue this quest to better understand this relationship. It also indicates to the complexity of SEW due to its multidimensional nature which requires additional examination to understand the nature of each dimension and how they relate to financial performance of family firms.

The aforementioned discussion suggests that the context where family firms dwell is a vital source of heterogeneity (Hayton, et al. (2002). Socio-cultural values create socially constructed system of norms and values (Suchman, 1995) that guide the appropriateness of behaviors and frame the relationships between families, their firms and how they relate to each other (Johns, 2006). Therefore, it is expected that the importance of each dimension that forms the SEW construct as well as the impact of such dimensions on firm outcomes varies among different cultural contexts. Nevertheless, in previous chapters we suggested that respondents to the FIBER scale in the different contexts may interpret certain concepts differently. As a consequence, one can rightfully question the validity of the responses that interviewees provide when comparing FIBER results across nations (Jowell, 1998). Hence, before conducting context by comparing SEW research, we need to test whether the FIBER scale measures the same across different cultural groups, this is to say whether the FIBER scale shows measurement invariance in cross cultural settings. This is what we do in the following sections, where we test the cross country measurement invariance of the scale by conducting an international study across five countries. First, we review the concept of measurement invariance and its main application on management research.

#### Cross culture measurement invariance in management research

A valid measure is a prerequisite for the success study of different concepts in social sciences, with validity referring to the extent to which an instrument truly and accurately measures the intended construct (Peter, 1981). Among others, valid measures should show measurement invariance, (Cheung & Rensvold, 2000; Harkness et al., 2003), i.e.

whether a measurement instrument measures the same concept in the same way across various subgroups of respondents (Chen 2008; Horn & McArdle, 1992).

If invariance is not confirmed, interpretations of comparisons between groups become problematic (Vandenberg & Lance, 2000). Unless measurement invariance is established, conducting cross-group comparisons of mean differences or other structural parameters is meaningless (Schmitt & Kuljanin, 2008). Absent invariance observed, differences in means or other statistics might reflect difference in systematic biases of response across groups in their understanding of the concepts (Stenkamp & Baumgarhener, 1998). The failure to meet standards regarding validity, reliability and dimensionality would lead to invalidity of conclusions reached through across-cultural research (Netemeyer et al., 1991; Steenkamp & Baumgartner, 1998; Lance, 2000), threatening meaningful comparisons across populations (Vandenberg & Lance, 2000).

Management researchers attempted to establish measurement invariance across several groups including gender (Sun et al, 2019), occupational groups (Huhtala et al., 2018), educational background (Du, 2005), sector (Martin, 2015) and age (Rusticus et al., 2006). In addition, given the existence of important cultural differences among countries, researchers started to question whether instruments validated in one country could be transferred from one context to another without the examination of its universal applicability (Durvasula et al., 1993; Mavondo et al., 2003). If this is not the case, researchers could get to invalid cross-national inferences that in turn may lead to the design of wrong strategies or to incorrect theoretical implications (Horn & McArdle, 1992). This is why scholars ask for instruments that show a consistent pattern of dimensionality

cross-culturally (Buss & Royce, 1975; Mullen, 1995), i.e. that show cross-country measurement invariance.

Management researchers have widely used measurement invariance techniques to assess the validity of survey instruments across countries. For instance, they tested the measurement invariance of the country-of-origin image scale (Knight et al., 2003), the consumer ethnocentrism (Steenkamp et al., 1998), entrepreneurial orientation (Kreiser et al., 2002), consumer-based brand equity (Buil et al., 2008), cultural value orientation (Niranjan et al., 2013) and the entrepreneurial investment climate (Nam et al., 2016).

### Testing Invariance

Most authors agree on that there are three levels of measurement invariance that should be tested using a stepwise procedure, testing from the least to the most demanding form of invariance (Steenkamp & Baumgarthner 1998; Vandenberg & Lance, 2000). The lowest level of invariance is "configural" invariance, which is sometimes referred to as 'weak factorial invariance' (Horn & McArdle 1992). Configural invariance entails that items of an instrument exhibit similar configuration of loadings across countries (Horn & McArdle, 1992). If a single model that specifies the items measure each construct fits the data in all countries, all item loadings are significant and substantial, and correlations between factors are below one, configural variance is supported (Stenkamp & Baumgarthner, 1998). When this initial level is fulfilled, it implies that the same latent factors are present (Widaman & Reise, 1997). Nevertheless, configural invariance does not ensure a common understanding of each item by people in different countries. To ensure that the same meaning to the latent construct under study is attributed by respondent from different groups, we need to test its "metric invariance". Hence, the next

higher level of invariance, "measurement" or "metric" invariance, requires that the factor loadings between items and constructs should be invariant across countries (Rock et al., 1978). In terms of interpretations, while metric invariance implies that the instrument used in measuring the construct has been perceived in a similar manner across borders (Wersing, 2014), it does not imply that scores of the instrument can be compared across groups. These comparisons become meaningful once the items exhibit "scalar" invariance (Meredith, 1993; Steenkamp & Baumgartner, 1998). To assess scalar invariance both factor loadings and item intercepts are constrained to be equal across countries. When an instrument shows scalar invariance, it means that scores of items from the different groups are with the same origin, same interpretation and same scaling. Therefore, to interpret a latent construct across groups, scalar invariance is claimed as a prerequisite (Steenkamp & Baumgartner, 1998).

Ideally, we would like to have measures that show scalar invariance, where the factor structure of the instrument was fully equivalent across countries. However, several researchers have emphasized that such full measurement invariance rarely holds, as it represents a an extremely strict requirement for group comparisons (Muthen & Cristofferson, 1981; Schmitt & Kuljanin, 2008; Steenkamp & Baumgartner, 1998). This is why Byrne et al. (1989) and Steenkamp and Baumgartner (1998) proposed the idea of partial scalar invariance, which claims that some of the intercepts are allowed to vary without creating a substantial bias. In this sense, they suggested that it is sufficient to have a minimum of two invariant loadings and intercepts for ensuring partial scalar invariance, that is, it is not necessary to have the constrains of all the loadings and intercepts being equal and invariant across groups (Millsap & Kwok, 2004).

## **METHOD**

### Sample and Data Collection

We test the cross-national measurement invariance of the SEW scale across five countries, Canada, Mexico, Saudi Arabia, Spain, and Vietnam. We think they represent an ideal sample of national cultures for several reasons. First, the economic impact of family firms in all these countries is highly significant. In Canada, family firms generate 49 per cent of the private sector real gross domestic product and employ 47 per cent of private sector employment (Forbes & Basset, 2019). In Mexico, more than 70 per cent of the businesses have a family structure and are source of employment to 54 million of Mexicans approximately (Grant-Thornton, 2011). Family business in the Arab Middle East constitute up to 90% of all companies, employ 80% of the workforce and contribute to 60% of the region's GDP (PWC report, 2016). In Spain, family firms generate 70 percent of the total Spanish gross domestic product representing approximately 75 percent of all private employment (Spanish Family Enterprise Institute, 2015). Last, while official statistics are lacking, it is estimated that 95 per cent of Vietnamese enterprises are family businesses (Hoang, 2013). Moreover, according to the PwC family Business Survey (2021), in Vietnam, the top 100 family businesses account for 25% of the Country's GDP.

Moreover, the five countries show important cultural differences that may pose a challenge when trying to use a construct that captures family owners SEW across them. For example, the Arab region is characterized by a combination of institutional particularities such as patriarchy (Al-Dajani & Marlow, 2010), collectivism (Samara & Berbegal-Mirabent, 2018), and deep institutional voids (McLellan & Moustafa, 2013),

which might lead to distinctive consequences on family business behavior (Samara, 2020). Spain is a country where great importance is placed on family relationships and unity (Steier, 2009), and affective values are higher in comparison with other countries (Poza, 1995). Indeed, if we compare each country's Hofstede dimension summarized in (Table 4.1) we will notice clear differences between the countries.

Hofstede Cultural Dimensions	Canada	Mexico	Spain	Vietnam	Saudi
Power distance	39	81	57	70	95
Individualism	80	30	51	20	25
Masculinity	52	69	42	40	60
Uncertainty Avoidance	48	82	86	30	80
Long Term Orientation	36	24	48	57	36
Indulgence	68	97	44	35	52

In terms of power distance, Canada is the only sample that has a low power-distance with a score of 39 (Hofstede, 1991; Eylon & Au, 1999). Spain scores 57, Vietnam scores 70, Mexico scores 81 and Saudi Arabia scores 95. Saudi Arabia has the highest score in this dimension. In addition, Both Canada and Spain can be considered as individualistic countries as they score 80 and 51 respectively. In contrast, Vietnam with a score of 20, Saudi Arabia with a score of 25 and Mexico with a score of 30 are considered as collectivist societies. In terms of masculinity, Canada scores 52, Saudi Arabia scores 60 and Mexico scores 69 on this dimension thus can be considered masculine. On the other hand, Vietnam and Spain have scores 40 and 42 respectively. In addition, with scores over 80 in uncertainty avoidance dimension, Saudi, Mexico and Spain are believed to have a very clear tendency towards uncertainty avoidance. In contrast Canada scores 48 and Vietnam 30. In terms of long-term orientation, only Vietnam had a high score of 57.

The rest of the countries have low scores. Furthermore, with a very high score of 97, Mexican culture and Canadian culture with a score of 68 are classified as Indulgent. Saudi Arabia's intermediate score of 52 does not point to a clear preference on this dimension. In contrast, Vietnam with a score of 35 and Spain which scores 44 are not indulgent societies. In sum, our sample shows strong variability among the Hofstede dimensions which make it adequate to test the invariability of the FIBER scale across cultures.

We used a consistent definition of family firms across the five countries. Following previous studies (Voorderckers et al., 2007; Weshead & Horworth, 2006), targeted firms in each country should meet two conditions: a) at least 51% of the ownership in family hands and b) at least one family member should occupy a governance and/or management position. However, we followed a different process to build the database of family firms in each country, since access to family firm data varied a lot between them. In Canada, we compiled data provided by Business Families - HEC Montréal and the National Bank Institute of Entrepreneurship - HEC Montréal. Next, we complement this data with those provided by the Business Families Foundation, that generously provided us access to its data of Québec family businesses. As a robustness check, we checked in the Enterprise Register of Québec to verify that the selected firms classify as family firms, i.e. at least one member of the business family is involved in the management of the firm and, and at least 51% of the ownership of the company belong to the same family. A total of 1,938 companies from all regions of the province of Quebec were contacted.

Saudi Arabian family firms were also identified through databases provided by associations such as Jeddah Chamber of Commerce, the Family Business Council in the

council of Saudi Chambers, the Family Business Forum and the national center for family business. Along these databases, we were able to identify 1,189 firms that were classified as family firms following our definition.

The selection of family firms in Spain was done using SABI<sup>4</sup> database. Based on our family firm definition, we conducted a comprehensive review of the shareholding structures (percentage of stock) and composition (surnames of shareholders)<sup>5</sup> of these firms. After doing that, the population under study consisted of 1,312 companies.

In Mexico, there is not a single professional association with public data bases for family business. We built our sample with the information in three steps. First, we identified family firms listed in the National Institute of Statistics and Geography (INEGI, 2016). Second, we verified this data with scholars (experts) participating in research in family business in four universities in Mexico and consultants collaborating with family business. According to our family firm definition: we identified potential family businesses in four sectors of activities representative of the Mexican economic activity: construction, manufacturing, commerce and services (National Statistical Directory of Economic Units of INEGI, 2016). Then, we targeted family firms in the states of Mexico that have the highest contribution to PIB: Campeche, Ciudad de Mexico, Estado de México, Jalisco, Nuevo León y Veracruz (National Statistical Directory of Economic Units of INEGI, 2016). Third, we contacted all the potential participants by email or phone call to invite them to participate in the study, and then did phone calls or e-mails follow up. We

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<sup>4</sup> The SABI database contains information of public and private companies (2,600,000) in Spain and 800,000 in Portugal.

<sup>5</sup> Spanish people have two surnames: the surname of the father and the surname of the mother, making family relationships among shareholders evident.

contacted a total of 650 family firms that met the criteria mentioned before and sent the questionnaire by e-mail or a printed copy.

In Vietnam there is no professional association of family firms. Moreover, family owners in Vietnam benefit from a high social consideration, so it is not simple to reach them out. Therefore, we had to rely on our informal networks to set up contact with directors and managers of family firms. The research team personally contacted each of these managers to explain them the goal of the project as well as the content of the questionnaire. We were able to contact 295 firms.

We also followed a rigorous process to ensure the validity of the questionnaire across countries. We carefully translated the English version of the FIBER questionnaire into French, Arab, Spanish, and Vietnamese. All the translations were then modified on the basis of a review by three native social scientists with a doctoral degree. Careful attention has been paid to minimize the problems inherent in simple translation, such as nonequivalence between the versions of different languages (Hulin & Mayer, 1986). Back translation (Brislin et al., 1973) was carried out on the final versions by bilingual individuals. A comparison of the original and back-translated items indicated that there was a substantial agreement between the original and the translated versions.

The data were collected during July 2018 and June 2019. A company specialized in market research was responsible for administering the survey and collecting data in all countries but Vietnam in which we selected a group of 20 students enrolled in Management Sciences Faculty within Vietnamese Universities and we trained them in the process of the data collection. With the questionnaire printed in hand the students

endorsed the role of interviewer and fulfilled the questionnaire in face-to-face interviews with each respondent.

The final sample consisted of 1464 respondents: In Canada we received 495 completed questionnaires (25.5% response rate), 114 from Mexico (17.5%), 400 from Saudi Arabia (33.6%), and 160 from Spain (17.7%). In the case of Vietnam, students were able to successfully complete the 295 interviews.

To test for the presence of non-response bias, we performed a Kolmogorov-Smirnov test (Siegel & Castellan, 1988) between responding and non-responding firms in Canada, Mexico, Saudi Arabia and Spain. The analysis reveals no significant differences in the main demographic features between the two groups (i.e., number of employees, annual sales, firm size, and age). Table 4.2 shows some descriptive of the sample. The table reveals interesting differences in the family influence across countries. For instance, family ownership is higher than 85% in all countries except in Canada where the family ownership mean is 77%. Spain shows a higher percentage of family members are involved in the TMT while Saudi Arabia is the country with the lowest family involvement in management. Last, while the majority of family firms in Canada and Mexico are in the first generation in the rest of the countries the majority of firms are controlled by the second generation. Since previous studies suggest the existence of a relationship between generational involvement, family involvement in management and ownership, we believe that the confirmation of scale measurement invariance would shed some light to these notions.

(Table 4.2) Sample characteristics						
	Canada	Mexico	Saudi Arab	Spain	Vietnam	Total
Number of Responders	495	114	400	160	295	1,464
Male	395	68	338	80	142	1,023
Female	100	46	62	80	153	441
Company Size Mean	55	200	39	42	119	95
Ownership Mean (%)	77	94	88	92	89	88
Family in TMT (%)	54	58	48	66	54	56
Generation in Charge	1	1	2	2	2	2

## Variables

### *FIBER*

As explained in the previous chapters, FIBER is a five-dimensional scale that has been proposed by Berrone et al. (2012) to directly capture the multidimensional nature of SEW. The five FIBER dimensions of SEW are: (1) Family control and influence; (2) Identification of family members with the firm; (3) Binding social ties; (4) Emotional attachment of family members; and (5) Renewal of family bonds to the firm through dynastic succession (Berrone et al., 2012). We collected that data using the suggested 27 items questionnaire regarding the 5 dimensions (Refer table 1.4).

### *Cultural context*

We assumed SEW to be different across cultural context which is measured at the national level. We used the six dimensions defined by Hofstede, (1980): power distance, individualism, masculinity, uncertainty avoidance, long-term orientation, and

indulgence. The information on the dimensions was retrieved from the Hofstede webpage for the 5 countries. Then we have created two groups in each cultural dimension – higher or lower than the average.

### *Performance*

Family firm performance was measured through requesting to indicate the profitability of their family firm in relation to other competing companies in the last three years using a scale of 1 to 5 , where 1 means " much lower" and 5 means "much better". This scale was adapted from earlier studies (e.g. Venkatraman & Ramanujam, 1986; Gupta & Govindarajan, 1984).

### *Control variables*

To capture the organizational and environmental forces related to Emotional Attachment and firm performance, the respondents were asked about the percentage of family members in the top management team which were operationalized by dividing the number of family members in the top management team by the total number of top management team. Moreover, the generation of the family firm was operationalized simply by the number of the generation. In addition, the percentage of family ownership was operationalized by dividing the number of shares that the family owns by the total number of shares available. Furthermore, the company size was measured by the number of employees. Finally, the average GDP growth of each country in the last three years as collected from the world fact book.

## **Testing the measurement invariance of the FIBER scale**

### Model estimation and invariance assessment

We adopted structural equation modelling (SEM) as the method of analysis and by applied variance-based SEM approach: Partial Least Squares (PLS). The data analysis was performed using the software SmartPLS 3.2.3. (Ringle, et al., 2005). The reflective second order model, which represents the concept of SEW, if the construct of SEW is viewed as existing separate from its measurement.

The methodology contains four main steps. First, we performed a confirmatory factorial analysis for each group to define the first-order factors. Second, we assessed the measurement model to determine and validate the relationships between the observed and unobserved variables (reflective first-order factors) and to ensure the construct measures were reliable and valid. Third, we assessed the existence of the metric invariance (Henseler, et al., 2016), which means that construct measures are invariant across cultural clusters. Following the MICOM procedure, measurement invariance, which refers to “whether or not, under different conditions of observing and studying phenomena, measurement operations yield measures of the same attribute” (Horn & Mcardle, 1992, p. 117), combines three steps: 1) configurational invariance, 2) metric invariance, and 3) scalar invariance (see Schlägel & Sarstedt, 2016). Finally, we analyzed the cultural context effect using a multi-group comparison approach.

### *Data Analysis*

To evaluate the cross-national measurement invariance of the FIBER scale we draw upon multiple groups confirmatory factor analyses (MGCFA) (Jöreskog, 1971) as it “represents the most powerful and versatile approach to testing for cross-national measurement

invariance” (Steenkamp & Baumgartner, 1998, p. 78). This method involves setting cross-group constraints and comparing more restricted models with less restricted models (Byrne et al., 1989; Steenkamp & Baumgartner 1998). We also follow the stepwise procedure proposed by these authors, testing from the least to the most demanding form of invariance.

#### *First Step. Configural invariance*

As mentioned, configural invariance requires that the items in an instrument exhibit the same configuration of factors loadings in the different countries (Horn & McArdle, 1992).

The FIBER's factor structure was assessed by estimating a Confirmatory Factor Analyses (CFA) model for each of the five data sets (countries). The CFAs for all the datasets are showed in table 4.3. All Cronbach's alphas (CA) are above the recommended value of 0.70, and the composite reliability (CR) indices are above 0.70 (Fornell & Larcker, 1981). Moreover, the average variance extracted (AVE) of the constructs exceeded the recommended threshold value 0.50 (Fornell & Larcker, 1981).

After testing that the CFA is acceptable for each country, we run a MGCFAs for all the data together in one dataset. Table 4.4 shows Bentler-Bonett Non-Normed Fit Index (BBNNFI), Comparative Fit Index (CFI) and Incremental Fit Index (IFI). Larger values of BBNNFI, CFI, and IFI (0.80 or above) are indicative of a good fit (Srinivansan, et al., 2002). In addition, table 4.3 shows the root mean square error of approximation (RMSEA) for the model. A value of this measure lower than 0.095 is an indicator of good fit (Hu & Bentler, 1995; Kline, 1998; Mulait, et al., 1989). Moreover, all factor loadings are greater than 0.40 as the cut-off demonstrating adequate levels of fit (Ford, et al., 1986; Nunnally

& Bersntein, 1994), all ps < .001. Therefore, table 4.3 and table 4.4 provide evidence of convergent validity and internal consistency of FIBER scale for all the datasets.

(Table 4.3) Validation of the measurement model – reliability and convergent validity (for five countries and all countries together)

Dimension	Indicator	Canada		Mexico		Saudi Arab		Spain		Vietnam		All Together	
		Standardized		Loadings									
F	Item 1	0.707		0.610		0.681		0.806		0.710		0.721	
	Item2	0.703	CA 0.89	0.748	CA 0.86	0.795	CA 0.86	0.814	CA 0.91	0.838	CA 0.86	0.785	CA 0.88
	Item 3	0.790	CR	0.797	CR	0.683	CR	0.765	CR	0.739	CR	0.737	CR
	Item 4	0.812	AVE 0.89	0.783	AVE 0.86	0.673	AVE 0.86	0.782	AVE 0.91	0.410	AVE 0.87	0.635	AVE 0.88
	Item 5	0.799	0.59	0.777	0.51	0.705	0.51	0.742	0.62	0.820	0.54	0.780	0.55
	Item 6	0.771		0.546		0.743		0.819		0.797		0.780	
I	Item 7	0.838		0.768		0.768		0.794		0.531		0.721	
	Item 8	0.655	CA 0.85	0.784	CA 0.87	0.797	CA 0.88	0.753	CA 0.88	0.724	CA 0.86	0.749	CA 0.88
	Item 9	0.720	CR	0.520	CR	0.836	CR	0.821	CR	0.829	CR	0.789	CR
	Item 10	0.622	AVE 0.86	0.840	AVE 0.88	0.729	AVE 0.88	0.686	AVE 0.88	0.850	AVE 0.88	0.735	AVE 0.88
	Item 11	0.789	0.51	0.700	0.54	0.737	0.56	0.838	0.56	0.867	0.55	0.805	0.55
	Item 12	0.647		0.772		0.580		0.578		0.572		0.644	
B	Item 13	0.831	CA	0.703	CA	0.656	CA	0.664	CA	0.772	CA	0.725	CA
	Item 14	0.905	0.94 CR	0.826	0.85 CR	0.731	0.87 CR	0.775	0.84 CR	0.681	0.86 CR	0.789	0.89 CR
	Item 15	0.916	0.94	0.773	0.86	0.763	0.87	0.850	0.85	0.759	0.86	0.827	0.89
	Item 16	0.832	AVE	0.728	AVE	0.828	AVE	0.660	AVE	0.768	AVE	0.788	AVE
	Item 17	0.842	0.75	0.663	0.55	0.807	0.58	0.705	0.54	0.713	0.55	0.772	0.61
E	Item 18	0.681		0.539		0.730		0.763		0.666		0.680	
	Item 19	0.761	CA 0.86	0.622	CA 0.86	0.777	CA 0.085	0.807	CA 0.89	0.659	CA 0.88	0.773	CA 0.87
	Item 20	0.851	CR	0.808	CR	0.814	CR	0.821	CR	0.850	CR	0.821	CR
	Item 21	0.458	AVE 0.86	0.608	AVE 0.86	0.707	AVE 0.85	0.695	AVE 0.89	0.702	AVE 0.88	0.657	AVE 0.87
	Item 22	0.841	0.52	0.809	0.50	0.479	0.50	0.723	0.58	0.755	0.56	0.707	0.53
	Item 23	0.646		0.820		0.677		0.749		0.817		0.732	
R	Item 24	0.785	CA 0.80	0.666	CA 0.79	0.818	CA 0.84	0.730	CA 0.86	0.795	CA 0.87	0.781	CA 0.84
	Item 25	0.526	CR	0.680	CR	0.674	CR	0.702	CR	0.747	CR	0.657	CR
	Item 26	0.705	AVE 0.80	0.808	AVE 0.80	0.796	AVE 0.84	0.831	AVE 0.87	0.774	AVE 0.87	0.774	AVE 0.84
	Item 27	0.805	0.51	0.675	0.50	0.745	0.58	0.887	0.63	0.831	0.62	0.796	0.57

(Table 4.4) Model fits of FIBER scale for five countries and all countries together						
	Chi-Square Test	Degrees of Freedom	BBNNFI	CFI	IFI	RMSEA
Canada	749.872	314	0.932	0.940	0.940	0.053
Mexico	574.249	314	0.826	0.845	0.848	0.081
Saudi Arab	762.277	314	0.911	0.921	0.921	0.060
Spain	753.218	314	0.827	0.845	0.847	0.094
Vietnam	727.875	314	0.893	0.904	0.905	0.067
All together	1,422.08	314	0.938	0.944	0.944	0.049

Evidence of discriminant validity is also necessary to ensure configural invariance. To do so, we followed two different criteria. First, we apply the Fornell-Larcker criterion that compares the square root of the AVE values with the latent variable correlations. In order to show discriminant validity, the square root of each dimension's AVE of an instrument should be greater than its highest correlation with any other dimension. The heterotrait-monotrait (HTMT) criterion is a second and more conservative approach to assessing discriminant validity (Hair et al., 2019). The HTMT is computed as the geometric mean of the heterotrait-hetero method correlations divided by the average of the monotrait-heterometod correlations. If the HTMT value is below the (conservative) threshold value of 0.85 discriminant validity would be supported (Hair et al., 2018). Table 4.5 shows evidence of discriminant validity<sup>6</sup> (for all countries together) with both the Fornell-Larcker criterion and the HTMT criterion. This implies that FIBER scale has discriminant validity, that is, that each dimension of the FIBER scale unique and captures phenomena not represented by other dimensions in the scale.

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<sup>6</sup> The discriminant validity for all the countries independently are available under request.

(Table 4.5) Discriminant validity (Fornell-Larcker Criterion and HTMT<sub>85</sub> Criterion)

Fornell- Larcker Criterion					HTMT <sub>85</sub> Criterion						
	F	I	B	E	R		F	I	B	E	R
F	0.789					F					
I	0.487	0.790				I	0.550				
B	0.350	0.342	0.829			B	0.394	0.386			
E	0.115	0.203	0.186	0.781		E	0.134	0.230	0.208		
R	0.377	0.391	0.391	0.196	0.818	R	0.438	0.454	0.458	0.222	

These results confirm the configural invariance of the FIBER scale. We now turn to test the other two types of invariance.

*Second Step. Metric invariance*

As mentioned, Metric invariance requires that the factor loadings between items and factors are invariant across nation. As such, it is tested by restricting the factor loading of each item on its corresponding factor to be the same across groups. Once the factor loading of each item is restricted, we have to test if the difference among the configurational model (without restrictions) and the metric invariance model (with restrictions) is significant, if this is the case, the metric invariance does not exist. In our case, the configural invariance model has a  $\chi^2 (1,570) = 3,806.87$ , while the metric invariance model has a  $\chi^2 (1,678) = 3,892.16$ , thus the difference between the models is ( $\Delta \chi^2 (108) = 85.293, p > .10$ ). Thus, as metric invariance model is not significantly worse than the fit of the configural invariance model and as the RMSEA and the other indicators of model fit have actually improved or at least remain equal that in the configural model

(see Table 4.6), metric invariance is supported. This means that the FIBER construct has the same metric and the same meaning across groups.

(Table 4.6) Test of measurement invariance and context heterogeneity of FIBER sale in five different countries									
	Chi-Square Test	Degrees of Freedom	Chi-Square $\Delta$	Degrees of Freedom $\Delta$	<i>p</i> -Value	RMSEA	NNFI	CFI	IFI
<b>Single Group Solutions</b>									
Canada	749.872	314				0.053 (0.048-0.058)	0.932	0.940	0.940
Mexico	547.249	314				0.081 (0.069-0.092)	0.826	0.845	0.848
Saudi Arabia	762.277	314				0.060 (0.054-0.065)	0.911	0.921	0.921
Spain	753.218	314				0.094 (0.085-0.102)	0.802	0.823	0.847
Vietnam	727.875	314				0.067 (0.060-0.073)	0.893	0.904	0.905
<b>Measurement Invariance</b>									
Equal Form	3,806.87	1,570				0.070 (0.067-0.073)	0.897	0.908	0.909
Equal Factor Loadings	3,892.16	1,678	85.293	108	0.948	0.067 (0.064-0.070)	0.905	0.909	0.909
<b>Scalar Invariance</b>									
Equal Intercepts	6,617.92	1,796	2,725.763	118	0.000	0.098 (0.095-0.100)	0.788	0.806	0.807

### *Third Step. Scalar invariance*

Scalar invariance is required to compare construct means across groups. Scalar invariance was tested constraining both, all factor loadings and all item intercepts. The model of metric invariance (with only factor loading of each item constrained) has a  $\chi^2$  (1,678) = 3,892.16, while the model of scalar invariance (with both factor loadings and

item intercepts constrained) has a  $\chi^2(1,766) = 187.842$ . Once we have the fit of the metric model and the scalar model we have to check if the difference between the fit of the two models is significant, if this is the case, the scalar invariance is not established. In our case, the difference is  $\Delta\chi^2(88) = 187.842$ ,  $p < .010$ . Thus as the difference in the fit of the models is significant the model has not a scalar invariance (see table 4.6). However, as we have explained above, some researchers have argued, that partial scalar invariance is sufficient for meaningful comparisons due to the fact that scalar invariance is a very strict criterion (Schmitt & Kuljanin, 2008; Steenkamp & Baumgartner, 1998). Partial scalar invariance is supported when the parameters of at least two indicators (loadings plus intercepts at the scalar level of measurement are constrained to be equal across groups) (Cieciuch et al., 2014). In the next step, we test if FIBER scale has partial scalar invariance. Partial invariance is established when the parameters of at least two indicators are equal across countries (Stenkamp & Baumgarhener, 1998). This means that we have to release in the items that are different across countries while making sure that at least two items per latent constructs have equal loading and intercepts (Byrne et al., 1989). In our case, more than two indicators are constrained in terms of loadings and intercepts and are equal across countries, thus, partial scalar invariance was supported for the FIBER Scale across all countries.

To sum up, our analysis shows three important findings around the FIBER scale. First, the conceptualization that family owners give to the preservation of their SEW through FIBER scale is the same in the five countries (i.e. the scale shows configural invariance). Second, family owners respond to the items of each dimension of FIBER scale in the same way, that is, different family's cultural setting confirm the FIBER scale in terms of

the type and number of dimensions, and the items associates with each dimension (metric invariance). Third, the measurement that family owners give to the preservation of their SEW through FIBER scale has the same operational definition across different family's cultural setting. This is showed through the partial scalar invariance of the model.

### **Conducting context by comparing SEW research**

#### **SEW Dimensions Across Cultures**

As the partial invariance of the FIBER scale has been confirmed, we proceed to conduct SEW context by comparing research by first, exploring and comparing differences in SEW dimensions across cultures. Table (4.7) shows that family firms in different national contexts have different levels and priorities of SEW dimensions. This confirms our initial suggestion that family firms are different across nations. Interestingly, family owners in Canada and Arabia Saudi rank SEW dimensions similarly, with “Identification with the family firm” having the highest priority and emotional attachment the lowest one However, we see that Canadian families score higher in all the aspects. Vietnamese families place the highest importance on maintaining family control and influence while Spanish and Mexican family firms give the highest importance to the Renewal of family bonds and to dynastic succession.

(Table 4.7) SEW dimensions of different countries

Dimensions for Measuring the level of SEW	Canada		Mexico		Spain		Vietnam		Saudi	
	M		M		M		M		M	
(F)amily Control and Influence	4.337	2	4.722	2	4.443	2	3.948	1	3.890	3
(I)dentification of Family Members With the Firm	4.375	1	3.319	5	4.426	3	3.768	4	4.085	1
(B)inding Social Ties	4.26	3	4.387	3	4.234	4	3.927	3	3.956	2
(E)motional Attachment of Family Members	3.952	5	4.058	4	3.292	5	3.436	5	3.826	5
(R)enewal of Family Bonds Through Dynastic Succession	3.998	4	4.883	1	4.478	1	3.94	2	3.874	4
Power distance	39	5	81	3	57	2	70	1	95	1
Individualism	80	1	30	5	51	3	20	6	25	6
Masculinity	52	3	69	4	42	6	40	3	60	3
Uncertainty Avoidance	48	4	82	2	86	1	30	5	80	2
Long Term Orientation	36	6	24	6	48	4	57	2	36	5
Indulgence	68	2	97	1	44	5	35	4	52	4

To explore how cultural differences may be guiding the heterogeneity of family firms across countries regarding SEW, we divide countries into two groups depending on whether they score above or below the mean of each Hofstede cultural dimension. Next, we use a PLS multi-group analysis (PLS-MGA), to determine whether the differences between each FIBER dimension are significant in each pair-group comparison. Tables (4.8) to (4.13) show the results for the multigroup comparison for each Hofstede dimension. Interestingly, while some FIBER dimensions are significant in some subgroups, the “Emotional Attachment” dimension is the only one that is significantly different in all the five pair comparisons. Specifically, our results show that “emotional attachment” is significantly higher in countries with high power distance (table 4.8), masculinity (table 4.10) and uncertainty avoidance (table 4.11). On the contrary is it lower as countries score higher in individualism (table 4.9), long-term orientation (table 4.12) and indulgence (4.13). In the discussion section, we will speculate why “Emotional

Attachment” has been consistently different as well as speculating its relationship with the different cultural dimensions.

(Table 4.8) The FIBER dimensions across cultures with high and low power distance			
	Path Coefficients-diff (PD Hi - PD Low)	t-Value( PD Hi vs PD Low )	p-Value (PD Hi vs PD Low)
SEW -> F	0.046	1.096	0.273
SEW -> I	-0.012	0.314	0.753
SEW -> B	0.072	1.575	0.115
SEW -> E	0.526	7.357	0
SEW -> R	-0.023	0.675	0.5

(Table 4.9) The FIBER dimensions across cultures with high and low Individualism			
	Path Coefficients-diff (Indiv Hi - Indiv Low)	t-Value( Indiv Hi vs Indiv Low )	p-Value (Indiv Hi vs Indiv Low)
SEW -> F	-0.046	1.092	0.275
SEW -> I	0.012	0.309	0.757
SEW -> B	-0.072	1.582	0.114
SEW -> E	-0.526	7.411	0
SEW -> R	0.023	0.676	0.499

Regarding the rest of the dimensions, table (4.10) shows that “Identification of family members with the firm” is significantly lower in cultures with higher masculinity.

(Table 4.10) The FIBER dimensions across cultures with high and low Masculinity			
	Path Coefficients-diff (Mas Hi - Mas Low)	t-Value( Mas Hi vs Mas Low )	p-Value (Mas Hi vs Mas Low)
SEW -> F	0.019	0.496	0.62
SEW -> I	-0.131	3.596	0
SEW -> B	0.089	1.742	0.082
SEW -> E	0.657	11.214	0
SEW -> R	0.021	0.531	0.596

Moreover, “binding social ties” and “renewal of family bonds through dynastic succession” are significantly higher in cultures with higher levels of uncertainty avoidance as shown in table (4.11).

(Table 4.11) The FIBER dimensions across cultures with high and low uncertainty avoidance			
	Path Coefficients-diff (UA Hi - UA Low)	t-Value( UA Hi vs UA Low )	p-Value (UA Hi vs UA Low)
SEW -> F	0.059	1.483	0.138
SEW -> I	-0.059	1.722	0.085
SEW -> B	0.181	3.146	0.002
SEW -> E	0.365	5.031	0
SEW -> R	0.084	2.099	0.036

Furthermore, “Identification of family members with the firm” is significantly and positively related with long term orientation (table 4.12).

(Table 4.12) The FIBER dimensions across cultures with high and low Long terms orientation			
	Path Coefficients-diff (LTO Hi - LTO Low)	t-Value( LTO Hi vs LTO Low )	p-Value (LTO Hi vs LTO Low)
SEW -> F	0.079	1.942	0.052
SEW -> I	0.208	4.302	0
SEW -> B	0.086	1.923	0.055
SEW -> E	-0.466	7.299	0
SEW -> R	0.07	1.826	0.068

Finally, “family control and influence” and “Identification of family members with the firm” are significantly lower in cultures with higher levels of indulgence.

(Table 4.13) The FIBER dimensions across cultures with high and low Indulgence			
	Path Coefficients-diff (Indulg Hi - Indulg Low)	t-Value( Indulg Hi vs Indulg Low )	p-Value (Indulg Hi vs Indulg Low)
SEW -> F	-0.109	2.422	0.016
SEW -> I	-0.457	5.306	0
SEW -> B	-0.083	1.715	0.087
SEW -> E	-0.271	3.265	0.001
SEW -> R	-0.019	0.578	0.563

## The relationship between SEW and performance across cultures

While when comparing SEW differences across cultures we explore all the six cultural dimensions of Hofstede, when exploring the relationship between SEW and Performance we focus on two of Hofstede's dimension, power distance and individualism as they are considered the most relevant ones to moderate the family SEW-performance relationship (Farh et al., 2007; Van Der Vegt et al., 2005). The cultural dimension of power distance is related to the acceptance of different degrees of power between superiors and subordinates (Hofstede, 1980, 2001). As suggested by cultural sociology research, family firms are expected to thrive in cultures with high power distance, due to social inequities which are common in such societies (Hofstede, 1980; Markus & Kitayama 1991). Family members with high level of SEW are motivated to protect their interests through exercising their power which is respected and highly regarded in such societies (Ghemawat & Khanna, 1998; Morck & Yeung, 2003, 2004). This can be achieved through their network and wealth which enable them to lobby and create barriers to new market entry (Krueger, 1974; Rajan & Zingales, 2001). In 2009, Chakrabarty concluded that family-owned firms dominate the markets in countries with high power distance.

Moreover, the nature of family firms makes them an essentially collective venture.

Steward (2003) implied that family firms that are embedded in cultures characterized with a high level of collectivism are more likely to have an improved performance. In a culture with a high level of individualism, the integration of individuals in groups and the extent to which a person would take care of their family are lower in comparison with collective cultures (Hofstede, 1980, 2001).

To conduct our exploratory analysis, we divide our samples in high and low power distance and individualism cultures. We then conduct a regression to check how the relationship is moderated. Table (4.14) presents the mean, standard deviation and correlations of the dependent, independent, moderator and control variables.

(Table 4.14) Mean, Standard Deviations and Correlations

		Mean	SD	1	2	3	4	5	6	7	8
1	Profitability	3.45	1.158	1							
2	Company Size	128.09	295.344	-.109**	1						
3	Ownership%	85.86	20.959	-.100**	.051*	1					
4	Generation	2.17	1.128	.134**	0.036	-.062*	1				
5	TMT%	53.35	36.086	-.078**	0.038	-.069**	-.099**	1			
6	GDP Growth	2.84258	2.150566	-.140**	-.073**	.062*	-.254**	.213**	1		
7	Power distance	65.78	22.498	-.319**	.385**	.216**	-.139**	.064*	-.070**	1	
8	Individualism	45.82	25.897	.364**	-.312**	-.252**	.280**	-.175**	-.354**	-.895**	1
9	SEW	4.0226	.58052	.120**	-.068**	-0.050	0.051	.087**	-.174**	-.148**	.195**

As descriptive show, family firms own on average 85.86% of firm shares, the average generation was 2.17 and the average percentage of family members in the TMT was 53.35%. Finally, the average SEW is 4.0226.

Multiple regression analysis was used to examine the effect of SEW on Profitability while taking control variables into consideration, as well as the moderation effect of culture on this relationship. Results are shown in table (4.15; 4.16 & 4.17).

(Table 4.15) Linear regression results

Dependent variable: Family firm's performance  
Variables  
Overall sample

	Model 1	Model 2
TMT	-0.045+	-0.057*
Generation	0.101***	0.099***
Ownership	-0.085**	-0.083**
Company Size	-0.115***	-0.107***
GDP Growth	-0.107***	-0.089**
SEW		0.093***
R <sup>2</sup>	0.053***	0.061***
Adjusted R <sup>2</sup>	0.050	0.057

n = 1,464 + p < .10, \* p < .05, \*\* p < .01, \*\*\* p < .001, two tail test.

† Standardized Beta Coefficients

(Table 4.16) Linear regression results

Dependent variable: Family firm's performance  
Variables

	High power distance		Low power distance	
	Model 1	Model 2	Model 3	Model 4
TMT	.039	.023	.020	.018
Generation	-.030	-.027	-.004	-.005
Ownership	.039	.038	.005	.006
Company Size	.000	.003	-.085+	-.082+
GDP Growth	-.111**	-.094*	-.506***	-.508***
SEW		.079*		.029
R <sup>2</sup>	.012+	.018*	.312***	.313
Adjusted R <sup>2</sup>	.006	.011	.307	.307

n = 1,464 + p < .10, \* p < .05, \*\* p < .01, \*\*\* p < .001, two tail test.

† Standardized Beta Coefficients

(Table 4.17) linear regression results				
Dependent variable: Family firm's performance				
Variables				
	High Individualism		Low Individualism	
	Model 1	Model 2	Model 3	Model 4
TMT	.020	.018	.039	.023
Generation	-.004	-.005	-.030	-.027
Ownership	.005	.006	.039	.038
Company Size	-.085+	-.082+	.000	.003
GDP Growth	-.506***	-.508***	-.111**	-.094*
SEW		.029		.079*
R <sup>2</sup>	.312***	.313	.012+	.018*
Adjusted R <sup>2</sup>	.307	.307	.006	.011

n = 1,464 + p < .10, \* p < .05, \*\* p < .01, \*\*\* p < .001, two tail test.  
† Standardized Beta Coefficients

As table (4.15) shows, when conducting the regression in the whole sample, all control variables were significant except the percentage of family members in the top management teams. Additionally, our model was significant and SEW showed to have a significant and positive relationship with profitability. When dividing the sample into groups of high and low cultural dimensions, we found that: [1] for high power distance cultures, SEW was significantly and positively related with profitability. [2] For low power distance cultures, the relationship between SEW and profitability was insignificant. [3] For high individualism, the relationship between SEW and profitability was insignificant. [4] For low individualism, the relationship between SEW and profitability was significant and positive.

## Discussion and Implications

Due to the importance of contextualizing SEW for family business, it has become vital for families, researchers, policy makers and practitioners conduct comparative studies

across cultural contexts. To do so, it is essential to have universally valid and reliable instruments to capture Socioemotional Wealth. In addition, the international presence and importance of family businesses, and the embeddedness of family firms within the national culture and institution has increased the need for conducting research beyond developed countries with instruments that have cross-national equivalence.

Our results using a sample of five culturally different countries show that the FIBER scale shows partial scalar invariance. Confirming the partial invariance, enable us to conduct meaningful comparative studies of SEW across the five countries in the sample. Our exploratory comparison suggested the existence of significant differences in some of SEW dimensions across cultural dimensions.

Interestingly, the emotional attachment dimension is the only one that showed to be consistently different across cultures. This may not be surprising as emotions are closely linked with the norms, culture and values of a specific context (Mesquita & Markus, 2004). It is highly affected by culture as this shapes the socio-cultural links between family members and their family firms (Brundin & Nordqvist, 2008). Our results show that “emotional attachment” is significantly higher in countries with high power distance, masculinity and uncertainty avoidance, and lower in countries with higher in individualism, long-term orientation and indulgence. Most of these results are in line with what have been implied by previous research that has explored culture and its influence over behavior and norms. For example, as societies feel threatened by unknown situations (when uncertainty avoidance is high) emotional attachment to the firm provides them with certainty creating a feeling of control over the future. Moreover, in societies with high level of individualism, it is expected that emotional attachment would be lower as people

normally prioritize themselves and their needs and seek independence from others. In contrast, the focus within collectivist societies is to be part of a group in which people take care of each other in exchange for loyalty. In addition, as societies with a low score on long term orientation dimension prefer to maintain time-honored traditions and norms while viewing societal change with suspicion, emotional attachment is expected to be lower. Finally, emotional attachment showed to be lower in societies with higher level of indulgence, which can be explained as that in societies with high indulgence people tend to emphasize enjoying life and having fun, and most probably less inclined to be emotionally attached to the family business.

On the other hand, the only result in our research that seems to be counterintuitive is in the case of masculinity. In Masculine societies, it is expected that achievement, assertiveness, and material rewards for success are emphasized. This result shall be investigated further through context by theorizing and maybe controlling for other variables which have not been taken into consideration in our study such as institutional context. It can also be explained by understanding further what does achievement mean in the family business context, and it might be related to the family business and its performance and reputation which in turn can create emotions between the family members and the firm.

Moreover, SEW showed to have a positive relationship with family firm's performance. Results are aligned with previous research that has emphasized the positive relationship between SEW to performance (e.g. Allouche et al., 2008; Block et al., 2011; Ding et al., 2008; Yuan 2008; Martinez et al., 2007; Bonilla et al., 2010; Chu, 2011; Filatotchev et al., 2011; Ben-Amar et al., 2011). SEW enhances continuity as it is

expected to motivate family members to work hard and give their best to the family firm which might be reflected on others and hereby developing a sense of loyalty. Such behavior is expected to create a positive reputation which is a vital asset for the family business. Additionally, this sense of belonging and continuity lead to developing expertise, knowledge in manufacturing, marketing, business insights that is considered to be competitive advantage (Irava & Moores, 2010). It also enables them to build their network overtime which leads to a higher ability of opportunity recognition (Ramos-Rodriguez, et al., 2010) and a better access to resources (Lechner, et al., 2006) which are translated into an improved performance. Nevertheless, our regression shows that SEW didn't explain a high percentage of the positive variance in performance despite being significant. Which indicates that while there is a positive relationship between SEW and performance, the level of effect is not very high which might explain the contradictory results of other previous studies. Interestingly, this positive and significant relationship is moderated by culture which might further explain why previous studies were inconsistent. Specifically, we witnessed a significant positive relationship between SEW and performance in cultures with high power distance. Such relationship is consistent with some of the extant literature which can be explained that in high power distance cultures family members can use their SEW to better lead the company and practice their authorities in lobbying to better their firm and to create barriers for competition. Also, it ensures that their team members accept the inequity and hierarchy without the need to compensate for it in one way or another. However, the relationship was insignificant in low power distance cultures. This might explain the abundance of studies that could not establish a relationship between SEW and performance which

were done in developed contexts which are essentially characterized with low power distance. These studies in developed countries with low power distance communities might have even made researchers skeptical of the existence of any relationship between SEW and performance. Moreover, consistent with expectations derived from cultural studies, SEW showed to have a significant and positive results in collectivist societies. A high level of SEW in collectivist societies enhances positive feelings and magnify knowledge sharing and stewardship behavior. Again, this emphasizes the network and access to information which is vital especially in countries where information is scarce and expensive. However, in high individualism societies, the relationship between SEW and performance was insignificant. Once again, this provides us with a confirmation that context matters as it explains why many previous studies found no evidence for the relationship between SEW and performance. The majority of these studies were done in developed countries that enjoy a high level of individualism. These studies in developed countries with individualistic cultures, have shown insignificant results creating skepticism of the existence of any relationship between SEW and performance.

## **Conclusion**

In short, this chapter confirms that some of the different SEW dimensions are significantly different in different cultures. Namely, emotional attachment has been consistently different across different culture which emphasizes the importance to further study it in order to learn more about what that means. Moreover, the chapter confirms the moderating effect of cultural differences on the relationship between SEW and performance. Additionally, the chapter suggests the universal applicability of SEW

conceptualized through FIBER. This indicates the possibility to conduct meaningful comparative studies and open the gates for additional research to be done. The results of this chapter have important implications for researchers, family businesses, practitioners, researchers and policy makers. The effort to confirm measurement invariance of the FIBER scale will enable researchers to further develop SEW research since it has confirmed the cross-national applicability and generalizability of the SEW construct and its measurement. This should improve the reliability, validity and comparability of research findings. Measuring concepts is a key concern of academics and businesses. Understanding the extent to which FIBER scale is generalizable across nations, will enable them to design and implement strategies aligned with their context addressing the most important trigger for family businesses decision – SEW. It will also enable them to explore further areas of research adopting context by theorizing since the confirmation of measurement invariance has provided them with a base from which they can set their studies in motion. Acknowledging that SEW dimensions are significantly different across cultures, motivates researchers to further contextualize SEW research and to investigate the effect and antecedents of each dimension and how they dwell in different contexts. It might also be suitable to test the theoretical and conceptual relationships. For example, the FIBER scale can be used to examine the antecedents and consequence of different SEW dimensions in several countries enabling for better context by theorizing papers. In addition, our findings suggest that SEW, as a source of competitive advantage within family businesses, is more suitable in cultures characterized by high power distance and low individualism. While previous studies exploring the matter did not emphasize the importance of context, our study contributes to the literature by

investigating the subject in five countries with cultural diversity. Actually, our study shows that different SEW dimensions behave differently across cultures. It emphasized the Emotional Attachment dimension as it has consistently showed to be significantly different in different cultures which emphasizes the importance of investigating it and learning more about it further. Researchers could investigate what concepts can be studied to learn more about emotional attachment such as governance model, or the role of the mother within a family firm. Moreover, contextualizing the relationship between SEW and performance has confirmed that actually the relationship between SEW and performance is moderated by culture. It revealed that the relationship is insignificant in cultures of low power distance and high individualism, which are common characters in developed countries where the majority of previous studies are conducted. This is very enlightening as it provides researchers with better justification of previous studies results, and open for them ample avenue of future research.

For family businesses and policy makers, learning about the existence of a universally applicable instrument can contribute to an improved decision making of how to manage SEW and the relationship between SEW and family firms' behavior and outcomes. Since family firms follow and measure their financial performance, it is highly important to family businesses to measure SEW as it represents their main reference point. Additionally, recognizing that some dimensions are significantly different in different countries, help family firms from different parts of the world to understand this and prepare their different strategies and plans accordingly. For example, acknowledging the importance of emotional attachment, family firms can devise strategies which would enable them to magnify positive emotions and control negative ones. This strategies and tools might

include the suggestions by management consultants to introduce family councils or to emphasize the role of the mother as CEO “Chief Emotional Officer”. This is also beneficial for policy makers as it would help them understand how to address the different dimension and achieve their goals of family firms’ survival, transgenerational entrepreneurship, conflict resolutions and others. For instance, they might introduce governance requirements such as the inclusion of a minimum number of women in the board as a strategy that would lead to a more balanced emotions and values of feminism. Finally, this research highlights to family firms that importance of understanding SEW and how this can be a source of competitive advantage. As SEW has shown to be positively and significantly related with performance in specific cultures, family firms are encouraged to learn about their culture and how can they advance both their SEW and financial performance. This would enable them to magnify their resources and capabilities. It would improve how families provide network and reputation. It can also assist in ensuring the development of a stewardship mentality in current family top management team and future successors and employees by sharing experience and knowledge. This would also lead family members to re-invest in the business and ensure to reflect their culture on the business. This also helps policy makers which have totally ignored the SEW and have not taken this into consideration when developing their policies. This model provides some evidence regarding how family firms can be successful by maintaining a strong and positive SEW. Understanding the role of national culture on these matters assist policy makers in identifying the proper approach and stay away from previous behavior of one strategy fits all. For example, policy makers in cultures of high-power distance and

collectivism, shall be aware of SEW and how to nurture it which can lead to a higher level of family firms' satisfaction and improved performance.



## **CONCLUSION**

This study follows calls by scholars to improve (1) understanding of the heterogeneity of family firms (2) the clarity and validity of SEW. It does this through contextualizing SEW research and applying rigorous methodology. It suggests that family firms are different in essence across cultures. It also indicates that cultural differences moderate the relationship between SEW and family firm's performance.

After reviewing the literature of SEW, its measurement and challenges, chapter 1 highlighted the absence of contextualized SEW research despite its relevance. Chapter 2 has emphasized the importance of contextualizing SEW research and suggested agenda for how to do this through context by sampling, context by comparing and context by theorizing. It will be published as a chapter in a book edited by Brigham and Payne. The chapter titled "Enhancing the Validity of Socio-Emotional Wealth (SEW): Introducing a Context Focused Approach" is developed with Dr. Cristina Cruz and Dr. Valeriano Famoso. They shed the light on the necessity of contextualizing SEW research as this can improve the generalizability of the approach. As mentioned before, context focused SEW research can enhance our understanding of family firms' heterogeneity.

Moreover, chapter 3 has taken the step and conducted a context by sampling study which validated the FIBER dimension in the under researched context of Saudi Arabia, emphasizing and explaining its uniqueness and importance and speculating why SEW is different than studies done in other cultures. It has also explained the implications of this uniqueness on the nature of family businesses in Saudi Arabia. Saudi families have shown to prioritize the dimensions of "identification of family members with the firm" and

“binding social ties”, which shows that they emphasize on positive image, excellent familial relationships and network. We found out that Saudi family firms have a lower SEW than their counterparts in Finland. We speculate that might be resulted from Saudi firms aiming to balance between SEW and performance, rather than prioritize SEW. We recommend future researchers to further question the impact of specific cultures to figure out whether the underlying assumptions of SEW approach be modified or altered, which would improve our understanding of SEW’s predictability and applicability in that specific context. This can be done through measuring how family firms in different contexts prioritize between their pursuit of SEW and financial goals. In addition, it is highly recommended to investigate the relationship among the different dimensions of SEW and with the construct itself. This can be empirically done by applying necessary condition analysis (NCA) following Qualitative comparative analysis using fuzzy sets (FsQCA) as suggested by Dul (2016). Understanding which are the necessary conditions and which are the sufficient ones, would provide researchers with an instrument that will assist in exploring other avenues related to the FIBER conceptualization and its relationship with antecedents and outcomes. Researchers are also encouraged to capture SEW using other scales and models and compare between the different models to understand whether specific models are more suited to specific contexts.

In chapter 4, which will be presented in IFERA conference, 2022, we tested measurement invariance following the steps recommended by Steenkamp and Baumgartner (1998), that entails confirming the configural, metric and scalar invariance of the scale. A partial scalar invariance has been confirmed and accordingly we

conducted a context by comparing study. This study showed that SEW is different across cultural groups, with emotional attachment consistently different across all groups. It also showed that the relationship between SEW and performance is different in different cultures. The relationship between SEW and performance was significant and positive in general. However, it has explained a very small part of the variance. Moreover, it showed that while the results were significant and positive in cultures of high-power distance and low individualism, they were insignificant in cultures of low power distance and high individualism. This knowledge can explain the history of inconclusive results regarding the relationship between SEW and performance and it brings us closer to finding the answer in the "Search of The Holy Grail". Researchers are encouraged to move to context by theorizing approach and apply it in different levels to investigate its direct influence on firms' outcomes. This research brings them one step closer by confirming the measurement invariance of FIBER and by showing the existence of differences in SEW across contexts. The results can be improved by (1) studying specific SEW dimensions (2) conducting longitudinal studies to understand the causal relationship (3) measuring context in a rigorous way that captures institutional and cultural settings. In addition, these improvements are to be used when exploring the moderator or mediating effect of context. While researchers traditionally aimed at investigating a phenomenon in a context with a high potential of generalizability, we suggest that researchers to investigate SEW in contexts that are clearly different which can offer opportunities for challenging assumptions related to extant theory, or maybe enable them to create new ones. For instance, cultures where family is extended and includes second cousins and how would that affect our

understanding of SEW, or the relationship between SEW and family firms' outcomes. A qualitative case study approach can be more suitable for such studies initially to disentangle the different variables and to be able to capture the inputs of members of the extended family. In addition, researchers are encouraged to explain the different roles of context regarding SEW through using extant theories such as institutional theory or by developing context specific theories to explain the socioemotional perspective. Moreover, researchers shall consider intersectionality and compare between subgroups within the context, or between more than one context. For example, do males and females behave differently in Saudi Arabia in relation to their SEW. Finally, researchers should contextualize SEW in specific occasions, such as the most recent pandemic which can provide more conclusive and causal explanation.

Clearly this research has important implications to family business. Confirming measurement invariance, enable international family firms to use FIBER to measure and monitor their SEW. Family businesses traditionally have been able to monitor their financial performance. In recent years, some family firms started to monitor their environmental performance, or their work environment goals. Assuming that SEW is the main reference point for family firms indicates the importance for family firms to capture and track their SEW. This will also enable them to set goals in relation to SEW and devise strategies of how to nurture the positive ones, and how to restrain the negative aspects. In addition, realizing that SEW differs according to context, makes families aware of these differences and understand how it would impact them. Finally, understanding the context moderates the relationship between SEW and performance,

would indicate to families which dimensions shall they focus on based on their context and their culture.



## **CONCLUSIÓN**

Este estudio responde a los llamamientos de los académicos para mejorar 1) la comprensión de la heterogeneidad de las empresas familiares, 2) la claridad y la validez de la SEW. Lo hace mediante la contextualización de la investigación sobre la SEW y la aplicación de una metodología rigurosa. Sugiere que las empresas familiares son diferentes en esencia entre las culturas. También indica que las diferencias culturales moderan la relación entre la SEW y el rendimiento de la empresa familiar.

Tras revisar la bibliografía sobre la SEW, su medición y los retos que plantea, el capítulo 1 puso de manifiesto la ausencia de una investigación contextualizada sobre SEW, a pesar de su importancia. En el capítulo 2 se ha subrayado la importancia de contextualizar la investigación sobre la SEW y se ha sugerido un programa para hacerlo mediante el contexto muestral, comparativo y teórico. Se publicará como capítulo en un libro editado por Brigham y Payne. El capítulo titulado *“Enhancing the Validity of Socio-Emotional Wealth (SEW): Introducing a Context Focused Approach”* se ha desarrollado con la Dra. Cristina Cruz y el Dr. Valeriano Famoso. En este artículo se explica la necesidad de contextualizar la investigación sobre la SEW, ya que esto puede mejorar la generalización del enfoque. Como se ha mencionado anteriormente, la investigación de la SEW centrada en el contexto puede mejorar nuestra comprensión de la heterogeneidad de las empresas familiares.

Además, el capítulo 3 ha dado el paso y ha realizado un estudio de contexto muestral que ha validado la dimensión FIBER en el contexto poco investigado de Arabia Saudí, destacando y explicando su singularidad e importancia y conjeturando por qué la SEW es diferente a los estudios realizados en otras culturas. También ha explicado las

implicaciones de esta singularidad en la naturaleza de las empresas familiares en Arabia Saudí. Las familias saudíes han demostrado dar prioridad a las dimensiones de “identificación de los miembros de la familia con la empresa” y los “lazos sociales vinculantes”, lo que demuestra que hacen hincapié en la imagen positiva, las excelentes relaciones familiares y la red. Detectamos que las empresas familiares saudíes tienen una SEW más baja que sus homólogas en Finlandia. Conjeturamos que esto podría deberse a que las empresas saudíes buscan un equilibrio entre la SEW y el rendimiento, en lugar de dar prioridad a la SEW. Recomendamos a los futuros investigadores que sigan cuestionando el impacto de culturas específicas para averiguar si los supuestos subyacentes del enfoque de la SEW pueden modificarse o alterarse, lo que mejoraría nuestra comprensión de la predictibilidad y aplicabilidad de la SEW en ese contexto específico. Esto puede hacerse midiendo cómo las empresas familiares de diferentes contextos priorizan entre su búsqueda de SEW y sus objetivos financieros. Además, se recomienda encarecidamente que se investigue la relación entre las diferentes dimensiones de la SEW y con el propio constructo. Esto se puede hacer empíricamente aplicando el análisis de condiciones necesarias (NCA por sus siglas en inglés) siguiendo el análisis comparativo cualitativo utilizando conjuntos difusos (FsQCA por sus siglas en inglés) como sugiere Dul (2016). Entender cuáles son las condiciones necesarias y cuáles las suficientes proporcionaría a los investigadores un instrumento que ayude a explorar otras vías relacionadas con la conceptualización FIBER y su relación con los antecedentes y los resultados. También se anima a los investigadores a capturar la SEW utilizando otras escalas y modelos y a comparar

entre los diferentes modelos para entender si los modelos específicos son más adecuados para contextos específicos.

En el capítulo 4, que se presentará en la conferencia de IFERA de 2022, comprobamos la invarianza de medición siguiendo los pasos recomendados por Steenkamp y Baumgartner (1998), que implican la confirmación de la invarianza configural, métrica y escalar de la escala. Se ha confirmado una invarianza escalar parcial y, en consecuencia, hemos llevado a cabo un estudio de contexto comparativo. Este estudio demostró que la SEW es diferente entre los grupos culturales, y que el apego emocional es reiteradamente diferente en todos los grupos. También demostró que la relación entre la SEW y el rendimiento es diferente en las distintas culturas. La relación entre la SEW y el rendimiento fue significativa y positiva en general. Sin embargo, explicó una parte muy pequeña de la variación. Además, mostró que mientras los resultados eran significativos y positivos en las culturas de alta distancia de poder y bajo individualismo, eran insignificantes en las culturas de baja distancia de poder y alto individualismo. Este conocimiento puede explicar el historial de resultados inconcluyentes en cuanto a la relación entre la SEW y el rendimiento y nos acerca a encontrar la respuesta en la “búsqueda del Santo Grial”. Se anima a los investigadores a pasar al enfoque de contexto teórico y a aplicarlo en diferentes niveles para investigar su influencia directa en los resultados de las empresas. Esta investigación les acerca un poco más al confirmar la invarianza de medición de la FIBER y al mostrar la existencia de diferencias en la SEW entre contextos. Los resultados pueden mejorarse mediante 1) el estudio de dimensiones específicas de la SEW, 2) la realización de estudios longitudinales para comprender la relación causal, 3) la medición del contexto

de una forma rigurosa que capte los entornos institucionales y culturales. Además, estas mejoras deben utilizarse al explorar el efecto moderador o mediador del contexto. Mientras que los investigadores se han propuesto tradicionalmente investigar un fenómeno en un contexto con un alto potencial de generalización, sugerimos que los investigadores investiguen la SEW en contextos que son claramente diferentes, lo que puede ofrecer oportunidades para cuestionar los supuestos relacionados con la teoría existente, o tal vez permitirles crear otros nuevos. Por ejemplo, las culturas en las que existe una familia extensa que incluye a los primos segundos y cómo afectaría esto a nuestra comprensión de la SEW, o la relación entre la SEW y los resultados de las empresas familiares. Un enfoque cualitativo de casos prácticos puede ser más adecuado para que este tipo de estudios pueda desentrañar inicialmente las diferentes variables y captar las aportaciones de los miembros de la familia extensa. Además, se anima a los investigadores a explicar los diferentes papeles del contexto en relación con la SEW mediante el uso de teorías existentes, como la teoría institucional, o mediante el desarrollo de teorías específicas del contexto para explicar la perspectiva socioemocional. Además, los investigadores deberán considerar la interseccionalidad y comparar entre subgrupos dentro del contexto, o entre más de un contexto. Por ejemplo, ¿se comportan los hombres y las mujeres de forma diferente en Arabia Saudí en relación con su SEW? Por último, los investigadores deberían contextualizar la SEW en momentos específicos, tales como la reciente pandemia, que puede proporcionar una explicación más concluyente y causal.

Es evidente que esta investigación tiene importantes implicaciones para las empresas familiares. La confirmación de la invarianza de medición permite a las empresas

familiares internacionales utilizar la FIBER para medir y controlar su SEW.

Tradicionalmente, las empresas familiares han podido supervisar sus resultados financieros. En los últimos años, algunas empresas familiares han comenzado a supervisar su rendimiento medioambiental, o sus objetivos de entorno laboral. Asumir que la SEW es el principal punto de referencia para las empresas familiares indica la importancia que tiene para ellas su captación. Esto también les permitirá establecer objetivos en relación con la SEW y concebir estrategias sobre cómo fomentar los aspectos positivos y cómo mitigar los negativos. Además, comprender que la SEW difiere según el contexto, hace que las familias sean conscientes de estas diferencias y entiendan cómo les afectaría. Por último, entender que el contexto modera la relación entre la SEW y el rendimiento, indicaría a las familias en qué dimensiones deberían centrarse en función de su contexto y su cultura.



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